

MCB Bank Limited

Investors Briefing

December 31, 2018



Presented by:
Hammad Khalid
Chief Financial Officer

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Financial Performance

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Key Performance Indicators

Group Structure

MCB is one of the oldest banks of Pakistan, incorporated in 1947. It was privatized in 1991. To accede to international capital markets, the Bank launched Global Depository Receipts (GDRs) in 2006. It was the first Pakistani Bank that got its GDRs listed on the London Stock Exchange. In 2008, the Bank entered into a strategic partnership with Maybank, Malaysia, which owns above 18.78% stake in it through Mayban International Trust (Labuan) Berhad. In 2017, a strategic initiative has expanded MCB Bank's retail footprint in the form of merger of NIB Bank with and into MCB Bank Limited. The merger also further diversified our shareholding, as through it Fullerton Financial Holdings (International) of Singapore is proudly welcomed as another significant international shareholder of the Bank..

Local Branches : 1,376

Foreign Branches : 11 (Including 1 EPZ branch)

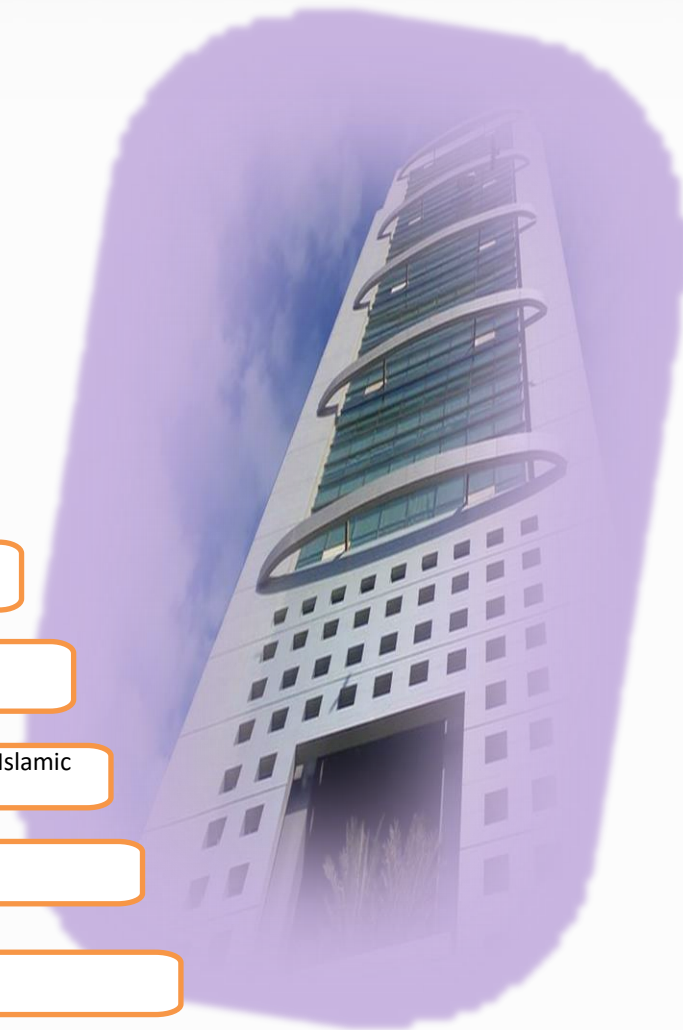
Subsidiaries

MCB Financial Services Limited	Holding: 100%
Profile: Float, administer and manage modaraba funds and acts as trustees of various mutual funds.	
MNET Services (Private) Limited	Holding: 100%
Profile: Service providers for Electronic Transactions to various financial institutions/banks	
MCB Islamic Bank Limited	Holding: 100%
Profile: Islamic & Shria'h compliant banking.	
MCB - Arif Habib Savings & Investments Limited	Holding: 51.33%
Profile: Asset management, investment advisory, portfolio management and underwriting.	
"MCB Leasing" Closed Joint Stock Company, Azerbaijan	Holding: 99.94%
Profile: Leases various types of industrial equipment, public transports, real estate and retail auto leases.	
Financial Management Services (Pvt) Limited	Holding: 95.90%
Profile: Provision of Financial Services.	

