

Key Particulars of the IPO

Ticker	GIB
Offer Price per Share (Tk.)	10
Face Value (Tk.)	10
No. of Share (IPO)	425,000,000
No. of Pre-IPO Share	515,418,750
No. of Post-IPO Share	940,418,750
Issue Size (Offer Price) (Tk)	4,250,000,000
Pre-IPO Paid-up Capital (TK)	5,154,187,500
Post-IPO Paid Up Capital (Tk)	9,404,187,500
Authorized Capital (Tk)	20,000,000,000
No. of Free Float Shares on Debut	425,000,000
Post-IPO EPS (9m Sep, 2022)	0.86
Annualized EPS (12m Dec, 2022)	1.15
%ΔYoY NPAT Growth (9m, 2021)	-18.07%
NAVPs (Sep, 2022)	13.62
PE at Tk 10 (Post-IPO)	8.72

Company Overview

Global Islami Bank Limited (GIB) is fourth generation Private Commercial Bank incorporated on October 23, 2013. It offers all kinds of banking services within the purview of Bank Company Act-1991 following the principles of Islami Shari'ah. GIB obtained the license as first bank amongst all fourth-generation banks to operate Islami Banking side by side of Conventional Banking and subsequently got approval from the Bangladesh Bank to convert the Bank from conventional to full-fledged Islami Bank under Islami Shari'ah principles with new name and brand as "Global Islami Bank Limited".

The core business of the bank is deposit mobilization and investment activities for short-term, long-term including foreign trade business. GiB renders commercial banking services to all types of customers. The range of services offered by the bank includes receiving various types of deposits and investing or lending money as per Islami Shari'ah principles. Its services also includes safe keeping, collections and issuing guarantees and indemnities, acceptances, discounting bills, conducting domestic and international money transfer, carrying out foreign exchange transactions and letter of credit etc.

As of December 31, 2021, the bank has 90 branches and 84 branches located all over Bangladesh. The head office of the company is situated at Saiham Tower, 34 Gulshan Avenue, Gulshan 1, Dhaka. or off-shore banking unit.

Industry Overview

Global Islamic financial sector continues to grow following its risk sharing, resilience, inclusive and real asset backed transactions features. In tandem with global trends, Islamic banking sector in Bangladesh has also recorded robust growth due to policy supports from Bangladesh Bank and public demand.

At present, there are **61** scheduled banks in Bangladesh that operate under full control and supervision of Bangladesh Bank of which **10** are Shariah based banks. Moody's Investors Service forecasted a growth of more than **25%** in Islamic banking penetration in the country. As Bangladesh is home to the world's fourth largest Muslim population, there is huge scope for the expansion of Islamic banking services in the country.

Name of Sponsors, Directors and Key Personnel

Name	Position	Post IPO %
Nizam Chowdhury	Chairman/ Sponsor Director	2.58%
Maimuna Khanam	Vice Chairperson/ Sponsor Director	2.74%
Global Trading Corporation Limited	Shareholder Director	4.28%
Prasad Paradise Resorts Limited	Shareholder Director	4.26%
Portman Cements Limited	Shareholder Director	3.78%
Others		37.18
Total		54.81%

