



MCB

MCB Bank Limited

Investors Briefing

Financial Performance Analysis

For the Nine Months ended
September 30, 2015

Presented by:
Hammad Khalid

Head Investor Relations, Financial Reporting and Taxation

Disclaimer

THIS PRESENTATION IS BEING PRESENTED TO YOU SOLELY FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE.

This presentation might contain certain “forward looking statements.” These forward looking statements that include words or phrases such as the Company or its management “believes”, “expects”, “anticipates”, “intends”, “plans”, “foresees”, or other words or phrases of similar import. Similarly, statements that describe the Company’s objectives, plans or goals also are forward-looking statements.

All such forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Such forward looking statements are made based on management’s current expectations or beliefs as well as assumptions made by, and information currently available to, management.

The Company, nor any of their respective affiliates, shareholders, directors, employees, agents or advisers, makes expressed or implied representations or warranties as to the accuracy and completeness of the information contained herein and none of them shall accept any responsibility or liability (including any third party liability) for any loss or damage, whether or not arising from any error or omission in compiling such information or as a result of any party’s reliance or use of such information.

The information and opinions in this presentation are subject to change without notice. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this presentation.

By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

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

Rs. in mln

Increase of 5% in Equity

	Unconsolidated				Consolidated			
	Sep-2015	2014	YTD	%	Sep-2015	2014	YTD	%
Assets	1,036,083	934,631	101,451	11%	1,037,445	941,606	95,838	10.2%
Advances - net	307,557	303,559	3,998	1.3%	307,754	304,001	3,753	1.2%
Investments	615,500	511,137	104,363	20.4%	610,571	516,898	93,672	18.1%
Cash and Balances with Banks & Lending to Financial Institutions	55,968	51,188	4,780	9%	61,228	51,236	9,992	19.5%
Other Assets (Including Fixed Assets)	57,058	68,747	-11,689	-17%	57,893	69,472	-11,579	-16.7%
Liabilities	897,383	804,527	92,856	12%	893,726	805,337	88,388	11.0%
Deposits	712,197	688,330	23,867	3%	707,028	688,270	18,758	2.7%
Borrowings	138,712	59,543	79,169	133%	138,912	59,777	79,135	132.4%
Bills Payable	9,286	16,628	-7,341	-44%	9,286	16,628	-7,341	-44.2%
Other Liabilities (Including Differed Tax)	37,188	40,027	-2,839	-7%	38,499	40,663	-2,164	-5.3%
Net Assets	138,699	130,104	8,595	7%	143,719	136,269	7,450	5.5%
Equity without surplus (incl. M.I)	112,643	106,908	5,735	5%	116,012	110,607	5,405	4.9%

Non Performing Loans (NPLs)

Rs. In mln

Coverage ratio* at 85.16% (YE14: 85.62%), NPLs ratio improved to 6.40% (YE14: 6.80 %)

	Sep 15	June 15	Mar 15	Dec 14	Sep 14
Total NPLs	20,814	21,201	21,684	21,908	21,925
QoQ	(387)	(483)	(224)	(17)	(175)
QoQ % variance	-2%	-2%	-1%	0%	-1%
Substandard	254	299	215	234	324
QoQ	(45)	84	(19)	(90)	118
QoQ % variance	-15%	39%	-8%	-28%	57%
Doubtful	678	865	972	874	920
QoQ	(187)	(107)	99	(46)	37
QoQ % variance	-22%	-11%	11%	-5%	4%
Loss	19,830	19,984	20,467	20,749	20,596
QoQ	(154)	(483)	(282)	153	(367)
QoQ % variance	-1%	-2%	-1%	1%	-2%
OAEM	52	53	29	50	85
QoQ	(1)	23	(21)	(35)	37
QoQ % variance	-1%	79%	-42%	-41%	76%

YTD (Sep 15 vs. Dec 14)		
	Var.	%
Total NPLs	(1,094)	-5%
Substandard	20	9%
Doubtful	(196)	-22%
Loss	(920)	-4%
OAEM	1	3%

Concentration of Category of NPLs

	Sep 15	June 15	Mar 15	Dec 14	Sep 14
Substandard	1.22%	1.4%	1.0%	1.1%	1.5%
Doubtful	3.26%	4.1%	4.5%	4.0%	4.2%
Loss	95.27%	94.3%	94.4%	94.7%	93.9%
OAEM	0.25%	0.2%	0.1%	0.2%	0.4%

* Coverage ratio = Specific plus General Provision

Investments

Increase of Rs. 129.27B in Market Treasury Bills & decrease of Rs. 46.78B in Pakistan Investment Bonds .

