



**MCB**

**MCB Bank Limited**

**Investors Briefing**

**Financial Performance Analysis**

For the quarter ended  
March 31, 2014

**Presented by:**  
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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 2% in Equity

Rs. In mln

	Unconsolidated				Consolidated			
	IQ 14	YE 13	YTD	%	IQ 14	YE 13	YTD	%
<b>Assets</b>	<b>827,252</b>	<b>815,508</b>	<b>11,743</b>	<b>1%</b>	<b>833,173</b>	<b>821,278</b>	<b>11,895</b>	<b>1%</b>
Advances - net	253,183	248,243	4,940	2.0%	253,403	248,522	4,881	2%
Investments	462,148	449,006	13,142	2.9%	467,098	453,808	13,290	3%
Cash and Balances with Banks & Lending to Financial Institutions	57,155	62,708	(5,552)	-9%	57,214	62,766	(5,552)	-9%
Other Assets (including Fixed Assets)	54,766	55,552	(786)	-1%	55,458	56,183	(724)	-1%
<b>Liabilities</b>	<b>713,701</b>	<b>705,277</b>	<b>8,424</b>	<b>1%</b>	<b>714,283</b>	<b>705,816</b>	<b>8,468</b>	<b>1%</b>
Deposits	627,144	632,330	(5,187)	-1%	627,128	632,309	(5,181)	-1%
Borrowings	48,755	38,543	10,213	26%	48,850	38,660	10,190	26%
Bills Payable	8,300	10,139	(1,839)	-18%	8,300	10,139	(1,839)	-18%
Other Liabilities	29,503	24,266	5,237	22%	30,005	24,707	5,298	21%
<b>Net Assets</b>	<b>113,550</b>	<b>110,231</b>	<b>3,319</b>	<b>3%</b>	<b>118,890</b>	<b>115,463</b>	<b>3,427</b>	<b>3%</b>
<b>Equity without surplus (incl. M.I)</b>	<b>99,226</b>	<b>97,272</b>	<b>1,954</b>	<b>2%</b>	<b>102,692</b>	<b>100,655</b>	<b>2,036</b>	<b>2%</b>



## Non Performing Loans (NPLs)

Coverage ratio\* at 85.66% (YE13: 85.74%), NPLs ratio improved to 8.26% (YE13: 8.68 %)

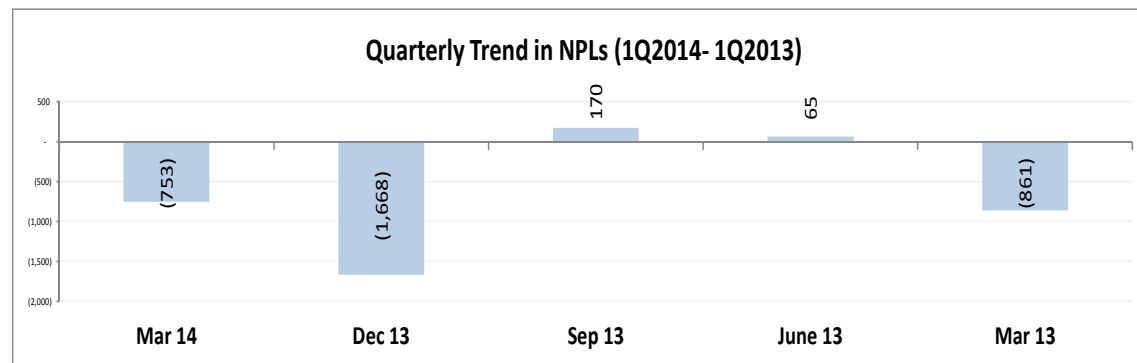
	Mar 14	Dec 13	Sep 13	June 13	Mar 13
<b>Total NPLs</b>	<b>22,514</b>	<b>23,268</b>	<b>24,936</b>	<b>24,766</b>	<b>24,701</b>
QoQ	(753)	(1,668)	170	65	(861)
QoQ % variance	-3.2%	-6.7%	0.7%	0.3%	-3%
<b>Substandard</b>	<b>205</b>	<b>219</b>	<b>1,568</b>	<b>875</b>	<b>333</b>
QoQ	(14)	(1,349)	693	542	47
QoQ % variance	-6%	-86%	79%	163%	16%
<b>Doubtful</b>	<b>1,517</b>	<b>1,453</b>	<b>891</b>	<b>897</b>	<b>815</b>
QoQ	64	562	(6)	82	(35)
QoQ % variance	4%	63%	-1%	10%	-4%
<b>Loss</b>	<b>20,737</b>	<b>21,560</b>	<b>22,446</b>	<b>22,987</b>	<b>23,548</b>
QoQ	(823)	(886)	(542)	(561)	(878)
QoQ % variance	-4%	-4%	-2%	-2%	-4%
<b>OAEM</b>	<b>55</b>	<b>36</b>	<b>31</b>	<b>7</b>	<b>5</b>
QoQ	20	4	24	2	5
QoQ % variance	55%	14%	349%	42%	100%

