

**CREDIT RATING REPORT
ON
ASIA INSURANCE PLC**

RATING REPORT CONTENTS

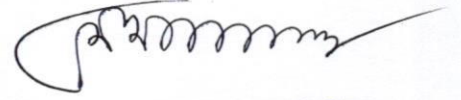
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[FORM-IX]
[Rule 10(8) A(g)]

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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

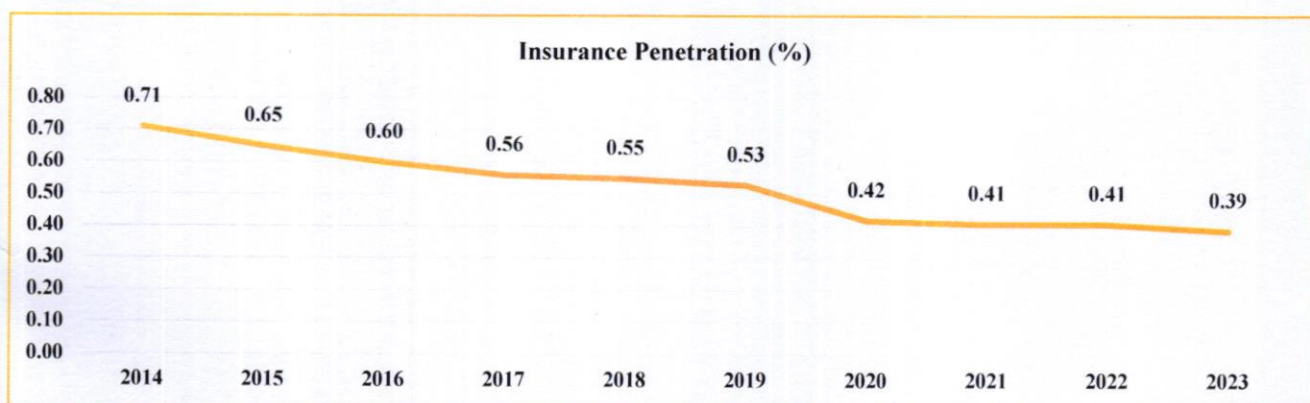
2.1 After the liberation of Bangladesh, in 1972, all the 49 insurance companies operating in Bangladesh were nationalized under five public sector corporations which were subsequently restructured into two corporations: the Sadharan Bima Corporation (SBC) for general insurance, and Jiban Bima Corporation (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)

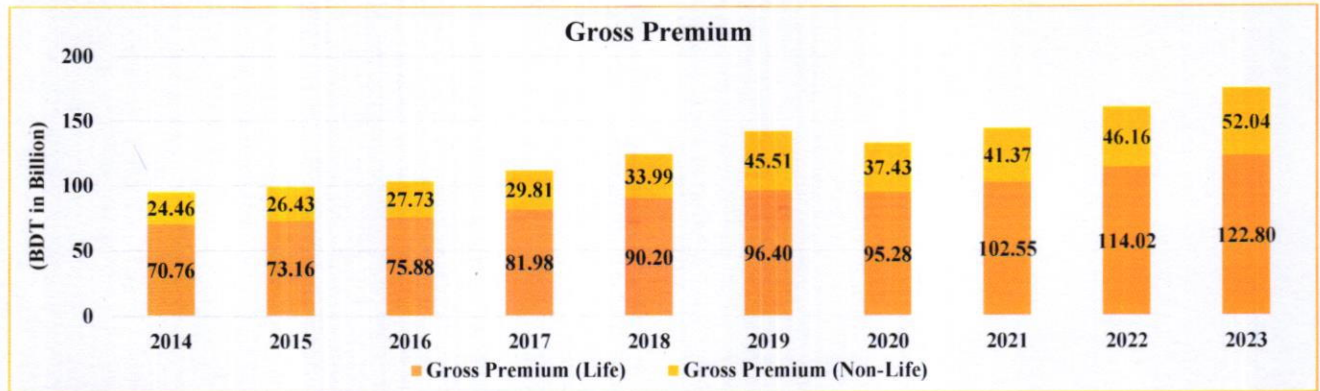
2.2 Though the history of insurance industry is long, there were merely any regulations prior to 2010. In 2010, a law was formulated and afterwards, Insurance Development and Regulatory Authority (IDRA) was established in 2011 to supervise the insurance businesses and safeguarding the interest of policy 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.

