



MCB

MCB Bank Limited
Investors Briefing

Financial Performance Analysis

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Please Note

Certain prior period financial numbers have been restated to conform to current period results presentation

*All numbers are presented on the basis of **unconsolidated** financial results, unless stated otherwise*

The figures are presented in millions, rounded, and as percentages, unless otherwise stated in '000s, billions and bps.





Statement of Financial Position

Increase of 5% in Assets base, Equity increased by 7%

Rs. In mln

	Unconsolidated				Consolidated	
	1H 12	YE 11	YoY	%	1H 12	YE 11
Assets	686,103	653,233	32,870	5%	689,875	656,325
Advances - net	240,954	225,720	15,234	7%	241,038	225,713
Investments	327,513	316,652	10,862	3%	330,515	319,006
Cash and Balances with Banks & Lendings to Financial Institutions	55,962	56,359	(397)	-1%	56,008	56,435
Other Assets	61,674	54,503	7,171	13%	62,313	55,170
Liabilities	591,277	564,431	26,846	5%	591,649	564,671
Deposits	529,366	491,189	38,177	8%	529,352	491,147
Borrowings	27,523	39,101	(11,578)	-30%	27,601	39,101
Bills Payable	9,679	9,467	212	2%	9,679	9,467
Other Liabilities	24,710	24,675	35	0%	25,016	24,956
Net Assets	94,826	88,802	6,023	7%	98,226	91,654
Equity without surplus	84,774	78,915	5,859	7%	87,580	81,527



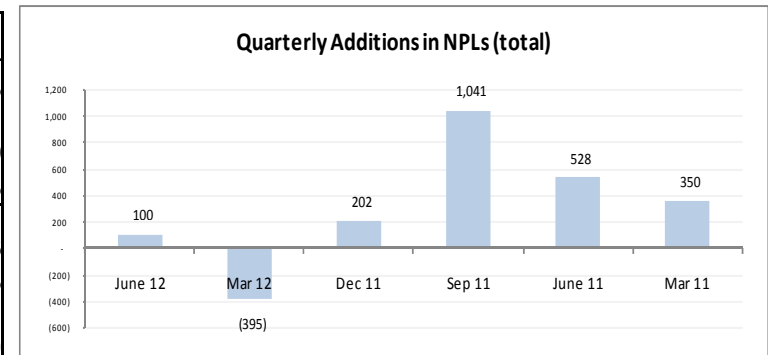
Non Performing Loans (NPLs)

Decrease of 295M: -237M in substandard, -253M in loss and +184M in doubtful

Coverage ratio improved to 86.12% (YE11: 83.76%), NPLs ratio decreased to 10% (YE11: 10.75%)

Rs. In mln

	June 12	Mar 12	Dec 11	Sep 11	June 11	Mar 11
Total NPLs	26,370	26,270	26,665	26,463	25,422	24,894
YTD - change	-1%	-1%	9%	8%	4%	1%
QoQ	100	(395)	202	1,041	528	350
QoQ % variance	0.4%	-1%	1%	4%	2%	1%
Substandard	1,807	2,008	2,045	1,886	552	1,356
YTD - change	-12%	-2%	33%	22%	-64%	-12%
QoQ	(200)	(37)	159	1,333	(804)	(183)
QoQ % variance	-10%	-2%	8%	241%	-59%	-12%
Doubtful	477	361	292	709	911	1,264
YTD - change	63%	24%	-86%	-67%	-57%	-41%
QoQ	115	69	(416)	(202)	(353)	(879)
QoQ % variance	32%	24%	-59%	-22%	-28%	-41%
Loss	24,074	23,890	24,328	23,838	23,928	22,236
YTD - change	-1%	-2%	17%	15%	15%	7%
QoQ	184	(437)	490	(90)	1,692	1,431
QoQ % variance	1%	-2%	2%	0%	8%	7%
OAEM	12	11	-	31	30	38
YTD - change	100%	100%	-100%	-46%	-47%	-33%
QoQ	1	11	(31)	1	(8)	(19)
QoQ % variance	9%	100%	-100%	2%	-20%	-33%



Concentration of Category of NPLs

	June 2012	March 2012	Dec 2011	June 2011
Substandard	↓ 6.9%	7.6%	7.7%	2.2%
Doubtful	↑ 1.8%	1.4%	1.1%	3.6%
Loss	↑ 91.3%	90.9%	91.2%	94.1%

Investments

Increase of 10B in PIBs and of 10B in units in open end funds. T-Bills decreased by 8.8B

