



MCB Bank Limited

Corporate Briefing Session

October 29, 2024

Presented by:
Hammad Khalid
Chief Financial Officer



MCB - At a Glance



Branches



Domestic : 1430
EPZ : 01

Global Presence



7 International
branches in
3 Countries

Customers



Over 8.9 million
customer
accounts

ADCs



1484 ATMs



Over 1.4 Million
MCB Live users

Deposits



Market Share
6.09 % of Domestic
Industry deposits

Advances



Market Share
5.60 % of Domestic
Industry advances

Home Remittance



Market Share
12.5%

Trade



Market Share
7.50%

Credit Rating



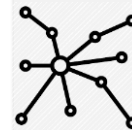
Long Term
AAA

Dividend



One of the Highest
dividend per share
in Banking industry

Branch Network



2nd largest branch
network on group
basis (including
MIB branches)

Market Capitalization



One of the highest
market cap. in
Banking industry

Highlights - September 30, 2024

Macroeconomic outlook;

- Pakistan has taken key steps to restoring economic stability with consistent policy implementation under the 2023-24 Stand-by Arrangement (SBA). Growth has rebounded (2.4 percent in FY24), supported by activity in agriculture, while inflation has receded significantly, falling to single digits, amid appropriately tight fiscal and monetary policies.
- International Monetary Fund (IMF) concluded the SBA with Pakistan and approved a 37-month Extended Arrangement under the Extended Fund Facility (EFF) for Pakistan in the amount of approximately US\$7 billion out of which US\$1.03 billion has already been disbursed to Pakistan.
- State Bank of Pakistan has been able to cut the policy rate by a total of 450 bps since June also supported by an appropriately tight FY25 budget.

Future outlook;

- The new IMF program will require sound policies and reforms to support the authorities' ongoing efforts to strengthen macroeconomic stability, address deep structural challenges, and create conditions for a stronger, more inclusive, and resilient growth.
- Despite this progress, Pakistan's vulnerabilities and structural challenges remain formidable. The IMF projects Pakistan's GDP growth of 3.2% for FY 2025; however, sustainable recovery will require political stability, structural reforms, effective monetary policy, and controlled government spending.

MCB - Growth in Key Numbers

- Bank's total deposits crossed milestone of PKR 2 trillion mark while the domestic market share stands at 6.09% compared to 5.92% as at December 31, 2023;
- Building no cost deposits, leading to a growth of Rs. 71 billion (YoY: +9%) in average current deposits
- Cost to Income Ratio stands at 30.93% on account of 10% increase in total income;
- 8% Increase in Standalone PBT to PKR 95.1 billion ;
- Consolidated PBT of PKR 103.98 billion;
- Ex-NIB related recovery FTP ended Sep-24 sums to Rs. 772 million totaling Rs. 10.4 billion since 2017;
- Home remittance inflows of USD 3.2 billion during 9M-24; depicting a market share of 12.5%.

8% increase in PBT

PBT	PKR	95.1 Billion	+8% YoY
PAT	PKR	48.5 Billion	+10% YoY
NIM	PKR	115.1 Billion	+8% YoY
NFI	PKR	26.9 Billion	+19% YoY
Advances	PKR	725.4 Billion	+17% YTD
Deposits	PKR	2.1 Trillion	+14% YTD

Sound Balance Sheet Footing

PKR in Billions	Sep 2024	Dec 2023	Var.	% var.
ASSETS	2,794.72	2,427.18	367.54	15.14%
Advances - net	674.76	577.86	96.89	16.77%
- Gross Advances	725.43	622.42	103.00	16.55%
Investments	1,507.15	1,249.44	257.71	20.63%
Cash and Balances with Banks	225.55	205.79	19.76	9.60%
Lending to Financial Institutions	122.59	96.21	26.38	27.42%
Others	264.67	297.87	(33.20)	-11.15%
LIABILITIES	2,532.56	2,196.47	336.09	15.30%
Deposits	2,064.83	1,805.39	259.44	14.37%
Current	978.06	870.63	107.42	12.34%
Savings	1,028.32	877.20	151.12	17.23%
Term	58.45	57.55	0.90	1.56%
Borrowings	285.76	216.61	69.15	31.92%
Bills Payable	10.64	25.10	(14.46)	-57.62%
Others	171.34	149.38	21.96	14.70%
NET ASSETS	262.16	230.71	31.45	13.63%
EQUITY	224.32	206.61	17.71	8.57%

