

MCB Bank Delivers Rs. 58.06 Billion Profit Before Tax in H1 2025; Declares Second Interim Cash Dividend of 90%

Lahore – August 7, 2025: The Board of Directors of MCB Bank Limited (MCB), in its meeting held under the Chairmanship of Mian Mohammad Mansha, reviewed the Bank's performance and approved the condensed interim financial statements for the half year ended June 30, 2025. The Board declared a second interim cash dividend of Rs. 9.00 per share (90%), in addition to the 90% dividend paid earlier, bringing the total cash dividend for H1 2025 to 180%.

MCB Bank reported a Profit Before Tax (PBT) of Rs. 58.06 billion for the six months ended June 30, 2025. Profit After Tax (PAT) stood at Rs. 27.31 billion, translating into Earnings Per Share (EPS) of Rs. 23.04 versus Rs. 26.95 in H1 2024. The decline in net profitability also reflects a 4% increase in the effective tax rate compared to H1 2024. On a consolidated basis, the Bank posted a PBT of Rs. 62.5 billion. These results highlight MCB's prudent balance sheet management, focus on core banking operations, and commitment to disciplined risk governance.

Net interest income declined by 5% year-on-year, primarily due to margin compression following a downward revision in the policy rate. However, this impact was partially offset by the Bank's strategic focus on no-cost deposit mobilization, which led to a strong 27% growth in current deposits.

Non-markup income decreased by 4% to Rs. 17.5 billion. Fee and commission income declined by 13% to Rs. 9.8 billion, primarily due to intensified competition in the routing of foreign currency remittances through MCB's channels. Foreign exchange income remained stable at Rs. 4.9 billion, while dividend income posted a significant increase of 55%, reaching Rs. 2.6 billion. The Bank continued to benefit from the momentum gained in digital banking, with card-related income rising by 18%.

Operating expenses increased by 18% year-on-year, primarily driven by investments in talent, technology and marketing. However, the cost-to-income ratio summed at 38.05%, reflecting disciplined financial management while continuing to invest in innovation and talent development.

On the balance sheet side, MCB Bank's total assets grew by 25% to Rs. 3.38 trillion, supported by a 78% increase in investments. Gross advances declined by 36%, reflecting a prudent lending approach in response to prevailing macroeconomic challenges. Asset quality remained strong, with non-performing loans at Rs. 52.0 billion, infection ratio at 7.42%, and coverage ratio maintained at 91.71%.

Deposits grew to Rs. 2.23 trillion, with a historic Rs. 256 billion increase in current deposits, reflecting the Bank's continued focus on cost-effective deposit mobilization. This shift in deposit mix helped reduce the domestic cost of deposits to 5.23%, down significantly from 10.76% in H1 2024. The Bank reported Return on Assets (RoA) of 1.80% and Return on Equity (RoE) of 23.66%, with Book Value per Share at Rs. 197.84.

Press Release – H1'2025

MCB continued to play a leading role in the remittance business, processing USD 2,303 million in home remittances during H1 2025, an increase of 16.7% over the corresponding period last year. The Bank remains a key partner in supporting the State Bank of Pakistan's efforts to promote formal remittance channels and drive financial inclusion across the country.

The Bank maintained a strong capital position, with Capital Adequacy Ratio (CAR) at 19.61% and Common Equity Tier-1 (CET1) at 15.26%, well above the regulatory thresholds. Liquidity buffers also remained robust, with Liquidity Coverage Ratio (LCR) at 260.71% and Net Stable Funding Ratio (NSFR) at 155.73%.

The Bank'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.

Despite external challenges, MCB Bank remains firmly positioned for long-term growth, backed by its prudent risk management practices, strong capital and liquidity buffers, and a continued emphasis on digital transformation and customer-centric innovation. The Bank's strategic focus on operational excellence, cost efficiency, and value creation for all stakeholders remains unchanged.

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