

EXECUTIVE SUMMARY

SURVEILLANCE RATINGS OF MIDAS FINANCING LIMITED

Declaration Date	23.07.2020	24.06.2019
Long Term Entity Rating	A (Single A)	A (Single A)
Short Term Entity Rating	ST-3	ST-3
Outlook	Developing	Developing
Expiry Date	22.07.2021	23.06.2020

Performance Highlights:

(TK in Million)


Particulars	2019	2018
Total Assets	11,061.42	11,933.08
Total Equity	1,540.18	1,443.34
Paid up capital	1,356.03	1,322.95
Risk weighted Assets (RWA)	9,099.47	9,214.33
Required capital (10% of RWA)	909.94	921.43
Total Eligible Capital	1,613.15	1,511.73
Tier I Capital	1,540.18	1,443.34
Tier II Capital	72.97	68.38
Gross Finance	9,519.45	10,287.32
Non-performing Loan (NPL)	1,076.07	1,284.54
% of NPL to Gross Finance	11.30%	12.49%
Provision required against NPL	343.12	398.92
Provision Maintained against NPL	343.12	398.92
Total Net Revenue	228.66	179.15
Net Income	96.84	11.16
CAR	17.73%	16.41%
ROE (%)	6.49	0.78
ROA (%)	0.84	0.09
NIM (%)	2.18	1.64
Asset Yield	11.24	10.44
Cost of Fund	10.30%	10.34%
Spread	0.55%	0.37%

Strengths

- Experienced BoD.
- Qualified management team.
- Maintained required provisions against loans & advances.
- Improvement in intermediation efficiency.
- Proper compliance of CAR with regulatory requirement.

Challenges

- Single digit policy for interest rate.
- Liquid fund crisis for onward financing to the borrowers.
- High competition especially with banks in financial market.
- Reactive protection against cyber-crime activities.
- Adaptation ability to change.


Ahmedul Haque
 Deputy Managing Director
 National Credit Ratings Ltd.

Declaration Date	23.07.2020
Long Term	A (Single A)
Short Term	ST-3
Outlook	Developing
Expiry Date	22.07.2021

Rating Basis:

Ratings are based on **Audited** Financial Statements up to **December 31, 2019** along with the other relevant Quantitative as well as Qualitative information provided by the Client & Bank up to the Date of Rating Declaration. NCR has followed Structured Finance Rating Methodology published in its website.

Rating Definition:

A (Single A) rating indicates **Strong** capacity for timely servicing of financial obligations offering **adequate safety**. Such institutions carry **low credit risk**.

ST-3 rating indicates **Satisfactory capacity** for timely payment of financial commitments and carries **low credit risk**.

Definition of Outlook:

Developing Indicates that rating may be raised lowered or remain unchanged depending on changes in the performance indicators.