



MCB

MCB Bank Limited

Investors Briefing

Financial Performance Analysis

For the Nine Months ended
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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

Rs. in mln

Increase of 8% in Equity

	Unconsolidated				Consolidated			
	9M 14	YE 13	YTD	%	9M 14	YE 13	YTD	%
Assets	868,845	815,508	53,336	7%	875,529	821,278	54,250	7%
Advances - net	289,558	248,243	41,315	16.6%	289,711	248,522	41,189	17%
Investments	459,664	449,006	10,658	2.4%	465,425	453,808	11,617	3%
Cash and Balances with Banks & Lending to Financial Institutions	60,603	62,708	(2,105)	-3%	60,656	62,766	(2,109)	-3%
Other Assets	59,019	55,552	3,467	6%	59,736	56,183	3,553	6%
Liabilities	752,423	705,277	47,145	7%	753,149	705,816	47,333	7%
Deposits	666,344	632,330	34,014	5%	666,326	632,309	34,017	5%
Borrowings	49,352	38,543	10,810	28%	49,511	38,660	10,851	28%
Bills Payable	8,771	10,139	(1,368)	-13%	8,771	10,139	(1,368)	-13%
Other Liabilities	27,956	24,266	3,690	15%	28,541	24,707	3,834	16%
Net Assets	116,422	110,231	6,191	6%	122,380	115,463	6,917	6%
Equity without surplus (incl. M.I)	104,721	97,272	7,450	8%	108,403	100,655	7,748	8%



Non Performing Loans (NPLs)

Rs. In mln

Coverage ratio* at 84.62% (YE13: 85.74%), NPLs ratio improved to 7.12% (YE13: 8.68 %)

	Sep 14	June 14	Mar 14	Dec 13	Sep 13
Total NPLs	21,925	22,100	22,514	23,268	24,936
QoQ	(175)	(414)	(753)	(1,668)	170
QoQ % variance	-1%	-2%	-3%	-7%	0.7%
Substandard	324	206	205	219	1,568
QoQ	118	1	(14)	(1,349)	693
QoQ % variance	57%	0%	-6%	-86%	79%
Doubtful	920	883	1,517	1,453	891
QoQ	37	(634)	64	562	(6)
QoQ % variance	4%	-42%	4%	63%	-1%
Loss	20,596	20,963	20,737	21,560	22,446
QoQ	(367)	227	(823)	(886)	(542)
QoQ % variance	-2%	1%	-4%	-4%	-2%
OAEM	85	48	55	36	31
QoQ	37	(7)	20	4	24
QoQ % variance	76%	-13%	55%	14%	349%

YTD (Sep 14 vs. Dec13)		
	Var.	%
Total NPLs	(1,343)	-6%
Substandard	105	48%
Doubtful	(533)	-37%
Loss	(964)	-4%
OAEM	49	137%

Concentration of Category of NPLs

	Sep 14	June 14	Mar 14	Dec 13	Sep 13
Substandard	1.48%	0.9%	0.9%	0.9%	6.3%
Doubtful	4.20%	4.0%	6.7%	6.2%	3.6%
Loss	93.94%	94.9%	92.1%	92.7%	90.0%
OAEM	0.39%	0.2%	0.2%	0.2%	0.1%

* Coverage ratio = Specific plus General Provision

Investments

Increase of Rs.+173.22B in Pakistan Investment Bonds & decrease of Rs. 166.36B in Market Treasury Bills .

Rs. In mln

	Sep 2014	Dec 2013	Var.	% var.	Composition of Investments		
					Sep 2014	Dec 2013	
Treasury Bills	156,794	323,158	(166,364)	-51%	T-Bills	33.97%	72%
Pakistan Investment Bonds	280,843	107,615	173,228	161%	PIBs	60.84%	24%
TFCs, Debentures, Bonds and PTCs	4,462	3,736	725	19%	Equity securities	2.84%	2%
Euro Bonds	2,320	2,345	(25)	-1%	Debt instruments	2.34%	2%
Shares in Listed, Unlisted Co.s & Mutual funds	11,483	7,941	3,542	45%			
Sukuks Bonds	4,038	3,143	895	28%			
Subsidiaries & Associated Undertakings	1,636	1,636	-	0%			
Investments at cost	461,576	449,574	12,002	3%			
Prov for diminution in value of investments	(2,083)	(2,550)	467	18%			
Surplus /(Deficit) on revaluation of securities	172	1,982	(1,811)	-91%			
Investments at revalued amount - net of provision	459,664	449,006	10,658	2%			

