

# MCB Bank Limited

## Investors Briefing



### Quarterly Performance Analysis

## Financial Results

For the first quarter ended March 31, 2012

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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



Rs. In Mlns

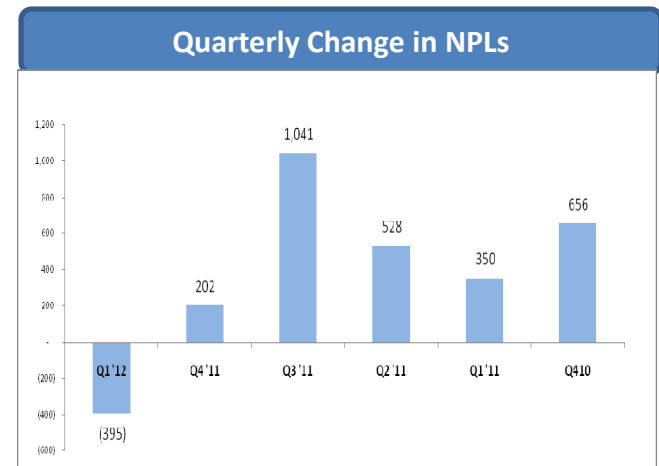
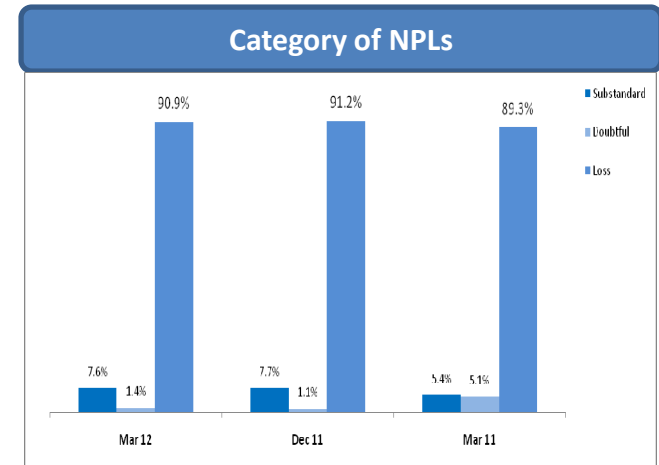
	Unconsolidated				Consolidated	
	Q1 12	YE 11	+/-	%	Q1 12	YE 11
<b>Assets</b>	<b>666,644</b>	<b>653,233</b>	<b>13,411</b>	<b>2%</b>	<b>670,261</b>	<b>656,325</b>
Advances - net	230,457	225,801	4,656	2%	230,443	225,795
<i>Gross Advances</i>	<b>252,787</b>	248,135	4,652	2%	<b>252,773</b>	248,128
Investments	327,630	316,652	10,979	3%	330,522	319,006
Cash and Balances with Banks & Lendings to Financial Institutions	52,187	56,359	(4,172)	-7%	52,278	56,435
Other Assets	56,370	54,421	1,948	4%	57,018	55,089
<b>Liabilities</b>	<b>574,213</b>	<b>564,431</b>	<b>9,783</b>	<b>2%</b>	<b>574,469</b>	<b>564,671</b>
Deposits	512,067	491,189	20,878	4%	512,028	491,147
Borrowings	28,545	39,101	(10,556)	-27%	28,545	39,101
Bills Payable	8,405	9,467	(1,062)	-11%	8,405	9,467
Other Liabilities	25,197	24,675	522	2%	25,492	24,956
<b>Net Assets</b>	<b>92,431</b>	88,802	3,628	4%	<b>95,792</b>	91,654
<b>Equity without surplus</b>	<b>81,814</b>	78,915	2,899	4%	<b>84,524</b>	81,527

