

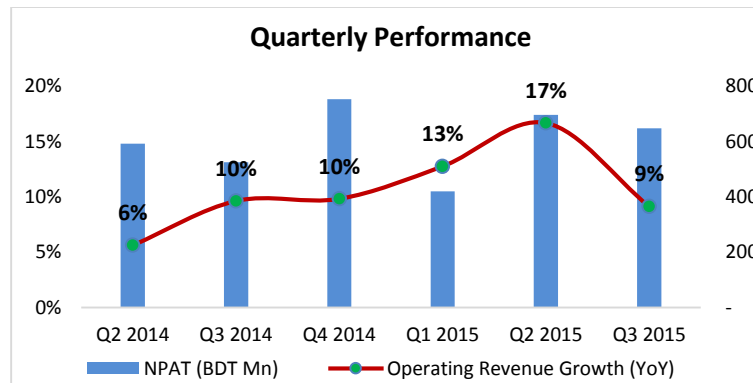
Flash Note: Dutch-Bangla Bank Limited – Q3 2015 Performance

Summary

Dutch-Bangla Bank Limited (DSE: DUTCHBANGL) declared consolidated NPAT of BDT 1,763.0 Mn and EPS of BDT 8.81 for the nine month ended 2015, compared to BDT 1,453.8 Mn and BDT 7.27, respectively for the same period of previous year.

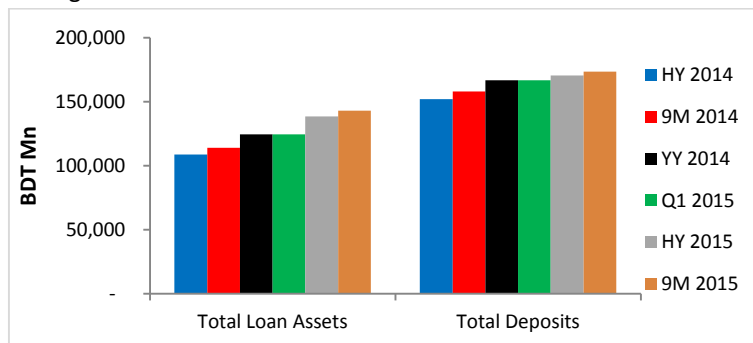
Performance Analysis:

- During Q3 2015 Interest Income grew a mere 3.4% YoY while Interest Expense adjusted downward by 8.6% YoY to uplift Net Interest Income (NII) by 12.6% YoY.
- Operating Income improved by 9.1% YoY, primarily due to amplified NII and Commission, Exchange and Brokerage (CEB).
- Operating Expenses remained almost flat, setting Cost to Income ratio to 61.5% from that of 62.6% in Q3 2014.
- The bank took higher provisions than usual during 9M 2015. Total provisions became double or BDT 919.6 Mn which was BDT 456.8 Mn during 9M 2014.
- Despite higher provisions, Q3 NPAT growth was 23.3% YoY while 9M 2015 NPAT growth was 21.3% YoY primarily due to spread management from pure lending business and strong CEB.
- During 9M 2015, NPAT of DBBL was BDT 1,763.0 Mn which was BDT 1,453.8 in 9M 2014.



Source: DUTCHBANGL Financial Statements and Research, IDLC Investments Limited

During 9M 2015, Deposits and Loan Assets portfolio grew by 9.7% and 25.6%, respectively. Besides, Investments in Govt. Securities amplified by 11.8% to BDT 20,502.5 Mn while Capital Market remained almost same, totaling to BDT 21,387.8 Mn which was BDT 19,261.2 Mn during YY 2014.



Source: DUTCHBANGL Financial Statements and Research, IDLC Investments Limited

Observations:

- Operating profit improved primarily from improvement in pure lending business of spread management.
- Balance Sheet growth, especially higher Loan Assets growth than Deposits indicates sustainable business practice.

Disclaimer: This Document has been prepared and issued by IDLC Investments Limited on the basis of the public information available in the market, internally developed data and other sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts & information stated in the Document are accurate as on the date mentioned herein. Neither IDLC Investments Limited nor any of its director, shareholder, and member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the Document are genuine, accurate, complete, authentic and correct. Moreover, none of the director, shareholder, and member of the management or employee in any way is responsible about the genuineness, accuracy, completeness, authenticity and correctness of the contents of the sources that are publicly available to prepare the Document. It does not solicit any action based on the materials contained herein and should not be construed as an offer or solicitation to buy sell or subscribe to any security. If any person takes any action relying on this Document, shall be responsible solely by himself/herself/the mselves for the consequences thereof and any claim or demand for such consequences shall be rejected by IDLC Investments Limited or by any court of law.
