



# MCB Bank Ltd 3Q 2006 Results

*Analysts Presentation*





# Overview of MCB Bank

## Snapshot

**Headquarters:** Karachi, Pakistan

---

**Founded:** 1947

---

**Network:** 125 cities, 978 branches, 262 ATM

	PKR mm	US\$ mm
<b>Total Assets:</b>	318,949	5,316
<b>Total Loans and Advances (Net):</b>	183,582	3,059
<b>Total Deposits:</b>	251,085	4,185
<b>ROAA:</b>	3.85%	
<b>ROAE:</b>	52.01% <sup>(1)</sup>	
<b>No. of Accounts:</b>	4.33 mm	

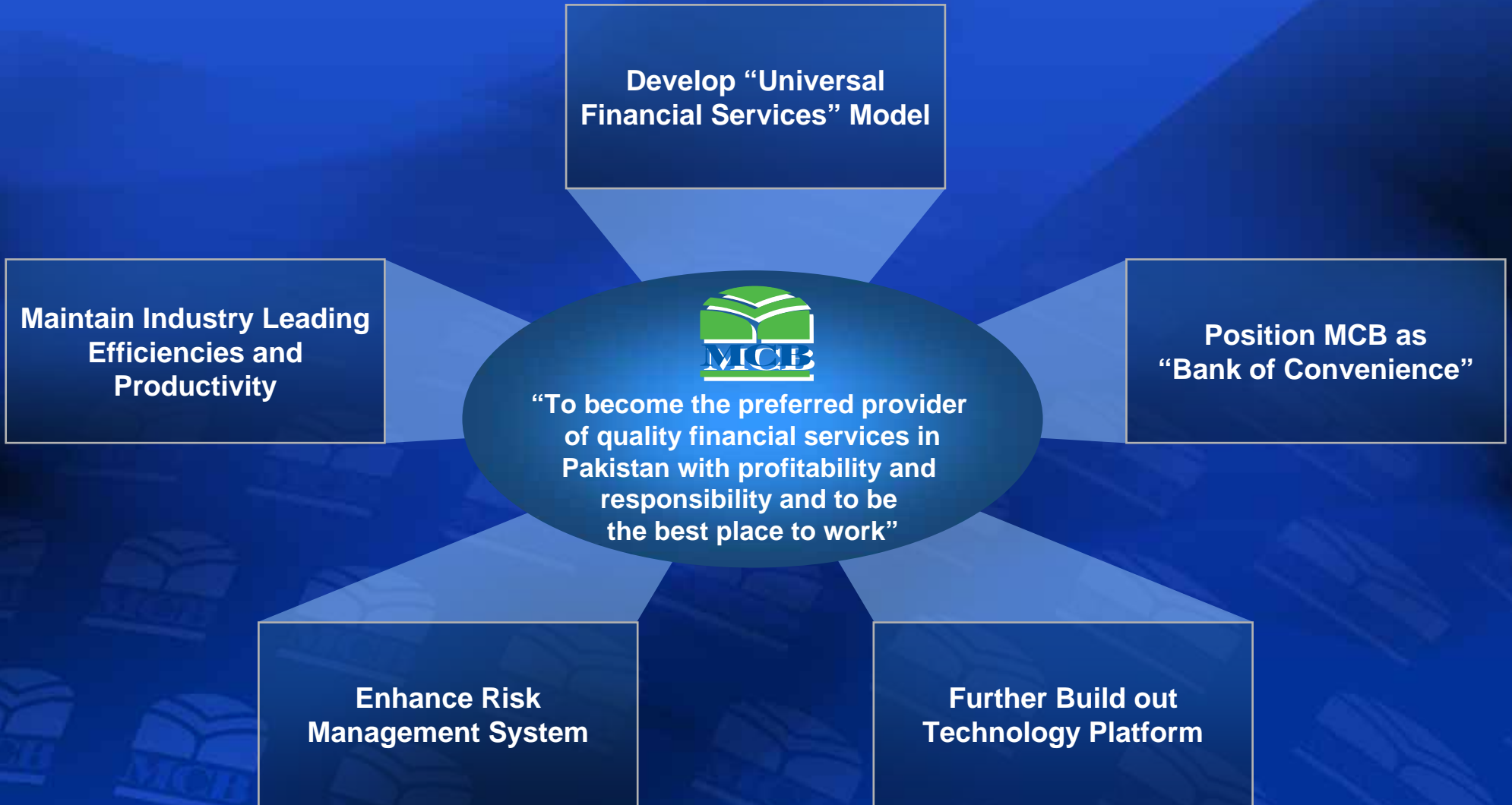
Note: Financial figures as of September 30, 2006  
 (1) Equity excludes minority interest and revaluation of assets

