

**CREDIT RATING REPORT
ON
ASIA INSURANCE PLC**

RATING REPORT CONTENTS

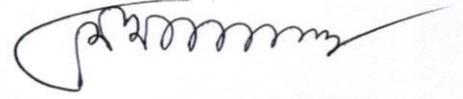
Detailed Report:	Page No.
Executive Summary	--
Rating	01
Rating Basis	01
Rating Definition	01
Rating Rationale	02
Business Overview	03
Industry Risk Analysis	04
Business Risks	08
Financial Risks	13
Appendix-I	I
Appendix-II	II

[FORM-IX]
[Rule 10(8) A(g)]

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Mohammad Jahangir Alam
Chief Executive Officer (CEO)
National Credit Ratings Ltd.



EXECUTIVE SUMMARY
INITIAL CREDIT RATING OF
ASIA INSURANCE PLC

Declaration Date	24.06.2025
Long Term	AAA (Triple A)
Short Term	ST-1
Outlook	Stable
Expiry Date	23.06.2026

Performance Highlights:

Particulars	2024	2023
Total Assets (TK in Million)	2,336.61	2,565.86
Total Equity (TK in Million)	1,176.32	1,127.73
Total Investment (TK in Million)	1,228.13	1,311.06
Gross Premium Written (TK in Million)	813.26	744.32
Total Claim Settled (TK in Million)	280.82	178.53
Net Underwriting Income (TK in Million)	134.23	105.15
Profit After Tax (TK in Million)	96.80	95.29
Combined Ratio (%)	79.35	82.99
ROA (%)	3.95	3.81
ROE (%)	8.40	8.60
Net Claims Ratio (%)	27.83	25.44
Cash Dividend	11%	11%
EPS	2.06	2.06
NAV (TK in Million)	29.63	27.40

Strengths
<ul style="list-style-type: none"> ▪ Diversified products and services ▪ Time-honored experience of the promoters in the related field of business ▪ An appreciable number of claims settled in a timely and effective manner during the last fiscal year. ▪ Appreciable ROA & ROE
Challenges
<ul style="list-style-type: none"> ▪ On time Claim Settlement ▪ Minimizing management expenses ▪ Reducing loss ratio ▪ To improve public awareness through different promotional activities

Mohammad Jahangir Alam
Chief Executive Officer (CEO)
National Credit Ratings Ltd.



Declaration Date	24.06.2025
Long Term Entity Rating	AAA (Triple A)
Short Term Entity Rating	ST-1
Outlook	Stable
Expiry Date	23.06.2026

Rating Basis

Ratings are based on **audited** financial statements as on **December 31, 2024** 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 Non-life Insurance Rating Methodology of NCR published in our website.

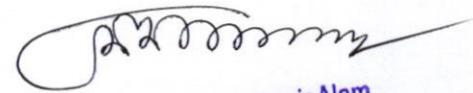
Rating Definition

AAA (Triple A) rating indicates **strongest credit quality** for timely servicing of obligations.

ST-1 rating indicates **strongest ability** to meet short term financial commitments.

Definition of Outlook

Stable indicates that rating may remain unchanged as existing fundamentals may remain unchanged in near future.



Mohammad Jahangir Alam
Chief Executive Officer (CEO)
National Credit Ratings Ltd.

Rating Rationale

Asia Insurance PLC has been assigned the above ratings based on a comprehensive assessment of both quantitative and qualitative factors. The ratings reflect the company's financial stability, demonstrated by a healthy asset base, declaration of an 11.00% cash dividend, and reliable performance in claims settlement. Appreciable returns on assets & equity, a substantial total sum insured, and adequate reserves for exceptional losses were also key considerations in the rating process. The ratings also reflect the company's diversified service portfolio, strategic reinsurance arrangements with reputable reinsurers, compliance with regulatory standards, and adherence to effective corporate governance practices. The promoters' strong reputation and sustained government policy support for the insurance sector have also positively influenced the ratings.

Rating Outlook

The stable outlook reflects the company's unwavering performance on its fundamentals and as such NCR expects that the company will be able to maintain its good fundamentals on an ongoing basis in the future.

②

1.0 BUSINESS OVERVIEW

1.1 Asia Insurance PLC. (hereinafter referred as ‘AIPLC’ or ‘The Company’) is a non-life general insurance company that was incorporated on April 30, 2000 as a Public Limited Company under the Companies Act, 1994 with a paid-up capital of BDT 30.00 million. AIPLC obtained Insurance Registration Certificate on May 30, 2000. The name of Asia Insurance Limited has been changed to Asia Insurance PLC with effect from October 23, 2024 pursuant to the provision of section 11 sub-section (7) Act, XVIII of 1994 (Companies Act, 1994). The company commenced its business on April 30, 2000 with the vision of building capacity and trust to be an ultimate risk solution provider. The company went into Initial Public Offering (IPO) in 2009 and listed with the Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.

1.2 The shares of the company are traded as “A” category in both the bourses. Face value of each share is BDT 10.00 as on May 25, 2025. The 24th Annual General Meeting (AGM) of the company was held on September 17, 2024 for the year ended on December 31, 2023. For the year ended on December 31, 2023, Asia Insurance PLC. has approved 11% cash dividend. The company has also reported EPS of BDT 2.20, NAV per share of BDT 29.78 and NOCFPS of BDT 3.47 ended on December 31, 2024 against BDT 2.02, BDT 27.40 and BDT 2.70 respectively for the same period of the previous year. The closing price of the shares traded in DSE for last one year is presented below:



1.3 PRODUCT AND SERVICE

The company offers insurance policy in different segments namely, fire insurance, marine insurance, motor insurance, engineering insurance, aviation insurance and miscellaneous accident insurance. Products and services offered under each class of business are outlined below:

Sl.	Business Class	Products and Services Offered
1.	Fire Insurance	<ul style="list-style-type: none"> ▪ Fire & Allied Perils Insurance ▪ Industrial All Risk Insurance ▪ Property damages all risks insurance ▪ Fire package insurance ▪ Power plant operational package insurance ▪ Comprehensive plant & machinery insurance ▪ Hotel Owners All Risks Insurance ▪ Business interruption insurance

