

MCB Bank Limited

Investors Briefing

March 31, 2020

Presented by:
Hammad Khalid
Chief Financial Officer



Bank for Life

Group Structure

MCB Bank is majority owned by Nishat group, a prominent business conglomerate, having diversified interests in Textiles, Cement, Banking, Insurance, Power Generation, Hotel Business, Agriculture, Dairy, and Paper Products. To accede to international capital markets, the Bank launched Global Depositary 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 18.78% stake in MCB through Maybank International Trust (Labuan) Berhad.

In 2017, Fullerton Financial Holdings (International) of Singapore through Bugis Investments (Mauritius) Pte Ltd acquired 5.49% stake in MCB under merger scheme of NIB Bank with and into MCB Bank Limited. MCB is the first Pakistani Bank which incorporated a wholly owned Islamic Banking subsidiary, MCB Islamic Bank Limited, to meet requirements of a significant segment of our customer base for financial solutions that conform to Shari'ah rulings and demonstrate our confidence in the potential of the Islamic Banking industry in the country. During 2018, the Bank transferred business of its 90 branches to its wholly owned subsidiary MCB Islamic Bank Limited to capitalize on opportunities for growth in Islamic Banking sector.

Local Branches : 1,399

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.

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 Non-Bank Credit Organization" 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%

