

Investors Briefing
MCB Bank's Financial Performance
For the First Half Ended June 30, 2011



Presented by:

Investor Relations, MCB Bank Limited

July 27, 2011 (Principal Office)



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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 **un**consolidated financial results basis, unless stated otherwise

The figures are presented in millions, rounded, and as percentages, unless otherwise mentioned in '000s, billions and bps.



Statement of Financial Position

Rs. in Mlns

	Unconsolidated			Consolidated				
	1H 11	YE 10	%	1H 11	Mix	YE 10	Mix	%
Cash & Balances with T.Banks	47,228	45,407	4%	47,228	7%	45,407	8%	4%
Balances with other Banks	1,578	1,479	7%	1,685	0.3%	1,552	0.3%	9%
Lendings to Financial Institutions	8,849	4,402	101%	8,849	1%	4,402	1%	101%
Investments	260,204	213,061	22%	263,247	42%	215,748	38%	22%
Advances - Net	259,974	254,552	2%	259,979	41%	254,565	45%	2%
Operating Fixed Assets	21,215	20,948	1%	21,568	3%	21,062	4%	2%
Other Assets	31,125	27,706	12%	31,257	5%	27,746	5%	13%
Total Assets	630,174	567,553	11%	633,812		570,482		11%
Bills Payable	7,848	10,266	-24%	7,848	1%	10,266	2%	-24%
Borrowings from F.I	17,523	25,685	-32%	17,523	3%	25,685	5%	-32%
Deposits	496,206	431,372	15%	496,159	91%	431,295	88%	15%
DTL	5,547	4,934	12%	5,704	1%	5,147	1%	11%
Other Liabilities	18,251	16,092	13%	18,323	3%	16,090	3%	14%
Total Liabilities	545,374	488,349	12%	545,557		488,483		12%
Net Assets	84,799	79,204	7%	88,255		81,999		8%
ROA ¹	3.53%	3.13%		3.53%		3.12%		
ROE ²	29.32%	25.91%		28.65%		25.10%		
Deposits	496,206	431,372		496,159		431,295		
Market Share	8.9%	8.4%						
Advances	281,791	274,144		281,796		274,158		
Market Share	8.0%	7.8%						
ADR (gross)	56.79%	63.55%		56.80%		63.57%		

1. Profit after tax/ Average Total Assets

2. Profit after tax/ Average Equity (excluding surplus on revaluation of assets – net of tax)



Advances

Rs. in Blns

	JUNE 2011	DEC 2010	+ / -	%	JUNE 2010	Var.	%
Advances (gross)	282	274	8	3%	263	18	7%
Commercial	51	54	(4)	-7%	41	10	23%
Corporate	188	178	10	6%	178	10	6%
Consumer	14	16	(2)	-14%	18	(4)	-24%
Business Sarmaya	5	6	(1)	-18%	6	(1)	-22%
Islamic	6	4	3	71%	3	3	90%
Overseas	12	9	2	22%	9	2	22%
Others	7	7	(0.4)	-6%	7	(1)	-8%
MCB Advances (domestic)	270	265	6	2%	254	16	6%
Industry Advances (domestic)	3,505	3,494	10	0.3%	3,309	196	6%
Market Share	7.7%	7.6%					
Advances - Net	260	255	5,422	2%	245	15	6%
Classified loans	25.4	24.5	0.88	4%	24.1	1	5%
ADR (gross)	56.8%	63.6%			62.8%		
NPLs : Loans	9.0%	9.0%			9.2%		
Provision to NPL	85.8%	79.8%			76.0%		



Investments

Rs. in Mlns

	1H 2011	YE 2010	+/-	%
Treasury Bills	225,003	189,111	35,892	19%
Pakistan Investment Bonds	15,116	6,936	8,180	118%
TFCs, Debentures, Bonds COIs and PTCs	5,987	5,772	215	4%
Other Government Securities	1,463	1,447	16	1%
Shares in Listed and Unlisted Co.s	9,134	7,393	1,741	24%
Sukook Bonds	4,408	3,528	880	25%
Subsidiaries & Associated Undertakings	1,542	1,469	73	5%
Gross Investments	262,653	215,655	46,998	22%
Prov. for diminution in value of investments	(2,802)	(3,116)	314	-10%
Surplus /(Deficit) on revaluation of securities	353	522	(169)	-32%
Net Investments	260,204	213,061	47,144	22%
Investments (net) to Total Assets	41.29%	37.54%		
T-Bills & PIBs to Total Investments (gross)	92.28%	92.01%		



