

- UBL has announced its 1QCY25 earnings, posting a record-high quarterly profit of PKR 36.1bn (EPS: PKR 29.3), marking a remarkable growth of 126% YoY and 39% QoQ (compared to 4QCY23 EPS of PKR 21.2).
- The bank's earnings was fueled by a substantial YoY rise in Net-Interest Income of 200% along with provisioning reversal of PKR 1.6bn during the quarter.
- Alongside the results, UBL declared a cash dividend of PKR 11.0/share and also announced a 2-for-1 stock split.
- In the outgoing quarter of 1QCY25, the bank reported its Net Interest Income at PKR 84.2bn, marking a massive jump of 200% compared to the same period last year and a 30% increase from the previous quarter.
- The bank experienced a significant increase in interest earned, which jumped by 7% YoY and 5% QoQ. Moreover, the bank faced a decline in interest expenses, which contracted by 18% YoY and 4% compared to the last quarter.
- During the outgoing quarter, the bank's non-funded income witnessed a decline of 21% QoQ and 37% YoY, primarily due to lower capital gains, which dropped by 51% YoY to PKR 5.8bn.
- Other income also declined by 36.4% YoY, settling at PKR 210mn.
- Additionally, FX income came in at PKR 2.4bn, reflecting a decrease of 8.9% YoY.
- On the positive side, fee income showed strong growth, rising by 26% YoY and 113% QoQ.
- The bank recorded a provisioning reversals of PKR 1.6bn for 1QCY25 against PKR 1.7bn recorded in 1QCY24, and a provisioning charge of PKR 14.2bn recorded in the last quarter.
- The bank's OPEX increased by 34% YoY | -26% QoQ in 1QCY25 clocking in at PKR 26.7bn. With this, Cost/Income stood at 26.4% in 1QCY25 against 40.2% SPLY
- The effective tax rate for the bank was set at 52.6% during 1QCY25, showing a decrease from 48.2% in the previous quarter.

Exhibit: Financial Highlights (Consolidated)

| (PKR mn)           | 1QCY25a   | 1QCY24a   | YoY  | 4QCY24a   | QoQ  |
|--------------------|-----------|-----------|------|-----------|------|
| Income Statement   |           |           |      |           |      |
| Interest Earned    | 260,968   | 243,024   | 7%   | 249,309   | 5%   |
| Interest Expensed  | 176,745   | 214,922   | -18% | 184,651   | -4%  |
| NII                | 84,223    | 28,101    | 200% | 64,658    | 30%  |
| NFI                | 16,822    | 21,276    | -21% | 26,769    | -37% |
| Total Income       | 101,045   | 49,377    | 105% | 91,427    | 11%  |
| Total provisions   | (1,609)   | (1,718)   | nm   | 14,244    | nm   |
| OPEX               | 26,699    | 19,867    | 34%  | 36,081    | -26% |
| PBT                | 76,138    | 31,180    | 144% | 41,325    | 84%  |
| Taxation           | 40,026    | 15,041    | 166% | 16,624    | 141% |
| Profit after tax*  | 36,107    | 15,977    | 126% | 26,043    | 39%  |
| EPS (PKR)          | 29.34     | 13.05     |      | 21.27     |      |
| DPS (PKR)          | 11.0      | 11.0      |      | 11.0      |      |
| Balance Sheet      |           |           |      |           |      |
| Net Advances       | 928,333   | 866,644   | 7%   | 1,443,482 | -36% |
| Deposits           | 3,394,481 | 2,767,585 | 23%  | 2,639,876 | 29%  |
| Investments        | 7,496,936 | 4,673,103 | 60%  | 5,889,766 | 27%  |
| Borrowings         | 5,403,476 | 2,982,600 | 81%  | 4,855,374 | 11%  |
| Ratio Analysis     |           |           |      |           |      |
| BVPS (PKR)         | 281       | 225       |      | 262       |      |
| ADR                | 27.35%    | 31.31%    |      | 54.68%    |      |
| IDR                | 220.86%   | 168.85%   |      | 223.11%   |      |
| NIMs               | 3.25%     | 3.38%     |      | 2.71%     |      |
| Cost to Income     | 26.42%    | 40.24%    |      | 39.46%    |      |
| Effective Tax Rate | 52.57%    | 48.24%    |      | 40.23%    |      |

Source (s): Company Financials, AHL Research, \*profit attributable to equity shareholders of the bank

## **Result Review: Highest ever quarterly PAT, announces 2-for-1 stock split**

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