



MCB Bank Limited

Financial Performance

For the Year Ended December 31, 2023

Presented by:
Hammad Khalid
Chief Financial Officer



MCB - At a Glance



Branches



Domestic : 1430
EPZ : 01

Global Presence



7 International
branches in
3 Countries

Customers



Over 8.8 million
customer
accounts

ADCs



1475 ATMs



Over 1 Million
MCB Live users

Deposits



Market Share
5.92 % of Domestic
Industry deposits

Advances



Market Share
4.71 % of Domestic
Industry advances

Home Remittance



Market Share
12.32%

Trade



Market Share
8.06%

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

Highlights - December 31st, 2023

Pakistan's Outlook

- **Politics;** Post elections, democratic transition shaping up despite all chaos;
- **Macroeconomic outlook;**
 - Country has met the fiscal targets under IMF-SBA; Delivery on the structural reforms agenda remains the key;
 - Coalition Government to immediately engage with IMF for a much larger program; Anticipated to undergo strong fiscal and monetary adjustments including reduction in gas and power circular debts, flexible exchange rate and enhanced tax revenue collection amongst others.
 - Notable economic shift observed in 2023 due to significant rise in average inflation rate to 30.8% significantly higher than previous year's 19.9%;
 - Policy rate remains at 22% in 2nd half of 2023;
 - Fiscal Deficit expected to remain high at 7.7% of GDP; Dependence on the banking sector is expected to continue.

Historic growth in Key Numbers

- Building no cost deposits, leading to a robust growth of Rs. 180 billion (YoY: +28%) in average current deposits
- 69% NIM growth; fueled by growth in no cost liability and higher policy rate;
- Cost to Income Ratio improved to 28.70% on account of 62% increase in total income;
- 75% Increase in Standalone PBT to PKR 125.2 billion – 2nd Highest in the Industry;
- Consolidated PBT of PKR 137.5 billion;
- Ex-NIB related recovery for the year ended Dec-23 sums to Rs. 1.15 B;
- Home remittance inflows of USD 3.25 billion during 2023; market share improved to 12.3% (Dec-22 : 11.5%).

75% increase in PBT

PBT PKR **125.2** Billion +75% YoY

PAT PKR **59.6** Billion +82% YoY

NIM PKR **147.7** Billion +69% YoY

NFI PKR **32.9** Billion +34% YoY

Deposits PKR **1.8** Trillion +31% YoY

Investments PKR **1.25** Trillion +28% YoY

Sound Balance Sheet Footing



PKR in Billions				
	Dec 2023	Dec 2022	Var.	% var.
ASSETS	2,427.18	2,085.36	341.82	16.39%
Advances - net	577.86	753.40	(175.54)	-23.30%
- Gross Advances	622.42	797.57	(175.15)	-21.96%
Investments	1,249.44	978.73	270.71	27.66%
Cash and Balances with Banks	205.79	121.24	84.55	69.74%
Lending to Financial Institutions	96.21	50.42	45.80	90.84%
Others	297.87	181.57	116.31	64.06%
LIABILITIES	2,196.47	1,895.86	300.61	15.86%
Deposits	1,805.39	1,378.72	426.67	30.95%
Current	870.63	680.11	190.52	28.01%
Savings	877.20	642.44	234.77	36.54%
Term	57.55	56.17	1.38	2.46%
Borrowings	216.61	340.24	(123.63)	-36.34%
Bills Payable	25.10	39.14	(14.04)	-35.88%
Others	149.38	137.77	11.61	8.43%
NET ASSETS	230.71	189.49	41.21	21.75%
EQUITY	206.61	170.85	35.76	20.93%

Advances Portfolio:

- Gross advances of the Bank decreased by Rs. 175 billion (-22%);
- Corporate lending book decreased by Rs. 168.5 billion (-28%) whereas the Retail loan portfolio decreased by Rs. 13.6 billion (-16%);
- Coverage & Infection ratios of the Bank were reported at 82.70% and 8.66% respectively.