Deposits

Rs. in Mlns

	1H 11		Q1 11		Q4 10		Q3 10		Q2 10		Q1 10	
	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix
Deposits	496,206		462,301		431,372		422,272		419,270		391,565	
Current deposits	181,364	37%	163,911	35%	151,155	35%	150,507	36%	148,041	35%	135,125	35%
Savings deposits	220,838	45%	217,367	47%	200,143	46%	193,643	46%	195,970	47%	190,763	49%
Term Deposits	94,003	19%	81,023	18%	80,074	19%	78,122	19%	75,259	18%	65,677	17%
CASA												
2011 - 2010	402,203	81%	381,278	82%	351,298	81%	344,150	81%	344,011	82%	325,888	83%
YoY	17%		17%		15%		13%		13%		16%	
Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	23%	11%	21%	8%	17%	0%	15%	2%	14%	10%	17%	5%
Savings deposits	13%	2%	14%	9%	14%	3%	12%	-1%	12%	3%	15%	8%
Term Deposits	25%	16%	23%	1%	28%	2%	34%	4%	33%	15%	16%	5%
Total Deposits	18%	7%	18%	7%	17%	2%	17%	1%	16%	7%	16%	7%
Market Share (Domestic)												
Industry	5,599,098		5,083,754		5,124,308		4,644,386		4,661,241		4,424,190	
MCB	489,106		455,542		424,837		414,161		411,776		383,501	
Share	8.74%		8.96%		8.29%		8.92%		8.83%		8.67%	

* Includes significant fixed deposits amount in F.I remunerative deposits as of June 2011: 3.428B



Profit and Loss Summary

Rs. in Mlns

	Standalone Half Yearly			Consolidated Half Yearly		
	1H 11	1H 10	+/- %	1H 11	1H 10	+/- %
Mark-up Income	32,842	26,396	24%	32,864	26,400	24%
Mark-up Expense	10,615	8,699	22%	10,616	8,698	22%
Net Mark-up Income	22,227	17,697	26%	22,248	17,701	26%
Non Interest Income	4,153	2,991	39%	4,206	3,071	37%
Total Revenues	26,380	20,688	28%	26,454	20,773	27%
Non Mark-up Expense	7,779	6,426	21%	7,946	6,523	22%
<i>admin expenses</i>	8,452	7,560	12%	8,619	7,657	13%
<i>PF reversal</i>	(1,293)	(1,644)	-21%	(1,293)	(1,644)	-21%
<i>other charges</i>	620	509	22%	621	510	22%
Profit before Provisions	18,601	14,262	30%	18,508	14,249	30%
Provisions	2,439	2,050	19%	2,439	2,050	19%
<i>against Investments</i>	197	125	58%	197	125	58%
<i>against loans & advances</i>	2,242	1,926	16%	2,242	1,925	16%
Profit before Tax	16,162	12,212	32%	16,069	12,199	32%
Share of Undertaking	-	-	-	215	174	23%
Taxation	5,591	4,270	31%	5,654	4,336	30%
Profit after Tax	10,571	7,942	33%	10,630	8,038	32%



Highest Quarterly Profit (PBT) reported in the history of MCB Bank Limited

Rs. in Mlns

	Q2 2011	Q1 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010
Net Mark-up Income	11,304	10,923	9,852	9,285	8,965	8,732
Non Interest Income	2,145	2,008	1,674	1,600	1,591	1,400
Total Income	13,449	12,931	11,527	10,885	10,556	10,132
Non Mark-up Expense	3,881	3,898	3,064	3,759	3,547	2,879
<i>admin expenses</i>	4,483	3,969	3,925	3,909	4,027	3,533
<i>PF reversal</i>	(993)	(300)	(1,151)	(425)	(769)	(875)
<i>other charges</i>	391	229	290	276	288	221
Profit before Provisions	9,568	9,033	8,463	7,125	7,009	7,253
Provisions	1,242	1,197	1,573	-25	1,048	1,002
against Investments	9	187	330	(11)	1	124
against loans & advances	1,238	1,002	1,233	-26	1,029	865
bad debts written off directly	-5	7	9	11	18	14
Profit before Tax	8,326	7,836	6,890	7,151	5,961	6,251

Income Composition

Rs. in Mlns

Markup Income and Expense = NIM

	1H 11	1H 10	+/-	%
MARK-UP EARNED	32,842	26,396	6,446	24%
On Loans and advances	17,670	16,692	978	6%
On investments	14,587	8,951	5,637	63%
On deposits with financial institutions	28	7	20	280%
On securities purchased under resale agreements	403	575	(172)	-30%
On money at call	40	67	(27)	-40%
Others	114	103	11	10%
MARK-UP EXPENSED	10,615	8,699	1,916	22%
Deposits	9,219	7,466	1,753	23%
Securities under repurchase agreements	417	477	(60)	-13%
Other short-term borrowings	593	451	142	32%
Discount, Commission and brokerage	281	259	21	8%
Others	106	47	59	126%
NIM	22,227	17,697	4,530	26%

