

Flash Note

Thursday, April 27, 2023

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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 2023. As per the financial result, the Bank reported earnings of PKR 13.1bn (PKR 11/share) during 1QCY23 compared to PKR 8.9bn (PKR 7.5/share) last year, an increase of +46%/y.

Dividend/Payout: The Company announced cash dividend of PKR 6/share along with the result this quarter compared to PKR 5/share last year same period.

Operating Performance: During the period under review, the Bank reported net-interest income of PKR 30bn (up by +66%/y) and non-interest income of PKR 6bn (up by 3%/y). As a result total revenue of the bank stood at PKR 36bn (up by +51%/y). Moreover, MCB recorded operating expenses of PKR 12bn (up by +26%/y), which improved the bank's cost/income ratio to 34% (last year: 41%). The bank booked provision charge of PKR 0.6bn during 1QCY23 compared to provision reversal of PKR 0.9bn last year same period. Tax charge for this quarter came at PKR 10bn (effective tax rate of 43% compared to 40% in 1QCY22).

Exhibit: Financial Highlights MCB Bank Limited (MCB)												
Latest result published for 1Q/23												
Period (PKRbn)	1Q/23	2022	4Q/22	3Q/22	2Q/22	1Q/22	2021	4Q/21	3Q/21	2Q/21	1Q/21	2020
Net Interest Income	30	87	26	23	21	18	64	16	16	16	15	71
Fee Income	4	14	4	4	3	3	12	3	3	3	3	11
Treasury Income	2	10	0	4	4	2	7	2	2	1	1	7
Non-Interest Income	6	25	4	7	7	6	20	6	5	5	5	18
Total Revenue	36	112	30	30	28	24	84	22	21	21	20	89
Op. Exp.	(12)	(43)	(12)	(11)	(10)	(10)	(37)	(10)	(9)	(9)	(9)	(34)
Provision charge	(1)	3	1	1	(0)	1	5	1	1	2	0	(7)
Profit Before Tax	23	71	20	19	18	15	52	14	13	14	11	48
Tax	(10)	(39)	(7)	(10)	(15)	(6)	(21)	(5)	(5)	(6)	(4)	(19)
Profit After tax	13.05	32.74	12.89	8.73	2.21	8.91	30.81	8.25	7.81	7.95	6.79	29.04
EPS	11.02	27.63	10.88	7.36	1.87	7.52	26.00	6.96	6.59	6.71	5.73	24.50
DPS	6.00	20.00	6.00	5.00	4.00	5.00	19.00	5.00	4.50	5.00	4.50	20.00
BVPS	165	160	160	143	139	146	147	147	150	151	147	160

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

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