Investment Portfolio:

- PKR 67 billion added to Floating PIBs portfolio closing at PKR 595.1 billion;
- PKR 76 billion decreased in Fixed PIBs closing at PKR 213.4 billion;
- TBs increased by PKR 223.2 billion and closed at PKR 354.8 billion;
- Yield on Investment increased to 18.32% in CY23 as compared to 12.41% in CY22;
- PIBs – AFS & HTM excluding floating – WA time to maturity of PIBs is 2.95 years.

Strong Current Deposit Mobilization:

- Business initiatives, customer engagements and focus on building no cost deposits reflected on the unprecedented increase of 28% YTD in current deposits base;
- Growth of Rs. 190.5 Billion in absolute terms in current deposits;
- On Average basis, Current to Total Deposits Ratio improved to 50.5% (Dec-22 : 42.2%)
- CoD for CY23 contained at 8.64% (CY22 – 6.23%) despite sharp increase in policy rate;
- CASA further improved from 95.93% at Dec-22 to 96.81%.

Segmentwise Advances

PKR in Billions	Dec 2023	Dec 2022	Var.	% var.
	Advances (gross)	622	798	(175)
Retail	74	88	(14)	-16%
Corporate	438	606	(168)	-28%
Consumer	39	43	(4)	-10%
Overseas	41	29	12	43%
Others	31	32	(1)	-3%
MCB Advances (domestic)	581	769	(188)	-24.39%
Industry Advances (domestic)	12,352	11,913	440	3.69%
Market Share	4.71%	6.46%		
Advances - Net	578	753	(176)	-23%

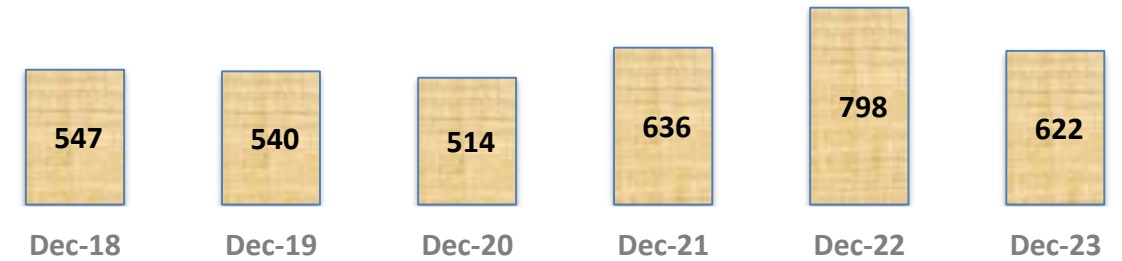
PKR in Millions

YTD (Dec 23 vs. Dec 22)

	Dec 23	Dec 22	Var.	%
Total NPLs	53,883	51,260	2,623	5.12%
OAEM	1,517	1,465	52	4%
Substandard	863	126	737	582%
Doubtful	713	569	144	25%
Loss	50,790	49,100	1,690	3%

PKR in Billions

Gross Advances (CAGR 3.21%)

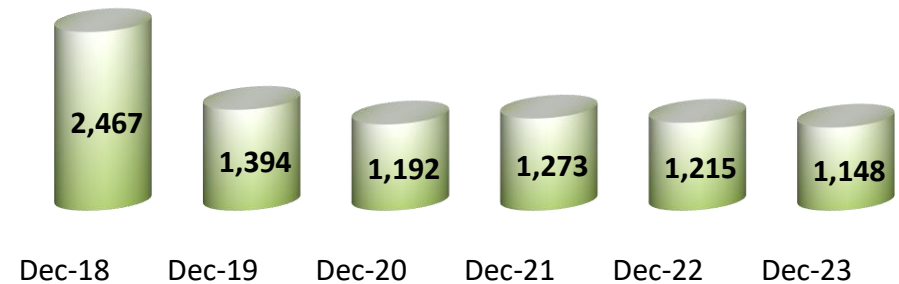


Yield on Advances



Recovery from NIB NPL Stock

PKR in Millions



Total Recoveries related to NPL stock transferred from NIB Bank amounts to Rs. 9.67 billion.