Advances Portfolio:

- Gross advances of the Bank increased by Rs. 103 billion (+16.55%);
- Major increase in Advances is attributed to Corporate lending that increased by Rs. 93.7 billion (+21%);
- Coverage & Infection ratios of the Bank were reported at 91.98% and 7.59% respectively.

Investment Portfolio:

- PKR 206.7 billion added to Floating PIBs portfolio closing at PKR 801.8 billion;
- PKR 30.1 billion added to Fixed PIBs closing at PKR 243.5 billion;
- TBs decreased by PKR 9.7 billion and closed at PKR 345.1 billion;
- Yield on Investment increased to 19.35% in Sep-24 as compared to 17.76% in Sep-23;
- PIBs – AFS & HTM excluding floating – WA time to maturity of PIBs is 2.91 years.

Strong Deposit Mobilization – Two Trillion milestone:

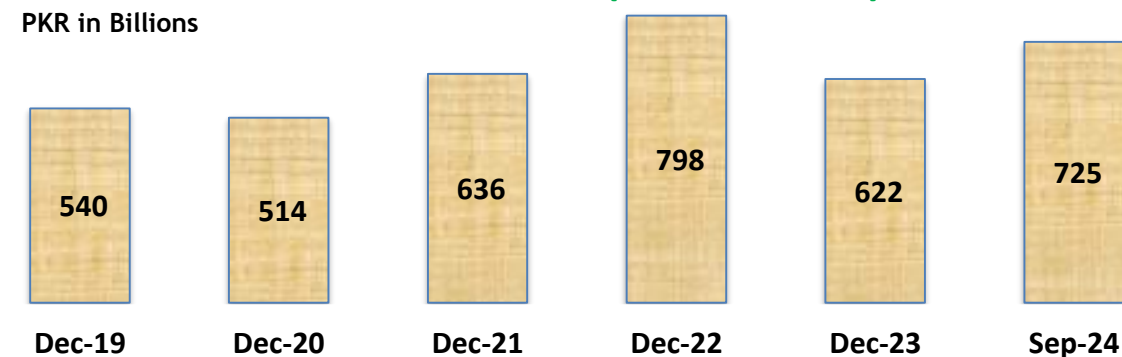
- A rigorous deposit mobilization drive, focused on building no cost deposits, translated into an exceptional growth of PKR 259 billion in Bank's total deposit base; which surpassed the 'two trillion' mark to report at PKR 2.064 trillion (+14%) as on September 30, 2024;
- Solid growth in current deposits and saving deposits; PKR 107.4 billion (+12%) added to current and PKR 151.2 billion (17%) added to savings during 2024;
- CoD for Sep-24 contained at 9.77% (Sep-23 : 8.19%);
- CASA improved to 97.17% (Dec-23 : 96.81%).

Segmentwise Advances

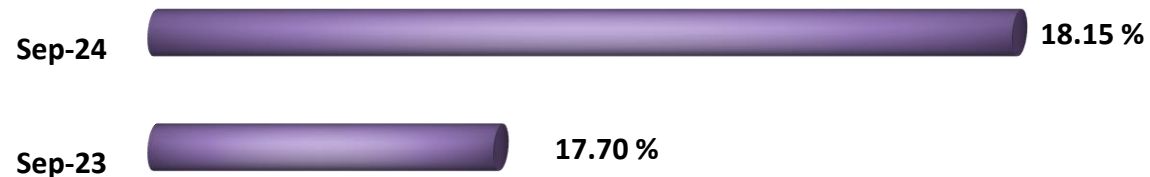
PKR in Billions	Sep 2024	Dec 2023	Var.	% var.
	Advances (gross)	725.43	622.42	103.00
Retail	75.37	73.86	1.51	2%
Corporate	531.75	438.01	93.74	21%
Consumer	37.44	38.63	(1.19)	-3%
Overseas	49.58	40.98	8.60	21%
Others	31.29	30.94	0.35	1%
MCB Advances (domestic)	675.85	581.44	94.41	16.24%
Industry Advances (domestic)	12,069.38	12,352.27	(282.89)	-2.29%
Market Share	5.60%	4.71%		
Advances - Net	674.76	577.86	96.89	17%

