



# MCB Bank Limited

## Financial Performance

*For the Quarter Ended March 31, 2024*

*Presented by:*  
**Hammad Khalid**  
Chief Financial Officer



# MCB - At a Glance



## Branches



Domestic : 1429  
EPZ : 01

## Global Presence



7 International  
branches in  
3 Countries

## Customers



Over 8.9 million  
customer  
accounts

## ADCs



1479 ATMs



Over 1.1 Million  
MCB Live users

## Deposits



Market Share  
6.05 % of Domestic  
Industry deposits

## Advances



Market Share  
5.10 % of Domestic  
Industry advances

## Home Remittance



Market Share  
11.7%

## Trade



Market Share  
6.8%

## Credit Rating



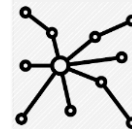
Long Term  
AAA

## Dividend



One of the Highest  
dividend per share  
in Banking industry

## Branch Network



2<sup>nd</sup> largest branch  
network on group  
basis (including  
MIB branches)

## Market Capitalization



One of the highest  
market cap. in  
Banking industry

# Highlights – 1<sup>st</sup> Quarter 2024

**41% increase in PBT**

## Macroeconomic outlook;

- Signs of improvement with successful completion of the IMF's Stand-By Arrangement (SBA) program and the implementation of ongoing policy and reform efforts;
- 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.
- Headline inflation is on a downward trajectory, falls to 17.3% in April 2024 lowest in last two years as compared to above 35% in comparative period last year;
- Despite improvement in inflation numbers, the State Bank of Pakistan (SBP) opted to maintain the policy rate at 22% on April 29, 2024, citing risks to inflation outlook amidst elevated inflation expectations;
- Fiscal Deficit expected to remain high at 7.7% of GDP; Dependence on the banking sector is expected to continue.

PBT PKR **32.5** Billion +41% YoY

PAT PKR **16.6** Billion +27% YoY

NIM PKR **38.1** Billion +27% YoY

NFI PKR **9.1** Billion +54% YoY

Advances PKR **647.4** Billion +4% YoY

Deposits PKR **1.85** Trillion +3% YoY

## Growth in Key Numbers

- Building no cost deposits, leading to a growth of Rs. 98 billion (YoY: +13%) in average current deposits
- 27% NIM growth; fueled by growth in no cost liability and timely repositioning of investment base;
- Cost to Income Ratio improved to 29.50% on account of 31% increase in total income;
- Bank's total deposits crossed Rs. 1.85 trillion while the domestic market share improved to 6.05% compared to 5.92% as at December 31, 2023;
- 41% Increase in Standalone PBT to PKR 32.5 billion – 2<sup>nd</sup> Highest in the Industry;
- Consolidated PBT of PKR 35.3 billion;
- Ex-NIB related recovery FTP ended Mar-24 sums to Rs. 259 million totaling Rs. 9.92 billion since 2017;
- Home remittance inflows of USD 892 million during Q1-2024; leads to market share 11.7% (Mar-23 : 12.2%).

# Sound Balance Sheet Footing



PKR in Billions	Mar 2024	Dec 2023		
		Dec 2023	Var.	% var.
<b>ASSETS</b>	2,408.96	2,427.18	(18.22)	-0.75%
Advances - net	596.04	577.86	18.18	3.15%
- Gross Advances	647.40	622.42	24.97	4.01%
Investments	1,288.59	1,249.44	39.15	3.13%
Cash and Balances with Banks	228.01	205.79	22.22	10.80%
Lending to Financial Institutions	50.04	96.21	(46.17)	-47.99%
Others	246.27	297.87	(51.60)	-17.32%
<b>LIABILITIES</b>	2,177.02	2,196.47	(19.45)	-0.89%
Deposits	1,851.33	1,805.39	45.94	2.54%
Current	884.98	870.63	14.34	1.65%
Savings	904.67	877.20	27.46	3.13%
Term	61.69	57.55	4.14	7.19%
Borrowings	153.09	216.61	(63.52)	-29.32%
Bills Payable	11.42	25.10	(13.68)	-54.51%
Others	161.18	149.38	11.81	7.90%
<b>NET ASSETS</b>	231.94	230.71	1.23	0.53%
<b>EQUITY</b>	213.34	206.61	6.72	3.25%

## Advances Portfolio:

- Gross advances of the Bank increased by Rs. 24.97 billion (+4%);
- Corporate lending book increased by Rs. 15.3 billion (+3%) whereas the Retail loan portfolio increased by Rs. 14.8 billion (+20%);
- Coverage & Infection ratios of the Bank were reported at 92.67% and 8.56% respectively.

