

MCB Bank Limited Corporate Briefing & Results Conference Call

September 30, 2021



Bank for Life

Presented by:
Hammad Khalid
● Chief Financial Officer

Financial and Operational Landscape

Financial Strength

Assets	➤	PKR 1,931 bn (US\$ 11.3 bn)
Deposits	➤	PKR 1,456.6 bn (US\$ 8.5 bn)
Advances (Gross)	➤	PKR 529.1 bn (US\$ 3.1 bn)
RoA	➤	1.63%
RoE	➤	18.86%
Profit before Tax	➤	PKR 38.3 bn (US\$ 239.9 mn)
Market capitalization	➤	PKR 178.6 bn (US\$ 1.05 bn)
No. of accounts	➤	8.2 mn

Domestic and International Footprint

Domestic Branches	➤	1,419
Foreign Branches	➤	11 (Sri Lanka : 8, Bahrain : 1, EPZ : 1, UAE : 1)
Subsidiaries	➤	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	➤	1449

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



Bank for Life



***Financial
Performance
September 30, 2021***

Statement of Financial Position

Increase of 10% in Assets base

Rs. In mln

	Sep 2021	Dec 2020	Var.	% var.	Sep 2020	Var.	% var.
ASSETS	1,931,097	1,757,462	173,635	9.88%	1,674,869	256,228	15%
Advances - net	481,778	462,942	18,836	4.07%	445,039	36,739	8%
- Gross Advances	529,066	513,550	15,516	3.02%	493,688	35,378	7%
Investments	1,176,246	1,015,869	160,377	15.79%	964,412	211,835	22%
- T-Bills(7.31%) and PIBs(9.47%)	1,118,414	948,209	170,205	17.95%	895,830	222,585	25%
- Debt Securities(7.41%)	22,741	26,028	(3,288)	-12.63%	25,129	(2,389)	-10%
- Equity Securities(8.21%)	29,086	26,589	2,497	9.39%	24,656	4,430	18%
- Subsidiaries and Associates(2.82%)	13,019	13,019	-	0.00%	13,047	(28)	0%
-Provision and surplus	(7,014)	2,023	(9,037)	-446.64%	5,750	(12,764)	-222%
Cash and Balances with Banks	135,101	146,211	(11,110)	-7.60%	157,206	(22,105)	-14%
Lending to Financial Institutions	26,028	17,139	8,889	51.86%	2,140	23,889	1116%
Other Assets (including fixed assets)	111,944	115,301	(3,357)	-2.91%	106,072	5,871	6%
LIABILITIES	1,753,455	1,567,361	186,094	11.87%	1,489,494	263,961	18%
Deposits	1,456,581	1,289,502	167,079	12.96%	1,274,870	181,712	14%
CASA	1,339,138	1,198,785	140,354	11.71%	1,187,752	151,387	13%
Term deposits	117,443	90,718	26,725	29.46%	87,118	30,325	35%
Borrowings	191,237	164,002	27,236	16.61%	112,373	78,864	70%
Bills Payable	12,287	23,981	(11,694)	-48.76%	9,951	2,336	23%
Other Liabilities (including Deferred Tax)	93,349	89,876	3,473	3.86%	92,300	1,050	1%
NET ASSETS	177,642	190,102	(12,459)	-6.55%	185,376	(7,733)	-4%
EQUITY	156,533	162,382	(5,849)	-3.60%	155,333	1,200	1%

Investments:
PIBs : +258B
T-Bills : -87B

Gross Advances:
Corporate : +12.41B
CBG: +6.65B

Retail : -4.11B

Deposits:

Retail : +158.84B
Overseas : +7.05B

Ratios:
ROE: 18.86%
ROA: 1.63%



Bank for Life

Non Performing Loans (NPLs)

Rs. in mln

Coverage ratio* at 92.21% (YE20: 98.87 %), NPLs ratio stands at 9.69% (YE20: 9.97 %)

Domestic NPLs Ratio at 8.44% (YE20: 8.84 %), Industry NPL ratio 2Q-21 : 8.90%(YE20 : 9.19%)

	Sep 21	Jun 21	Mar 21	Dec 20	Sep 20
Total NPLs	51,281	51,060	51,801	51,189	50,208
QoQ	221	(741)	612	981	(155)
QoQ % variance	0%	-1%	1%	2%	0%
Substandard	167	244	234	214	820
QoQ	(77)	10	19	(606)	(341)
QoQ % variance	-32%	4%	9%	-74%	-29%
Doubtful	260	214	257	285	3,415
QoQ	46	(43)	(28)	(3,130)	227
QoQ % variance	21%	-17%	-10%	-92%	7%
Loss	50,727	50,501	51,191	50,646	45,874
QoQ	226	(690)	545	4,772	(54)
QoQ % variance	0%	-1%	1%	10%	0%
OAEM	127	100	119	44	98
QoQ	26	(19)	76	(55)	13
QoQ % variance	26%	-16%	174%	-56%	15%

YTD (Sep 21 vs. Dec 20)		
	Var.	%
Total NPLs	92	0.2%
Substandard	(48)	-22.2%
Doubtful	(25)	-8.8%
Loss	81	0.2%
OAEM	83	191.5%

Substandard
Doubtful
Loss
OAEM

	Sep 21	Jun 21	Mar 21	Dec 20	Sep 20
Substandard	0.32%	0.48%	0.45%	0.42%	1.63%
Doubtful	0.51%	0.42%	0.50%	0.56%	6.80%
Loss	98.92%	98.91%	98.82%	98.94%	91.37%
OAEM	0.25%	0.20%	0.23%	0.08%	0.20%

*Coverage ratio = Specific plus General Provision/NPLs



Bank for Life

Investments

Pakistan Investment Bonds increased by Rs. 258B and Market Treasury Bills decreased by Rs. 87B.