# Non-Performing Loans



Rs. In Mlns

	Q1 12	Dec 11	Sep 11	June 11	Mar 11	Dec 10
<b>Total NPLs</b>	<b>26,270</b>	<b>26,665</b>	<b>26,463</b>	<b>25,422</b>	<b>24,894</b>	<b>24,544</b>
<b>YTD - change</b>	<b>-1.5%</b>	<b>8.6%</b>	<b>7.8%</b>	<b>3.6%</b>	<b>1.4%</b>	<b>5.6%</b>
QoQ	(395)	202	1,041	528	350	656
QoQ % variance	-1%	1%	4%	2%	1%	3%
<b>Substandard</b>	<b>2,008</b>	<b>2,045</b>	<b>1,886</b>	<b>552</b>	<b>1,356</b>	<b>1,540</b>
<b>YTD - change</b>	<b>-2%</b>	<b>33%</b>	<b>22%</b>	<b>-64%</b>	<b>-12%</b>	<b>-48%</b>
QoQ	(37)	159	1,333	(804)	(183)	(444)
QoQ % variance	-2%	8%	241%	-59%	-12%	-22%
<b>Doubtful</b>	<b>361</b>	<b>292</b>	<b>709</b>	<b>911</b>	<b>1,264</b>	<b>2,142</b>
<b>YTD - change</b>	<b>24%</b>	<b>-86%</b>	<b>-67%</b>	<b>-57%</b>	<b>-41%</b>	<b>-50%</b>
QoQ	69	(416)	(202)	(353)	(879)	(1,033)
QoQ % variance	24%	-59%	-22%	-28%	-41%	-33%
<b>Loss</b>	<b>23,890</b>	<b>24,328</b>	<b>23,838</b>	<b>23,928</b>	<b>22,236</b>	<b>20,805</b>
<b>YTD - change</b>	<b>-2%</b>	<b>17%</b>	<b>15%</b>	<b>15%</b>	<b>7%</b>	<b>31%</b>
QoQ	(437)	490	(90)	1,692	1,431	2,150
QoQ % variance	-1.8%	2%	0%	8%	7%	12%
<b>OAEM</b>	<b>11</b>	<b>-</b>	<b>31</b>	<b>30</b>	<b>38</b>	<b>57</b>
<b>YTD - change</b>	<b>100%</b>	<b>-100%</b>	<b>-46%</b>	<b>-47%</b>	<b>-33%</b>	<b>-26%</b>
QoQ	11	(31)	1	(8)	(19)	(17)
QoQ % variance	100%	-100%	2%	-20%	-33%	-23%



## Investments



Rs. In Mlns

	Q1 12	YE 11	+/-	%	Q1 11	+/-	%
Treasury Bills	259,265	258,891	374	0.1%	215,818	43,447	20%
Pakistan Investment Bonds	46,088	35,798	10,290	29%	16,671	29,417	176%
TFCs, Debentures, Bonds and PTCs	4,012	4,025	(13)	-0.3%	5,790	(1,778)	-31%
Other Government Securities	1,561	1,543	18	1%	1,447	114	8%
Shares in Listed and Unlisted Co.s/Open End Fund/NIT	11,621	12,362	(741)	-6%	6,786	4,834	71%
Sukook Bonds	5,237	5,332	(95)	-2%	4,445	792	18%
Subsidiaries & Associated Undertakings	1,542	1,542	-	0%	1,521	20	1%
<b>Gross Investments</b>	<b>329,326</b>	<b>319,493</b>	<b>9,833</b>	<b>3%</b>	<b>252,479</b>	<b>76,846</b>	<b>30%</b>
Prov for diminution in value of investments	(2,918)	(3,327)	409	-12%	(2,793)	(125)	4%
Surplus /(Deficit) on revaluation of securities	1,223	486	737	152%	556	667	120%
<b>Net Investments</b>	<b>327,630</b>	<b>316,652</b>	<b>10,979</b>	<b>3%</b>	<b>250,242</b>	<b>77,388</b>	<b>31%</b>
Investments (net) to Total Assets	49.1%	48.5%			41.4%		
T-Bills to Total Investments (gross)	78.7%	81.0%			85.5%		
Investments to Deposits ratio (IDR net)	64.0%	64.5%			54.1%		

