

# MCB Bank Limited

## Highest-ever profitability and dividend recorded during CY23

### Historic high profitability recorded in CY23

MCB announced earnings (PAT) today for 4QCY23 at PKR 16.9bn (EPS: PKR 14.24), depicting an increase of 23% YoY while down 14% QoQ (4QCY22 EPS: PKR 11.61). This jump in overall earnings was mainly on the back of growth in total income. Along with the result, MCB announced a final dividend of PKR 9/share (CY23: PKR 30/share).

### Result Highlights

- Net Interest Income of the bank settled at PKR 46.3bn during 4QCY23, increasing 61% YoY and 3% QoQ. With this, the total NII for CY23 went up to PKR 165.4bn, marking a 72% YoY jump. Interest earned saw a jump of 66% during CY23 while interest expense was up by 61%.
- NFI depicted an increase of 126% YoY | 18% QoQ during 4QCY23, taking CY23's total to PKR 35.4bn (+37% YoY). This jump in NFI during CY23 was primarily due to higher fee and commission income which posted a jump of 44% YoY, clocking in at PKR 22.4bn. Moreover, dividend income too was up 18% in CY23, reaching PKR 2.5bn. In addition, MCB posted gains on securities of PKR 837mn as compared to a loss recorded in SPLY of PKR 1.7bn.
- MCB booked provisioning reversals of PKR 721mn during 4QCY23 (4QCY22 reversals: PKR 1.3bn) depicting a decline of 46% on a YoY basis. This takes total provisioning to PKR 1.08bn during CY23 (CY22 reversals: PKR 2.6bn).
- The bank's OPEX increased 31% YoY in 4QCY23 clocking-in at PKR 17.7bn (4QCY22: PKR 13.5bn). With this, Cost/Income stood at 30.9% in 4QCY23 against 40.2% same period last year.
- Effective tax rate was set at 58% during 4QCY23 compared to 36% SPLY (4QCY22: 49%). With this, the effective tax for CY23 stood at 53% (CY22: 54%).

### Exhibit: Financial Highlights (Consolidated)

(PKR mn)	CY23a	CY22a	YoY	4QCY23a	4QCY22a	YoY	QoQ
Interest Earned	364,449	219,423	66%	103,616	66,073	57%	3%
Interest Expense	199,027	123,455	61%	57,362	37,344	54%	3%
NII	165,422	95,968	72%	46,254	28,729	61%	3%
NFI	35,398	25,898	37%	10,843	4,808	126%	18%
Total Income	200,820	121,866	65%	57,098	33,537	70%	6%
OPEX	63,574	49,853	28%	17,649	13,473	31%	6%
Provisions	1,075	(2,641)	nm	(721)	(1,343)	-46%	nm
PBT	137,519	75,340	83%	40,623	21,571	88%	6%
Taxation	72,248	40,889	77%	23,693	7,788	204%	26%
PAT	65,105	34,365	89%	16,871	13,750	23%	-14%
EPS (PKR)	54.94	29.00		14.24	11.61		
DPS (PKR)	30.00	20.00		9.00	6.00		

Source (s): Company Financials, AHL Research

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