## Investment Portfolio:

- PKR 5.5 billion added to Floating PIBs portfolio closing at PKR 600.7 billion;
- PKR 33.8 billion added to Fixed PIBs closing at PKR 247.2 billion;
- TBs decreased by PKR 4.4 billion and closed at PKR 350.4 billion;
- Yield on Investment increased to 19.25% in March-24 as compared to 15.0% in March-23;
- PIBs – AFS & HTM excluding floating – WA time to maturity of PIBs is 2.64 years.

## Strong Current Deposit Mobilization:

- Despite significant increase in average policy rate, domestic cost of deposits contained at 10.70% as compared to 7.15% in the corresponding period of last year primarily on account of increase in Current Account;
- Growth of Rs. 14.3 Billion in absolute terms in current deposits;
- Current Deposit mix is maintained at 48%;
- CoD for Mar-24 contained at 10.04% (March-23 : 6.83%) despite sharp increase in policy rate;
- CASA reported at 96.67% (Dec-23 : 96.81%);

## Segmentwise Advances

PKR in Billions	Mar 2024	Dec 2023	Var.	% var.
	Advances (gross)	647.40	622.42	24.97
Retail	88.68	73.86	14.81	20%
Corporate	453.27	438.01	15.26	3%
Consumer	38.38	38.63	(0.25)	-1%
Overseas	36.67	40.98	(4.32)	-11%
Others	30.41	30.94	(0.53)	-2%
MCB Advances (domestic)	610.73	581.44	29.29	5.04%
Industry Advances (domestic)*	11,964.29	12,352.27	(387.98)	-3.14%
Market Share	5.10%	4.71%		
Advances - Net	596.04	577.86	18.18	3%

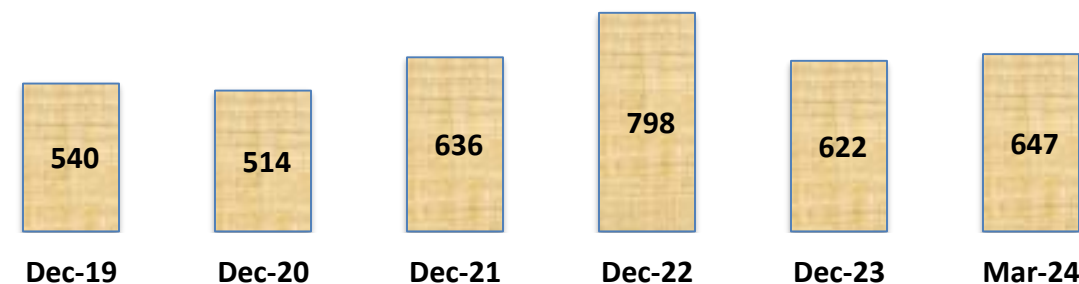
PKR in Millions

### YTD (Mar 24 vs. Dec 23)

	Mar 24	Dec 23	Var.	%
<b>Total NPLs</b>	<b>55,417</b>	<b>53,883</b>	<b>1,534</b>	<b>2.85%</b>
OAEM	1,642	1,517	125	8%
Substandard	139	863	(724)	-84%
Doubtful	2,815	713	2,102	295%
Loss	50,821	50,790	31	0%

PKR in Billions

### Gross Advances (CAGR 3.26%)



### Yield on Advances



PKR in Millions

### Recovery from NIB NPL Stock



Total Recoveries related to NPL stock transferred from NIB Bank amounts to Rs. 9.92 billion.

