

MCB Bank Limited

Investors Briefing

Financial Performance Analysis

December 31, 2016



Presented by:
Hammad Khalid
Head Investor Relations, Financial Reporting & Taxation

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 20% stake in it through Mayban International Trust (Labuan) Berhad.

Local Branches : 1,227

Foreign Branches : 11 (Including 1 EPZ branch)

Subsidiaries

MCB Financial Services Limited

Holding: 99.99%

Profile: Float, administer and manage modaraba funds and acts as trustees of various mutual funds.

MNET Services (Private) Limited

Holding: 99.95%

Profile: Service providers for Electronic Transactions to various financial institutions/banks including related services in Information Technology, software and data processing.

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.

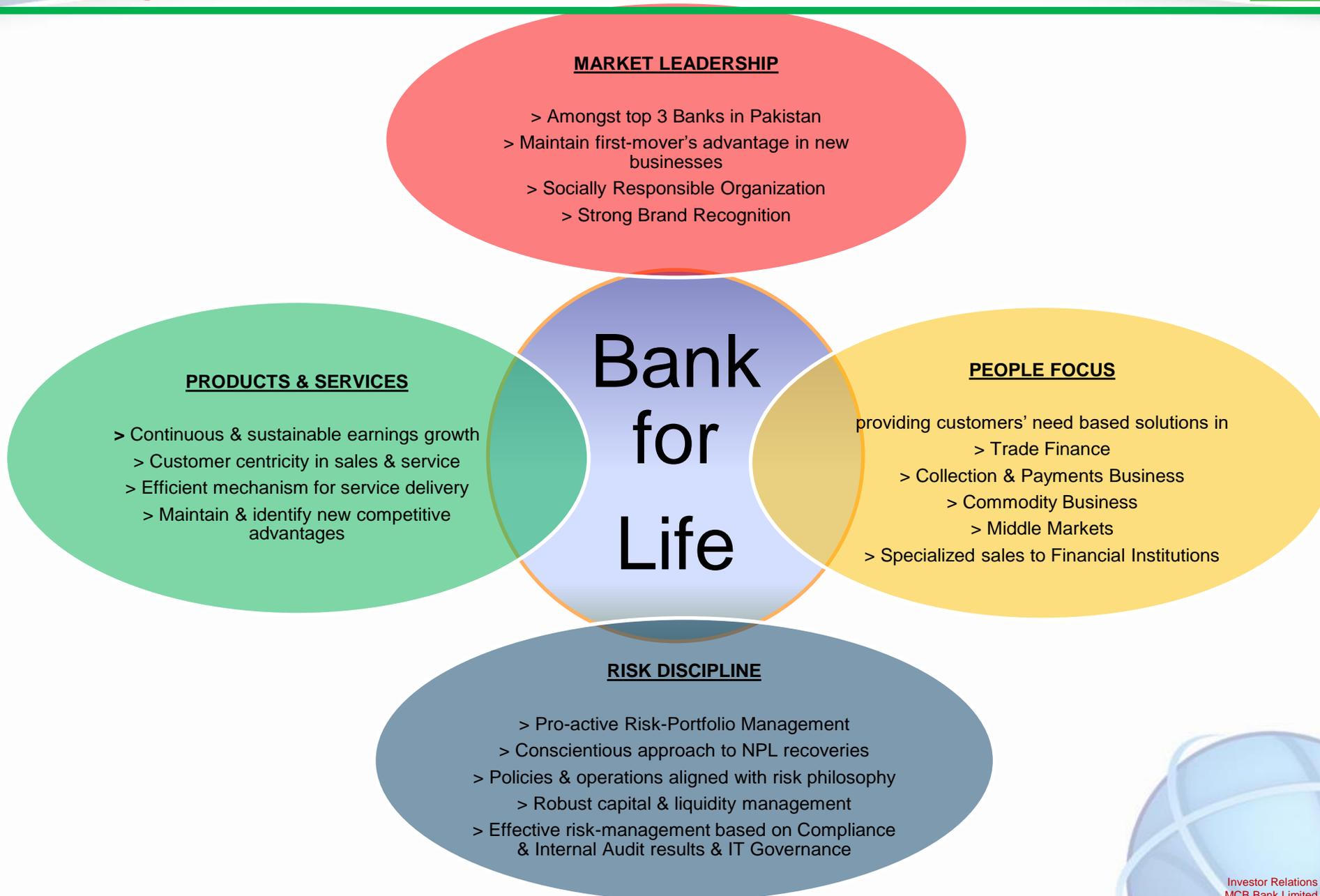
With reference to significant holding, the following entities are associates of the Bank;

Adamjee Insurance Company Limited

Holding: 24.48%

Euronet Pakistan (Private) Limited

Holding: 30%



Financial Strength

Assets	➤	PKR 1,052 bn (US\$ 10.1 bn)
Deposits	➤	PKR 781 bn (US\$ 7.4bn)
Advances (Gross)	➤	PKR 368 bn (US\$ 3.5 bn)
RoA	➤	2.13%
RoE	➤	18.94%
Profit before Tax	➤	PKR 36.1bn (US\$ 344 mn)
Market capitalization	➤	PKR 265 bn (US\$ 2.5 bn)
No. of accounts	➤	6.5 mn