## Organizational Structure





# MCB Strategies





# Financial Highlights – Income Statement

PKR mm	2003	2004	2005	9 mnths'06	'03-'05 CAGR
Net Interest Income <sup>(1)</sup>	7,248	7,028	14,976	15,525	43.7%
Non Interest Income	4,692	4,234	5,382	3,607	7.1%
Operating Revenue	11,940	11,262	20,358	19,132	30.6%
Operating Expense	7,623	7,434	6,563	5,767	(7.2%)
Pre-Provision Operating Profit	4,317	4,392	14,485	13,755	83.2%
Provision Expenses	781	280	1,144	408	21.0%
Net Income	2,141	2,477	9,214	8,956	107.5%

(1) Before provision expenses



# Financial Highlights – Balance Sheet

PKR mm	2003	2004	2005	9 mnths '06	'03-'05 CAGR
Cash and Balances with Treasury Banks	24,054	23,833	23,666	29,822	(0.8%)
Investments – Net	128,219	67,242	70,357	66,324	(25.9%)
Loans and Advances – Net	97,200	137,318	180,323	183,582	36.2%
Total Assets	272,309	259,274	299,708	318,949	4.9%
Customer Deposits	212,081	221,064	229,340	251,085	4.0%
Total Liabilities	261,274	244,615	275,461	287,056	2.7%
Equity <sup>(1)</sup>	11,035	14,659	24,247	31,893	48.2%

(1) Includes minority interest and surplus on revaluation of assets



# New Initiatives: Consumer Products

- Personal Loan Re-launched May-2006.
- Credit Card Soft-launch completed successfully. Official Launch expected soon.
- Asset portfolio stands at PKR 17 Billion an increase of 70% over 2005 in just nine months.
- Total asset customers stand at 35K which is up by 15K over 2005.
- Personal Loans has hit PKR 1bn in only 5.5 Months and Auto Loans went beyond the PKR 10 bn milestone in outstanding advances
- Acquiring spend touched PKR 125 Mn in the month of October, the highest ever
- RTC sales touched PKR. 9.1 Bn in October, another peak
- MNET transactions crossed 500K in October, setting a record



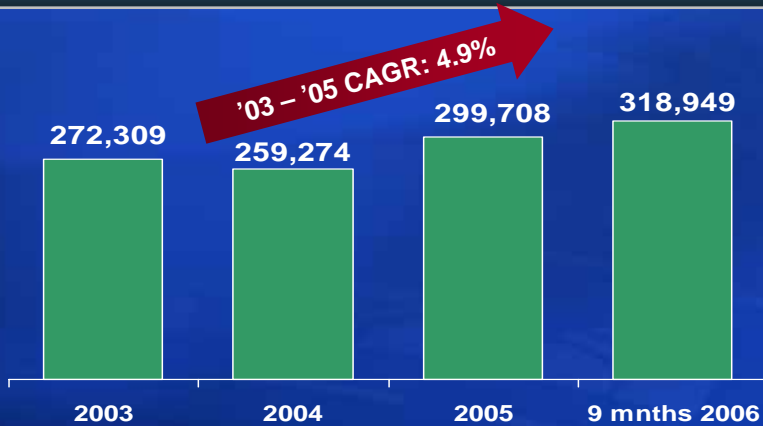
## New Initiatives: MCB AMC

- MCB Asset Management Company to launch its products next month.
- All licenses obtained, now waiting for the final regulatory approval.
- The physical infrastructure and core team are already in place.
- The Bank has injected PKR 300 million capital in the company and has agreed to provide seed capital for the funds.
- MCB Bank will be acting as the primary distributor of AMC's products and we expect a decent fee income stream from this business.
- MCB AMC is actively seeking an international partner & talks are underway with a few reputable organizations.
- The company is a short listed bidder for NITL and will actively participate in its privatization process.