Rs. In mln

	June 2012	Dec 2011	Var.	% var.	June 2011	Var.	% var.
Treasury Bills	250,116	258,891	(8,775)	-3%	225,003	25,112	11%
Pakistan Investment Bonds	45,789	35,798	9,991	28%	15,116	30,673	203%
TFCs, Debentures, Bonds and PTCs	4,688	4,025	663	16%	5,987	(1,299)	-22%
Other Government Securities	1,634	1,543	92	6%	1,463	172	12%
Shares in Listed and Unlisted Co.s/Open End Fund/NIT	20,858	12,362	8,496	69%	9,134	11,724	128%
Sukook Bonds	5,225	5,332	(107)	-2%	4,408	817	19%
Subsidiaries & Associated Undertakings	1,542	1,542	-	0%	1,542	-	0%
Gross Investments	329,852	319,493	10,359	3%	262,653	67,199	26%
Prov for diminution in value of investments	(2,890)	(3,327)	437	-13%	(2,802)	(88)	3%
Surplus /(Deficit) on revaluation of securities	551	486	66	14%	353	198	56%
Net Investments	327,513	316,652	10,862	3%	260,204	67,309	26%
Concentration of Investments							
T-Bills	76.37%	81.76%			86.47%		
PIBs	13.98%	11.31%			5.81%		
Debt instruments	2.81%	2.54%			3.62%		
Equity securities	6.37%	3.90%			3.51%		
Investments (net)/ Deposits ratio	61.9%	64.5%			52.4%		
Investments (net)/ Total Assets ratio	47.7%	48.5%			41.3%		



Deposits

CASA at 83% with an YTD increase of 13% in CA and 9% in SA. Term Deposits decreased by 4%

YTD increase/decrease	
Current deposits	13.0%
Savings deposits	8.6%
Term Deposits	-4.0%
Total Deposits	7.8%

Rs. In mln

Q2 12		Q1 12		Q4 11		Q3 11		Q2 11	
Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix

Deposits - Volume	529,366		512,067		491,189		482,938		496,206	
Current deposits	189,235	36%	171,706	34%	167,446	34%	169,167	35%	181,364	37%
Savings deposits	252,317	48%	248,514	49%	232,241	47%	220,515	46%	220,838	45%
Term Deposits	87,813	17%	91,847	18%	91,502	19%	93,256	19%	94,003	19%
CASA	441,553	83%	420,220	82%	399,687	81%	389,682	81%	402,203	81%

Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	↑ 4%	↑ 10%	5%	3%	11%	-1%	12%	-7%	23%	11%
Savings deposits	↑ 14%	↑ 2%	14%	7%	16%	5%	14%	0%	13%	2%
CASA	↑ 10%	↑ 5%	10%	5%	14%	3%	13%	-3%	17%	5%
Term Deposits	↓ -7%	↓ -4%	13%	0.4%	14%	-2%	19%	-1%	25%	16%
Total Deposits	7%	3%	11%	4%	14%	2%	14%	-3%	18%	7%

Market Share (Domestic)	QoQ	QoQ	QoQ	QoQ	QoQ					
Industry	6,402,735	8%	5,920,093	5%	5,630,078	4%	5,418,431	-3%	5,599,098	10%
MCB	523,943	3%	506,426	5%	484,492	2%	476,896	-2%	489,106	7%
Share	↓ 8.18%		8.55%		8.61%		8.80%		8.74%	

*Industry figures have been obtained from external sources

Profit and Loss Statement

PAT and PBT increased by 7%, Of Group up by 9% and 8% respectively

Rs. In mln

	Unconsolidated				Consolidated			
	1H 12	1H 11	+/-	%	1H 12	1H 11	+/-	%
Mark-up Income	34,492	32,842	1,650	5%	34,527	32,864	1,663	5%
Mark-up Expense	13,587	10,615	2,972	28%	13,587	10,616	2,971	28%
Net Mark-up Income	20,905	22,227	(1,322)	-6%	20,940	22,248	(1,308)	-6%
Non Interest Income	5,195	4,153	1,043	25%	5,427	4,206	1,221	29%
Total Income	26,101	26,380	(279)	-1%	26,367	26,454	(87)	0%
Non Mark-up Expense	8,441	7,779	662	9%	8,616	7,946	670	8%
<i>admin expenses</i>	9,377	8,452	925	11%	9,552	8,619	933	11%
<i>PF reversal</i>	(1,167)	(1,293)	126	-10%	(1,167)	(1,293)	126	-10%
<i>other charges</i>	231	620	(389)	-63%	231	621	(389)	-63%
Profit before Provisions	17,659	18,601	(942)	-5%	17,751	18,508	(757)	-4%
Provisions	400	2,439	(2,039)	-84%	400	2,439	(2,039)	-84%
against Investments	(8)	197	(205)	-104%	(8)	197	(205)	(1)
against loans & advances	408	2,242	(1,834)	-82%	408	2,242	(1,834)	-82%
Profit before Tax	17,259	16,162	1,097	7%	17,351	16,069	1,282	8%
Share of Undertaking	0	0	-	-	169	215	(46)	-22%
Taxation	5,934	5,591	343	6%	5,976	5,654	322	6%
Profit after Tax	11,326	10,571	754	7%	11,543	10,630	913	9%



Net Interest Income

Income on advances decreased by 15%, on investments increased by 31% while expense on deposits went up by 23%

