



MCB Bank Limited

Corporate Briefing Session

December 20, 2023

Presented by:
Hammad Khalid
Chief Financial Officer



MCB - At a Glance



Branches



Domestic : 1431
EPZ : 01

Global Presence



7 International
branches in
3 Countries

Customers



Over 8.6 million
customer
accounts

ADCs



Over 1475 ATMs



Over 1 Million
MCB Live users

Deposits



Market Share
6.07 % of Domestic
Industry deposits

Advances



Market Share
5.18 % of Domestic
Industry advances

Home Remittance



Market Share
12.3%

Trade



Market Share
8.02%

Credit Rating



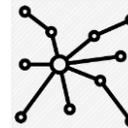
Long Term
AAA

Dividend



One of the Highest
dividend per share
in Banking industry

Branch Network



2nd largest branch
network on group
basis (including
MIB branches)

Market Capitalization



One of the highest
market cap. in
Banking industry

MCB Live – Banking at your fingertips



THANKS A
MILLION

MCB Bank proudly celebrates the trust of
1 million MCB Live users



Key Highlights

Total Registered
Users
1 M



80% Growth
(Sept'23 vs Sept'22)

179% Growth
(Sept'23 vs Sept'22)



Jan'23 to Sep'23
Transaction
Vol.
PKR 808BN



MCB Bank Limited

Financial Performance

Third Quarter ended September 30, 2023



Performance Highlights - September 30, 2023

71% increase in PBT

Pakistan's Outlook

- **Politics;** Smooth shift of democratic power remains the key;
- **Macroeconomic outlook;**
 - GDP growth expected to improve ranging between 1.7% - 2.5%;
 - Fiscal Deficit expected to remain high at 7.7% of GDP;
 - Inflation to soften to 23.6%; Monetary easing anticipated in CY 2024;
 - Current Account Deficit expected at 1.4% of GDP;
 - Currency devaluation to remain range bound due to administrative steps; lower imports and IMF program continuation;
- **Gross External Financing Requirement;** IMF funding continuity is a must;
- **Improved Tax Collection;** Target gets steeper for CY 2024.

Historic growth in Key Numbers

- Building no cost deposits, leading to a robust growth of Rs. 190 billion (YoY: +30%) in average current deposits
- 73% NIM growth; fueled by growth in no cost liability;
- Cost to Income Ratio improved to 28.96% on account of 58% increase in total income;
- 71% Increase in Standalone PBT to PKR 88.1 billion i.e. highest ever PBT for the nine months period;
- Consolidated PBT of PKR 96.9 billion – 2nd Highest in the Industry;
- Ex-NIB related recovery for the period ended Sep-23 sums to Rs. 932 M;
- Home remittance market share improved to 12.3% (Sep-22 : 11.4%).

PBT	PKR 88.1 Billion	+71% YoY
PAT	PKR 44.1 Billion	+122% YoY
NIM	PKR 106.4 Billion	+73% YoY
NFI	PKR 22.6 Billion	+12% YoY
Deposits	PKR 1.7 Trillion	+24% YTD
Investments	PKR 1.3 Trillion	+29% YTD

Sound Balance Sheet footing

PKR in Billions	Sep 2023	Dec 2022		
		Dec 2022	Var.	% var.
ASSETS	2,390.77	2,085.36	305.42	14.65%
Advances - net	601.01	753.40	(152.39)	-20.23%
- Gross Advances	646.24	797.57	(151.33)	-18.97%
Investments	1,257.68	978.73	278.94	28.50%
Cash and Balances with Banks	201.93	121.24	80.69	66.55%
Lending to Financial Institutions	91.52	50.42	41.11	81.54%
Other Assets (including fixed assets & DTA)	238.63	181.57	57.07	31.43%
LIABILITIES	2,177.09	1,895.86	281.23	14.83%
Deposits	1,715.67	1,378.72	336.95	24.44%
Current	845.30	680.11	165.19	24.29%
Savings	813.26	642.44	170.82	26.59%
Term	57.11	56.17	0.94	1.68%
Borrowings	289.27	340.24	(50.97)	-14.98%
Bills Payable	10.07	39.14	(29.07)	-74.28%
Other Liabilities	162.09	137.77	24.32	17.65%
NET ASSETS	213.68	189.49	24.19	12.76%
EQUITY	198.86	170.85	28.01	16.39%

Advances Portfolio:

- Gross advances of the Bank decreased by Rs. 151 billion (-19%);
- Corporate lending book decreased by Rs. 133.4 billion (-22%) whereas the Retail loan portfolio decreased by Rs. 18 billion (-21%);
- Coverage & Infection ratios of the Bank were reported at 82.86% and 8.45% respectively.