Domestic and International footprint

Domestic Branches	➤	1,227
Foreign Branches	➤	11 (Sri Lanka : 8, Bahrain : 1, EPZ : 1, UAE : 1) 1 Rep Office in Dubai
Subsidiaries	➤	MCB Financial Services
	➤	MNET Services (Private) Limited
	➤	MCB - Arif Habib Savings and Investments Limited
	➤	"MCB Leasing" Closed' Joint Stock Company
	➤	MCB Islamic Bank Limited
Associates	➤	Adamjee Insurance Company Limited
	➤	Euronet Pakistan (Pvt) Limited
# of ATMs	➤	1,191

Highest Credit Rating by PACRA
Long Term AAA [triple A] and Short Term A1+ [A one plus]

Statement of Financial Position



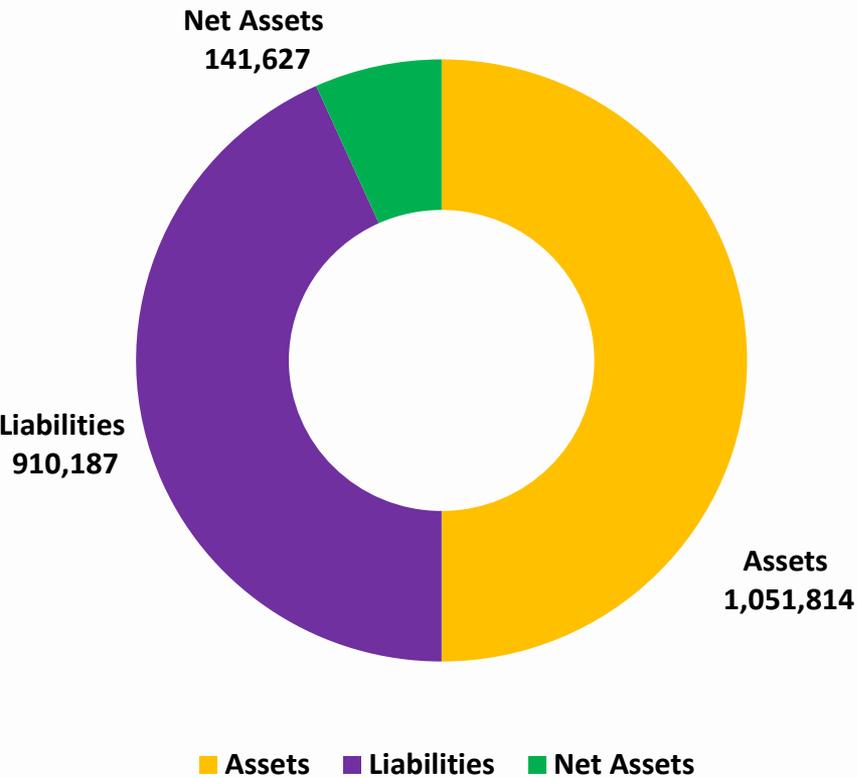
Rs. in mln

	Unconsolidated				Consolidated			
	2016	2015	YTD	%	2016	2015	YTD	%
Assets	1,051,814	1,004,410	47,404	5%	1,076,690	1,020,980	55,710	5%
Advances - net	347,980	304,122	43,858	14%	364,334	316,771	47,562	15%
Investments	555,929	565,696	(9,767)	-2%	556,770	566,564	(9,794)	-2%
Cash and Balances with Banks & Lending to Financial Institutions	81,376	67,258	14,117	21%	85,743	74,192	11,551	16%
Other Assets (including fixed assets)	66,529	67,334	(804)	-1%	69,843	63,452	6,391	10%
Liabilities	910,187	866,608	43,579	5%	930,730	878,803	51,927	6%
Deposits	781,430	696,805	84,625	12%	795,690	706,240	89,450	13%
Borrowings	74,515	118,040	(43,524)	-37%	77,439	118,615	(41,176)	-35%
Bills Payable	12,844	11,889	955	8%	13,291	11,975	1,316	11%
Other Liabilities (including deferred tax)	41,398	39,875	1,524	4%	44,310	41,973	2,337	6%
Net Assets	141,627	137,802	3,825	3%	145,960	142,177	3,783	3%
Equity without surplus (incl. M.I)	117,946	113,186	4,760	4%	120,661	115,765	4,896	4%