# 3Q 06 Results: Sustained Accelerated Growth

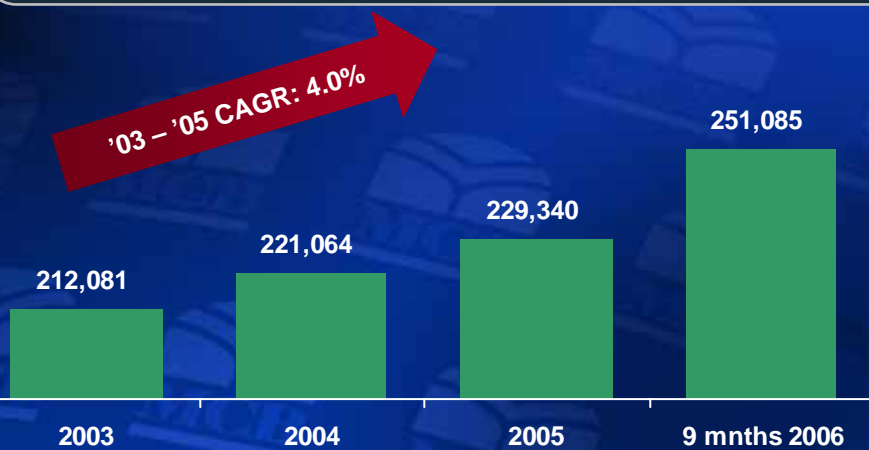
### Assets (PKR mm)



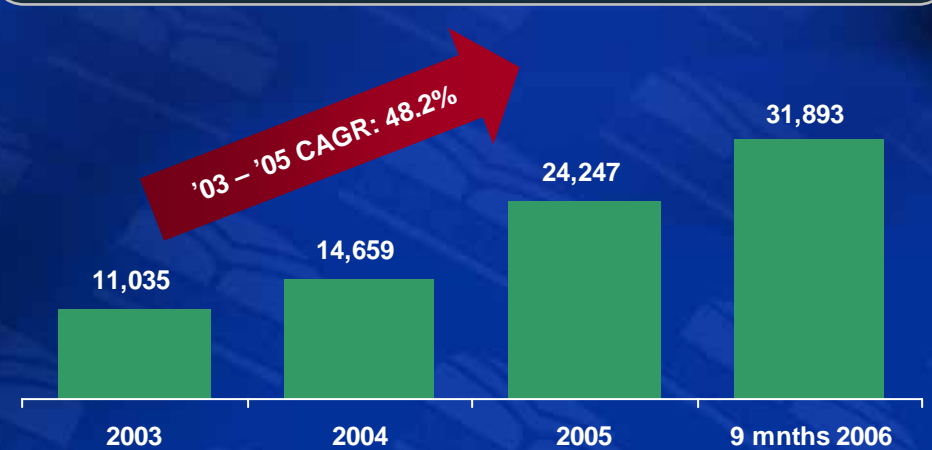
### Loans & Advances (PKR mm)



### Customer Deposits (PKR mm)



### Equity\*(PKR mm)

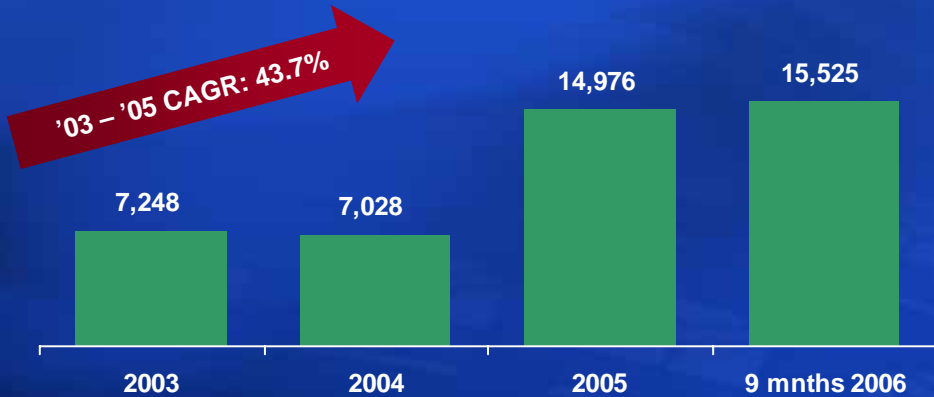


(\* Includes minority interest and surplus on revaluation of assets)



