

### Key Statistics

Latest Close	21.8
52-week Price Range	19.6-73.4
NOS Outstanding (Mn)	1,420
Market Capitalization (BDT Bn)	30,947
<b>Holding Structure</b>	
Public	59%
Institution	10%
Sponsors	30%
Foreign	1%
52-week Avg. Turnover	76.1
EPS Forward	1.13
P/E Forward	19.2
Sector P/E Forward	9.7
NAVPS	16.04
P/NAVPS	1.36
Sector P/NAVPS	1.17
Beta	0.97

**Company Profile:** National Bank Ltd. started its operation in 1983 and since then, the Bank has 145 branches and 15 SME/Agri Branches across Bangladesh. Besides, the Bank has drawn arrangement with 415 correspondents in 75 countries of the world as well as with 32 overseas Exchange Companies. The Bank invested 25% equity in Gulf Overseas Exchange Company LLC, a joint venture Exchange Company in Oman, operating since November, 1985 under the management of the Bank.

**Description of Business:** The key revenue driver of NBL is Net Interest Income, which was around 41.2% of total operating income, whereas investment income contributes 26.1% of TOI. The important fact is that, investment income was revenue driver in previous year, which was around 48% of TOI, whereas NII was 31% of TOI. The reason is that the bank has significantly increased investment in govt. securities in 2011 and 2012 decreasing investment in capital market due to capital market instability.

Key Financials (In MN BDT)	2010	2011	Q1, 2012	Q2, 2012	Q3, 2012
Loans and advances	92,003.6	115,388.9	120,008.4	126,765.4	128,569.3
Deposits and other accounts	102,471.8	128,216.0	132,897.1	140,968.5	148,012.5
Investment					
Govt.	15,016.9	21,148.4	31,557.7	31,580.2	37,599.3
Others	9,937.1	9,186.3	8,673.7	7,469.7	7,638.1
Total Shareholders equity	19,118.3	21,522.6	22,891.3	22,341.2	22,161.2
Paid up capital	4,412.1	8,603.7	14,196.0	14,196.0	14,196.0
Total Contingent Liabilities (OBS)	44,053.9	44,392.7	45,834.2	53,032.2	55,223.1
Interest income	9,616.1	14,434.7	4,614.6	4,678.8	4,769.3
Interest paid on deposits and borrowings	5,577.1	9,188.8	3,471.4	3,284.3	3,437.3
Net interest	4,039.0	5,245.9	1,143.2	1,394.6	1,332.0
Investments income	6,216.4	3,320.2	1,331.5	821.2	907.0
Commision, exchange and brokerage	1,602.0	1,847.2	418.8	438.5	477.9
Operating profit	13,092.5	12,743.6	3,083.3	2,874.2	2,854.6
Profit before tax	8,856.4	9,392.9	2,255.5	459.2	552.9
Net profit	6,906.1	6,086.7	1,589.6	(225.5)	(185.5)
Key Performance Indicators (Quarterly)	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12
NIM growth	-13.5%	35.6%	-28.0%	22.0%	-4.5%
OP growth	-31.9%	35.0%	-15.6%	-79.6%	276.2%
Total Provision growth	25.5%	-309.7%	-104.5%	-72.7%	14742.1%
Net Interest Margin (NIM) % of Interest Income	31.5%	37.2%	24.8%	29.8%	27.9%
OP % of Interest Income	54.0%	63.5%	49.5%	10.0%	36.9%
Current Deposit growth	1.3%	2.6%	-2.4%	8.7%	-4.0%
Savings Deposit growth	4.3%	4.2%	-2.2%	3.7%	2.2%
Term Deposit growth	0.0%	557454.1%	6.9%	5.5%	8.0%

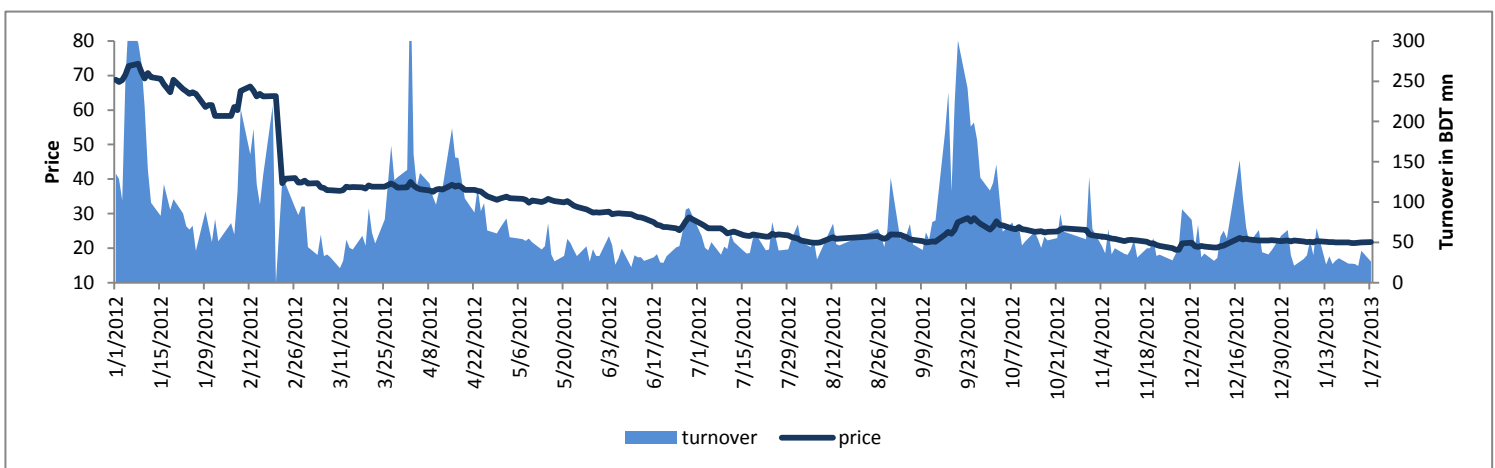
## Analysis of Performance:

Net interest income growth was 14 per cent in Q3, 2012, while investment income growth was negative 3 per cent in Q3, 2012 as Bank has high capital market exposure. Commission, exchange and brokerage growth was negative 12.23 per cent in Q3, 2012. The bottom line of the profit NPAT decreased by 115 per cent in Q3 because of mixed performance and high provisioning.

Operating expenses increased by 35 per cent and provision for loans and advances increased by 282 per cent in Q3, 2012. Total asset increased by 26 per cent while the main contributor of the asset, loans and advances increased by 20 per cent in Q3, 2012. Total deposit growth was 26 per cent in Q3, 2012.

ROA and ROE of the Bank was 4.01 per cent and 88.14 per cent respectively in 2011. NPL (Non-performing loan) ratio was 2.81 per cent in 2011. Bank maintained 12.65 per cent of Capital adequacy ratio, the required amount was 10 per cent.

## Stock Performance



## Analyst Team

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