

MCB Bank Reports Strong Financial Performance for 2024

[Lahore: February 07, 2025] MCB Bank Limited (MCB) has announced its financial results for the year ended December 31, 2024, delivering another year of strong financial performance and sustainable growth. The Board of Directors, under the Chairmanship of Mian Mohammad Mansha, reviewed the Bank's performance and approved the annual financial statements. The Board has declared a final cash dividend of PKR 9.0 per share (90%), bringing the total cash dividend for 2024 to 360%, including 270% already paid.

The Bank posted a profit before tax (PBT) of PKR 118.4 billion and Profit after tax (PAT) of PKR 57.6 billion for the year ended December 31, 2024; which translated into earnings per share (EPS) of PKR 48.62. The Bank's resilient financial performance is attributed to its stable core earnings base, diversified revenue streams, cost optimization initiatives and a strong risk management framework. The PBT on a consolidated basis was reported at PKR 131.2 billion.

Despite a negative spread on saving deposits in the latter half of the year, net interest income recorded a modest 1% year-on-year growth. Non-markup income registered a strong 14% increase, reaching PKR 37.4 billion. This growth was primarily driven by a 5% rise in fee and commission income to PKR 21.2 billion, an 8% increase in foreign exchange income to PKR 9.2 billion, a 15% surge in dividend income to PKR 3.5 billion, and gains on securities amounting to PKR 3.1 billion.

MCB witnessed strong growth in fee-based income across multiple channels, with a 32% increase in card-related income, an 18% rise in branch banking fees, and a 61% jump in investment service commissions. The Bank's continued investment in digital transformation aims to enhance customer experiences and operational efficiency, fostering broad-based growth across its digital platforms.

Operating expenses rose by 18%, primarily due to staff costs, marketing, utilities, and IT related expenses. However, the cost-to-income ratio remained efficient at 32.68%, reflecting disciplined financial management while continuing to invest in innovation and talent development.

With a strong focus on asset quality, the Bank's robust credit risk management kept non-performing loans (NPLs) at PKR 53.5 billion as of December 31, 2024, with coverage and infection ratios improved to 99.34% and 4.89%, respectively.

On the financial position side, total assets' base of the Bank was reported at PKR 2.7 trillion; representing an increase of 11% over year end i.e. December 31, 2023.

A rigorous deposit mobilization drive, focused on building no cost deposits, translated into growth of PKR 116.8 billion in Bank's total deposit base. Current deposits increased to PKR 944 billion (+8.4%) while the CASA ratio improved to 97.24% compared to 96.81% reported at year end.

Return on Assets and Return on Equity reported at 2.25% and 26.56% respectively, whereas the book value per share was reported at PKR 191.73.

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During 2024, MCB attracted home remittance inflows of USD 4,592 million (+41%), improving market share to 13.2%, to further consolidate its position as an active participant in SBP's cause for improving flow of remittances into the country through banking channels.

While complying with the regulatory capital requirements, the Bank's total Capital Adequacy Ratio (CAR) stands at 19.35% against the requirement of 11.5% (including capital conservation buffer of 1.50% as reduced under the BPRD Circular Letter No. 12 of 2020). Quality of capital is evident from Bank's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 15.49% against the requirement of 6.0%. Bank's capitalization also resulted in a Leverage Ratio of 6.37% which is well above the regulatory limit of 3.0%. The Bank reported Liquidity Coverage Ratio (LCR) of 241.33% and Net Stable Funding Ratio (NSFR) of 128.29% against requirements of 100%.

Pakistan Credit Rating Agency re-affirmed credit ratings of MCB at "AAA / A1+" for long term and short term respectively, through its notification dated June 22, 2024.

MCB's exceptional performance and leadership in the financial sector were recognized by the Asian Development Bank (ADB) at its 10th Annual Trade and Supply Chain Finance Program (TSCFP) awards in Singapore. The Bank was honored with two prestigious accolades: 'Leading Partner Bank in Pakistan' and the 'Momentum Award – Issuing Bank', highlighting MCB's contribution to trade growth and its reliability in supporting local businesses with international trade solutions.

The annual report 2023 of MCB Bank was rated 1st in the Banking Category and was also declared overall winner across all categories by the Joint Evaluation Committee of ICAP & ICMA. This award is a testament to MCB's focus on achieving excellence in governance practices and transparency in corporate reporting.

MCB operates the second-largest branch network (consolidated basis) in Pakistan, with over 1,700 branches, and remains one of the most capitalized and traded stocks in the local equity market.

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