

MCB Bank Limited

Investors Briefing



Annual Performance Analysis

Financial Results

For the year ended December 31, 2011

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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	
	YE 11	YE 10	YoY	%	YE 11	YE 10
Assets	653,233	567,553	85,680	15%	656,325	570,482
Advances - net	225,801	254,552	(28,750)	-11%	225,795	254,565
<i>Gross Advances</i>	248,135	274,144	(26,009)	-9%	248,128	274,158
Investments	316,652	213,061	103,591	49%	319,006	215,748
Cash and Balances with Banks & Lendings to Financial Institutions	56,359	51,288	5,071	10%	56,435	51,361
Other Assets	54,421	48,653	5,768	12%	55,089	48,808
Liabilities	564,431	488,349	76,082	16%	564,671	488,483
Deposits	491,189	431,372	59,817	14%	491,147	431,295
Borrowings	39,101	25,685	13,416	52%	39,101	25,685
Bills Payable	9,467	10,266	(799)	-8%	9,467	10,266
Other Liabilities	24,675	21,027	3,648	17%	24,956	21,237
Net Assets	88,802	79,204	9,598	12%	91,654	81,999
Equity without surplus	78,915	69,181	9,734	14%	81,527	71,228

Advances



Rs. In Blns

	YE 11	YE 10	+/-	%	9M 11	+/-	%
Advances (gross)	248	274	-26	-9%	264	-15	-6%
Commercial	52.0	54.4	-2.4	-4%	44.7	7.4	17%
Corporate	156.2	177.7	-21.5	-12%	178.9	-22.7	-13%
Consumer	12.2	16.0	-3.8	-24%	13.0	-0.8	-6%
Business Sarmaya	3.7	5.6	-1.8	-33%	4.1	-0.4	-9%
Islamic	6.5	3.7	2.8	74%	5.4	1.0	19%
Overseas	11.2	9.5	1.7	18%	11.1	0.2	1%
Others	6.3	7.3	-1.0	-14%	6.4	-0.1	-2%
Domestic Market share							
MCB Advances	236.9	264.7	-27.8	-10%	252	-15.6	-6%
Industry Advances	3,415.7	3,494.2	-78.5	-2%	3,415	0.6	0.02%
Market Share	6.94%	7.57%			7.39%		
Advances - Net	225.8	254.6	-28.8	-11%	241.6	-15.8	-7%
NPLs	26.7	24.5	2.1	9%	26.5	0.2	1%
ADR (gross)	50.5%	63.6%			54.6%		
Infection ratio	10.7%	9.0%			10.0%		
Provision to NPLs	83.8%	79.8%			83.1%		

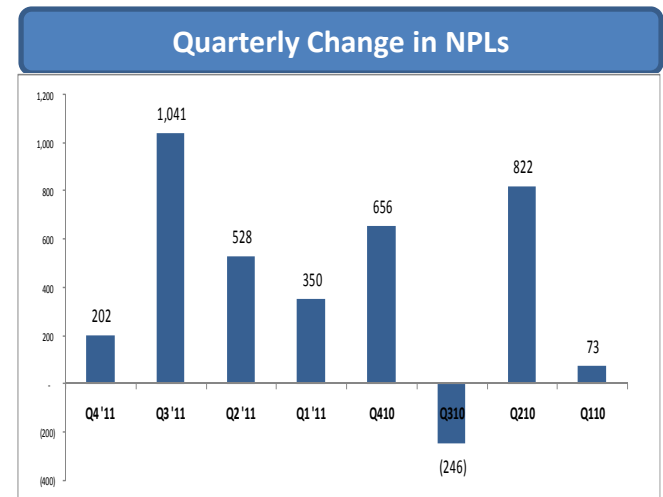
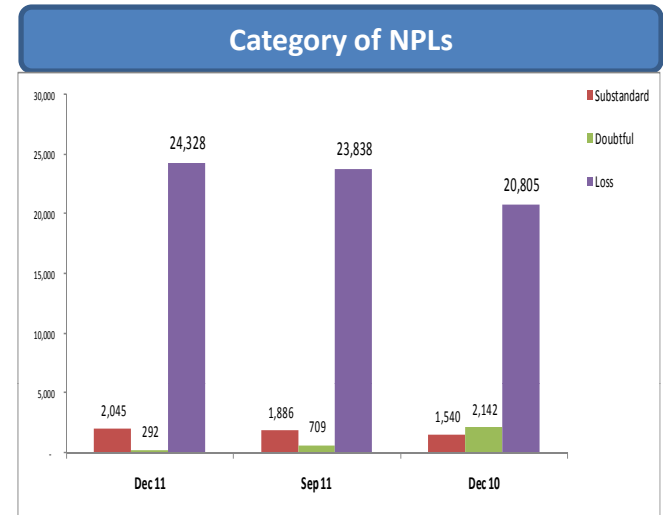
*Industry figures have been obtained from external sources