2.	Marine Insurance	<ul style="list-style-type: none"> ▪ Marine Cargo Insurance ▪ Marine Hull Insurance ▪ Goods-In-Transit Insurance
3	Motor Insurance	<ul style="list-style-type: none"> ▪ Private Vehicle Insurance ▪ Commercial Vehicle Insurance ▪ Motor Cycle Insurance ▪ Motor Trade-Road Risk Insurance
4.	Engineering Insurance	<ul style="list-style-type: none"> ▪ Contractors All Risks Insurance (CAR) ▪ Erection All Risks Insurance (EAR) ▪ Boiler & Pressure Vessel Insurance ▪ Machinery Breakdown Insurance ▪ Deterioration of Stock Insurance (DOS) ▪ Contractors Plant & Machinery Insurance (CPM) ▪ Commercial General Insurance ▪ Electronic Equipment Insurance ▪ Ship Builders Liability Insurance
5.	Miscellaneous Insurance	<ul style="list-style-type: none"> ▪ Burglary & Housebreaking Insurance ▪ Bank Lockers Insurance ▪ Fidelity Guarantee Insurance ▪ Public Liability Insurance ▪ Workmen's compensation insurance ▪ All Risks Insurance ▪ Bankers Blanket Bond Insurance ▪ Products Liability Insurance ▪ Employers Liability Insurance ▪ Professional liability insurance ▪ Bangabandhu Suroksha Bima Insurance ▪ Bangabandhu sportsmen's comprehensive insurance ▪ Lift Insurance
6.	Medical Category	<ul style="list-style-type: none"> ▪ Business & Holiday Insurance ▪ Corporate Frequent Travels Insurance ▪ Employment & Studies Insurance
7.	Money insurance	<ul style="list-style-type: none"> ▪ Cash-In-Transit Insurance ▪ Cash-In-Safe Insurance ▪ Cash-On-Counter Insurance ▪ ATM Booth Insurance
8.	Aviation Insurance	<ul style="list-style-type: none"> ▪ Aviation Hull Insurance

1.4 AIPLC is operating the insurance business with 22 branches all over the country. The Corporate Head Quarters of the Company is located at Rupayan Trade Centre (14th Floor), 114-115 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000, Bangladesh.

2.0 INDUSTRY OVERVIEW

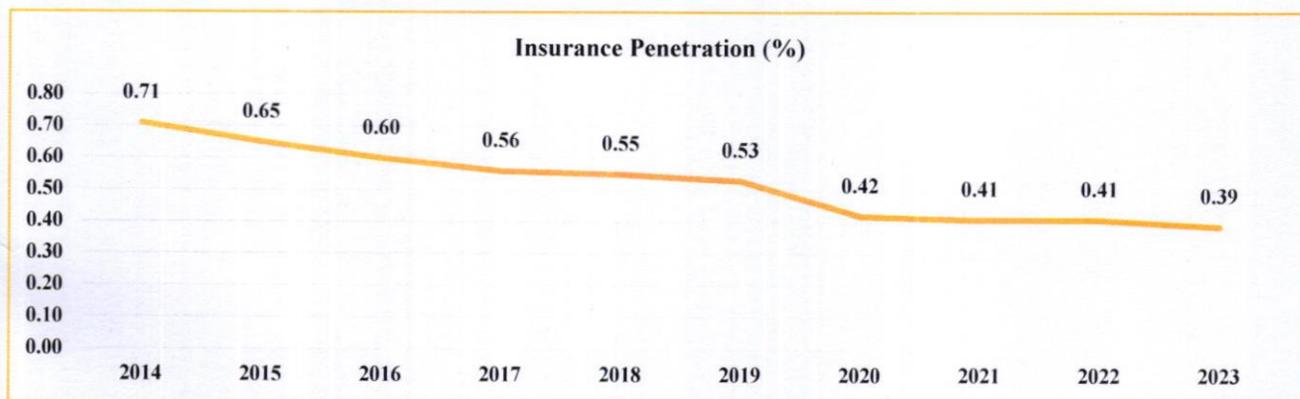
2.1 After the liberation of Bangladesh, in 1972, all the 49 insurance companies operating in Bangladesh were nationalized under five public sector corporations which were subsequently restructured into two corporations: the Sadharan Bima Corporation (SBC) for general insurance, and Jiban Bima Corporation (JBC) for life Insurance in 1973 under the Insurance Corporations Act, 1973. The private sector was allowed to operate in all areas of insurance for the first time in 1984. Currently, a total of 82 insurance companies are operating in the industry. Brief overview of insurance industry of Bangladesh is presented in the table below:



Particulars	Details
Insurance Penetration Rate (2023)	0.39%
Global Insurance Penetration Rate (2023)	7.00%
Insurance Density (2023)	USD 12.00
Global Insurance Density (2023)	USD 889.00
Gross Premium (GP) (Life) (2023)	BDT 122.80 billion
Gross Premium (GP) (Non-Life) (2023)	BDT 52.04 billion
Market Share of Life Insurance based on GP (2023)	70.23%
Market Share of Non-Life Insurance based on GP (2023)	29.77%
Number of Life Insurance Policies (2023)	8.63 million
Claim Settlement Ratio (Life) (2023)	72.25%
Claim Settlement Ratio (Non-Life) (2023)	41.35%
Human Resources	41,481
Top 05 Life Insurance Companies	Met Life, National Life, Delta Life, JBC, Popular Life
Top 05 Non-Life Insurance Companies	SBC, Green Delta, Reliance, Pioneer, Pragati

Source: Insurance Development and Regulatory Authority (IDRA); Swiss Re Institute (Sigma Report); Financial Stability Report 2023, Bangladesh Bank; The Daily Star (01.03.2024)