YTD (Sep 24 vs. Dec 23)				
	Sep 24	Dec 23	Var.	%
Total NPLs	55,091	53,883	1,209	2.24%
OAEM	1,546	1,517	29	2%
Substandard	2,689	863	1,827	212%
Doubtful	3,092	713	2,380	334%
Loss	47,764	50,790	(3,026)	-6%

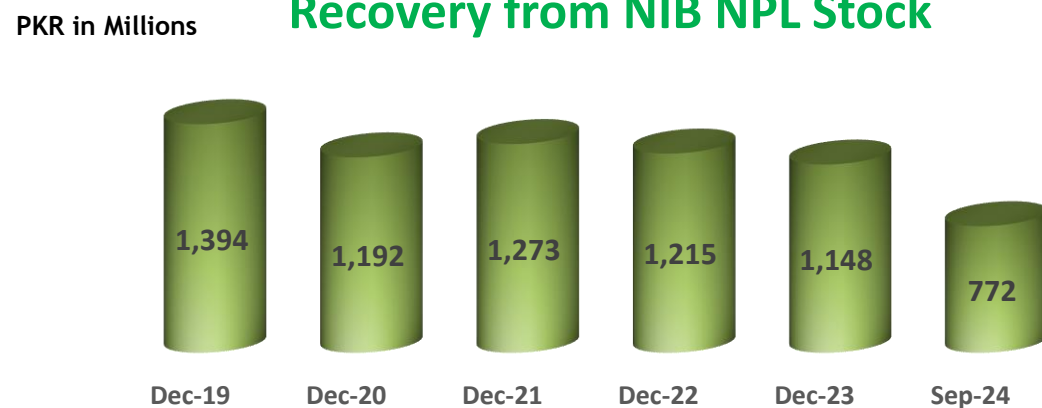
Gross Advances (CAGR 5.03%)



Yield on Advances



Recovery from NIB NPL Stock



Total Recoveries related to NPL stock transferred from NIB Bank amounts to Rs. 10.4 billion.