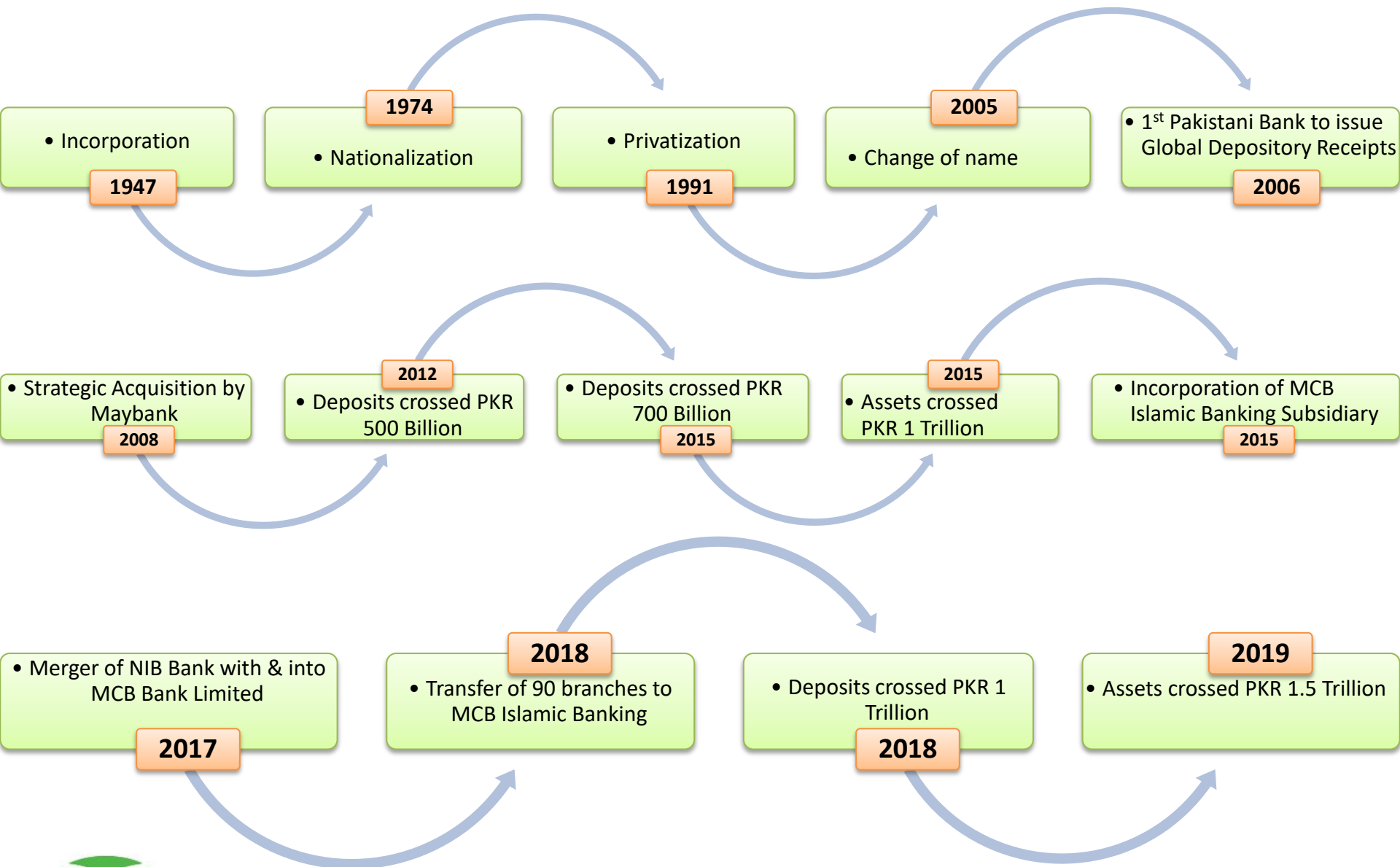
Euronet Pakistan (Private) Limited

Holding: 30.00%



Bank for Life

MCB Key Historical Milestones



Bank for Life

Strategic Objectives

- ✓ 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.





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Key Performance Indicators



Bank for Life

One of the largest Commercial Bank in Pakistan

Financial Strength

Assets	>	PKR 1,555 bn (US\$ 9.3 bn)
Deposits	>	PKR 1,184 bn (US\$ 7.1 bn)
Advances (Gross)	>	PKR 525 bn (US\$ 3.1 bn)
RoA	>	1.70%
RoE	>	17.88%
Profit before Tax	>	PKR 10.86 bn (US\$ 68.56 mn)
Market capitalization	>	PKR 176.9 bn (US\$ 1.06 bn)
No. of accounts	>	7.88 mn

Domestic and International footprint

Domestic Branches	>	1,399
Foreign Branches	>	11 (Sri Lanka : 8, Bahrain : 1, EPZ : 1, UAE : 1)
Subsidiaries	>	MCB Financial Services MCB - Arif Habib Savings and Investments Limited 'MCB Non-Bank Credit Organization " MCB Leasing MCB Islamic Bank Limited Financial Management Services (Pvt) Limited
Associates	>	Adamjee Insurance Company Limited Euronet Pakistan (Pvt) Limited
# of ATMs	>	1364

Highest Credit Rating by PACRA

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



Bank for Life



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Awards & Accolades



Bank for Life

Awards/ Accolades



"Winner -Best Corporate Report Award 2018 – Banking Sector"

Winner" - Best Corporate Report Award 2017
 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
 Best Bank in Asia 2008



Pakistan Banking Awards

DAWN with IBP
 Knowledge Partner
 A FERGUSON & CO. | A member firm of the PwC network

Best bank for
 Corporate Finance & Capital market
 Development - 2016



Bank for Life



Best bank in Pakistan - 2019

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

ASIAMONEY

Most outstanding Company in Pakistan 2019 Financial Sector

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



Best Bank Led Mobile Money
 Transfer Program 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



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



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





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Financial Performance – March 2020



Bank for Life

Statement of Financial Position

Rs. in Million

	Unconsolidated				Consolidated			
	Mar 2020	Dec 2019	YTD	%	Mar 2020	Dec 2019	YTD	%
Assets	1,555,216	1,515,152	40,064	2.6%	1,659,569	1,612,215	47,354	2.9%
Advances - net	480,925	496,679	(15,754)	-3.2%	541,281	548,473	(7,192)	-1.3%
Investments	836,660	748,765	87,895	11.7%	843,723	757,442	86,281	11.4%
Cash and Balances with Banks & Lending to Financial Institutions	118,876	146,337	(27,462)	-18.8%	143,268	170,390	(27,122)	-15.9%
Other Assets (including fixed assets)	118,755	123,372	(4,616)	-3.7%	131,297	135,910	(4,613)	-3.4%
Liabilities	1,376,570	1,346,237	30,333	2.3%	1,479,010	1,440,868	38,142	2.6%
Deposits	1,184,139	1,144,763	39,376	3.4%	1,271,950	1,226,593	45,357	3.7%
Borrowings	88,652	89,506	(854)	-1.0%	93,900	92,860	1,040	1.1%
Bills Payable	7,972	11,822	(3,849)	-32.6%	8,969	12,795	(3,827)	-29.9%
Other Liabilities (including Deferred Tax)	95,807	100,146	(4,339)	-4.3%	104,190	108,620	(4,429)	-4.1%
Net Assets	178,646	168,915	9,731	5.8%	180,559	171,347	9,212	5.4%
Equity without surplus (incl. M.I)	146,435	145,219	1,216	0.8%	147,880	146,595	1,286	0.9%



