



Corporate Sustainability Report

MCB Bank is an organization that firmly believes in nurturing the various facets of life and helps to foster the growth of communities in which it operates. By initiating numerous projects and services that facilitate the wider community in a socially responsible way, MCB ensures sustainability of the greater environment and social well-being of its employees.

The Bank adheres to several key principles that accredit it as an institution committed to creating a better work place and a cleaner environment evident through various initiatives undertaken with respect to the greater good of the community at large. This is achieved by inculcating a culture of excellence, good governance, transparency, integrity and accountability through commitment to prioritize controls and compliance thereby ensuring that all activities are carried out in accordance to the prevailing regulations. The Bank has a well-defined Code of Ethics and Conduct policy, a mandatory document that acts as a guideline for employees while performing their duties.

MCB Bank for Life

MCB Bank truly adheres to its philosophy i.e. "Bank for Life". It is our commitment to empower all stakeholders with best corporate practices and constructive projects that helps them in pursuing their goals and achievements.

The Bank provides advice and services to individuals, companies, the governments, to help manage finances thereby increasing value/ enhancing wealth. Services range from transforming savings into capital to managing cash and payments; from investing assets on behalf of private and institutional investors to securities trading, risk management, and advising on corporate finance.

The Bank maintains a highly professional working culture that includes mandatory compliance towards the betterment of its stakeholders at every level. Hence various capacity building and welfare projects have been initiated in recent years to promote the living standard of communities at large, and to instill a sense of satisfaction amongst them.

MCB Bank, the largest employer

MCB Bank is one of the largest employers in Pakistan with strength of around 18,000 employees that proudly acknowledge the institution as one that promotes a culture of equality, reflected through its diversified talent portfolio. This fair practice helps in the promotion of cultural harmony within the organization that is quite evident from its leading position in the industry/sector.

Corporate Social Responsibility

MCB Bank is one of the market leaders in the banking sector where it understands its responsible role towards the national economy. The strategy at the Bank has always endured keenness in safeguarding the interest of both its internal and external stakeholders, therefore reiterates to operate with strict adherence to regulations and principles of good governance.

The Bank is always active in carrying out community services under its different programs. It has so far accomplished numerous projects and services in the areas of education, health, environment, sports, social awareness, promotion of culture and welfare of charitable organizations keeping in view the greater interest of its employees, customers and beloved country as a whole.

The Bank holds an approved "Corporate Social Responsibility Policy" that shows the Bank's commitment towards serving the community at large.

CSR at MCB Bank has continuously geared up its capabilities in order to act as an adequate point of convergence for the design and implementation of specific initiatives intended to further its engagement with the society and its people. These initiatives have also been appreciated and recognized by entities such as Pakistan Centre of Philanthropy.

Education for all: MCB Bank recognizes the role of youth in the future of Pakistan; therefore has partnered with leading educational institutes across the country to facilitate. Through this initiative, it aims to develop the personality and character of Pakistan's future generation by perpetrating qualities of inner discipline and control. In this regard, the Bank has signed an agreement with LUMS for the purpose of providing soft loans to its students. Each year, the Bank allocates special funds that are utilized as sponsorships for various education based activities. During 2014, the Bank partnered and sponsored activities for Forman Christian College, LUMS, Institute of Islamic Banking, IBA-Punjab University along with the Institute of Chartered Accountants of Pakistan.

Human Rights: At MCB Bank, our mission is to ensure the political, educational, social and economic quality of rights of communities that we operate in and to help advocate the elimination of social biases and hatred. The Bank pays special attention to human rights and ensures that its policies reflect the interest of all of its members and customers without any discrimination. Environment at MCB is maintained with utmost professionalism, instilling a feeling of mutual respect, aiding in upholding the basic rights of the people coming in at the Bank. We have supported various nonprofit initiatives that serve for the rights of humanity

Sports: Sports can play a key role in enhancing social justice and integration. It can inspire young people and teach them valuable life skills such as teamwork and the importance of commitment. MCB Bank realizes this fact and puts a lot of energy and resources into a broad range of sports based activities. During 2014, the Bank made sponsors for PEPSI Corporate Premier League, 4th Chief of Naval Staff Amateur Golf Championship 2014, Multan Golf Club and PAF Golf Club Islamabad. Sponsorships were also made for the Punjab Youth Festival 2013-2014.