Investment Portfolio:

- PKR 125 billion added to Floating PIBs portfolio closing at PKR 653.4 billion;
- PKR 76.7 billion decreased to Fixed PIBs closing at PKR 212.7 billion;
- TBs increased by PKR 211.4 billion to PKR 343 billion;
- Yield on Investment increased to 17.66% in Sep-23 as compared to 11.83% in Sep-22;
- PIBs – AFS & HTM excluding floating – WA time to maturity of PIBs is 2.43 years.

Strong Current Deposit Mobilization:

- Business initiatives , customer engagements and focus on building no cost deposits reflected on the unprecedented increase of 24% YTD in current deposits base;
- Growth of Rs. 165 Billion in absolute terms in current deposits;
- Current to Total Deposits Ratio at 49% (Dec-22 : 49%)
- CoD for Sep-23 works out 8.19% (Sep-22 - 5.94%) on account of sharp increase in policy rate;
- CASA further improved from 95.93% at Dec-22 to 96.67%.

Advances & NPLs

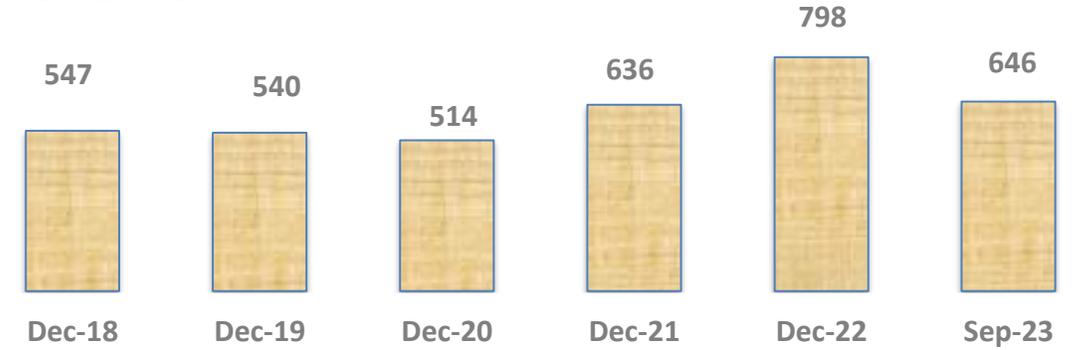


Segmentwise Advances

PKR in Billions	Sep 2023	Dec 2022	Var.	% var.
Advances (gross)	646	798	(151)	-19%
Retail	69	88	(18)	-21%
Corporate	473	606	(133)	-22%
Consumer	40	43	(3)	-8%
Overseas	32	29	4	12%
Others	32	32	(0)	0%
MCB Advances (domestic)	614	769	(155)	-20.14%
Industry Advances (domestic)	11,857	11,913	(56)	-0.47%
Market Share	5.18%	6.46%		
Advances - Net	601	753	(152)	-20%

Gross Advances (CAGR 4.03%)

PKR in Billions

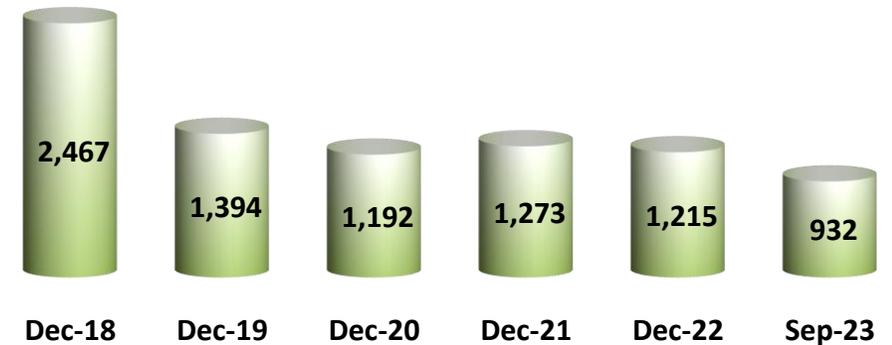


Yield on Advances



Recovery from NIB NPL Stock

PKR in Millions



Non-Performing Advances

	Sep 23	Dec 22	Var.	%
Total NPLs	54,580	51,260	3,320	6%
OAEM	1,438	1,465	-27	-2%
Substandard	532	126	406	322%
Doubtful	1,173	568	605	106%
Loss	51,438	49,100	2,338	5%

Total Recoveries related to NPL stock transferred from NIB Bank amounts to Rs. 9.45 billion.