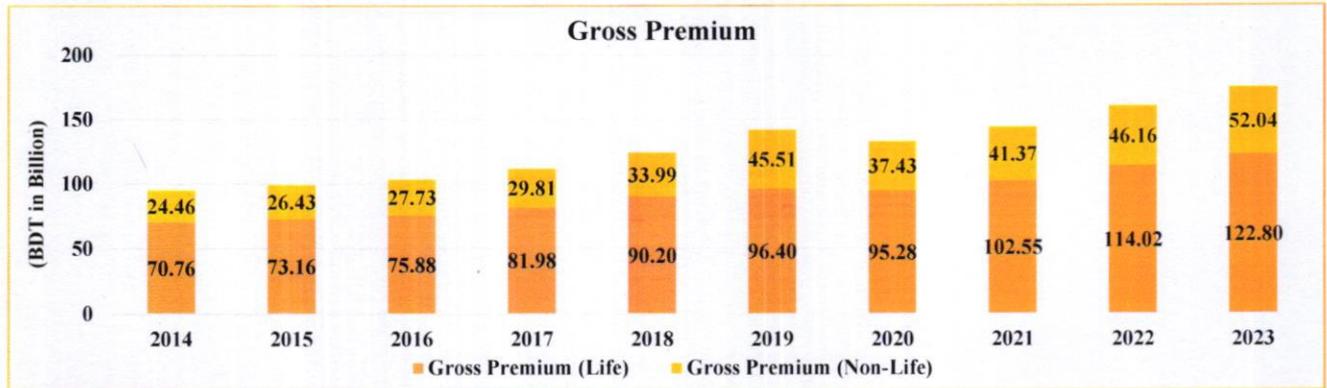
2.2 Though the history of insurance industry is long, there were merely any regulations prior to 2010. In 2010, a law was formulated and afterwards, Insurance Development and Regulatory Authority (IDRA) was established in 2011 to supervise the insurance businesses and safeguarding the interest of policy holder. However, even after ten years of establishment, IDRA is yet to be fully functional. Lengthy time required to settle claims, lack of confidence of general people, regulatory supervision, transparency, product diversification, use of appropriate technology, experts and academics along with inadequate policy support from the government are the major causes behind the very low insurance penetration rate in Bangladesh. Insurance penetration rate of Bangladesh was 0.39% in 2023 against 0.41% in both 2022 and 2021. Trend of historical insurance penetration rates is depicted below:



Source: Insurance Development and Regulatory Authority (IDRA), Swiss Re Institute (Sigma Report)

2.3 Insurance penetration rate in Bangladesh has been experiencing a declining trend over the last ten years. According to the Sigma Report of Swiss Re Institute, global insurance penetration rate was 7.00 percent in 2023 while our insurance penetration rate was far below 1.00 percent. Insurance density is also very poor in our country at USD 12.00 against world average of USD 889.00.

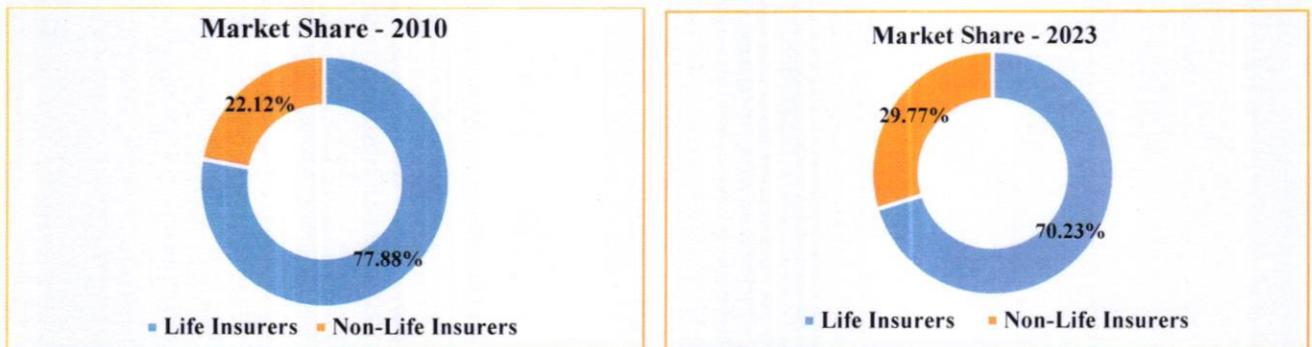




Source: Insurance Development and Regulatory Authority (IDRA)

2.4 Collection of gross premium has an increasing trend over the years. Gross premium collection fell in 2020 due to the Covid-19 pandemic but started increasing the following year. Gross premium collection of non-life insurers experienced a greater growth compared to life insurers.

2.5 Insurance companies are broadly categorized as life insurers and non-life insurers. Life insurance companies occupy the lion’s share of the market. However, from the following graph we can see that market share of non-life insurance companies has grown in 2023 compared to 2010.



Source: Insurance Development and Regulatory Authority (IDRA)

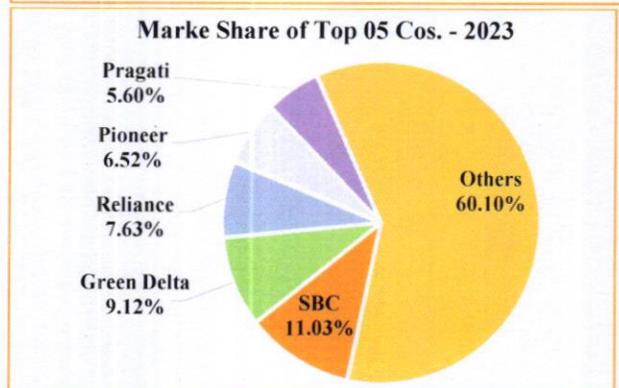
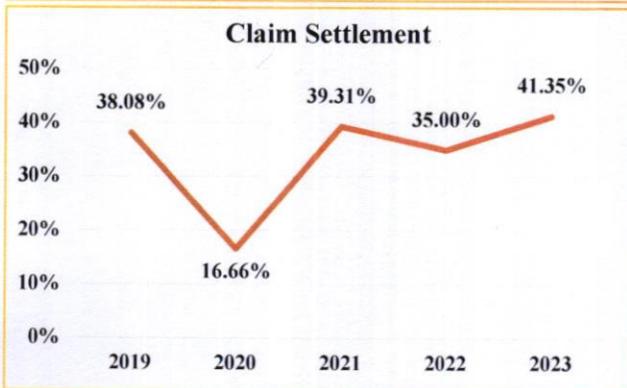
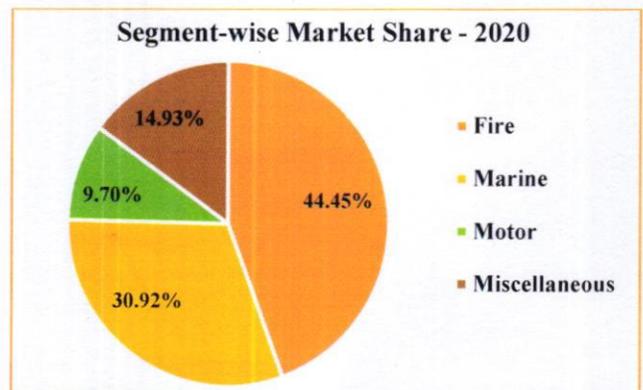
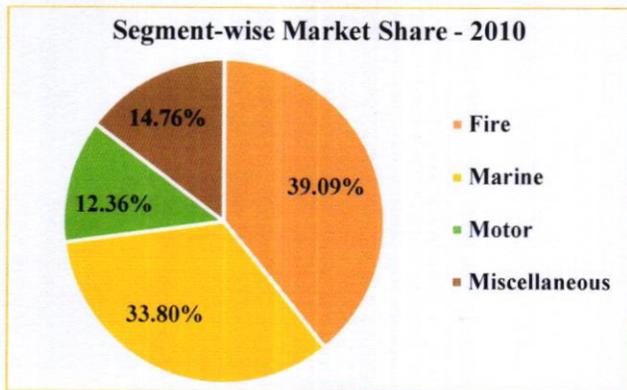
NON-LIFE INSURANCE SECTOR AT A GLANCE

