|  |  |  |
| --- | --- | --- |
| **Ratios** | **UBL** | **ABL** |
| Return on equity | 26.6 | 29.4 |
| Earnings per share | 43.44 | 35.53 |
| Price earnings ratio | 4.09 | 2.34 |
| Return on capital employed | 25.3 | 3.65 |
| Current ratio | 1.071 | 1.09 |
| Market value per share at the end of the year | 177.84 | 82.99 |

Here is a comparative analysis between United Bank Limited (UBL) and Allied Bank Limited (ABL).

**1. Return on Equity (ROE)**

UBL: 26.6%

ABL: 29.45%

**Analysis**: Allied Bank Limited has a higher Return on Equity (ROE) compared to United Bank Limited. This means ABL is more efficient in generating profit from its shareholders' equity, making it slightly more attractive from a profitability standpoint.

**2. Earnings per Share (EPS)**

UBL: 43.44

ABL: 35.53

**Analysis**: United Bank Limited has a higher EPS, indicating that it generates more earnings per share compared to Allied Bank Limited. Investors in UBL might be receiving better returns in terms of the company's ability to produce profits per outstanding share.

**3. Price-to-Earnings (P/E) Ratio**

UBL: 4.09

ABL: 2.34

**Analysis**: Allied Bank Limited has a lower P/E ratio than United Bank Limited. A lower P/E ratio typically suggests that ABL might be undervalued or that investors expect slower growth from ABL. On the other hand, UBL has a higher P/E ratio, which might indicate that it is relatively more expensive or that the market has higher growth expectations for UBL.

**4. Return on Capital Employed (ROCE)**

UBL: 25.3%

ABL: 3.65%

**Analysis**: UBL significantly outperforms ABL in terms of ROCE, suggesting that UBL is much more efficient at using its capital to generate profits. This indicates a stronger operational performance in UBL compared to ABL.

**5. Current Ratio**

UBL: 1.071

ABL: 1.09

**Analysis**: Both banks have similar current ratios, which are close to 1, indicating that they have a roughly equal capacity to meet their short-term liabilities with their short-term assets. Neither bank shows a significant liquidity advantage over the other.

**6. Market Value per Share at the End of the Year**

UBL: 177.84

ABL: 82.99

**Analysis**: UBL’s market value per share is more than double that of ABL. This could imply that UBL is considered more valuable in the stock market or that it has better market confidence. The higher value also reflects investor sentiment and stock performance favoring UBL.

**Conclusion**

**Profitability**: While ABL has a slightly better ROE, UBL outperforms in terms of EPS, ROCE, and overall operational efficiency.

**Valuation**: ABL has a lower P/E ratio, suggesting that it might be undervalued compared to UBL, which has a higher P/E and market value.

**Liquidity**: Both banks have similar current ratios, suggesting similar liquidity positions.

**UBL** appears to be more efficient and profitable, but **ABL** may represent a potential value investment due to its lower P/E ratio and relatively strong ROE.