Non-Performing Loans



Rs. In Mlns

	Dec 11	Sep 11	June 11	Mar 11	Dec 10
Total NPLs	26,665	26,463	25,422	24,894	24,544
YTD - change	9%	8%	4%	1%	6%
QoQ	202	1,041	528	350	656
QoQ % variance	1%	4%	2%	1%	3%
OAEM		31	30	38	57
YTD - change	-100%	-46%	-47%	-33%	-26%
QoQ	(31)	1	(8)	(19)	(17)
QoQ % variance	-100%	2%	-20%	-33%	-23%
Substandard	2,045	1,886	552	1,356	1,540
YTD - change	33%	22%	-64%	-12%	-48%
QoQ	159	1,333	(804)	(183)	(444)
QoQ % variance	8%	241%	-59%	-12%	-22%
Doubtful	292	709	911	1,264	2,142
YTD - change	-86%	-67%	-57%	-41%	-50%
QoQ	(416)	(202)	(353)	(879)	(1,033)
QoQ % variance	-59%	-22%	-28%	-41%	-33%
Loss	24,328	23,838	23,928	22,236	20,805
YTD - change	17%	15%	15%	7%	31%
QoQ	490	(90)	1,692	1,431	2,150
QoQ % variance	2%	-0.4%	8%	7%	12%



Investments



Rs. In Mlns

	YE 11	YE 10	+/-	%	9M 11	+/-	%
Treasury Bills	258,891	189,111	69,780	37%	275,468	(16,577)	-6%
Pakistan Investment Bonds	35,798	6,936	28,862	416%	11,436	24,362	213%
TFCs, Debentures, Bonds and PTCs	4,025	5,772	(1,747)	-30%	5,962	(1,936)	-32%
Other Government Securities	1,543	1,447	96	7%	1,493	49	3%
Shares in Listed and Unlisted Co.s/Open End Fund/NIT	12,362	7,393	4,969	67%	12,081	281	2%
Sukook Bonds	5,332	3,528	1,804	51%	3,344	1,988	59%
Subsidiaries & Associated Undertakings	1,542	1,469	73	5%	1,542	0	0%
Gross Investments	319,493	215,655	103,837	48%	311,327	8,166	3%
Prov for diminution in value of investments	(3,327)	(3,116)	(211)	7%	(2,821)	(506)	18%
Surplus /(Deficit) on revaluation of securities	486	522	(36)	-7%	893	(407)	-46%
Net Investments	316,652	213,061	103,591	49%	309,398	7,254	2%
Investments (net) to Total Assets	48.5%	37.5%			45.1%		
T-Bills to Total Investments (gross)	81.0%	87.7%			88.5%		
Investments to Deposits ratio (IDR net)	64.5%	49.4%			64.1%		

