Flash Note

Thursday, August 6, 2026

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Commercial Banks

Meezan Bank Limited (MEBL)

Earnings: Meezan Bank Limited (MEBL) announced its financial result for the first second of the year 2026. As per the financial result, the Bank reported earnings of PKR 25.5bn (PKR 14.1/share) during 2QCY26, up by +6%y/y, compared to PKR 24.1bn (PKR 13.4/share) in the same period last year bringing total earnings for 1HCY26 to PKR 48.9bn (PKR 27.2/share), up by +6%y/y, against PKR 46.2bn (PKR 25.7/share) in the same period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 8.0/share along with the result bringing total cash payout for 1HCY26 to PKR 15.5/share (1HCY25: PKR 14/share).

Operating Performance: During the 2QCY26 period under review, the Bank reported net-interest income of PKR 67.4bn (up by +5%y/y) while non-interest income clocked in at PKR 10.5bn (up by +35%y/y) mainly due to a surge in treasury income by +74%y/y. As a result, the bank's total revenue stood at PKR 77.8bn increasing by +9%y/y. Moreover, MEBL recorded operating expenses of PKR 22.1bn (up by +36%y/y), with the bank's cost/income ratio clocking in at 28% (up from 23% in 2QCY25). The bank booked a provision charge of PKR 2.2bn during 2QCY26 compared to a provision of PKR 1.5bn in the same period last year. The tax charge for this quarter was recorded at PKR 28.1bn (effective tax rate of 52% against 55% in 2QCY25) bringing total effective tax rate for 1HCY26 to 52% (1HCY25: 55%).

Recommendation: We maintain a 'HOLD' stance on MEBL with our Dec-26 Target Price of PKR 616/share offering 4% upside from last close. The bank is trading at CY27 P/B of 2.8x and offers DY of 5.4%.

Exhibit: Financial Highlights Meezan Bank Limited (MEBL)

Latest result published for 2Q'/26

Period (PKRbn)	2Q'/26	2Q'/25	1Q'/26	1H'26	1H'25
Net Interest Income	67.4	64.0	61.4	128.8	125.8
Fee Income	6.6	5.3	7.0	13.5	10.9
Treasury Income	3.5	2.0	3.9	7.4	4.3
Non-Interest Income	10.5	7.7	11.2	21.6	15.9
Total Revenue	**77.8**	**71.7**	**72.6**	**150.4**	**141.7**
Op. Exp.	(22.1)	(16.2)	(23.2)	(45.3)	(35.9)
Provision charge	(2.2)	(1.5)	(0.4)	(2.6)	(3.4)
Profit Before Tax	53.6	54.0	49.0	102.6	102.4
Tax	(28.1)	(29.8)	(25.6)	(53.7)	(56.3)
Profit After tax	**25.5**	**24.1**	**23.4**	**48.9**	**46.2**
EPS	**14.1**	**13.4**	**13.0**	**27.2**	**25.7**
DPS	**8.0**	**7.0**	**7.5**	**15.5**	**14.0**

Source: Company accounts, IGI Research. No. of shares: 1,800.6mn

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- Justified Price to Book
- Residual Income (RI)
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