2.6 Non-life insurers occupy lesser market share of Bangladesh insurance industry compared to the life insurers. Currently the sector represents nearly one-third of the industry. However, the sector is growing and grabbing more market share. As a result, market share of non-life insurers in terms of gross premium collection jumped to 29.77 percent in 2023 from 22.12 percent in 2010. In last ten years, gross premium collection of the sector experienced a CAGR of 7.84 percent and reached to all-time high in 2023. Higher growth of gross premium collection can be attributed to the growth of market shares. Low claim settlement ratio can also be linked to the declining market share. In the last ten years, the claim settlement ratio was only around 40 percent on an average. Brief overview of life insurance sector is depicted below:





Source: Insurance Development and Regulatory Authority (IDRA)



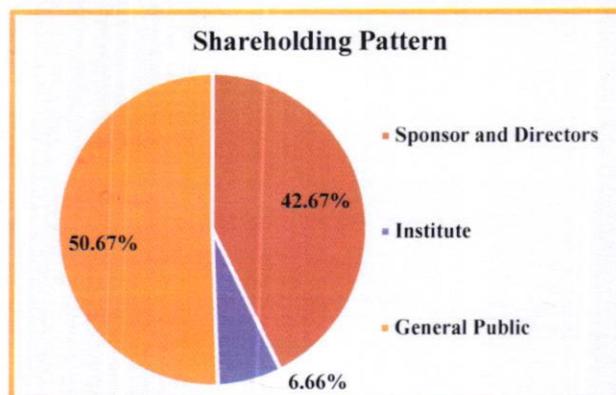
Source: Insurance Development and Regulatory Authority (IDRA)

2.7 After the commencement of privatization of insurance industry, many companies came into play but the insurance penetration rate is on a declining trend. Bangladesh is the 35th largest economy in the world but it stood 60th in world ranking in terms of the total insurance premium volume. Most of the companies couldn't achieve the trust of the clients. Some experts believe that the number of insurance companies for a market like Bangladesh is too many. Unethical practices have been fueled by the cut-throat competition among the companies. However, economy of the country as well as per capita income has been growing. So, there is immense scope for the companies to grab the market with the help of pragmatic policy support from the government and timely and proper implementation of the policy.

3.0 BUSINESS RISK

3.1 OWNERSHIP STRUCTURE

The authorized capital of AIPLC is BDT 1,000.00 million and Paid-up Capital is BDT 470.69 million (47.07 million ordinary shares of BDT 10 each) as on December 31, 2024. The shareholding pattern of the company was mainly concentrated within sponsor and directors and general public. Majority of the shares of the company is held by general public (50.67%). Remaining shares are held by sponsors and directors (42.67%) & financial institutions (6.66%) as on April 30, 2025. The current shareholding pattern of the company is depicted in the adjacent diagram:



3.2 CORPORATE GOVERNANCE

The Board of Directors formed in 2024 is comprised of 13 members. The BoD provides guidelines about limits, policies and ensures strict compliance to the regulatory requirements. During the year 2024, four board meetings were held. The brief synopsis of the members of BoD is given below:

Sl.	Name of the Board Members	Designation	Qualification	Experience
1.	Mohammad Mustofa Haider	Chairman	Bachelor (University of Southern California, USA)	22 years
2.	Mohd. Jahangir Alam	Vice-Chairman	B.A.	25 years
3.	Abul Bashar Chowdhury	Director & Chairman of Executive Committee	B.A. (Hon's)	25 years
4.	Yussuf Abdullah Harun, FCA	Director	FCA	25 years
5.	Khaleda Begum	Director	Self-Educated	22 years
6.	Farzana Afroze	Director	Graduation (University of Southern California, USA)	22 years
7.	Walid Mohd Shamuel	Director	Master's (University of Wollongong, Australia)	05 years
8.	Dr. Munal Mahabub	Director	Bachelor	04 years
9.	Rasedul Islam, FCA, FCMA (Representative of Southeast Bank PLC.)	Director (Nominated of Southeast Bank PLC.)	MBA, CA, CMA	03 years
10.	Md. Enayet Kabir (Representative of Bay Leasing & Investment Ltd.)	Director (Nominated of Bay Leasing & Investment Ltd.)	MBA CA (CC)	02 years
11.	Syed Sajedul Karim	Independent Director	Masters in Geography (DU) and Diplomas in Petroleum Accounting from North Texas & Southern Methodist Universities in Dallas, USA.	54 years
12.	Mahfuzur Rahman	Independent Director	Masters in Economics from University of Chittagong.	42 years

3.3 BOARD COMMITTEES

The Board has nine committees, namely executive committee, audit committee, nomination & remuneration committee, investment committee, risk management committee, policyholder protection & compliance committee, human resource development committee, re-insurance & claims committee, and business

development committee. The committee members are directly selected by the BoD. Each committee operates under specific terms of reference which outlines the responsibilities of the committee.

