

### Key Statistics

Latest Close	26.2
52-week Price Range	22.9-53.9
NOS Outstanding (Mn)	632
Market Capitalization (BDT Bn)	16,555
<b>Holding Structure</b>	
Public	77%
Institution	9%
Sponsors	14%
Foreign	0%
52-week Avg. Turnover	33.9
EPS Forward	1.26
P/E Forward	20.8
Sector P/E Forward	9.7
NAVPS	29.61
P/NAVPS	0.88
Sector P/NAVPS	1.17
Beta	1.21

**Company Profile:** The City Bank started their operation on 1983. The Bank manages its business and operation vertically from the head office through four business division named: i. Corporate and Investment Banking, ii. Retail Banking, iii. SME Banking & iv. Treasury and market risks. The Bank is currently aving 90 online branches, 1 SME service centres and 11 SME/Agri branches. The city Bank has 163 ATMs of its own and ATM sharing arrangement with its partner bank is more than 550.

**Description of Business:** Net interest income, the key revenue driver of the Bank, was 55.5 per cent of operating income in 2011. Another key revenue driver, commission, exchange and brokerage fees which contributes 18.18 per cent of operating income and income from investments which contributes 16.79 percent of operating income. Its current business model supports the growth of the bank in Retail and SME Banking. The Bank is also active in wage earners' remittance, it has tie-ups with major exchange companies in the Middle East, Europe, Far East and USA.

Key Financials (In MN BDT)	2010	2011	Q1, 2012	Q2, 2012	Q3, 2012
Loans and advances	60,543.4	76,965.4	76,625.6	78,888.1	87,258.6
Deposits and other accounts	66,836.8	83,634.6	81,356.3	89,666.4	91,747.0
Investment					
Govt.	8,976.9	9,809.8	10,143.0	12,330.6	12,180.9
Others	3,499.3	6,452.8	6,610.5	6,421.2	6,023.7
Total Shareholders equity	11,540.0	17,914.7	18,553.5	18,860.3	18,269.5
Paid up capital	3,888.5	5,055.1	5,055.1	6,318.9	6,318.9
Total Contingent Liabilities (OBS)	20,387.1	15,458.8	18,672.8	23,099.0	25,335.9
Interest income	7,098.2	9,436.1	2,871.4	2,959.8	2,979.1
Interest paid on deposits and borrowings	3,516.5	5,026.2	1,729.8	1,811.3	1,935.0
Net interest	3,581.7	4,409.9	1,141.7	1,148.4	1,044.1
Investments income	2,140.0	1,334.1	360.6	261.1	447.0
Commision, exchange and brokerage	1,191.6	1,444.7	397.1	189.1	160.7
Operating profit	7,361.4	7,944.7	2,023.4	1,899.1	1,932.5
Profit before tax	3,030.5	3,542.9	791.6	532.2	(315.5)
Net profit	1,870.2	2,056.1	388.1	406.2	(243.9)
Key Performance Indicators (Quarterly)	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12
NIM growth	-7.9%	33.7%	-16.4%	0.6%	-9.1%
OP growth	-33.3%	159.1%	-45.0%	-14.1%	9.9%
Total Provision growth	-82.4%	4037.9%	-55.7%	64.2%	300.1%
Net Interest Margin (NIM) % of Interest Income	46.8%	47.1%	39.8%	38.8%	35.0%
OP % of Interest Income	31.5%	61.5%	34.2%	28.5%	31.1%
Current Deposit growth	-6.4%	-4.8%	-1.4%	2.1%	-2.7%
Savings Deposit growth	6.0%	12.9%	-3.6%	-8.4%	7.4%
Term Deposit growth	5.1%	19.1%	-2.3%	17.9%	1.7%

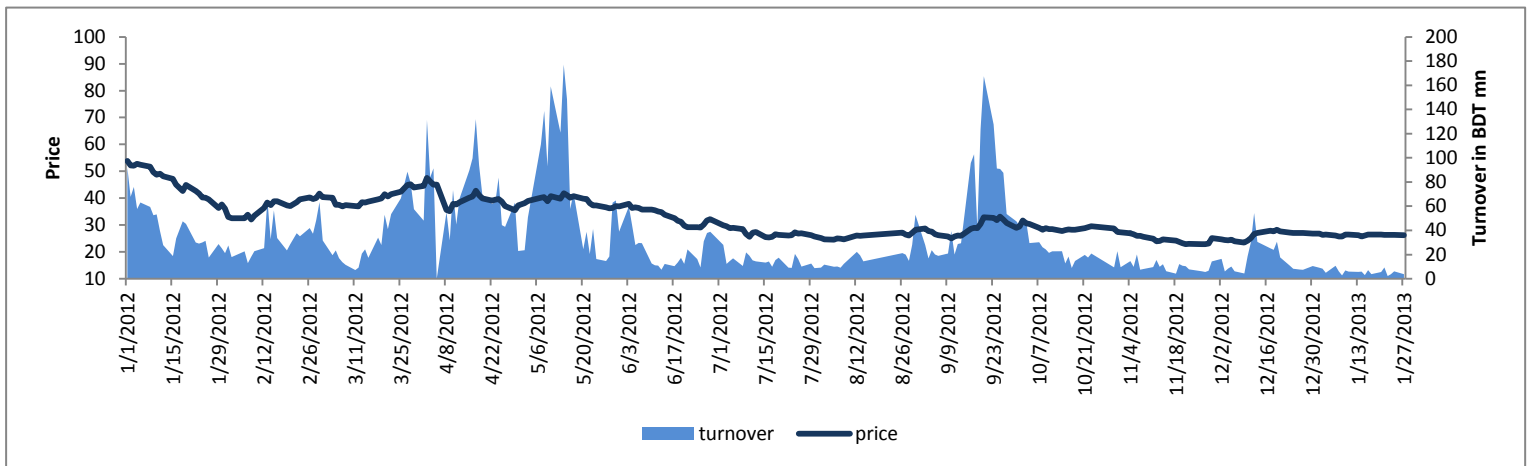
## Analysis of Performance:

Net interest income growth was 2.19 per cent in Q3,2012 compared to the same period of the previous year. Income from investment increased significantly by 136 per cent and income from commission, exchange and brokerage decreased drastically by 64 per cent in Q3, 2012 compared to the same period of the previous year. The bottom line of profit, NPAT growth was negative 162 per cent followed by the heavy provisioning for loans and advances growth of 119 per cent.

Total Asset increased by 31.55 per cent, while its main contributor loans and advances growth was 36 per cent in Q3, 2012 compared to the same period of the previous year. Deposit growth was 25.66 per cent in Q3, 2012. The cost income ratio was 52.07 per cent in Q3, 2012 which was 7.58 per cent lower from the same period of the previous year.

ROA and ROE was 2 per cent and 13.7 per cent respectively in 2011, 0.2 per cent and 6.7 per cent lower from the previous year. NPL was 3.4 per cent in 2011, 1 per cent lower from the previous year. Capital adequacy ratio was 12.8 per cent in 2011, the required amount was 10 per cent.

## Stock Performance



## Analyst Team

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