# Diversified Investment Portfolio



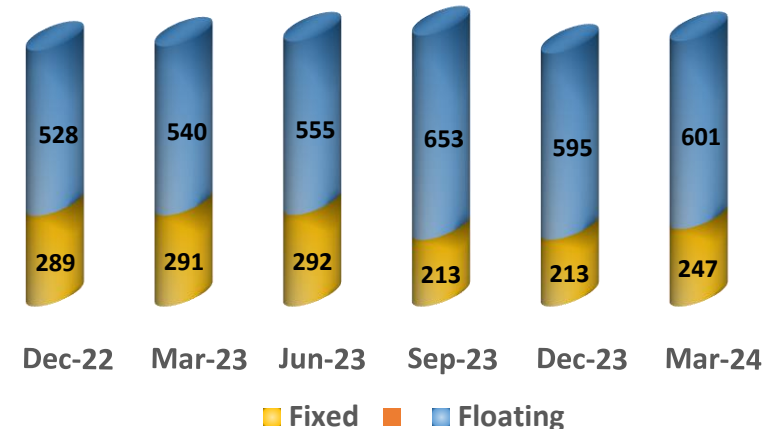
PKR in Billions	Mar 2024	Dec 2023	Var.	% var.
Treasury Bills	350.41	354.83	(4.42)	-1%
Pakistan Investment Bonds - Fixed	247.22	213.41	33.81	16%
Pakistan Investment Bonds - Floating	600.69	595.14	5.55	1%
Other government securities / Euro Bonds	63.46	60.08	3.38	6%
Other Debt Securities (TFCs, Bonds)	11.82	11.82	-	-
Shares in Listed, Unlisted Co.s & Mutual funds	31.97	31.08	0.89	3%
Subsidiaries & Associated Undertakings	18.67	17.67	1.00	6%
<b>Investments at cost</b>	<b>1,324.25</b>	<b>1,284.04</b>	<b>40.21</b>	<b>3%</b>
Credit loss allowance for diminution in value of investments	(1.55)	(11.18)	9.63	-86%
Deficit on revaluation of securities	(34.10)	(23.42)	(10.68)	46%
<b>Investments at revalued amount - net of provision</b>	<b>1,288.59</b>	<b>1,249.44</b>	<b>39.15</b>	<b>3%</b>

## Composition of Investments

	Mar 2024	Dec 2023
T-Bills	26%	28%
PIBs	64%	63%
Equity securities	4%	4%
Other Government Securities	5%	5%
Debt instruments	1%	1%

## Pakistan Investment Bonds

PKR in Billions





# Building no cost-low cost Deposits *i.e. CASA maintained at 96.7%*



Total Deposits  
PKR **1.85** trillion

Current Deposits  
PKR **885** billion

Saving Deposits  
PKR **905** billion

CoD  
**10.04%**  
Up by 321 bps YoY

CASA  
**96.67%**  
Dec-23 : 96.81%

Market Share (Domestic)  
**6.05%**  
Dec-23 : 5.92%

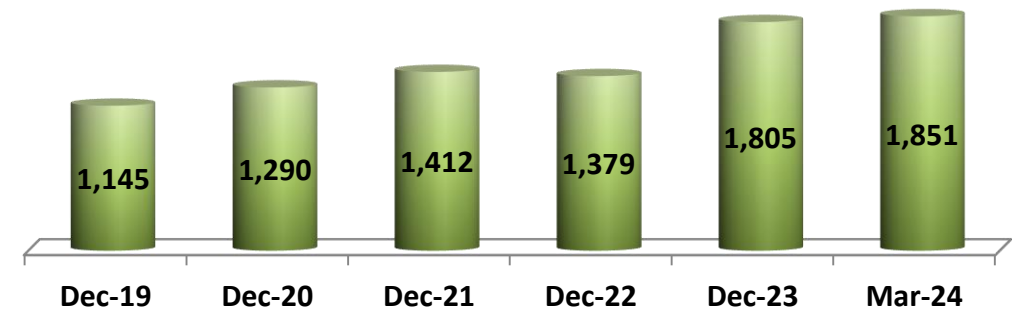
Branches  
**1,429**  
domestic  
+(EPZ:1)

Branches  
**7**  
International

Customer Base  
Over **8.9** million

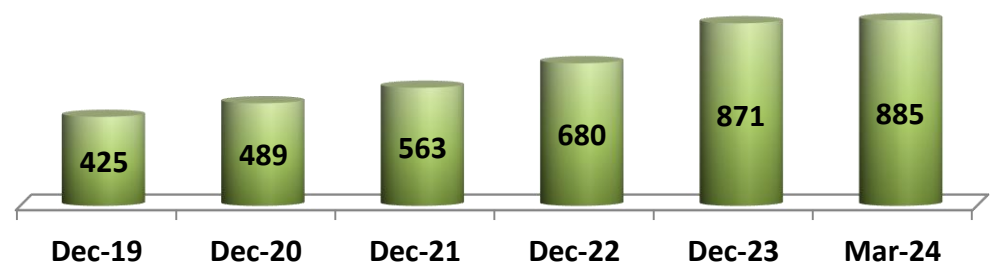
## Total Deposits (CAGR : 11.43%)