3.3.1 The structure of the Executive Committee is stated in the following table:

Executive Committee		
Sl.	Name of Members	Designation
1.	Abul Bashar Chowdhury	Chairman
2.	Mohammad Mustafa Haider	Member
3.	Mohammed Jahangir Alam	Member
4.	Yussuf Abdullah Harun, FCA	Member
5.	Syed Sajedul Karim, Independent Director	Member
6.	Md. Imam Shaheen, Managing Director & CEO	Member

3.3.2 The structure of the Audit Committee is stated in the following table:

Audit Committee		
Sl.	Name of Members	Designation
1.	Mahfuzur Rahman, Independent Director	Chairman
2.	Mohammad Jahangir Alam	Member
3.	Abul Bashar Chowdhury	Member
4.	Walid Mohammed Shamuel	Member
5.	Dr. Munal Mahabub	Member
6.	Syed Sajedul Karim, Independent Director	Member

3.3.3 The structure of the Nomination & Remuneration Committee is stated in the following table:

Nomination & Remuneration Committee		
Sl.	Name of Members	Designation
1.	Syed Sajedul Karim, Independent Director	Chairman
2.	Mohammed Jahangir Alam	Member
3.	Yussuf Abdullah Harun, FCA	Member
4.	Mahfuzur Rahman, Independent Director	Member

3.3.4 The structure of the Investment Committee is stated in the following table:

Investment Committee		
Sl.	Name of Members	Designation
1.	Yussuf Abdullah Harun, FCA	Chairman
2.	Mohammad Mustafa Haider	Member
3.	Mohammed Jahangir Alam	Member
4.	Abul Bashar Chowdhury	Member
5.	Mahfuzur Rahman, Independent Director	Member
6.	Md. Imam Shaheen, Managing Director & CEO	Member

3.3.5 The structure of the Risk Management Committee is stated in the following table:

Risk Management Committee		
Sl.	Name of Members	Designation
1.	Mahfuzur Rahman, Independent Director	Chairman
2.	Mohammed Jahangir Alam	Member
3.	Farzana Afroze	Member

4.	Syed Sajedul Karim, Independent Director	Member
5.	Md. Imam Shaheen, Managing Director & CEO	Member

3.3.6 The structure of the Policyholder Protection & Compliance Committee is stated in the following table:

Policyholder Protection & Compliance Committee		
Sl.	Name of Members	Designation
1.	Abul Bashar Chowdhury	Chairman
2.	Walid Mohammed Shamuel	Member
3.	Dr. Munal Mahabub	Member
4.	Syed Sajedul Karim, Independent Director	Member
5.	Mahfuzur Rahman, Independent Director	Member
6.	Md. Imam Shaheen, Managing Director & CEO	Member

3.3.7 The structure of the Human Resource & Development Committee is stated in the following table:

Human Resource & Development Committee		
Sl.	Name of Members	Designation
1.	Yussuf Abdullah Harun, FCA	Chairman
2.	Mohammad Mustafa Haider	Member
3.	Abul Bashar Chowdhury	Member
4.	Farzana Afroze	Member
5.	Walid Mohammed Shamuel	Member
6.	Md. Imam Shaheen, Managing Director & CEO	Member

3.3.8 The structure of the Re-Insurance & Claims Committee is stated in the following table:

Re-Insurance & Claims Committee		
Sl.	Name of Members	Designation
1.	Mohammad Mustafa Haider	Chairman
2.	Yussuf Abdullah Harun, FCA	Member
3.	Abul Bashar Chowdhury	Member
4.	Dr. Munal Mahabub	Member
5.	Mahfuzur Rahman, Independent Director	Member
6.	Md. Imam Shaheen, Managing Director & CEO	Member

3.3.9 The structure of the Business Development Committee is stated in the following table:

Business Development Committee		
Sl.	Name of Members	Designation
1.	Mohammed Jahangir Alam	Chairman
2.	Mohammad Mustafa Haider	Member
3.	Abul Bashar Chowdhury	Member
4.	Walid Mohammed Shamuel	Member
5.	Dr. Munal Mahabub	Member
6.	Md. Imam Shaheen, Managing Director & CEO	Member

3.3.10 All committees are reconstituted after every AGM and the meetings are held on regular basis to oversee and monitor the functions of the company.

3.4 MANAGEMENT

The management team is structured with qualified and experienced professionals. The operational management team is headed by the Chief Executive Officer, Md. Imam Shaheen. All the departmental heads directly report to the CEO. The summary of the qualification and professional experience of the management team are given below:

Name	Designation	Department	Qualification	Experience
Md. Imam Shaheen, ABIA	Managing Director & CEO	All	B. Com (Hons), M. Com (Management) University of Chittagong.& ABIA	35 years
Atique Ullah Majumder	Company Secretary & DMD	Board & Share and Public Relation Dept. HRM & Administration and Establishment & Motor Pool Department.	LL.B (Hons), LL.M University of Rajshahi	34 years
Md. Rafiqul Islam	Chief Financial Officer & DMD	Finance & Accounts Department, MIS & IT Department.	B. Com (Hons) Accounting M. Com (Finance) University of Chittagong	33 years
Monir Ahmed	Exe.Vice President	Re-Insurance & Claims Department.	B.S.S. (Social Science) M.S.S (Political Science)	21 years
Md. Harun-Or-Rashid	Exe.Vice President	BCD & Underwriting Department	M.B.A (Marketing)	25 years
Ahasan Habib	Vice President	Audit & Compliance Department	B.Com (Hons) M.Com (Accounting)	28 years
Toufique Hossain	Vice President	Business Dealing & Sales Supporting Wings	B.Sc (Hons), M. Sc.	24 years

The company offers good compensation package to the employees including festival bonus, incentive bonus, contributory provident fund facility, Gratuity, group insurance policy, hospitalization policy etc. As part of human resources development, management frequently arranges on the job training, in-house and outside training through the Bangladesh Insurance Association, Bangladesh Institute for Financial Development & Bangladesh Insurance Academy. Moreover, the workshop, seminar, discussion meeting etc. are organized at a regular interval to enhance the professional expertise. Besides, for motivating the employees, AIPLC arranges annual and half yearly conference where the employees get awards and prizes for extra-ordinary achievements. AIPLC has total 261 employees.