Diversified Investment Portfolio

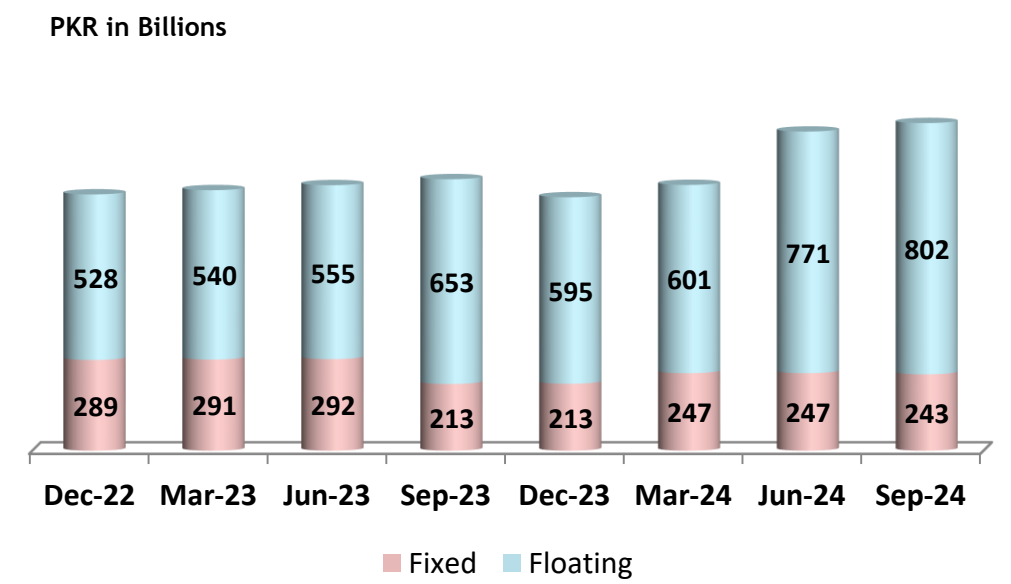


PKR in Billions				
	Sep 2024	Dec 2023	Var.	% var.
Treasury Bills	345.10	354.83	(10)	-3%
Pakistan Investment Bonds - Fixed	243.49	213.41	30	14%
Pakistan Investment Bonds - Floating	801.80	595.14	207	35%
Other government securities / Euro Bonds	45.99	60.08	(14)	-23%
Other Debt Securities (TFCs, Bonds)	11.20	11.82	(1)	-5%
Shares in Listed, Unlisted Co.s & Mutual funds	38.26	31.08	7	23%
Subsidiaries & Associated Undertakings	18.67	17.67	1	6%
Investments at cost	1,504.52	1,284.04	220	17%
Credit loss allowance	(1.15)	(11.18)	10	-90%
Surplus / (Deficit) on revaluation of securities	3.78	(23.42)	27	-116%
Investments - net	1,507.15	1,249.44	258	21%

Composition of Investments

	Sep 2024	Dec 2023
T-Bills	23%	28%
PIBs	69%	63%
Equity securities	4%	4%
Other Government Securities	3%	5%
Debt instruments	1%	1%

Pakistan Investment Bonds



“Two Trillion” Deposits Milestone; *solid growth in CASA*



Total Deposits
PKR **2.1** trillion

Current Deposits
PKR **978** billion

Saving Deposits
PKR **1,028** billion

CoD
9.77%
Up by 157 bps YoY

CASA
97.17%
Dec-23 : 96.81%

Market Share (Domestic)
6.09%
Dec-23 : 5.92%

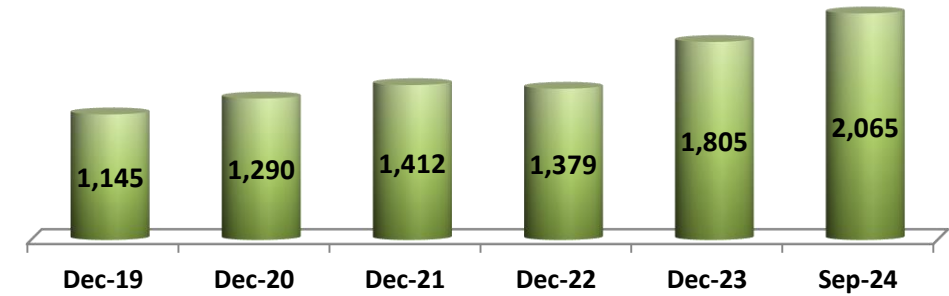
Branches
1,430
domestic
+(EPZ:1)

Branches
7
International

Customer accounts
Over **8.9** million

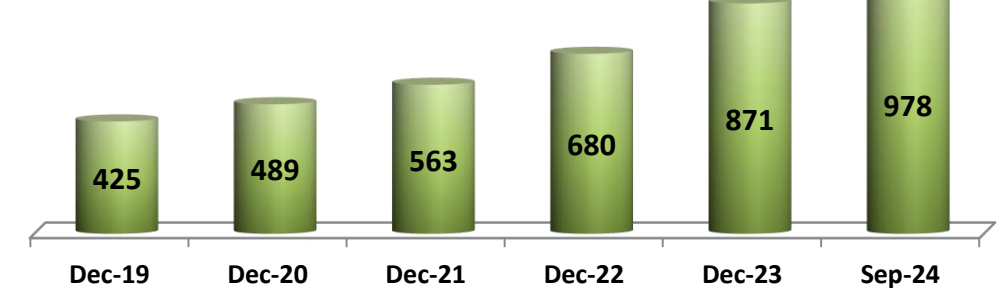
Total Deposits (CAGR : 12.50%)

