

# AlphaRating

## **GLOBAL ISLAMI BANK LIMITED**

*(Saiham Tower, House No: 34, Road No: 136, Gulshan Model Town, Block: S E, Dhaka-1212)*

**2021**

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Business Risk Moderate	Solvency Score Moderate	Asset Quality Moderate	Profitability Moderate	Management Quality Satisfactory	Capital Adequacy Not Adequate
Economic Moat Narrow	Industry Group Financial Institution				

## Rationale

### Previous Rating

Long Term Rating: A+  
Short Term Rating: ST- 2  
Outlook: Stable  
Date of Declaration: 18 June, 2020  
Valid Till: 17 June, 2021

### Contact Analysts

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Date of Incorporation: 21 July, 2013

Chairman: Mr. Nizam Chowdhury

Managing Director:  
Mr. Syed Habib Hasnat

Authorized Capital: BDT  
12,000.00 million

Paid Up Capital: BDT 4,908.75  
million (As on 31 December, 2020)

Total Asset: BDT 120,902.12  
million (As on 31 December, 2020)

Total Liabilities: BDT 114,202.12  
million (As on 31 December, 2020)

Total shareholder equity: BDT  
6,700.00 million (As on 31  
December, 2020)

AlphaRating affirms the long-term rating of "A+" (pronounced as single A Plus) and short-term rating of ST-2 in favor of Global Islami Bank Limited (herein after referred to as "GIBL" or "the bank"). This rating has been assigned by considering the last four years performance of the Bank.

While assigning the rating AlphaRating considered both favorable and unfavorable movement in overall performance of the bank. The rating reflects the stability of financial performance along with quite satisfactory liquidity position, increasing deposits from customers, stable total asset base, quality of management team and efficient fund management of the bank. AlphaRating observed that GIBL's contribution to develop the HR division are strengthening over the years. In addition, good Corporate Governance practice in last few years and sound environmental risk management policy and low unsystematic risk have supported the above rating positively.

The rating has considered improvement in assets base, enriched loan portfolio, sufficient provision, low large loan exposure, improved profitability, higher ROA & ROE than industry average, and good liquidity management capability. GIBL has performed well in the last four financial years. However, higher NPL ratio, higher ADR ratio than regulatory requirement and shortage in capital conversion buffer has deterred AlphaRating from assigning higher ratings. Nevertheless, GIBL still has scope to improve its performance in future years.

### Asset Quality & Operating Summary (BDT in Millions)

	2020	2019	2018	2017
Total Assets	120,902.12	106,405.31	92,171.97	79,132.60
Gross Loan	92,909.17	82,365.60	71,556.39	59,328.38
Loan Growth (%)	12.80	15.11	20.61	69.71
Pre-Tax Profit (BDT Million)	1,803.98	875.43	979.50	1,049.10
Net Interest Income	2,959.26	2,618.76	2,461.00	2,610.41
Non-Interest Income	1,131.42	595.69	446.84	557.70
Cost Income ratio (%)	53.53	60.04	62.84	49.03
Interest Spread (%)	1.56	4.48	5.83	4.85
Loan/ Customer deposits (%)	87.03	85.16	86.33	86.01
Gross NPL ratio (%)	2.03	1.77	2.02	1.31
Net NPL Ratio (%)	0.02	(0.15)	0.44	(0.29)
ROA (%)	0.85	0.34	0.58	0.49
ROE (%)	15.36	6.45	9.97	7.79
CRAR (%)	10.65	10.27	11.89	11.26
Cost of Fund (%)	8.79	12.51	11.91	9.65

Data obtained from audited financial statements of 2017-2020



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Chief Risk Officer  
Alpha Credit Rating Limitea