Rs. In mln

YTD (Mar14 vs. Dec13)		
	Var.	%
<b>Total NPLs</b>	(753)	-3%
Substandard	(14)	-5%
Doubtful	64	8%
Loss	(823)	-3%
OAEM	20	100%

### Concentration of Category of NPLs

	Mar 14	Dec 13	Sep 13	June 13	Mar 13
Substandard	0.91%	0.9%	6.3%	3.5%	1.3%
Doubtful	6.74%	6.2%	3.6%	3.6%	3.3%
Loss	92.10%	92.7%	90.0%	92.8%	95.3%
OAEM	0.25%	0.15%	0.13%	0.03%	0.02%



\* Coverage ratio = Specific plus General Provision

## Investments

Increase of Rs.+123.94B in Pakistan Investment Bonds & decrease of Rs. -111.58B in Market Treasury Bills .

Rs. In mln

	Mar 2014	Dec 2013	Var.	% var.	Composition of Investments	
					Mar 2014	Dec 2013
Treasury Bills	211,573	323,158	(111,584)	-35%	T-Bills	45.93% 72%
Pakistan Investment Bonds	231,555	107,615	123,940	115%	PIBs	50.27% 24%
TFCs, Debentures, Bonds and PTCs	3,847	3,736	111	3%	Equity securities	2.03% 2%
Euro Bonds	2,205	2,345	(140)	-6%	Debt instruments	1.77% 2%
Shares in Listed, Unlisted Co.s & Mutual funds	7,718	7,941	(222)	-3%		
Sukuks Bonds	2,099	3,143	(1,044)	-33%		
Subsidiaries & Associated Undertakings	1,636	1,636	-	0%		
<b>Investments at cost</b>	<b>460,633</b>	<b>449,574</b>	<b>11,060</b>	<b>2%</b>		
Prov for diminution in value of investments	(2,496)	(2,550)	54	2%		
Surplus /(Deficit) on revaluation of securities	4,010	1,982	2,028	102%		
<b>Investments at revalued amount - net of provision</b>	<b>462,148</b>	<b>449,006</b>	<b>13,142</b>	<b>3%</b>		



## Deposits

CASA reported at all time high of 91%, Increase recorded in Saving Deposits +2%

**YTD increase/decrease**

	YTD
Current deposits	-1%
Savings deposits	2%
CASA	1%
Term Deposits	-15%
<b>Total Deposits</b>	<b>-1%</b>

