

# Flash Note

Wednesday, April 23, 2025

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Securities

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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 2025. As per the financial result, the Bank reported unconsolidated earnings of PKR 13.8bn (PKR 11.65/share) during 1QCY25 compared to PKR 16.6bn (PKR 13.97/share) last year, down by -17%/y/y while being up by +51%q/q.

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

**Operating Performance:** During the 1QCY25 period under review, the Bank's net-interest income witnessed a decline of - 8%/y/y recording at PKR 35.2bn while non-interest income witnessed a minor uptick of +1%/y/y to PKR 9.2bn. As a result, MCB's total revenue clocked in at PKR 44.4bn (down by - 6%/y/y). Moreover, the Bank recorded operating expenses of PKR 17.6bn (up by +20%/y/y), leading the bank's cost/income ratio to increase to 40% (1QCY24: 31%). The bank booked a provision revision of PKR 2.5bn during 1QCY25 compared to a provision reversal of PKR 0.1bn in the same period last year. The tax charge for this quarter came at PKR 15.5bn (effective tax rate of 53% against 49% in 1QCY24).

<b>Exhibit: Financial Highlights MCB Bank Limited (MCB)</b>					
Latest result published for 1Q'/25					
Period (PKRbn)	1Q'/25	1Q'/24	4Q'/24	CY'24	CY'23
Net Interest Income	35.2	38.1	34.0	367.0	328.1
Fee Income	5.3	6.1	4.8	3.6	2.5
Treasury Income	3.8	2.9	5.8	3.5	3.0
Non-Interest Income	9.2	9.1	10.6	21.2	20.2
<b>Total Revenue</b>	<b>44.4</b>	<b>47.2</b>	<b>44.6</b>	<b>388.2</b>	<b>348.3</b>
Op. Exp.	(17.6)	(14.7)	(17.6)	0.0	45.2
Provision charge	2.5	0.1	(3.7)	0.0	0.0
Profit Before Tax	29.3	32.5	23.3	388.2	303.0
Tax	(15.5)	(16.0)	(14.1)	(2.1)	(2.1)
<b>Profit After tax</b>	<b>13.8</b>	<b>16.6</b>	<b>9.2</b>	<b>57.6</b>	<b>59.6</b>
<b>EPS</b>	<b>11.7</b>	<b>14.0</b>	<b>7.7</b>	<b>48.62</b>	<b>50.32</b>
<b>DPS</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>36.0</b>	<b>30.0</b>

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

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