Credit Rating Report (Surveillance)

Trust Bank Limited

Analysts:

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Assigned Rating:

Long Term	:	AA_2
Short Term	:	ST-2
Outlook	:	Stable

Date of Rating	10 September 2020
Valid Till	30 June 2021

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

RATING BASED ON: Audited financial statements up to 31 December 2019, unaudited financial statements as of June 2020 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Corporate Profile

Trust Bank Limited (hereafter also referred to as TBL or the Bank) was incorporated on 17 June 1999 as a private commercial bank. The Bank went into IPO in 2007. The paid up capital of TBL reached BDT 6,126.6 million against authorized capital of BDT 10,000.00 million at the end of December 2019. Army Welfare Trust holds 60.00% shares of the Bank. The Bank offers all kinds of banking and investment services for retail, SME and corporate customers. Presently the Bank has 112 branches including 6 SME service centers/Krishi branches and one off-shore banking unit. The Bank also has 15 Islamic Banking windows in 15 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 two subsidiary companies named Trust Bank Investment Limited and Trust Bank Securities Limited.

RATING STRENGTH

- Sound operational efficiency in terms of cost to income ratio
- well capitalization
- Sound liquidity in terms of liquidity ratios
- Strong group support, ownership structure

RATING CHALLENGES

- Substantial classified loans along with high loan rescheduling
- Substantial provision shortfall
- Substantial large loan concentration

Rationale

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed AA_2 (Pronounced Double A two) rating in the long term and ST-2 rating in the short term of Trust Bank Limited based on audited financials up to 31st December 2019, unaudited financial statements of 30 June 2020 and other relevant information. The rating reflects the Bank's strength in ownership structure, the Bank's efficiency in terms of cost to income ratio, well capitalization as well as sound liquidity in terms of liquidity ratios. On the other hand, principal concern of the Bank are relatively are substantial amount of classified loans, provision shortfall and substantial large loan concentration.

Managing Director
Credit Rating Agency
of Bangladesh Ltd