With reference to significant holding, the following entities are associates of the Bank;

Adamjee Insurance Company Limited	Holding: 20.00%
Euronet Pakistan (Private) Limited	Holding: 30.00%

MCB Key Historical Milestones



MCB Bank Limited, a name synonymous with quality service and trust, is a recognized brand working on strategic parameters through out the decades in order to register financial performance and sustainable business development.

Our broad spectrum of products and services provides a cutting edge advantage to service our customers countrywide through online branch network offering Corporate, Retail, Islamic and Investment banking products that have contributed towards making MCB Bank one of the leading banks in Pakistan. To account for change in trends and adding further ‘customer-friendly’ parameters, MCB’s Internet Banking was re-launched during the year. Our revamped Call Centres is yet another step to reinforce our strategy to provide 24/7 product support and assistance to our valued clientele. To strengthen the retail product suite, consumer lending products i.e. personal loan and home loan facilities, were reintroduced to enlarge the range of MCB’s products. Our Mobile Banking continues to be a strong player; attracting large segment of young educated tech-savvy professionals. Bancassurance / Investment products and Visa Debit Cards have been among MCB’s best sellers and have gained substantial market share during the year under review.

As developing technology–driven product range is the need of the hour, MCB is moving in that direction with a clear vision. The launch of MCB Lite is expected to usher a new chapter of ‘banking convenience’ for MCB’s existing and prospective customer base. We are confident that through these innovative products, coupled with our quality service standards, MCB would significantly increase its share of the business and support financial inclusion through alternate distribution channels.

In line with Bank’s Business Strategy, our financial results reflected strong underlying performance across virtually all our businesses, fueled by strong Balance Sheet management and profit growth. Our key focus areas remain cost management, non-fund income growth and no significant accretion in our NPL base.

- ✓ Delivering remarkable returns to stakeholders, sustainable performance, exceeding market and shareholder expectations
- ✓ Providing value added services through operational expansion, geography and upgraded system
- ✓ Building a corporate culture of equality, trust and team spirit as we remain dedicated to being a socially responsible organization

Vision

To be the leading financial services provider, partnering with our customers for a more prosperous and secure future.

Mission

We are a team of committed professionals, providing innovative and efficient financial solutions to create and nurture long-term relationships with our customers. In doing so, we ensure that our shareholders can invest with confidence in us.

Financial Strength

Assets	➤	PKR 1,498 bn (US\$ 10.8 bn)
Deposits	➤	PKR 1,049 bn (US\$ 7.6 bn)
Advances (Gross)	➤	PKR 547 bn (US\$ 3.9 bn)
RoA	➤	1.50%
RoE	➤	15.48%
Profit before Tax	➤	PKR 32.06 bn (US\$ 261.3 mn)
Market capitalization	➤	PKR 238 bn (US\$ 1.6 bn)
No. of accounts	➤	7.9 mn