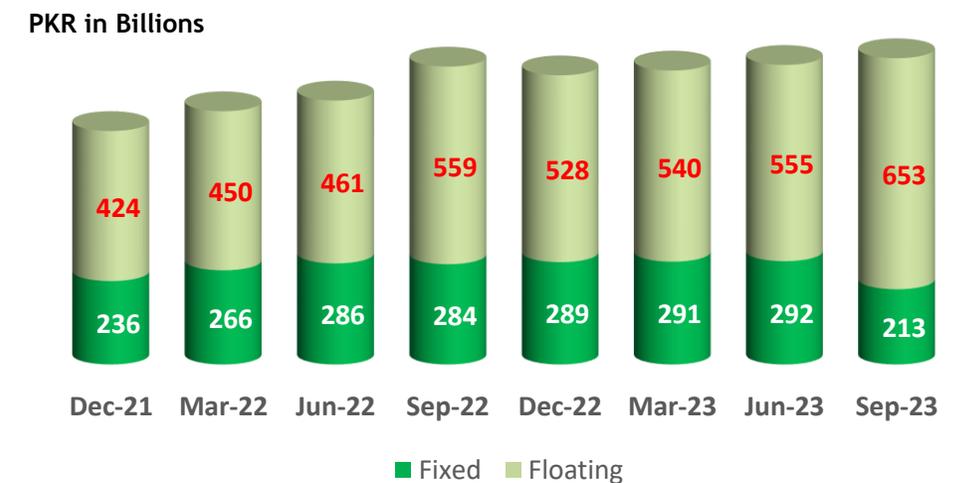
Diversified Investment Portfolio



PKR in Billions	Composition of Investments			
	Sep 2023	Dec 2022	Var.	% var.
Treasury Bills	343	132	211	161%
Pakistan Investment Bonds - Fixed	213	289	(77)	-26%
Pakistan Investment Bonds - Floating	653	528	125	24%
Other government securities / Euro Bonds	43	17	26	154%
Other Debt Securities (TFCs, Bonds)	12	11	1	8%
Shares in Listed, Unlisted Co.s & Mutual funds	29	28	1	4%
Subsidiaries & Associated Undertakings	18	17	1	4%
Investments at cost	1,311	1,023	289	28%
Provision for diminution in value of investments	(12)	(10)	(2)	18%
Deficit on revaluation of securities	(41)	(33)	(8)	24%
Investments at revalued amount - net of provision	1,258	979	279	29%

	Sep 2023	Dec 2022
T-Bills	26%	13%
PIBs	66%	80%
Equity securities	4%	4%
Other Government Securities	3%	2%
Debt instruments	1%	1%

Pakistan Investment Bonds



PKR 165 billion added in Current Deposits ; +24%



Total Deposits
PKR **1.72** trillion

Current Deposits
PKR **845** billion

Saving Deposits
PKR **813** billion

CoD
8.19%
Up by 225 bps YoY

CASA
96.67%
Dec-22 : 95.93%

Market Share (Domestic)
6.07%
Dec-22 : 5.87%

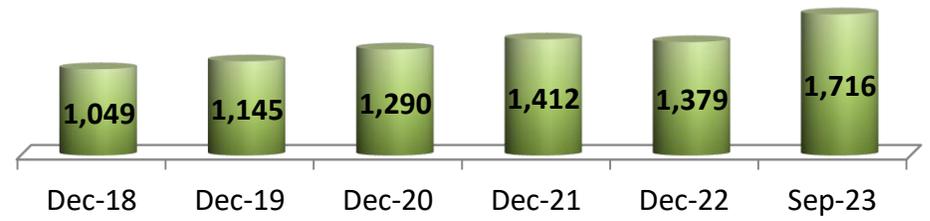
Branches
1,431
domestic
+(EPZ:1)

