

RESULT REVIEW

United Bank Limited (UBL) - CY24

Wednesday, February 19, 2025

UBL posted a consolidated profit after taxation (PAT) from continuing operation of PKR 74.839bn (EPS: 61.12) in CY24 (↑33% y/y) from PKR 56.471.0bn (EPS: 45.05) in CY23. The bank announced a cumulative dividend of PKR 44.0 per share, unchanged from CY23. The earnings growth was primarily driven by higher profit/return earned, increased investments in lucrative avenues, and exceptional gains on securities.

- Profit/return earned grew significantly by 103% YoY to PKR 1,084.6bn, compared to PKR 535.2bn in CY23.
- Other income recorded at PKR 83.694bn (↑132%) mainly attributable to the 9% rise in Fee and commission income (PKR 21.5bn) and 7891% increase in Gain in securities (PKR 42.5bn).
- Foreign exchange income declined to PKR 12.6bn from PKR 12.7bn, mainly due to reduced currency volatility.
- Operating expenses jumped 38% YoY to PKR 100.3bn, indicating cost pressures from inflation and branch expansion.
- Other expenses, including the Workers Welfare Fund (PKR 3.1bn) and other charges (PKR 75mn), increased 34% YoY
- The bank's taxation expense surged 30% YoY to PKR 70.1bn, leading to a effective tax rate of 48% as compared to 49% SPLY.
- UBL recorded PKR 12.8bn in credit loss provisions, up 1204% YoY, reflecting a cautious approach to asset quality.

Financials (PKR in mn)	CY24	CY23	YoY
Profit/return earned	1,084,641	535,211	103%
Profit/return expensed	911,093	386,236	136%
Net mark-up/interest income	173,548	148,975	16%
OTHER INCOME			
Fee and Commission	21,535	19,751	9%
Dividend Income	1,741	1,614	8%
Foreign Exchange Income	12,560	12,716	-1%
Gain/(loss) in derivatives	1,231	(65)	1,994%
Gain/(loss) in securities	42,593	533	7891%
Capital Gain on derecognition	2,894	-	
Other income	1,140	1,523	-25%
	83,694	36,072	132%
OTHER EXPENSES			
Operating Expenses	97,104	70,094	39%
Workers Welfare Fund	3,146	2,159	46%
Other Charges	75	240	-69%
	100,325	72,493	38%
	156,917	112,554	39%
Share of Profit of Associates	895	(989)	190%
Profit before credit loss allowance/provisions	157,812	111,565	41%
Credit loss allowance/ provisions and write offs	12,775	980	1204%
Profit Before Taxation	145,037	110,585	31%
Taxation	70,198	54,114	30%
Profit After Taxation from continuing operations	74,839	56,471	33%
Profit from Discontinued Operations	938	-	
	75,777	56,471	34%
EPS	61.12	45.05	
DPS	44	44	

Source: Company Financials, HMFS Research

* Consolidated Financials

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