PKR in Billions

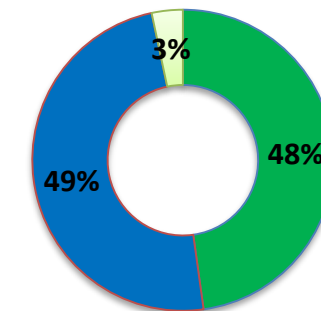


Current Deposits (CAGR : 16.73%)

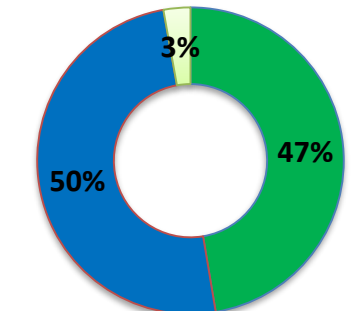
PKR in Billions



Deposits Mix Dec-23



Deposits Mix Sep-24



■ Current ■ Savings ■ Term

■ Current ■ Savings ■ Term

Historic high PBT for 9 months with 8% growth

PKR in Billions	Sep 2024	Sep 2023	Var.	% var.
	Mark-up Income	281.70	235.38	46.3
Mark-up Expense	166.62	128.96	37.7	29.20%
Net Mark-up Income	115.07	106.42	8.7	8.13%
Non Interest Income	26.85	22.60	4.3	18.82%
Total Income	141.93	129.02	12.9	10.01%
Non Mark-up Expense	46.15	39.68	6.5	16.29%
Operating expenses	43.90	37.37	6.5	17.48%
other charges & WWF	2.25	2.32	(0.1)	-2.87%
Profit before Credit Loss Allowance	95.78	89.33	6.4	7.21%
Credit Loss Allowance	0.67	1.24	(0.6)	-46.18%
against Investments	(0.00)	1.74	(1.7)	-100.04%
against loans & advances	0.86	(0.44)	1.3	298.06%
Others including write off recovery	(0.20)	(0.07)	(0.1)	-172.41%
Profit before Tax	95.11	88.10	7.0	7.96%
Taxation	46.66	43.95	2.7	6.17%
Profit after Tax	48.45	44.15	4.3	9.75%

Diversify Revenue Streams and Exceptional performance in Core Earnings:

- Through focused efforts in maintaining no-cost deposits base and optimizing earning assets mix, net interest income is increased by 8%;
- Non Interest Income increased to Rs. 26.85 billion (+19%) with notable contributions from fee commission income (PKR 16.4 billion, +15%), foreign exchange income (PKR 7.5 billion, +27%), and dividend income (PKR 2.4 billion, +21%)
- Strategize to diversify its revenue streams, strong growth in fee-based income across multiple channels, including a 36% increase in card-related income, 19% growth in branch banking fees and a 54% rise in investment service commissions.
- The Bank continues to invest in digital transformation, enhancing customer experience and operational efficiency, leading to broad-based growth across digital platforms.
- Despite the high inflationary environment, MCB managed operating expenses prudently, reporting an increase of 17%, with key expenditures focused on staff costs, utilities, and IT-related upgrades, the operating expenses of the Bank were reported at Rs. 43.9 billion.
- Profit for overseas operations increased by 33%YoY to PKR 5.7 Billion (USD 20.52 million)
- PBT of Rs. 95.11 billion (+8%) while PAT registered a growth of 10%.

Profitability Ratios:

