

Corporate Sustainability Report

MCB Bank believes in nurturing the talent of the individuals of the communities in which it operates. By initiating numerous projects and services that facilitate in a socially responsible way, MCB Bank ensures sustainability of the greater environment and social well-being of its employees.

The Bank adheres to several key principles that accredit it as an institution. It is committed to creating a better work place and provide a cleaner environment through various initiatives for the good of the community at large. MCB Bank believes in inculcating a culture of excellence, good governance, transparency, integrity and accountability through commitment to prioritize controls and compliance, thereby ensuring all activities are carried out in accordance with the prevailing regulations. In addition to covering the technical side, MCB Bank has a well-defined Code of Ethics and Conduct policy, a mandatory document that acts as a guideline for employees while performing their duties.

MCB Bank for Life

MCB Bank truly adheres to its philosophy i.e. "Bank for Life". The Bank is committed to bringing about positivity in all aspects of life for its shareholders, customers & employees. As life's platform offers various elements of emotions, aspirations, expectations, needs and desires, MCB Bank endeavors to help achieve a higher form of living: a living that becomes more worthwhile when it is filled with love and compassion.

MCB Bank, the largest employer

MCB Bank is one of the largest employers in Pakistan with a strength of about 18,000 employees. The institution promotes talent which helps in healthy growth and employee satisfaction as well.

Corporate Social Responsibility

MCB Bank is one of the market leaders in the banking sector where it understands its responsibility towards the national economy. The strategy at the Bank has always been to safeguard the interest of both its internal and external stakeholders by strictly adhering to regulations and principles of good governance.

The Bank is always active in carrying out community services under its different programs. It has so far accomplished numerous projects and services in the areas of education, health, environment, sports, social awareness, promotion of culture and welfare of charitable organizations keeping in view the greater interest of its employees and its customers.

The Bank holds an approved Corporate Social Responsibility Policy. CSR at MCB Bank has continuously geared up its capabilities in order to act as an adequate point of convergence for the design and implementation of specific initiatives intended to further its engagement with the society and its people. These initiatives have also been appreciated and recognized by entities such as Pakistan Centre of Philanthropy.

Education for All

MCB Bank recognizes the role of youth in the future of Pakistan. It has, therefore, partnered with leading educational institutes across the country to develop the personality and character of Pakistan's future generation. In this regard, the Bank has signed an agreement with LUMS for the purpose of providing soft loans to its students.

Each year, the Bank allocates special funds that are utilized as sponsorships for various education based activities. During 2015, the Bank partnered and sponsored activities for Old Ravians Association, Lahore University of Management Sciences (LUMS), National University of Science & Technology (NUST), Institute of Chartered Accountants of Pakistan (ICAP) and Carnival Fund Raising Event by British Overseas Parent Teacher Association.

Sports

During 2015, the Bank made sponsorships for Multan Golf Club, PAF Golf Club Islamabad, Academy of Cricketing Excellence DHA EME, PAF AIR Headquarters (Unit), Islamabad Blind Cricket Cup 2015 and PAF Golf Club Islamabad.

In addition to the above sponsorships were also made for Karachi Children's Art Festival, Director FIA Sindh – Sponsorship for Culture Program & ASF Passing out Parade 2015.

Energy Conservation

MCB Bank considers national obligations to be its top priority. With energy crisis as one of the major national concerns, MCB Bank believes to lead by example. To conserve energy as a policy and for efficient use of natural resources, MCB Bank has initiated installation of solar systems for its ATMs during 2015.

The management is geared towards mitigating the impact of high energy cost by promoting practices that aim to use energy smartly and economically.

For **Energy Saving Measures**, the Bank has planned to change-over of normal lighting sources i.e. bulbs/tubes to LED lights which are energy efficient.

Using technological advancement, a BMS operational system is installed at MCB Bank Principal Office building to have centralized and better control over various energy sources. A recent initiative, the first of its kind was introduced at the newly built MCB Centre in Lahore, where waste heat is being utilized for cogeneration.