Non Markup Income

	1H 11	1H 10	+/-	%
Fee, Commission & Brokerage Income	2,439	2,074	365	18%
Dividend Income	352	225	127	56%
Income from dealing in foreign currency	486	276	211	76%
Capital gains	581	157	424	271%
Other Income	294	259	35	13%
Total	4,153	2,991	1,162	39%



Administrative Expenses

Rs. in Mlns

	June		+ / -	
	2011	2010	Amount	%
Personnel expenses				
Salaries and allowances	3,123	2,739	384	14%
Bonus	527	359	169	47%
Outsource staff costs	382	432	(51)	-12%
Contributions to defined contribution plan - provident fund	88	78	10	13%
Post retirement medical benefits	92	68	24	35%
Employees' contributory benevolent scheme	28	36	(9)	-24%
Employees' compensated absences	87	88	(2)	-2%
	4,327	3,801	526	14%
Other Administrative expenses				
Rent, taxes, insurance, electricity	763	697	66	9%
Legal and professional charges	88	125	(36)	-29%
Communications	481	447	34	8%
Repairs and maintenance	396	343	53	15%
Stationery and printing	185	185	0.3	0.2%
Advertisement and publicity	140	131	9	7%
Depreciation	539	492	46	9%
Amortization of intangible asset	116	72	44	61%
Travelling, conveyance and fuel	413	380	33	9%
Entertainment	48	36	11	31%
Training Expenses	20	39	(19)	-49%
Credit Card Related Expenses	46	61	(14)	-24%
Cash transportation charges	209	200	9	4%
Instrument clearing charges	101	83	17	21%
Others	579	466	113	24%
Total other administrative expenses	4,125	3,759	366	10%
Total Admin expenses without reversal of pension Fund	8,452	7,560	892	12%

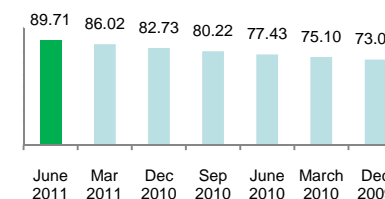


Key Financial Ratios

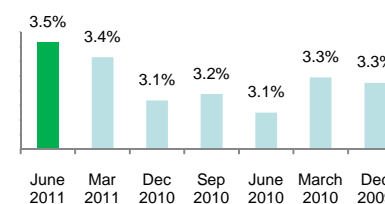
Rs. in Mlns

	June 2011	Mar 2011	Dec 2010	Sep 2010	June 2010	March 2010	Dec 2009
Book Value per share**	89.71	86.02	82.73	80.22	77.43	75.10	73.04
ROA *(After Tax)	3.53%	3.43%	3.13%	3.18%	3.05%	3.29%	3.25%
ROE *(After Tax)	29.32%	28.48%	25.91%	26.00%	25.25%	26.74%	27.35%
*EPS **	25.28	24.03	20.18	19.93	19.00	19.81	18.53
Non-markup Income to Total Revenue	11.22%	15.53%	14.54%	14.54%	14.46%	13.82%	13.62%
ADR (gross)	56.79%	60.49%	63.55%	58.47%	62.82%	66.29%	73.37%
NPLs to Advances (gross)	9.02%	8.90%	8.95%	9.68%	9.16%	8.98%	8.62%
Loan Loss Provision to NPLs	85.82%	82.71%	79.83%	76.65%	76.02%	74.36%	70.89%
Loan Loss Provision (incl. benefit of liquid sec) to NPLs	96.46%	93.22%	91.82%	88.10%	87.22%	86.53%	83.41%

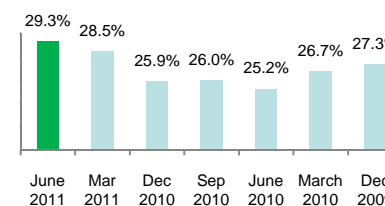
Book Value (per share)



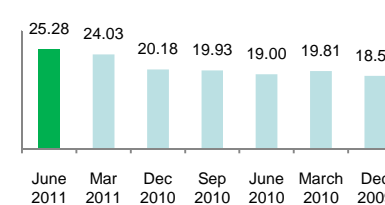
ROA



ROE



EPS



*Annualised

**Based on number of shares as at June 30, 2011





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

For any query/comments/feedback, please e-mail
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