Diversified Investment Portfolio

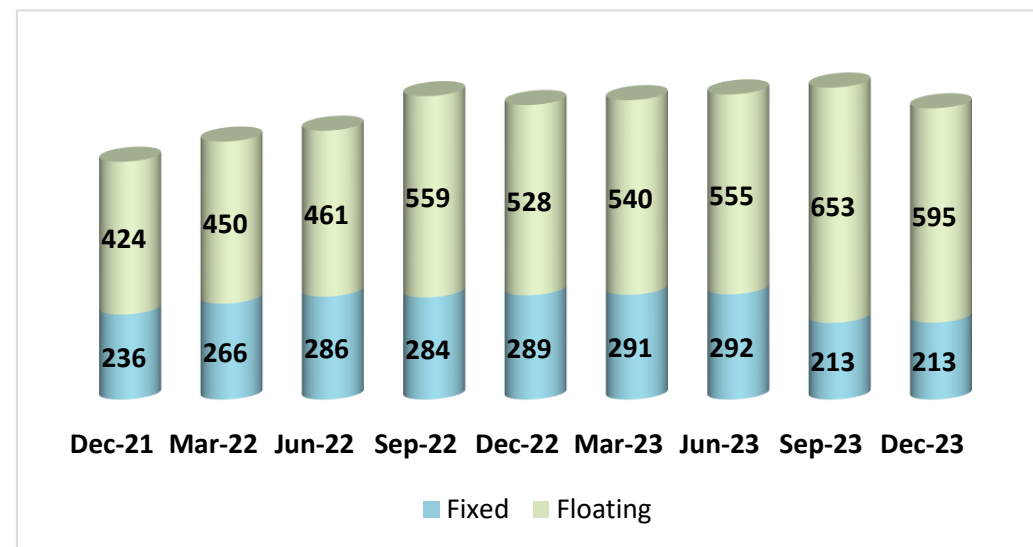


PKR in Billions				
	Dec 2023	Dec 2022	Var.	% var.
Treasury Bills	355	132	223	170%
Pakistan Investment Bonds - Fixed	213	289	(76)	-26%
Pakistan Investment Bonds - Floating	595	528	67	13%
Other government securities / Euro Bonds	60	17	43	253%
Other Debt Securities (TFCs, Bonds)	12	11	1	8%
Shares in Listed, Unlisted Co.s & Mutual funds	31	28	3	10%
Subsidiaries & Associated Undertakings	18	17	1	4%
Investments at cost	1,284	1,023	261	26%
Provision for diminution in value of investments	(11)	(10)	(1)	8%
Deficit on revaluation of securities	(23)	(33)	10	-30%
Investments at revalued amount - net of provision	1,249	979	271	28%

Composition of Investments		
	Dec 2023	Dec 2022
T-Bills	28%	13%
PIBs	63%	80%
Equity securities	4%	4%
Other Government Securities	5%	2%
Debt instruments	1%	1%

Pakistan Investment Bonds

PKR in Billions



Building no cost Deposits *i.e. PKR 190.5 billion added in Current Deposits ; +28%*



Total Deposits
PKR **1.8** trillion

Current Deposits
PKR **871** billion

Saving Deposits
PKR **877** billion

CoD
8.64%
Up by 240 bps YoY

CASA
96.81%
Dec-22 : 95.93%

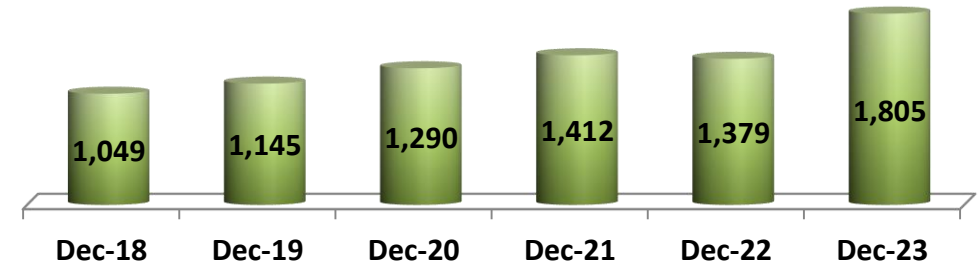
Market Share (Domestic)
5.92%
Dec-22 : 5.87%

Branches
1,430
domestic
+(EPZ:1)

