



**MCB**

**MCB Bank Limited**

**Investors Briefing**

**Financial Performance Analysis**

For the nine months ended  
September 30, 2013

**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 9% in Equity

Rs. In mln

	Unconsolidated				Consolidated	
	9M 2013	YE 12	YTD	%	9M 2013	YE 12
<b>Assets</b>	<b>746,525</b>	<b>767,075</b>	<b>(20,549)</b>	<b>-3%</b>	<b>752,021</b>	<b>771,458</b>
Advances - net	224,241	239,583	(15,342)	-6.4%	224,448	239,789
Investments – net	405,071	402,069	3,002	0.7%	409,652	405,601
Cash and Balances with Banks & Lending to Financial Institutions	63,400	60,164	3,236	5%	63,479	60,208
Other Assets (including fixed assets)	53,814	65,259	(11,445)	-18%	54,442	65,860
<b>Liabilities</b>	<b>639,948</b>	<b>664,604</b>	<b>(24,656)</b>	<b>-4%</b>	<b>640,444</b>	<b>664,983</b>
Deposits	584,239	545,061	39,178	7%	584,219	544,988
Borrowings	15,579	78,951	(63,372)	-80%	15,714	79,064
Bills Payable	11,608	9,896	1,712	17%	11,608	9,896
Other Liabilities (including deferred tax)	28,522	30,696	(2,174)	-7%	28,903	31,035
<b>Net Assets</b>	<b>106,578</b>	<b>102,471</b>	<b>4,107</b>	<b>4%</b>	<b>111,577</b>	<b>106,475</b>
<b>Equity without surplus (incl. M.I)</b>	<b>96,626</b>	<b>88,877</b>	<b>7,749</b>	<b>9%</b>	<b>100,085</b>	<b>91,852</b>



# Non Performing Loans (NPLs)

Coverage ratio at 84.28% (YE12: 89.23%), NPLs ratio at 10.17% (YE12: 9.74%)

	Sep 13	June 13	Mar 13	Dec 12	Sep 12
<b>Total NPLs</b>	<b>24,936</b>	<b>24,766</b>	<b>24,701</b>	<b>25,562</b>	<b>26,092</b>
QoQ	170	65	(861)	(530)	(278)
QoQ % variance	0.7%	0.3%	-3%	-2%	-1%
<b>Substandard</b>	<b>1,568</b>	<b>875</b>	<b>333</b>	<b>286</b>	<b>1,815</b>
QoQ	693	542	47	(1,529)	8
QoQ % variance	79%	163%	16%	-84%	0.4%
<b>Doubtful</b>	<b>891</b>	<b>897</b>	<b>815</b>	<b>850</b>	<b>547</b>
QoQ	(6)	82	(35)	303	70
QoQ % variance	-1%	10%	-4%	55%	15%
<b>Loss</b>	<b>22,446</b>	<b>22,987</b>	<b>23,548</b>	<b>24,426</b>	<b>23,714</b>
QoQ	(542)	(561)	(878)	712	(360)
QoQ % variance	-2%	-2%	-4%	3%	-1%
<b>OAEM</b>	<b>31</b>	<b>7</b>	<b>5</b>	<b>-</b>	<b>16</b>
QoQ	24	2	5	(16)	4
QoQ % variance	349%	42%	100%	-100%	38%

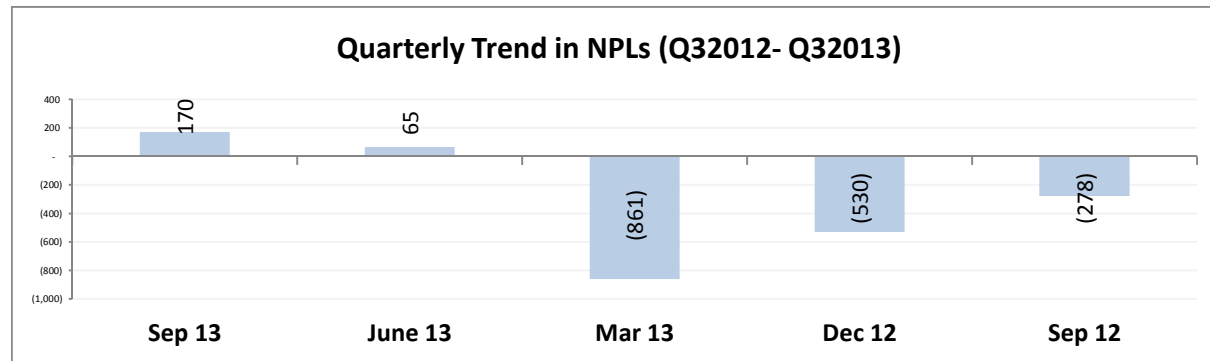
Concentration of Category of NPLs

	Sep 13	June 13	Mar 13	Dec 12	Sep 12
Substandard	6.3%	3.5%	1.3%	1.1%	7.0%
Doubtful	3.6%	3.6%	3.3%	3.3%	2.1%
Loss	90.0%	92.8%	95.3%	95.6%	90.9%

Infection ratio vs. Industry - DOMESTIC

	Sep 13	June 13	Mar 13	Dec 2012	Sep 2012
MCB	8.6%	8.6%	8.1%	8.4%	8.4%
Industry	Not Available		15.8%	15.8%	16.6%

Rs. In mln



## Investments

Increase of 19.1B in Pakistan Investment Bonds and decrease of 6.9B in T-Bills.

