



MCB

MCB Bank Limited

Investors Briefing

Financial Performance Analysis

For the half year 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

Increase of 7% in Equity

Rs. In mln

	Unconsolidated				Consolidated	
	1H 2013	YE 12	YTD	%	1H 2013	YE 12
Assets	775,156	767,075	8,082	1%	780,312	771,458
Advances - net	223,090	239,583	(16,493)	-6.9%	223,343	239,789
<i>Gross Advances</i>	244,616	262,392	(17,776)	-6.77%	244,869	262,598
Investments	410,222	402,069	8,153	2.0%	414,464	405,601
Cash and Balances with Banks & Lending to Financial Institutions	70,895	60,164	10,731	18%	70,954	60,208
Other Assets(including Fixed Assets)	70,950	65,259	5,691	9%	71,551	65,860
Liabilities	666,491	664,604	1,887	0%	667,003	664,983
Deposits	610,341	545,061	65,280	12%	610,328	544,988
<i>CASA</i>	534,598	464,411	70,187	15%	534,585	464,338
<i>Term deposits</i>	75,743	80,650	(4,907)	-6%	75,743	80,650
Borrowings	18,397	78,951	(60,554)	-77%	18,509	79,064
Bills Payable	9,588	9,896	(308)	-3%	9,588	9,896
Other Liabilities(including Deferred Tax)	28,166	30,696	(2,530)	-8%	28,577	31,035
Net Assets	108,665	102,471	6,194	6%	113,309	106,475
Equity without surplus (incl. M.I)	94,666	88,877	5,789	7%	97,977	91,852



Non Performing Loans (NPLs)

Coverage ratio at 86.92% (YE12: 89.23%), NPLs ratio at 10.12% (YE12: 9.74%)

	June 13	Mar 13	Dec 12	Sep 12	June 12
Total NPLs	24,766	24,701	25,562	26,092	26,370
QoQ	65	(861)	(530)	(278)	100
QoQ % variance	0.3%	-3%	-2%	-1%	0.4%
Substandard	875	333	286	1,815	1,807
QoQ	542	47	(1,529)	8	(200)
QoQ % variance	163%	16%	-84%	0.4%	-10%
Doubtful	897	815	850	547	477
QoQ	82	(35)	303	70	115
QoQ % variance	10%	-4%	55%	15%	32%
Loss	22,987	23,548	24,426	23,714	24,074
QoQ	(561)	(878)	712	(360)	184
QoQ % variance	-2%	-4%	3%	-1%	1%
OAEM	7	5	-	16	12
QoQ	2	5	(16)	4	1
QoQ % variance	42%	100%	-100%	38%	9%

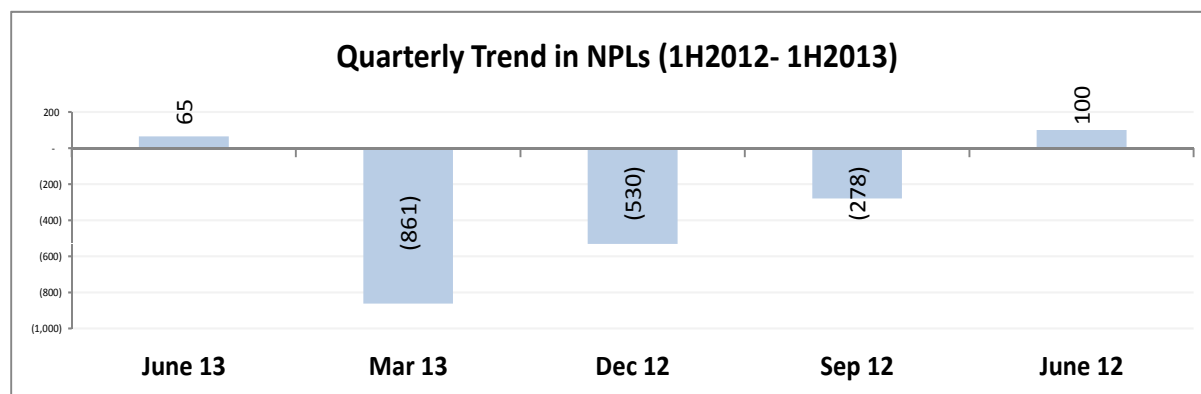
Concentration of Category of NPLs

	June 13	Mar 13	Dec 12	Sep 12	June 12
Substandard	3.5%	1.3%	1.1%	7.0%	6.9%
Doubtful	3.6%	3.3%	3.3%	2.1%	1.8%
Loss	92.8%	95.3%	95.6%	90.9%	91.3%

Infection ratio vs. Industry - DOMESTIC

	Mar 2013	Dec 2012	Sep 2012	June 2012	March 2012
MCB	8.1%	8.4%	9.0%	8.7%	9.1%
Industry	15.8%	15.8%	16.6%	17.0%	16.9%

*Based on NPLs (All Banks, source: sbp.org.pk) and Advances as of Period end as presented in Advances slide





Investments

Increase of 20.5B in Pakistan Investment Bonds and decrease of 9.5B in T-Bills.

