

CREDIT RATING REPORT

On PRIME BANK LIMITED

REPORT: RR/1511/12

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL long-term rating is valid for only one year and short term rating for six months from the date of rating. After the above periods, these ratings will not carry any validity unless the bank goes for rating surveillance.

CRISL followed Bank/FI Rating Methodology published in CRISL website www.crislbd.com

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Entity Rating

Long Term: AA+
Short Term: ST-1

Outlook: Stable

**PRIME BANK
LIMITED**

PRINCIPAL ACTIVITY
Commercial Banking

INCORPORATED ON
February 12, 1995

CHAIRMAN
Mr. Md. Shirajul Islam
Mollah

MANAGING DIRECTOR
Mr. Md. Ehsan Khasru

TOTAL ASSETS
Tk. 200995.68 million

TOTAL EQUITY
Tk. 19306.40 million

TOTAL LOANS & ADV:
Tk. 141801.65 million

	Long Term	Short Term
Surveillance Rating	AA+	ST-1
Outlook	Stable	
Date of Rating	May 30, 2012	

1.0 RATING RATIONALE

CRISL has reaffirmed the long term rating of Prime Bank Limited (hereinafter referred to as 'PBL' or Company) to 'AA+' (pronounced as double A plus) and short term rating to 'ST-1'. The above ratings are based on consolidated financials up to December 31, 2011 and other qualitative and quantitative information up to the date of rating.

While assigning the rating CRISL viewed the ongoing fundamentals such as strong capital base, good asset quality, satisfactory financial performance, increasing market share, average operating performance, diversified business lines, considerable increase in non-funded business, sound IT infrastructure, experienced management team etc. However, the above factors are moderated, to some extent, by increase in nonperforming loan, high cost of fund, dependence on fixed deposit etc.

The long term rating implies that banks rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. Short term rating indicates highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.

CRISL also foresee no significant change/ volatility in its operation in near future and placed the bank with "Stable Outlook" for the next one year.

2.0 CORPORATE PROFILE

Prime Bank Limited is a second generation private sector commercial bank incorporated on February 12, 1995 as a public limited company under the Companies Act 1994 with the vision "to be the best private commercial bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity". It commenced its business operation on April 17, 1995 under the license issued by Bangladesh Bank. The bank has been sponsored by different business groups having exposure to trading, manufacturing and services covering various economic sectors of the national economy. In order to comply with future capital adequacy requirement, the authorized capital of bank was raised to TK. 10,000.00 million and also issued Rights share in this regard. The Bank also issued sub-ordinated bond for its Tier II capital. The bank has been operating successfully through general banking, Islamic banking, off-shore banking since long. Moreover, the bank has commenced five fully owned subsidiary companies namely Prime Bank Investment Limited, Prime Bank Securities Limited., Prime Exchange Co. Pte. Limited in Singapore, PBL Exchange (UK) Limited and Prime Finance (Hong Kong) limited aimed to further diversifying its business portfolio. PBL has been operating as a primary dealer in country's money market. The Bank has increased its service coverage over the years, through setting up branches, SME branches/centers and ATM booths at different strategically important areas of the country. The bank has been operating its business throughout the country with a network of 102 branches and 17 SME branches/centers along with 2292 employees. The bank is listed with both the bourses of the country and its shares are being traded in 'A' category issues. PBL has received "ICMAB Best Corporate Award 2011", "ICAB National Award", "SAFA Award" and "International Star for Leadership in Quality Award" in 2011. The Head Office of the bank is located at 119-120, Motijheel C/A, Dhaka-1000, Bangladesh.