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**MCB Bank announces financial results for the first quarter ended March 31, 2018**

The Board of Directors of MCB Bank Limited met under the Chairmanship of Mian Mohammad Mansha, on April 25, 2018 to review the performance of the Bank and approve the financial statements for the three months period ended March 31, 2018.

During the three months period, MCB Bank Limited reported Profit Before Tax (PBT) of Rs. 7.31 billion and Profit After Tax (PAT) of Rs. 4.78 billion. In comparison with the corresponding period last year, Profit Before Tax has decreased by 22.9% whereas Profit After Tax has decreased by 22.3%, primarily on account of one off charge of pension related expense amounting to Rs. 2.03 billion, in compliance with the Honorable Supreme Court's order, raising minimum pension to Rs. 8,000/= per month.

Net markup income of the Bank was reported at Rs. 11.00 billion, with a significant increase of 12.97% over corresponding period last year. On the gross markup income side, the Bank reported an increase of Rs. 940 million (+5.44%) whereas on the interest expense side, the Bank registered a decrease of Rs. 323 million (-4.28%) in comparison with the same period last year. To supplement its net interest margins, the Bank remained focused on increasing its low cost deposit base and ventured in higher yielding assets.

On the non-markup income front, the Bank reported a base of Rs. 4.3 billion with a decrease of 17.09% over corresponding period last year. Major contributions to non-markup income were operational in nature with fees & commissions increasing by Rs. 426 million (+19.39%) and income from dealing in foreign currencies increasing by Rs. 138 million (+48.65%). Capital gains for the first quarter were reported at Rs. 780 million as compared to Rs. 2,243 million reported for corresponding period last year.

The administrative expense base recorded an increase of 16.78% over corresponding period last year on account of merger. On the provision against advances front, the Bank continued with its recovery trajectory and posted a reversal of Rs. 314 million with Rs. 416 million reversals in provision against investments.

The total asset base of the Bank on a standalone basis was reported at Rs. 1.29 trillion reflecting a decrease of 2.55% over December 2017. Analysis of the assets mix highlights that net investments have decreased by Rs. 55.77 billion (-8.49%) with net advances decreasing by a nominal amount of Rs. 847 million (-0.18%) over December 31, 2017. The coverage and infection ratios of the Bank were reported at 93.72% and 9.41% respectively.

On the liabilities side, the deposit base of the Bank registered a significant increase of Rs. 36.54 billion (+3.77%) over December 2017. MCB Bank Limited continued to enjoy one of the highest CASA mixes in the banking industry of 92.68% with current deposits increasing by 5% and savings deposits by 3% over December 2017. The concentration level of the current accounts stands improved to 39% of the total deposit size as at March 31, 2018.



Earnings per share (EPS) for the quarter came to Rs. 4.03 as compared to Rs. 5.52 during the same period last year. Return on Assets and Return on Equity were reported at 1.46% and 13.99% respectively, whereas book value per share stood at Rs. 115.35.

The Bank remained a well-capitalized institution with a capital base well above the regulatory limits and Basel capital requirements. While complying with the regulatory capital requirements, the Bank has the highest cash dividend per share in the industry with regular interim dividends and remains one of the prime stocks traded in the Pakistani equity markets. Bank's total Capital Adequacy Ratio is 16.96% against the requirement of 11.275% (including capital conservation buffer of 1.275%). Quality of the capital is evident from Bank's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 14.94% against the requirement of 6.00%. Its healthy capitalization also resulted in a leverage ratio of 7.75% which is well above the regulatory limit of 3.0%.

The Bank enjoys highest local credit ratings of AAA / A1+ categories for long term and short term respectively, based on PACRA notification dated June 19, 2017. Moreover, TFC rating of MCB Bank Limited (Ex-NIB) has been upgraded from A+ to AAA, based on the notification from PACRA dated October 06, 2017.

The Board of Directors declared first interim cash dividend of Rs. 4.0 per share for the three months period ended March 31, 2018.