Rs. In mln

	June 2012	June 2011	Var.	% var.
MARK-UP EARNED	34,492	32,842	1,650	5%
On Loans and advances	15,058	17,670	(2,612)	-15%
On investments	19,173	14,587	4,586	31%
On deposits with financial institutions	23	28	(4)	-16%
On securities purchased under resale agreements	133	403	(271)	-67%
On money at call	12	40	(29)	-71%
Others	94	114	(20)	-17%
MARK-UP EXPENSED	13,587	10,615	2,972	28%
Deposits	11,320	9,219	2,101	23%
Securities under repurchase agreements	1,244	417	827	198%
Other short-term borrowings	664	593	71	12%
Discount, Commission and brokerage	267	281	(13)	-5%
Others	93	106	(13)	-13%
NIM	20,905	22,227	(1,322)	-6%





Non- Markup Income

Rs. In mln

	June 2012	June 2011	Var.	% var.
NON MARKUP INCOME	5,195	4,153	1,043	25%
Fee, Commission & Brokerage	2,895	2,439	456	19%
Dividend Income	797	352	445	126%
Income from dealing in Foreign Currencies	501	486	15	3%
Capital Gains	724	581	143	25%
Other Income	278	294	(16)	-6%

	June 2012	June 2011	Var.	% var.
FEE COMMISSION AND BROKERAGE INCOME	2,895	2,439	457	19%
Commission on consumer loan	175	176	(1)	-0.4%
Minimum balance charges	78	193	(115)	-59%
Commission on trade	517	492	25	5%
Commission on remittance	506	439	68	15%
Commission on utility bills	56	62	(5)	-9%
Exchange income on import / export bills purchased / negotiated	112	113	(0.1)	-0.1%
Commission on ATM / Debit Card	322	238	84	35%
Corporate Services charges / facility fee	29	21	8	37%
Corporate finance fee	58	46	13	28%
Other Commission	1,040	661	380	58%





Key Ratios

	BV*	ROA	ROE	EPS* (annualised)	CAR	ADR	Infection ratio	Coverage ratio
June 2012	92.16	3.38%	27.68%	24.62	22.15%	49.81%	10.00%	86.12%
Mar 2012	88.94	3.42%	28.09%	24.54	22.26%	49.37%	10.39%	85.00%
Dec 2011	85.79	3.18%	26.23%	21.12	21.79%	50.52%	10.75%	83.76%
Sep 2011	84.25	3.30%	28.21%	22.49	23.15%	54.58%	10.04%	83.14%
June 2011	81.56	3.53%	29.32%	22.98	22.26%	56.79%	9.02%	85.82%
Mar 2011	78.20	3.43%	28.48%	21.84	22.21%	60.49%	8.90%	82.71%
Dec 2010	75.21	3.13%	25.91%	18.34	22.07%	63.55%	8.95%	79.83%
Sep 2010	72.93	3.18%	26.00%	18.11	23.16%	58.47%	9.68%	76.65%
June 2010	70.39	3.05%	25.25%	17.27	21.15%	62.82%	9.16%	76.02%
Mar 2010	68.27	3.29%	26.74%	18.01	20.24%	66.29%	8.98%	74.36%
Dec 2009	66.40	3.25%	27.35%	16.85	19.07%	73.37%	8.62%	70.89%

*Includes the impact of bonus shares 2011



Awards and Recognitions



Ranked 606, in July 2011 edition (2010: 621) 3rd highest among the local Top 5



Best Bank of the Year 2011 and Most Stable Bank of the Year 2011



Best Bank In Pakistan 2011



Ranked among the Top 25 largest companies in Pakistan



Strongest Bank in Pakistan 2010



Joint 2nd runner-up in the banking sector - Best Presented Accounts and Corporate Governance Disclosure Awards 2010
Certificate of Merit for 2009 - Banking Sector subject to Prudential Supervision



Best Bank Led Mobile Money Transfer Program 2010

“Series of Awards Won”

2009 **Asiamoney:** Best Domestic Bank in Pakistan
2009 **The Asset:** Best Domestic Bank in Pakistan
2008 **Euromoney:** Best Bank in Asia
2008 **Euromoney:** Best Bank in Pakistan
2008 **Asiamoney:** Best Domestic Bank in Pakistan

2006 **Asiamoney:** Best Domestic Bank in Pakistan
2006 **Euromoney:** Best Bank in Pakistan
2005 **Asiamoney:** Best Domestic Bank in Pakistan
2005 **Euromoney:** Best Bank in Pakistan
2004 **Euromoney:** Best Bank in Pakistan

2004 **Asiamoney:** Best Domestic Bank in Pakistan
2003 **Euromoney:** Best Bank in Pakistan
2001 **Euromoney:** Best Bank in Pakistan
2000 **Euromoney:** Best Bank in Pakistan



Estd. 1951

“Best Corporate Report Award 2009 and 2010 – Banking Sector”



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