Deposits

CASA reported at 91%, Increase recorded in Current Deposits +5%, Saving Deposits +8%

YTD increase/decrease

Current deposits	5%
Savings deposits	8%
CASA	7%
Term Deposits	-7%
Total Deposits	5%

Sep 14 vs. Dec 13

Current deposits	5%
Savings deposits	8%
CASA	7%
Term Deposits	-7%
Total Deposits	5%

Rs. In mln

Q3 14		Q2 14		Q1 14		Q4 13		Q3 13	
Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix

Deposits - Volume	666,344		685,766		627,144		632,330		584,239	
Current deposits	226,008	34%	263,982	38%	213,010	34%	214,524	34%	209,891	36%
Savings deposits	380,252	57%	363,469	53%	359,388	57%	353,204	56%	312,117	53%
Term Deposits	60,084	9%	58,315	9%	54,745	9%	64,602	10%	62,231	11%
CASA	606,260	91%	627,451	91%	572,398	91%	567,728	90%	522,008	89%

Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	8%	-14%	19%	24%	7%	-1%	13%	2%	13%	-5%
Savings deposits	22%	5%	16%	1%	24%	2%	30%	13%	15%	0%
CASA	16%	-3%	17%	10%	17%	1%	23%	9%	14%	-2%
Term Deposits	-3%	3%	-23%	7%	-29%	-15%	-22%	4%	-27%	-18%
Total Deposits	14%	-3%	12%	9%	11%	-1%	16%	8%	8%	-4%

Market Share (Domestic)		QoQ		QoQ		QoQ		QoQ		QoQ
Industry	8,036,547	-1%	8,082,412	7%	7,571,267	1%	7,529,370	6%	7,131,557	-3%
MCB	658,254	-3%	678,266	9%	620,281	-1%	624,458	8%	577,183	-4%
Share	↓ 8.19%		↑ 8.39%		↓ 8.19%		↑ 8.29%		↓ 8.09%	



Profit and Loss Statement

Standalone PBT increased by 7% and PAT increased by 5%

Rs. In mln

	Unconsolidated				Consolidated			
	9M 14	9M 13	+/-	%	9M 14	9M 13	+/-	%
Mark-up Income	56,785	48,471	8,314	17%	56,881	48,568	8,313	17%
Mark-up Expense	24,771	19,979	4,792	24%	24,780	20,002	4,778	24%
Net Mark-up Income	32,014	28,491	3,523	12%	32,101	28,567	3,535	12%
Non Interest Income	9,550	8,553	996	12%	9,857	8,831	1,025	12%
Total Income	41,564	37,045	4,519	12%	41,958	37,398	4,560	12%
Non Mark-up Expense	15,467	13,141	2,326	18%	15,764	13,420	2,344	17%
<i>admin expenses</i>	15,300	13,804	1,496	11%	15,597	14,083	1,514	11%
<i>PF reversal</i>	(545)	(1,165)	621	-53%	(545)	(1,165)	621	-53%
<i>other charges</i>	712	503	209	41%	712	503	209	41%
Share of Undertaking	-	-	-	-	425	542	(117)	-22%
Profit before Provisions	26,097	23,903	2,193	9%	26,619	24,520	2,099	9%
Provisions	(1,410)	(1,845)	434	-24%	(1,406)	(1,845)	439	-24%
against Investments	(78)	16	(94)	-592%	(78)	16	(94)	-592%
against loans & advances	(1,332)	(1,861)	528	-28%	(1,328)	(1,861)	533	-29%
Profit before Tax	27,507	25,748	1,759	7%	28,025	26,364	1,660	6%
Taxation	9,383	8,566	817	10%	9,516	8,694	821	9%
Profit after Tax	18,124	17,182	942	5%	18,509	17,670	839	5%

Non- Markup Income

Rs. In mln

	Sep 2014	Sep 2013	Var.	% var.	Budgeted Sep 2014	Var.	% var.
NON MARKUP INCOME	9,550	8,553	996	12%	8,181	1,369	17%
Fee, Commission & Brokerage	5,111	4,848	262	5%	6,120	(1,009)	-16%
Dividend Income	679	668	11	2%	780	(101)	-13%
Income from dealing in Foreign Currencies	1,056	611	445	73%	942	114	12%
Capital Gains	1,268	2,109	(841)	-40%	245	1,023	418%
Other Income	1,435	317	1,118	353%	94	1,341	1434%