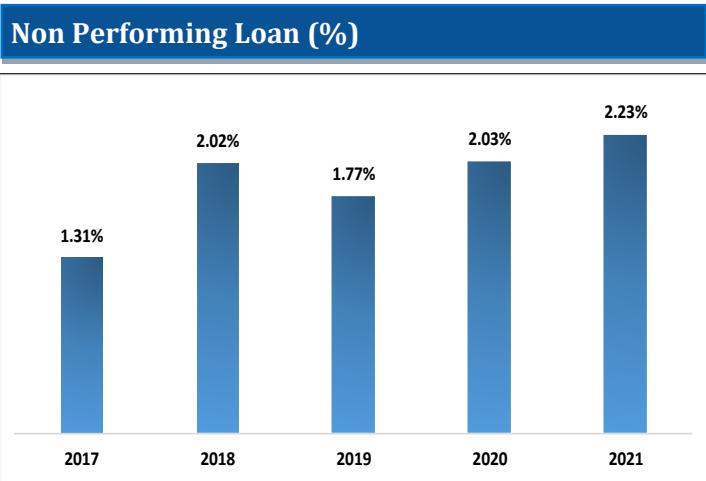
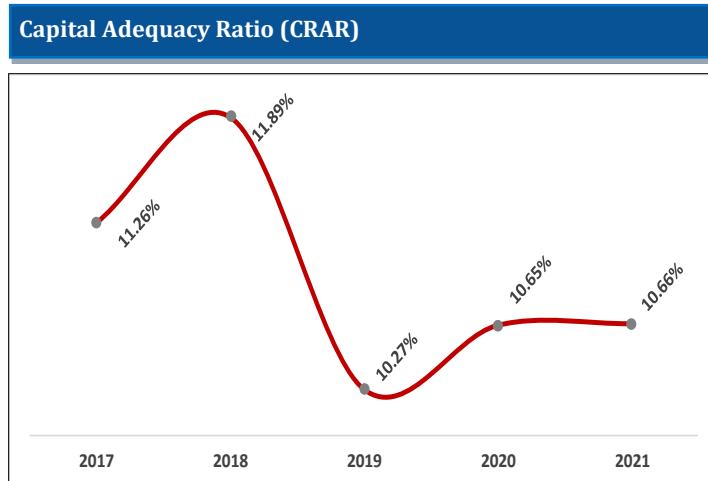
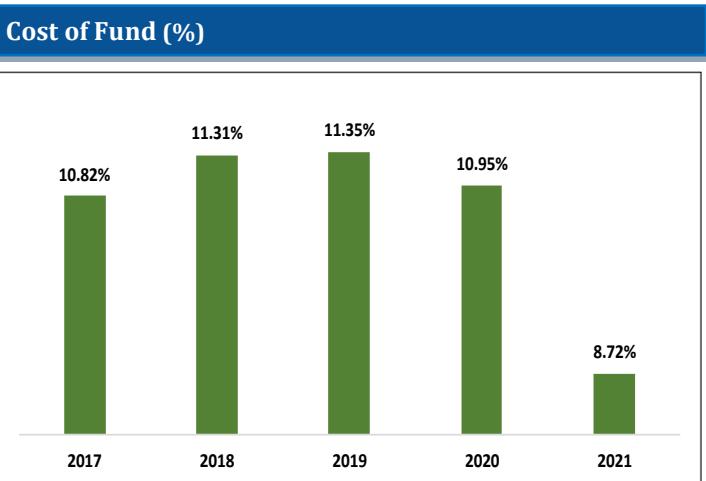
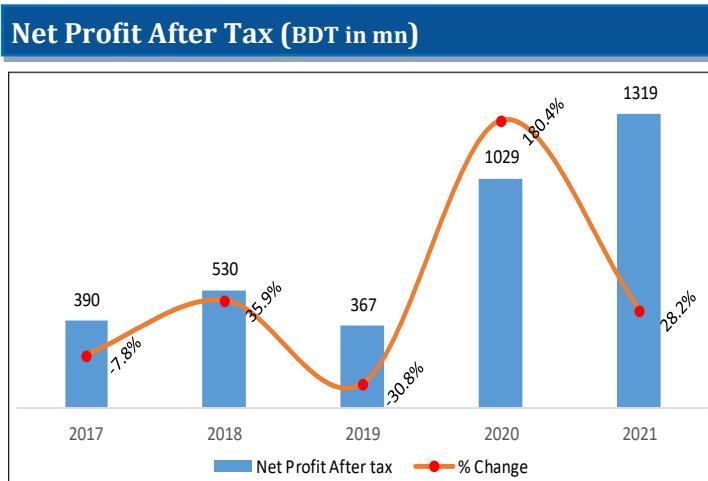
Financing of IPO Fund