PKR in Billions

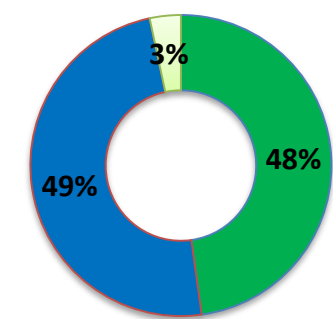


## Current Deposits (CAGR : 16.22%)

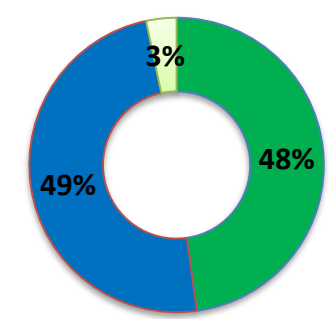
PKR in Billions



### Deposits Mix Dec-23



### Deposits Mix Mar-24



■ Current ■ Savings ■ Term

■ Current ■ Savings ■ Term

# Impressive YoY increase in PBT i.e. 41%



PKR in Billions	Mar 2024	Mar 2023	Var.	
			Var.	% var.
Mark-up Income	89.01	63.85	25.2	39%
Mark-up Expense	50.94	33.79	17.2	51%
<b>Net Mark-up Income</b>	<b>38.07</b>	<b>30.07</b>	<b>8.0</b>	<b>27%</b>
Non Interest Income	9.12	5.92	3.2	54%
<b>Total Income</b>	<b>47.20</b>	<b>35.99</b>	<b>11.2</b>	<b>31%</b>
<b>Non Mark-up Expense</b>	<b>14.72</b>	<b>12.35</b>	<b>2.4</b>	<b>19%</b>
Operating expenses	13.92	11.79	2.1	18%
other charges & WWF	0.80	0.56	0.2	44%
<b>Profit before Credit Loss Allowance</b>	<b>32.47</b>	<b>23.64</b>	<b>8.8</b>	<b>37%</b>
<b>Credit Loss Allowance</b>	<b>(0.07)</b>	<b>0.62</b>	<b>(0.7)</b>	<b>-111%</b>
against Investments	0.01	0.94	(0.9)	-99%
against loans & advances	0.70	(0.29)	1.0	338%
Others including write off recovery	(0.78)	(0.02)	(0.8)	-3567%
<b>Profit before Tax</b>	<b>32.54</b>	<b>23.02</b>	<b>9.5</b>	<b>41%</b>
Taxation	15.99	9.96	6.0	61%
<b>Profit after Tax</b>	<b>16.56</b>	<b>13.06</b>	<b>3.5</b>	<b>27%</b>

## Optimizing Earning Assets Mix and Exceptional performance in Core Earnings:

- Through focused efforts in maintaining no-cost deposits base and optimizing earning assets mix, net interest income is increased by 27%;
- Non Interest Income increased to Rs. 9.1 billion (+54%) with major contributions coming in from fee commission income (Rs. 6.1 billion), income from dealing in foreign currency (Rs. 1.9 billion) and dividend income (Rs. 1.0 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 46% in income from fee commission while trade and guarantee related business income grew by 100%, cards related income by 48% and income from home remittance by 41%.
- 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. 13.9 billion (+18%).
- Profit for overseas operations increased by 110%YoY to PKR 1.9 Billion (USD 6.71 million)
- PBT of Rs. 32.54 billion (+41%) while PAT registered a growth of 27%.