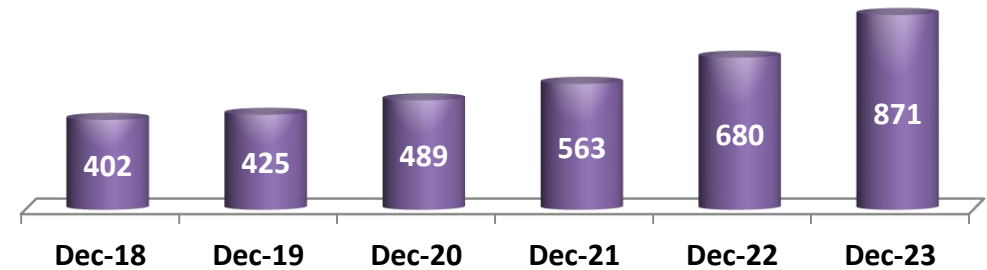
Branches
7
International

Customer Base
Over **8.8** million

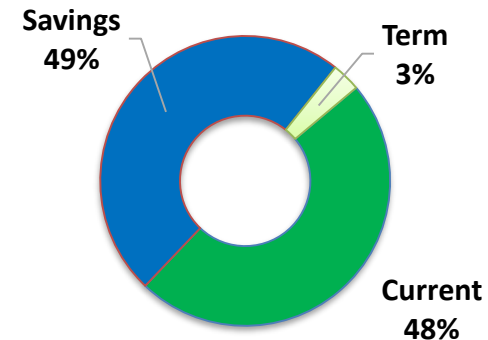
PKR in Billions **Total Deposits (CAGR : 10.94%)**



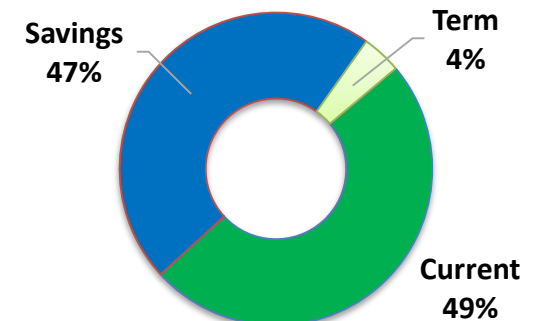
PKR in Billions **Current Deposits (CAGR : 14.97%)**



Deposits Mix Dec-23



Deposits Mix Dec-22



Impressive YoY increase in PBT i.e. 75%



PKR in Billions	Dec 2023	Dec 2022	Var.	% var.
	Mark-up Income	328.06	200.76	127.29
Mark-up Expense	180.36	113.61	66.75	59%
Net Mark-up Income	147.70	87.16	60.54	69%
Non Interest Income	32.92	24.61	8.30	34%
Total Income	180.62	111.77	68.85	62%
Non Mark-up Expense	55.00	43.19	11.82	27%
Operating expenses	51.84	41.49	10.34	25%
other charges & WWF	3.16	1.69	1.47	87%
Profit before Provisions	125.61	68.58	57.03	83%
Provisions	0.37	(2.78)	3.16	113%
against Investments	0.79	(0.36)	1.15	323%
against loans & advances	(0.30)	(2.33)	2.03	87%
Others including write off recovery	(0.12)	(0.10)	(0.02)	-24%
Profit before Tax	125.24	71.37	53.88	75%
Taxation	65.61	38.62	26.99	70%
Profit after Tax	59.63	32.74	26.89	82%

Exceptional performance in Core Earnings:

