

Flash Note

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Commercial Banks

MCB Bank Limited (MCB)

Earnings: MCB Bank Limited (MCB) announced its financial result for the third quarter of the year 2023. As per the financial result, the Bank reported unconsolidated earnings of PKR 17.46bn (PKR 14.73/share) during 3QCY23 compared to PKR 8.73bn (PKR 7.36/share) last year, an increase of +28%q/q and a jump of +2.0x y/y. This brings total profitability for 9MCY23 to PKR 44.15bn (PKR 37.25/share), up by +2.2x y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 8/share along with the result bringing total cash payout for 9MCY23 to PKR 21.0/share compared to PKR 14.0/share in a similar period last year.

Operating Performance: During the 3QCY23 period under review, the Bank reported net-interest income of PKR 39bn (up by +75%/y/y) and non-interest income of PKR 9bn (up by +16%/y/y). As a result, the bank's total revenue stood at PKR 48bn (up by +60%/y/y). Moreover, MCB recorded operating expenses of PKR 14bn (up by +27%/y/y), which improved the bank's cost/income ratio to 30% (last year: 38%). The bank booked a provision reversal of PKR 0.7bn during 3QCY23 compared to a provision reversal of PKR 0.5bn in the same period last year. The tax charge for this quarter came at PKR 16.8bn (effective tax rate of 49% compared to 54% in 3QCY22). This brings total effective tax rate for 9MCY23 to 50% compared to 62% in the similar period last year.

Exhibit: Financial Highlights MCB Bank Limited (MCB)								
Latest result published for 3Q'/23								
Period (PKRbn)	9MCY23	3Q'/23	2Q'/23	1Q'/23	9MCY22	3Q'/22	2Q'/22	1Q'/22
Net Interest Income	106	39	37	30	62	23	21	18
Fee Income	14	5	5	4	10	4	3	3
Treasury Income	8	3	3	2	10	4	4	2
Non-Interest Income	23	9	8	6	20	7	7	6
Total Revenue	129	48	45	36	82	30	28	24
Op. Exp.	(40)	(14)	(13)	(12)	(31)	(11)	(10)	(10)
Provision (charge)/ reversal	(1.2)	0.7	(1.3)	(0.6)	1.3	0.5	(0.1)	0.9
Profit Before Tax	88	34	31	23	52	19	18	15
Tax	(44)	(17)	(17)	(10)	(32)	(10)	(15)	(6)
Profit After tax	44.15	17.46	13.63	13.05	19.85	8.73	2.21	8.91
EPS	37.25	14.73	11.50	11.02	16.75	7.36	1.87	7.52
DPS	21.00	8.00	7.00	6.00	14.00	5.00	4.00	5.00

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

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