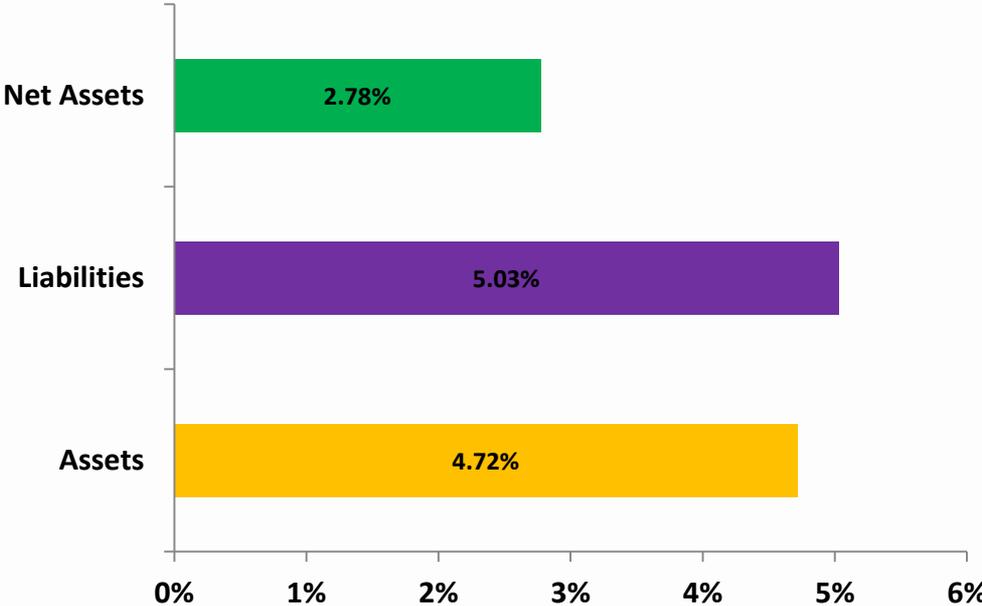
Statement of Financial Position



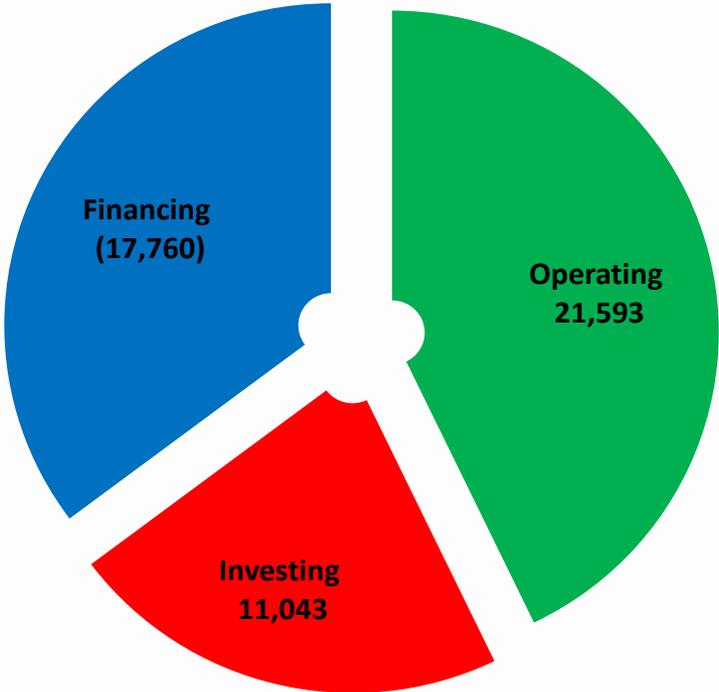
Rs. in mln



Variance from YE 15

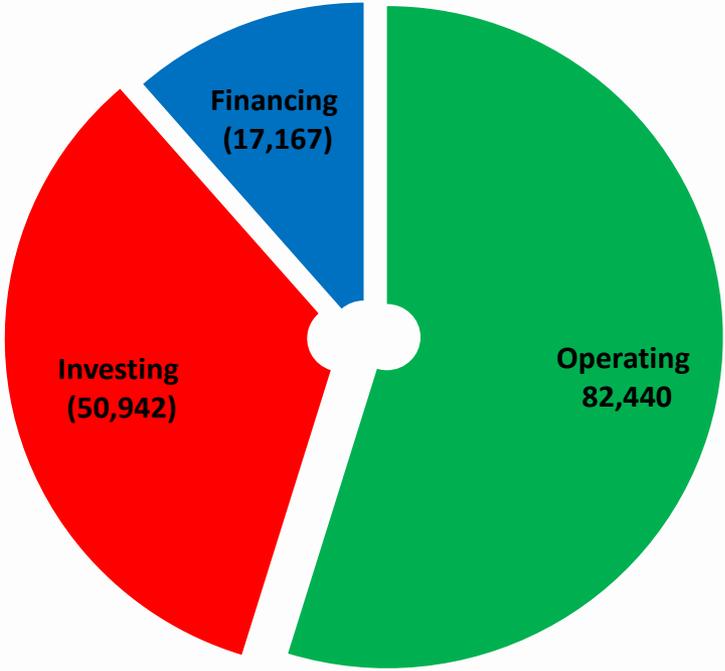


2016



■ Operating ■ Investing ■ Financing

2015



■ Operating ■ Investing ■ Financing



Non Performing Loans (NPLs)

Rs. in mln

Coverage ratio* at 90.82% (YE15: 90.37 %), NPLs ratio stands at 5.90% (YE15: 6.32 %)

