

Flash Note

Wednesday, February 25, 2026



Commercial Banks

United Bank Limited (UBL)

Earnings: United Bank Limited (UBL) announced its financial result for the fourth quarter of the year 2025. As per the financial result, the Bank reported unconsolidated earnings of PKR 28.0bn (PKR 11.2/share @ 2.504bn shares) during 4QCY25 compared to PKR 25.5bn (PKR 10.2/share @ 2.504bn shares) last year, increasing by +10%/y/y while down by -23%q/q. This brings total earnings for CY25 to PKR 128.0bn (PKR 51.1/share @ 2.504bn shares), up by 59%/y/y, compared to PKR 80.5bn (PKR 32.2/share @ 2.504bn shares) last year.

Dividend/Payout: The Bank announced a cash dividend of PKR 8/share along with the result taking the cumulative dividend to PKR 35.0/share.

Operating Performance: During the 4QCY25 period under review, UBL reported net-interest income of PKR 94.2bn (up by +38%/y/y) on the back of drop in interest expense likely due to lower cost of funds. However, non-interest income clocked in at PKR 14.2bn (down by -46%/y/y) due to a -69%/y/y decline in treasury income as compared to same period last year. As a result, the total revenue of the bank clocked in at PKR 108.4bn (up by +15%/y/y). Moreover, UBL recorded operating expenses of PKR 44.2bn (up by +17%/y/y). The bank's cost/income ratio inclined to 41% (4QCY24: 40%) on the back of higher expenses. UBL booked a provision charge of PKR 0.1bn during 4QCY25 compared to a provision charge of PKR 14.2bn in the same period last year. The tax charge for this quarter came at PKR 36.1bn (effective tax rate of 56% compared to 40% in the same period last year). The effective tax rate for CY25 clocked in at 32% compared to 38% in the last year.

Exhibit: Financial Highlights United Bank Limited (UBL)					
Latest result published for 4Q'/25					
Period (PKRbn)	4Q'/25	4Q'/24	3Q'/25	CY'25	CY'24
Net Interest Income	94.2	68.2	92.0	361.6	173.4
Fee Income	6.7	3.0	6.8	28.0	18.9
Treasury Income	7.2	23.0	6.0	29.0	60.7
Non-Interest Income	14.2	26.2	13.0	58.0	87.5
Total Revenue	108.4	94.4	105.0	419.6	260.9
Op. Exp.	(44.2)	(37.8)	(30.4)	(135.9)	(98.0)
Provision charge	(0.1)	(14.2)	0.8	4.7	(12.8)
Profit Before Tax	64.1	42.4	75.5	288.3	150.2
Tax	(36.1)	(16.9)	(39.3)	(160.3)	(69.7)
Profit After tax	28.0	25.5	36.2	128.0	80.5
EPS	11.2	10.2	14.5	51.1	32.2
DPS	8.0	11.0	8.0	35.0	44.0

Source: Company accounts, IGI Research. No. of shares: 2504.2mn

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Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

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- 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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