Rs. In mln

	Sep 2021	Dec 2020			Sep 2020		
		Dec 2020	Var.	% var.	Sep 2020	Var.	% var.
Treasury Bills	511,090	598,470	(87,380)	-15%	544,099	(33,008)	-6%
Pakistan Investment Bonds	607,324	349,739	257,585	74%	351,731	255,593	73%
TFCs, Debentures and Certificates	6,157	10,395	(4,239)	-41%	10,588	(4,432)	-42%
Other government securities / Sukooks / Euro Bonds	16,584	15,633	951	6%	14,541	2,043	14%
Shares in Listed, Unlisted Co.s & Mutual funds	29,086	26,589	2,497	9%	24,656	4,430	18%
Subsidiaries & Associated Undertakings	13,019	13,019	-	0%	13,047	(28)	0%
Investments at cost	1,183,260	1,013,846	169,414	17%	958,661	224,599	23%
Prov for diminution in value of investments	(10,465)	(10,653)	188	-2%	(10,642)	177	-2%
Surplus on revaluation of securities	3,451	12,676	(9,225)	-73%	16,392	(12,941)	-79%
Investments at revalued amount - net of provision	1,176,246	1,015,869	160,377	16%	964,412	211,835	22%

Composition of Investments		
	Sep 2021	Dec 2020
T-Bills	43%	59%
PIBs	51%	34%
Equity securities	4%	4%
Debt instruments	2%	3%



Bank for Life

Deposits

Rs. in mln

CASA reported at 91.94%, Current Deposits +17% , Term Deposits +29%, Saving Deposits 8%

YTD increase/decrease	YTD	
Current deposits	17%	81,057
Savings deposits	8%	59,297
CASA	12%	140,354
Term Deposits	29%	26,725
Total Deposits	13%	167,079

Q3 21		Q2 21		Q1 21		Q4 20		Q3 20	
Volume	Mix								

Deposits - Volume	1,456,581		1,441,208		1,313,702		1,289,502		1,274,870	
Current deposits	570,442	39%	589,251	41%	521,756	40%	489,385	38%	480,751	38%
Savings deposits	768,696	53%	739,215	51%	701,702	53%	709,399	55%	707,001	55%
Term Deposits	117,443	8%	112,742	8%	90,244	7%	90,718	7%	87,118	7%
CASA	1,339,138	91.94%	1,328,466	92.18%	1,223,458	93.13%	1,198,785	92.96%	1,187,752	93.17%

Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	19%	-3%	18%	13%	20%	7%	15%	2%	15%	-3%
Savings deposits	9%	4%	5%	5%	7%	-1%	16%	0%	15%	1%
CASA	13%	1%	11%	9%	12%	2%	16%	1%	15%	-1%
Term Deposits	35%	4%	52%	25%	-4%	-1%	-17%	4%	-23%	17%
Total Deposits	14%	1%	13%	10%	11%	2%	13%	1%	11%	0%

YTD	QoQ	YTD	QoQ	YTD	QoQ	YTD	QoQ	YTD	QoQ
167,079	15,373	151,706	127,506	24,200	24,200	144,739	14,633	130,106	188

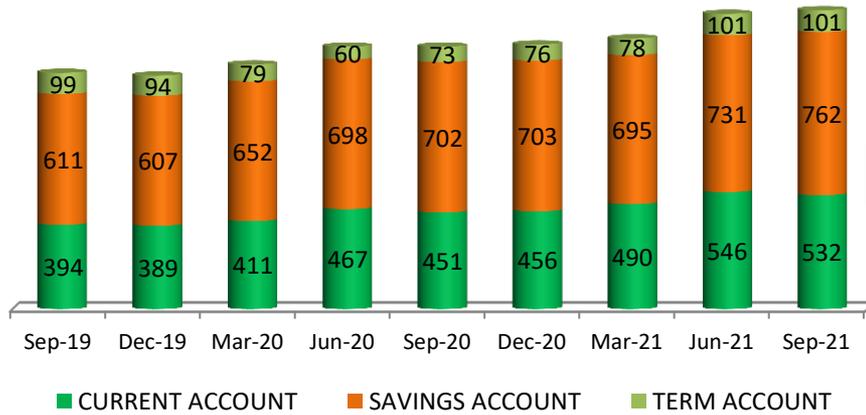
Market Share (Domestic)	QoQ	QoQ	QoQ	QoQ	QoQ	QoQ	QoQ	QoQ	QoQ	
Industry	19,827,930	0.16%	19,795,921	10.56%	17,905,610	0.17%	17,875,958	5.86%	16,886,204	4.05%
MCB	1,395,177	1.22%	1,378,320	9.14%	1,262,945	2.25%	1,235,146	0.81%	1,225,163	0.03%
Share	7.04%		6.96%		7.05%		6.91%		7.26%	