	Sep 2013	Rs. In mln					
		Dec 2012	Var.	% var.	Sep 2012	Var.	% var.
Treasury Bills	283,840	290,834	(6,994)	-2%	323,663	(39,823)	-12%
Pakistan Investment Bonds	104,232	85,105	19,127	22%	65,216	39,015	60%
TFCs, Debentures, Bonds and PTCs	3,985	4,744	(759)	-16%	4,562	(577)	-13%
Euro Bonds	2,350	1,694	656	39%	1,646	704	43%
Shares in Listed and Unlisted Co.s/Open End Fund/NIT	7,298	11,107	(3,809)	-34%	11,090	(3,793)	-34%
Sukook Bonds	3,871	4,054	(183)	-5%	4,892	(1,022)	-21%
Subsidiaries & Associated Undertakings	1,636	1,636	-	0%	1,636	(0)	0%
<b>Investments at cost</b>	<b>407,210</b>	<b>399,173</b>	<b>8,037</b>	<b>2%</b>	<b>412,706</b>	<b>(5,496)</b>	<b>-1%</b>
Prov for diminution in value of investments	(2,576)	(2,783)	207	7%	(2,853)	276	10%
Surplus /(Deficit) on revaluation of securities	437	5,680	(5,242)	-92%	5,359	(4,922)	-92%
<b>Investments at revalued amount - net of provision</b>	<b>405,071</b>	<b>402,069</b>	<b>3,002</b>	<b>1%</b>	<b>415,212</b>	<b>(10,141)</b>	<b>-2%</b>

### Concentration of Investments

T-Bills	70.04%	72.46%	78.11%
PIBs	25.52%	21.85%	16.36%
Debt instruments	2.52%	2.61%	2.67%
Equity securities	1.80%	2.76%	2.67%



## Deposits

CASA increased to 89%

**YTD increase/decrease**

	YTD
Current deposits	11%
Savings deposits	13%
CASA	12%
Term Deposits	-23%
<b>Total Deposits</b>	<b>7%</b>

Rs. In mln

Q3 13		Q2 13		Q1 13		Q4 12		Q3 12	
Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix

<b>Deposits - Volume</b>	<b>584,239</b>		<b>610,341</b>		<b>565,799</b>		<b>545,061</b>		<b>541,613</b>	
Current deposits	209,891	36%	221,913	36%	199,695	35%	189,393	35%	185,571	34%
Savings deposits	312,117	53%	312,685	51%	288,939	51%	275,018	50%	270,527	50%
Term Deposits	62,231	11%	75,743	12%	77,164	14%	80,650	15%	85,515	16%
<b>CASA</b>	<b>522,008</b>	<b>89%</b>	<b>534,598</b>	<b>88%</b>	<b>488,634</b>	<b>86%</b>	<b>464,411</b>	<b>85%</b>	<b>456,098</b>	<b>84%</b>

Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Current deposits	13%	-5%	17%	11%	16%	5%	13%	2%	10%	-2%
Savings deposits	15%	0%	24%	8%	16%	5%	18%	2%	23%	7%
<b>CASA</b>	<b>14%</b>	<b>-2%</b>	<b>21%</b>	<b>9%</b>	<b>16%</b>	<b>5%</b>	<b>16%</b>	<b>2%</b>	<b>17%</b>	<b>3%</b>
Term Deposits	-27%	-18%	-14%	-2%	-15%	-4%	-12%	-6%	-8%	-3%
<b>Total Deposits</b>	<b>8%</b>	<b>-4%</b>	<b>15%</b>	<b>8%</b>	<b>10%</b>	<b>4%</b>	<b>11%</b>	<b>1%</b>	<b>12%</b>	<b>2%</b>

Market Share (Domestic)		QoQ		QoQ		QoQ		QoQ		QoQ
Industry	7,131,557	-3%	7,316,341	8%	6,776,747	1%	6,682,648	6%	6,315,373	-1%
MCB	577,183	-4%	603,849	8%	559,693	4%	538,835	1%	535,869	2%
Share	8.09%		8.25%		8.26%		8.06%		8.49%	

