

Flash Note

Wednesday, October 23, 2024

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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 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 25.5bn (PKR 20.86/share) during 3QCY24 compared to PKR 14.5bn (PKR 11.88/share) last year, surging by 84%q/q/76%y/y taking the total earnings for 9MCY24 to PKR 55bn (PKR 44.92/share), up by +35%/y/y, as compared to PKR 40.9bn (PKR 33.38/share) in 9MCY23.

Dividend/Payout: The Company announced a cash dividend of PKR 11/share along with the result this quarter taking the cumulative dividend for 9MCY24 to PKR 33/share.

Operating Performance: During the 3QCY24 period under review, the Bank reported net-interest income of PKR 52bn (up by 37%/y/y) and non-interest income of PKR 23bn significantly higher as compared to the same period last year due to a rise in the bank's treasury income on the back of high capital gains. As a result, the total revenue of the bank clocked in at PKR 74bn (up by +92%/y/y). Moreover, UBL recorded operating expenses of PKR 23bn (up by +32%/y/y), however the bank's cost/income ratio declined to 31% (3QCY23: 45%) on the back of higher total revenue. The bank booked a provision charge of PKR 1bn during 3QCY24 compared to a provision reversal of PKR 7bn in the same period last year. The tax charge for this quarter came at PKR 25bn (effective tax rate of 49% same as in 2QCY23) bringing total effective tax rate for 9MCY24 to 49% compared to 48% in the same period last year.

Exhibit: Financial Highlights United Bank Limited (UBL)					
Latest result published for 3Q/24					
Period (PKRbn)	3Q/24	3Q/23	2Q/24	9M'24	9M'23
Net Interest Income	52	38	27	105	107
Fee Income	6	4	5	16	13
Treasury Income	9	(4)	10	35	(1)
Non-Interest Income	23	1	18	61	23
Total Revenue	74	39	45	167	130
Op. Exp.	(23)	(18)	(19)	(60)	(49)
Provision charge	(1)	7	1	1.5	(2.0)
Profit Before Tax	50	28	27	108	79
Tax	(25)	(14)	(13)	(53)	(38)
Profit After tax	25.5	14.5	13.9	55.0	40.9
EPS	20.86	11.88	11.32	44.92	33.38
DPS	11.00	11.00	11.00	33.00	33.00

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

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

3rd Floor, Kamran Centre,
 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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