Environmental Protection Measures

With reference to environment, MCB Bank believes in a sustainable and safe environment which is closely linked to the welfare of the community. Plantation within the Bank is encouraged by the organization.

To contribute positively towards environment, MCB Bank has taken over a project of landscaping of over two kilometers of Airport road, Lahore with plantation of plants. MCB Bank in collaboration with Frontier Works Organization (FWO) has also contributed towards horticulture project on M2 motorway.

Community Investment, Welfare Schemes & National Cause Donations

MCB Bank seeks to demonstrate firm commitment towards the community by being vigilant towards identifying and supporting causes that will facilitate the upliftment/betterment of the society. The primary focus of the Bank is towards communities where public and private sector services are inadequate as a result of geographical or social isolation or because of insufficient demand levels. In 2015, the Bank directly liaised with organizations like Sundas Foundation,

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Shaukat Khanum Cancer Hospital, and Pink Ribbon Campaign of Pakistan. These philanthropies have helped the Bank in reaching out to the affected communities.

Besides direct financial support, the Bank also helped various charities by raising funds through electronic banking, distribution of flyers and free media space.

Consumer Protection Measures / Procedure Adopted for Quality Assurance of Product and Services

The Bank is committed to provide quality products and services to its customers. It maintains a privacy statement for the usage of its products i.e. Credit Cards, ATM pins etc. Staff at customer care department is specifically trained to ensure customer privacy and protection policy while dealing with sensitive information.

To ensure a culture of "Quality Customer Service" the Bank has a dedicated Service Quality Division with the objective of strengthening the Bank's service culture by managing close customer relationships. Regular training sessions are conducted in all circles, call centers and other front-end staff offices regarding "Service Excellence" & "Customer Satisfaction".

Customer Satisfaction

A satisfied customer is the key driver/core element to the success of any organization. MCB Bank truly respects its business partners, thereby ensuring that it exceeds the expectation of its customers. The Bank has Help Desk, Call Centres and website to help address customer queries/complaints. During 2015, a total of 66,771 complaints were resolved at a success rate/level of 99.79%.

Complaint Details:

Total Login for the Year 2015 (All Categories)												
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
5,139	5,940	5,678	5,601	6,959	5,999	5,875	8,598	10,979	9,525	7,175	6,598	84,066

Complaints 2015			
Category	Closed	Open	Total
Complaint	66,771	138	66,909
%age	99.79%	0.21%	

Complaints 2015			
Category	Within TAT	Beyond TAT	Total
Complaint	33,731	33,040	66,771
%age	50.52%	49.48%	

Turnaround Time (TAT) Monitoring:

Monitoring and evaluation of service indicators is part of the belief in increasing and retaining customer base. In order to keep a strong hold on processes within the Bank, SQ division has devised several controllable measures at par with prevailing market practice. Against each measure, a tolerance level along with a timeline is set. Similar to the Branch Banking, indicators for Consumer Assets, Credit Cards, Bancassurance, Call Centre, Mobile Banking and ATM Uptime are monitored monthly by SQ. During the year 2015, Internet Banking Indicators monitoring has also been started. The TAT for day-to-

day activity and their performance against it is then presented to the management to ensure excellent service through fast delivery process.

Customer Experience Management:

The Bank is undertaking systematic efforts to make interfaces, processes and flows at all MCB Bank direct banking contact points. Feedback is elicited from customers for all contact points via surveys and tests and actions to be taken are identified. The end goal of these measures is to be the most preferred channel as well as to become the most popular Direct Banking brand.

Service Management Program (SMP)

Service Quality has ensured that all service related activities along with (TAT) Turnaround time for Branch Banking are readily available at the branches. During the year, over 1900 Staff members were trained on 'Customer Service Excellence' with reference material that is easily accessible. This exercise has helped improve staff confidence, reduction in customer TAT. This initiative has considerably improved branch performances in terms of customer satisfaction and quality checks.