Deposits



Rs. In Mlns

	YE 11		9M 11		1H 11		Q1 11		YE 10		9M 10		1H 10		Q1 10	
	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix	Volume	Mix
Deposits	491,189		482,938		496,206		462,301		431,372		422,272		419,270		391,565	
Current deposits	167,446	34%	169,167	35%	181,364	37%	163,911	35%	151,155	35%	150,507	36%	148,041	35%	135,125	35%
Savings deposits	232,241	47%	222,431	46%	224,266	45%	217,367	47%	200,143	46%	193,643	46%	195,970	47%	190,763	49%
Term Deposits	91,502	19%	91,340	19%	90,575	18%	81,023	18%	80,074	19%	78,122	19%	75,259	18%	65,677	17%
CASA																
2011/2010	399,687	81%	391,598	81%	405,631	82%	381,278	82%	351,298	81%	344,150	81%	344,011	82%	325,888	83%
2009									304,953	83%	303,777	84%	305,238	84%	281,549	83%
Variance	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	
Current deposits	11%	-1%	12%	-7%	23%	11%	21%	8%	17%	0.4%	15%	2%	14%	10%	17%	
Savings deposits	16%	4%	15%	-0.8%	14%	3%	14%	9%	14%	3%	12%	-1%	12%	3%	15%	
Term Deposits	14%	0%	17%	1%	20%	12%	23%	1%	28%	2%	34%	4%	33%	15%	16%	
Total Deposits	14%	2%	14%	-3%	18%	7%	18%	7%	17%	2%	17%	1%	16%	7%	16%	
CASA	14%	2%	14%	-3%	18%	6%	17%	9%	15%	2%	13%	0.04%	13%	6%	16%	
Market Share (Domestic)	YE 11	QoQ	9M 11	QoQ	1H 11	QoQ	Q1 11	QoQ	YE 10	QoQ	9M 10	QoQ	1H 10	QoQ	Q1 10	
Industry	5,630,078	4%	5,418,431	-3%	5,599,098	10%	5,083,754	-1%	5,124,308	10%	4,644,386	-0.4%	4,661,241	5%	4,424,190	
MCB	484,492	2%	476,896	-2%	489,106	7%	455,542	7%	424,837	3%	414,161	1%	411,776	7%	383,501	
Share	8.61%		8.80%		8.74%		8.96%		8.29%		8.92%		8.83%		8.67%	

*Industry figures have been obtained from external sources

Profit and Loss Statement



Rs. In Mlns

	Unconsolidated				Consolidated			
	YE 11	YE 10	+/-	%	YE 11	YE 10	+/-	%
Mark-up Income	68,147	54,821	13,325	24%	68,216	54,829	13,387	24%
Mark-up Expense	23,620	17,988	5,633	31%	23,633	18,027	5,605	31%
Net Mark-up Income	44,526	36,834	7,693	21%	44,583	36,802	7,781	21%
Non Interest Income	8,112	6,265	1,847	29%	8,241	6,442	1,800	28%
Total Income	52,639	43,099	9,540	22%	52,825	43,244	9,581	22%
Non Mark-up Expense	17,502	13,249	4,253	32%	17,778	13,406	4,371	33%
<i>admin expenses</i>	17,774	15,394	2,380	15%	18,050	15,548	2,502	16%
<i>PF reversal</i>	(2,189)	(3,220)	1,031	-32%	(2,189)	(3,220)	1,031	-32%
<i>other charges</i>	1,917	1,075	842	78%	1,917	1,079	839	78%
Profit before Provisions	35,137	29,850	5,287	18%	35,047	29,837	5,210	17%
Provisions	3,654	3,597	56	2%	3,654	3,597	56	2%
against Investments	779	444	334	75%	779	444	334	1
against loans & advances	2,875	3,153	(278)	-9%	2,875	3,153	(278)	-9%
Profit before Tax	31,483	26,253	5,230	20%	31,393	26,240	5,153	20%
Share of Undertaking	0	0	0	0%	-72	270	(341)	-127%
Taxation	12,058	9,380	2,678	29%	12,019	9,638	2,382	25%
Profit after Tax	19,425	16,873	2,552	15%	19,302	16,872	2,430	14%