Domestic and International footprint

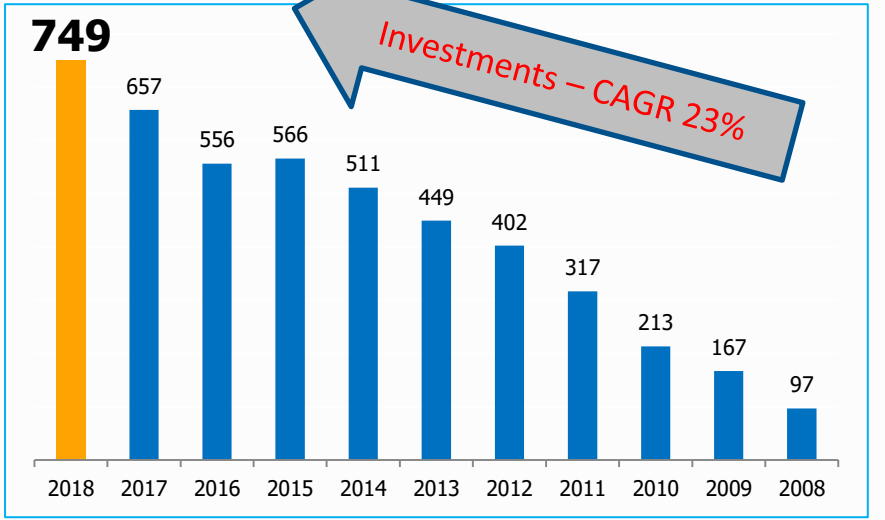
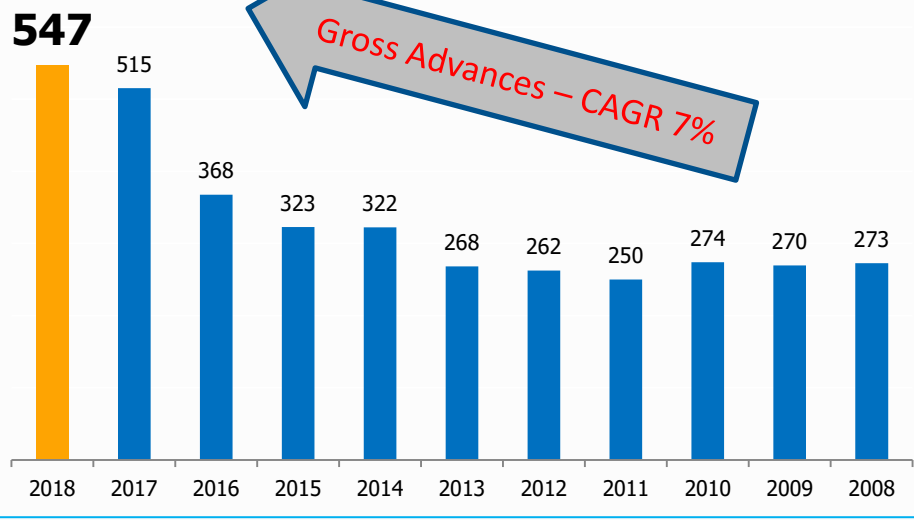
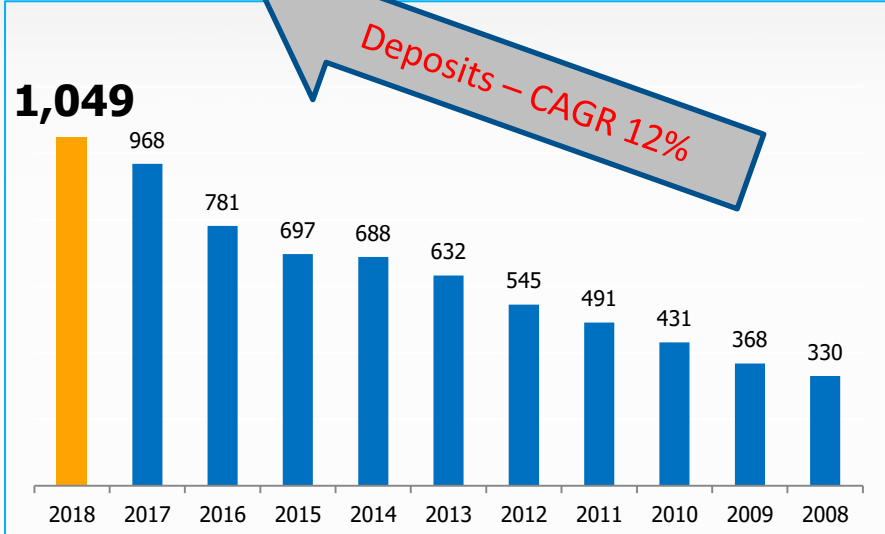
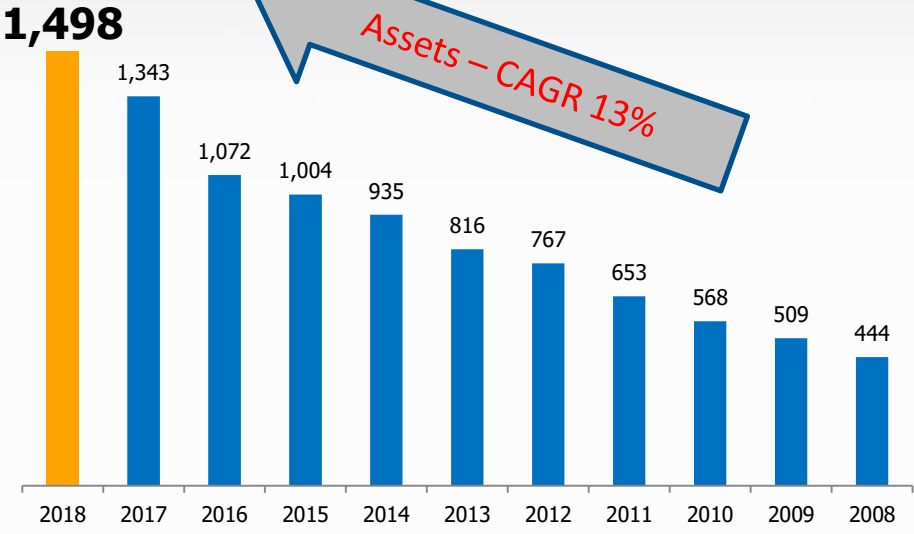
Domestic Branches	➤	1,376
Foreign Branches	➤	11 (Sri Lanka : 8, Bahrain : 1, EPZ : 1, UAE : 1) 1 Rep Office in Dubai
Subsidiaries	➤	MCB Financial Services
	➤	MINET Services (Private) Limited
	➤	MCB - Arif Habib Savings and Investments Limited
	➤	"MCB Leasing" Closed' Joint Stock Company
	➤	MCB Islamic Bank Limited
	➤	Financial Management Services (Pvt) Limited
Associates	➤	Adamjee Insurance Company Limited
	➤	Euronet Pakistan (Pvt) Limited
# of ATMs	➤	1,321

