



MCB Bank Limited

FIRST QUARTER 2010

May 2010

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Important Information about Results Presentation

- Certain prior period financial numbers have been reclassified to conform to current period results presentation
- All numbers are presented on consolidated basis, unless stated otherwise



1Q 2010 Financial Highlights

Balance Sheet

- Deposits reached Rs. 392B, an increase of 16% YoY & 7% on quarterly basis. CASA followed the same growth trend and increased 16% YoY and 7% QoQ
- Gross advances were Rs. 260B, a increase of 1% YoY and decrease of 4% QoQ. NPL ratio stood at 8.98% at Mar '10

Income Statement

- Net interest income was Rs. 8.7B, a decrease of 4% YoY and 5% QoQ
- Non interest income was Rs. 1.5B, a decrease of 13% YoY and 17% QoQ
 - Fee income increased 15% YoY and 21% QoQ
- Provisions were Rs. 1.0B for Q1 '10, primarily due to ageing of NPL portfolio, while total NPLs increased marginally by Rs. 73M and stand at Rs. 23.3B
- Non-interest expenses (excluding PF) were Rs. 3.8B – an increase of 9% YoY and decrease of 10% QoQ.
- PF reversal was Rs. 875M in 1Q '10. It was Rs. 650M in 1Q '09 & Rs. 1.1B in 4Q '09
- PBT was Rs. 6.4B, an increase of 0.3% YoY and 29% QoQ, primarily due to lower provision charge and solid fee income growth
- Net income was Rs. 4.2B on revenues of Rs. 10B

Key Ratios

- Reported EPS for 1st Quarter was Rs. 5.6
- A 25% cash dividend was announced
- ROAA was 3.4% as of 1Q '10 and ROAE 26% as of 1Q '10



1Q 2010 Consolidated Highlights

PKR mm	1Q10	O (U) PKR		O (U) %	
		1Q09	4Q09	1Q09	4Q09
Net mark-up interest income	8,726	(373)	(424)	(4%)	(5%)
Non-interest income	1,468	(225)	(295)	(13%)	(17%)
Total Revenue	10,194	(598)	(718)	(6%)	(7%)
Profit before Tax	6,387	17	1,421	0.3%	29%
Net Income	4,242	(12)	1,028	(0.3%)	32%
EPS	5.58	(0.02)	1.4	(0.3%)	32%
Advances (net)	242,214	(1,934)	(11,035)	(1%)	(4%)
Deposits	391,521	53,243	23,940	16%	7%
ROAE	26%	31%	21%		
ROAA	3.4%	3.8%	2.6%		
NIM (1)	7.9%	9.4%	8.6%		



1Q 2010 Standalone Highlights

PKR mm	O (U) PKR			O (U) %	
	1Q10	1Q09	4Q09	1Q09	4Q09
Net mark-up interest income	8,724	(373)	(424)	(4%)	(5%)
Non-interest income	1,400	(275)	(319)	(16%)	(19%)
Total Revenue	10,124	(648)	(743)	(6%)	(7%)
Profit before Tax	6,251	13	749	0%	14%
Net Income	4,141	6	451	0.1%	12%
EPS	5.45	0.01	0.6	0.1%	12%
ROAE	27%	31%	25%		
ROAA	3.3%	3.7%	3.0%		
NIM (1)	7.9%	9.4%	8.6%		

1Q 2010 Income Statement

PKR mm	1Q10	O (U) PKR		O (U) %	
		1Q09	4Q09	1Q09	4Q09
Mark-up Interest Earned	13,103	118	(226)	1%	(2)%
Mark-up Interest Expensed	4,376	491	198	13%	5%
Net mark-up / interest income	8,726	(373)	(424)	(4)%	(5)%
Non mark-up / interest income	1,468	(225)	(295)	(13)%	(17)%
Total revenue	10,194	(598)	(718)	(6)%	(7)%
Provisions / bad debt writeoffs	1,002	(741)	(1,306)	(42)%	(57)%
Non-interest expense	2,903	85	(200)	3%	(6)%
Profit from associates	99	(40)	633	(29)%	(119)%
Profit before tax	6,387	17	1,421	0%	29%
Taxation	2,145	30	393	1%	22%
Net income	4,242	(12)	1,028	(0)%	32%
<i>Effective tax rate</i>	34%	33%	35%		



