



Lahore: The 66<sup>th</sup> Annual General Meeting of the shareholders of “MCB Bank Limited” was held on March 27, 2014 at local hotel under the chairmanship of Aftab Ahmad Khan, Director, MCB Bank Ltd., to transact the ordinary and special businesses of the Bank.

The Chairman informed the members that despite challenging operating environment, MCB delivered exceptional performance and growth in the financial year 2013. The Bank reported profit before tax of Rs. 32.288 billion and profit after tax of Rs. 21.495 billion with an increase of 2% and 4% over restated profit of 2012, respectively. Net markup income of the Bank was reported at Rs. 37.868 billion whereas non-markup income increased to Rs. 11.171 billion. The increase in non-markup income was primarily contributed by 158% growth in capital gains and 14% growth in fee, commission and brokerage income block. On the net markup income side, the volatility in monetary policy rate coupled with the increase in minimum deposit rate was managed through asset maturity profiling and continuous improvement in the deposit mix.

The Chairman added that the administrative block (excluding pension fund reversal) of the Bank registered lowest increase in peer banks of 5% over 2012, which considering the inflationary surge observed in the second half of the year, depicts results of cost-effective synergies achieved by the Bank.

With reference to non-performing loans, the Bank registered highest recovery in the banking industry with provision reversals to the tune of Rs. 2.8 billion for the year ended December 31, 2013. The reversal was primarily on account of strengthened risk management framework and rigorous efforts posted by the recovery units.

As per the Statement of Financial Position, the asset base of the Bank achieved new highs of Rs. 815.508 billion growing by 6% over December 2012. The analysis of the asset mix highlights 12% increase in investments to Rs. 449.006 billion and 2% increase in gross advances to Rs. 268.192 billion. The quality of assets saw considerable improvement as the non-performing loans of the Bank contracted by 9% to Rs. 23.268 billion. On the liabilities side, the deposit base of the Bank grew by 16% and was reported at Rs. 632.330 billion. MCB Bank Limited continued to enjoy the highest CASA mix in the banking industry, which improved considerably to approximately 90% as compared to 85% reported last year.

Earnings per share (EPS) for the year came to Rs. 21.24 as compared to Rs. 20.42 for 2012. MCB maintained the highest Return on Assets in banking industry of 2.72% during 2013, whereas Return on Equity was reported at 23.09%.



Acknowledging the investor confidence in the institution, the Chairman specified that MCB was the preferred stock on the stock exchanges with highest market capitalization in the industry. MCB's stock price grew from Rs 209.76 at 31st December 2012 to Rs 281.17 at 31st December 2013, representing an increase of 34%. The Chairman further added that Pakistan Credit Rating Agency (PACRA) through its notification dated February 04, 2013, has upgraded Bank's long term credit rating from AA+ [double A plus] to AAA [Triple A] and maintained short-term credit rating of A1+ [A one plus].

On the spectrum of corporate social responsibility, MCB donated Rs. 25 million for Earthquake Relief Fund for Baluchistan, while contributions of Rs. 5 million to the Earthquake Relief Fund and Rs. 5 million for rehabilitation of minority community were also made. The Bank's contributions towards society at large have been recognized by various local and international organizations. It has received "CSR Business Excellence Award" and has recently been ranked 8<sup>th</sup> among 490 top Pakistani companies, based on donations for charitable purposes.

In response to a query, it was stated that since privatization, MCB has paid over Rs. 100 billion to the national exchequer as taxes, of which Rs. 88 billion was in the form of corporate income taxes. During 2013, the Bank paid Rs. 10.36 billion as corporate income tax. The Bank also collected over Rs. 5 billion as withholding tax.

The audited financial statements of the Bank and its subsidiaries were adopted by the shareholders at the AGM and final cash dividend @ 35% and 10% bonus issue, recommended by the Board of Directors, in addition to 105% interim dividend already paid, was approved. "A.F. Ferguson & Company, Chartered Accountants" being eligible were appointed as the auditors of the Bank for the next financial year.