

# Meezan Bank Limited

## Profitability soars amid revenue surge

### Highest-ever profitability recorded in CY23

MEBL announced earnings (PAT) today for 4QCY23 at PKR 26.9bn (EPS: PKR 15.00), depicting an increase of 65% YoY | 4% QoQ (4QCY22 EPS: PKR 8.16). This jump in overall earnings was mainly on the back of growth in total income. Along with the result, MEBL announced a final dividend of whopping PKR 8/share (CY23: PKR 20/share).

### Result Highlights

- Net Profit Earned by the bank clocked-in at PKR 71.8bn during 4QCY23, increasing 61% YoY and 12% QoQ. With this, the total NPE for CY23 went up to PKR 226.5bn, marking an 86% YoY jump. Profit earned and expensed both saw a jump of 86% YoY during CY23.
- NFI depicted an increase of 77% YoY | 10% QoQ during 4QCY23, taking CY23's total to PKR 24bn (+19% YoY). This jump in NFI during CY23 was primarily due to higher fee and commission income which posted a jump of 33% YoY, clocking in at PKR 19.6bn. However, MEBL's FX income declined by 14% YoY during the outgoing year. In addition, the bank posted a loss on securities of PKR 698mn as compared to a loss of PKR 100mn recorded in SPLY.
- MEBL booked provisioning of PKR 2.9bn during 4QCY23 (4QCY22: PKR 2.4bn) depicting a jump of 20% on a YoY basis. This takes total provisioning to PKR 7.3bn during CY23 (CY22: PKR 4.2bn).
- The bank's OPEX increased 49% YoY in 4QCY23 clocking-in at PKR 21.4bn (4QCY22: PKR 14.3bn). With this, Cost/Income stood at 27% in 4QCY23 against 29.4% same period last year.
- Effective tax rate was set at 52% during 4QCY23 compared to 49% SPLY. With this, the effective tax for CY23 stood at 50% (CY22: 49%).

### Exhibit: Financial Highlights (Consolidated)

(PKR mn)	CY23	CY22	YoY	4QCY23	4QCY22	YoY	QoQ
Profit Earned	431,821	232,245	86%	127,919	78,274	63%	6%
Profit Expensed	205,327	110,426	86%	56,129	33,690	67%	-1%
Net profit Earned	226,493	121,819	86%	71,789	44,584	61%	12%
NFI	23,975	20,114	19%	7,482	4,227	77%	10%
Total Income	250,468	141,934	76%	79,271	48,811	62%	12%
OPEX	72,733	48,865	49%	21,389	14,343	49%	8%
Provisions	7,340	4,177	76%	2,924	2,441	20%	274%
PBT	172,067	88,805	94%	56,139	32,069	75%	11%
Taxation	86,044	43,664	97%	29,023	15,684	85%	17%
PAT	85,431	44,937	90%	26,859	16,315	65%	4%
EPS (PKR)*	47.72	25.11		15.00	8.16		
DPS (PKR)	20.00	8.50		8.00	3.00		

Source (s): Company Financials, AHL Research, \*@current no. of shares

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