3.5 OPERATIONAL RISKS

The company is exposed to other risks associated with the operation. The operational risks are:

3.5.1 UNDERWRITING & RISK ASSESSMENT

AIPLC has developed a qualified and experienced team of experts for underwriting and re-insurance. The team is headed by Md. Imam Shaheen, ABIA, Managing Director & CEO. A brief profile of the Underwriting and re-insurance team are given below:

Sl.	Name	Designation	Qualification	Experience
1.	Md. Imam Shaheen, ABIA	Managing Director & CEO	B. Com (Hons), M. Com (Management) University of Chittagong. & ABIA	35 years
2.	Monir Ahmed	Exe. Vice President	BSS(Social Science), MSS (Political Science) & ABIA	21 years
3.	Md. Harun-Or-Rashid	Exe. Vice President	BSS (Pass), MBA (Marketing) & ABIA	25 years
4.	Toufique Hossain	Vice President	B.SC (Hons), MSC (Zoology)	34years
5.	Krisna Kamal Das	Asstt. Vice President	B.Com (Pass), M.Com (Management)	25 years

3.5.2 CLAIMS

Upon receiving a claim intimation, either via phone or in writing, AIPLC promptly appoints a surveyor, or the claims committee conducts a visit to the affected site. If deemed necessary, a second joint surveyor is appointed following the initial inspection. Additionally, a video recording of the incident is prepared for documentation purposes. Regarding claim settlements, the Managing Director (MD) is authorized to approve settlements up to BDT 0.10 million for marine cargo, marine hull, and fire claims. However, any settlement amounts exceeding BDT 0.10 million within these categories requires approval from the Claims Committee. For motor and miscellaneous claims, the MD is authorized to approve settlements up to BDT 0.03 million and BDT 0.05 million, respectively, with any amounts above these thresholds requiring approval from the Claims Committee.

3.5.3 INFORMATION TECHNOLOGY

In order to meet global challenges, the company has taken initiatives by fully computerizing its operation. This initiative will enhance its service up to wide reaching level. AIPLC has introduced integrated software namely "Insurance Integrated Business Solution (IIBS)". The different modules are used in IIBS for underwriting, re-insurance, claims, accounts (integrated with underwriting), PMIS, payroll, FDR, provident fund, board affairs, communication service and share management. By using the IIBS, the company is generating different types of reports such as underwriting performance analysis, producer wise business collection and outstanding analysis, claim analysis and re-insurance and accounts management. The company also has 4 (four) servers namely, database server, application server, back up/test server and mail server.

3.5.4 TOP CUSTOMER LIST:

The company has been maintaining a robust client base over the years. The customer base is segregated in fire, marine, motor, miscellaneous etc. Some of the major clients are enlisted below based on gross premium earned:

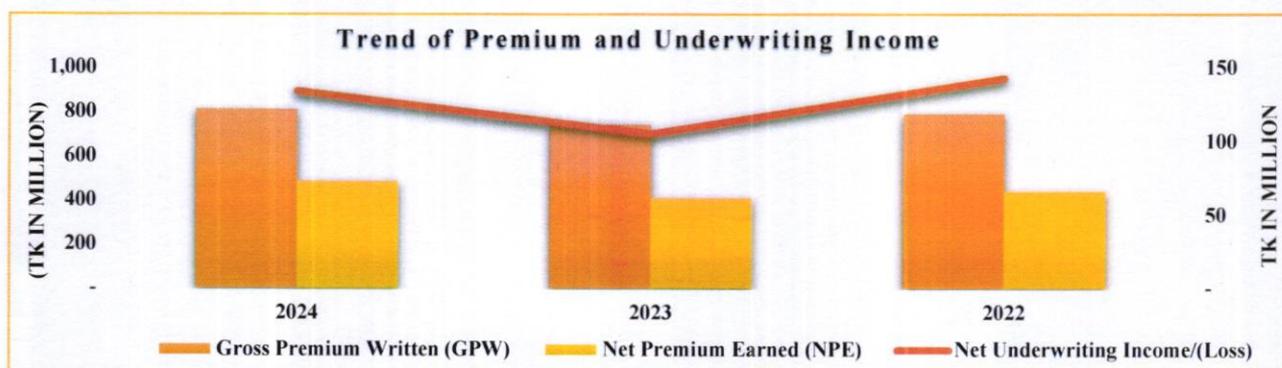
SL.	Name of Customer	Gross Premium (Tk. in million)
01	Nassa Group	44.87
02	Ha-Meem Group	38.54
03	J. K. Group	32.98
04	GPH Ispat Group	10.62
05	T. K. Group of Industries	17.43
06	National Bank Limited	22.71
07	Snowtex Group	17.61
08	Energypac Group	11.51
09	Samuda Group	11.32
10	Everest Pharmaceuticals Group	11.23

4.0 FINANCIAL RISKS

4.1 UNDERWRITING PERFORMANCE

(BDT In million)

Particulars	2024	2023	2022	2021	2020
Gross Premium Written (GPW)	813.26	744.32	793.46	757.81	702.13
Reinsurance Usage (%)	32.15	46.52	45.43	40.54	37.09
Reinsurance Expense	261.48	346.29	360.47	307.20	260.43
Net Premium Written	551.78	398.04	433.00	450.60	441.70
Net Premium Earned (NPE)	488.76	411.69	440.15	446.50	427.20
Net Underwriting Income/(Loss)	134.23	105.15	142.81	193.38	85.40



4.2 The data reveals a fluctuating trend in Gross Premium Written (GPW), peaking at BDT 793.46 million in 2022 but declining thereafter, reaching BDT 813.26 million in 2024. Reinsurance usage peaked at 46.52% in 2023 but dropped to 32.15% in 2024, leading to a notable reduction in reinsurance expenses. Net Premium Written (NPW) has shown an upward trend since 2023, reaching BDT 551.78 million in 2024. After a period of decline from 2021 to 2023, Net Premium Earned (NPE) recovered strongly to peak at BDT 488.76 million in 2024. While Net Underwriting Income experienced a downturn after its 2021 peak of BDT 193.38 million, it showed notable improvement in 2024, rebounding to BDT 134.23 million.

