



MCB Bank Limited

FOURTH QUARTER 2009

March 2010

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Important Information about Results Presentation

- Certain prior period financial numbers have been reclassified to conform to current period results presentation
- All numbers are presented on consolidated basis, unless stated otherwise



4Q 2009 Financial Highlights

Balance Sheet

- Deposits reached Rs. 368B, an increase of 11% YoY & 2% on quarterly basis. CASA increased by 14% YoY, passing the Rs. 300B mark to end the year at Rs. 305B
- Gross advances were Rs. 270B, a decrease of 1% YoY and increase of 7% QoQ. NPL ratio stood at 8.6% at Dec '09

Income Statement

- Net interest income increased 12% YoY and 7% QoQ to Rs. 9.2B
- Non interest income increased by 39% YoY and 47% QoQ to Rs. 1.8B , due to solid contribution from capital markets investments
 - Fee income increased 9% YoY and 1% QoQ
- Provisions were Rs. 2.3B for Q4 '09, on the back of a name-specific corporate NPL, cleanup of consumer book and provisions on our equity investment book carried forward from Dec '08
- Non-interest expenses excluding Pension Fund (PF) reversal was Rs. 4.2B, up 14% QoQ and 12% YoY. For FY '09, Admin expenses increased 8% (pre-PF) while salary expenses were 1% lower
- PF reversal was Rs. 1,109M in 4Q09, bringing total PF reversal to Rs. 3.9B for FY '09, down Rs. 1.5B or 27% compared to FY '08.
- PBT was Rs. 5B, an increase of 6% YoY and decrease of 23% QoQ, as higher revenues were offset by a higher provision charge and lower contribution from associate
- Net income was Rs. 3.2B on revenues of Rs. 11B

Key Ratios

- Reported EPS for 4th Quarter was Rs. 4.7, or Rs 4.2 - diluted for 10% bonus issues
- A 35% cash dividend and 10% bonus shares were announced
- ROAA was 3.3% for FY '09 and 2.6% as of 4Q '09 and ROAE 27% for FY '09 and 21% as of 4Q '09



4Q 2009 Consolidated Highlights

PKR mm	O (U) PKR			O (U) %	
	4Q09	4Q08	3Q09	4Q08	3Q09
Net mark-up interest income	9,150	1,002	628	12%	7%
Non-interest income	1,762	498	563	39%	47%
Total Revenue	10,912	1,500	1,191	16%	12%
Profit before Tax	4,966	273	(1,508)	6%	(23%)
Net Income	3,214	412	(1,317)	15%	(29%)
EPS (reported)	4.65	0.6	(1.9)	15%	(29%)
Advances (net)	253,248	(8,886)	14,958	(3%)	6%
Deposits	367,581	37,429	5,484	11%	2%
Actuals					
ROAE	21%	21%	30%		
ROAA	2.6%	2.5%	3.9%		
NIM (1)	8.6%	8.6%	8.4%		

(1) NIM = (Net Interest Income / (Avg. Bal. with other banks + Avg. Lendings to Fin. Institutions + Avg. Investments-net + Avg. Gross Advances))*4



4Q 2009 Standalone Highlights

PKR mm	O (U) PKR			O (U) %	
	4Q09	4Q08	3Q09	4Q08	3Q09
Net mark-up interest income	9,148	969	628	12%	7%
Non-interest income	1,719	421	536	32%	45%
Total Revenue	10,867	1,390	1,164	15%	12%
Profit before Tax	5,502	(70)	(462)	(1%)	(8%)
Net Income	3,690	(61)	(358)	(2%)	(9%)
EPS (reported)	5.34	(0.1)	(0.5)	(2%)	(9%)

