



MCB

MCB Bank Limited

Investors Briefing

Financial Performance Analysis

For the year ended
December 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

Increase of 17% in Assets base, Equity increased by 15%

Rs. In mln

	Unconsolidated				Consolidated	
	YE 12	YE 11	YoY	%	YE 12	YE 11
Assets	765,899	653,233	112,666	17%	770,283	656,325
Advances - net	239,583	227,580	12,003	5%	239,789	225,795
<i>Gross Advances</i>	262,392	249,914	12,479	5%	262,598	249,907
Investments	402,069	316,652	85,417	27%	405,601	319,006
Cash and Balances with Banks & Lendings to Financial Institutions	60,164	56,359	3,805	7%	60,208	56,435
Other Assets	64,083	52,643	11,441	22%	64,684	55,089
Liabilities	664,148	564,431	99,717	18%	664,527	564,671
Deposits	545,061	491,189	53,872	11%	544,988	491,147
Borrowings	464,411	399,687	64,724	16%	464,338	399,670
Bills Payable	80,650	91,502	(10,852)	-12%	80,650	91,477
Other Liabilities	78,951	39,101	39,850	102%	79,064	39,101
	9,896	9,467	429	5%	9,896	9,467
Net Assets	30,240	24,675	5,565	23%	30,579	24,956
Equity without surplus	101,751	88,802	12,948	15%	105,755	91,654



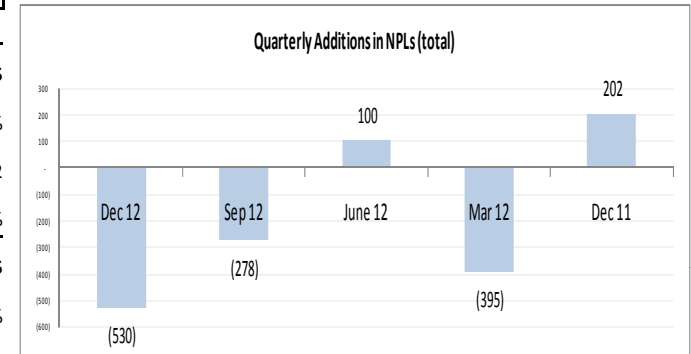


Non Performing Loans (NPLs)

Decrease of 1,103M over Dec 2011: -1,759M in substandard, +557M in doubtful and +98M in loss
 Coverage ratio improved to 89.23% (YE11: 83.76%), NPLs ratio at 9.74% (YE11: 10.67%)

	Dec 12	Sep 12	June 12	Mar 12	Dec 11
Total NPLs	25,562	26,092	26,370	26,270	26,665
YTD - change	-4%	-2%	-1%	-1%	9%
QoQ	(530)	(278)	100	(395)	202
QoQ % variance	-2%	-1%	0.4%	-1%	1%
Substandard	286	1,815	1,807	2,008	2,045
YTD - change	-86%	-11%	-12%	-2%	33%
QoQ	(1,529)	8	(200)	(37)	159
QoQ % variance	-84%	0.4%	-10%	-2%	8%
Doubtful	850	547	477	361	292
YTD - change	191%	87%	63%	24%	-86%
QoQ	303	70	115	69	(416)
QoQ % variance	55%	15%	32%	24%	-59%
Loss	24,426	23,714	24,074	23,890	24,328
YTD - change	0.4%	-3%	-1%	-2%	17%
QoQ	712	(360)	184	(437)	490
QoQ % variance	3%	-1%	1%	-2%	2%
OAEM	-	16	12	11	-
YTD - change	100%	100%	100%	100%	-100%
QoQ	(16)	4	1	11	(31)
QoQ % variance	-100%	38%	9%	100%	-100%

Rs. In mln



Concentration of Category of NPLs

	Dec 12	Sep 12	June 12	Mar 12	Dec 11
Substandard	1.1%	7.0%	6.9%	7.6%	7.7%
Doubtful	3.3%	2.1%	1.8%	1.4%	1.1%
Loss	95.6%	90.9%	91.3%	90.9%	91.2%

Infection ratio vs. Industry - DOMESTIC

	Dec 2012	Sep 2012	June 2012	Mar 2012	Dec 2011
MCB	8.4%	9.0%	8.7%	9.1%	9.5%
Industry	NA	16.6%	17.0%	16.9%	17.5%