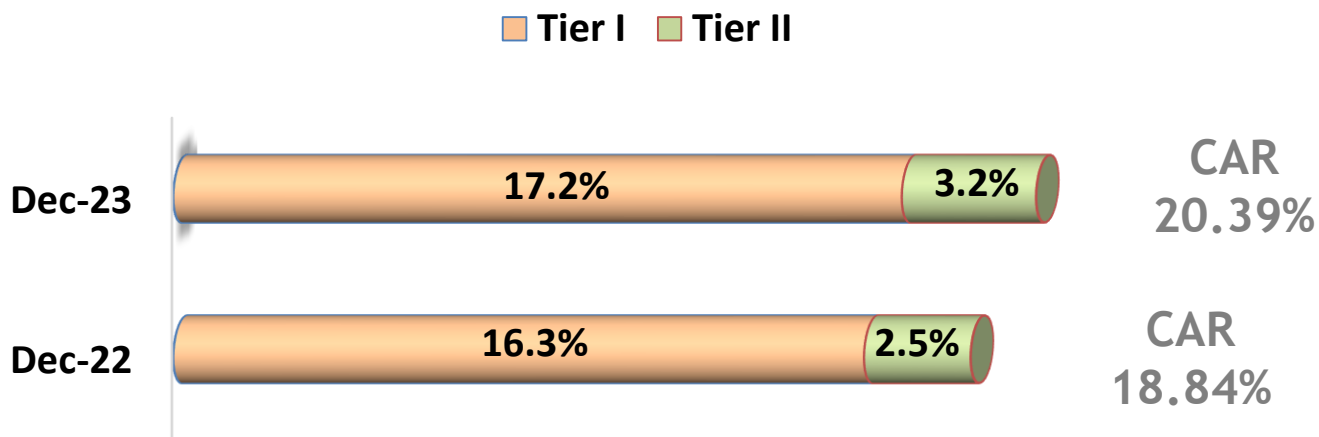
- Strong volumetric growth in current account and timely repositioning of the asset book, net interest income is increased by 69%; [Spread](#)
- Non-markup income increased to Rs. 32.9 billion (+34%) with major contributions coming in from fee commission income (Rs. 20.2 billion), income from dealing in foreign currency (Rs. 8.5 billion) and dividend income (Rs. 3.0 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 43% in income from fee commission while trade and guarantee related business income grew by 111%, cards related income by 49% and income from home remittance by 26%.
- 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. 51.8 billion (+25%).
- Profit for overseas operations increased by 128%YoY to PKR 6.1 Billion (USD 21.5 million)
- Highest ever PBT of Rs. 125.24 billion (+75%) while PAT registered a growth of 82%.

Profitability Ratios:

- RoE 31.60% (Dec-22:19.78%) and RoA 2.64% (Dec-22:1.61%), healthy profitability ratios;
- Cost to Income ratio significantly improved to 28.70% as compared to 37.13% during last year.

