

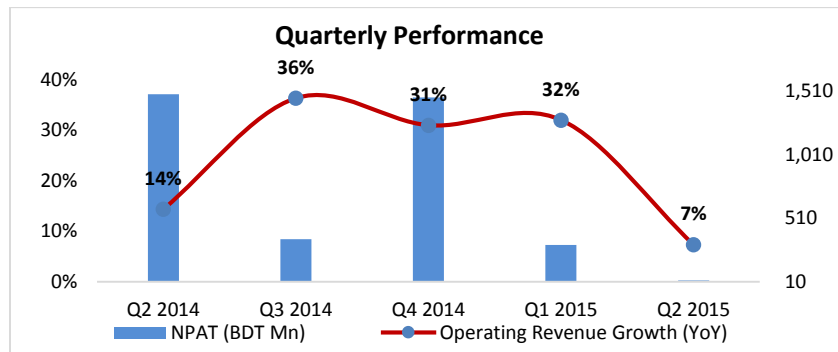
## Flash Note: Export Import Bank of Bangladesh Limited – Q2 2015 Performance

### Summary

Export Import Bank of Bangladesh Limited (DSE: EXIMBANK) declared consolidated NPAT of BDT 322.5 Mn and EPS of BDT 0.23 for the half year ended 2015, compared to BDT 659.4 Mn and BDT 0.47, respectively in 2014.

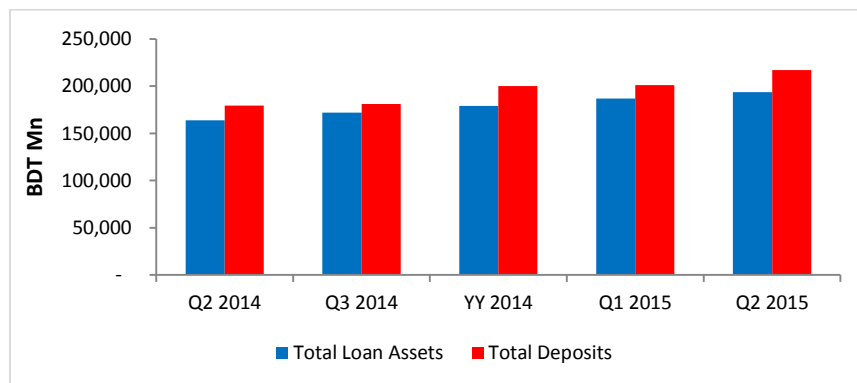
### Performance Analysis:

- During Q2 2015 Interest Income (Investment Income for sharia based Islami Banks) grew by 6.0% YoY while Interest Expense (Profit Paid on Deposits, Borrowings etc. for sharia based Islami Banks) increased by 2.7% YoY to amplify NII by 15.4% YoY.
- Operating Revenue increased by 7.3% YoY, primarily driven by NII and 40.7% YoY INV growth.
- Operating Expenses remained almost flat, stepping down Cost to Income ratio to 42.9% from that of 46.3% in Q2 2014.
- Total Provisions adjusted upward significantly, recording BDT 1,531.3 Mn which was a release of BDT 559.2 Mn in Q2 2014
- Overall Q2 NPAT faced significant hit, declining by 98.6% YoY while HY 2015 NPAT declined by 51.1% YoY. This reflects company's policy of charging higher provisions than average.
- In HY 2015, standalone NPAT of EXIMBANK was BDT 336.0 Mn while consolidated NPAT was BDT 322.5 Mn, indicating a minimal loss of BDT 13.5 Mn from subsidiary companies.



Source: EXIMBANK Financial Statements and Research, IDLC Investments Limited

During HY 2015, Deposits and Loan Assets portfolio increased hand in hand, stepping up by 8.5% and 8.2%, respectively from that of the YY 2014. Meanwhile, Investment in Shares and Securities remained almost same, settling at BDT 15,343.3 Mn in HY 2015.



Source: EXIMBANK Financial Statements and Research, IDLC Investments Limited

**Observations:**

- HY 2015 performance primarily a reflection of business consolidation for the bank.
- Operating profit stayed upbeat, primarily due to better NII growth. However, non-funded income faced contraction.

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