

Press Release

PACRA maintains Long term AAA and Short term A1+ entity ratings of MCB Bank

[Lahore: 30th June 2017] PACRA has maintained the Long term AAA and Short term A1+ entity ratings of MCB Bank Limited.

The ratings take note of MCB's sustained financial profile, reflected in very strong capitalization, sound liquidity and diverse deposit base. This has been enabled by the bank's able parentage, wherein a diverse mix of sponsors - mainly led by Nishat Group - has been providing an effective oversight. The ratings factor in MCB Bank's strong market positioning, supported by its well established brand name and substantial out reach.

MCB Bank has the highest CASA in the industry, with lowest cost of funds amongst all players. The bank lately has added sizeable chunk to its deposit base, slightly inching it up. The bank continues with its current strategy of lending to premier corporates with sustained focus on government exposure.

At the same time, beefing up of the consumer and SME book is also anticipated amidst improving macro fundamentals. The prevailing interest rate environment is a challenge especially with the drying stream of PIBs. The bank has established an Islamic Banking subsidiary, thereby, becoming the first conventional bank to do so. The bank is in the process of merging NIB Bank with and into itself.

In its statement, PACRA states that the ratings are dependent on the bank's ability to hold its existing position in the banking sector. Any deterioration in the perceived strength of the bank or ownership with consequent impact upon its governance efficacy would have negative implication. Further strengthening of human resource would be vital.

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About MCB Bank:

MCB Bank, is one of the Largest & most Innovative banks in Pakistan. The Bank operates a strong and vast network of over 1300 ATMs, over 1300 branches in Pakistan and 11 branches overseas. MCB Bank was awarded 'Best Bank in Pakistan, 2016 by Euromoney & Finance Asia' and the bank continues to maintain a strong rating of 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 our World Class Internet Banking.

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