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

Investments

Increase of 32B in T-Bills and of 49B in PIBs

	Rs. In mln						
	Dec 2012	Dec 2011	Var.	% var.	Sep 2012	Var.	% var.
Treasury Bills	290,834	258,891	31,943	12%	323,663	(32,829)	-10%
Pakistan Investment Bonds	85,105	35,798	49,307	138%	65,216	19,889	30%
TFCs, Debentures, Bonds and PTCs	4,744	4,025	718	18%	4,562	182	4%
Other Government Securities	1,694	1,543	151	10%	1,646	48	3%
Shares in Listed and Unlisted Co.s/Open End Fund/NIT	11,107	12,362	(1,255)	-10%	11,090	16	0%
Sukook Bonds	4,054	5,332	(1,278)	-24%	4,892	(839)	-17%
Subsidiaries & Associated Undertakings	1,636	1,542	94	6%	1,636	(0)	0%
Gross Investments	399,173	319,493	79,680	25%	412,706	(13,533)	-3%
Prov for diminution in value of investments	(2,783)	(3,327)	544	-16%	(2,853)	69	-2%
Surplus /(Deficit) on revaluation of securities	5,680	486	5,194	1069%	5,359	321	6%
Net Investments	402,069	316,652	85,417	27%	415,212	(13,143)	-3%
Concentration of Investments							
T-Bills	72.33%	81.76%			77.95%		
PIBs	21.17%	11.31%			15.71%		
Debt instruments	3.33%	2.54%			3.28%		
Equity securities	2.76%	3.90%			2.67%		



Deposits

CASA increased to 85%

YTD increase/decrease

Current deposits	13%
Savings deposits	18%
Term Deposits	-12%
Total Deposits	11%

Rs. In mln

Q4 12		Q3 12		Q2 12		Q1 12		Q4 11	
Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix

Deposits - Volume

	545,061		541,613		529,366		512,067		491,189	
Current deposits	189,393	35%	185,571	34%	189,235	36%	171,706	34%	167,446	34%
Savings deposits	275,018	50%	270,527	50%	252,317	48%	249,521	49%	232,241	47%
Term Deposits	80,650	15%	85,515	16%	87,813	17%	90,840	18%	91,502	19%

CASA

	464,411	↑ 85%	456,098	84%	441,553	83%	421,227	82%	399,687	81%
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Variance

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

Market Share (Domestic)

		QoQ	QoQ	QoQ	QoQ	QoQ					
Industry	(YTD increase 14%)	6,682,648	↑ 6%	6,315,373	-1%	6,402,735	8%	5,920,093	1%	5,874,689	8%
MCB	(YTD increase 11%)	538,835	↑ 1%	535,869	2%	523,941	3%	506,439	5%	484,492	2%
Share		↓ 8.06%		8.49%		8.18%		8.55%		8.25%	



Profit and Loss Statement

PAT increased by 8% and PBT increased by 2%

Rs. In mln

	Unconsolidated				Consolidated			
	YE 12	YE 11	+/-	%	YE 12	YE 11	+/-	%
Mark-up Income	68,356	68,147	210	0.3%	68,444	68,216	228	0.3%
Mark-up Expense	27,500	23,620	3,880	16%	27,503	23,633	3,871	16%
Net Mark-up Income	40,856	44,526	(3,670)	-8%	40,940	44,583	(3,643)	-8%
Non Interest Income	9,153	8,112	1,041	13%	9,541	8,241	1,300	16%
Total Income	50,010	52,639	(2,629)	-5%	50,481	52,825	(2,343)	-4%
Non Mark-up Expense	17,478	17,502	(24)	-0.1%	17,823	17,778	46	0%
<i>admin expenses</i>	19,586	17,774	1,812	10%	19,932	18,050	1,882	10%
<i>PF reversal</i>	(2,521)	(2,189)	(332)	15%	(2,521)	(2,189)	(332)	15%
<i>other charges</i>	413	1,917	(1,504)	-78%	413	1,917	(1,505)	-78%
Profit before Provisions	32,532	35,137	(2,605)	-7%	32,658	35,047	(2,389)	-7%
Provisions	478	3,654	(3,176)	-87%	478	3,654	(3,176)	-87%
against Investments	(3)	779	(782)	-100%	(3)	779	(782)	(1)
against loans & advances	481	2,875	(2,394)	-83%	481	2,875	(2,394)	-83%
Profit before Tax	32,054	31,483	571	2%	32,180	31,393	787	3%
Share of Undertaking	0	0	-	-	297	-72	368	-515%
Taxation	11,113	12,058	(945)	-8%	11,241	12,019	(778)	-6%
Profit after Tax	20,941	19,425	1,516	8%	21,235	19,302	1,933	10%



Net Interest Income

Income on advances decreased by 15%, on investments increased by 18% while expense on deposits went up by 15%