	Dec 16	Sep 16	Jun 16	Mar 16	Dec 15
Total NPLs	21,688	22,006	20,557	20,774	20,368
QoQ	(318)	1,450	(217)	406	(446)
QoQ % variance	-1%	7%	-1%	2%	-2%
Substandard	75	2,097	508	945	-
QoQ	(2,022)	1,589	(437)	945	(254)
QoQ % variance	-96%	313%	-46%	100%	-100%
Doubtful	363	788	647	31	46
QoQ	(424)	140	616	(15)	(632)
QoQ % variance	-54%	22%	1957%	-32%	-93%
Loss	21,218	19,077	19,356	19,766	20,322
QoQ	2,141	(278)	(410)	(556)	492
QoQ % variance	11%	-1%	-2%	-3%	2%
OAEM	32	45	45	31	-
QoQ	(13)	(1)	14	31	(52)
QoQ % variance	-28%	-2%	44%	100%	-100%

YTD (Dec 16 vs. Dec 15)		
	Var.	%
Total NPLs	1,320	6.48%
Substandard	75	100%
Doubtful	317	684%
Loss	896	4%
OAEM	32	100%

Concentration of Category of NPLs

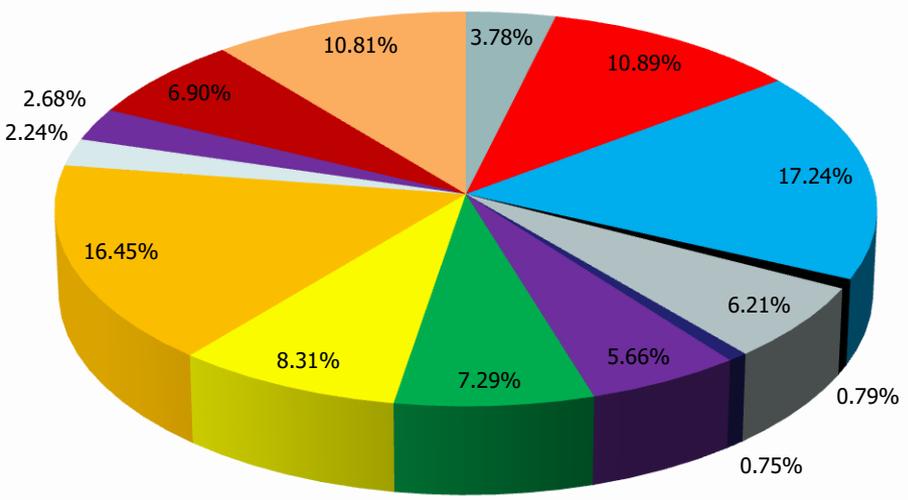
	Dec 16	Sep 16	Jun 16	Mar 16	Dec 15
Substandard	0.35%	9.5%	2.5%	4.5%	0.0%
Doubtful	1.68%	3.6%	3.1%	0.2%	0.2%
Loss	97.83%	86.7%	94.2%	95.1%	99.8%
OAEM	0.15%	0.2%	0.2%	0.2%	0.0%

* Coverage ratio = Specific plus General Provision/NPLs

Increase of Rs. 70.18B in Market Treasury Bills and decrease of Rs. 79.91B in Pakistan Investment Bonds.

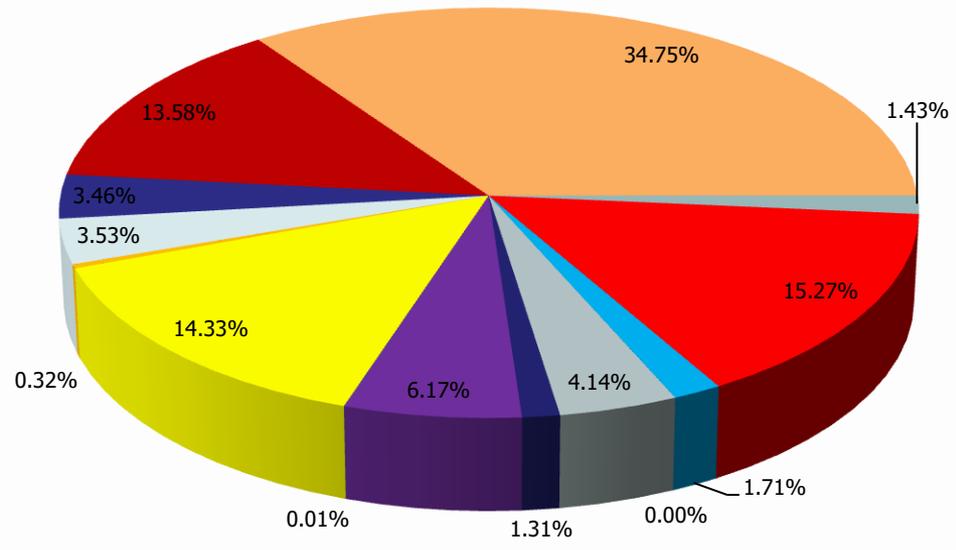
	Dec 2016	Dec 2015			Sep 2016		
		Dec 2015	Var.	% var.	Sep 2016	Var.	% var.
Treasury Bills	297,386	227,208	70,177	31%	233,665	63,721	27%
Pakistan Investment Bonds	200,132	280,042	(79,910)	-29%	209,092	(8,960)	-4%
TFCs, Debentures, Bonds and Certificates	5,977	7,055	(1,079)	-15%	6,189	(212)	-3%
Other government securities	6,377	3,699	2,678	72%	2,779	3,598	130%
Shares in Listed, Unlisted Co.s & Mutual funds	19,077	17,063	2,013	12%	17,142	1,934	11%
Sukuks Bonds	36	126	(89)	-71%	36	-	0%
Subsidiaries & Associated Undertakings	11,691	11,792	(101)	-1%	11,713	(21)	0%
Investments at cost	540,675	546,986	(6,310)	-1%	480,616	60,059	12%
Prov for diminution in value of investments	(1,887)	(2,516)	629	25%	(2,068)	181	-9%
Surplus on revaluation of securities	17,140	21,226	(4,086)	-19%	18,614	(1,474)	-8%
Investments at revalued amount - net of provision	555,929	565,696	(9,767)	-2%	497,162	58,767	12%

