

# Corporate results: MCB posts growth despite shrinking spreads

By Our Correspondent

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Rs16.98 was the earnings per share for MCB Bank for the nine-month period. PHOTO: FILE

**KARACHI:** MCB Bank announced results for the first nine months of calendar year 2013, with profit after taxation rising to Rs17.6 billion, from Rs16.8 billion for the corresponding period in the previous year, with an interim cash dividend of Rs3.5 per share.

Earnings per share for the period clocked in at Rs16.98, up 4% from Rs16.96 for the corresponding period last year.

The increase in profits comes despite a 9% drop in Net Interest Income, coming down to Rs28.57 billion compared to Rs31.29 billion in the corresponding period for the previous year. The drop in NII is a result of reduced banking spreads in the last quarter, which averaged at 6.26% for the period, down from 7.14% for the corresponding period last year, according to Topline Securities.

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EPS

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Despite the drop in interest income however, the company was able to boost its revenue through an increase in non-interest income of 23%, coming in at Rs8.8 billion compared to Rs7.2 billion in the previous year; and a reversal of Rs1.8 billion in provisions against non-performing loans significantly increased income.

On a quarterly basis, the bank posted earnings per share of Rs5.23 for third quarter of calendar year 2013, compared to Rs5.28 in the same period last year, down 1%. Despite the drop in NII whose effects were mainly felt in the third quarter, lower provisioning and higher non-markup income protected the bottomline.

Profit after taxation for the third quarter was Rs5.42 billion, down slightly from Rs5.46 billion in the corresponding period in the previous year.

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