

AHL Alert: Commercial Banks

Meezan Bank Limited

Result Review: Highest ever PAT recorded in 2Q

- MEBL announced earnings (PAT) today for 2QCY24 at PKR 26.7bn (EPS: PKR 14.9), depicting an increase of 54% YoY | 5% QoQ (2QCY23 EPS: PKR 9.66). This jump in overall QoQ earnings was mainly on the back of higher total income and provisioning reversal. The bank announced a dividend of PKR 7/share along with 2Q result.
- With this, total earnings for 1HCY24 increased to PKR 52.1bn, marking a 59% YoY increase.
- Net Profit Earned of the bank settled at PKR 70.4bn during 2QCY24, increasing 42% YoY and 4% QoQ. With this, total NPE for 1HCY24 went up to PKR 137.9bn, marking a 52% YoY jump. Profit earned surged by 29% YoY | 9% QoQ while profit expense was up by 16% YoY | 16% QoQ.
- NFI depicted an increase of 46% YoY during 1HCY24 (2QCY24: +31 YoY) primarily due to a jump in fee and commission income which posted a 32% YoY increase owed to higher trade volumes.
- In addition, FX income surged by 7% YoY to reach at PKR 579mn during 1HCY24.
- Furthermore, the bank recorded gain on sale of securities of PKR 1,028mn in 1HCY24 , as compared to a loss on sale of securities of PKR 341mn in SPLY.
- During 2QCY24, bank booked provisioning reversal of PKR 328mn vs a provisioning charge of PKR 1,504mn in 2QCY23. With this, the total provisioning reversal during 1HCY24 stood at PKR 672mn as compared to a charge of PKR 3,634mn SPLY.
- The bank's OPEX increased 38% YoY | 4% QoQ during 2QCY24 clocking-in at PKR 22.7bn. With this, Cost/Income stood at 29.3% in 2QCY24 against 29.9% same period last year
- Effective tax rate was 50.8% during 2QCY24 compared to 53.2% recorded in SPLY.

Exhibit: Financial Highlights (Consolidated)

(PKR mn)	1HCY24a	1HCY23a	YoY	2QCY24a	2QCY23a	YoY	QoQ
Profit Earned	249,361	183,046	36%	130,216	101,058	29%	9%
Profit Expensed	111,452	92,428	21%	59,863	51,507	16%	16%
Net profit Earned	137,909	90,618	52%	70,353	49,551	42%	4%
NFI	14,201	9,704	46%	7,236	5,508	31%	4%
Total Income	152,110	100,322	52%	77,588	55,059	41%	4%
Total provisions	(672)	3,634	nm	(328)	1,504	nm	nm
OPEX	44,567	31,593	41%	22,707	16,475	38%	4%
PBT	108,009	65,205	40%	54,628	37,163	47%	2%
Taxation	55,579	32,293	54%	27,742	19,777	40%	0%
Profit after tax*	52,108	32,743	59%	26,688	17,296	54%	5%
EPS (PKR)	29.09	18.28		14.90	9.66		
DPS (PKR)	14	7		7	4		

Source (s): Company Financials, AHL Research, *profit attributable to equity shareholders of the bank

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