

Flash Note

Thursday, February 6, 2025

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Commercial Banks

MCB Bank Limited (MCB)

Earnings: MCB Bank Limited (MCB) announced its financial result for the fourth quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 9.2bn (PKR 7.73/share) during 4QCY24 compared to PKR 15.6bn (PKR 13.18/share) last year, a dip of -41%/y/y and -45%q/q, taking the total earnings for CY24 to PKR 57.6bn (PKR 48.62/share) as compared to PKR 59.6bn (PKR 50.32/share) in the same period last year.

Dividend/Payout: The Bank announced a cash dividend of PKR 9/share along with the result taking the cumulative dividend for CY24 to PKR 36/share.

Operating Performance: During the 4QCY24 period under review, the Bank's net-interest income witnessed a decline of -18%/y/y recording at PKR 34bn while non-interest income witnessed a minor uptick of 1%/y/y to PKR 10.6bn. As a result, MCB's total revenue clocked in at PKR 44.6bn (down by 14%/y/y). Moreover, the Bank recorded operating expenses of PKR 17.6bn (up by +15%/y/y), leading the bank's cost/income ratio to increase to 40% (4QCY23: 30%). The bank booked a provision charge of PKR 3.7bn during 4QCY24 compared to a provision reversal of PKR 0.9bn in the same period last year. The tax charge for this quarter came at PKR 14.1bn (effective tax rate of 61% against 58% in 4QCY23) while the cumulative effective tax rate for CY24 stands at 51% against 52% in the same period last year.

Exhibit: Financial Highlights MCB Bank Limited (MCB)					
Latest result published for 4Q'/24					
Period (PKRbn)	4Q'/24	4Q'/23	3Q'/24	CY'24	CY'23
Net Interest Income	34.0	41.3	40.2	149.1	147.7
Fee Income	4.8	6.0	5.1	21.2	20.2
Treasury Income	5.8	4.3	3.3	15.8	12.3
Non-Interest Income	10.6	10.5	8.6	37.4	32.9
Total Revenue	44.6	51.7	48.8	186.5	180.6
Op. Exp.	(17.6)	(15.3)	(16.3)	(63.8)	(55.0)
Provision charge	(3.7)	0.9	(0.2)	(4.3)	(0.4)
Profit Before Tax	23.3	37.3	32.4	118.4	125.2
Tax	(14.1)	(21.7)	(15.9)	(60.8)	(65.6)
Profit After tax	9.2	15.6	16.5	57.6	59.6
EPS	7.73	13.18	13.94	48.62	50.32
DPS	9.00	9.00	9.00	36.0	30.0

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

Analyst

Sakina Makati

sakina.makati@igi.com.pk

Tel: +92 21 111 234 234 Ext: 810

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- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@igi.com.pk

IGI Finex Securities Limited

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Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
 Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
 Packages Mall
 Tel: (+92-42) 38303560-69
 Fax: (+92-42) 38303559

Islamabad Office

3rd Floor, Kamran Centre,
 Block- B, Jinnah Avenue, Blue Area
 Tel: (+92-51) 2604861-2, 2604864, 2273439
 Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
 Regency International 949, The Mall
 Faisalabad
 Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
 Model Town, Town Hall Road
 Tel: (+92-68) 5871652-3
 Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
 Abdali Road
 Tel: (92-61) 4512003, 4571183

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Research Identity Number: BRP009

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