Rs. In mln

	Sep 2015	Dec 2014	Var.	% var.	Composition of Investments	
					Sep 2015	Dec 2014
Treasury Bills	270,804	141,538	129,266	91%	T-Bills	45.60% 29%
Pakistan Investment Bonds	282,211	328,987	(46,776)	-14%	PIBs	47.52% 66%
TFCs, Debentures, Bonds and PTCs	5,384	4,448	937	21%	Equity securities	4.62% 3%
Euro Bonds	2,415	2,284	131	6%	Debt instruments	2.26% 2%
Shares in Listed, Unlisted Co.s & Mutual funds	15,662	12,151	3,511	29%		
Sukuks Bonds	5,620	3,960	1,661	42%		
Subsidiaries & Associated Undertakings	11,784	1,573	10,212	649%		
Investments at cost	593,881	494,940	98,941	20%		
Prov for diminution in value of investments	(1,347)	(1,703)	355	21%		
Surplus on revaluation of securities	22,966	17,900	5,066	28%		
Investments at revalued amount - net of provision	615,500	511,137	104,363	20%		

Deposits

CASA reported at all time high of 93%, Increase recorded in Current Deposits +10%, Saving Deposits +4%

Rs. In mln	
YTD increase/decrease	YTD
Current deposits	10%
Savings deposits	4%
CASA	6%
Term Deposits	-24%
Total Deposits	3%

Q3 15		Q2 15		Q1 15		Q4 14		Q3 14	
Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix

Deposits - Volume	712,197		765,791		736,157		688,330		666,344	
Current deposits	260,294	37%	303,474	40%	258,949	35%	236,427	34%	226,008	34%
Savings deposits	404,564	57%	408,359	53%	413,424	56%	389,685	57%	380,252	57%
Term Deposits	47,338	7%	53,958	7%	63,784	9%	62,218	9%	60,084	9%
CASA	664,859	93.35%	711,833	92.95%	672,373	91.34%	626,112	90.96%	606,260	90.98%

Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	15%	-14%	15%	17%	22%	10%	10%	5%	8%	-14%
Savings deposits	6%	-1%	12%	-1%	15%	6%	10%	2%	22%	5%
CASA	10%	-7%	13%	6%	17%	7%	10%	3%	16%	-3%
Term Deposits	-21%	-12%	-7%	-15%	17%	3%	-4%	4%	-3%	3%
Total Deposits	7%	-7%	12%	4%	17%	7%	9%	3%	14%	-3%

Market Share (Domestic)	QoQ	QoQ	QoQ	QoQ	QoQ					
Industry	9,060,700	-1%	9,141,126	7%	8,508,337	2%	8,342,172	4%	8,036,547	-1%
MCB	700,454	-7%	755,448	4%	727,415	7%	679,977	3%	658,254	-3%
Share	↓ 7.73%	↓ 8.26%	↑ 8.55%	↓ 8.15%	8.19%					

Profit and Loss Statement

Rs. In mln

Standalone PBT increased by 24% and PAT increased by 12%

	Unconsolidated				Consolidated			
	Sep-2015	Sep-14	+/-	%	Sep-2015	Sep-14	+/-	%
Mark-up Income	61,572	56,785	4,786	8%	61,679	56,881	4,798	8.4%
Mark-up Expense	24,687	24,771	(84)	0%	24,680	24,780	(100)	-0.4%
Net Mark-up Income	36,885	32,014	4,871	15%	36,999	32,101	4,898	15.3%
Non Interest Income	13,478	9,550	3,929	41%	13,664	9,857	3,807	38.6%
Total Income	50,363	41,564	8,799	21%	50,663	41,958	8,705	20.7%
Non Mark-up Expense	17,380	15,467	1,913	12%	17,720	15,764	1,956	12.4%
<i>admin expenses</i>	16,973	15,300	1,673	11%	17,314	15,597	1,717	11.0%
<i>PF reversal</i>	(463)	(545)	82	-15%	(463)	(545)	82	-15.0%
<i>other charges</i>	869	712	158	22%	870	712	158	22.2%
Share of Undertaking	-	-	-	-	685	425	260	61.2%
Profit before Provisions	32,983	26,097	6,886	26%	33,627	26,619	7,009	26.3%
Provisions	(1,085)	(1,410)	326	-23%	(1,085)	(1,406)	321	-22.8%
against Investments	(15)	(78)	63	-81%	(15)	(78)	63	-81.2%
against loans & advances	(1,070)	(1,332)	262	-20%	(1,070)	(1,328)	258	-19.4%
Profit before Tax	34,068	27,507	6,561	24%	34,712	28,025	6,688	23.9%
Taxation	13,853	9,383	4,469	48%	14,559	9,516	5,044	53.0%
Profit after Tax	20,215	18,124	2,092	12%	20,153	18,509	1,644	8.9%