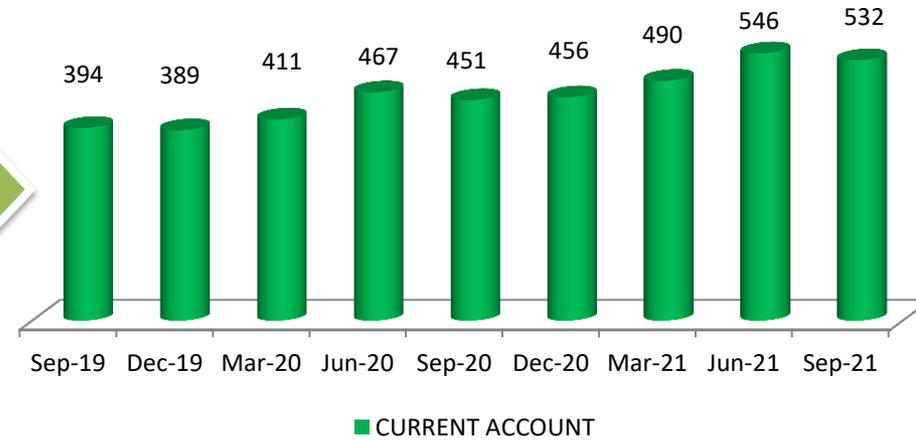
Bank for Life

Domestic Deposits - Growth

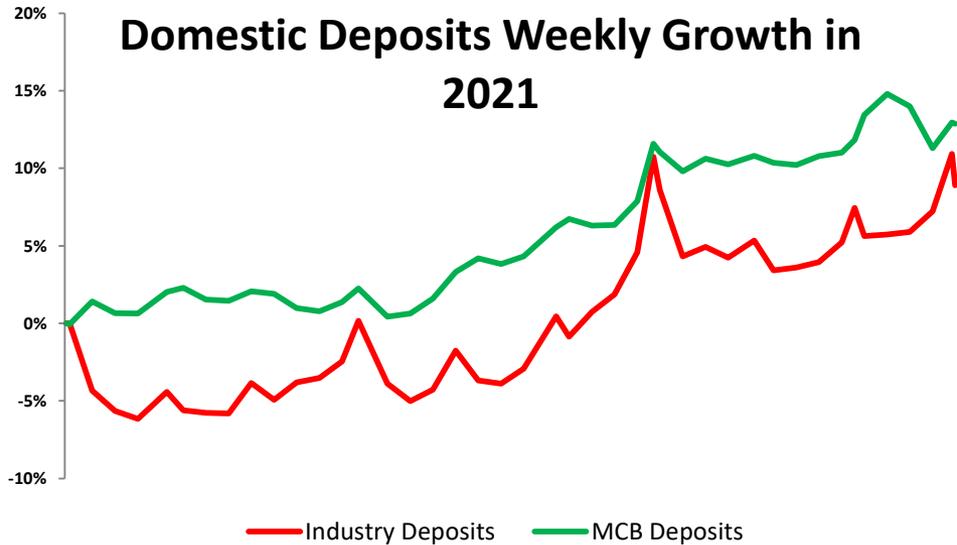
Domestic Deposits – Bln PKR



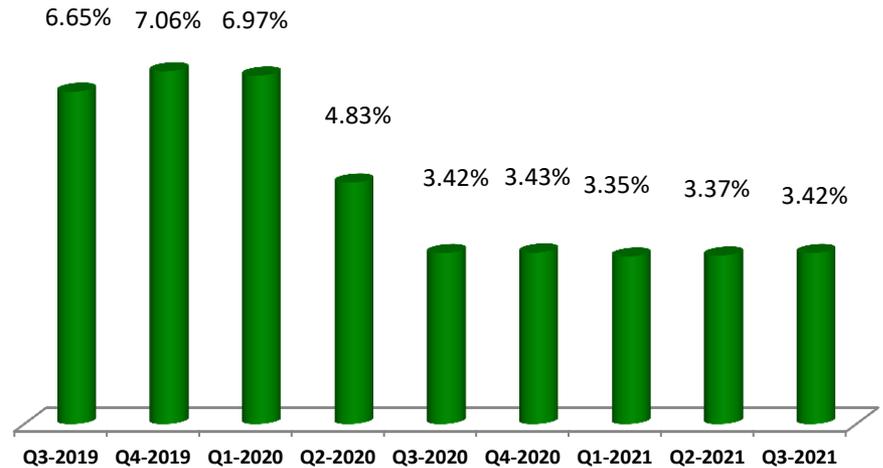
Domestic Current Deposits – Bln PKR



Domestic Deposits Weekly Growth in 2021



Cost of Deposits – Domestic QoQ



Bank for Life

Profit and Loss Statement

PBT of Rs. 38.27B (-0.22%) and PAT of Rs. 22.56B (-1.65%)

Rs. in mln

	Sep 2021	Sep 2020	Var.	% var.
Mark-up Income	89,903	107,035	(17,132)	-16.01%
Mark-up Expense	42,158	51,689	(9,531)	-18.44%
Net Mark-up Income	47,745	55,346	(7,602)	-13.74%
Non Interest Income	14,383	13,559	824	6.08%
Total Income	62,127	68,905	(6,778)	-9.84%
Non Mark-up Expense	27,356	25,443	1,913	7.52%
admin expenses	26,383	24,662	1,721	6.98%
PF reversal	(193)	(246)	53	21.43%
other charges & WWF	1,166	1,026	139	13.59%
Profit before Provisions	34,771	43,462	(8,691)	-20.00%
Provisions	(3,499)	5,109	(8,608)	-168.49%
against Investments	(183)	(62)	(121)	-195.38%
against loans & advances	(3,219)	5,290	(8,509)	-160.85%
Others including write off recovery	(97)	(120)	23	18.91%
Profit before Tax	38,270	38,354	(83)	-0.22%
Taxation	15,714	15,419	296	1.92%
Profit after Tax	22,556	22,935	(379)	-1.65%
Cost to Income Ratio	42.47%	35.79%		
Earnings per Share - Rupees	19.03	19.35		