Branches
7
International

Customer Base
Over **8.6** million

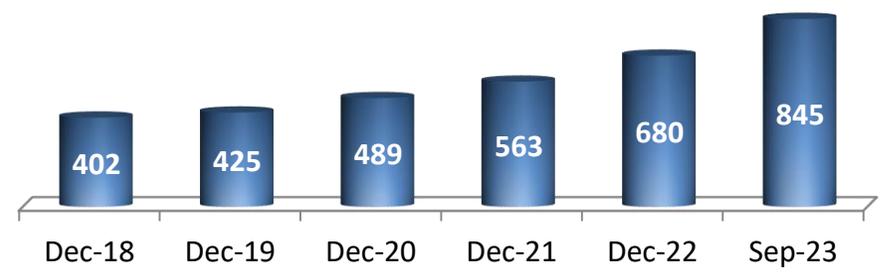
Total Deposits (CAGR : 10.46%)

PKR in Billions

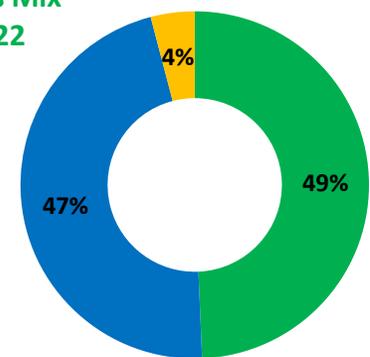


Current Deposits (CAGR : 15.07%)

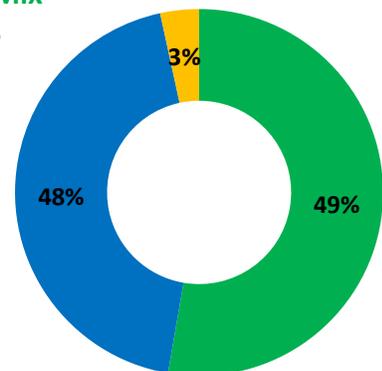
PKR in Billions



Deposits Mix Dec-22



Deposits Mix Sep-23



■ Current ■ Savings ■ Term

Impressive YoY increase in PBT i.e. 71%



PKR in Billions	Sep 2023	Sep 2022		
		Sep 2022	Var.	% var.
Mark-up Income	235.38	141.03	94.35	67%
Mark-up Expense	128.96	79.52	49.45	62%
Net Mark-up Income	106.42	61.51	44.91	73%
Non Interest Income	22.60	20.25	2.35	12%
Total Income	129.02	81.76	47.25	58%
Non Mark-up Expense	39.68	31.49	8.19	26%
Operating expenses	37.37	30.30	7.07	23%
other charges & WWF	2.32	1.19	1.12	94%
Profit before Provisions	89.33	50.27	39.06	78%
Provisions	1.24	(1.32)	2.55	194%
against Investments	1.74	0.63	1.11	176%
against loans & advances	(0.44)	(1.88)	1.45	77%
Others including write off recovery	(0.07)	(0.07)	(0.01)	-8%
Profit before Tax	88.10	51.59	36.51	71%
Taxation	43.95	31.73	12.21	38%
Profit after Tax	44.15	19.85	24.29	122%

Exceptional performance in Core Earnings:

- Strong volumetric growth in current account and timely repositioning of the asset book, net interest income is increased by 73%;
- Non-markup income increased to Rs. 22.6 billion (+12%) with major contributions coming in from fee commission income (Rs. 14.2 billion), income from dealing in foreign currency (Rs. 5.9 billion) and dividend income (Rs. 2 billion).
- Improved customer and interbank flows, diversification of revenue streams through continuous enrichment of service suite, investments towards digital transformation and an unrelenting focus on upholding high standards of service delivery supplemented a broad-based growth of 38% in income from fee commission while trade and guarantee related business income grew by 95%, cards related income by 48% and income from home remittance by 18%.
- Amidst a persistently high inflationary environment, impact of sharp currency devaluation, rapidly escalating commodity prices and continued investments in human resources and technological upgradation, the operating expenses of the Bank were reported at Rs. 37.4 billion (+23%).
- Profit for overseas operations increased by 170%YoY to PKR 4.3 Billion (USD 15.2 million)
- Highest ever PBT of Rs. 88.1 billion (+71%) while PAT registered a growth of 122%.