Service Council

Service Council has been formulated to bring together key stakeholders from across the bank with a view to place service on the forefront through thought leadership, collaborative discussions and creation of a clear roadmap supported by facts and data. A meeting is held periodically which is convened by SQD Head and chaired by the President himself along with the relevant Group Heads and Business Heads.

Service Protocols, Complaint Logging and Suggestion Forms

SQ introduced Service Protocols Booklet once again in all the branches for Standardization of Service Standards. A new, improved complaint logging procedure poster has been introduced in the branches for customer convenience in order to make it easier for the customers to give their feedback.

Quality Checks and Mystery Shopping

During the year, 1250 branches were monitored with respect to service parameters and protocols. Moreover, around 650 branches were 'Mystery Shopped' by independent external agency and results of this activity was shared with management for further improvement. The average scores remained between 80 to 85 percent across all regions including troubled non- metropolitan areas/far flung troubled areas.

Industrial Relations

MCB Bank is fully responsible for maintaining a healthy relationship between individual workers and employees where it plays a critical role in facilitating the staff from all walks of life. It gives special heed towards the agreement and satisfaction of its staff as a whole. The clerical/non clerical staff is represented by a staff union that periodically engages with management to arrive at an equitable and mutually agreed wage award for the unionized staff (clerical/non clerical).

Scholarships are being offered to enhance the educational needs of the staff children. Bank has enhanced the number of seats for Umrah for the bank's staff members.

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Employment of Special Persons

MCB Bank is an equal opportunity employer. It does not discriminate on the basis of race, gender, age or disability.

Occupational Health and Safety:

MCB Bank has always tried its best to provide a congenial working environment to its employees, which includes Health & Safety aspects of its personnel. Bank has developed a comprehensive "Health, Safety & Environment Policy" which is periodically being reviewed & updated by the management. The policy reiterates maximum safety standards to be met by all businesses, support functions and branches encouraging employees to promote the safety of their colleagues and customers.

Emergency Lights, Fire Proof Cabinets, Fire Detection System, Fire & Burglary Alarm System, Portable Fire Extinguishers, Safety-Anti Shatter Films, First Aid Kits, Regular Evacuation Drills, Emergency Exit Doors, Fire Sprinkler System and Medical Health Insurance are some of the measures through which Bank assures safety and security of its patrons.

Developing a constructive health and safety culture within the Bank is everyone's responsibility; however, MCB Bank has always taken initiatives such as on-site health checkups, seminars on health & safety aspects, practical drills imparting emergency preparedness, reinforcement messages upon epidemics & pandemic etc. to ensure that its staff is updated with procedures for safeguarding life & Bank's assets.

Business Ethics & Anti-Corruption Measures

Bank has always been active in identifying and mitigating possible risks and losses through promulgation of policies and procedures to reduce possibility of such incidents.

The "Human Resources Management Group" of the Bank has developed, along with Human Resource Policies and Procedures, a comprehensive "Code of Conduct and Business Ethics", which is disseminated to staff for information and sign-off on a yearly basis. This document is also available on the intranet.

It is imperative that the Bank maintains a strong, positive compliance culture across the full range of our activities. At MCB Bank, employees are expected to act honestly, responsibly, and with integrity at all times. The Code of Conduct of the Bank describes the values and minimum standards for ethical business conduct and governs all of our interactions, whether with clients, competitors, business partners, government and regulatory authorities, shareholders, or with each other. It also forms the cornerstones of our policies, which provide detailed guidance on how employees should act to ensure compliance with applicable laws and regulations.

The Disciplinary Action Committee (DAC) takes action on any violation of policies & procedures, act of fraud & forgery, breach of discipline and code of conduct, ethics & business practices, law of land and statutory regulations by an employee.