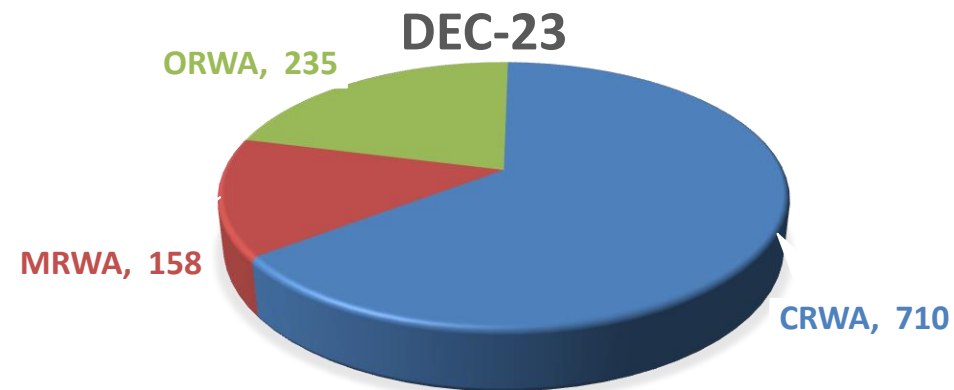
Strong Capital Position & Ratios

Buffer of 889bps on top of regulatory CAR

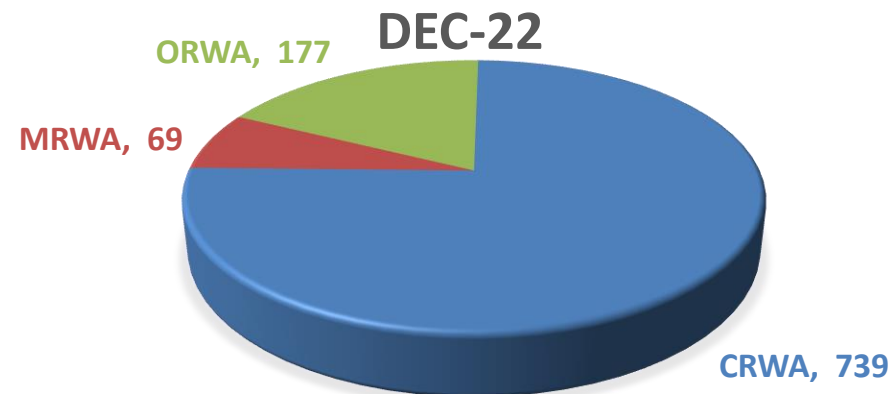


Risk Weighted Assets

RWA Dec-23 : PKR 1,103 billion



RWA Dec-22 : PKR 984 billion



- Bank's total Capital Adequacy Ratio (CAR) is 20.39% 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 6.17% which is well above the regulatory limit of 3.0%
- Liquidity Coverage Ratio (LCR) of 250.62% and Net Stable Funding Ratio (NSFR) of 147.41% 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

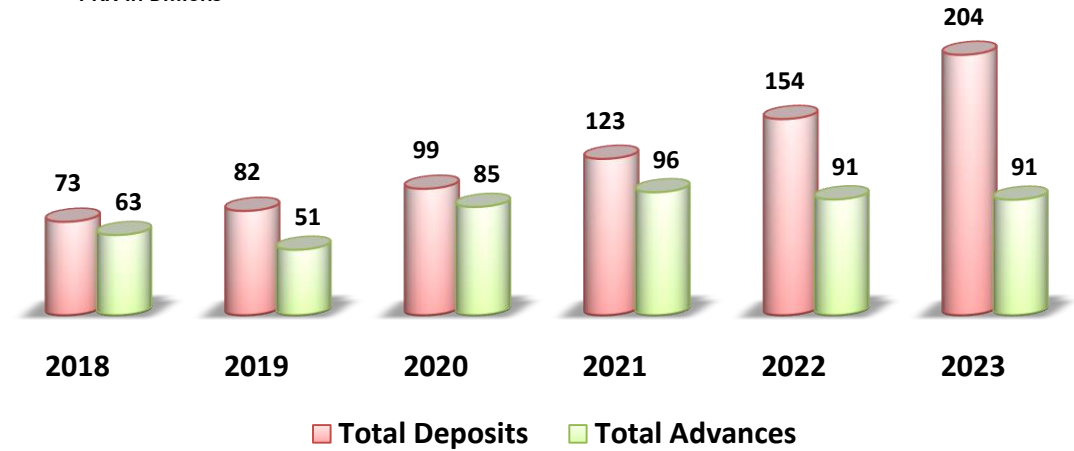
PKR in Billions	Dec 2023	Dec 2022	Var.	% var.
	Deposits	204.46	154.00	50.46
Gross Advances	90.64	90.89	(0.25)	0%
Investments	132.54	72.67	59.87	82%
Net Assets	22.04	16.35	5.69	35%

Islamic Business - Profitability Indicators

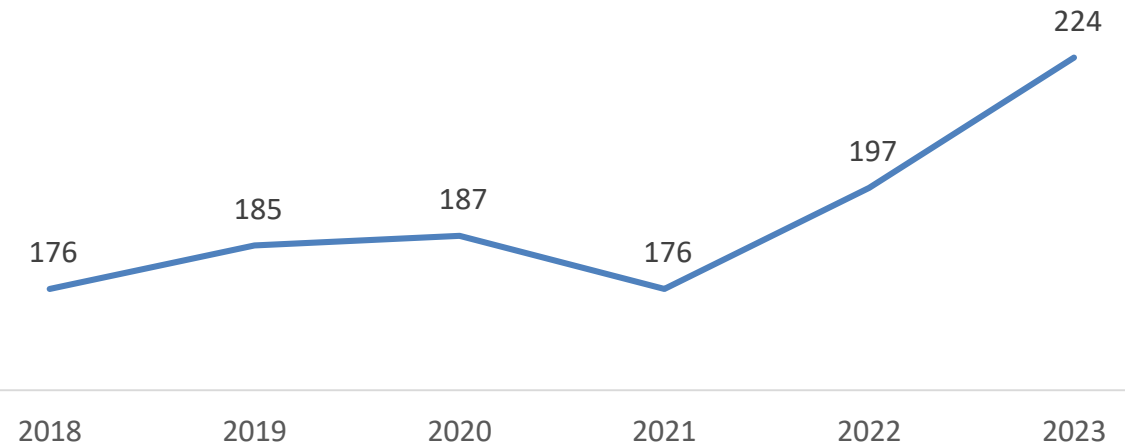
PKR in Billions	Dec 2023	Dec 2022	Var.	% var.
	Net Mark-up Income	17.18	8.52	8.66
Non Interest Income	1.74	0.87	0.87	100%
Total Income	18.92	9.39	9.53	102%
Non Mark-up Expense	7.65	6.05	1.60	27%
Profit before Provisions	11.27	3.34	7.93	237%
Provisions	0.70	0.14	0.56	399%
Profit before Tax	10.57	3.20	7.36	230%
Taxation	5.41	1.65	3.76	227%
Profit after Tax	5.15	1.55	3.61	233%

