



# **MCB Bank Limited**

**FIRST QUARTER 2009**

**April 2009**

# 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.

The securities of MCB Bank Limited (the "Company") have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The securities of the Company may not be offered or sold in the United States, or to or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the Securities Act), absent registration under the Securities Act or pursuant to an exemption from registration.

Neither this presentation nor any copy of it may be sent, taken, distributed or transmitted, directly or indirectly, in or into the United States, Canada or Japan or distributed, directly or indirectly, or to U.S. persons (as defined in Regulation S under the Securities Act). The distribution of this presentation in other jurisdictions may be restricted by law, and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

This presentation contains 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.



# Important Information about Results Presentation

---

- Certain prior period financial numbers have been reclassified to conform to current period results presentation



# 1Q 2009 Financial Highlights – Consolidated

- EPS for 1<sup>st</sup> Quarter was Rps. 6.2, up 6% YoY on a consolidated basis, and was up 1% at Rps. 6 on a stand alone basis
  - A 25% cash dividend was announced
- Net interest income increased 47% YoY and 12% QoQ to Rps. 9B, on the back of higher interest rates and advances growth (up 6% YoY)
- Non interest income declined by 11% YoY and 36% QoQ to Rps. 1.7B due primarily to weaker capital markets
  - Fee income increased 9% YoY and 16% QoQ, while FX dealing and dividend income were lower
- Provisions were down 4% QoQ to Rps. 1.7B
- Non-interest expenses (adjusted for PF Reversals) was Rs. 3.5 Bn down 7% QoQ and up 13% YoY
- Admin Expenses were down 1% QoQ on consolidated basis and down 4% on unconsolidated basis
- PF reversal was Rps. 650 M in 1Q09, compared to Rps 1,680 M in 4Q08 and Rps 1,320 M in 1Q08
- PBT was Rps. 6.4 Bn, a decline of 11% YoY and an increase of 36% QoQ and net income was Rps. 4.3 B on revenues of Rps. 10.8 B
- Deposits were Rps. 338 Bn, an increased of 12% YoY and 2% QoQ- current deposits rose by 14% YoY to Rps. 110.5B
- Gross advances were Rps. 257 B, an increase of 6% YoY and fall of 6% QoQ, partly due to lower circular debt in banking system after issuance of TFC by government
- ROAA was 3.8% and ROAE 31% as on 1Q09.



# 1Q 2009 Consolidated Highlights

PKR mm	O (U) PKR			O (U) %	
	1Q09	1Q08	4Q08	1Q08	4Q08
Net mark-up interest income	9,096	2,899	964	47%	12%
Non-interest income	1,706	(204)	450	(11%)	36%
Total Revenue	10,802	2,694	1,414	33%	15%
Profit before Tax	6,370	623	1,677	11%	36%
Net Income	4,254	247	1,452	6%	52%
EPS (1)	6.16	0.4	2.1	6%	52%
Advances (net)	244,147	14,312	(18,362)	6%	(7%)
Deposits	338,277	36,638	8,032	12%	2%
ROE (2)	31%	34%	21%		
ROA (3)	3.8%	3.9%	2.5%		
NIM (4)	9.9%	8.3%	8.9%		

- (1) EPS for previous quarters adjusted for 10% bonus shares announced with the full year results
- (2) ROAE = Net income / Average shareholder funds over period. Shareholder funds exclude revaluation reserve
- (3) ROAA = Net income / Average assets over period. Both ROAE and ROAA are presented as annualized numbers for presentation
- (4) NIM = Net interest income + capital markets income + dividend income / average earning assets over period (balance with other banks + lending to FI + investments + advances)



# 1Q 2008 Standalone Highlights

PKR mm	O (U) PKR			O (U) %	
	1Q09	1Q08	4Q08	1Q08	4Q08
Net mark-up interest income	9,094	2,898	931	47%	11%
Non-interest income	1,688	(228)	398	(12%)	31%
Total Revenue	10,782	2,670	1,329	33%	14%
Profit before Tax	6,238	479	666	8%	12%
Net Income	4,135	23	384	1%	10%
EPS	5.98	0.0	0.6	1%	10%
ROE (1)	31%	36%	29%		
ROA (2)	3.7%	4.1%	3.3%		
NIM (3)	9.9%	8.5%	9.1%		

- (1) ROAE = Net income / Average shareholder funds over period. Shareholder funds exclude revaluation reserve  
 (2) ROAA = Net income / Average assets over period. Both ROAE and ROAA are presented as annualised numbers for presentation



# 1Q 2009 - Consolidated Income Statement

PKR mm	O (U) PKR			O (U) %	
	1Q09	1Q08	4Q08	1Q08	4Q08
Mark-up Interest Earned	13,004	4,814	1,037	59%	9%
Mark-up Interest Expensed	3,908	1,916	73	96%	2%
Net mark-up / interest income	9,096	2,899	964	47%	12%
Non mark-up / interest income	1,706	(204)	450	(11%)	36%
Total revenue	10,802	2,694	1,414	33%	15%
Provisions / bad debt writeoffs	1,742	1,127	(70)	183%	(4)%
Non-interest expense	2,829	1,057	766	60%	37%
Administrative expenses	3,285	268	(21)	9%	(1)%
PF reversal	(650)	(670)	(1,030)	(51%)	(61%)
Other	194	119	(243)	159%	(56%)
Profit from associates	139	112	959	422%	(117)%
Profit before tax	6,370	623	1,677	11%	36%
Taxation	2,116	375	225	22%	12%
Net income	4,254	247	1,452	6%	52%
<i>Effective tax rate</i>	33%	30%	40%		



