



**MCB**

**MCB Bank Limited**

**Investors Briefing**

**Financial Performance Analysis**

For the first quarter ended  
March 31, 2013

**Presented by:**  
**Hammad Khalid**

Head Investor Relations, Financial Reporting and Taxation

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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 4% in Equity

Rs. In mln

	Unconsolidated				Consolidated	
	Q1 13	YE 12	YoY	%	Q1 13	YE 12
<b>Assets</b>	<b>759,116</b>	<b>767,075</b>	<b>(7,959)</b>	<b>-1%</b>	<b>763,609</b>	<b>771,458</b>
Advances - net	240,384	239,583	801	0.3%	240,555	239,789
<i>Gross Advances</i>	<b>262,360</b>	262,392	(33)	-0.01%	<b>262,531</b>	262,598
Investments	402,733	402,069	664	0.2%	406,330	405,601
Cash and Balances with Banks & Lending to Financial Institutions	52,727	60,164	(7,437)	-12%	52,861	60,208
Other Assets	63,272	65,259	(1,987)	-3%	63,862	65,860
<b>Liabilities</b>	<b>654,796</b>	<b>664,604</b>	<b>(9,808)</b>	<b>-1%</b>	<b>655,261</b>	<b>664,983</b>
Deposits	565,799	545,061	20,738	4%	565,787	544,988
CASA	488,634	464,411	24,224	5%	488,623	464,338
<i>Term deposits</i>	<b>77,164</b>	80,650	(3,486)	-4%	<b>77,164</b>	80,650
Borrowings	49,504	78,951	(29,447)	-37%	49,611	79,064
Bills Payable	9,422	9,896	(474)	-5%	9,422	9,896
Other Liabilities	30,071	30,696	(625)	-2%	30,440	31,035
<b>Net Assets</b>	<b>104,320</b>	102,471	1,849	2%	<b>108,348</b>	106,475
<b>Equity without surplus (incl. M.I)</b>	<b>92,024</b>	88,877	3,147	4%	<b>95,088</b>	91,852





## Non Performing Loans (NPLs)

Coverage ratio at 88.97% (YE12: 89.23%), NPLs ratio at 9.41% (YE12: 9.74%)

	Mar 13	Dec 12	Sep 12	June 12	Mar 12
<b>Total NPLs</b>	<b>24,701</b>	<b>25,562</b>	<b>26,092</b>	<b>26,370</b>	<b>26,270</b>
QoQ	(861)	(530)	(278)	100	(395)
QoQ % variance	-3%	-2%	-1%	0.4%	-1%
<b>Substandard</b>	<b>333</b>	<b>286</b>	<b>1,815</b>	<b>1,807</b>	<b>2,008</b>
QoQ	47	(1,529)	8	(200)	(37)
QoQ % variance	16%	-84%	0.4%	-10%	-2%
<b>Doubtful</b>	<b>815</b>	<b>850</b>	<b>547</b>	<b>477</b>	<b>361</b>
QoQ	(35)	303	70	115	69
QoQ % variance	-4%	55%	15%	32%	24%
<b>Loss</b>	<b>23,548</b>	<b>24,426</b>	<b>23,714</b>	<b>24,074</b>	<b>23,890</b>
QoQ	(878)	712	(360)	184	(437)
QoQ % variance	-4%	3%	-1%	1%	-2%
<b>OAEM</b>	<b>5</b>	<b>-</b>	<b>16</b>	<b>12</b>	<b>11</b>
QoQ	5	(16)	4	1	11
QoQ % variance	100%	-100%	38%	9%	100%

