Commercial Banks

MCB: 3QCY26 Management Call Takeaways

- MCB Bank Limited (MCB) held an investor briefing session to discuss the 3QCY26 financial results and provide key insights on the future outlook for the Bank.
- To recall, the Bank reported earnings of PKR 14.9bn (EPS PKR 12.6) in 3QCY26, compared to earnings of PKR 13.8bn (EPS PKR 11.6) in the similar period last year, reflecting an increase of 8%y/y. On quarterly basis, the bank's earnings increased by +9%q/q. The bank announced a dividend of PKR 9/share along with the result.
- The management highlighted that the Bank's total deposits increased by +20%y/y to PKR 2.7tn during 9MCY26 while the CA proportion decreased to 52% from 54% in Dec-25. The bank's CASA ratio stood at 95.1% by the end of 9MCY26. Moreover the bank's cost of deposits declined to 4.57% during the period. The Bank's deposit market share for the period stood at 6.03%.

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Key highlights from management conference call

- The management highlighted that the Bank's total deposits increased by +20%y/y to PKR 2.7tn during 9MCY26 while the CA proportion decreased to 52% from 54% in Dec-25. The bank's CASA ratio stood at 95.1% by the end of 9MCY26. Moreover the bank's cost of deposits declined to 4.57% during the period. The Bank's deposit market share for the period stood at 6.03%.

- The Bank's investments portfolio increased by 11% reaching PKR 2.2tn. The management informed that the investment book consists of 52% floating rate PIBs while 25% is held in Fixed PIBs and 16% in T-Bills.

Analyst

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- The bank has successfully opened 31 new branches by the end of Sep-26 whereas the full year target stands at 40. The management highlighted that the bank aims to open further 50-60 branches in CY27 to support deposit growth.

- The bank's Advances have increased by 11%y/y during 9MCY26 which has increased its market share to 4.92%. This increase in advances was primarily driven by strong growth in consumer advances by 34%y/y. Wholesale advances however grew by 9%y/y supported by commodity financing.

- The management of the bank informed that the removal of the MDR for eligible deposits is expected to provide a positive quarterly impact of PKR 700mn to 1bn which will support funding costs.

- The management also highlighted that FX income is expected to remain under pressure due to the transfer of remittance-related rebate expenses to banks effective from July 1, 2026.

- Regarding the 50bps policy rate hike, the management expects some compression in NII in 4QCY26 as deposit and borrowing costs reprice.

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