Particulars	%	No. of Ordinary Shares (mn)	Face Value	Issue Amount (Mn. Taka)
Eligible Investor (EI)	EIs	20%	63.75	637.50
	Mutual Funds	5%	15.94	159.38
General Public	GP	75%	239.06	2,390.63
	NRB	25%	106.25	1,062.50
Total	100%	425.00		4,250.00

Use of the Proceeds of IPO		
Particulars	Amount	%
Investment in SME	1,000,000,000	23.53%
Investment in Government Securities/Bond	2,685,000,000	63.18%
Investment in Listed Securities/ Listed Bond	500,000,000	11.76%
IPO Expenses	65,000,000	1.53%
Total	4,250,000,000	100%

Financial Indicators				
Ratio	2021	2020	2019	2018
Net Investment Margin	4.24%	2.94%	2.79%	3.06%
Operating Profit Margin	19.97%	14.42%	11.04%	10.98%
Net Profit Margin	9.82%	7.81%	3.15%	5.39%
Return on Equity	18.25%	16.62%	6.67%	10.28%
Return on Assets	1.04%	0.91%	0.37%	0.62%
Debt (Times)	16.54	17.35	17.04	15.60
Interest Coverage Ratio	33.79%	21.25%	15.55%	15.98%
Liquidity Coverage Ratio	230.4%	193.3%	299.7%	228.9%
Yield on Investment	12.74%	13.38%	13.95%	13.75%
NAV/ Share	15.06	13.65	12.17	12.51

Implication Schedule of IPO Proceeds	
Particulars	Approximate Period of Project Completion & Commercial Operation
Investment in SME	24 months from receiving IPO fund
Investment in Government Securities/Bond	
Investment in Listed Securities/ Listed Bond	



Key Observations

- Post IPO total shareholding percentage of sponsors and directors for Global Islami Bank would stand at **48.2%**.
- In 2021, NPAT of the company was **BDT 131.9 cr** against **BDT 102.9 cr** in 2020 i.e the NPAT increased by **BDT 29.0 cr** or **28.2%** on YoY basis. The NPAT growth mainly driven by the growth of net investment income by **69.52 %** or **BDT 205.7 cr**.
- In spite of worldwide pandemic. Net Interest Margin (NIM) of the bank Improved to **4.24%** in Dec'2021 from **2.94%** in Dec'2020.
- In 2021, the Investment (Loans and Advance) growth of the bank was **15.3 %** and the deposit growth was **10.4%** on YoY basis. So the bank performed was moderate in case of loan disbursement and deposit collection.
- GIB was able to fulfill the Capital Adequacy Ratio (CRAR) over the last 5 years. As of Dec 2021, the CRAR ratio of the bank was **10.7 %**.
- NPL showed an upward trend over the last few years before reaching to 2.2% in 2021. However, NPL ratio was below 2.3% over the last five years.
- Over the last 5 years the company has maintained a cost to income ratio between 49%- 63%. In 2021 the cost to income ratio improved to **50.4%** from 53.5% from the previous year.
- Cost of Fund of the bank has declined in last 2 years as the Govt. set a deposit rate cap. As of Dec 2021, the cost of fund of the bank was 8.72%. However, if the deposit cap is withdrawn cost of fund of the bank may go up.

PE Relative to Other Companies

Market PE	16.81
Sector (Bank)	7.81
PE - ISLAMIBANK	11.04
PE - ALARABANK	12.04

Other IPO Details

Issue Date of Prospectus: September 14, 2022

Year End: December

Issue Managers:

- Prime Bank Investments Limited
- LankaBangla Investments Limited

Auditors: Hoda Vasi Chowdhury & Co.

Disclaimer

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Dividends Declaration

Year	2021	2020	2019	2018	2017
Cash	10%	5%	-	-	5%
Stock	-	5%	5%	10%	-

Price Relative to Different Prices

Price	10	15	20	25	30	45.90
PE	8.72	13.08	17.44	21.80	26.16	40.03