Markup Income:
On Advances: -11.07B
On Investments: -5.36B

Markup Expense:
On Deposits: -10.83B
On Borrowings : +2.27B

Non Interest Income:
Fee, Comm.: +1.13B
Dividend Income : +713M
Capital Gain : -2.09 B

Admin expenses:
Compensation: +889M
Security : +169M
Utility Cost : +131M
Insurance(DPC) : +140M

Hardware/Software Maint: -115M
Network Charges : -59M
Postage/Courier: -20M



Bank for Life

Fee, Commission and Brokerage Income

Rs. in mln

	Sep 2021	Sep 2020	Rs. in mln	
			Var.	%
Fee, commission and brokerage income	9,154	8,021	1,133	14%
Branch banking customer fees	2,073	1,506	568	38%
Consumer finance related fees	376	297	79	26%
Card related fees (debit and credit cards)	2,171	2,287	(116)	-5%
Credit related fees	214	69	144	208%
Investment banking fee	159	93	65	70%
Commission on trade	1,028	943	85	9%
Commission on guarantees	462	416	46	11%
Commission on cash management	528	450	78	17%
Commission on remittances including home remittances	732	796	(64)	-8%
Commission income - Bancassurance	1,051	839	212	25%
Rent on lockers	175	164	11	7%
Commission on utility bills	58	58	0	0%
Commission on investments services	28	26	2	9%
Other Commission	100	77	23	29%



Bank for Life

Non Interest/Markup Income

Fee & Commission Income increased by Rs. 1.13B, Dividend Income increased by Rs. 713M
Foreign Exchange Income increased by Rs. 410M ,Capital Gain decreased by Rs. 2.09B.

Rs. in mln

	Sep 2021	Sep 2020	Var.	% var.
NON MARKUP INCOME	14,383	13,559	824	6%
Fee and commission income	9,154	8,021	1,133	14%
Dividend income	1,442	729	713	98%
Foreign exchange income	2,331	1,921	410	21%
Income / (loss) from derivatives	8	(4)	12	326%
Gain/ (loss) on securities	703	2,795	(2,092)	-75%
Other income	744	97	648	670%