	June 2013	Dec 2012			June 2012			Rs. In mln
		Dec 2012	Var.	% var.	June 2012	Var.	% var.	
Treasury Bills	281,268	290,834	↓ (9,566)	-3%	250,116	31,152	12%	
Pakistan Investment Bonds	105,657	85,105	↑ 20,552	24%	45,789	59,868	131%	
TFCs, Debentures, Bonds and PTCs	4,952	4,744	↑ 208	4%	4,688	264	6%	
Other Government Securities	2,197	1,694	↑ 504	30%	1,634	563	34%	
Shares in Listed and Unlisted Co.s/Open End Fund/NIT	6,572	11,107	↓ (4,535)	-41%	20,858	(14,286)	-68%	
Sukook Bonds	3,901	4,054	↓ (152)	-4%	5,225	(1,324)	-25%	
Subsidiaries & Associated Undertakings	1,636	1,636	-	0%	1,542	94	6%	
Gross Investments	406,183	399,173	7,010	2%	329,852	76,331	23%	
Prov for diminution in value of investments	(2,592)	(2,783)	↓ 192	7%	(2,890)	298	10%	
Surplus /(Deficit) on revaluation of securities	6,631	5,680	951	17%	551	6,080	1103%	
Net Investments	410,222	402,069	8,153	2%	327,513	82,709	25%	
Concentration of Investments								
T-Bills	68.56%	72.33%			76.37%			
PIBs	25.76%	21.17%			13.98%			
Debt instruments	3.68%	3.33%			2.81%			
Equity securities	1.60%	2.76%			6.37%			



Deposits

CASA increased to 88%

YTD increase/decrease	YTD
Current deposits	17%
Savings deposits	14%
CASA	15%
Term Deposits	-6%
Total Deposits	12%

Rs. In mln

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

Deposits - Volume	610,341		565,799		545,061		541,613		529,366	
Current deposits	221,913	36%	199,695	35%	189,393	35%	185,571	34%	189,235	36%
Savings deposits	312,685	51%	288,939	51%	275,018	50%	270,527	50%	252,317	48%
Term Deposits	75,743	12%	77,164	14%	80,650	15%	85,515	16%	87,813	17%
CASA	534,598	88% ↑	488,634	86%	464,411	85%	456,098	84%	441,553	83%

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

Market Share (Domestic)	QoQ	QoQ	QoQ	QoQ	QoQ					
Industry	7,316,341	8% ↑	6,776,747	1%	6,682,648	6%	6,315,373	-1%	6,402,735	8%
MCB	603,849	8% ↑	559,693	4%	538,835	1%	535,869	2%	523,941	3%
Share	8.25%	↑	8.26%		8.06%		8.49%		8.18%	



Profit and Loss Statement

PAT increased by 6% and PBT increased by 4%

Rs. In mln

	Unconsolidated				Consolidated			
	1H 2013	1H 2012	+/-	%	1H 2013	1H 2012	+/-	%
Mark-up Income	32,975	34,492	(1,517)	-4%	33,029	34,527	(1,498)	-4%
Mark-up Expense	14,165	13,587	578	4%	14,172	13,587	584	4%
Net Mark-up Income	18,810	20,905	(2,095)	-10%	18,857	20,940	(2,082)	-10%
Non Interest Income	5,842	5,195	647	12%	5,999	5,427	572	11%
Total Income	24,652	26,101	(1,449)	-6%	24,857	26,367	(1,511)	-6%
Non Mark-up Expense	8,267	8,626	(359)	-4%	8,452	8,801	(349)	-4%
<i>admin expenses</i>	9,035	9,361	(326)	-3%	9,220	9,536	(316)	-3%
<i>PF reversal</i>	(1,090)	(967)	(124)	13%	(1,090)	(967)	(124)	13%
<i>other charges</i>	322	231	91	39%	322	231	91	39%
Profit before Provisions	16,385	17,475	(1,090)	-6%	16,405	17,566	(1,162)	-7%
Provisions	(1,315)	400	(1,715)	-429%	-1,315	400	(1,715)	-429%
against Investments	(35)	(8)	(27)	341%	(35)	(8)	(27)	3
against loans & advances	(1,280)	408	(1,688)	-414%	-1,280	408	(1,688)	-414%
Profit before Tax	17,700	17,075	625	4%	17,719	17,166	553	3%
Share of Undertakings	-	-	-	-	452	169	283	168%
Taxation	5,813	5,869	(56)	-1%	5,928	5,912	17	0%
Profit after Tax	11,887	11,206	681	6%	12,243	11,424	819	7%



Non- Markup Income

	Rs. In mln						
	June 2013	June 2012	Var.	% var.	Budgeted June 2013	Var.	% var.
NON MARKUP INCOME	5,842	5,195	647	12%	5,297	545	10%
Fee, Commission & Brokerage	3,265	2,988	277	9%	3,347	(81)	-2%
Dividend Income	507	797	(290)	-36%	303	204	67%
Income from dealing in Foreign Currencies	296	501	(205)	-41%	623	(327)	-52%
Capital Gains	1,555	724	831	115%	705	850	121%
Other Income	218	185	33	18%	320	(101)	-32%



Key Ratios

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

*Includes the impact of bonus shares 2012

** Coverage ratio is based on specific plus general provision



Awards and Recognitions



Estd. 1951

'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 25th 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: 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



CSR Business Excellence Award 2012:
Best Media Coverage



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



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

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