

MCB Bank Reports Resilient Performance for Q1'2026 with 90% Dividend Payout

[Lahore: April 23, 2026] MCB Bank Limited is pleased to announce its financial results for the quarter ended March 31, 2026, reflecting resilient performance supported by strong fundamentals, disciplined execution, and balance sheet strength amid a challenging macroeconomic environment.

The Board of Directors of MCB Bank, under the Chairmanship of Mian Mohammad Mansha, reviewed and approved the Bank's financial statements for the quarter ended March 31, 2026. The Board declared a first interim cash dividend of Rs. 9.00 per share, i.e. 90%, re-affirming Bank's commitment to delivering consistent shareholder returns.

MCB reported a Profit Before Tax (PBT) of Rs. 26.7 billion and a Profit After Tax (PAT) of Rs. 12.8 billion, translating into Earnings Per Share (EPS) of Rs. 10.80. On a consolidated basis, PBT stood at Rs. 27.9 billion.

Net interest income increased by 9% year-on-year to Rs. 38.2 billion (Q1'25: Rs. 35.2 billion), primarily driven by sustained growth in low-cost deposits and effective yield optimization, despite a relatively lower average policy rate environment. Notably, this represents the highest quarterly net interest income reported by the Bank over the past six quarters, reflecting the strength of its funding mix and resilience of core earnings.

Non-markup income remained resilient at Rs. 8.5 billion. Fee and commission income increased by 13% year-on-year to Rs. 5.9 billion, driven by continued momentum in the Bank's digital banking franchise and higher transaction volumes. Within this segment, card-related income grew by 15%, branch banking fee income rose by 6% supported by improved customer engagement and cross-sell initiatives, while consumer banking fee income recorded a strong growth of 32%, reflecting increased customer activity and higher uptake of consumer financing products. Foreign exchange and dividend income contributed Rs. 1.384 billion and Rs. 1.137 billion respectively to the non-markup income base.

Operating expenses increased by 9% year-on-year, primarily reflecting continued investments in technology, HR and talent development, and brand-building initiatives to support long-term growth. Despite the planned expansion in the cost base, the Bank's cost-to-income ratio stood at 39.59%, demonstrating cost discipline alongside its focus on operational efficiency and innovation.

On the balance sheet, total assets increased to Rs. 3.263 trillion (YE'25: Rs. 3.247 trillion). Advances registered growth of Rs. 59 billion (8%), reflecting improved credit uptake. The investment portfolio stood at Rs. 1.932 trillion (YE'25: Rs. 1.947 trillion).

Asset quality remained satisfactory, with non-performing loans (NPLs) reported at Rs. 50 billion. The infection and coverage ratios improved to 6.29% and 94.51% respectively. The Bank continues to focus on proactive management of its delinquent portfolio, with emphasis on recoveries, resolution, and containment of credit losses.

Deposits stood at Rs. 2.3 trillion, with the current account mix improving to 56% (YE'25: 54%), reinforcing the Bank's strength in low-cost deposit mobilization. This favorable mix, along with a lower interest rate

environment, reduced the domestic cost of deposits to 4.14% (Q1'25: 5.51%). The Bank reported Return on Assets (ROA) of 1.57% and Return on Equity (ROE) of 20.89%.

MCB Bank maintained its position as one of the leading players in the home remittance market, with a market share of 9.6%, processing USD 1,011 million in remittance inflows during the period. Leveraging its extensive branch footprint and expanding digital channels, the Bank continued to support the State Bank of Pakistan's financial inclusion and formal remittance initiatives, contributing meaningfully to foreign exchange inflows and overall economic stability.

The Bank's capital and liquidity positions remained robust, with the Capital Adequacy Ratio (CAR) standing at 18.70% and the Common Equity Tier-1 (CET1) ratio at 14.87%, well above minimum regulatory requirements. Liquidity buffers remained strong, reflected in a Liquidity Coverage Ratio (LCR) of 239.90% and a Net Stable Funding Ratio (NSFR) of 155.79%.

MCB's credit ratings were reaffirmed by the Pakistan Credit Rating Agency (PACRA) at 'AAA' for long-term and 'A1+' for short-term through its notification dated June 23, 2025.

MCB Bank operates the second-largest branch network in Pakistan on a consolidated basis, with over 1,700 branches and continues to rank among the top capitalized bank stocks traded on the Pakistan Stock Exchange.

Looking ahead, the Bank remains well-positioned to deliver sustainable growth, supported by a strong capital base, ample liquidity, diversified revenue streams, and disciplined risk management, while continuing to focus on operational efficiency and customer-centric innovation.