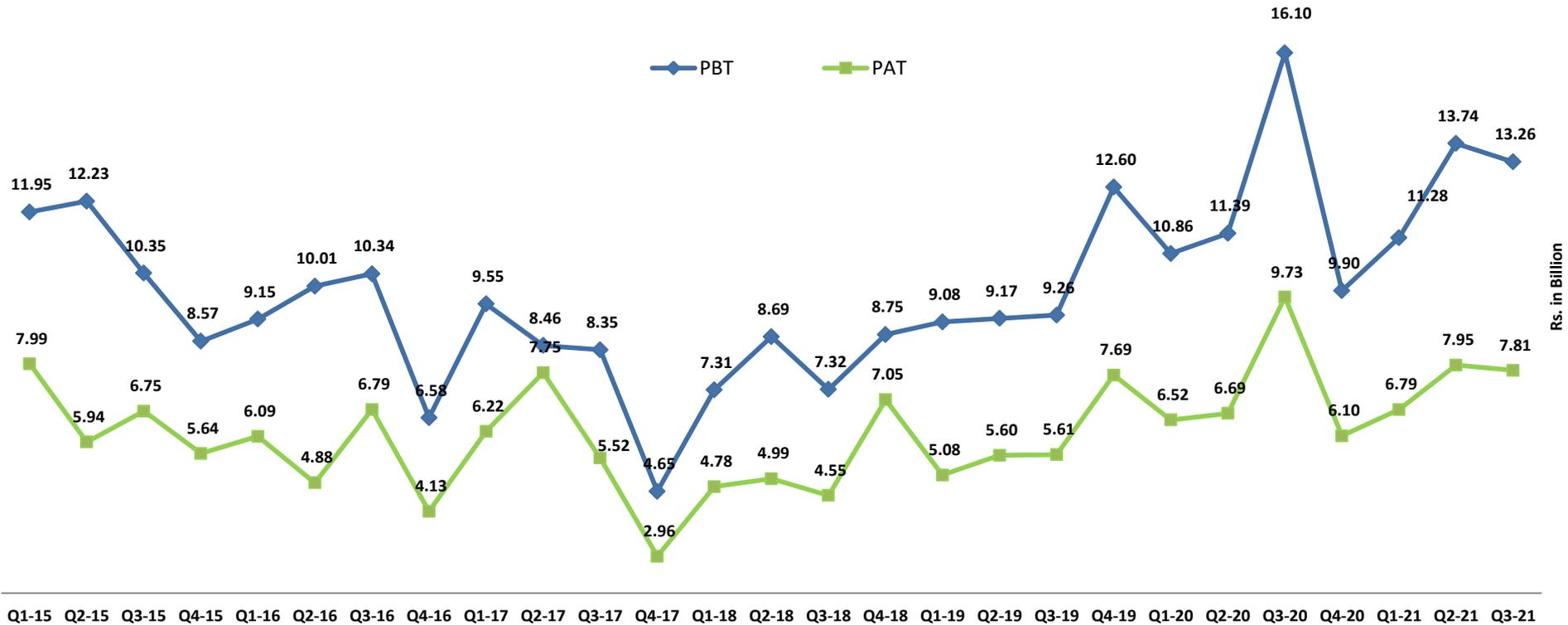


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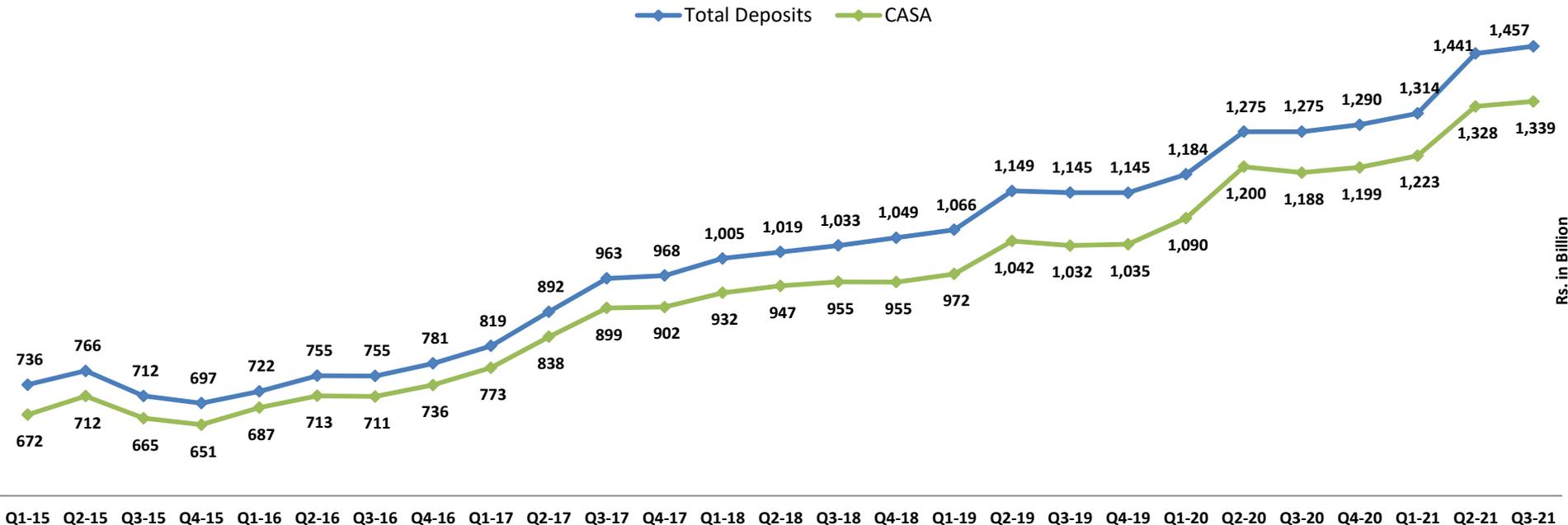


Quarterly Trends

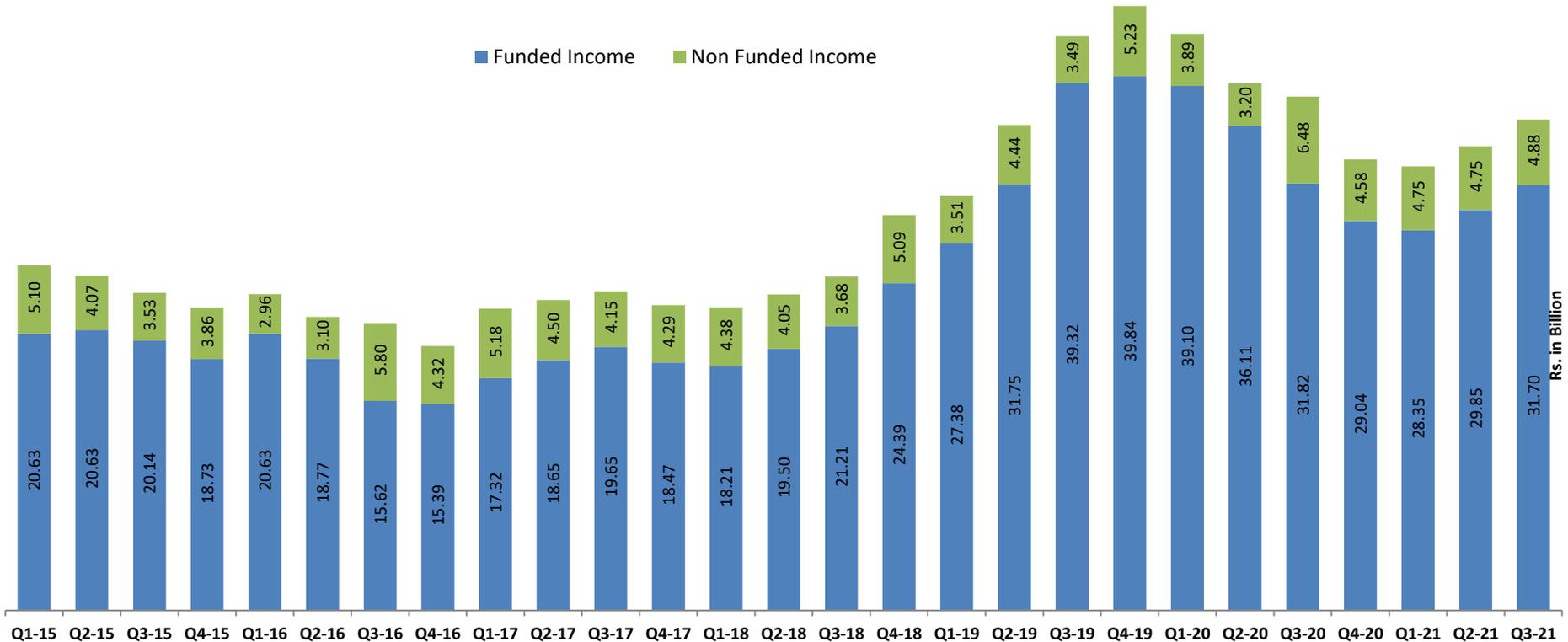
Quarterly Trend - Profit before & after Tax