Non Interest Income

PKR mm	O (U) PKR			O (U) %	
	<u>1Q10</u>	<u>1Q09</u>	<u>4Q09</u>	<u>1Q09</u>	<u>4Q09</u>
Fee, commission and brokerage income	972	125	166	15%	21%
Income earned as trustee to various funds	5	1	(0)	34%	(1%)
Dividend income	113	45	27	67%	31%
Income from dealing in foreign currencies	117	(319)	40	(73%)	52%
Gain on sale of securities - net	18	(77)	(523)	(81)%	(97)%
Gain / (loss) on trading in government securities - net	0	-	-	-	-
Unrealised loss on revaluation of invest. Classif. HFT	20	5	15	31%	351%
Other income	<u>222</u>	<u>(5)</u>	<u>(20)</u>	<u>(2%)</u>	<u>(8%)</u>
Total non mark-up / interest income	1,468	(225)	(295)	(13)%	(17)%

Administrative Expenses - Standalone

	1Q10	O (U) PKR		O (U) %	
		1Q09	4Q09	1Q09	4Q09
Personnel expenses	1,737	3	(168)	0%	(9%)
Rent, taxes, insurance, electricity	317	57	(86)	22%	(21%)
Legal and professional charges	54	21	(34)	65%	(39%)
Communications	225	36	(26)	19%	(10%)
Repairs and maintenance	170	65	(19)	62%	(10%)
Stationery and printing	84	9	(6)	13%	(7%)
Advertisement and publicity	59	4	(12)	8%	(16%)
Depreciation	243	1	8	0%	3%
Amortization of intangible asset	32	(16)	(7)	(34%)	(18%)
Travelling, conveyance and fuel	165	41	5	33%	3%
Cash transportation charges	113	(3)	(25)	(3%)	(18%)
Instrument clearing charges	40	14	3	54%	7%
Others	286	29	6	11%	2%
Total Admin expenses exclud. PF	3,525	261	(362)	8%	(9%)

Deposit Base

PKR Bn	% Total				O (U) PKR		O (U) %	
	1Q10	1Q10	1Q09	4Q09	1Q09	4Q09	1Q09	4Q09
Fixed deposits	66	17%	17%	17%	9	3	16%	5%
Savings	191	49%	49%	48%	24	15	15%	8%
Current	135	35%	34%	35%	20	6	17%	5%
Total deposits	392	100%	100%	100%	53	24	16%	7%
CASA deposits	326	83%	83%	83%	44	21	16%	7%

- Deposits grew 16% YoY and 7% as compared to 4Q '09
 - CASA deposits increased by Rs. 44B or 16% YoY & Rs. 21B or 7% QoQ
 - Saving deposits increased by Rs. 24B or 15% YoY
- Over the year, the mix of deposits has remained almost same - CASA deposits representing 83% of total deposits at Mar '10

Loan Portfolio

PKR bn	1Q10	% of Total	O (U) PKR		O (U) %	
			1Q09	4Q09	1Q09	4Q09
Corporate	168	65%	22	(5)	15%	-3%
Commercial	46	18%	(14)	(4)	-23%	-7%
Consumer	25	10%	(6)	(1)	-18%	-5%
Islamic	4	2%	(1)	1	-19%	26%
Other	15	6%	1	(1)	10%	-8%
Gross advances	260	100%	3	(10)	1%	-4%
ADR (gross) %	66%		76%	73%		
ADR (net) %	62%		72%	69%		