Energy conservation:

MCB Bank is a responsible organization that recognizes the importance of preserving the environment. The management is geared towards mitigating the impact by promoting practices that aim to use energy smartly and economically. The Bank believes to lead by example where as best practice it has initiated the installation of solar power systems at some of its branches and ATMs. These projects have been introduced to make use of natural energy thereby reducing the rising operating expenses and limiting harmful emissions making the organization sustainable.

In 2014, in collaboration with WWF Pakistan, the Bank also celebrated Earth Hour, an awareness campaign that supports the concept of energy conservation. The Bank also engages employees from time to time through its internal communication forum, best practices and initiatives that inculcate/install a conscious spirit to save energy.

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Energy Saving Measures

The Bank has always been abreast with the socioeconomic issues of the country whereby it considers its utmost responsibility to address any such concern in the most appropriate manner. In light of the prevailing energy crisis, the Bank has evaluated various cost effective and reliable sources to provide alternate energy. As a pilot case the Bank has successfully converted some of its branches to solar power in order to address any anomalies before replicating the same to relevant others. A recent initiative, the first of its kind was introduced at the newly built MCB Centre in Lahore, where the waste heat from air-conditioning is secured to be recycled to produce alternate energy. There are several other initiatives in the pipeline that the Bank is evaluating to roll-out in the near future. The Bank also engages its employees through its internal communication forums to highlight best practices that induce a conscious spirit to save energy.

Environmental Protection Measures

MCB Bank acknowledges the importance of safe environment that is closely linked to the welfare of the community at large. The Bank has taken initiatives to promote a paperless culture that is linked not only with the cleanliness of the environment but also with the reduction of operating expenses resulting from photocopy and printing of papers. Campaigns such as "Credit Card e-statement" are being promoted at the Bank; these also help in saving a notable amount of paper.

Another MCB developed product "Fun Club", focuses on the banking needs of the children. Besides serving the banking needs, this product maintains balance between personal, corporate, social and environmental responsibilities. MCB has entered into an agreement with WWF for sowing a plant in the name of the kid who subscribes for this product. The progress of the plant growth can be observed through Google earth.

MCB offices are very particular about plantation; special staff is hired that looks after the greenery and plantation within and in the surroundings of our buildings. The bank has spent a substantial amount on plantation expenses which is an evidence of its profound interest towards healthy environment measures.

Community Investment, Welfare Schemes & National Cause Donations

MCB Bank seeks to demonstrate a firm commitment towards the community by being vigilant to identify and support causes that will facilitate to uplift/betterment of the society. The primary focus of the Bank is towards communities where public and private sector services are inadequate as a result of geographical or social isolation or because of insufficient demand levels. In 2014, the Bank committed Rs. 40 million, in the form of donations to support the IDPs of North Waziristan. Additionally/also, In the same year, the Bank directly liaised with organizations like Sundas Foundation, Shaukat Khanum Cancer Hospital, The Patients' Aid Foundation [PAF], Jinnah Postgraduate Medical Centre and Pink Ribbon Campaign of Pakistan. These philanthropies have helped the Bank in reaching out to the affected communities at large.

Besides direct financial support, the Bank also helped through alternative and innovative mediums e.g. fund-raising via electronic

banking, distribution of flyers with bills & statements and free media space to charities for them to conveniently advocate their cause over mass mediums.

Contribution by MCB Bank towards the community has been recognized by various local and international organizations. It has received a "CSR Business Excellence Award" where it has been ranked 8th among 490 top Pakistani Companies as a result of the volume of its donations. The Bank has also received a 'Certificate of Recognition' from Pakistan Center for Philanthropy which is definitely a source motivation for it to continue towards supporting such initiatives in the future.

