

Flash Note

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Commercial Banks

MCB Bank Limited (MCB)

Earnings: MCB Bank Limited (MCB) announced its financial result for the first quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 16.56bn (PKR 13.97/share) during 1QCY24 compared to PKR 13.05bn (PKR 11.02/share) last year, a rise of 6%q/q and +27%/y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 9/share along with the result.

Operating Performance: During the 1QCY24 period under review, the Bank reported net-interest income of PKR 38bn (up by +27%/y/y) and non-interest income of PKR 9bn (up by +54%/y/y). As a result, the bank's total revenue stood at PKR 47bn (up by +31%/y/y). Moreover, MCB recorded operating expenses of PKR 15bn (up by +19%/y/y), which reduced the bank's cost/income ratio to 31% (1QCY23: 34%). The bank booked a provision reversal of PKR 0.1bn during 1QCY24 compared to a provision charge of PKR 0.6bn in the same period last year. The tax charge for this quarter came at PKR 16bn (effective tax rate of 49% compared to 43% in 1QCY23).

Exhibit: Financial Highlights MCB Bank Limited (MCB)							
Latest result published for 1Q'/24							
Period (PKRbn)	1Q'/24	2023	4Q'/23	3Q'/23	2Q'/23	1Q'/23	2022
Net Interest Income	38	148	41	39	37	30	87
Fee Income	6	20	6	5	5	4	14
Treasury Income	3	12	4	3	3	2	10
Non-Interest Income	9	33	10	8	8	6	25
Total Revenue	47	181	52	48	45	36	112
Op. Exp.	(15)	(55)	(15)	(14)	(13)	(12)	(43)
Provision charge	0.1	(0.4)	0.9	0.7	(1.3)	(0.6)	3
Profit Before Tax	33	125	37	34	31	23	71
Tax	(16)	(66)	(22)	(17)	(17)	(10)	(39)
Profit After tax	16.56	59.63	15.62	17.32	13.63	13.05	32.74
EPS	13.97	50.32	13.18	14.62	11.50	11.02	27.63
DPS	9.00	30.00	9.00	8.00	7.00	6.00	20.00

Source: Company accounts, IGI Research. No. of shares: 1185.1mn

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