Rs. In mln

	Q1 14		Q4 13		Q3 13		Q2 13		Q1 13	
	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix
<b>Deposits - Volume</b>	<b>627,144</b>		<b>632,330</b>		<b>584,239</b>		<b>610,341</b>		<b>565,799</b>	
Current deposits	213,010	34%	214,524	34%	209,891	36%	221,913	36%	199,695	35%
Savings deposits	359,388	57%	353,204	56%	312,117	53%	312,685	51%	288,939	51%
Term Deposits	54,745	9%	64,602	10%	62,231	11%	75,743	12%	77,164	14%
<b>CASA</b>	<b>572,398</b>	<b>91%</b>	<b>567,728</b>	<b>90%</b>	<b>522,008</b>	<b>89%</b>	<b>534,598</b>	<b>88%</b>	<b>488,634</b>	<b>86%</b>
<b>Variance</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>
Current deposits	7%	-1%	13%	2%	13%	-5%	17%	11%	16%	5%
Savings deposits	24%	2%	30%	13%	15%	0%	24%	8%	16%	6%
<b>CASA</b>	<b>17%</b>	<b>1%</b>	<b>23%</b>	<b>9%</b>	<b>14%</b>	<b>-2%</b>	<b>21%</b>	<b>9%</b>	<b>16%</b>	<b>6%</b>
Term Deposits	-29%	-15%	-22%	4%	-27%	-18%	-14%	-2%	-15%	-7%
<b>Total Deposits</b>	<b>11%</b>	<b>-1%</b>	<b>16%</b>	<b>8%</b>	<b>8%</b>	<b>-4%</b>	<b>15%</b>	<b>8%</b>	<b>10%</b>	<b>4%</b>
<b>Market Share (Domestic)</b>		<b>QoQ</b>		<b>QoQ</b>		<b>QoQ</b>		<b>QoQ</b>		<b>QoQ</b>
Industry	7,571,267	1%	7,529,370	6%	7,131,557	-3%	7,316,341	8%	6,776,747	1%
MCB	620,263	-1%	624,458	8%	577,183	-4%	603,849	8%	559,693	4%
Share	8.19%		8.29%		8.09%		8.25%		8.26%	



## Profit and Loss Statement

Rs. In mln

*PAT decreased by 4% and PBT decreased by 4%*

	Unconsolidated				Consolidated			
	IQ 14	IQ 13	+/-	%	IQ 14	IQ 13	+/-	%
Mark-up Income	17,935	16,715	1,220	7%	17,961	16,740	1,221	7%
Mark-up Expense	7,921	6,993	928	13%	7,922	6,996	927	13%
<b>Net Mark-up Income</b>	<b>10,014</b>	<b>9,723</b>	<b>291</b>	<b>3%</b>	<b>10,038</b>	<b>9,744</b>	<b>294</b>	<b>3%</b>
Non Interest Income	2,740	2,350	390	17%	2,834	2,417	417	17%
<b>Total Income</b>	<b>12,754</b>	<b>12,073</b>	<b>681</b>	<b>6%</b>	<b>12,872</b>	<b>12,161</b>	<b>711</b>	<b>6%</b>
Non Mark-up Expense	4,982	4,236	745	18%	5,074	4,318	756	18%
<i>admin expenses</i>	4,880	4,338	542	12%	4,973	4,420	552	12%
<i>PF reversal</i>	(75)	(300)	225	-75%	(75)	(300)	225	-75%
<i>other charges</i>	176	198	(22)	-11%	176	198	(22)	-11%
Share of Undertaking	-	-	-	-	189	185	4	2%
<b>Profit before Provisions</b>	<b>7,773</b>	<b>7,837</b>	<b>(64)</b>	<b>-1%</b>	<b>7,988</b>	<b>8,028</b>	<b>(40)</b>	<b>-1%</b>
Provisions	(583)	(840)	257	-31%	(583)	(840)	257	-31%
against Investments	(30)	(29)	(1)	3%	(30)	(29)	(1)	3%
against loans & advances	(553)	(811)	258	-32%	(553)	(811)	258	-32%
<b>Profit before Tax</b>	<b>8,356</b>	<b>8,677</b>	<b>(321)</b>	<b>-4%</b>	<b>8,571</b>	<b>8,868</b>	<b>(297)</b>	<b>-3%</b>
Taxation	2,844	2,909	(65)	-2%	2,896	2,966	(69)	-2%
<b>Profit after Tax</b>	<b>5,512</b>	<b>5,768</b>	<b>(256)</b>	<b>-4%</b>	<b>5,675</b>	<b>5,903</b>	<b>(228)</b>	<b>-4%</b>