- Total loan portfolio increased by Rs. 3B YoY and fell by Rs. 10B QoQ
 - Corporate lending increased 15% YoY and decreased 3% on quarterly basis
 - Commercial loan book decreased 23% YoY and 7% QoQ
 - Consumer lending decreased 18% YoY and 5% QoQ



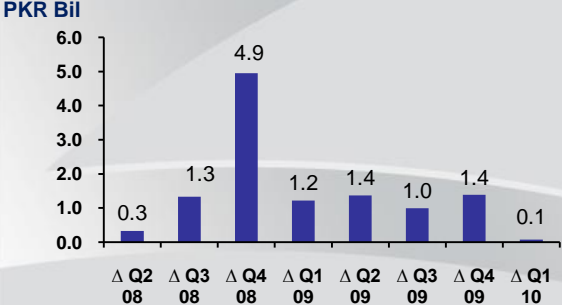
Asset Quality

PKR mm				O (U) PKR		O (U) %	
	1Q10	1Q09	4Q09	1Q09	4Q09	1Q09	4Q09
Gross loans	259,549	256,663	269,721	2,886	(10,172)	1%	-4%
NPL	23,312	19,491	23,239	3,821	73	20%	0%
Provisionings (period)	1,002	1,743	2,308	(741)	(1,306)	-42%	-57%
Total provisions	17,335	12,517	16,473	4,818	862	38%	5%
NPL: Loans	8.98%	7.59%	8.62%				
Provision: NPLs	74%	64%	71%				

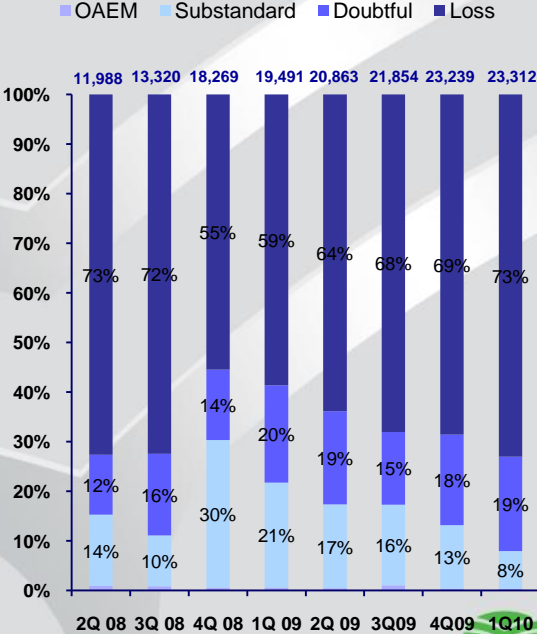
- Non-performing loans remained flat on quarterly basis and stood at Rs. 23,312M
- NPLs are 74% provisioned at the end of 1Q '10

Non-Performing Loan Portfolio

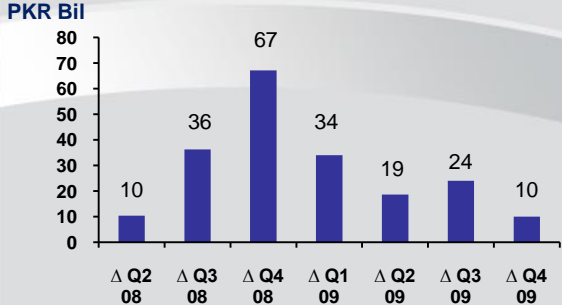
QoQ Change in MCB NPLs



MCB NPLs breakdown by Category



QoQ Change in System NPLs



Capital Strength - Standalone

Dec-09 1Q10

- Tier 1 capital ratio was 19% at Q1 '10
- Capital Adequacy ratio was 21% at Q1 '10

Total assets	509,224	497,525
Tier 1 Capital	59,896	61,584
Tier 2 Capital	4,460	5,389
Risk weighted assets	337,417	327,387
Tier 1 Capital Ratio	17.8%	18.8%
Tier 2 Capital Ratio	1.3%	1.6%
Total Capital Adequacy	19.1%	20.5%



**Thank you
&
Question & Answer Session**