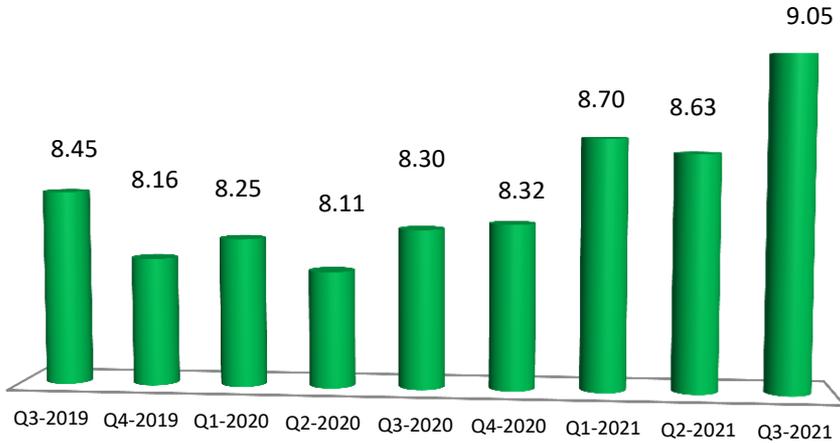
Quarterly Trend - Total Deposits & CASA



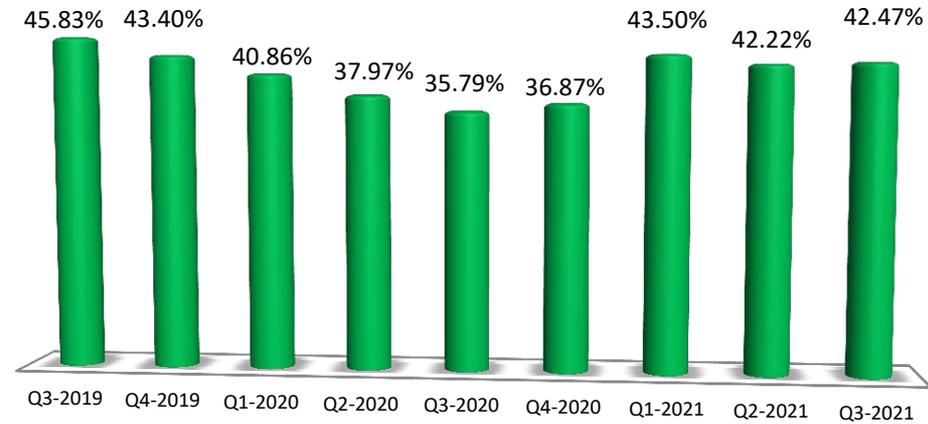
Quarterly Trend - Funded & Non Funded Income



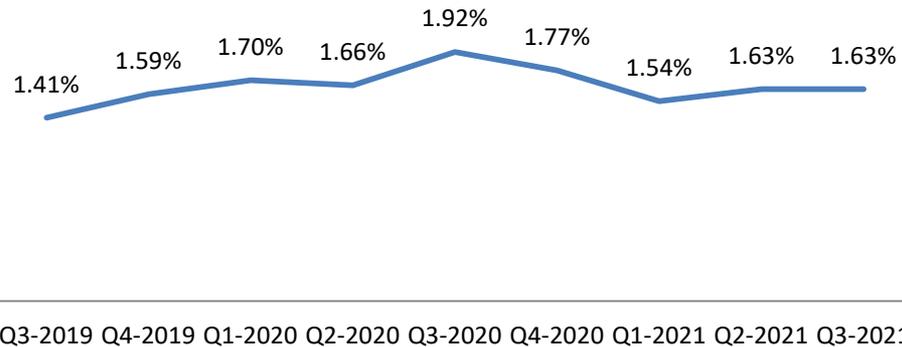
Quarterly Operating expenses excluding PF