Actuals

ROAE	25%	29%	28%
ROAA	3.0%	3.3%	3.5%
NIM (1)	8.6%	8.6%	8.5%



4Q 2009 Income Statement

PKR mm	O (U) PKR			O (U) %	
	4Q09	4Q08	3Q09	4Q08	3Q09
Mark-up Interest Earned	13,328	1,368	976	11%	8%
Mark-up Interest Expensed	4,178	366	348	10%	9%
Net mark-up / interest income	9,150	1,002	628	12%	7%
Non mark-up / interest income	1,762	498	563	39%	47%
Total revenue	10,912	1,500	1,191	16%	12%
Provisions / bad debt writeoffs	2,308	496	1,188	27%	106%
Non-interest expense	3,103	1,016	461	49%	17%
Non-interest expense exclud. PF	4,213	445	521	12%	14%
Pension fund reversal	1,109	(571)	59	(34%)	6%
Profit from associates	(534)	285	(1,049)	(35%)	(204)%
Profit before tax	4,966	273	(1,508)	6%	(23)%
Taxation	1,752	(139)	(190)	(7)%	(10)%
Net income	3,214	412	(1,317)	15%	(29)%
<i>Effective tax rate</i>	35%	40%	30%		



Non Interest Income

PKR mm	4Q09	O (U) PKR		O (U) %	
		4Q08	3Q09	4Q08	3Q09
Fee, commission and brokerage income	806	69	7	9%	1%
Income earned as trustee to various funds	5	0	1	4%	20%
Dividend income	86	37	(21)	76%	(20)%
Income from dealing in foreign currencies	77	(117)	114	(60%)	(308%)
Gain on sale of securities - net	541	536	398	9378%	278%
Gain / (loss) on trading in government securities - net	0	-	-	-	-
Unrealised loss on revaluation of invest. Classif. HFT	4	60	26	(108)%	(120)%
Other income	243	(87)	38	(26%)	18%
Total non mark-up / interest income	1,762	498	563	39%	47%

Administrative Expenses

PKR mm	O (U)		
	FY09	FY08	FY08
Salaries and allowances	6,517	(38)	-1%
Defined plans	347	274	378%
Provident contribution	151	16	12%
Rent, taxes, insurance, electricity	1,367	323	31%
Communications	998	149	17%
Repair & maintenance	540	29	6%
Cash transportation charges	516	117	29%
Depreciation	918	95	12%
Amortisation	155	12	8%
Travelling and fuel	591	(31)	-5%
Petty capital	49	(54)	-52%
Credit card related	54	(10)	-16%
Other	1,952	204	12%
Admin exclud. PF	14,155	1,085	8%
PF reversal	(3,923)	1,476	-27%

Deposit Base

PKR Bn	% Total				O (U) PKR		O (U) %	
	4Q09	4Q09	4Q08	3Q09	4Q08	3Q09	4Q08	3Q09
Fixed deposits	63	17%	16%	19%	1	4	2%	7%
Savings (1)	176	48%	49%	47%	20	3	13%	2%
Current (2)	129	35%	36%	34%	17	-2	15%	(1)%
Total deposits	368	100%	100%	100%	37	5	11%	2%
CASA deposits	305	83%	84%	81%	36	1	14%	0%

- Deposits grew 11% YoY and 2% as compared to 3Q '09
 - CASA deposits increased by Rs. 36B or 14% YoY
 - Saving deposits increased by Rs. 20B or 13% YoY
- Over the year, the mix of deposits has changed with CASA deposits representing 83% of total deposits at Dec '09

Loan Portfolio

PKR bn	4Q09	% of Total	O (U) PKR		O (U) %	
			4Q08	3Q09	4Q08	3Q09
Corporate	170	63%	21	11	14%	7%
Commercial	54	20%	(19)	5	-26%	11%
Consumer	27	10%	(6)	(2)	-18%	-6%
Islamic	4	1%	(1)	1	-23%	19%
Other	16	6%	2	2	14%	11%
Gross advances	270	100%	(3)	17	-1%	7%
ADR (gross) %	73%		83%	70%		
ADR (net) %	69%		79%	66%		