Advances (Gross)



- Agri, feed, forestry, poultry
- Chemical, Petroleum and pharmaceuticals
- Sugar
- Construction, engineering and steel
- Wholesale and Retail Trade
- Financial Institutions
- Individuals

Classified Advances



- Textile
- Cement
- Transport and Electronics
- Power, energy, gas, water, sanitary
- Transport, storage and communication
- Services
- Others



Rs. in mln

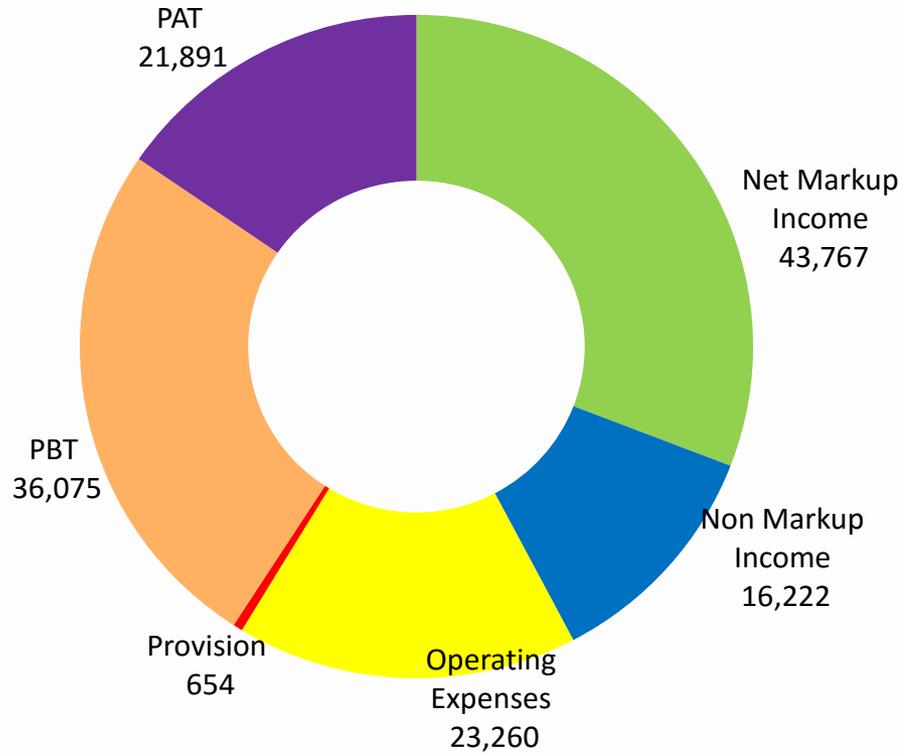
	Q4 16		Q3 16		Q2 16		Q1 16		Q4 15	
	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix
Deposits - Volume	781,430		754,885		755,434		721,930		696,805	
Current deposits	298,032	38%	288,869	38%	301,322	40%	274,974	38%	257,789	37%
Savings deposits	437,519	56%	422,381	56%	411,309	54%	406,644	56%	392,950	56%
Term Deposits	45,879	6%	43,635	6%	42,803	6%	40,312	6%	46,066	7%
CASA	735,550	94.13%	711,250	94.22%	712,631	94.33%	681,618	94.42%	650,739	93.39%
Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	16%	3%	11%	-4%	-1%	10%	6%	7%	9%	-1%
Savings deposits	11%	4%	4%	3%	1%	1%	-2%	3%	1%	-3%
CASA	13%	3%	7%	0%	0%	5%	1%	5%	4%	-2%
Term Deposits	0%	5%	-8%	2%	-21%	6%	-37%	-12%	-26%	-3%
Total Deposits	12%	4%	6%	0%	-1%	5%	-2%	4%	1%	-2%
	YTD	QoQ	YTD	QoQ	YTD	QoQ	YTD	QoQ	YTD	QoQ
	84,625	26,545	58,080	(549)	58,629	33,504	25,125	25,125	8,475	(15,392)
Market Share (Domestic)		QoQ		QoQ		QoQ		QoQ		QoQ
Industry	11,202,886	6.59%	10,510,703	0.45%	10,463,967	8.50%	9,644,264	-0.32%	9,675,588	6.79%
MCB	760,419	3%	736,152	0%	738,341	4%	707,844	4%	681,465	-3%
Share	6.79%		7.00%		7.06%		7.34%		7.04%	