Bank for Life

Non Performing Loans (NPLs)

Rs. in Million

Coverage ratio* at 87.30% (YE19: 87.73%), NPLs ratio stands at 9.52% (YE19: 9.15%)

	Mar 20	Dec 19	Sep 19	Jun 19	Mar 19
Total NPLs	49,935	49,424	51,506	48,150	49,337
QoQ	511	(2,081)	3,355	(1,187)	381
QoQ % variance	1%	-4%	7%	-2%	1%
Substandard	622	616	2,718	253	1,687
QoQ	5	(2,101)	2,465	(1,435)	159
QoQ % variance	1%	-77%	976%	-85%	10%
Doubtful	2,899	2,702	797	1,077	2,047
QoQ	197	1,905	(281)	(970)	306
QoQ % variance	7%	239%	-26%	-47%	18%
Loss	46,219	45,982	46,332	46,729	45,509
QoQ	237	(350)	(397)	1,219	(127)
QoQ % variance	1%	-1%	-1%	3%	0%
OAEM	195	124	1,659	92	93
QoQ	71	(1,536)	1,567	(1)	44
QoQ % variance	58%	-93%	1705%	-1%	89%

Concentration of Category of NPLs

	Mar 20	Dec 19	Sep 19	Jun 19	Mar 19
Substandard	1.24%	1.25%	5.28%	0.52%	3.42%
Doubtful	5.81%	5.47%	1.55%	2.24%	4.15%
Loss	92.56%	93.04%	89.96%	97.05%	92.24%
OAEM	0.39%	0.25%	3.22%	0.19%	0.19%

* Coverage ratio = Specific plus General Provision/NPLs



Bank for Life

Increase of Rs. 69B in Market Treasury Bills & Rs. 7B in Pakistan Investment Bonds.

	Mar 2020	Dec 2019	Var.	% var.	Mar 2019	Var.	% var.
Treasury Bills	470,453	401,814	68,639	17%	248,634	221,818	89%
Pakistan Investment Bonds	299,656	292,723	6,933	2%	157,257	142,399	91%
TFCs, Debentures and Certificates	11,470	9,555	1,915	20%	8,983	2,487	28%
Other government securities / Sukooks / Euro Bonds	7,514	10,872	(3,358)	-31%	7,231	282	4%
Shares in Listed, Unlisted Co.s & Mutual funds	26,345	24,958	1,387	6%	26,729	(384)	-1%
Subsidiaries & Associated Undertakings	13,047	13,047	-	0%	12,747	300	2%
Investments at cost	828,484	752,969	75,515	10%	461,581	366,903	79%
Prov for diminution in value of investments	(11,448)	(10,689)	(759)	7%	(7,840)	(3,609)	46%
Surplus on revaluation of securities	19,624	6,485	13,139	203%	(3,489)	23,113	-662%
Investments at revalued amount - net of provision	836,660	748,765	87,895	12%	450,253	386,407	86%

Deposits

Rs. in Million

Q1 20		Q4 19		Q3 19		Q2 19		Q1 19	
Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix

Deposits - Volume	1,184,139		1,144,763		1,145,140		1,148,631		1,066,013	
Current deposits	433,967	37%	424,552	37%	416,922	36%	437,496	38%	406,850	38%
Savings deposits	656,484	55%	610,511	53%	615,472	54%	604,695	53%	565,100	53%
Term Deposits	93,688	8%	109,701	10%	112,745	10%	106,440	9%	94,063	9%

CASA	1,090,451	92.09%	1,035,063	90.42%	1,032,394	90.15%	1,042,191	90.73%	971,950	91.18%
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Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	7%	2%	6%	2%	6%	-5%	9%	8%	3%	1%
Savings deposits	16%	8%	10%	-1%	10%	2%	11%	7%	5%	2%
CASA	12%	5%	8%	0%	8%	-1%	10%	7%	4%	2%
Term Deposits	0%	-15%	16%	-3%	45%	6%	47%	13%	28%	0%
Total Deposits	11%	3%	9%	0%	11%	0%	13%	8%	6%	2%