Highest Credit Rating by PACRA

Long Term AAA [triple A] and Short Term A1+ [A one plus]

Historical Trends

Rs. in Billions





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Awards & Accolades

▶ Asset Triple A Islamic Finance Awards 2018

 Best Islamic Loan Adviser, Pakistan

▶ Asset Triple A Infrastructure Awards 2018

 Project Finance House of the year, Pakistan

 Renewable Energy deal of the year - Solar, Pakistan to MCB Bank Limited, MCB Bahrain & MCB Dubai

 Oil and Gas Deal of the Year, Pakistan

 Telecom Deal of the Year, Pakistan

▶ Asiamoney Best Bank Awards 2018

 Best Domestic Bank

▶ FinanceAsia Country Awards for Achievement 2018

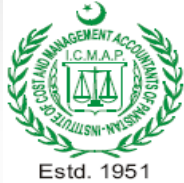
 Best Bank in Pakistan

▶ ICAP & ICMAP

 Best Corporate Report Award 2017 - Winner

International Recognition

Awards / Accolades



“Winner -Best Corporate Report Award 2017 – Banking Sector”

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



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



Pakistan Banking Awards

DAWN with IBP
 Sponsorship Partner
 AFFERGUSON & CO. | the Public network

**Best bank for
 Corporate Finance & Capital market
 Development - 2016**



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



Best bank in Pakistan - 2016
 Best bank in Pakistan - 2015



Most Stable Bank of the year 2014

Best Bank of the year 2013 – Large Bank
 Most Stable Bank of the year 2013
 Investor Relations Award 2011: Runner-up
 Best Bank of the Year 2011
 Most Stable Bank of the Year 2011



GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

2012: Ranked 624, 2011: Ranked 606,
 2010: 621

**Country Ranking: 3rd highest among the
 local Top 5**



Best Bank Led Mobile Money
 Transfer Program 2010



THE ASIAN BANKER SUMMIT 2010

Asia's Foremost Event on Transformational Issues in the Financial Services Industry

The QFC Asian Banker Leadership Achievement Award 2010



Ranked among the **Top 25
 Companies** in Pakistan



**Best Commercial Bank
 – Pakistan 2012**



CSR Business Excellence Award
 2012: Best Media Coverage



Winner – Best Presented Annual Accounts 2014

1st Runner Up Best Presented
 Annual Report Awards 2013 –
 Category Private Sector Banks
 2nd Runner Up Best Presented
 Annual Report Awards 2012–
 Category Private Sector Banks
 Joint 2nd runner-up in the banking
 sector - Best Presented Accounts and
 Corporate Governance Disclosure
 Awards 2010



Strongest Bank in Pakistan 2017

Strongest Bank in Pakistan 2014
 Strongest Bank in Pakistan 2010



Triple A Country Awards
 Best Domestic Bank – Pakistan 2014: 2013: 2012:
 Best Bank – Pakistan 2014





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Financial Performance

MCB Bank Limited

Financial Performance

December 31, 2018



Statement of Financial Position



Rs. in mln

	Unconsolidated				Consolidated			
	Dec 2018	Dec 2017	YTD	%	Dec 2018	Dec 2017	YTD	%
Assets	1,498,130	1,343,238	154,892	12%	1,585,210	1,389,492	195,718	14%
Advances - net	503,581	469,356	34,225	7%	566,792	500,966	65,826	13%
Investments	749,369	656,964	92,405	14%	754,386	660,070	94,316	14%
Cash and Balances with Banks & Lending to Financial Institutions	150,160	115,049	35,110	31%	162,653	122,085	40,568	33%
Other Assets (including fixed assets)	95,020	101,869	(6,849)	-7%	101,379	106,371	(4,992)	-5%
Liabilities	1,348,852	1,189,672	159,181	13%	1,433,887	1,232,949	200,938	16%
Deposits	1,049,038	968,483	80,555	8%	1,122,307	1,001,146	121,160	12%
Borrowings	216,019	133,070	82,949	62%	223,216	140,462	82,754	59%
Subordinated loans	3,891	3,893	(2)	0%	3,891	3,893	(2)	0%
Bills Payable	15,699	22,681	(6,981)	-31%	17,003	22,995	(5,992)	-26%
Other Liabilities (including Deferred Tax)	64,206	61,546	2,659	4%	67,470	64,453	3,017	5%
Net Assets	149,278	153,566	(4,289)	-3%	151,323	156,543	(5,220)	-3%
Equity without surplus (incl. M.I)	139,531	136,493	3,037	2%	140,905	138,807	2,098	2%

Non Performing Loans (NPLs)

Coverage ratio* at 88.26% (YE17: 93.74 %), NPLs ratio stands at 8.95% (YE17: 9.47 %)

Rs. in mln

	Dec 18	Sep 18	Jun 18	Mar 18	Dec 17
Total NPLs	48,956	47,080	47,131	48,377	48,753
QoQ	1,876	(51)	(1,246)	(376)	(498)
QoQ % variance	4%	0%	-3%	-1%	-1%
Substandard	1,528	904	520	381	552
QoQ	625	383	140	(171)	(377)
QoQ % variance	69%	74%	37%	-31%	-41%
Doubtful	1,742	332	302	696	563
QoQ	1,410	29	(394)	133	366
QoQ % variance	425%	10%	-57%	24%	186%
Loss	45,637	45,692	46,181	47,118	47,467
QoQ	(55)	(489)	(937)	(348)	(452)
QoQ % variance	0%	-1%	-2%	-1%	-1%
OAEM	49	152	127	182	171
QoQ	(103)	25	(54)	10	(35)
QoQ % variance	-68%	20%	-30%	6%	-17%

