

Press Release

MCB Bank Ltd. releases Q1 2017 financial results

[Lahore: 26th April 2017] The Board of Directors of MCB Bank Limited, met under the Chairmanship of Mian Mohammad Mansha, on April 26, 2017 to review the performance of the Bank and approve the financial statements for the three months period ended March 31, 2017.

The Bank posted profit before tax of Rs 9.47 Billion and profit after tax of Rs. 6.15 Billion. In comparison with the corresponding period last year, profit before tax has increased by 4.39% which is mainly contributed by 75% increase in Non-markup income. Net markup income of the Bank was reported at Rs. 9.74 billion, down by 14.04% over corresponding period last year. On the gross markup income side, the Bank reported a decrease of Rs. 294 million whereas interest expense registered an increase of Rs. 1.296 billion over corresponding period last year, mainly on account of increase in repurchase agreement borrowings.

On the non-markup income front, the Bank reported a base of Rs. 5.18 billion with exceptional growth of 75% over corresponding period last year. Major contributions of non-markup income are fees & commissions, capital gains and dividend income. The administrative expense base (excluding pension fund reversal) recorded an increase of 11% over corresponding period last year. On the provision front, the Bank continued with its recovery trajectory and posted a reversal in provision of Rs. 880 million in first quarter of 2017.

The total asset base of the Bank was reported at Rs 1,246.55 billion reflecting an increase of 18.51% over 2016. Analysis of the asset mix highlights that net investments have increased by Rs. 191.66 billion (+34.48%) with net advances increased by Rs. 5.53 billion (+1.59%) over December 31, 2016. The coverage and infection ratios of the Bank were reported at 89.46% and 5.68% respectively.

On the liabilities side, the deposit base of the Bank recorded an increase of Rs. 37.52 billion (+4.80%) over December 2016. MCB Bank Limited continued to enjoy one of the highest CASA mixes in the banking industry of 94.33% with current deposits increasing by 7% and savings deposits by 4% over December 2016. Strategic focus on current accounts resulted in increase in concentration level to 39% of the total deposit base.

Earnings per share (EPS) for the quarter came to Rs. 5.52 as compared to Rs. 5.41 during the same period last year. Return on Assets and Return on Equity were reported at 2.14% and 20.70% respectively, whereas book value per share stood at Rs.107.47.

The Bank remained a well-capitalized institution with a capital base well above the regulatory limits and Basel capital requirements. While complying with the regulatory capital requirements, the Bank has the highest cash dividend per share in the industry with regular interim dividends and remains one of the prime stocks traded in the Pakistani equity markets. Bank's total Capital Adequacy Ratio is 18.12% against the requirement of 10.65% (including capital conservation buffer of 0.65%). Quality of the capital is evident from Bank's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 15.80% against the requirement of 6.00%. Bank's well capitalization also resulted in a leverage ratio of 7.61% which is well above the regulatory limit of 3.0%. The Bank enjoys highest local credit ratings of AAA/A-1+ categories for long term and short term respectively.

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The Board of Directors declared a 1st interim cash dividend of Rs. 4.00 per share for the three month period ended March 31, 2017.

ENDS

About MCB Bank:

MCB Bank, is one of Pakistan's largest & most innovative banks in the private sector. The bank operates a strong and vast network of over 1200 ATMs, over 1240 branches in Pakistan and 11 branches overseas. MCB Bank was declared 'Best Bank in Pakistan, 2016 by Euromoney & Finance Asia' and the bank continues to maintain a strong rating of AAA/A1+. With a customer base of over 06 million, it leads the banking & financial services sector in Pakistan and Customers across the globe have 24/7 access to MCB Bank via the bank's World Class Internet Banking.

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