	Rs. In mln			
	Dec 2012	Dec 2011	Var.	% var.
MARK-UP EARNED	68,356	68,147	210	0.3%
On Loans and advances	28,811	33,770	(4,959)	-15%
On investments	39,034	33,120	5,914	18%
On deposits with financial institutions	40	12	29	242%
On securities purchased under resale agreements	257	958	(701)	-73%
On money at call	23	72	(48)	-67%
Others	191	216	(25)	-11%
MARK-UP EXPENSED	27,500	23,620	3,880	16%
Deposits	23,043	20,083	2,960	15%
Securities under repurchase agreements	2,628	1,575	1,053	67%
Other short-term borrowings	1,154	1,211	(57)	-5%
Discount, Commission and brokerage	512	662	(151)	-23%
Others	164	89	75	84%
NIM	40,856	44,526	(3,670)	-8%

Non- Markup Income

Rs. In mln

	Dec 2012	Dec 2011	Var.	% var.
NON MARKUP INCOME	9,153	8,112	1,041	13%
Fee, Commission & Brokerage	5,934	5,117	817	16%
Dividend Income	1,198	1,003	194	19%
Income from dealing in Foreign Currencies	823	921	(98)	-11%
Capital Gains	825	736	89	12%
Other Income	374	335	39	12%

	Dec 2012	Dec 2011	Var.	% var.
FEE COMMISSION AND BROKERAGE INCOME	5,934	5,117	817	16%
Commission on consumer loan	254	270	(16)	-6%
Minimum balance charges	154	260	(107)	-41%
Commission on trade	741	741	1	0.1%
Commission on remittance	1,295	1,156	139	12%
Commission on utility bills	112	125	(12)	-10%
Exchange income on import / export bills purchased / negotiated	224	208	15	7%
Commission on ATM / Debit Card	1,152	850	302	36%
Corporate Services charges / facility fee	54	71	(18)	-25%
Corporate finance fee	91	101	(10)	-10%
Other Commission	1,858	1,335	523	39%



Key Ratios

	BV*	ROA	ROE	EPS* (annualised)	CAR	ADR	Infection ratio	Coverage ratio
Dec 2012	95.84	2.95%	25.07%	22.77	22.13%	48.14%	9.74%	89.23%
Sep 2012	94.07	3.14%	26.87%	24.17	24.18%	46.29%	10.41%	85.79%
June 2012	92.16	3.38%	27.68%	24.62	22.15%	49.81%	10.00%	86.12%
Mar 2012	88.94	3.42%	28.09%	24.54	22.26%	49.37%	10.39%	85.00%
Dec 2011	85.79	3.18%	26.23%	21.12	21.79%	50.52%	10.67%	83.76%
Sep 2011	84.25	3.30%	28.21%	22.49	23.15%	54.58%	10.04%	83.14%
June 2011	81.56	3.53%	29.32%	22.98	22.26%	56.79%	9.02%	85.82%
Mar 2011	78.20	3.43%	28.48%	21.84	22.21%	60.49%	8.90%	82.71%
Dec 2010	75.21	3.13%	25.91%	18.34	22.07%	63.55%	8.95%	79.83%
Sep 2010	72.93	3.18%	26.00%	18.11	23.16%	58.47%	9.68%	76.65%
June 2010	70.39	3.05%	25.25%	17.27	21.15%	62.82%	9.16%	76.02%
Mar 2010	68.27	3.29%	26.74%	18.01	20.24%	66.29%	8.98%	74.36%
Dec 2009	66.40	3.25%	27.35%	16.85	19.07%	73.37%	8.62%	70.89%

*Includes the impact of bonus shares



Awards and Recognitions



Best Commercial Bank – Pakistan 2012



‘Runner-up Best Corporate Report Award (Banks) 2011’



Estd. 1951



Runner up Investor Relations Award 2011



Best Bank In Pakistan 2012

The Banker TOP 1000 WORLD BANKS 2012
thebankerdatabase.com

MCB Bank
World Ranking: 624
Country Ranking: 3



The QFC Asian Banker Leadership Achievement Award 2010



An Apex body of SAARC

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



Strongest Bank in Pakistan 2010



Best Bank In Pakistan 2011



Ranked among the Top 25 largest companies in Pakistan



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

“Series of Awards Won”

2009 **Asiamoney:** Best Domestic Bank in Pakistan
2009 **The Asset:** Best Domestic Bank in Pakistan
2008 **Euromoney:** Best Bank in Asia
2008 **Euromoney:** Best Bank in Pakistan
2008 **Asiamoney:** Best Domestic Bank in Pakistan

2006 **Asiamoney:** Best Domestic Bank in Pakistan
2006 **Euromoney:** Best Bank in Pakistan
2005 **Asiamoney:** Best Domestic Bank in Pakistan
2005 **Euromoney:** Best Bank in Pakistan
2004 **Euromoney:** Best Bank in Pakistan

2004 **Asiamoney:** Best Domestic Bank in Pakistan
2003 **Euromoney:** Best Bank in Pakistan
2001 **Euromoney:** Best Bank in Pakistan
2000 **Euromoney:** Best Bank in Pakistan



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



Estd. 1951



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



MCB Bank Limited

Thankyou

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