

MCB Bank earns profit of Rs. 8.35 billion during 1st Quarter March 2014

Lahore: The Board of Directors of MCB Bank Limited met under the Chairmanship of Mian Mohammad Mansha, on April 22, 2014 to review performance of the Bank and approve financial statements for the quarter ended March 31, 2014.

From financial performance perspective, the operational profitability of the Bank depicted an improvement as net interest margin increased by 3% over March 2013. This was achieved despite the fact that the Bank offered higher rates on its savings and term deposits, based on regulatory revisions on minimum deposit rate. MCB Bank focused on improving its non-markup income proportion and registered a growth of 17% over corresponding period of last year. The administrative expense base (excluding pension fund reversal) recorded an increase of approximately 12%. A substantial reversal of Rs. 583 million in the provision charge is reflective of the prudent and aggressive provision strategy adopted by the Bank and rigorous efforts put in by the recovery units. All this translated into profit before tax at Rs. 8.35 billion and profit after tax at Rs. 5.51 billion.

MCB Bank's total asset base was reported at an all-time high of Rs. 827.25 billion which increased by 1% over December 31, 2013. Net investments increased by Rs. 13.14 billion to Rs. 462.15 billion, whereas gross advances were reported at Rs. 272.46 billion. Following the trajectory set in 2012 and 2013, the non-performing loan base of the Bank reported a significant contraction of Rs. 753 million in the quarter ended March 31, 2014 with major recoveries in "loss" categorized loans. On the liabilities side, the Bank continued with its strategy of shifting its base to low cost current and savings accounts, taking the CASA base to an all-time high of 91% approximately.

Earnings per share (EPS) for the period came to Rs. 4.95, whereas return on assets was reported at 2.68%. Return on equity came to 22.44% with book value per share improving to Rs. 89.15 as compared to 87.39 for December 31, 2013.

The Board of Directors of MCB Bank declared a cash dividend of Rs. 3.00 per share for the period ended March 31, 2014.