

## RESULT REVIEW

## United Bank Limited (UBL) - 2QCY25

Friday, July 11, 2025

United Bank Limited (UBL) posted a consolidated PAT of PKR 28.1bn (EPS: PKR 11.26) for 2QCY25, down 21% q/q from PKR 35.6bn (EPS: PKR 28.92, adjusted EPS: PKR 14.4) in the previous quarter. The decline was mainly due to higher operating costs and lower securities gains, even though core income remained strong.

- Net mark-up income rose 8% q/q to PKR 91.2bn, supported by a 16% q/q increase in profit earned and a 20% q/q increase in profit expensed, reflecting strong balance sheet growth.
- Non-mark-up income held steady at PKR 15.2bn, with fee income improving 24% q/q and FX income up 14% q/q. However, gains from securities dropped 60% to PKR 2.3bn, and derivative losses widened slightly.
- Operating expenses rose sharply by 38% q/q to PKR 33.9bn, reflecting the impact of inflation, ongoing expansion, and consolidation of Silk Bank's operations post-amalgamation.
- Profit before tax remained largely flat at PKR 73.3bn (↓3% q/q), but a higher tax charge (PKR 45.1bn, ↑14% q/q) led to a 21% decline in bottom-line earnings.
- UBL announced a second interim dividend of PKR 8.0/share i.e. 160%, in addition to an interim Dividend already paid at PKR 11/share (adj. DPS: PKR 5.5) i.e.110%.

Financials (PKR in mn)	2QCY25	1QCY25	Q/Q	2QCY24	Y/Y
Profit/return earned	303,036	260,958	16%	276,527	10%
Profit/return expensed	211,838	176,733	20%	249,503	-15%
<b>Net mark-up income</b>	<b>91,197</b>	<b>84,225</b>	<b>8%</b>	<b>27,023</b>	<b>237%</b>
<b>OTHER INCOME</b>					
Fee and Commission	8,037	6,468	24%	4,780	68%
Dividend Income	570	863	-34%	449	27%
Foreign Exchange Income	3,966	3,477	14%	3,691	7%
Loss from derivatives	(1,761)	(1,253)	41%	40	-4503%
Gain/(loss) in securities	2,321	5,826	-60%	5,334	-56%
Capital gain/loss on amortised assets	-	-		3,841	-100%
Other income	270	217	24%	175	54%
	<b>106,362</b>	<b>99,823</b>		<b>45,337</b>	<b>135%</b>
<b>NON MARK-UP/ INT EXPENSES</b>					
Operating Expenses	33,867	24,619	38%	18,150	87%
WWF	1,437	1,478	-3%	564	155%
Other Charges	1	1	0%	31	-97%
	<b>35,305</b>	<b>26,097</b>		<b>18,746</b>	<b>88%</b>
	<b>71,057</b>	<b>73,726</b>		<b>26,591</b>	<b>167%</b>
Credit loss allowance	(2,280 )	(1,609)	42%	(647)	252%
<b>Profit before Tax</b>	<b>73,335</b>	<b>75,334</b>	<b>-3%</b>	<b>27,238</b>	<b>169%</b>
Taxation	45,140	39,739	14%	13,381	237%
<b>Profit after Tax</b>	<b>28,140</b>	<b>35,596</b>	<b>-21%</b>	<b>13,381</b>	<b>110%</b>
<b>EPS</b>	<b>11.26</b>	<b>28.92</b>		<b>5.66</b>	
<b>DPS</b>	<b>8.00</b>	<b>11.00</b>		<b>5.50</b>	

Source: Company Financials, HMFS Research

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