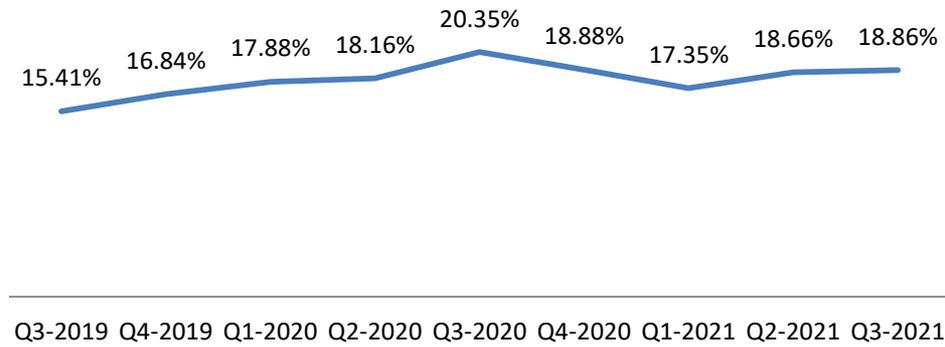
Cost to Income Ratio



Return on Assets



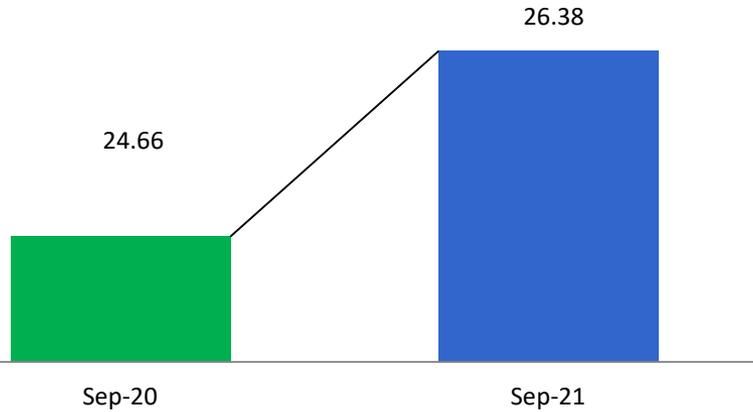
Return on Equity



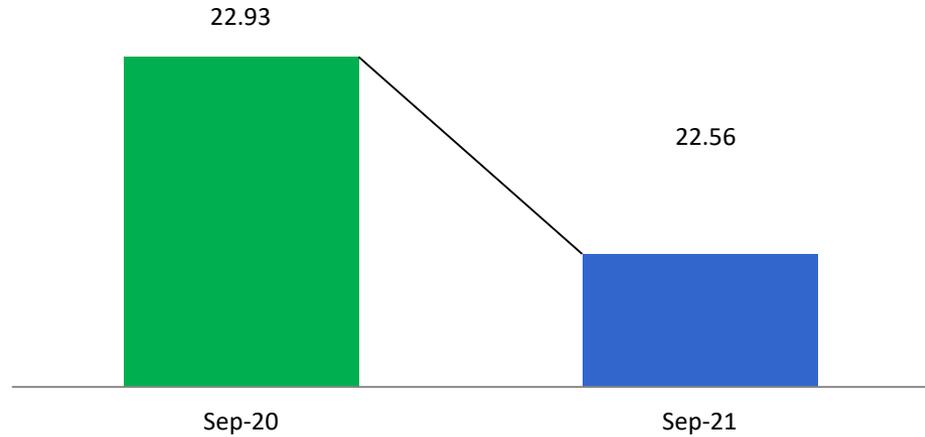
Comparative Performance

Rs. in Billion except percentages

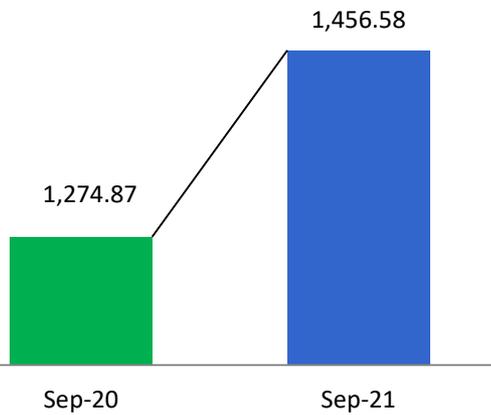
Admin Expenses (Excluding PF Reversal)



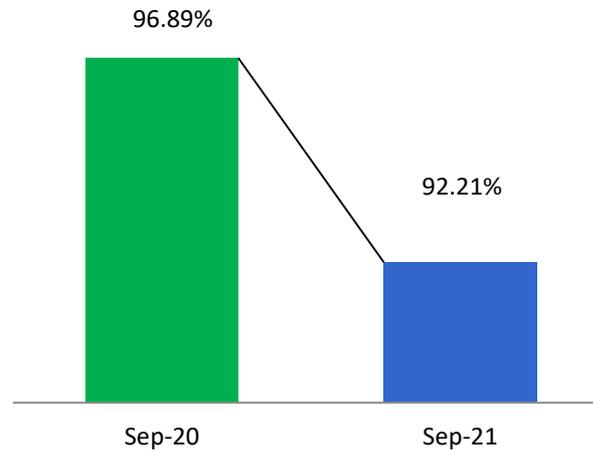
Profit after Tax (PAT)