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

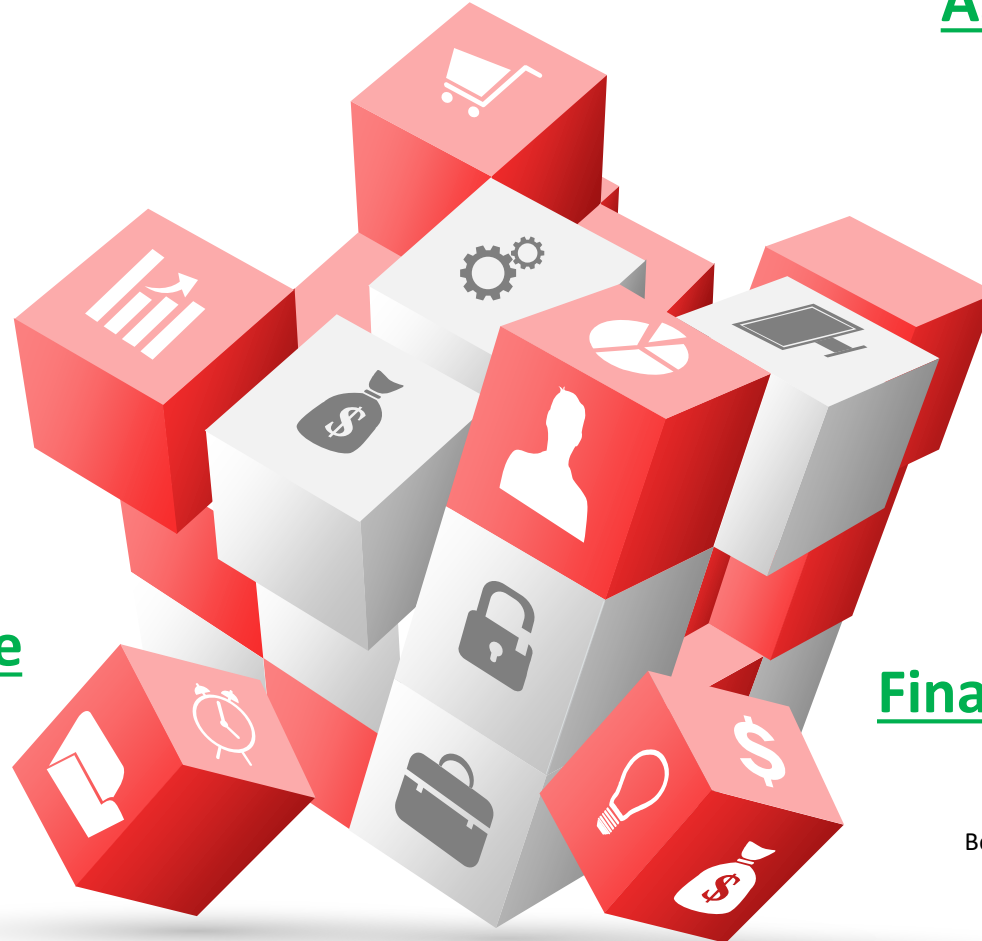
“Winner” - Best Corporate Report Award 2013

“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!



www.mcb.com.pk



+92 42 36041998-9



investor.relations@mcb.com.pk



Questions & Answers