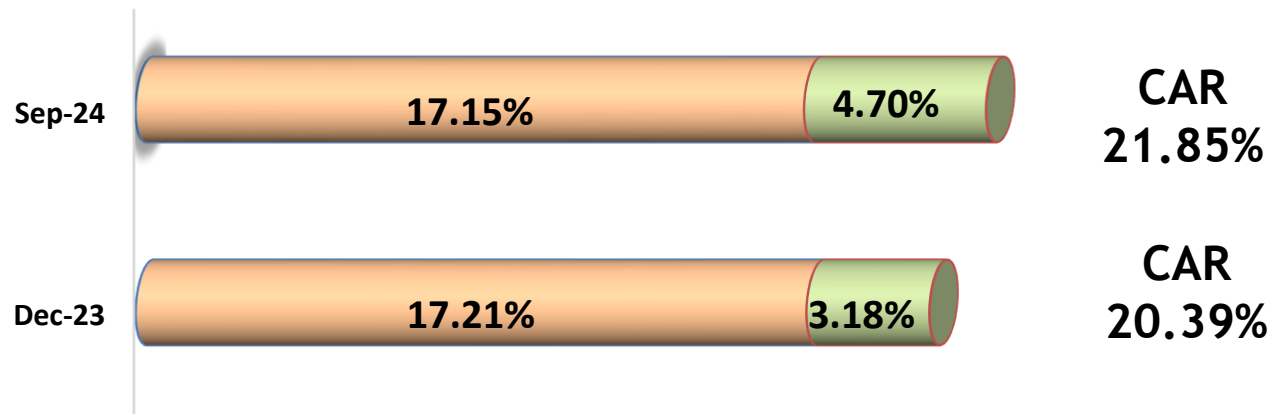
- RoE 29.98% (Dec-23 : 31.60%) and RoA 2.47% (Dec-23 : 2.64%), healthy profitability ratios;
- Cost to Income ratio stands at 30.93% as compared to 28.96% Sep-23.

Strong Capital Position & Ratios



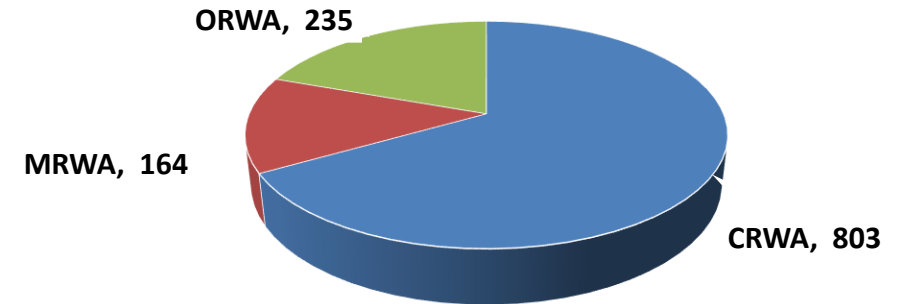
Buffer of 1035bps on top of regulatory CAR

■ Tier I ■ Tier II

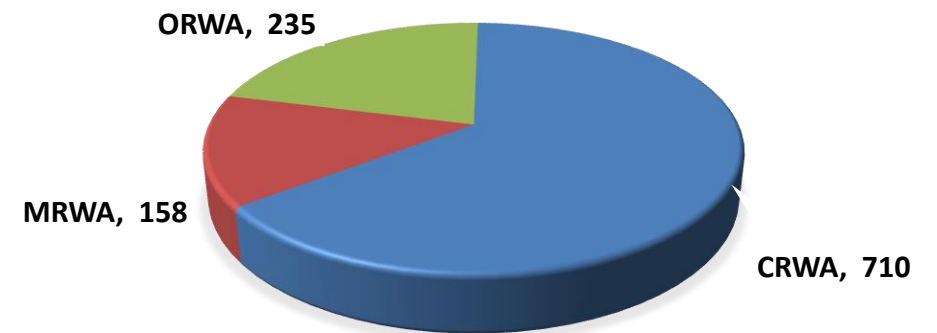


Risk Weighted Assets (RWA)

RWA Sep-24 : PKR 1,202 billion



RWA Dec-23 : PKR 1,103 billion



- Bank's total Capital Adequacy Ratio (CAR) is 21.85% against the requirement of 11.5% (including capital conservation buffer of 1.50% as reduced under the BPRD Circular Letter No. 12 of 2020).
- Leverage Ratio of 6.17% which is well above the regulatory limit of 3.0%
- Liquidity Coverage Ratio (LCR) of 263.11% and Net Stable Funding Ratio (NSFR) of 153.61% against requirement of 100%.