YTD	QoQ	YTD	QoQ	YTD	QoQ	YTD	QoQ	YTD	QoQ
39,376	39,376	95,726	(376)	96,102	(3,491)	99,594	82,618	16,975	16,975

Market Share (Domestic)	QoQ		QoQ		QoQ		QoQ		QoQ	
Industry	15,126,310	3.38%	14,631,875	4.32%	14,025,990	-2.99%	14,458,307	7.45%	13,456,273	0.77%
MCB	1,141,757	5%	1,089,881	-1%	1,102,839	0%	1,106,006	7%	1,030,407	2%
Share	7.55%		7.45%		7.86%		7.65%		7.66%	



Bank for Life

Profit and Loss Statement

Rs. in Million

	Unconsolidated				Consolidated			
	Mar 2020	Mar 2019	+/-	%	Mar 2020	Mar 2019	+/-	%
Mark-up Income	39,100	27,382	11,718	42.8%	41,657	29,336	12,320	42.0%
Mark-up Expense	22,792	13,903	8,889	63.9%	24,371	14,997	9,373	62.5%
Net Mark-up Income	16,308	13,479	2,829	21.0%	17,286	14,339	2,947	20.6%
Non Interest Income	3,888	3,514	373	10.6%	4,167	3,791	377	9.9%
Total Income	20,195	16,993	3,202	18.8%	21,453	18,130	3,324	18.3%
Non Mark-up Expense	8,588	8,398	190	2.3%	9,818	9,690	128	1.3%
<i>admin expenses</i>	8,251	8,275	(24)	-0.3%	9,482	9,566	(85)	-0.9%
<i>(PF reversal)</i>	(90)	(105)	15	-14.3%	(90)	(105)	15	-14.3%
<i>other charges & WWF</i>	427	228	199	87.3%	427	229	197	86.1%
Share of Associates	-	-	-	-	261	158	103	65.6%
Profit before Provisions	11,607	8,595	3,012	35.0%	11,896	8,597	3,299	38.4%
Provisions	742	(484)	1,227	-253.4%	780	(448)	1,228	-274.0%
against Investments	753	(26)	779	0.0%	753	(63)	816	0.0%
against loans & advances	47	(405)	452	-111.7%	84	(332)	416	-125.4%
Others including write off recovery	(58)	(53)	(4)	7.6%	(58)	(53)	(4)	8.4%
Profit before Tax	10,865	9,079	1,786	19.7%	11,116	9,045	2,071	22.9%
Taxation	4,346	3,999	346	8.7%	4,506	4,035	471	11.7%
Profit after Tax	6,519	5,080	1,439	28.3%	6,610	5,010	1,600	31.9%



Bank for Life

Key Performance Ratios

	BV	ROA	ROE	EPS (annualised)	CAR	ADR	Infection ratio	Coverage ratio*	Coverage (incl. benefit of liquid sec)**	Non- markup/Total Rev
Mar 2020	123.57	1.70%	17.88%	22.00	19.51%	44.30%	9.52%	87.30%	94.75%	19.25%
Dec 2019	122.54	1.59%	16.84%	20.23	18.83%	47.17%	9.15%	87.73%	95.04%	21.86%
Dec 2018	117.74	1.50%	15.48%	18.02	18.13%	52.12%	8.95%	88.26%	94.49%	27.21%
Dec 2017	115.18	1.86%	17.65%	19.56	16.44%	53.18%	9.47%	93.74%	97.31%	29.81%
Dec 2016	105.97	2.11%	18.94%	19.67	19.33%	47.07%	5.90%	90.82%	98.76%	26.96%
Dec 2015	101.69	2.71%	23.92%	23.65	19.43%	46.29%	6.32%	90.37%	99.82%	25.14%
Dec 2014	96.05	2.87%	24.64%	22.60	20.41%	46.83%	6.80%	85.62%	94.00%	22.93%
Dec 2013	87.39	2.93%	24.92%	20.84	22.25%	42.41%	8.68%	85.74%	94.66%	22.78%
Dec 2012	79.85	3.18%	26.89%	20.31	22.24%	48.14%	9.74%	89.23%	87.55%	18.30%
Dec 2011	71.22	3.54%	29.12%	19.42	21.79%	50.88%	10.67%	83.76%	94.74%	15.41%
Dec 2010	62.15	3.13%	25.91%	18.05	22.07%	63.55%	8.95%	79.83%	91.82%	10.26%
Dec 2009	54.87	3.25%	27.35%	17.44	19.07%	73.37%	8.62%	70.89%	83.41%	9.86%

* 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



Bank for Life



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



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