Profit and Loss Statement

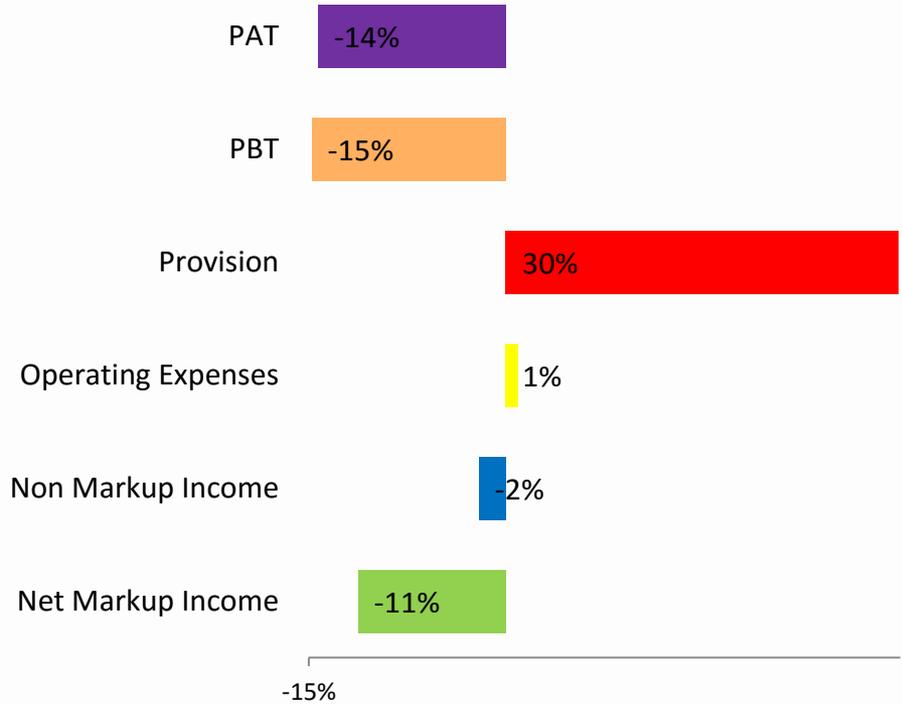


Rs. In mln

	Unconsolidated				Consolidated			
	2016	2015	+/-	%	2016	2015	+/-	%
Mark-up Income	67,422	80,393	(12,971)	-16%	69,036	80,841	(11,805)	-15%
Mark-up Expense	23,655	31,077	(7,422)	-24%	24,236	31,172	(6,936)	-22%
Net Mark-up Income	43,767	49,316	(5,549)	-11%	44,800	49,669	(4,869)	-10%
Non Interest Income	16,222	16,566	(344)	-2%	16,356	16,529	(173)	-1%
Total Income	59,989	65,882	(5,893)	-9%	61,155	66,198	(5,042)	-8%
Non Mark-up Expense	23,260	23,050	210	1%	24,824	23,659	1,165	5%
<i>admin expenses</i>	22,590	22,744	(153)	-1%	24,145	23,343	802	3%
<i>PF reversal</i>	(516)	(776)	259	-33%	(516)	(776)	259	-33%
<i>other charges</i>	1,187	1,083	104	10%	1,196	1,092	103	9%
Share of Undertaking	-	-	-	-	947	796	151	19%
Profit before Provisions	36,728	42,832	(6,104)	-14%	37,278	43,334	(6,056)	-14%
Provisions	654	503	150	30%	558	545	12	2%
against Investments	(647)	822	(1,469)	-179%	(647)	831	(1,479)	-178%
against loans & advances	1,301	(319)	1,620	-508%	1,205	(286)	1,491	-521%
Profit before Tax	36,075	42,329	(6,254)	-15%	36,721	42,789	(6,068)	-14%
Taxation	14,184	16,782	(2,598)	-15%	14,547	17,754	(3,207)	-18%
Profit after Tax	21,891	25,546	(3,655)	-14%	22,174	25,035	(2,861)	-11%



Variance from YE 15



Distinguishing Financial Factors

CASA
94%

Assets
1,052B(+5%)

Deposits
781B (+12%)