# Deposits



Rs. In Mlns

	Q1 12		Q4 11		Q3 11		Q2 11		Q1 11	
	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix
<b>Deposits</b>	<b>512,067</b>		<b>491,189</b>		<b>482,938</b>		<b>496,206</b>		<b>462,301</b>	
Current deposits	171,706	34%	167,446	34%	169,167	35%	181,364	37%	163,911	35%
Savings deposits	248,514	49%	229,902	47%	220,515	46%	220,838	45%	217,367	47%
Term Deposits	91,847	18%	93,841	19%	93,256	19%	94,003	19%	81,023	18%
<b>CASA</b>	<b>420,220</b>		<b>397,348</b>		<b>389,682</b>		<b>402,203</b>		<b>381,278</b>	
			<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>
Variance	10%	6%	13%	2%	13%	-3%	17%	5%	17%	9%
<b>Variance</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>	<b>YoY</b>	<b>QoQ</b>
Current deposits	5%	3%	11%	-1%	12%	-7%	23%	11%	21%	8%
Savings deposits	14%	8%	15%	4%	14%	-0.1%	13%	2%	14%	9%
Term Deposits	13%	-2%	17%	1%	19%	-1%	25%	16%	23%	1%
<b>Total Deposits</b>	<b>11%</b>	<b>4%</b>	<b>14%</b>	<b>2%</b>	<b>14%</b>	<b>-3%</b>	<b>18%</b>	<b>7%</b>	<b>18%</b>	<b>7%</b>
<b>Market Share (Domestic)</b>		<b>QoQ</b>		<b>QoQ</b>		<b>QoQ</b>		<b>QoQ</b>		<b>QoQ</b>
Industry	5,920,093	5%	5,630,078	4%	5,418,431	-3%	5,599,098	10%	5,083,754	-1%
MCB	506,426	5%	484,492	2%	476,896	-2%	489,106	7%	455,542	7%
<b>Share</b>	<b>8.55%</b>		<b>8.61%</b>		<b>8.80%</b>		<b>8.74%</b>		<b>8.96%</b>	

\*Industry figures have been obtained from external sources

# Profit and Loss Statement



Rs. In Mlns

	Unconsolidated				Consolidated			
	Q1 12	Q1 11	+/-	%	Q1 12	Q1 11	+/-	%
Mark-up Income	17,545	15,960	1,585	10%	17,561	15,970	1,591	10%
Mark-up Expense	6,847	5,037	1,810	36%	6,846	5,037	1,809	36%
<b>Net Mark-up Income</b>	<b>10,698</b>	<b>10,923</b>	<b>(225)</b>	<b>-2%</b>	<b>10,714</b>	<b>10,933</b>	<b>(219)</b>	<b>-2%</b>
Non Interest Income	2,413	2,008	405	20%	2,509	2,046	463	23%
<b>Total Income</b>	<b>13,112</b>	<b>12,931</b>	<b>181</b>	<b>1%</b>	<b>13,223</b>	<b>12,979</b>	<b>245</b>	<b>2%</b>
Non Mark-up Expense	4,380	3,898	482	12%	4,462	3,952	510	13%
<i>admin expenses</i>	4,423	3,969	455	11%	4,505	4,023	483	12%
<i>PF reversal</i>	(300)	(300)	0	0%	(300)	(300)	0	0%
<i>other charges</i>	257	229	28	12%	257	230	27	12%
<b>Profit before Provisions</b>	<b>8,731</b>	<b>9,033</b>	<b>(302)</b>	<b>-3%</b>	<b>8,761</b>	<b>9,027</b>	<b>(265)</b>	<b>-3%</b>
Provisions	75	1,197	(1,122)	-94%	75	1,197	(1,122)	-94%
against Investments	1	187	(187)	-100%	1	187	(187)	(1)
against loans & advances	75	1,010	(935)	-93%	75	1,010	(935)	-93%
<b>Profit before Tax</b>	<b>8,656</b>	<b>7,836</b>	<b>820</b>	<b>10%</b>	<b>8,686</b>	<b>7,830</b>	<b>856</b>	<b>11%</b>
Share of Undertaking	-	-	-	-	130	139	(9)	-7%
Taxation	3,012	2,813	199	7%	3,049	2,857	192	7%
<b>Profit after Tax</b>	<b>5,644</b>	<b>5,023</b>	<b>621</b>	<b>12%</b>	<b>5,768</b>	<b>5,113</b>	<b>655</b>	<b>13%</b>

## Net Interest Income



Rs. In Mlns

	Q1 12	Q1 11	+/-	%
<b>MARK-UP EARNED</b>	<b>17,545</b>	<b>15,960</b>	<b>1,585</b>	<b>10%</b>
On Loans and advances	7,585	8,856	(1,272)	-14%
On investments	9,803	6,897	2,906	42%
On deposits with financial institutions	9	14	(4)	-32%
On securities purchased under resale agreements	93	118	(25)	-21%
On money at call	9	19	(10)	-54%
Others	47	56	(10)	-17%
<b>MARK-UP EXPENSED</b>	<b>6,847</b>	<b>5,037</b>	<b>1,810</b>	<b>36%</b>
Deposits	5,519	4,380	1,139	26%
Securities under repurchase agreements	799	185	614	333%
Other short-term borrowings	348	282	66	23%
Discount, Commission and brokerage	144	126	18	14%
Others	38	64	(27)	-42%
<b>NIM</b>	<b>10,698</b>	<b>10,923</b>	<b>(225)</b>	<b>-2%</b>