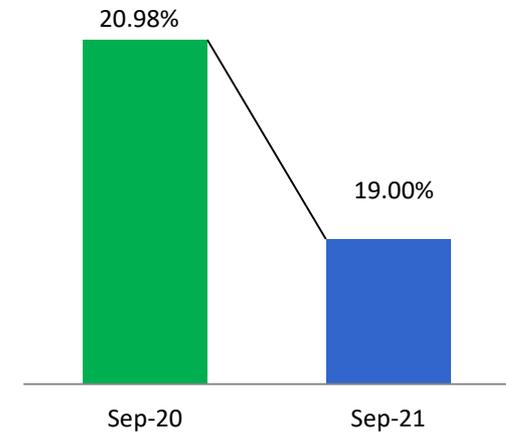
Deposits



Coverage



Capital Adequacy



Bank for Life



***Group
Financial
Performance
September 30, 2021***

Statement of Financial Position

Rs. in Million

	Unconsolidated				Consolidated			
	Sep 2021	Dec 2020	YTD	%	Sep 2021	Dec 2020	YTD	%
Assets	1,931,097	1,757,462	173,635	9.9%	2,071,240	1,891,276	179,963	9.5%
Advances - net	481,778	462,942	18,836	4.1%	572,287	547,686	24,601	4.5%
Investments	1,176,246	1,015,869	160,377	15.8%	1,196,495	1,036,218	160,278	15.5%
Cash and Balances with Banks & Lending to Financial Institutions	161,129	163,351	(2,221)	-1.4%	177,817	179,033	(1,216)	-0.7%
Other Assets (including fixed assets)	111,944	115,301	(3,357)	-2.9%	124,641	128,340	(3,699)	-2.9%
Liabilities	1,753,455	1,567,361	186,094	11.9%	1,890,582	1,698,285	192,297	11.3%
Deposits	1,456,581	1,289,502	167,079	13.0%	1,572,891	1,388,738	184,153	13.3%
Borrowings	191,237	164,002	27,236	16.6%	202,487	184,577	17,909	9.7%
Bills Payable	12,287	23,981	(11,694)	-48.8%	13,996	26,452	(12,455)	-47.1%
Other Liabilities (including Deferred Tax)	93,349	89,876	3,473	3.9%	101,208	98,518	2,690	2.7%
Net Assets	177,642	190,102	(12,459)	-6.6%	180,658	192,991	(12,333)	-6.4%
Equity without surplus (incl. M.I)	156,533	162,382	(5,849)	-3.6%	158,677	164,188	(5,511)	-3.4%



Bank for Life

Profit and Loss Statement

Rs. in Million

	Unconsolidated				Consolidated			
	Sep 2021	Sep 2020	+/-	%	Sep 2021	Sep 2020	+/-	%
Mark-up Income	89,903	107,035	(17,132)	-16.0%	96,766	114,517	(17,751)	-15.5%
Mark-up Expense	42,158	51,689	(9,531)	-18.4%	45,718	55,717	(9,999)	-17.9%
Net Mark-up Income	47,745	55,346	(7,602)	-13.7%	51,048	58,800	(7,752)	-13.2%
Non Interest Income	14,383	13,559	824	6.1%	15,246	14,563	683	4.7%
Total Income	62,127	68,905	(6,778)	-9.8%	66,294	73,363	(7,069)	-9.6%
Non Mark-up Expense	27,356	25,443	1,913	7.5%	31,245	29,259	1,987	6.8%
<i>admin expenses</i>	26,383	24,662	1,721	7.0%	30,221	28,478	1,743	6.1%
<i>(PF reversal)</i>	(193)	(246)	53	-21.4%	(193)	(246)	53	-21.4%
<i>other charges & WWF</i>	1,166	1,026	139	13.6%	1,218	1,026	191	18.6%
Share of Undertaking	-	-	-	-	690	519	172	33.1%
Profit before Provisions	34,771	43,462	(8,691)	-20.0%	35,739	44,623	(8,884)	-19.9%
Provisions	(3,499)	5,109	(8,608)	-168.5%	(3,501)	5,190	(8,691)	-167.5%
against Investments	(183)	(62)	(121)	0.0%	(261)	(89)	(173)	0.0%
against loans & advances	(3,219)	5,290	(8,509)	-160.8%	(3,143)	5,397	(8,540)	-158.2%
Others including write off recovery	(97)	(120)	23	-18.9%	(97)	(119)	22	-18.6%
Profit before Tax	38,270	38,354	(83)	-0.2%	39,241	39,434	(193)	-0.5%
Taxation	15,714	15,419	296	1.9%	16,274	15,922	352	2.2%
Profit after Tax	22,556	22,935	(379)	-1.7%	22,967	23,512	(545)	-2.3%



Bank for Life

Awards/ Accolades



“Winner – Overall Best Corporate Report Award 2020”

“Winner -Best Corporate Report Award 2020 – Banking Sector”

- Winner” - Best Corporate Report Award 2019
- Winner” - Best Corporate Report Award 2018
- 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 bank in Pakistan – 2020

- 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



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



Joint 1st Runner Up – Best Presented Annual Accounts 2019 – Banking Sector

- Winner – Best Presented Annual Accounts 2014
- 1st Runner Up Best Presented Annual Report Awards 2013 – Category Private Sector Banks



Best Commercial Bank – Pakistan 2012



Strongest Bank in Pakistan 2017

- Strongest Bank in Pakistan 2014
- Strongest Bank in Pakistan 2010



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

ASIAMONEY

- Overall Most outstanding Company in Pakistan 2020
- Most outstanding Company in Pakistan 2020, 2019 Financial Sector

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



Best Bank Led Mobile Money Transfer Program 2010



CSR Business Excellence Award 2012:
Best Media Coverage



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



Bank for Life



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



Thank you!

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