Rs. In mln

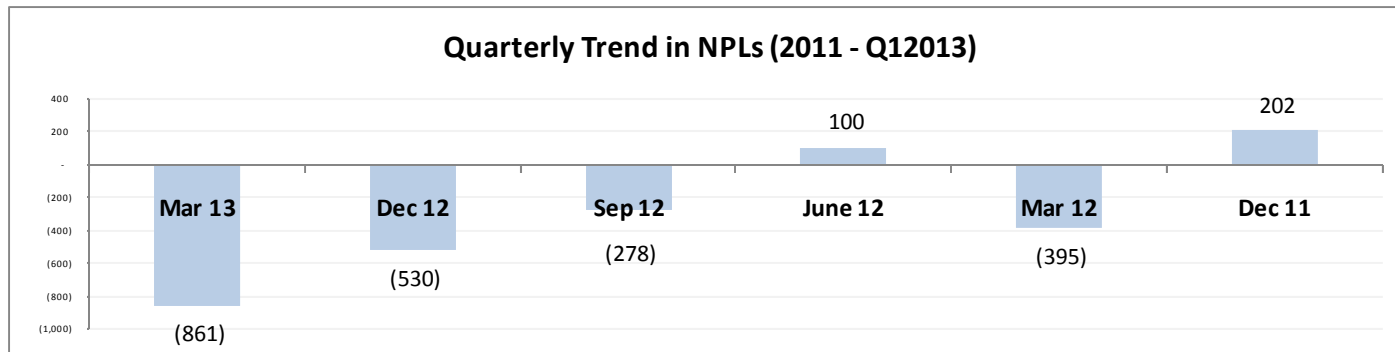
### Concentration of Category of NPLs

	Mar 13	Dec 12	Sep 12	June 12	Mar 12	Dec 11
Substandard	1.3%	1.1%	7.0%	6.9%	7.6%	7.7%
Doubtful	3.3%	3.3%	2.1%	1.8%	1.4%	1.1%
Loss	95.3%	95.6%	90.9%	91.3%	90.9%	91.2%

### Infection ratio vs. Industry - DOMESTIC

	Dec 2012	Sep 2012	June 2012	March 2012	Dec 2011
MCB	8.4%	9.0%	8.7%	9.1%	9.5%
Industry	15.7%	16.6%	17.0%	16.9%	17.5%

\*Based on NPLs (All Banks, source: sbp.org.pk)





## Investments

Increase of 5.8B in Pakistan Investment Bonds

	Mar 2013	Dec 2012			Mar 2012			Rs. In mln
		Dec 2012	Var.	% var.	Mar 2012	Var.	% var.	
Treasury Bills	288,591	290,834	↓ (2,243)	-1%	259,265	29,326	11%	
Pakistan Investment Bonds	90,901	85,105	↑ 5,796	7%	46,088	44,813	97%	
TFCs, Debentures, Bonds and PTCs	5,202	4,744	↑ 458	10%	4,012	1,190	30%	
Other Government Securities	2,160	1,694	↑ 466	28%	1,561	599	38%	
Shares in Listed and Unlisted Co.s/Open End Fund/NIT	9,214	11,107	↓ (1,893)	-17%	11,621	(2,407)	-21%	
Sukook Bonds	3,918	4,054	↓ (136)	-3%	5,237	(1,319)	-25%	
Subsidiaries & Associated Undertakings	1,636	1,636	-	0%	1,542	94	6%	
<b>Gross Investments</b>	<b>401,621</b>	<b>399,173</b>	<b>↑ 2,448</b>	<b>1%</b>	<b>329,326</b>	<b>72,296</b>	<b>22%</b>	
Provision for diminution in value of investments	(2,708)	(2,783)	75	-3%	(2,918)	210	-7%	
Surplus /(Deficit) on revaluation of securities	3,820	5,680	(1,860)	-33%	1,223	2,597	212%	
<b>Net Investments</b>	<b>402,733</b>	<b>402,069</b>	<b>↑ 664</b>	<b>0.2%</b>	<b>327,630</b>	<b>75,102</b>	<b>23%</b>	
<b>Concentration of Investments</b>								
T-Bills	71.66%	72.33%			79.13%			
PIBs	22.57%	21.17%			14.07%			
Debt instruments	3.08%	3.33%			2.78%			
Equity securities	2.29%	2.76%			3.55%			



## Deposits

CASA increased to 86%

### YTD increase/decrease

Current deposits  
Savings deposits  
CASA  
Term Deposits  
Total Deposits

### YTD

5%  
5%  
5%  
-4%  
4%

Rs. In mln

Q1 13		Q4 12		Q3 12		Q2 12		Q1 12	
Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix

### Deposits - Volume

	<b>565,799</b>		<b>545,061</b>		<b>541,613</b>		<b>529,366</b>		<b>512,067</b>	
Current deposits	199,695	35%	189,393	35%	185,571	34%	189,235	36%	171,706	34%
Savings deposits	288,939	51%	275,018	50%	270,527	50%	252,317	48%	249,521	49%
Term Deposits	77,164	14%	80,650	15%	85,515	16%	87,813	17%	90,840	18%

### CASA

	488,634	↑ 86%	464,411	85%	456,098	84%	441,553	83%	421,227	82%
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### Variance

	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	↑ 16%	↑ 5%	13%	2%	10%	-2%	4%	10%	5%	3%
Savings deposits	↑ 16%	↑ 5%	18%	2%	23%	7%	14%	1%	15%	7%
CASA	↑ 16%	↑ 5%	16%	2%	17%	3%	10%	5%	10%	5%
Term Deposits	↓ -15%	↓ -4%	-12%	-6%	-8%	-3%	-7%	-3%	12%	-1%
<b>Total Deposits</b>	<b>10%</b>	<b>4%</b>	<b>11%</b>	<b>1%</b>	<b>12%</b>	<b>2%</b>	<b>7%</b>	<b>3%</b>	<b>11%</b>	<b>4%</b>

### Market Share (Domestic)

	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Industry	6,776,747	↑ 1%	6,682,648	6%	6,315,373	-1%	6,402,735	8%	5,920,093	1%
MCB	559,693	↑ 4%	538,835	1%	535,869	2%	523,941	3%	506,439	5%
Share	↑ 8.26%		8.06%		8.49%		8.18%		8.55%	



## Profit and Loss Statement

PAT increased by 4% and PBT increased by 2%

Rs. In mln

	Unconsolidated				Consolidated			
	Q1 13	Q1 12	+/-	%	Q1 13	Q1 12	+/-	%
Mark-up Income	16,715	17,545	(830)	-5%	16,740	17,561	(821)	-5%
Mark-up Expense	6,993	6,847	146	2%	6,996	6,846	150	2%
<b>Net Mark-up Income</b>	<b>9,723</b>	<b>10,698</b>	<b>(976)</b>	<b>-9%</b>	<b>9,744</b>	<b>10,714</b>	<b>(970)</b>	<b>-9%</b>
Non Interest Income	2,350	2,413	(63)	-3%	2,417	2,509	(92)	-4%
<b>Total Income</b>	<b>12,073</b>	<b>13,112</b>	<b>(1,039)</b>	<b>-8%</b>	<b>12,161</b>	<b>13,223</b>	<b>(1,062)</b>	<b>-8%</b>
Non Mark-up Expense	4,236	4,494	(257)	-5.7%	4,318	4,575	(257)	-6%
<i>admin expenses</i>	4,338	4,423	(85)	-2%	4,420	4,505	(85)	-2%
<i>PF reversal</i>	(300)	(187)	(113)	61%	(300)	(187)	(113)	61%
<i>other charges</i>	198	257	(59)	-23%	198	257	(59)	-23%
<b>Profit before Provisions</b>	<b>7,837</b>	<b>8,618</b>	<b>(781)</b>	<b>-9%</b>	<b>7,843</b>	<b>8,648</b>	<b>(805)</b>	<b>-9%</b>
Provisions	-840	75	(916)	-1217%	-840	75	(916)	-1217%
against Investments	(29)	1	(30)	-5088%	(29)	1	(30)	(51)
against loans & advances	-811	75	(886)	-1186%	-811	75	(886)	-1186%
<b>Profit before Tax</b>	<b>8,677</b>	<b>8,543</b>	<b>134</b>	<b>2%</b>	<b>8,683</b>	<b>8,573</b>	<b>110</b>	<b>1%</b>
Share of Undertaking	0	0	-	-	185	130	55	42%
Taxation	2,909	2,972	(63)	-2%	2,966	3,009	(44)	-1%
<b>Profit after Tax</b>	<b>5,768</b>	<b>5,571</b>	<b>197</b>	<b>4%</b>	<b>5,903</b>	<b>5,694</b>	<b>209</b>	<b>4%</b>