YTD (Dec 18 vs. Dec 17)		
	Var.	%
Total NPLs	203	0.42%
Substandard	976	177%
Doubtful	1,179	209%
Loss	(1,830)	-4%
OAEM	(122)	-71%

Concentration of Category of NPLs

	Dec 18	Sep 18	Jun 18	Mar 18	Dec 17
Substandard	3.12%	1.92%	1.1%	0.8%	1.1%
Doubtful	3.56%	0.70%	0.6%	1.4%	1.2%
Loss	93.22%	97.05%	98.0%	97.4%	97.4%
OAEM	0.10%	0.32%	0.3%	0.4%	0.4%

* Coverage ratio = Specific plus General Provision/NPLs

Increase of Rs. 194B in Market Treasury Bills and decrease of Rs. 95B in Pakistan Investment Bonds.

	Dec 2018	Dec 2017	Var.	% var.	Sep 2018	Var.	% var.
Treasury Bills	578,343	384,367	193,975	50%	276,054	302,289	110%
Pakistan Investment Bonds	127,914	222,838	(94,924)	-43%	134,228	(6,314)	-5%
TFCs, Debentures, Bonds and Certificates	9,102	7,381	1,721	23%	8,295	807	10%
Other government securities	5,390	2,721	2,668	98%	1,104	4,285	388%
Shares in Listed, Unlisted Co.s & Mutual funds	26,123	25,361	761	3%	26,014	109	0%
Sukuks Bonds & Treasury Bonds (Sri Lanka)	1,862	1,632	229	14%	1,871	(9)	0%
Subsidiaries & Associated Undertakings	12,747	11,595	1,152	10%	12,747	-	0%
Investments at cost	761,480	655,896	105,584	16%	460,313	301,167	65%
Prov for diminution in value of investments	(7,865)	(5,986)	(1,880)	31%	(5,695)	(2,170)	38%
Surplus on revaluation of securities	(4,246)	7,053	(11,299)	-160%	(427)	(3,819)	894%
Investments at revalued amount - net of provision	749,369	656,964	92,405	14%	454,190	295,178	65%

Q4 18		Q3 18		Q2 18		Q1 18		Q4 17	
Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix

Deposits - Volume	1,049,038		1,032,649		1,018,740		1,005,027		968,483	
Current deposits	401,899	38%	394,167	38%	399,611	39%	395,346	39%	377,083	39%
Savings deposits	552,914	53%	560,573	54%	546,769	54%	536,095	53%	522,281	54%
Term Deposits	94,224	9%	77,909	8%	72,360	7%	73,586	7%	69,119	7%
CASA	954,813	91.02%	954,740	92.46%	946,381	92.90%	931,441	92.68%	899,364	92.86%

Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	7%	2%	7%	-1%	8%	1%	24%	5%	27%	2%
Savings deposits	6%	-1%	6%	3%	16%	2%	18%	3%	19%	-2%
CASA	6%	0%	6%	1%	13%	2%	21%	4%	22%	0%
Term Deposits	36%	21%	24%	8%	36%	-2%	58%	6%	51%	10%
Total Deposits	8%	2%	7%	1%	14%	1%	23%	4%	24%	1%

YTD	QoQ	YTD	QoQ	YTD	QoQ	YTD	QoQ	YTD	QoQ
80,555	16,388	64,167	13,909	50,258	13,713	36,544	36,544	187,053	5,982

Market Share (Domestic)	QoQ	QoQ	QoQ	QoQ	QoQ	QoQ				
Industry	13,353,916	2.47%	13,031,815	-0.24%	13,062,787	3.91%	12,571,277	1.69%	12,361,806	3.19%
MCB	1,010,851	1%	1,003,800	1%	991,413	1%	977,703	4%	938,873	0%
Share	7.57%		7.70%		7.59%		7.78%		7.59%	