# 3Q 06: Profitability Indicators Strengthen

### Net Interest Income<sup>(1)</sup> (PKR mm)



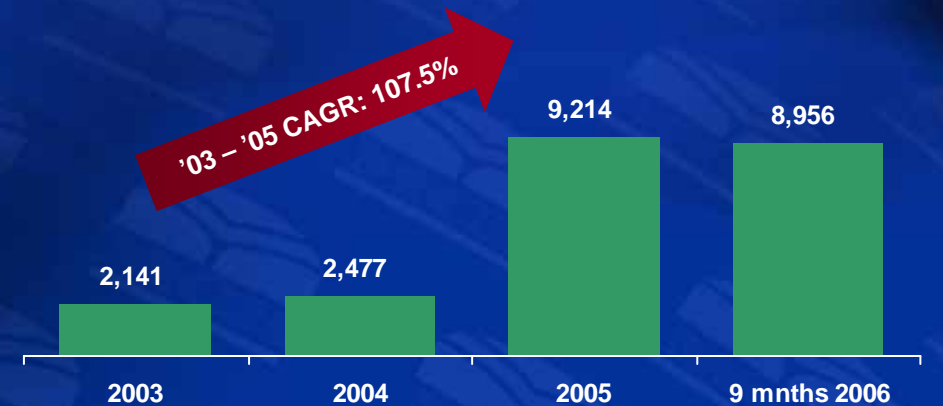
### Fee Income (PKR mm)



### Pre-Provision Operating Profit (PKR mm)



### Net Profit (PKR mm)

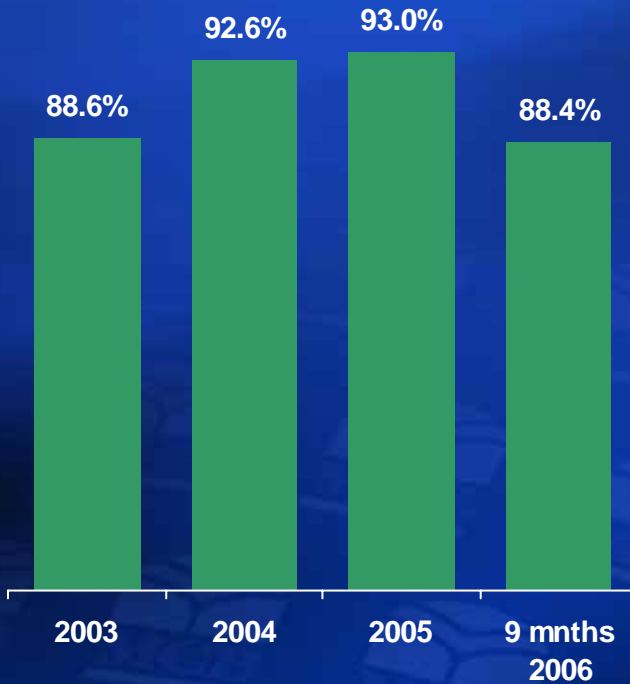


(1) Before provision expenses



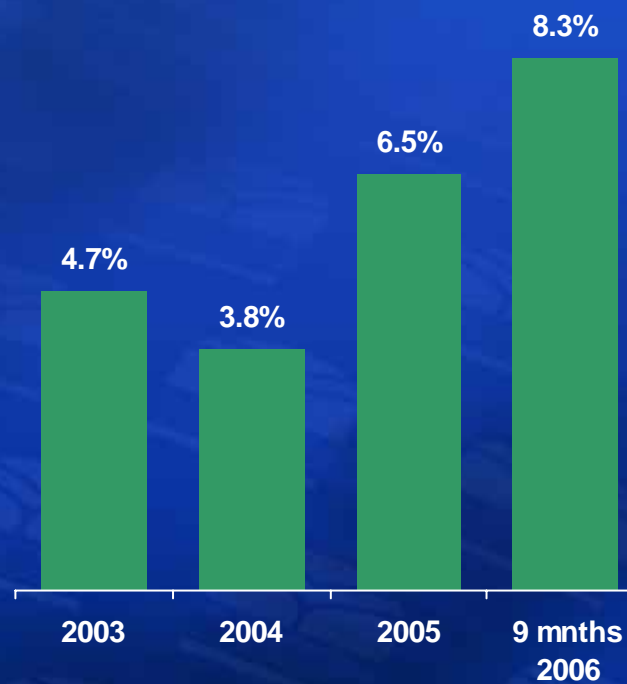
# 3Q 06: Funding & Operating Efficiencies Improve