Consumer Protection Measures and Procedure for Quality Assurance of Products & Services

The Bank is committed to provide world-class quality products and services to its customers. It maintains a privacy statement for the usage of its products i.e. Credit Cards, ATM pins etc. Staff at customer care department is specifically trained to ensure customer privacy and protection policy while dealing with sensitive information.

To ensure a culture of "Quality Customer Service" the Bank carries a dedicated Service Quality Division. The objective of this division is to strengthen the Bank's service culture, competitiveness and infrastructure by maintaining close customer relationships. Regular training sessions are conducted in all circles, call centers and other front-end staff offices regarding "Service Excellence" & "Customer Satisfaction".

Customer Satisfaction:

A satisfied customer is the key driver/core element to the success of any organization. MCB, truly respects its business partners thereby ensures that it exceeds the expectation of its customers. The Bank has "Help desks" across its branches, call centres and websites to help address customer queries within the stipulated turnaround time. During 2014, a total of 60,174 complaints were resolved at a success rate of/ level of 99.27%.

Total Complaints 2014			
Category	Closed	Open	Grand Total
Complaint	59,733	441	60,174
%age	99.27%	0.73%	

Total Complaints 2014			
Category	Within TAT	Beyond TAT	Grand Total
Complaint	24,769	34,964	60,174
%age	41.16%	58.10%	

Category	Total Complaints 2014												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
Complaint	5029	4812	5878	5487	5547	5753	7055	4686	4717	3654	3065	4491	60,174

Turnaround Time (TAT) Monitoring:

Monitoring and evaluation of service indicators is part of the belief in increasing and retaining customer base. In order to keep a strong hold on processes within the Bank, SQ division has devised several



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controllable measures at par with prevailing market practice. Against each measure, a tolerance level along with a timeline is set. Similar to the Branch Banking, indicators for Consumer Assets, Credit Cards, Bancassurance, Call Centre, Mobile Banking and ATM Uptime are monitored monthly by SQ. The TAT for day-to-day activity and their performance against it is then presented to the management to ensure excellent service through fast delivery process.

Customer Experience Management:

The Bank is undertaking systematic efforts to make interfaces, processes and flows at all MCB Bank direct banking contact points. Feedback is elicited from customers for all contact points via surveys and tests and actions to be taken are identified. The end goal of these measures is to be the most preferred channel as well as to become the most popular Direct Banking brand.

Service Management Program (SMP)

Service Quality has ensured that all service related activities along with (TAT) Turnaround time for Branch Banking are readily available at the branches. During the year, over 1700 Staff members were trained on 'Customer Service Excellence' with reference material that is easily accessible. This exercise has helped improve staff confidence, reduction in customer TAT. This initiative has considerably improved branch performances in terms of customer satisfaction and quality checks.

Service Council

Service Council has been formulated to bring together key stakeholders from across the bank with a view to place service on the forefront through thought leadership, collaborative discussions and creation of a clear roadmap supported by facts and data. A meeting is held periodically which is convened by SQD Head and chaired by the President himself along with all the Group Heads and relevant Business Heads.

Service Protocols, Complaint Logging and Suggestion Forms

SQ introduced Service Protocols Booklet in all the branches for Standardization of Service Standards. A new, improved complaint and suggestions forms "Your Priority, Our Concerns!" has been introduced in the branches for customer convenience in order to get feedback recorded. During the year 700 branches were monitored with respect to service parameters and protocols. This year the Bank also introduced formal monitoring of the turnaround time to open an account thereby automating the process. Another such initiative was the roll-out of Call Back Confirmation that was from Bancassurance in 2013 to Wealth Management and Investment Banking Groups.

Quality Checks and Mystery Shopping

During the year, around 500 branches were 'Mystery Shopped' by independent external agency and results of this activity was shared with management for further improvement. The average scores remained between 80 to 85 percent across all regions including troubled non-metropolitan areas/far flung troubled areas.

