

BRAC Bank Limited (DSE: BRACBANK)	
Current Price (September 17, 2015)	39.0
Total Number of Share (Mn)	709.3
Free Float (%)	50.0%
Annualized PE* – BRACBANK	13.5x
Trailing PE – BRACBANK	12.8x
Annualized PE – Bank	7.3x

*Based on latest earning disclosure

Financials (BDT Mn)	2013	2014	HY, 2015** (Unaudited)
Net Interest Income	7,337	8,682	4,190
Income from Investments	2,766	2,486	1534
Comm., Ex. & Brokerage	3,567	3,455	2,361
Operating Income	14,407	16,166	8,699
Operating Profit	6,141	7,283	3,531
Total Provisions	2,934	2,889	1,416
NPAT	1,339	2,102	1,000
Total Deposit	126,679	146,366	141,590
Total Loans & Advances	119,515	124,300	131,097

**Year ends on December 31

YoY Growth (%)	2013	2014	HY, 2015
Operating Income	22.5%	12.2%	7.7%
Net Profit After Tax	91.4%	56.9%	4.2%

Per Share (BDT)	2013	2014	HY, 2015
Restated EPS	1.89	2.96	1.41
Book Value Per Share	19.56	29.06	28.31

Others (%)	2013	2014	HY, 2015
Capital Adequacy Ratio	11.4%	15.2%	-
Non-Performing Loan (NPL)	6.5%	5.7%	-
Return on Assets (ROA)	0.7%	1.1%	-
Return on Equity (ROE)	10.6%	12.2%	-
Stock Dividend	10.0%	-	-
Cash Dividend	10.0%	20.0%	-

3 Years'	Peers			
	BRACBANK	UCBL	SOUTHEASTB	EBL
Op. Inc.	14.4%	18.0%	12.5%	9.3%
NPAT	5.1%	7.9%	26.1%	-5.7%

Source: DSE, Annual Reports/Financial Statements of BRACBANK, UCBL, SOUTHEASTB and EBL and Research, IDLC Investments Limited.

Terminologies

Free Float : % of total shares not owned by Sponsors/ Directors, and Govt.

Annualized PE: Based on Annualized Earnings of the latest declared quarter

Trailing PE: Based on Latest 12 Months Earnings

Company Profile

BRAC Bank Limited (DSE: BRACBANK) was established in May 1999 and began its operations in June 2001. Later, it was listed in DSE and CSE in January 2007. Currently, the bank has 97 branches, 69 SME service centers, 145 zonal offices and 458 SME unit offices across the country.

During 2009, BRAC bank acquired 51.0% shares of Equity Partners Limited and Equity Partners Securities Limited. Later on, the ownership interest grew to 76.0% and 90.0% at the renamed companies, BRAC EPL Investments Limited and BRAC EPL Stock Brokerage Limited, respectively. Besides those, other subsidiaries of the bank are BRAC IT Services Limited (51.0%), BRAC Saajan Exchange Limited (87.5%) and bKash Limited (51.0%). Meanwhile, the associate companies are BRAC Asset Management Company Limited (25.0%) and BRAC Impact Ventures Limited (24.0%).

Notably, IFC and Money in Motion ULC are included as equity partners and Bill & Melinda Gates Foundation as investor in bKash, the largest market shareholder of Mobile Financial Services (MFS) in Bangladesh.

Key Revenue Drivers & Company Insight

During 2014, Funded Income of the bank amplified by 10.5% YoY while Non-Funded Income by 16.1% YoY. Despite the declined interest rate scenario, Funded Income from pure lending business did well but Income from Investments faced contraction. However, Other Operating Income portion of Non-Funded Income got a boost from bKash. Overall, Operating Income faced an improvement of 12.2% YoY.

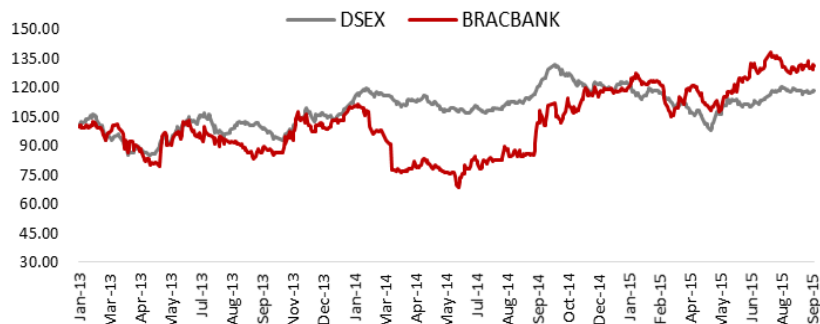
Deposit basket crossed BDT 145 Bn level while Loan and Advances observed significant favorable improvement in 2014. Besides, Capital Adequacy Ratio (CAR) upgraded significantly to 15.2% from that of 11.4% in last year. NPL ratio also improved to 5.6% which was 6.4% in 2013.

Financial Performance

2014 was a successful year for BRAC Bank as it was able to sustain its super-normal growth. The bank experienced a 56.9% YoY growth in NPAT. Strong top line with stable provisions assisted the bank to maintain a robust NPAT of BDT 2,101.6 Mn. Accordingly, ROA and ROE improved to 1.1% and 12.2%, respectively.

During HY 2015, the bank continued to perform better with a 12.3% YoY increase in Operating Income. This streamlined a bottom line growth of 4.2% YoY.

As per un-audited six months' accounts (Jan'15 to Jun'15), consolidated net profit after tax was BDT 1,000.2 Mn with consolidated EPS of BDT 1.41 as against BDT 959.7 Mn and BDT 1.35, respectively for the same period of the previous year.



Source: DSE and Research IDLC Investments Limited

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