Credit Rating Report (Surveillance)

Trust Bank Ltd.

Analysts:
Tahmina Islam
tahmina.islam@crab.com.bd

Shahtaj.Noor
Shahtaj.noor@crab.com.bd

Assigned Rating:

Long Term : AA_2

Short term : ST-2

Outlook : Stable

Date of Rating : 15 June 2017

Valid Till : 30 June 2018

Methodology: CRAB's Bank Rating Methodology (www.crab.com.bd)

Key Financial Indicator of the Bank		
(Mil. BDT)	2016	2015
Loans	141,987.43	130,614.65
Deposit	173,059.88	150,854.20
Gross NPL	4,556.10	3,588.48
%		
NIM	3.04	3.12
ROAA (after tax)	1.03	0.95
Cost to Income Ratio	45.95	48.19
Gross NPL Ratio	3.21	2.74
SMA to Total Loans	3.17	4.64
RWCAR	14.70	10.84

RATING BASED ON: Audited financial statement up to 31 December 2016 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

BANK PROFILE

Trust Bank Limited was incorporated on 17 June 1999 as a private commercial bank. The Bank went into IPO in 2007. The paid up capital of the Bank reached BDT 5,063.33 million against authorized capital of BDT 10,000.00 million at the end of December 2016. Army Welfare Trust holds 60.00% shares of the Bank. The Bank offers all kinds of banking and investment services for retail and corporate customers. Presently the Bank has 110 branches including 06 SME service centers/Krishi branches and one off-shore banking unit. The Bank also has five Islamic Banking wings in five branches which are governed by Islami Shariah. The Bank has launched Online Banking service and has countrywide network of own and shared ATM's. The bank has 2 subsidiary companies named Trust Bank Investment Limited and Trust Bank Securities Limited.

RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed AA_2 rating (Pronounced double A two) of Trust Bank Ltd. in the long term and ST-2 rating in the short term based on audited financials up to 31st December 2016 and other relevant information.

The rating reflects the Bank's strength in capital adequacy, ownership structure and asset quality. On the other hand, rating is constrained by reduced interest spread and fresh NPL generation.

Army Welfare Trust holds majority share of the Trust Bank Ltd. (60.00% shares of the Bank). The Bank's paid up capital and statutory reserve stood at BDT 9,090.73 million at the end of 2016. Risk weighted capital adequacy

Managing Director
Credit Rating Agency
of Bangladesh Ltd.