

It gives me immense pleasure to present, on behalf of the Board of Directors, the financial statements of MCB along with consolidated financial statements of MCB and its subsidiaries for the half year ended June 30, 2005.

FINANCIAL HIGHLIGHTS

The financial results of MCB are given below:

	(Rs. in '000)
Profit before taxation	4,227,228
Provision for taxation	1,187,614
Profit after taxation	3,039,614
Retained earning brought forward Jan 01	359,340
Transfer from surplus on revaluation of fixed assets – net of tax	27,030
Profit available for appropriation	3,425,984

Appropriations:

Transfer to Statutory Reserve	303,961
Transfer to General Reserve	1,000,000
Interim Cash Dividend (Rs. 1.75 per share)	649,072
	1,953,033
Un-appropriated profit carried forward – June 30, 2005	1,472,951

Earning Per Share – (Half Year)	Rupees 7.43
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PERFORMANCE REVIEW:

The first half of 2005 was very promising for MCB, as the bank has achieved pre tax profits of Rs. 4.2 billion, compared with Rs. 2.2 billion for the same period in 2004. Profit after tax has more than doubled compared to the corresponding period for 2004 and exceeds Rs. 3 billion – highest ever profit in the history of MCB. This translates into earning per shares of Rs. 7.43.

Advance and deposit increased to Rs. 156 billion and Rs. 241 billion reflecting a growth of 14% and 10% respectively. Additionally the bank's assets expanded by 16% during the half year ended 2005 and crossed Rs. 300 billion mark.

Bank's equity (capital and reserves) increased by 41% during the half year, which was due to issue of right shares and retained earnings. Increase in equity would improve the lending limit and provide opportunity for significant growth of the bank's balance sheet. This will also help to meet capital requirement under Basel Accord II, which will be effective from 2007. We would like to thank the shareholders for the trust they have posed in their bank by subscribing to the right issue.