### Share of Low Cost Deposits<sup>(1)</sup>



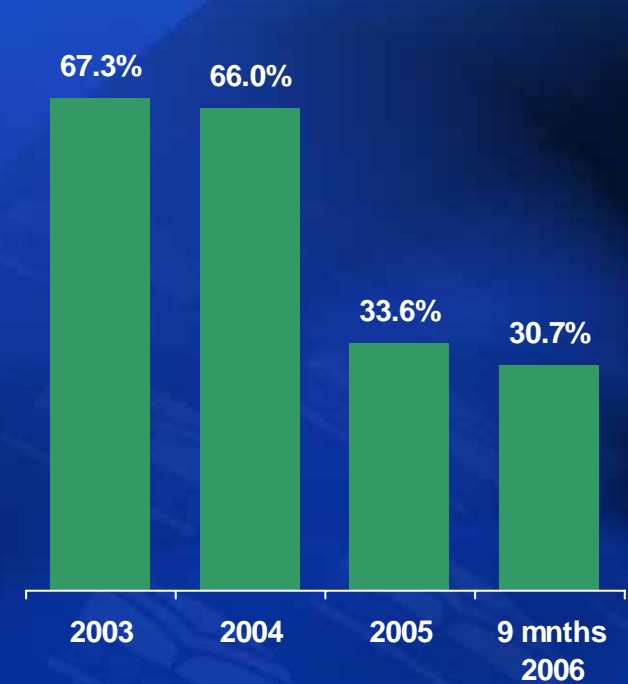
High Proportion of Demand Deposits

### Net Interest Margin



Highest NIM in the Industry

### Cost to Income Ratio



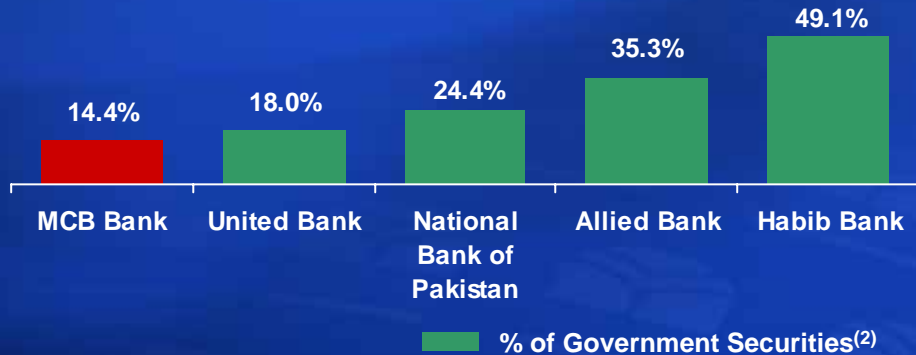
Low operating expense margin

(1) Savings and current accounts as a % of total deposits



# Strategic Asset Allocation Underpins High Returns

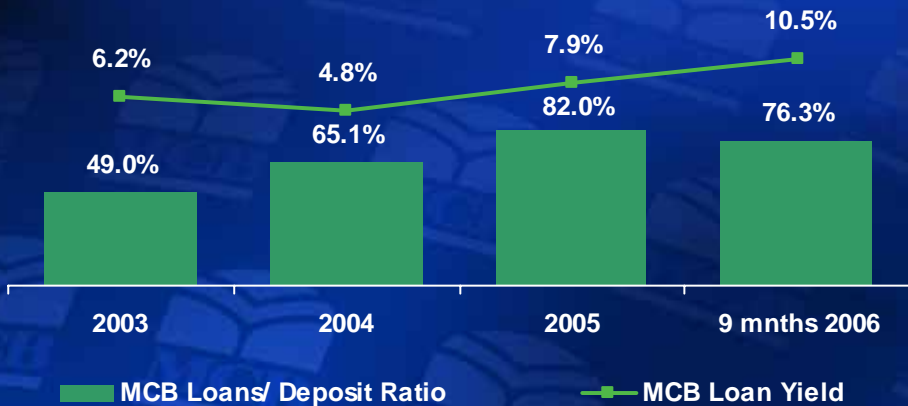
## Superior Investment Portfolio (2005)<sup>1</sup>