Net Interest Income



Rs. In Mlns

	YE 11	YE 10	+/-	%
MARK-UP EARNED	68,147	54,821	13,325	24%
On Loans and advances	33,770	32,599	1,171	4%
On investments	33,120	20,320	12,799	63%
On deposits with financial institutions	12	16	(4)	-27%
On securities purchased under resale agreements	958	1,564	(605)	-39%
On money at call	72	105	(33)	-32%
Others	216	218	(2)	-1%
MARK-UP EXPENSED	23,620	17,988	5,633	31%
Deposits	20,083	15,806	4,277	27%
Securities under repurchase agreements	1,575	623	952	153%
Other short-term borrowings	1,211	902	309	34%
Discount, Commission and brokerage	662	554	108	20%
Others	89	103	(14)	-14%
NIM	44,526	36,834	7,693	21%

Non-Markup Income



Rs. In Mlns

	YE 11	YE 10	+/-	%
Total Non-Interest Income	8,112	6,265	1,847	29%
Fee, Commission & Brokerage	4,921	4,130	792	19%
Dividend Income	1,003	544	459	84%
Income from dealing in Foreign Currencies	921	632	289	46%
Capital Gains	736	412	324	79%
Other Income	531	548	(17)	-3%

	YE 11	YE 10	+/-	%
Total Fee, Commission and brokerage Income	4,921	4,129	792	19%
Commission on consumer loan	330	331	(0.3)	(0.0)
Minimum balance charges	260	440	(180)	-41%
Commission on trade	625	597	27	5%
Commission on remittance	892	674	218	32%
Commission on utility bills	125	134	(9)	-7%
Exchange income on import / export bills purchased / negotiated	208	138	70	51%
Commission on ATM / Debit Card	400	361	39	11%
Corporate Services charges / facility fee	71	37	35	96%
Corporate finance fee	476	369	107	29%
Other Commission	1,534	1,048	485	46%

Key Financial Ratios



	BV	ROA	ROE	EPS	CAR	P/BV	P/EPS	E/A	Scrip price
YE 11	94.37	3.18%	26.23%	23.23	21.79%	1.43	5.79	12.08	134.60
9M 11	92.68	3.30%	28.21%	24.74	23.15%	1.87	7.00	11.31	173.27
HY 11	89.71	3.53%	29.32%	25.28	22.26%	2.22	7.88	11.91	199.30
Q1 11	86.02	3.43%	28.48%	24.03	22.21%	2.41	8.64	11.90	207.54
YE 10	82.73	3.13%	25.91%	20.18	22.07%	2.76	11.33	12.19	228.54
9M 10	80.22	3.18%	26.00%	19.93	23.16%	2.35	9.45	12.43	188.31
HY 10	77.43	3.05%	25.25%	19.00	21.15%	2.51	10.22	12.17	194.19
Q1 10	75.10	3.29%	26.74%	19.81	20.24%	2.78	10.55	12.62	209.04
YE 09	73.04	3.25%	27.35%	18.53	19.07%	3.01	11.86	11.99	219.68

**Quarterly ratios have been annualised*



Awards and Recognitions



Ranked 606, 3rd highest among the local Top 5



"Most Stable Bank in Pakistan"



The Best Domestic Bank in Pakistan



Ranked among the Top 25 largest companies in Pakistan



Certificate of Merit for 2009 -Banking Sector subject to Prudential Supervision



Awards and Recognition



Estd. 1951

"Best Corporate Report Award 2009"

"Series of Awards Won"

2009

Asia Money – Best Domestic Bank in Pakistan
The Asset - Best Domestic Bank in Pakistan

2008

EuroMoney – Best Bank In Asia
Best Bank In Pakistan
AsiaMoney – Best Domestic Bank In Pakistan

2006

EuroMoney – Best Bank In Pakistan
AsiaMoney – Best Domestic Bank In Pakistan

2005

EuroMoney – Best Bank In Pakistan
AsiaMoney – Best Domestic Bank In Pakistan

2004

EuroMoney – Best Bank In Pakistan
AsiaMoney – Best Domestic Bank In Pakistan

2000, 2001 & 2003

EuroMoney – Best Bank In Pakistan



"Strongest Bank in Country"



Best Bank Led Mobile Money Transfer Program



The QFC Asian Banker Leadership Achievement Award
– 2010



Thankyou

**For further details on MCB Bank Limited, please visit
www.mcb.com.pk**

**For any query/comments/feedback, please e-mail
investor.relations@mcb.com.pk**