Industrial relations

MCB Bank is fully responsible for maintaining a healthy relationship between individual workers and employees where it plays a critical

role in facilitating the staff from all walks of life. It gives special heed towards the agreement and satisfaction of its staff as a whole. The Bank has taken various interventions to match with the pace of its labour union. An agreement has been signed with the staff union of clerical and non-clerical staff so that it works on the same pace as the other teams working at the bank. The Bank has allocated dedicated staff who is there to ensure fair labour practices, grievance handling and to ensure fair business practices amongst the labour union.

MCB Bank has introduced a special staff finance facility for the purpose of facilitating the clerical and non-clerical staff. Further, scholarships are being offered to enhance the educational needs of the staff children.

Employment of Special Persons

MCB Bank is an equal opportunity provider. It has never discriminated on the basis of race, gender, age or disability. The bank has recruited a sufficient number of special persons at various branches all over Pakistan. At MCB Bank, special persons are not discriminated on the basis of their handicaps.

Occupational Health and Safety

The Health and Safety of personnel is of utmost importance to the Bank, where the same is reflected through its "Health & Safety Policy". The policy reiterates maximum safety standards to be met by all businesses, functions, offices and branches encouraging employees to promote the safety of their colleagues and customers. Emergency Lights, Fire Proof Cabinets, Fire Detection System, Alarm System, Portable Fire Extinguishers, Safety-Anti Shatter Films, First Aid Kits, Regular Evacuation Drills, Arrangement for Disables, Emergency Exit Doors, Fire Sprinkler System and Medical Health Insurance are some of the measures that the Bank assures for the safety and security of its stakeholders.

At ATMs and other Alternative Delivery Channels (ADC), special safety measures are taken into consideration by installing locks and cameras in all ATM Rooms with 24/7 recording. Anti-Skimming devices have been installed on all ATMs. ATM-safe-usage-guidelines are displayed on all ATM screens before the customer undertakes a transaction and all customer calls to Call Centre are recorded. The Bank fully ensures that IVR Transactions are secured via a separate Telephone Banking, PIN (T-PIN), SMS alerts service keeps the customers constantly updated of any activity (Debit or Credit) in their account.

Developing a positive health and safety culture, where safe and healthy working becomes second nature to everyone is what MCB Bank aims to achieve and for that, all possible efforts are being continuously utilized to touch an optimum level.

Business ethics & anti-corruption measures

"Fraudulent Market and Credit Risk" cannot be eliminated however the Bank has always been active in identifying and mitigating possible risks and losses through promulgation of policies and procedures to reduce possibility of such incidents.

The "Human Resources Management Group" of the Bank provides "Code of Conduct and Standard of Ethics"; a comprehensive document is in place as a part of the Human Resource Policy & Procedure Manual which is available to all staff members on the Bank's Intranet. The Disciplinary Action Committee (DAC) takes

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action on any violation of policies & procedures, act of fraud & forgery, breach of discipline and code of conduct, ethics & business practices, law of land and statutory regulations by an employee.

It is imperative that the Bank maintains a strong, positive compliance culture across the full range of our activities. At MCB Bank, employees are expected to act honestly, responsibly, and with integrity at all times. The Code of Ethics, of the Bank, describe the values and minimum standards for ethical business conduct and govern all of our interactions, whether with clients, competitors, business partners, government and regulatory authorities, shareholders, or each other. They also form the cornerstones of our policies, which provide detailed guidance on how employees should act to ensure compliance with applicable laws and regulations.

The Bank is committed to high standards of Anti-Money Laundering (AML) practices and compliance on Money Laundering. Compliance and Controls Group (CCG) of the Bank has devised different measures in identifying such acts, as per the National Accountability Bureau Ordinance 1999. CCG ensures that the names of all corrupt individuals who have been identified by Law Enforcement Agencies/ State Bank of Pakistan are highlighted for any future correspondence. Moreover, the Group carries access to the world renowned tools/ databases, which are of help for the Bank in providing information on proscribed entities as well as identifying suspected persons.