Infection
5.90%

**Cost to
Income**
36.80%

**Dividend
Yield**
6.73%

RoE
18.94%

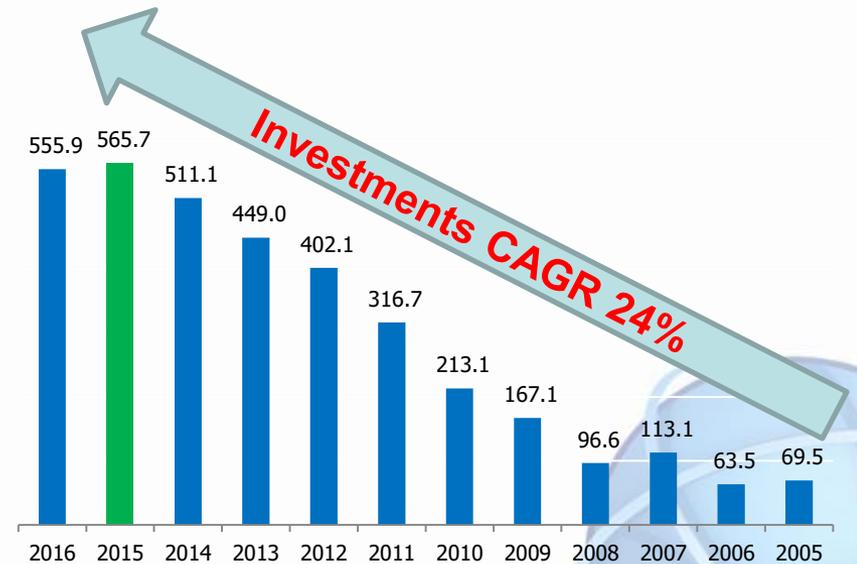
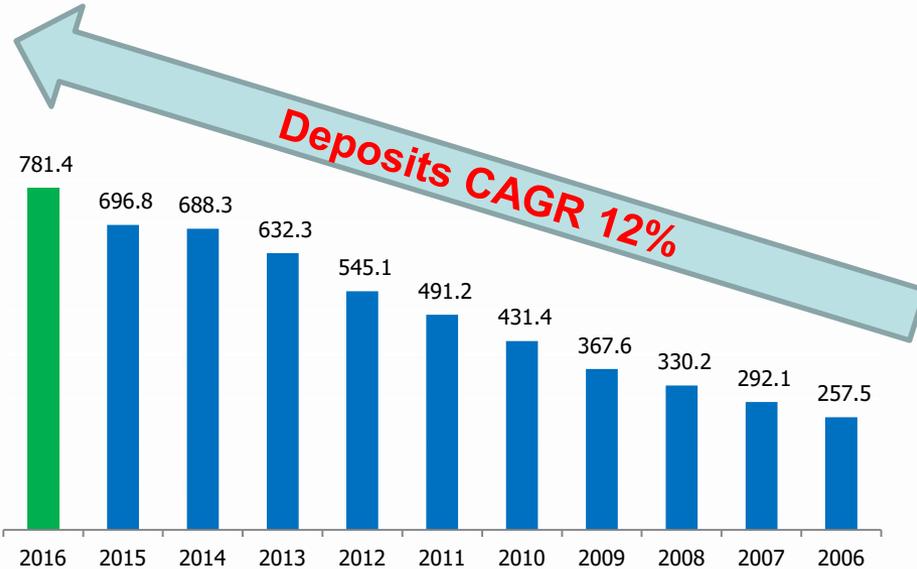
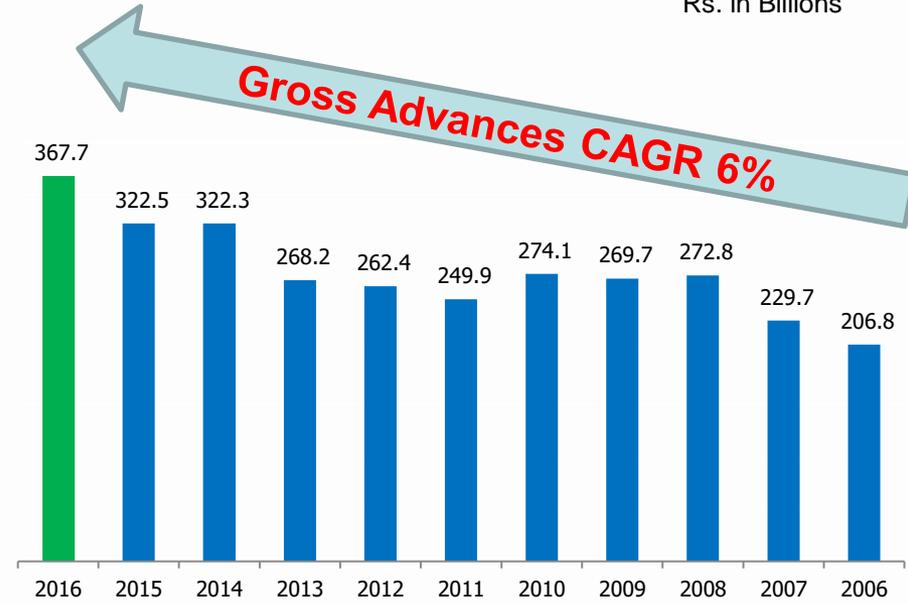
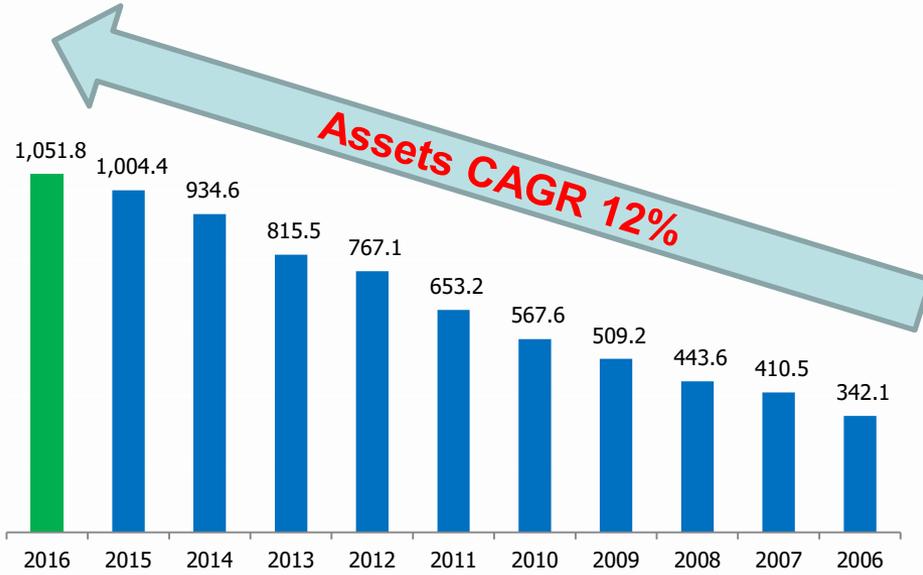
RoA
2.13%