■ Total loan portfolio fell by Rs. 3B YoY and increased Rs. 17B QoQ

- Corporate lending increased 14% YoY and 7% QoQ
- Commercial loan book decreased 26% YoY and increased 11% QoQ
- Consumer lending decreased 18% YoY and 6% QoQ



Asset Quality

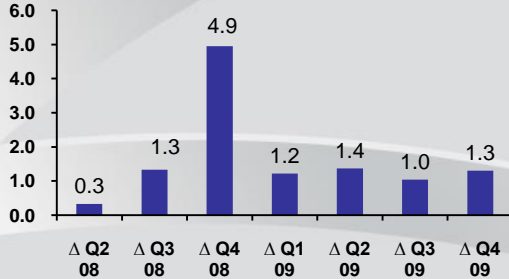
PKR mm				O (U) PKR		O (U) %	
	4Q09	4Q08	3Q09	4Q08	3Q09	4Q08	3Q09
Gross loans	269,721	272,846	253,167	(3,125)	16,554	-1%	7%
NPL	23,239	18,269	21,854	4,970	1,385	27%	6%
Provisionings (period)	2,308	1,812	1,120	496	1,188	27%	106%
Total provisions	16,473	10,712	14,876	5,761	1,597	54%	11%
NPL: Loans	8.62%	6.70%	8.63%				
Provision: NPLs	71%	59%	68%				

- Non-performing loans increased 6% QoQ to Rs. 23,239M
- NPLs are 71% provisioned at the end of 4Q '09

NPLs

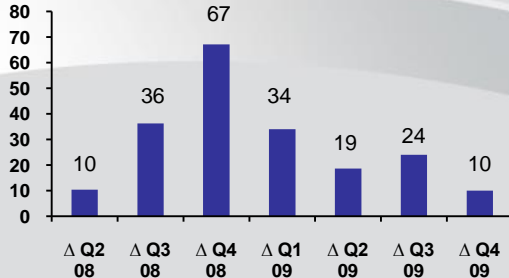
QoQ Change in MCB NPLs

PKR Bil



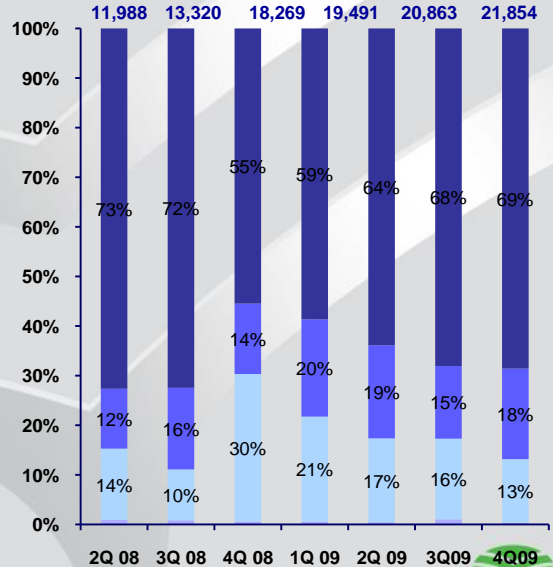
QoQ Change in System NPLs

PKR Bil



MCB NPLs breakdown by Category

■ OAEM ■ Substandard ■ Doubtful ■ Loss



Capital Strength

	<u>Q4 09</u>	<u>Q4 08</u>
Total assets	511,742	445,286
Tier 1 Capital	60,841	52,375
Tier 2 Capital	3,794	2,307
Risk weighted assets	338,372	334,032
Tier 1 Capital Ratio	18.0%	15.7%
Tier 2 Capital Ratio	1.1%	0.7%
Total Capital Adequacy	19.1%	16.4%

- Tier 1 capital ratio was 18% at Q4 09
- Capital Adequacy ratio was 19% at Q4 09



**Thank you
&
Question & Answer Session**

