

Press Release

MCB Bank announces financial performance for the year ended December 31, 2016

[Lahore: February 08, 2017] The Board of Directors of MCB Bank Limited, met under the Chairmanship of Mian Mohammad Mansha, on February 08, 2017 to review the performance of the Bank and approve the financial statements for the year ended December 31, 2016.

MCB Bank Limited reported a Profit Before Tax (PBT) of Rs. 36.07 billion and a Profit After Tax (PAT) of Rs. 21.89 billion. Net markup income of the Bank was reported at Rs. 43.8 billion, down by 11.25% over last year. On the gross markup income side, the Bank reported a decrease of Rs. 12.97 billion which was mainly on account of decreased yields on advances and investments in-line with interest rate movements.

On the interest expense side, the Bank registered a decrease of Rs. 7.542 billion over last year, which was commensurate with the decreasing interest rate environment and Bank's strategy to taper off its high cost deposits during the year.

On the non-markup income front, the Bank reported a base of Rs. 16.22 billion with major contributions from fees & commissions, capital gains and dividend income. The administrative expense base (excluding pension fund reversal) recorded a nominal decrease of 0.67% over last year depicting continued focus on cost control and deployment of cost-effective measures. On the provision front, the Bank subjectively downgraded its portfolio in the last quarter of 2016 on prudent basis.

The total asset base of the Bank was reported at Rs. 1,051.81 billion presenting an increase of 4.72% over 2015. Analysis of the asset mix highlights that net investments have decreased by Rs. 9.77 billion (-1.73%) and net advances increased by Rs. 43.86 billion (+14.42%) over December 31, 2015. The coverage and infection ratios of the Bank improved to 90.82% and 5.90% respectively.

On the liabilities side, the deposit base of the Bank recorded an increase of Rs. 84.63 billion (+12.14%) over December 2015. MCB Bank Limited continued to enjoy one of the highest CASA mixes in the banking industry of 94.13% with current deposits increasing by 16% and savings deposits by 11% over December 2015. Strategic focus on current accounts resulted in increase in concentration level to 38% of the total deposit base.

Earnings per share (EPS) for the year were declared at Rs. 19.67 as compared to Rs. 22.95 for 2015. Return on Assets and Return on Equity were reported at 2.13% and 18.94% respectively, whereas book value per share stood at Rs. 105.97.

The Board of Directors declared final cash dividend of Rs. 4.0 per share for the year ended December 31, 2016 which is in addition to Rs. 12.0 per share interim dividends already paid to shareholders, taking the dividend payout ratio to 81.34%.

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



Press Release

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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