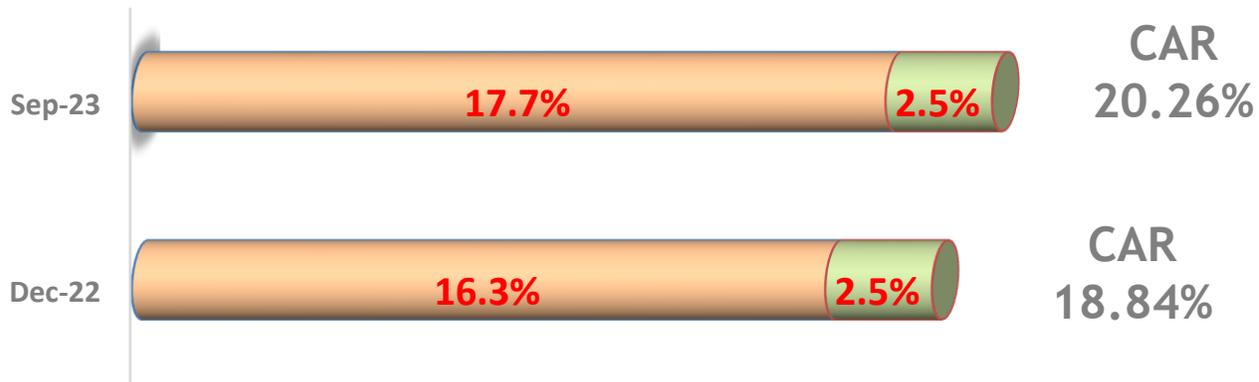
Profitability Ratios:

- RoE 31.84% (Dec-22:19.78%) and RoA 2.63% (Dec-22:1.61%), healthy profitability ratios;
- Cost to Income ratio significantly improved to 28.96% as compared to 37.06% in corresponding period last year.

Strong Capital Position & Ratios

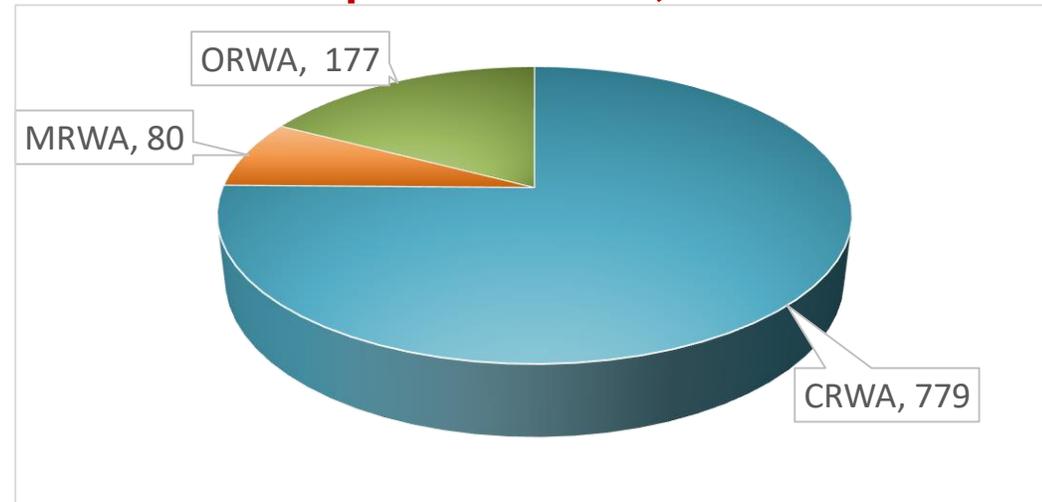
Buffer of 876bps on top of regulatory CAR