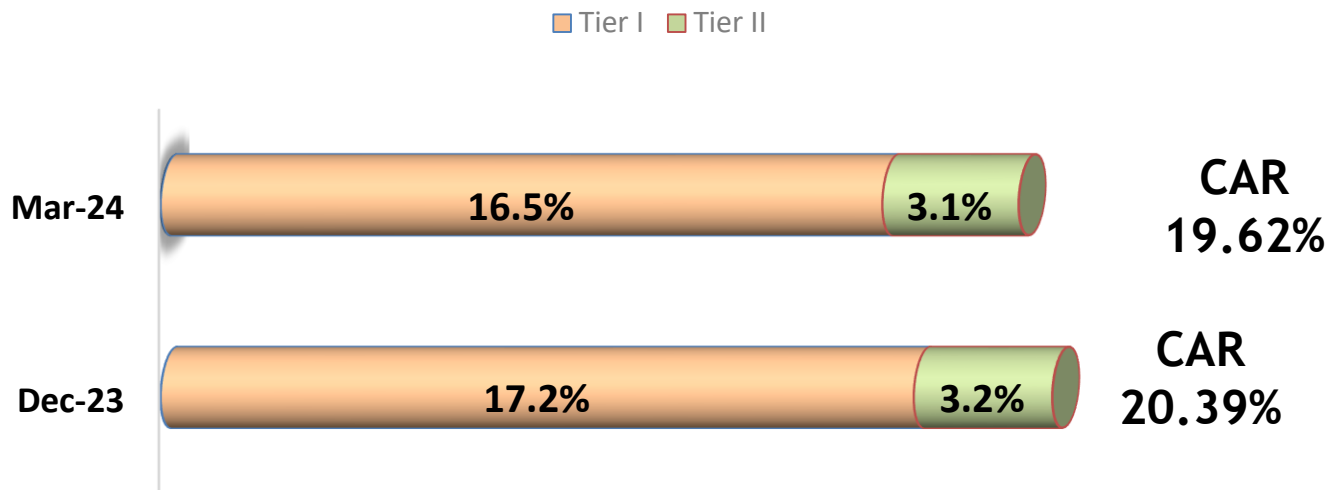
## Profitability Ratios:

- RoE 31.54% (Dec-23 : 31.60%) and RoA 2.74% (Dec-23 : 2.64%), healthy profitability ratios;
- Cost to Income ratio significantly improved to 29.50% as compared to 32.77% for Q1-2024.



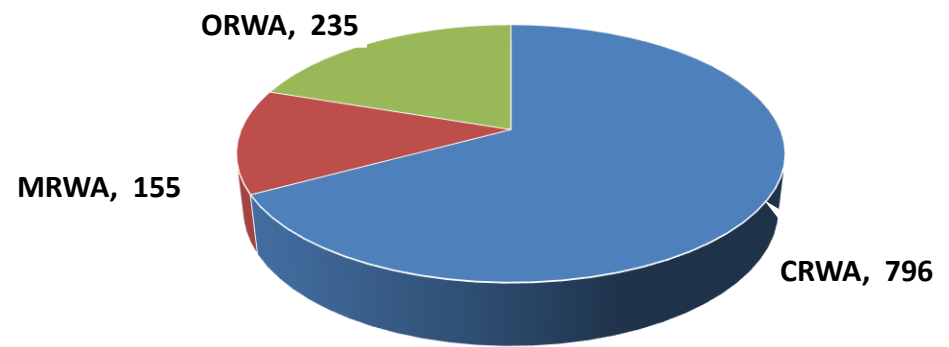
# Strong Capital Position & Ratios

Buffer of 812bps on top of regulatory CAR

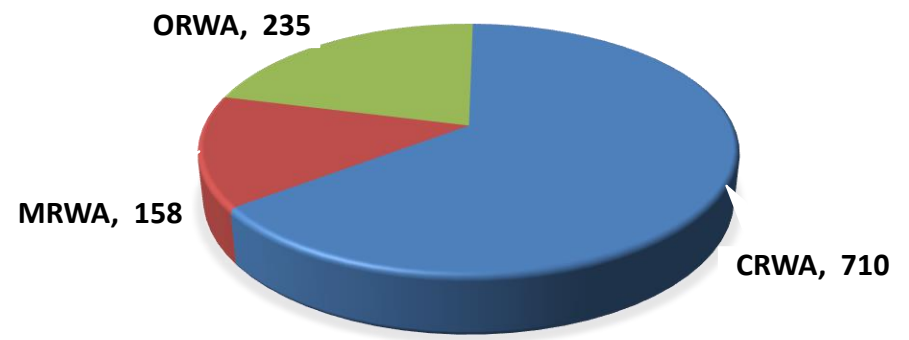


## Risk Weighted Assets

RWA Mar-24 : PKR 1,187 billion



RWA Dec-23 : PKR 1,103 billion



- Bank's total Capital Adequacy Ratio (CAR) is 19.62% 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 6.50% which is well above the regulatory limit of 3.0%
- Liquidity Coverage Ratio (LCR) of 263.47% and Net Stable Funding Ratio (NSFR) of 160.47% 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



