

## Press Release

### MCB Bank Limited continues strong fiscal performance through 2015

**[Lahore: 9th February 2016]** The Board of Directors of MCB Bank Limited, met under the Chairmanship of Mian Mohammad Mansha, on February 9, 2016 to review the performance of the Bank and approve the financial statements for the year ended December 31, 2015. The Bank continued with its strong performance on account of its low cost deposits base, improved quality of advances and significant contribution from non-markup income.

MCB Bank reported a Profit Before Tax (PBT) of Rs.42.333 billion and a Profit After Tax (PAT) of Rs. 25.551 billion with an increase of 15% and 5% over 2014, respectively. This was primarily contributed by 13% increase in Net Markup Income and 32% increase in Non-Markup Income. Net Markup Income of the Bank was reported at Rs. 49.322 billion whereas Non-Markup Income increased to Rs.17.115 billion. The increase in Non-Markup Income was due to capital gains which increased by Rs. 2.780 billion and fee & commission income that increased by Rs. 1.158 billion over the last year. On the gross markup income side, the Bank recorded an increase of Rs. 3.263 billion with major contribution from investments income. This growth in investment income was achieved through prudent placements and timely shift in concentration levels of investments.

On the interest expense side, the Bank registered a decrease of Rs. 2.546 billion over last year, which was commensurate with the decreasing interest rate environment. The Bank had also strategically tapered off its high cost deposits during the year to show marked reduction in its cost of funds.

The administrative block (excluding pension fund reversal) of the Bank registered a nominal increase of 8% over 2014 depicting continued focus on cost control and deployment of cost-effective measures. On the provision front, the Bank recorded few classified subjective downgrades and recorded impairment on its oil related equity exposures.

The total asset base of MCB Bank Limited was reported at Rs. 1.017 trillion signaling a healthy growth of 9% over December 2014. Analysis of the asset mix witnessed 11% increase in Investments to Rs. 568.803 billion and 3% increase in Gross Advances to Rs. 332.627 billion. The quality of its asset base registered continuous improvement as NPLs of the Bank decreased by Rs. 1.539 billion during the year and closed at Rs. 20.369 billion. Coverage ratio of the Bank was reported at 90.83% with infection ratio improving to 6.12% as compared to 6.80% as at December 2014. On the liabilities side, Bank deposits increased by 3% to Rs. 708.091 billion as on December 31, 2015. On the deposits mix front, current deposits increased by 10% to Rs. 259.818 billion improving the CASA ratio to 93% as compared to 91% as at December 2014.

2015 remained challenging for the banking industry in terms of deposits. Tax on transactions introduced for non-filers had an impact on the deposit growth rate registered in the preceding years. However, overall deposit growth remained satisfactory despite the reduction in high cost deposits.

Earnings per share (EPS) for the year were declared at Rs. 22.96 as compared to Rs. 21.85 for 2014. Return on Assets and Return on Equity were reported at 2.62% and 23.25% respectively, whereas Book value per share stood at Rs. 101.44.



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The Board of Directors declared a final cash dividend of Rs. 4.00 per share for the year ending December 31, 2015 which was in addition to Rs. 12.0 per share interim dividends already paid to the shareholders.

**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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