■ Tier I ■ Tier II

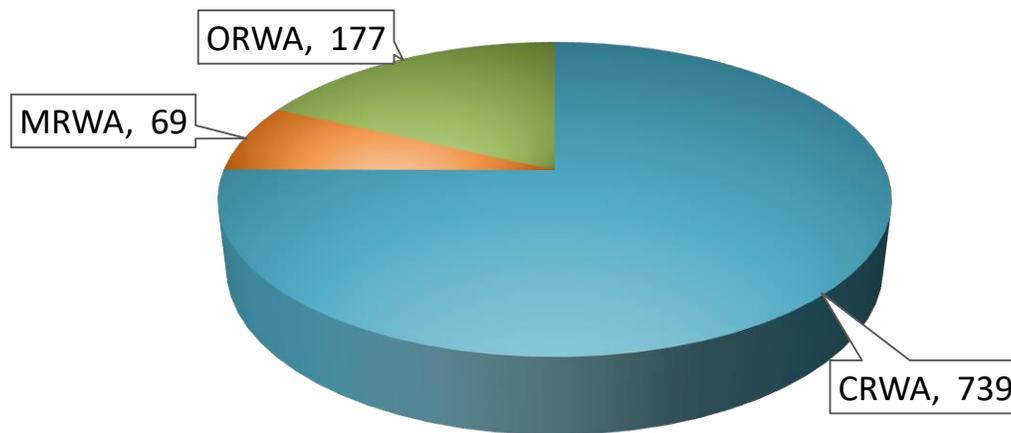


Risk Weighted Assets

RWA Sep-23 : PKR 1,036 billion



RWA Dec-22 : PKR 984 billion



- Bank's total Capital Adequacy Ratio (CAR) is 20.26% against the requirement of 11.5% (including capital conservation buffer of 1.50% as reduced under the BPRD Circular Letter No. 12 of 2020).
- Leverage Ratio of 6.05% which is well above the regulatory limit of 3.0%
- Liquidity Coverage Ratio (LCR) of 246.89% and Net Stable Funding Ratio (NSFR) of 150.03% against requirement of 100%.

*Minimum Capital Adequacy Ratio (CAR) of 11.50%, Common Equity Tier 1 (CET 1) ratio of 6.0% and Tier 1 ratio of 7.50%.

MCB Islamic Bank - Snapshot



MCB is the only conventional bank operating a wholly owned Islamic Subsidiary – MCB Islamic Bank

Islamic Business - SoFP Key Indicators

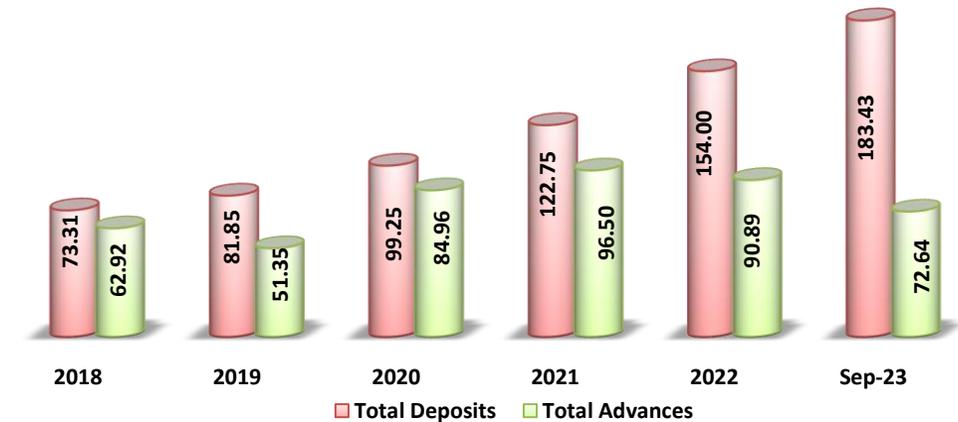
PKR in Billions	Sep 2023	Dec 2022	Var.	% var.
Deposits	183.43	154.00	29.42	19%
Gross Advances	72.64	90.89	(18.25)	-20%
Investments	110.76	72.67	38.09	52%
Net Assets	20.22	16.35	3.87	24%