Profit and Loss Statement



Rs. In mln

	Unconsolidated				Consolidated			
	Dec 2018	Dec 2017	+/-	%	Dec 2018	Dec 2017	+/-	%
Mark-up Income	83,319	74,091	9,228	12%	87,502	76,190	11,313	15%
Mark-up Expense	37,305	31,429	5,876	19%	39,496	32,394	7,102	22%
Net Mark-up Income	46,014	42,662	3,352	8%	48,006	43,796	4,210	10%
Non Interest Income	17,198	18,118	(920)	-5%	18,066	18,498	(433)	-2%
Total Income	63,212	60,780	2,432	4%	66,072	62,294	3,778	6%
Non Mark-up Expense	32,902	28,721	4,181	15%	36,534	31,066	5,468	18%
<i>admin expenses</i>	31,446	28,529	2,917	10%	35,071	30,869	4,202	14%
<i>(PF reversal)</i>	645	(572)	1,216	-213%	645	(572)	1,216	-213%
<i>other charges & WWF</i>	811	763	48	6%	819	769	50	6%
Share of Undertaking	-	-	-	-	446	433	13	3%
Profit before Provisions	30,310	32,059	(1,749)	-5%	29,984	31,661	(1,677)	-5%
Provisions	(1,753)	1,045	(2,798)	-268%	(822)	1,047	(1,869)	-178%
against Investments	1,950	3,570	(1,620)	0%	2,860	3,570	(710)	0%
against loans & advances	(2,872)	(2,897)	25	-1%	(2,850)	(2,894)	44	-2%
Others including write off recovery	(832)	372	(1,204)	-324%	(832)	372	(1,203)	-324%
Profit before Extra Ordinary Item	32,064	31,014	1,049	3%	30,806	30,614	192	1%
Extra Ordinary Item	-	-	-	-	-	-	-	-
Profit before Tax	32,064	31,014	1,049	3%	30,806	30,614	192	1%
Taxation	10,704	8,555	2,149	25%	10,391	8,566	1,825	21%
Profit after Tax	21,360	22,459	(1,099)	-5%	20,415	22,048	(1,632)	-7%

Key Performance Ratios

	BV	ROA	ROE	EPS	CAR	ADR	Infection ratio	Coverage ratio*	Coverage (incl. benefit of liquid sec)**	Non-markup/Total Rev
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Dec 2018	117.74	1.50%	15.48%	18.02	18.13%	52.12%	8.95%	88.26%	94.49%	27.21%
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Dec 2017	115.18	1.86%	17.65%	19.56	16.44%	53.18%	9.47%	93.74%	97.31%	29.81%
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Dec 2016	105.97	2.16%	19.39%	20.13	19.33%	47.07%	5.90%	90.82%	98.76%	26.96%
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Dec 2015	101.69	2.71%	23.92%	23.65	19.43%	46.29%	6.32%	90.37%	99.82%	25.14%
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Dec 2014	96.05	2.87%	24.64%	22.60	20.41%	46.83%	6.80%	85.62%	94.00%	22.93%
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Dec 2013	87.39	2.93%	24.92%	20.84	22.25%	42.41%	8.68%	85.74%	94.66%	22.78%
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Dec 2012	79.85	3.18%	26.89%	20.31	22.24%	48.14%	9.74%	89.23%	87.55%	18.30%
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Dec 2011	71.22	3.54%	29.12%	19.42	21.79%	50.88%	10.67%	83.76%	94.74%	15.41%
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Dec 2010	62.15	3.13%	25.91%	18.05	22.07%	63.55%	8.95%	79.83%	91.82%	10.26%
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Dec 2009	54.87	3.25%	27.35%	17.44	19.07%	73.37%	8.62%	70.89%	83.41%	9.86%
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* Coverage ratio is based on specific plus general provision

** Coverage ratio based on specific provision (excl. GP) plus benefit of liquid securities

Net revenue= net markup income + non-markup income



MCB Bank Limited

Thankyou

For further details on MCB Bank Limited, please visit www.mcb.com.pk

For any query/comments/feedback, please e-mail
investor.relations@mcb.com.pk