## Non-Markup Income



Rs. In Mlns

	Q1 12	Q1 11	+/-	%
<b>Total Non-Interest Income</b>	<b>2,413</b>	<b>2,008</b>	<b>405</b>	<b>20%</b>
Fee, Commission & Brokerage	1,462	1,182	280	24%
Dividend Income	505	189	317	168%
Income from dealing in Foreign Currencies	255	214	41	19%
Capital Gains	54	278	(224)	-81%
Other Income	137	145	(8)	-6%

	Q1 12	Q1 11	+/-	%
<b>Total Fee, Commission and brokerage Income</b>	<b>1,462</b>	<b>1,182</b>	<b>281</b>	<b>24%</b>
Commission on consumer loan	96	85	11	13%
Minimum balance charges	39	102	(63)	-62%
Commission on trade	236	219	18	8%
Commission on remittance	263	217	46	21%
Commission on utility bills	28	31	(3)	-9%
Exchange income on import / export bills purchased / negotiated	55	56	(1)	-1%
Commission on ATM / Debit Card	199	155	44	28%
Corporate Services charges / facility fee	15	9	5	57%
Corporate finance fee	30	3	27	766%
Other Commission	501	304	198	65%

## Key Financial Ratios



	BV*	ROA*	ROE*	EPS*	CAR	ADR	Infection ratio	Coverage ratio
<b>Mar 2012</b>	88.94	3.42%	28.09%	24.54	22.26%	49.37%	10.39%	85.00%
<b>Dec 2011</b>	85.79	3.18%	26.23%	21.12	21.79%	50.52%	10.75%	83.76%
<b>Sep 2011</b>	84.25	3.30%	28.21%	22.49	23.15%	54.58%	10.04%	83.14%
<b>June 2011</b>	81.56	3.53%	29.32%	22.98	22.26%	56.79%	9.02%	85.82%
<b>Mar 2011</b>	78.20	3.43%	28.48%	21.84	22.21%	60.49%	8.90%	82.71%
<b>Dec 2010</b>	75.21	3.13%	25.91%	18.34	22.07%	63.55%	8.95%	79.83%
<b>Sep 2010</b>	72.93	3.18%	26.00%	18.11	23.16%	58.47%	9.68%	76.65%
<b>June 2010</b>	70.39	3.05%	25.25%	17.27	21.15%	62.82%	9.16%	76.02%
<b>Mar 2010</b>	68.27	3.29%	26.74%	18.01	20.24%	66.29%	8.98%	74.36%
<b>Dec 2009</b>	66.40	3.25%	27.35%	16.85	19.07%	73.37%	8.62%	70.89%

\*Quarterly ratios have been annualised



# Awards and Recognitions



Ranked 606, in July 2011 edition (2010: 621) 3<sup>rd</sup> highest among the local Top 5



Best Bank of the Year 2011 and Most Stable Bank of the Year 2011



Best Bank In Pakistan 2011



Ranked among the Top 25 largest companies in Pakistan



Strongest Bank in Pakistan 2010



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



Best Bank Led Mobile Money Transfer Program 2010

### “Series of Awards Won”

2009	<b>Asiamoney:</b>	Best Domestic Bank in Pakistan
2009	<b>The Asset:</b>	Best Domestic Bank in Pakistan
2008	<b>Euromoney:</b>	Best Bank in Asia
2008	<b>Euromoney:</b>	Best Bank in Pakistan
2008	<b>Asiamoney:</b>	Best Domestic Bank in Pakistan

2006	<b>Asiamoney:</b>	Best Domestic Bank in Pakistan
2006	<b>Euromoney:</b>	Best Bank in Pakistan
2005	<b>Asiamoney:</b>	Best Domestic Bank in Pakistan
2005	<b>Euromoney:</b>	Best Bank in Pakistan
2004	<b>Euromoney:</b>	Best Bank in Pakistan

2004	<b>Asiamoney:</b>	Best Domestic Bank in Pakistan
2003	<b>Euromoney:</b>	Best Bank in Pakistan
2001	<b>Euromoney:</b>	Best Bank in Pakistan
2000	<b>Euromoney:</b>	Best Bank in Pakistan



Estd. 1951

“Best Corporate Report Award 2009 and 2010 – Banking Sector”



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