Islamic Business - Profitability Indicators

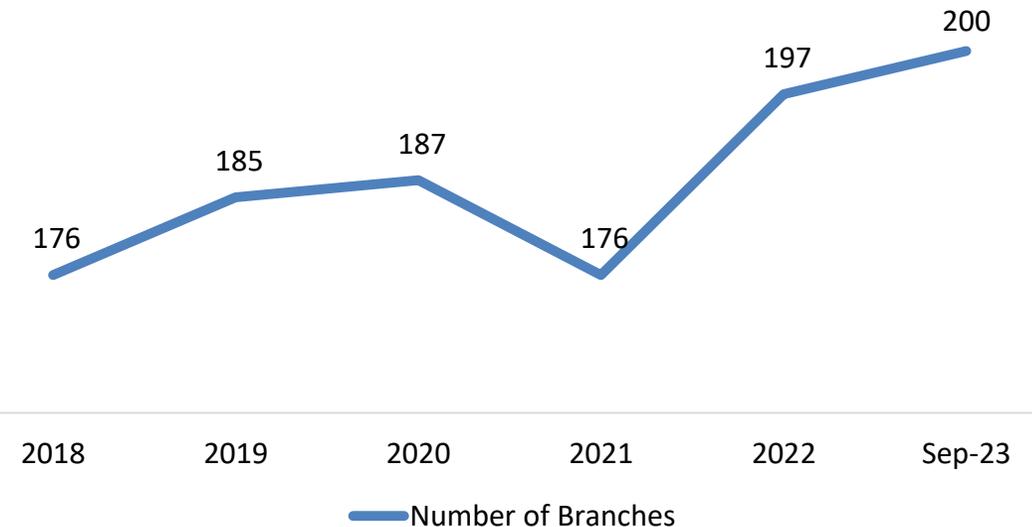
PKR in Billions	Sep 2023	Sep 2022	Var.	% var.
Net Mark-up Income	12.38	5.53	6.85	124%
Non Interest Income	1.24	0.60	0.64	107%
Total Income	13.62	6.13	7.49	122%
Non Mark-up Expense	5.55	4.43	1.12	25%
Profit before Provisions	8.07	1.69	6.37	376%
Provisions	0.56	0.02	0.54	2884%
Profit before Tax	7.51	1.68	5.83	348%
Taxation	3.67	0.83	2.84	343%
Profit after Tax	3.83	0.85	2.99	353%

MCB Islamic – Deposits & Advances

PKR in Billions



MCB Islamic Bank - Branches



Awards & Accolades

Best Corporate Report

“Runner-up” Best Corporate Report Award 2022 – Banking Sector

“Joint Runner-up” – Overall Best Corporate Report 2021”

“Joint Winner” - Best Corporate Report 2021 – Banking Sector”

“Winner – Overall Best Corporate Report Award 2020”

“Winner” - Best Corporate Report Award 2020

Winner” - Best Corporate Report Award 2019

Winner” - Best Corporate Report Award 2018

Winner” - Best Corporate Report Award 2017

Winner” - Best Corporate Report Award 2016

Winner” - Best Corporate Report Award 2015

Winner” - Best Corporate Report Award 2014

“Winner” - Best Corporate Report Award 2013

“Winner” - Best Corporate Report Award 2012

“Runner-up” Best Corporate Report Award 2011

“Winner - Best Corporate Report Award 2010

“Winner - Best Corporate Report Award 2009



Asiamoney Awards

Best Corporate Bank in Pakistan 2022

Overall Most outstanding Company in Pakistan 2020

Most outstanding Company in Pakistan 2020, 2019 Financial Sector

Best Domestic Bank in Pakistan: 2014; 2009, 2008,
2006, 2005 & 2004

Asset AAA Country Awards

Best loan adviser - 2021

Best Structured Finance Deal - 2021

Best equity-Linked Deal – 2021

Telecom Deal of the Year - 2020

Best Corporate Sukuk - 2020

Best Acquisition Financing - 2020

Best Syndicated Loan - 2020

Euromoney Awards

Best Investment bank in Pakistan - 2017

Best Bank in Pakistan - 2016

Euromoney Awards for Excellence 2012:

Best Bank in Pakistan 2011, 2008, 2003-2005, 2001, 2000

Best Bank in Asia 2008

FinanceAsia’s Country Awards

Best Bank in Pakistan - 2021

Best Bank in Pakistan - 2019

Best Bank in Pakistan - 2018

Best Pakistan Deal, IPO of Pakistan Stock Exchange - 2017

Best Bank in Pakistan - 2016

Pakistan Remittance Initiative

Leading Remittance Mobilizing Bank of Pakistan - MCB

76 Years Of
Serving Pakistan

Thank you!



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Questions & Answers

