

Credit Rating Report

CREDIT RATING REPORT On NATIONAL FINANCE LIMITED

REPORT: RR/6632/15

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 financial institution 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: A-
Short Term: ST-3

Outlook: Stable

NATIONAL FINANCE LIMITED

DATE OF INCORPORATION
JULY 30, 2001

CHAIRMAN

Md. Abdul Mannan
Bhuiyan

MANAGING

Mamoon Mahmood
Shah

EQUITY

Tk.1,248.85 million

PAID-UP CAPITAL

Tk.1,070.00 million

TOTAL ASSETS

Tk.6,332.02 million

PORTFOLIO SIZE

Tk.5,111.62 million

	Long Term	Short Term
Entity Rating	A-	ST-3
Outlook	Stable	
Date of Rating: June 14, 2015	Valid up to: June 13, 2016	

1.0 RATIONALE

CRISL has reaffirmed 'A-' (pronounced as single A minus) rating in the Long Term and 'ST-3' rating in the Short Term to National Finance Limited (NFL) based on its financials up to December 31, 2014 as well as other relevant qualitative and quantitative information up to the date of rating. The above ratings have been assigned after due consideration to its fundamentals such as good financial performance, good capital base, good liquidity, above average asset quality, sound profile of Board of Directors etc. The above factors are however constrained to some extent by high infection ratio, significant large loan exposure, small market share, capital adequacy sensitive to top 10 borrowers, small operational network, IT at developing stage etc.

Financial Institutions rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. Short term rating signifies good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to and financial capital markets is good.

CRISL also placed the entity under 'Stable outlook' considering that the company might be able to maintain the above fundamentals during the rating validity period.

2.0 CORPORATE PROFILE

2.1 The Genesis

National Finance Limited (NFL), a full-fledged Non-Banking Financial Institution (NBFI) in Bangladesh, was incorporated on July 30, 2001 as a Public Limited Company under the Companies Act, 1994 and obtained license from Bangladesh Bank (BB) on June 17, 2002. The initiative of the company was taken by Late National Professor Mr. Kabir Chowdhury (Ex-Chairman). Currently, the company is Chaired by Mr. Md. Abdul Mannan Bhuiyan having around 41 year business experiences in different sector and he is also the founder of OMC (Overseas Marketing Corporation) Group. NFL was initially incorporated as Self Employment Finance Limited (SEFL) and subsequently its name was changed to National Finance Limited on February, 2009 as per certificate of RJSCF which was approved by Bangladesh Bank (BB) on February 17, 2009. However, the company commenced its business on June 17, 2002 with paid-up capital of Tk.55.00 million against authorized capital of Tk.500.00 million. Subsequently, with the injection of fresh capital in the form of right share issue and bonus shares, currently, the company has been operating with paid up capital of Tk.1,070.00 million against authorized capital of Tk.2,000.00 million as on December 31, 2014 with the vision "to be the leading financial institution by being a strong catalyst in creating a better future for our customers, employees, communities and shareholders through quality, commitment, accountability, innovation and inclusion". The products of the company include lease finance, sale & leaseback, term finance, personal loan, home loan, auto loan, factoring, different deposit schemes etc. Currently, the credit portfolio increased to Tk.5,111.62 million as on December 31, 2014 from Tk.3,386.43 million as on December 31, 2013. Subsequently, the total asset size of NFL also increased to Tk.6,332.02 million as on December 31, 2014 against Tk.4,269.88 million as on December 31, 2013. The company is operating the business activities from its Head Office and principal branch. The head office of NFL is located at Confidence Centre (Level-8), Kha-09, Pragati Sarani, Shahjaddpur, Gulshan, Dhaka-1212.