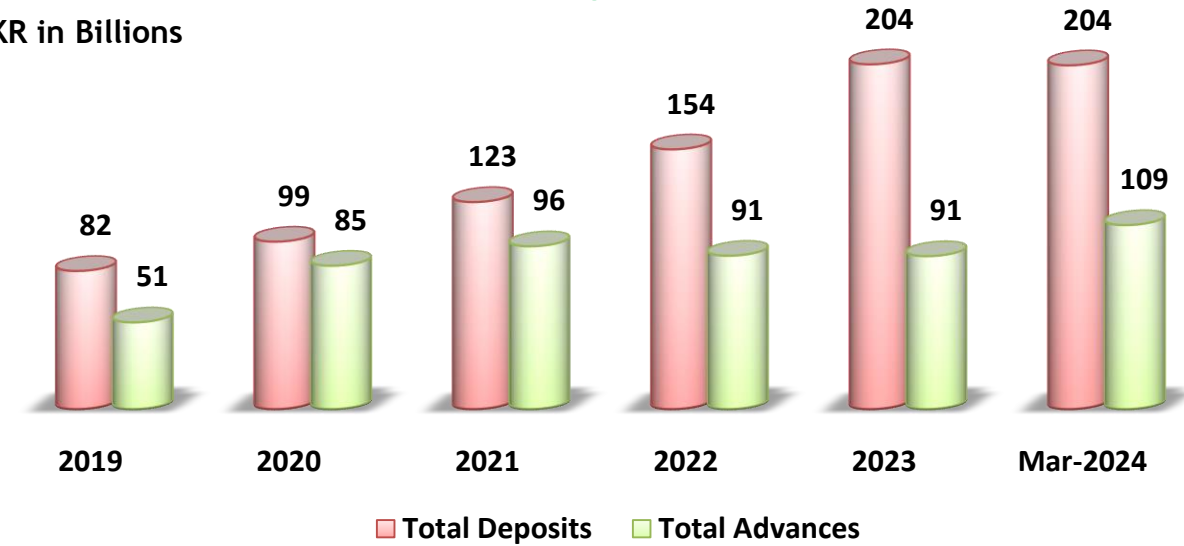
MCB is the only conventional bank operating a wholly owned Islamic Subsidiary – MCB Islamic Bank

## Islamic Business - SoFP Key Indicators

PKR in Billions	Mar 2024	Dec 2023	Var.	% var.
Deposits	203.87	204.46	(0.59)	0%
Gross Advances	109.07	90.64	18.44	20%
Investments	115.20	132.54	(17.34)	-13%
Net Assets	22.96	22.04	0.92	4%