## Profit and Loss Statement

PAT increased by 4% and PBT increased by 2%

Rs. In mln

	Unconsolidated				Consolidated			
	9M 2013	9M 2012	+/-	%	9M 2013	9M 2012	+/-	%
Mark-up Income	48,471	51,903	(3,432)	-7%	48,568	51,968	(3,399)	-7%
Mark-up Expense	19,979	20,662	(683)	-3%	20,002	20,670	(669)	-3%
<b>Net Mark-up Income</b>	<b>28,491</b>	<b>31,241</b>	<b>(2,749)</b>	<b>-9%</b>	<b>28,567</b>	<b>31,297</b>	<b>(2,730)</b>	<b>-9%</b>
Non Interest Income	8,553	6,935	1,618	23%	8,831	7,252	1,580	22%
<b>Total Income</b>	<b>37,045</b>	<b>38,176</b>	<b>(1,131)</b>	<b>-3%</b>	<b>37,398</b>	<b>38,549</b>	<b>(1,151)</b>	<b>-3%</b>
Non Mark-up Expense	13,141	12,847	294	2%	13,420	13,099	322	2%
<i>admin expenses</i>	13,804	13,712	92	1%	14,083	13,963	119	1%
<i>PF reversal</i>	(1,165)	(1,267)	101	-8%	(1,165)	(1,267)	101	-8%
<i>other charges</i>	503	402	101	25%	503	402	101	25%
Share of Undertaking	-	-	-	-	542	300	242	81%
<b>Profit before Provisions</b>	<b>23,903</b>	<b>25,329</b>	<b>(1,425)</b>	<b>-6%</b>	<b>24,520</b>	<b>25,750</b>	<b>(1,230)</b>	<b>-5%</b>
Provisions	(1,845)	54	(1,899)	-3502%	(1,845)	54	(1,899)	-3502%
against Investments	16	(27)	43	-159%	16	(27)	43	(2)
against loans & advances	(1,861)	81	(1,942)	-2390%	(1,861)	81	(1,942)	-2390%
<b>Profit before Tax</b>	<b>25,748</b>	<b>25,274</b>	<b>474</b>	<b>2%</b>	<b>26,364</b>	<b>25,696</b>	<b>668</b>	<b>3%</b>
Taxation	8,566	8,722	(156)	-2%	8,694	8,806	(111)	-1%
<b>Profit after Tax</b>	<b>17,182</b>	<b>16,553</b>	<b>629</b>	<b>4%</b>	<b>17,670</b>	<b>16,890</b>	<b>780</b>	<b>5%</b>

## Non- Markup Income

	Rs. In mln			
	Sep 2013	Sep 2012	Var.	% var.
<b>NON MARKUP INCOME</b>	8,553	6,935	1,618	23%
Fee, Commission & Brokerage	4,848	4,328	520	12%
Dividend Income	668	961	(293)	-30%
Income from dealing in Foreign Currencies	611	693	(81)	-12%
Capital Gains	2,109	687	1,422	207%
Other Income	317	267	50	19%





## Key Ratios

	BV*	ROA	ROE	EPS* (annualised)	CAR	ADR	Infection ratio	Coverage ratio**	Coverage (incl. benefit of liquid sec)***	Non- markup/Total Rev
Sep 2013	95.49	3.03%	24.70%	22.64	24.00%	41.98%	10.17%	84.28%	92.65%	15.00%
June 2013	93.56	3.08%	25.91%	23.50	23.96%	40.08%	10.12%	86.92%	95.42%	15.05%
Mar 2013	90.95	3.02%	25.51%	22.80	22.54%	46.37%	9.41%	88.97%	97.22%	12.33%
Dec 2012	87.84	2.95%	24.96%	20.70	22.13%	48.14%	9.74%	89.23%	97.76%	11.81%
Sep 2012	85.52	3.14%	26.87%	21.97	24.18%	46.29%	10.41%	85.79%	93.58%	11.79%
June 2012	83.78	3.35%	27.38%	22.15	22.15%	49.81%	10.00%	86.12%	94.30%	13.09%
Mar 2012	80.86	3.38%	27.73%	22.02	22.26%	49.37%	10.39%	85.00%	95.87%	12.09%
Dec 2011	77.99	3.18%	26.23%	19.20	21.79%	50.52%	10.67%	83.76%	94.74%	10.64%
Sep 2011	76.59	3.30%	28.21%	20.44	23.15%	54.58%	10.04%	83.14%	93.46%	10.91%
June 2011	74.14	3.53%	29.32%	20.90	22.26%	56.79%	9.02%	85.82%	96.46%	11.22%
Mar 2011	71.09	3.43%	28.48%	19.86	22.21%	60.49%	8.90%	82.71%	93.22%	11.88%
Dec 2010	68.37	3.13%	25.91%	16.68	22.07%	63.55%	8.95%	79.83%	91.82%	10.26%
Sep 2010	66.30	3.18%	26.00%	16.47	23.16%	58.47%	9.68%	76.65%	88.10%	10.24%
June 2010	63.99	3.05%	25.25%	15.70	21.15%	62.82%	9.16%	76.02%	87.22%	10.18%
Mar 2010	62.07	3.29%	26.74%	16.37	20.24%	66.29%	8.98%	74.36%	86.53%	9.66%
Dec 2009	60.36	3.25%	27.35%	15.31	19.07%	73.37%	8.62%	70.89%	83.41%	9.86%

\*Includes the impact of bonus shares 2012

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

## 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**

For further details on MCB Bank Limited, please visit [www.mcb.com.pk](http://www.mcb.com.pk)

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