## Non- Markup Income

	Rs. In mln			
	Q1 2013	Q1 2012	Var.	% var.
<b>NON MARKUP INCOME</b>	2,350	2,413	(63)	-3%
Fee, Commission & Brokerage	1,527	1,511	16	1%
Dividend Income	378	505	(127)	-25%
Income from dealing in Foreign Currencies	141	255	(115)	-45%
Capital Gains	205	54	151	279%
Other Income	100	88	12	14%





## Key Ratios

	BV*	ROA	ROE	EPS* (annualised)	CAR	ADR	Infection ratio	Coverage ratio **	Non- markup/Net Rev
Mar 2013	90.95	3.02%	25.51%	22.80	22.54%	46.37%	9.41%	88.97%	19.47%
Dec 2012	87.84	2.95%	24.96%	20.70	22.13%	48.14%	9.74%	89.23%	18.30%
Sep 2012	85.52	3.14%	26.87%	21.97	24.18%	46.29%	10.41%	85.79%	18.17%
June 2012	83.78	3.38%	27.68%	22.39	22.15%	49.81%	10.00%	86.12%	19.91%
Mar 2012	80.86	3.38%	27.73%	22.02	22.26%	49.37%	10.39%	85.00%	18.41%
Dec 2011	77.99	3.18%	26.23%	19.20	21.79%	50.52%	10.67%	83.76%	15.41%
Sep 2011	76.59	3.30%	28.21%	20.44	23.15%	54.58%	10.04%	83.14%	10.91%
June 2011	74.14	3.53%	29.32%	20.90	22.26%	56.79%	9.02%	85.82%	11.22%
Mar 2011	71.09	3.43%	28.48%	19.86	22.21%	60.49%	8.90%	82.71%	15.53%
Dec 2010	68.37	3.13%	25.91%	16.68	22.07%	63.55%	8.95%	79.83%	14.54%
Sep 2010	66.30	3.18%	26.00%	16.47	23.16%	58.47%	9.68%	76.65%	14.54%
June 2010	63.99	3.05%	25.25%	15.70	21.15%	62.82%	9.16%	76.02%	14.46%
Mar 2010	62.07	3.29%	26.74%	16.37	20.24%	66.29%	8.98%	74.36%	13.82%
Dec 2009	60.36	3.25%	27.35%	15.31	19.07%	73.37%	8.62%	70.89%	13.62%

\*Includes the impact of bonus shares 2012

\*\* Coverage ratio is based on specific plus general provision



## Awards and Recognitions



Estd. 1951

**'Runner-up Best Corporate Report Award (Banks) 2011'**

"Best Corporate Report Award 2010 – Banking Sector"

"Best Corporate Report Award 2009 – Banking Sector"



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



Best Bank Led Mobile Money Transfer Program 2010

**ASIAMONEY**

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



PCR Corporate Philanthropy Survey 2011: **Certificate of Philanthropy**  
**Ranked 25<sup>th</sup>** out of 490 PLCs (by volume of donations)



Investor Relations Award 2011: Runner-up  
Best Bank of the Year 2011  
Most Stable Bank of the Year 2011

**The Banker**  
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

2012: Ranked 624, 2011: Ranked 606, 2010: 621  
**Country Ranking: 3<sup>rd</sup>** highest among the local Top 5



Ranked among the **Top 25 Companies** in Pakistan  
2011: # 15, 2010: # 17, 2009: # 19,  
2008: # 23, 2007: # 23, 2005: # 15



**Best Commercial Bank – Pakistan 2012**



CSR Business Excellence Award 2012:  
Best Media Coverage



**2<sup>nd</sup> Runner Up Best Presented Annual Report Awards** and SAARC Anniversary Awards for Corporate Governance Disclosures 2011 – Category Private Sector Banks (including Co-operative Banks)  
**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



Strongest Bank in Pakistan 2010



Triple A Country Awards 2012:  
Best Domestic Bank - Pakistan



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](http://www.mcb.com.pk)

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[investor.relations@mcb.com.pk](mailto:investor.relations@mcb.com.pk)