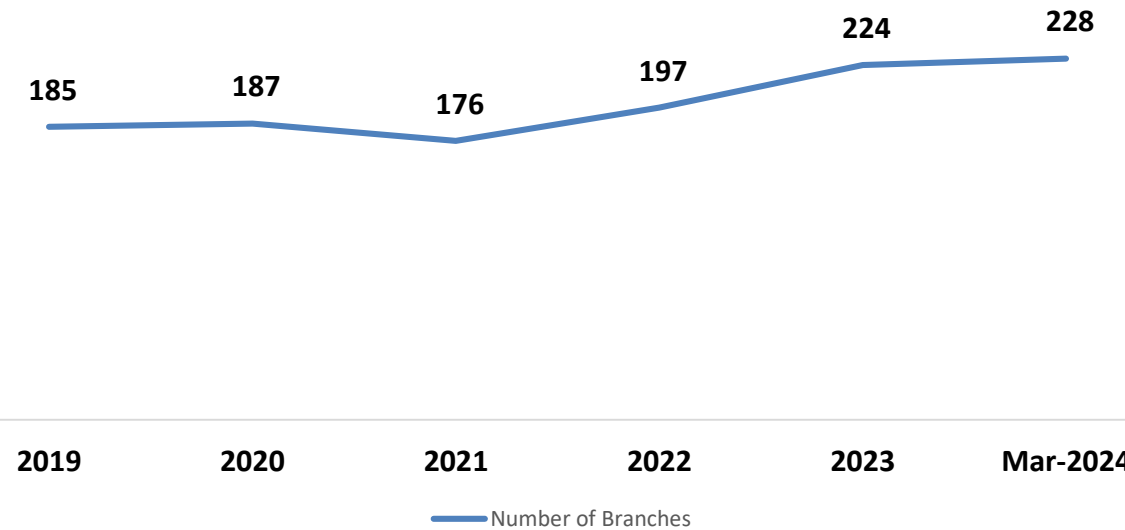
## MCB Islamic – Deposits & Advances

PKR in Billions



## Islamic Business - Profitability Indicators

PKR in Billions	Mar 2024	Mar 2023	Var.	% var.
Net Mark-up Income	4.20	2.89	1.31	45%
Non Interest Income	0.27	0.27	(0.00)	-1%
<b>Total Income</b>	<b>4.46</b>	<b>3.16</b>	<b>1.31</b>	<b>41%</b>
Non Mark-up Expense	2.15	1.59	0.56	35%
<b>Profit before Provisions</b>	<b>2.32</b>	<b>1.57</b>	<b>0.75</b>	<b>48%</b>
Provisions	0.05	0.12	(0.07)	-58%
<b>Profit before Tax</b>	<b>2.27</b>	<b>1.45</b>	<b>0.82</b>	<b>56%</b>
Taxation	1.11	0.61	0.50	82%
<b>Profit after Tax</b>	<b>1.16</b>	<b>0.84</b>	<b>0.32</b>	<b>38%</b>



# 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

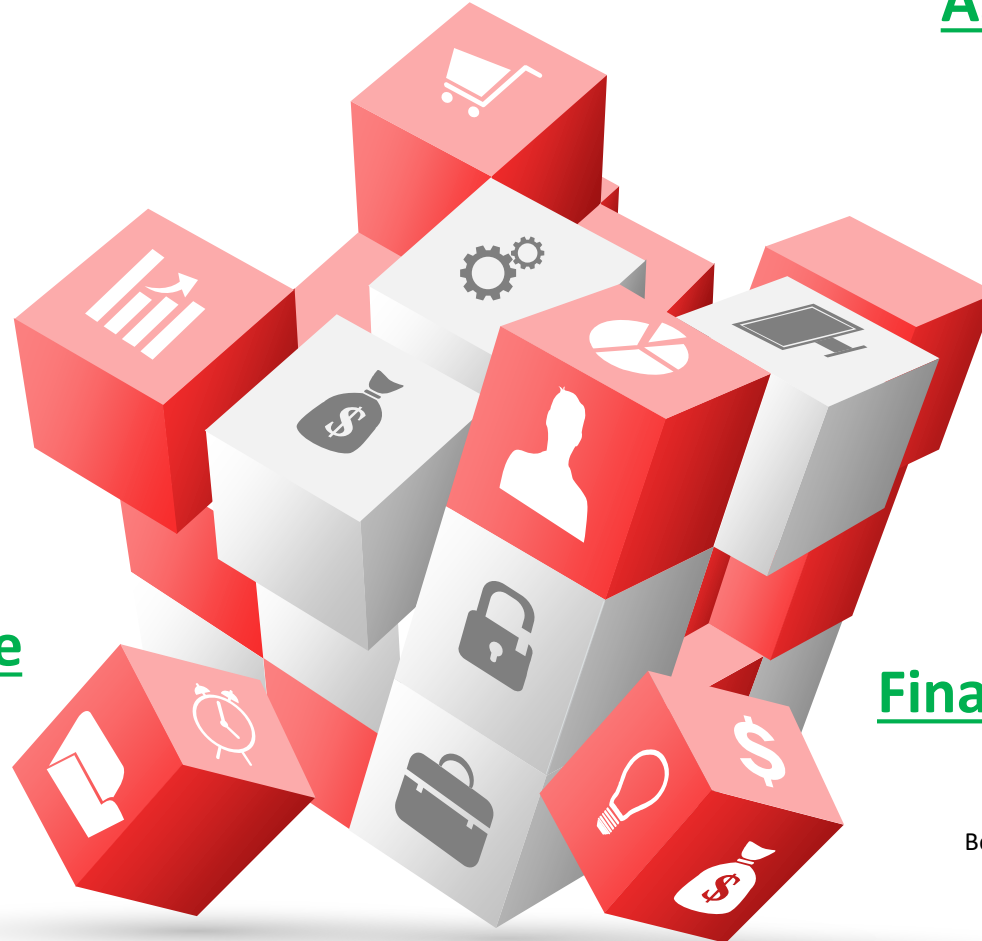
“Winner” - Best Corporate Report Award 2013

“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

