

Press Release

MCB Bank Ltd. announces financial results for the half year ended June 30, 2017

[Lahore: August 26, 2017] The Board of Directors of MCB Bank Limited, met under the Chairmanship of Mian Mohammad Mansha, on August 25, 2017 to review the performance of the Bank and approve the financial statements for the half year ended June 30, 2017.

During the half year ended June 30 2017, MCB Bank posted profit before tax of Rs. 17.73 billion and profit after tax of Rs. 13.69 billion. In comparison with the corresponding period last year, profit before tax has decreased by 6.23% whereas profit after tax has increased by 27.81% on account of reversal of prior year tax charges. Net markup income of the Bank was reported at Rs. 20.05 billion, down by 14.30% over corresponding period last year, owing to the maturity of high yielding bonds and low interest rate environment.

On the non-markup income front, the Bank reported a base of Rs. 9.68 billion with exceptional growth of 59.76% over corresponding period last year. Major contributions to non-markup income growth are fees & commissions, capital gains and dividend income.

The administrative expense base (excluding pension fund reversal) recorded an increase of 15.43% over corresponding period last year. On the provision front, the Bank continued with its recovery trajectory and posted a reversal in provision against advances of Rs. 1.95 billion in first half of 2017.

The total asset base of the Bank was reported at Rs. 1,321.01 billion reflecting a healthy increase of 25.59% over December 2016. Analysis of the asset mix highlights that net investments have increased by Rs. 194.16 billion (+34.93%) with net advances increasing by Rs. 41.66 billion (+11.97%) over December 31, 2016. The coverage and infection ratios of the Bank were reported at 78.76% and 5.52%, respectively.

On the liabilities side, the deposit base of the Bank recorded an exceptional increase of Rs. 110.12 billion (+14.09%) over December 2016, outperforming the industry growth number by a significant margin. MCB Bank Limited continued to enjoy one of the highest CASA mixes in the banking industry of 94.03% with strategic focus on current deposits (+24%) and savings deposits (+7%) over December 2016. The concentration level of no-cost current accounts has increased to an all-time high of 41% of the total deposit book.

Earnings per share (EPS) for the period came to Rs. 12.30 as compared to Rs. 9.62 for same period last year. Return on Assets and Return on Equity were reported at 2.31% and 22.82% respectively, whereas book value per share stood at Rs. 109.65.

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 17.43% against the requirement of 10.65% (including capital conservation buffer of 0.65%). Quality of the capital is evident from Bank's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 15.36% against the requirement of 6.00%. Bank's well capitalization also resulted in a leverage ratio of 7.27% which is well above the regulatory limit of 3.0%. The Bank enjoys highest local

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credit ratings of AAA / A1+ categories for long term and short term respectively, based on PACRA notification dated June 19, 2017.

The Board of Directors declared 2nd interim cash dividend of Rs. 4.0 per share for the half year ended June 30, 2017, which is in addition to Rs. 4.0 per share interim dividend already paid to shareholders.

ENDS

About MCB Bank:

MCB Bank, is one of the Largest & most Innovative banks in Pakistan. The Bank operates a strong and vast network of over 1300 ATMs, over 1300 branches in Pakistan and 11 branches overseas. MCB Bank was awarded 'Best Bank in Pakistan, 2016 by Euromoney & Finance Asia' and the bank continues to maintain a strong rating of AAA/A1+. With a customer base of over 06 million, it leads the banking & financial services sector in Pakistan and Customers across the globe have 24/7 access to MCB Bank via our World Class Internet Banking.

Media Contacts:

Humaid Merchant

Unit Head Strategic Public Relations
MCB Bank Ltd.
Phone # +92 42 36041610
Cell # 321 7777166
humaid.merchant@mcb.com.pk

Rais Ahmed Alvi

Department Head Marketing
MCB Bank Ltd.
Phone # +92 42 36042785
Cell # 0340-0007081
rais.alvi@mcb.com.pk

Syed Fuad Mehdi

Divisional Head - Marketing
MCB Bank Ltd.
Phone # +92 42 36041890
Cell # 92 321 8216999
fuad.mehdi@mcb.com.pk