Advances
368B (+14%)

Historical Trends



Rs. in Billions



Key Performance Ratios



	BV	ROA	ROE	EPS (annualised)	CAR	ADR	Infection ratio	Coverage ratio*	Coverage (incl. benefit of liquid sec)**	Non- markup/Total Rev
Dec 2016	105.97	2.13%	18.94%	19.67	19.33%	47.05%	5.90%	90.82%	98.76%	27.04%
Sep 2016	105.23	2.35%	20.18%	20.88	19.94%	46.69%	6.24%	81.84%	89.76%	26.02%
Jun 2016	103.23	2.05%	18.78%	19.25	18.54%	47.67%	5.71%	86.49%	96.75%	20.57%
Mar 2016	102.79	2.33%	21.16%	21.64	18.15%	45.05%	6.29%	86.91%	95.72%	20.56%
Dec 2015	101.69	2.63%	23.21%	22.95	19.00%	46.29%	6.32%	90.37%	99.82%	25.14%
Sep 2015	101.20	2.74%	24.55%	24.22	20.13%	45.67%	6.40%	85.16%	94.08%	25.56%
June 2015	99.21	2.68%	24.92%	24.33	19.02%	43.52%	6.36%	84.98%	93.59%	26.90%
Mar 2015	99.19	3.25%	29.13%	28.43	19.54%	43.96%	6.70%	85.36%	93.87%	29.84%
Dec 2014	96.05	2.78%	23.83%	21.85	20.41%	46.83%	6.80%	85.62%	94.00%	22.93%
Sep 2014	94.09	2.87%	23.93%	21.71	20.46%	46.24%	7.12%	84.62%	95.11%	22.98%
June 2014	91.68	2.79%	23.53%	21.07	20.22%	44.19%	7.29%	85.60%	94.15%	20.29%
Mar 2014	89.15	2.68%	22.44%	19.81	21.09%	43.45%	8.26%	85.66%	94.23%	21.49%
Dec 2013	87.39	2.72%	23.09%	19.31	22.25%	42.41%	8.68%	85.74%	94.66%	22.78%
Sep 2013	86.81	3.03%	24.70%	20.58	24.77%	41.98%	10.17%	84.28%	92.65%	23.09%
June 2013	85.05	3.08%	25.91%	21.36	23.96%	40.08%	10.12%	86.92%	95.42%	23.70%
Mar 2013	82.68	3.02%	25.51%	20.73	22.54%	46.37%	9.41%	88.97%	97.22%	19.47%
Dec 2012	79.85	2.91%	24.59%	18.57	22.24%	48.14%	9.74%	89.23%	87.55%	18.30%

* 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



“Winner -Best Corporate Report Award 2015 – Banking Sector”

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 bank in Pakistan - 2016

Euromoney Awards for Excellence 2012:
 Best Bank in Pakistan 2011, 2008, 2003-2005, 2001, 2000
 Best Bank in Asia 2008



Best Bank Led Mobile Money Transfer Program 2010



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



2012: Ranked 624, 2011: Ranked 606, 2010: 621
Country Ranking: 3rd highest among the local Top 5



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 2014
 Strongest Bank in Pakistan 2010



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



The QFC Asian Banker Leadership Achievement Award 2010





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**