(BDT in million)

Business Class	2024		2023		Reinsurance Coverage (%)
	Sum Insured	Reinsurance Coverage	Sum Insured	Reinsurance Coverage	
Fire	109,577.19	61,131.31	92,318.87	72,871.96	78.94%
Marine	84,744.58	16,536.53	128,601.85	21,591.03	16.79%

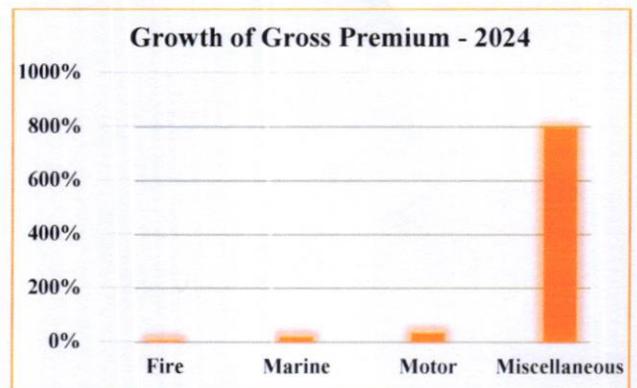
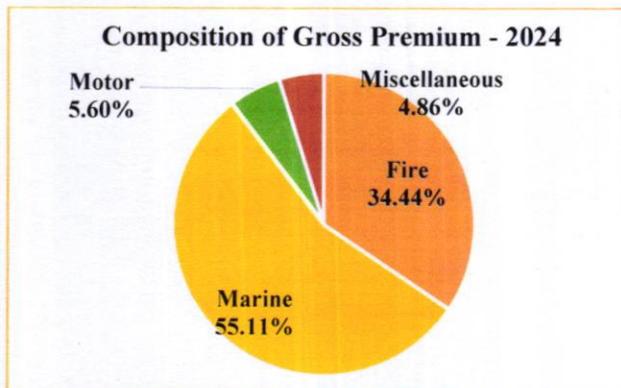
Motor	2,623.28	44.35	1.69%	2,121.57	101.92	4.80%
Miscellaneous	126,930.35	1,597.14	1.26%	13,354.57	2,368.54	17.74%
Total	323,875.40	79,309.32	24.49%	236,396.85	96,933.45	41.00%

4.3 The sum insured across all business classes increased significantly from BDT 236,396.85 million in 2023 to BDT 323,875.40 million in 2024. However, total reinsurance coverage dropped both in absolute terms (BDT 96,933.45 million in 2023 to BDT 79,309.32 million in 2024) and percentage-wise (41.00% in 2023 to 24.49% in 2024), indicating a strategic shift toward retaining more risk. Fire insurance saw a 18.70% rise in sum insured, but its reinsurance coverage declined from 78.94% in 2023 to 55.79% in 2024. Marine insurance, despite a drop in sum insured, experienced a slight increase in reinsurance reliance (16.79% to 19.51%). The motor segment had minimal insured amounts, with a sharp decline in reinsurance coverage (4.80% to 1.69%). The most notable change was in miscellaneous insurance, declined from 17.74% to 1.26%.

(BDT in million)

Business Class	Gross Premium Written (GPW)		Growth of GPW
	2024	2023	2024
Fire	248.92	244.99	1.60%
Marine	398.35	346.92	14.83%
Motor	40.45	31.22	29.59%
Miscellaneous	35.10	3.93	793.80%
Total	722.83	627.05	9.26%

4.4 In 2024, the insurance company’s Gross Premium Written (GPW) reached BDT 722.83 million, representing a commendable increase of 9.26% over BDT 627.05 million reported in 2023. Positive growth was evident across all principal business segments, with Fire, Marine, Motor, and Miscellaneous classes experiencing GPW increases of 1.60%, 14.83%, 29.59%, and 793.80%, respectively. This sustained expansion in premium income underscores the company’s robust market positioning and the enduring demand for its insurance products. Furthermore, the diversified growth across multiple segments reflects the company’s prudent risk management practices.



4.5 EARNINGS STRENGTH

Particulars	2024	2023	2022	2021	2020
Gross Premium Earned to Total Sum Insured (%)	0.23	0.32	0.00	0.00	0.00
Underwriting Income to Gross Premium (%)	16.50	14.13	18.00	25.52	12.16
Net Earnings Ratio (%)	17.54	23.94	22.68	47.67	34.20
Return on Assets (ROA) (%)	3.95	3.81	3.97	9.43	14.86
Return on Equity (ROE) (%)	8.40	8.60	9.11	21.03	30.98
Investment Yield (%)	6.63	5.14	5.51	5.36	13.81
Investment Income Ratio (%)	17.21	16.52	17.12	14.87	17.48
Net Claims Ratio or Loss Ratio (%)	27.83	25.44	23.40	27.52	39.81
Expense Ratio (%)	51.52	57.55	52.87	36.81	47.91
Combined Ratio (%)	79.35	82.99	76.28	64.32	87.72

The gross premium earned to total sum insured ratio has significantly dropped to 0.23% in 2024 from 0.32% in 2023, reflecting a lower proportion of premium earnings relative to the insured amounts. However, underwriting income to gross premium has improved to 16.50% in 2024 from 14.13% in 2023, suggesting better profitability from core insurance operations. The net earnings ratio relatively dropped at 17.54% in 2024 from 23.94% in 2023. In 2024, return on assets (ROA) increased to 3.95% from 3.81% in the previous year, reflecting an improvement in profitability. Investment performance has improved, with the investment yield increasing to 6.63% in 2024 from 5.14% in 2023, and the investment income ratio has also marginally improved to 17.21% in 2024. On the operational side, the net claims ratio has improved to 27.83% in 2024 from 25.44% in 2023, indicating lower claims payouts. Expense ratio improved to 51.52% 2024 from 57.55% in 2023. The combined ratio, a key measure of underwriting efficiency, improved to 79.35% in 2024 from 82.99% in 2023, indicating better cost control and stronger underwriting discipline.

4.6 LIQUIDITY AND SOLVENCY

Particulars	2024	2023	2022	2021	2020
Total Liquid Assets (<i>BDT in million</i>)	2,086.52	2,328.09	2,224.22	2,305.38	1,800.33
Liquid Assets to Net Claims Expense (X)	16.23	21.74	21.99	16.71	5.29
Days Claims Outstanding (Days)	375.60	593.23	721.52	579.95	129.38
Earnings Coverage (X)	62.44	64.31	60.09	100.43	61.21
Equity to Net Claims (X)	8.65	10.77	10.57	8.69	5.73
Net Cash Flow from Operating Activities (<i>BDT in million</i>)	163.37	127.15	222.56	321.42	282.15

Liquidity ratios have strengthened, with liquid assets to current liabilities increasing to 1.82 times in 2024 from 1.63 times in 2023, indicating an improved ability to cover short-term obligations. Liquid assets to net claims expense decreased to 16.23 times in 2024 from 21.74 times in 2023, indicating a relative weakening in the company's liquidity buffer to meet potential claim payouts. However, Days claims outstanding decreased to 375 days in 2024 from 593 days in 2023, indicating an improvement in claims settlement efficiency and a more prompt response to claim obligations. Earnings coverage was very strong at 62.44 times in 2024 and 64.31 times in 2023, suggesting strong ability to cover interest and fixed charges with earnings. Equity to net claims decreased to 8.65 times in 2024 from 10.77 times in 2023, reinforcing the company's capital strength relative to claim obligations. Net cash flow from operating activities increased to BDT 163.37 million in 2024 from BDT 127.15 million in 2023 indicating improved cash generation from core operations.