## Non- Markup Income

Rs. In mln

	Mar 2014	Mar 2013			Budgeted Dec 2014		
		Mar 2013	Var.	% var.	Budgeted Dec 2014	Var.	% var.
<b>NON MARKUP INCOME</b>	2,740	2,350	390	17%	2,572	168	7%
Fee, Commission & Brokerage	1,685	1,527	158	10%	1,869	(184)	-10%
Dividend Income	278	378	(100)	-27%	310	(33)	-10%
Income from dealing in Foreign Currencies	416	141	276	196%	295	122	41%
Capital Gains	254	205	50	24%	65	189	291%
Other Income	107	100	7	7%	34	74	219%





## Key Ratios

	BV*	ROA	ROE	EPS* (annualised)	CAR	ADR	Infection ratio	Coverage ratio**	Coverage (incl. benefit of liquid sec)***	Non- markup/Total Rev
<b>Mar 2014</b>	<b>89.15</b>	<b>2.68%</b>	<b>22.44%</b>	<b>19.81</b>	<b>21.10%</b>	<b>43.45%</b>	<b>8.26%</b>	<b>85.66%</b>	<b>94.23%</b>	<b>13.25%</b>
Dec 2013	87.39	2.72%	23.09%	19.31	22.25%	42.41%	8.68%	85.74%	94.66%	14.65%
Sep 2013	86.81	3.03%	24.70%	20.58	24.77%	41.98%	10.17%	84.28%	92.65%	15.00%
June 2013	85.05	3.08%	25.91%	21.36	23.96%	40.08%	10.12%	86.92%	95.42%	15.05%
Mar 2013	82.68	3.02%	25.51%	20.73	22.54%	46.37%	9.41%	88.97%	97.22%	12.33%
Dec 2012	79.85	2.91%	24.64%	18.57	22.13%	48.14%	9.74%	89.23%	87.55%	11.81%
Sep 2012	77.75	3.14%	26.87%	19.83	24.18%	46.29%	10.41%	85.79%	93.58%	11.79%
June 2012	76.17	3.35%	27.38%	20.14	22.15%	49.81%	10.00%	86.12%	94.30%	13.09%
Mar 2012	73.51	3.38%	27.73%	20.02	22.26%	49.37%	10.39%	85.00%	95.87%	12.09%
Dec 2011	70.90	3.18%	26.23%	17.45	21.79%	50.88%	10.67%	83.76%	94.74%	10.64%
Sep 2011	69.63	3.30%	28.21%	18.59	23.15%	54.58%	10.04%	83.14%	93.46%	10.91%
June 2011	67.40	3.53%	29.32%	19.00	22.26%	56.79%	9.02%	85.82%	96.46%	11.22%
Mar 2011	64.63	3.43%	28.48%	18.05	22.21%	60.49%	8.90%	82.71%	93.22%	11.88%
Dec 2010	62.15	3.13%	25.91%	15.16	22.07%	63.55%	8.95%	79.83%	91.82%	10.26%
Sep 2010	60.27	3.18%	26.00%	14.97	23.16%	58.47%	9.68%	76.65%	88.10%	10.24%
June 2010	58.18	3.05%	25.25%	14.27	21.15%	62.82%	9.16%	76.02%	87.22%	10.18%
Mar 2010	56.42	3.29%	26.74%	14.88	20.24%	66.29%	8.98%	74.36%	86.53%	9.66%
Dec 2009	54.87	3.25%	27.35%	13.92	19.07%	73.37%	8.62%	70.89%	83.41%	9.86%

\* Annualised & Includes the impact of bonus shares 2012

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

\*\*\* Coverage ratio based on specific provision plus benefit of liquid securities

\*\*\*\* under Basel-III



## Awards and Recognitions



**“Best Corporate Report Award 2012 – Banking Sector”**

‘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**

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