

AlphaRating

GLOBAL ISLAMI BANK PLC

*(Saiham Tower, House No: 34, Road No: 136, Block: S.E(C-1), Gulshan Model Town,
Dhaka-1212, Bangladesh)*

2024

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12 June, 2024

Managing Director
Global Islami Bank PLC
Saiham Tower, House No: 34, Road No: 136, Block: S.E(C-1),
Gulshan Model Town, Dhaka-1212, Bangladesh.

Subject: Credit Rating of Global Islami Bank PLC

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating), vide credit rating Agreement No: 9308 has assigned the following rating to **Global Islami Bank PLC**.

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
12 June, 2024	11 June, 2025	6th Surveillance	AA-	ST-2	Stable

The long term rating & short term rating is valid up to the earlier of 11 June, 2025. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to **Global Islami Bank PLC**, hereby solemnly declare that:

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With kind regards,


Abdul Mannan
Chief Executive Officer

This letter is integral part of the credit rating report

Business Risk Moderate	Solvency Score Moderate	Asset Quality Moderate	Profitability Good	Management Quality Satisfactory	Capital Adequacy Adequate
Economic Moat Narrow	Industry Group Financial Institution				

Previous Rating

Long Term Rating: A+
Short Term Rating: ST-2
Outlook: Stable
Date of Declaration: 15 June, 2023
Valid Till: 11 June, 2024

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 20,000.00 million

Paid Up Capital:

BDT 9,874.40 million

(As on 31 December, 2023)

Total Asset:

BDT 174,222.00 million

(As on 31 December, 2023)

Total Liabilities:

BDT 160,457.82 million

(As on 31 December, 2023)

Total Shareholder Equity:

BDT 13,764.18 million

(As on 31 December, 2023)

Rationale

AlphaRating vide credit rating Agreement No: 9308 upgrades the long-term rating to "AA-" (pronounced as Double A Minus) from "A+" (pronounced as single A Plus) and affirms short-term rating of ST-2 in favor of Global Islami Bank PLC (herein after referred to as "GIBPLC" or "GIB" or "the bank"). This rating has been assigned by considering the financial performance for the last four years of the bank from 31 December, 2020 to 31 December, 2023 and other qualitative information till rating publication date.

AlphaRating has considered improvement in assets base, higher investment portfolio, higher ROA & ROE than industry average, sufficient provision, lower non-performing investment, higher profitability, moderate liquidity management capability, higher deposit base, and ability to maintain surplus capital, improved large investment exposure, higher CRAR than regulatory requirement, higher pre-tax profit. AlphaRating also observed that GIB's contribution to develop the HR division is 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 assigned rating positively.

Despite performing well in the last four financial years, GIBPLC has experienced high rescheduled amount & account, ADR ratio higher the regulatory requirement, increased cost of fund, increased operating expenses, higher amount of cost to income ratio compared to previous period of the bank, which deterred AlphaRating from assigning higher ratings from the assigned one.

Asset Quality & Operating Summary (BDT in Millions)

	2023	2022	2021	2020
Total Assets	174,222.01	153,810.90	132,810.30	120,902.12
Gross Investment	131,411.92	118,680.54	107,086.97	92,909.17
Investment Growth (%)	10.73	10.83	15.26	12.80
Pre-Tax Profit (BDT Million)	2,080.72	2,022.31	2,426.03	1,803.98
Net Investment Income	5,208.64	5,588.22	5,016.10	2,959.26
Non-Investment Income	729.59	792.49	403.09	1,131.42
Cost Income ratio (%)	62.33	54.48	50.49	53.53
Profit Spread (%)	3.24	2.64	2.08	1.56
Investment /Customer deposits (%)	99.82	89.10	90.17	81.47
Gross NPI ratio (%)	2.61	4.48	2.23	2.03
Net NPI Ratio (%)	(0.07)	1.73	0.07	0.02
ROA (%)	0.78	0.67	1.04	0.91
ROE (%)	9.60	9.29	18.25	16.62
CRAR (%)	16.14	16.49	10.66	10.65
Cost of Fund (%)	8.96	8.28	8.72	10.95

Data obtained from audited financial statements of 2020-2023



Abdul Mannan
Chief Executive Officer
Alpha Credit Rating Limited