Values and ethics are major consideration at every level in MCB. Improved compliance and ethical standards are the core ethical base of the organization. In doing so it provides us an opportunity to reinvent ourselves in the public eye, and to set ourselves apart from others by ensuring that customers have been treated fairly and are catered for suitable products and services as per their needs.

MCB pursues a compliance policy, whereby it ensures that it is not exposed to reputational risk and its customers' interest is protected. The actions of staff members and the culture of the organization are the major drivers of conduct in the financial services industry. The blend of these two helps in development of a proactive ethical culture that can be clearly demonstrated and evidenced from practice that the bank follows and is critical in setting standards. Learning and Development of the employees plays a vital role in inculcating ethical corporate culture.

Contribution to National Exchequer

MCB Bank has the 2nd highest market capitalization in the banking industry. In 2015 the Bank paid PKR 15.9 Billion as income tax to Government Treasury and contributed approx. PKR 8.5 Billion to the national exchequer as withholding tax agent under different provisions of Income Tax Ordinance 2001.

The contribution by the Bank to the national economy by way of value addition was PKR 54.61 Billion, out of which around PKR 9.79 Billion was distributed to employees and PKR 17.81 Billion to shareholders.

The Bank has generated direct and indirect employment for a large number of people over the years. With the payment of taxes and the investment in the network, the Bank is making a significant contribution to the development and growth of the nation.

Rural Development Program

Agriculture finance business of the bank has embraced new and progressive outlook with the shifting of focus from recovery to expansion during the year 2015. As a result of new initiatives, the portfolio size has almost doubled and provision of credit to the farming community for production of crops and mechanized farming has significantly increased. This is being ensured by maintaining a separate Agriculture Credit Division and a team of agriculture marketing officers posted at branches located in areas rich in agri-potential. Agri- officers approach farmers for providing awareness and achieving the objective of financial inclusion. The response from the farming community in meeting their commitments has been encouraging.

MCB Bank fully supports all Government and State Bank of Pakistan's initiatives for promotion and steady flow of credit to the farmers. This lends support to the national cause of food security for the people of Pakistan and to exploits the potential of agriculture sector. Efforts are made to enhance outreach to the growers through innovative lending including value chains, processing units and contract financing mechanisms. MCB Bank will continue to support agriculture sector as a matter of its policy by remaining an active partner supporting progressive farmers by providing credit for all types of farm and non-farm activities.

MCB Bank has 418 rural branches that offer customized product menu to suit and meet the requirements of the locals. MCB Bank is committed in enhancing the knowledge and understanding of banking business vis-a-vis spreading and exploring neglected regions of the country.

Social and Environmental Responsibility

MCB Bank Limited undertakes its responsibility to be recognized as an organization that is aware of both its social and environmental obligation. The Bank continuously strives to inculcate the same by creating awareness amongst stakeholders, streamlining its operational processes and reinforcing the same through various policies. The key areas that the Bank focuses upon are to provide a safe and healthy workplace, protect the environment and conserve energy through use of appropriate technology and management practices.

Some of the salient features of the Bank policy are as follows:

- Compliance with local, national and international laws and regulations as well as the spirit thereof and conduct of business operations with honesty and integrity
- Promote and engage in social welfare activities that help strengthen communities and contribute to the enrichment of society
- Provide innovative, safe and outstanding high quality banking products and services exceeding the expectations of customers
- Significant investment to develop technological based 'Alternative Delivery Channels' for maximum 'Financial inclusion'
- Sustainable development through building and maintaining sound relationships with our stakeholders through open and fair communication
- Communication and dialogue with employees, to build and share the value of "Mutual Trust and Mutual Responsibility" and work together for the success of our all stakeholders
- Respect for people by honoring the culture, customs, history and laws of Pakistan. Constantly search for safer, cleaner and superior practices that satisfy the evolving needs of the society
- Minimize the environmental impact of business operations, by working to reduce the wastage of all resources
- Develop, establish and promote practices enabling the environment and economy to coexist harmoniously and build close and cooperative relationships with individuals and organizations involved in environmental preservation