## Non Interest Income - Consolidated

PKR mm	O (U) PKR			O (U) %	
	1Q09	1Q08	4Q08	1Q08	4Q08
Fee, commission and brokerage income	824	71	112	9%	16%
Income earned as trustee to various funds	4	(1)	(1)	(23%)	(23%)
Dividend income	68	(19)	19	(22)%	38%
Income from dealing in foreign currencies	432	285	240	194%	125%
Gain on sale of securities - net	113	(497)	80	(81)%	243%
Gain / (loss) on trading in government securities - net	0	(15)	(12)	(100)%	(100)%
Unrealised loss on revaluation of invest. Classif. HFT	6	6	106	-	(106)%
Other income	259	(34)	(93)	(11)%	(27)%
Total non mark-up / interest income	1,706	(204)	450	(11)%	36%





# Deposit Base

PKR Bn	% Total			O (U) PKR		O (U) %	
	1Q09	1Q09	4Q08	1Q08	4Q08	1Q08	4Q08
Fixed deposits	57	17%	19%	28	-5	99%	(8)%
Savings	166	49%	47%	-4	10	(2)%	7%
Current	115	34%	34%	12	3	12%	2%
Total deposits	338	100%	100%	37	8	12%	2%
CASA deposits	282	83%	81%	8	13	3%	5%

- Deposits increased by PKR 8bn during the quarter compared to 4Q08
  - CASA deposits increased by PKR 13bn, while fixed deposits decreased by PKR 5bn compared to 4Q08
  - Saving deposits increased by 7% QoQ and current deposits by 2% QoQ
- Over the year, the mix of deposits has changed with CASA deposits representing 83% of total deposits at 1Q 09

- (1) Savings = saving deposits plus financial institutions remunerative deposits  
 (2) Current = current deposits plus financial institutions non-remunerative deposits plus margin accounts plus other accounts



# Loan Portfolio- Consolidated

PKR bn	1Q09	O (U) PKR		O (U) %	
		1Q08	4Q08	1Q08	4Q08
Corporate	146	32	(3)	28%	-2%
Commercial	61	(21)	(19)	-26%	-24%
Consumer	31	(1)	1	-3%	4%
Islamic	5	(1)	0	-9%	9%
Other	14	7	4	97%	38%
Gross advances	257	16	(17)	6%	-6%
ADR (gross) %	76%	80%	83%		
ADR (net) %	72%	76%	79%		

- Total loan portfolio grew by PKR 16bn YoY and fell by PKR 17bn QoQ
  - Corporate lending increased 28% YoY and decreased 2% QoQ
  - Commercial loan book decreased 26% YoY and 24% QoQ (due to seasonal factors)
  - Consumer lending decreased 3% YoY and increased 4% QoQ

ADR = Gross Advances divided by Deposits



## Asset Quality- Consolidated

PKR mm	1Q09	1Q08	4Q08	O (U) PKR		O (U) %	
				1Q08	4Q08	1Q08	4Q08
Gross loans	256,663	241,012	273,221	15,651	(16,558)	6%	-6%
NPL	19,491	11,656	18,269	7,835	1,222	67%	7%
Total provision	12,517	11,177	10,712	1,340	1,805	12%	17%
Specific provision: NPLs	0.60	0.68	0.54	(0.08)	0.06	(12%)	11%
NPL: Loans	7.59%	4.84%	6.69%				
Provision: NPLs	64.2%	95.9%	58.6%				

- Non-performing loans increased 7% QoQ to PKR 19,491mm.
- The NPL: advances (gross) ratio increased by 90bps during the 1Q 09 to 7.59% compared to 6.69% in 4Q 08, partly as a result of lower advances due to classification of circular debt related advances into investments.
- NPLs are 64% provisioned at the end of 1Q 09



# Consolidated Balance Sheet

PKR Bn	O (U) PKR			O (U) %	
	1Q09	1Q08	4Q08	1Q08	4Q08
<b>Assets</b>					
Cash and balances with treasury banks	36.7	-1.2	-2.9	-3%	-7%
Balances with other banks	2.4	0.8	-1.7	51%	-40%
Lendings to financial institutions	11.3	5.7	7.2	102%	175%
Investments - net	126.9	38.7	29.1	44%	30%
Advances - net	244.1	14.3	-18.4	6%	-7%
Other assets - net	36.6	0.5	-0.5	2%	-1%
<b>Total assets</b>	<b>458.1</b>	<b>59.0</b>	<b>12.8</b>	<b>15%</b>	<b>3%</b>
<b>Liabilities</b>					
Bills payable	7.4	-2.1	-3.1	-22%	-29%
Borrowings	30.2	14.8	7.6	96%	33%
Deposits and other accounts	338.3	36.6	8.0	12%	2%
Sub-ordinated loan	0.0	0.0	0.0	-	-
Other liabilities	18.2	4.0	-3.5	31%	-13%
<b>Total liabilities</b>	<b>394.2</b>	<b>53.4</b>	<b>9.0</b>	<b>16%</b>	<b>2%</b>
<b>Net assets</b>	<b>64.0</b>	<b>5.6</b>	<b>3.8</b>	<b>10%</b>	<b>6%</b>
<i>Of which</i>					
Shareholder funds	56.8	8.6	2.7	18%	5%
Minority interests	0.0	0.0	0.0	16%	4%
Revaluation reserve	7.2	-3.0	1.2	-29%	19%

- Industry gross advances increased by 9% YoY\*

- Total banking sector deposits increased 7% YoY\*

- SBP weekly release for all scheduled banks
- 28<sup>th</sup> Mar 09 and 29<sup>th</sup> Mar 08



---

**Thank you  
&  
Question & Answer Session**

---