## Increasing Profitability



## High Yield Growing Loan Book



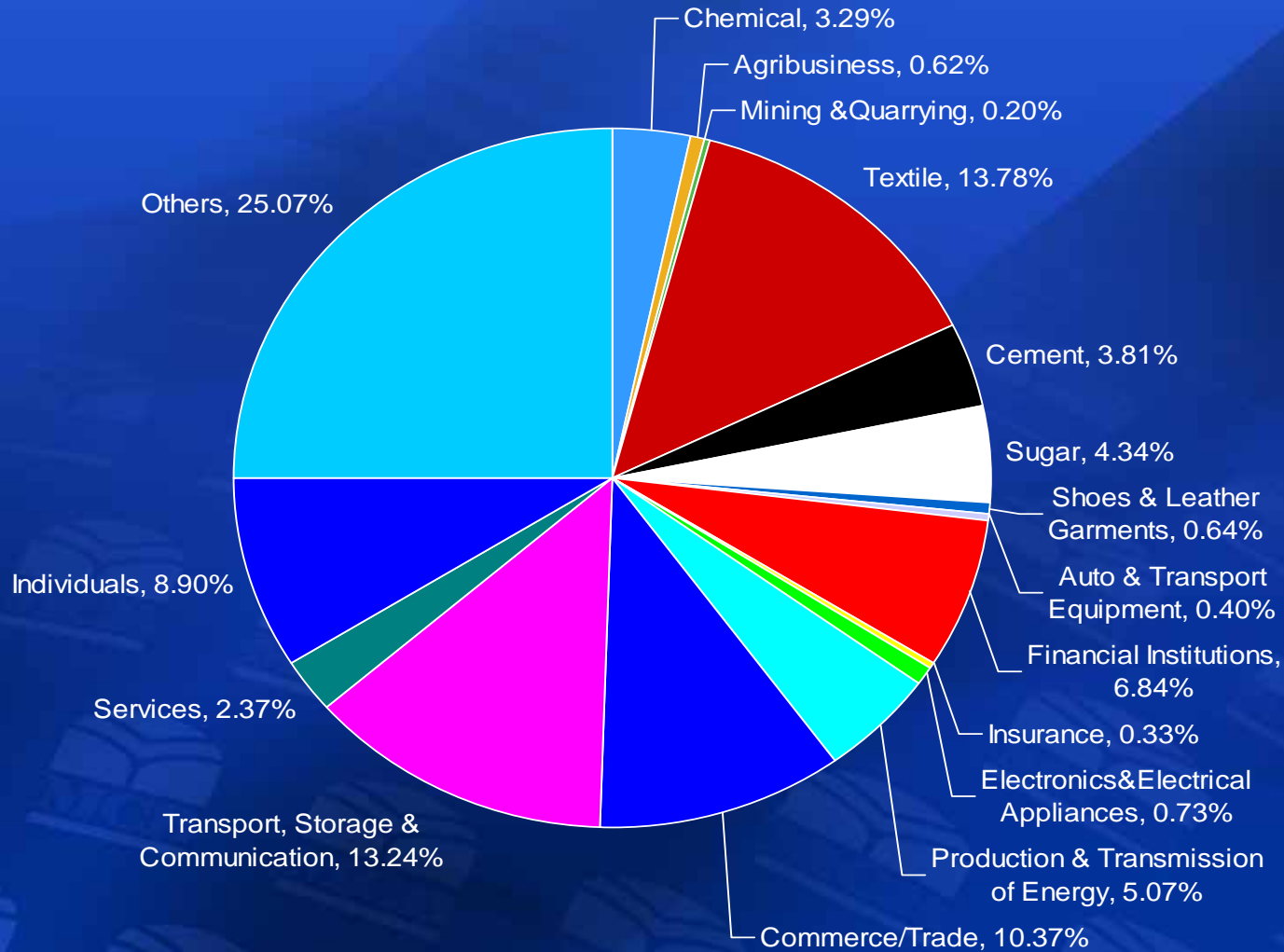
(1) Source: Company Reports

(2) Includes Federal investment bonds, Pakistan investment bonds and other government securities