Non- Markup Income

Rs. In mln

	Sep 2015						
		Sep 2014	Var.	% var.	Budgeted Sep 2015	Var.	% var.
NON MARKUP INCOME	13,478	9,550	3,929	41%	9,579	3,899	41%
Fee, Commission & Brokerage	6,323	5,111	1,212	24%	6,005	318	5%
Dividend Income	797	679	118	17%	800	(3)	0%
Income from dealing in Foreign Currencies	733	1,056	(323)	-31%	1,244	(511)	-41%
Capital Gains	4,414	1,268	3,146	248%	982	3,432	349%
Other Income	1,211	1,435	(224)	-16%	548	663	121%

Capital Gains	Sep 2015	Sep 2014	Var.	% var.
Federal Government Securities				
-Market Treasury Bills	48	(36)	84	-233%
-Pakistan Investment Bonds	2,069	67	2,002	2977%
Listed Shares / Units	2,317	1,242	1,075	87%
	4,434	1,273	3,161	248%

Key Ratios

	BV	ROA	ROE	EPS (annualised)	CAR	ADR	Infection ratio	Coverage ratio*	Coverage (incl. benefit of liquid sec)**	Non- markup/Total Rev
Sep 2015	101.20	2.74%	24.55%	24.22	20.13%	45.67%	6.40%	85.16%	94.08%	26.76%
June 2015	99.21	2.68%	24.92%	24.33	19.02%	43.52%	6.36%	84.98%	93.59%	27.52%
Mar 2015	99.19	3.25%	29.13%	28.43	19.54%	43.76%	6.73%	85.36%	93.87%	30.45%
Dec 2014	96.05	2.78%	23.83%	21.85	20.41%	46.83%	6.80%	85.62%	94.00%	23.59%
Sep 2014	94.09	2.87%	23.93%	21.71	20.46%	46.24%	7.12%	84.62%	95.11%	22.98%
June 2014	91.68	2.79%	23.53%	21.07	20.22%	44.19%	7.29%	85.60%	94.15%	20.29%
Mar 2014	89.15	2.68%	22.44%	19.81	21.09%	43.45%	8.26%	85.66%	94.23%	21.49%
Dec 2013	87.39	2.72%	23.09%	19.31	22.25%	42.41%	8.68%	85.74%	94.66%	22.78%
Sep 2013	86.81	3.03%	24.70%	20.58	24.77%	41.98%	10.17%	84.28%	92.65%	23.09%
June 2013	85.05	3.08%	25.91%	21.36	23.96%	40.08%	10.12%	86.92%	95.42%	23.70%
Mar 2013	82.68	3.02%	25.51%	20.73	22.54%	46.37%	9.41%	88.97%	97.22%	19.47%
Dec 2012	79.85	2.91%	24.59%	18.57	22.24%	48.14%	9.74%	89.23%	87.55%	18.30%
Sep 2012	77.75	3.14%	26.87%	19.83	24.18%	46.29%	10.41%	85.79%	93.58%	18.17%
June 2012	76.17	3.35%	27.38%	20.14	22.15%	49.81%	10.00%	86.12%	94.30%	19.91%
Mar 2012	73.51	3.38%	27.73%	20.02	22.26%	49.37%	10.39%	85.00%	95.87%	18.41%
Dec 2011	71.22	3.18%	26.17%	17.45	21.79%	50.88%	10.67%	83.76%	94.74%	15.41%

* Coverage ratio is based on specific plus general provision

** Coverage ratio based on specific provision (excl. GP) plus benefit of liquid securities

Net revenue= net markup income + non-markup income

International Recognition

Awards / Accolades



“Best Corporate Report Award 2014 – Banking Sector”

“Best Corporate Report Award 2013 – Banking Sector”

“Winner of Best Corporate Report Award 2012 – Banking Sector”

“Runner-up Best Corporate Report Award (Banking Sector) 2011”

“Winner of Best Corporate Report Award 2010 – Banking Sector”

“Winner of Best Corporate Report Award 2009 – Banking Sector”



Best bank in Pakistan - 2015



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



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



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



Best Commercial Bank – Pakistan 2012



CSR Business Excellence Award 2012: **Best Media Coverage**



1st Runner Up Best Presented Annual Report Awards 2013 – Category Private Sector Banks
2nd Runner Up Best Presented Annual Report Awards 2012– Category Private Sector 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 2014
Strongest Bank in Pakistan 2010



Triple A Country Awards
Best Domestic Bank – Pakistan 2014: 2013: 2012: 2011: 2010
Best Bank – Pakistan 2014



Best Bank Led Mobile Money Transfer Program 2010



2012: Ranked 624, 2011: Ranked 606, 2010: 621
Country Ranking: 3rd highest among the local Top 5



The QFC Asian Banker Leadership Achievement Award 2010



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





MCB

MCB Bank Limited

Thankyou

For further details on MCB Bank Limited, please visit www.mcb.com.pk

For any query/comments/feedback, please e-mail
investor.relations@mcb.com.pk