*Minimum Capital Adequacy Ratio (CAR) of 11.50%, Common Equity Tier 1 (CET 1) ratio of 6.0% and Tier 1 ratio of 7.50%.

MCB Islamic Bank - Snapshot



MCB is operating a wholly owned Islamic Subsidiary – MCB Islamic Bank

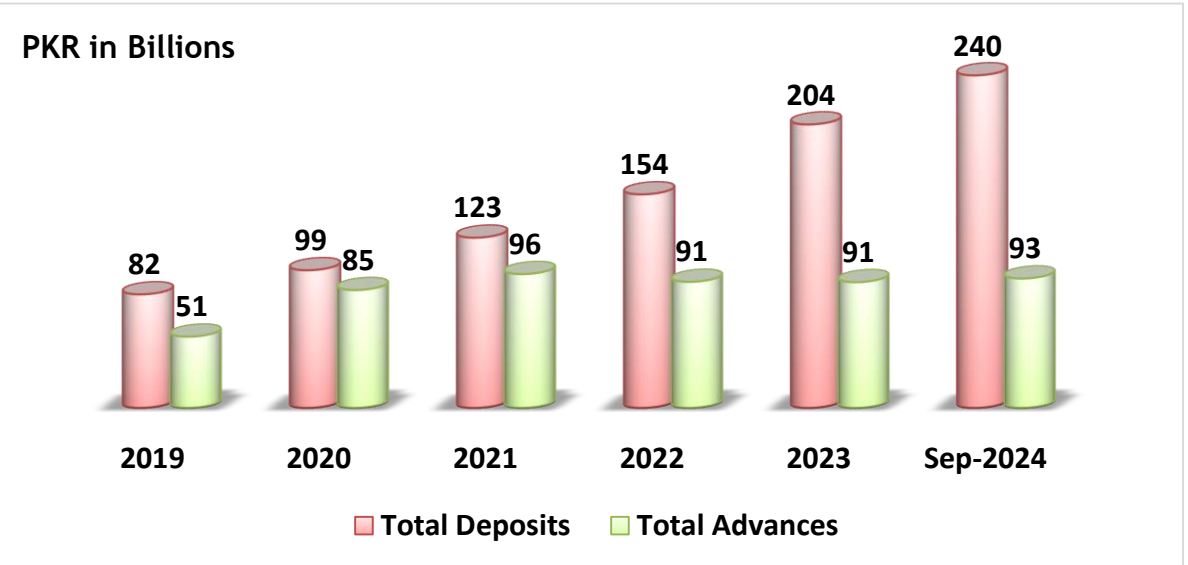
Islamic Business - SoFP Key Indicators

PKR in Billions	Sep 2024	Dec 2023	Var.	% var.
Deposits	239.88	204.46	35.42	17%
Gross Advances	93.29	90.64	2.66	3%
Investments	154.19	132.54	21.65	16%
Net Assets	24.89	22.04	2.85	13%

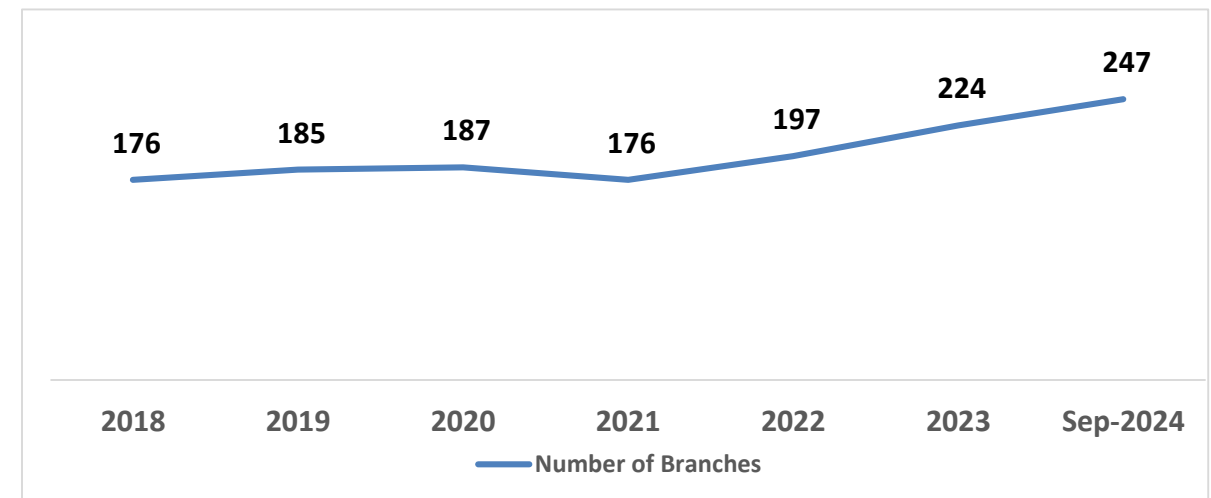
Islamic Business - Profitability Indicators