4.7 CAPITAL ADEQUACY

Particulars	2024	2023	2022	2021	2020
Paid-up Capital (BDT in million)	470.70	470.70	470.70	470.70	470.70
Shareholders' Equity (BDT in million)	1,176.32	1,127.73	1,089.22	1,067.80	975.17
Gross Underwriting Leverage (%)	90.14	81.78	89.87	92.10	180.69
Operating Leverage (%)	47.46	35.65	39.78	43.69	89.81
Total Leverage (%)	1.14	0.65	0.80	1.05	0.85
Capital to Total Assets (%)	50.92	44.24	45.18	42.81	48.38

The company's capital position remains stable, with Paid-up Capital unchanged at BDT 470.70 million over the years, while shareholders' equity has steadily grown, reaching BDT 1,176.32 million in 2024, up from BDT 1,127.73 million in 2023, indicating retained earnings and financial strengthening. The capital maintenance ratio remains steady at 117.67%, reflecting a consistent capital buffer. Gross underwriting leverage and operating leverage increased 2024 due to higher growth of gross premium written and net premium written compared to capital base. Total leverage increased to 1.14 times in 2024 from 0.65 times in 2023, potentially indicating higher financial obligations and increased risk exposure. Meanwhile, capital to total assets improved to 50.92% in 2024 from 44.24% in 2023, reflecting a stronger capital base relative to total assets.

4.8 ASSET QUALITY

Particulars	2024	2023	2022	2021	2020
Total Assets (BDT in million)	2,336.61	2,565.86	2,430.27	2,520.52	2,032.95
Investment in FDR (BDT in million)	695.78	777.40	860.06	920.66	870.86
Total Investment (BDT in million)	1,228.13	1,311.06	1,337.46	1,398.32	1,081.58
Investment to Total Assets (%)	52.56	51.10	55.03	55.48	53.20

The company's Total Assets have declined to BDT 2,336.61 million in 2024 from BDT 2,565.86 million in 2023. Similarly, Total Investment has decreased to BDT 1,228.13 million in 2024, down from BDT 1,311.06 million in 2023. Investment in FDR (Fixed Deposit Receipts) has also declined consistently, reaching BDT 695.78 million in 2024 from BDT 777.40 million in 2023, although govt. treasury bond has increased BDT 105.00 million in 2024 from BDT 80.00 million in 2023. The investment-to-total-assets ratio stood at 52.26% in 2024, showing a slight increase from 51.10% in 2023, though still below 55.03% in 2021. This indicates a moderate improvement in the proportion of total assets allocated to investments, reflecting the company's focus on optimizing its investment portfolio.

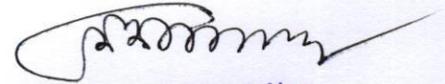
4.9 CLAIM SETTLEMENT

Particulars	(BDT in million)	
	2024	2023
No. of Claim Lodged	190.00	140.00
Total Claim Lodged	198.21	89.29
No. of Claim Settled	165.00	150.00
Claim Settled - Lodged in Current Year	130.12	87.93
Claim Settled - Lodged in Previous Years	150.70	90.60
Total Claim Settled during the Year	280.82	178.53
Total Claim Outstanding	172.25	209.20
Claim Settlement Ratio (As per No.) (%)	86.84	107.14
Claim Settlement Ratio (As per Amount) (%)	141.68	199.94

Total Claim Outstanding to Total Equity (%)	6.12	18.55
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Despite the surge in claims, the company improved its claim settlement efforts, settling 165 claims in 2024, up from 150 in 2023. The amount settled for current-year claims increased significantly to BDT 198.21 million in 2024 from BDT 89.29 million in 2023, and the settlement of previous years' claims decreased substantially to BDT 89.29 million in 2024 from BDT 287.69 million in 2023, leading to a total settled amount of BDT 280.82 million in 2024 compared to BDT 178.53 million in 2023. The company has been efficient in claim settlement with claim settlement ratio more than 100 percent. Total outstanding claims have decreased to BDT 172.25 million in 2024 from BDT 209.20 million in 2023, decreasing the total outstanding claims to equity ratio to 6.12% in 2024 from 18.55% in 2023.

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Mohammad Jahangir Alam
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National Credit Ratings Ltd.

APPENDIX- I: RATING SCALE AND DEFINITIONS

<i>Long Term Rating Scale and Definitions</i>	
Rating Notches	Definition
AAA	Strongest Credit Quality
AA+	Below Strongest Credit Quality
AA	Very Strong Credit Quality
AA-	Below Very Strong Credit Quality
A+	Very Good Credit Quality
A	Above Average Credit Quality
A-	Moderately Good Credit Quality
BBB+	Moderate Credit Quality
BBB	Average Credit Quality
BBB-	Below Average Credit Quality
BB+	Moderately Below Average Credit Quality
BB	Slightly Below Average Credit Quality
BB-	Less Than Average Credit Quality
B+	Significantly Below Average Credit Quality
B	Weak Credit Quality
B-	Very Weak Credit Quality
C	Poor Credit Quality
D	Default (Failed to meet their rated financial commitment on time or when due)

<i>Short Term Rating Scale and Definitions</i>	
Rating Notches	Definition
ST-1	Strongest Ability to Meet Short Term Financial Commitments
ST-2	Above Average Ability to Meet Short Term Financial Commitments
ST-3	Average Ability to Meet Short Term Financial Commitments
ST-4	Below Average Ability to Meet Short Term Financial Commitments
ST-5	Well Below Average Ability to Meet Short Term Financial Commitments
ST-6	Default (Failed to meet their short-term financial commitments)