

Press Release – Q3'2025

MCB Bank Posts Strong Performance with Rs. 87.48 Billion Profit Before Tax; Announces Third Interim Dividend of 90%

Lahore – October 23, 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 nine months ended September 30, 2025. The Board declared a third interim cash dividend of Rs. 9.00 per share (90%), in addition to the 180% dividend paid earlier, bringing the total cash dividend for the nine months of 2025 to 270%, one of the highest payout in the industry.

MCB Bank reported a Profit Before Tax (PBT) of Rs. 29.42 billion for the third quarter of 2025, taking cumulative PBT for the nine months ended September 30, 2025, to Rs. 87.48 billion. Profit After Tax (PAT) stood at Rs. 41.10 billion, translating into Earnings Per Share (EPS) of Rs. 34.68 compared to Rs. 40.88 in the corresponding period last year. The effective tax rate for the period was 53% (9M 2024: 49%), reflecting an increase in corporate tax rate for banking companies, enacted in the last quarter of 2024. On a consolidated basis, the Bank posted a PBT of Rs. 94.88 billion. These results underscore MCB's prudent balance sheet management, consistent focus on core banking operations, and adherence to sound risk governance practices.

Net interest income declined by 5.8% year-on-year, primarily reflecting the impact of monetary easing. However, this effect was partially offset by the Bank's strategic emphasis on no-cost deposit mobilization, which delivered a robust 29% growth in current deposits on an absolute and 21% on an average basis.

Non-markup income stood at Rs. 26.0 billion, reflecting a decline of 3.1% over the corresponding period last year. Fee and commission income decreased by 15% to Rs. 13.98 billion, primarily due to intensified competition in the home remittances business. Foreign exchange income recorded a 5% growth to Rs. 7.9 billion, while dividend income rose sharply by 30% to Rs. 3.2 billion. The Bank continued to benefit from sustained momentum in its digital banking franchise, supported by growing customer adoption of electronic channels and payment solutions. Card-related income grew by 18% year-on-year, driven by higher transaction volumes and enhanced product offerings, while branch banking fee income rose by 14% on the back of higher customer engagement and improved cross-sell activity.

Operating expenses increased by 14.6% year-on-year, reflecting the Bank's continued investment in technology, talent development and brand-building initiatives aimed at supporting long-term growth. Despite this planned expansion in the cost base, the Bank maintained a healthy cost-to-income ratio of 37.65%, demonstrating strong cost discipline and prudent financial management alongside its ongoing focus on operational excellence and innovation.

On the balance sheet side, MCB Bank's total assets grew by 20% to Rs. 3.23 trillion, driven by a 72% increase in net investments. Gross advances declined by 38%, reflecting a cautious and prudent lending approach. Asset quality remained strong, with non-performing loans reported at Rs. 50 billion, an infection ratio of 7.35%, and a coverage ratio of 92.24%.

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Deposits closed at Rs. 2.23 trillion, supported by a historic increase of Rs. 272 billion in current deposits, reaffirming the Bank's strength in cost-effective deposit mobilization. This favorable shift in deposit coupled with decline in the policy rate, led to a significant reduction in the domestic cost of deposits to 5.01%, compared to 10.47% in the corresponding period of 2024. The Bank reported a Return on Assets (RoA) of 1.85% and Return on Equity (RoE) of 23.50%, while the Book Value per Share improved to Rs. 201.85.

MCB maintained its position as one of the leading players in the home remittance segment, processing USD 3,437 million during the nine-month period an increase of 7.6% over the corresponding period last year. Leveraging its extensive branch network and expanding digital channels, the Bank continued to play a key role in supporting the State Bank of Pakistan's financial inclusion and formal remittance initiatives, contributing to the country's foreign exchange inflows and overall economic stability.

The Bank's capital and liquidity positions remained robust, with the Capital Adequacy Ratio (CAR) standing at 19.88% and the Common Equity Tier-1 (CET1) ratio at 15.37%, well above the minimum regulatory requirements. Liquidity buffers remained strong, reflected in a Liquidity Coverage Ratio (LCR) of 267.46% and a Net Stable Funding Ratio (NSFR) of 163.92%. 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.

Despite a challenging operating environment, MCB Bank remains well-positioned for sustainable growth, supported by its strong capital base, robust liquidity profile, and disciplined risk management framework. The Bank continues to focus on operational excellence, customer-centric innovation, and long-term value creation for its stakeholders.