PKR in Billions	Sep 2024	Sep 2023	Var.	% var.
Net Mark-up Income	12.73	12.38	0.35	3%
Non Interest Income	1.31	1.24	0.08	6%
Total Income	14.05	13.62	0.43	3%
Non Mark-up Expense	7.25	5.55	1.69	30%
Profit before Credit Loss Allowance	6.80	8.07	(1.26)	-16%
Credit Loss Allowance	0.13	0.56	(0.43)	-76%
Profit before Tax	6.67	7.51	(0.84)	-11%
Taxation	3.27	3.67	(0.40)	-11%
Profit after Tax	3.40	3.83	(0.43)	-11%

MCB Islamic – Deposits & Advances



MCB Islamic Bank - Branches



Awards & Accolades

Best Corporate Report

Winner – Overall Best Corporate Report Award 2023

Winner” - Best Corporate Report Award 2023 – Banking Sector

““Runner-up” Best Corporate Report Award 2022 – Banking Sector

“Joint Runner-up” – Overall Best Corporate Report 2021”

“Joint Winner” - Best Corporate Report 2021 – Banking Sector”

“Winner – Overall Best Corporate Report Award 2020”

“Winner” - Best Corporate Report Award 2020

Winner” - Best Corporate Report Award 2019

Winner” - Best Corporate Report Award 2018

Winner” - Best Corporate Report Award 2017

Winner” - Best Corporate Report Award 2016

Winner” - Best Corporate Report Award 2015

Winner” - Best Corporate Report Award 2014

“Winner” - Best Corporate Report Award 2013

“Winner” - Best Corporate Report Award 2012

““Runner-up” Best Corporate Report Award 2011

“Winner - Best Corporate Report Award 2010

“Winner - Best Corporate Report Award 2009

Pakistan Remittance Initiative

Leading Remittance Mobilizing Bank of Pakistan - MCB

Asian Development Bank

Leading Partner Bank in Pakistan - 2024

Momentum Award – Issuing Bank - 2024

Asiamoney Awards

Best Corporate Bank in Pakistan 2022

Overall Most outstanding Company in Pakistan 2020

Most outstanding Company in Pakistan 2020, 2019 Financial Sector

Best Domestic Bank in Pakistan: 2014; 2009, 2008,
2006, 2005 & 2004

Asset AAA Country Awards

Best loan adviser - 2021

Best Structured Finance Deal - 2021

Best equity-Linked Deal – 2021

Telecom Deal of the Year - 2020

Best Corporate Sukuk - 2020

Best Acquisition Financing - 2020

Best Syndicated Loan - 2020

Euromoney Awards

Best Investment bank in Pakistan - 2017

Best Bank in Pakistan - 2016

Euromoney Awards for Excellence 2012:

Best Bank in Pakistan 2011, 2008, 2003-2005, 2001, 2000

Best Bank in Asia 2008

FinanceAsia’s Country Awards

Best Bank in Pakistan - 2021

Best Bank in Pakistan - 2019

Best Bank in Pakistan - 2018

Best Pakistan Deal, IPO of Pakistan Stock Exchange - 2017

Best Bank in Pakistan - 2016



77 *Years*
OF BANKING WITH
PAKISTAN



Thank you!



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