Key Ratios

	BV*	ROA	ROE	EPS* (annualised)	ADR	Infection ratio	Coverage ratio**	Coverage (incl. benefit of liquid sec)***	Non- markup/Total Rev
Sep 2014	94.09	2.87%	23.93%	21.71	46.24%	7.12%	84.62%	95.11%	14.40%
June 2014	91.68	2.79%	23.53%	21.07	44.19%	7.29%	85.60%	94.15%	12.68%
Mar 2014	89.15	2.68%	22.44%	19.81	43.45%	8.26%	85.66%	94.23%	13.25%
Dec 2013	87.39	2.72%	23.09%	19.31	42.41%	8.68%	85.74%	94.66%	14.65%
Sep 2013	86.81	3.03%	24.70%	20.58	41.98%	10.17%	84.28%	92.65%	15.00%
June 2013	85.05	3.08%	25.91%	21.36	40.08%	10.12%	86.92%	95.42%	15.05%
Mar 2013	82.68	3.02%	25.51%	20.73	46.37%	9.41%	88.97%	97.22%	12.33%
Dec 2012	79.85	2.91%	24.64%	18.57	48.14%	9.74%	89.23%	87.55%	11.81%
Sep 2012	77.75	3.14%	26.87%	19.83	46.29%	10.41%	85.79%	93.58%	11.79%
June 2012	76.17	3.35%	27.38%	20.14	49.81%	10.00%	86.12%	94.30%	13.09%
Mar 2012	73.51	3.38%	27.73%	20.02	49.37%	10.39%	85.00%	95.87%	12.09%
Dec 2011	70.90	3.18%	26.23%	17.45	50.88%	10.67%	83.76%	94.74%	10.64%
Sep 2011	69.63	3.30%	28.21%	18.59	54.58%	10.04%	83.14%	93.46%	10.91%
June 2011	67.40	3.53%	29.32%	19.00	56.79%	9.02%	85.82%	96.46%	11.22%
Mar 2011	64.63	3.43%	28.48%	18.05	60.49%	8.90%	82.71%	93.22%	11.88%
Dec 2010	62.15	3.13%	25.91%	15.16	63.55%	8.95%	79.83%	91.82%	10.26%
Sep 2010	60.27	3.18%	26.00%	14.97	58.47%	9.68%	76.65%	88.10%	10.24%
June 2010	58.18	3.05%	25.25%	14.27	62.82%	9.16%	76.02%	87.22%	10.18%
Mar 2010	56.42	3.29%	26.74%	14.88	66.29%	8.98%	74.36%	86.53%	9.66%
Dec 2009	54.87	3.25%	27.35%	13.92	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

Awards / Accolades in 2014

▶ CFA 11th Excellence Awards

 Best Bank of the year 2013 – Large Bank

 Most Stable Bank of the year 2013

▶ Asiamoney Awards

 Best of the Best Domestic Bank

▶ The Asian Banker (USA)

 Strongest Bank in Pakistan 2014

▶ ICAP & ICMAP

 Best Corporate & Sustainability Report 2013

Awards and Recognitions



Estd. 1951

“Best Corporate Report Award 2013 – Banking Sector”

“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: 2014; 2009, 2008, 2006, 2005 & 2004



PCR Corporate Philanthropy Survey 2011: **Certificate of Philanthropy**

Ranked 25th out of 490 PLCs (by volume of donations)



**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

The Banker

GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

2012: Ranked 624, 2011: Ranked 606, 2010: 621

Country Ranking: 3rd 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



Strongest Bank in Pakistan 2014

Strongest Bank in Pakistan 2010



CSR Business Excellence Award 2012: Best Media Coverage



Triple A Country Awards 2012: Best Domestic Bank - Pakistan



THE ASIAN BANKER SUMMIT 2010

Asia's Foremost Event on Transformational Issues in the Financial Services Industry

The QFC Asian Banker Leadership Achievement Award 2010



An Apex body of SAARC

2nd 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



MCB Bank Limited

Thankyou

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