Further, Compliance & Controls Group at MCB has devised tests to encourage awareness on areas specifically related to "Know-Your-Customers". This exercise is aimed to educate the Bank's employees to better understand the terminologies of "Know-Your-Customer" and "Anti Money Laundering. MCB Bank is committed to fully comply with anti-corruption and anti-bribery laws. This includes the Bank's strict prohibition against receiving, accepting, offering, paying, or authorizing any bribe and any other form of corruption.

MCB Bank wants to deliver long-term value for its shareholders and society. This means having the right culture, structures and processes in place to ensure that we practice strong governance, serve our clients and customers well and provide a great workplace for our people. Doing what we can to combat financial crime is one of the utmost components that has taken the Bank ahead till now.

Contribution to national exchequer

MCB Bank has the highest market capitalisation and has accomplished the remarkable profitability. The Bank is leader in its contribution to the national exchequer. In 2014 the Bank paid Rs. 9.04 Billion as income tax to Government Treasury and contributed over Rs. 5 Billion to the national exchequer as withholding tax agent under different provisions of Income Tax Ordinance 2001.

The contribution by the Bank to the national economy by way of value addition was Rs. 48.17 Billion, out of which around Rs. 9.41 Billion was distributed to employees and Rs. 15.58 Billion to shareholders.

The Bank has generated direct and indirect employment for a large number of people over the years. With the payment of taxes and the investment in the network, the Bank is making a significant contribution to the development and growth of the nation.

Rural development programs

MCB Bank fully supports the agriculture sector by extending credit to the farming community. These finances, apart from business perspective, have an element of mission aligned with the cause of supporting our national goals and objective.

Agriculture sector shares almost 22 percent of Pakistan's GDP. It is a catalyst of overall growth and optimistic economic outlook that provides dependable food security and confidence to almost 180 million people of this country. In this regard, MCB Bank extends all types of credit facilities to address the needs pertaining to both farm and non-farm activities. It carries a total of 171 Agri Lending Branches all over Pakistan. MCB Bank encourages farmers to mechanize harvest by extending credit on easy installments for tractor and its implements. A special arrangement is made with tractor manufacturers to achieve this objective.

The bank has partnered with State Bank of Pakistan by partially sponsoring the Farmers Financial Literacy and Awareness Program Phase – II (FFLP). It is an Agricultural Awareness Program that is held at District Level in order to educate the agrarians at grass root level. Also, the Bank has initiated a Kisan Dost Help Desk campaign at its selected branches from where farmers can confidently consult professionals for any relevant assistance.

MCB has 432 rural branches that offer customized product menu to suit and meet the requirements of the locals. MCB is committed in enhancing knowledge and understanding of banking business vis-a-vis spreading and exploring neglected regions of the country.



Social and Environmental Responsibility

MCB Bank Limited undertakes its responsibility to be recognized as an organization that is aware of both its social and environmental obligation. The Bank continuously strives to inculcate the same by creating awareness amongst stakeholders, streamlining its operational processes and reinforcing the same through various policies. The key areas that the Bank focuses upon are to provide a safe and healthy workplace, protect the environment and conserve energy through use of appropriate technology and management practices.

Some of the salient features of the Bank policy are as follows:

- Compliance with local, national and international laws and regulations as well as the spirit thereof and conduct of business operations with honesty and integrity.
- Promote and engage in social welfare activities that help strengthen communities and contribute to the enrichment of society.
- Provide innovative, safe and outstanding high quality banking products and services exceeding the expectations of customers.
- Significant investment to develop technological based 'Alternative Delivery Channels' for maximum 'Financial inclusion'.
- Sustainable development through building and maintaining sound relationships with our stakeholders through open and fair communication.
- Communication and dialogue with employees, to build and share the value of "Mutual Trust and Mutual Responsibility" and work together for the success of our all stakeholders.
- Respect for people by honoring the culture, customs, history and laws of Pakistan. Constantly search for safer, cleaner and superior practices that satisfy the evolving needs of the society.
- Minimize the environmental impact of business operations, by working to reduce the wastage of all resources.
- Develop, establish and promote practices enabling the environment and economy to coexist harmoniously and build close and cooperative relationships with individuals and organizations involved in environmental preservation.