(3) Excludes minority interest and surplus on revaluation of assets



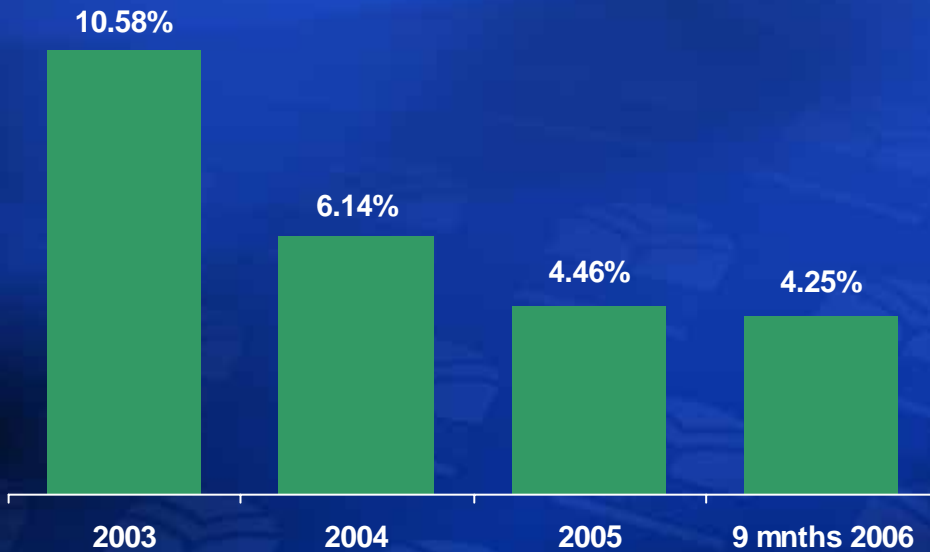
# Concentration of Advances





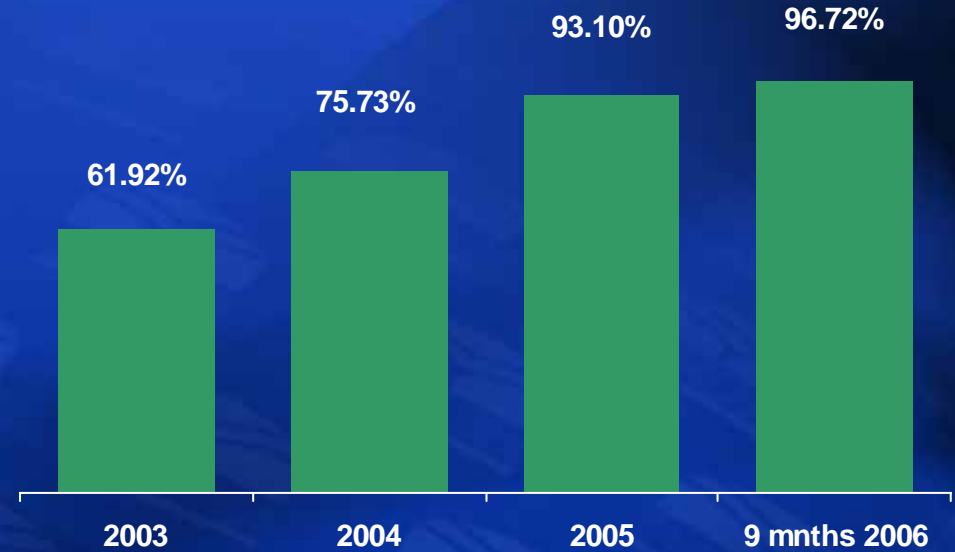
# Healthy Asset Quality

## Low Gross NPL Ratio



Healthy Loan Book

## Superior Coverage Ratio



Adequately Covered against NPLs



# GDR Price/Trade Volume





For queries, please contact:  
Zartaj Raza  
Investor Relations  
MCB Bank Ltd  
E-mail: [zartaj.raza@mcb.com.pk](mailto:zartaj.raza@mcb.com.pk)  
Direct# 92 21 221 5003  
Cell: 92 300 2375760