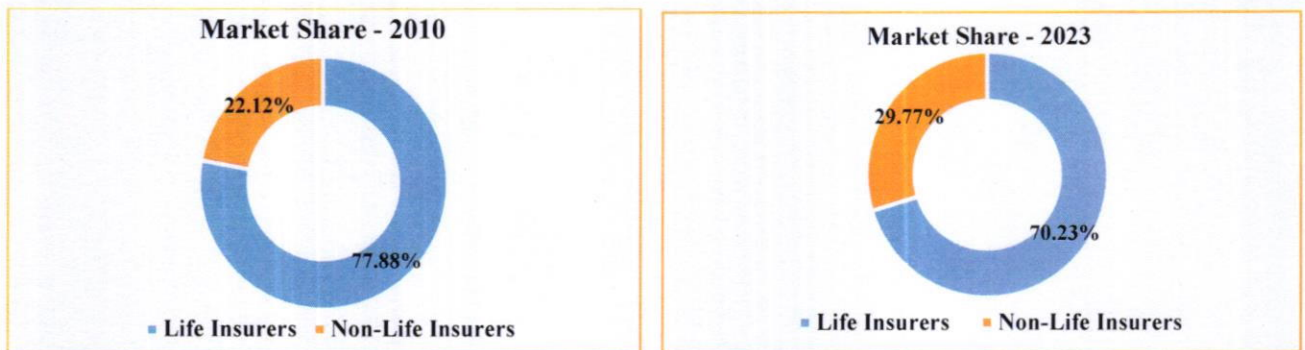




Source: Insurance Development and Regulatory Authority (IDRA)

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.

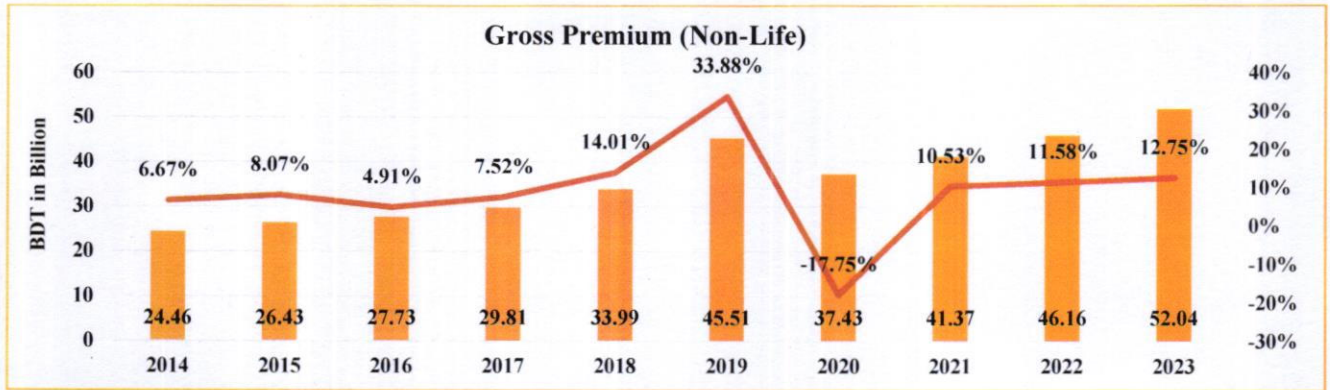


Source: Insurance Development and Regulatory Authority (IDRA)

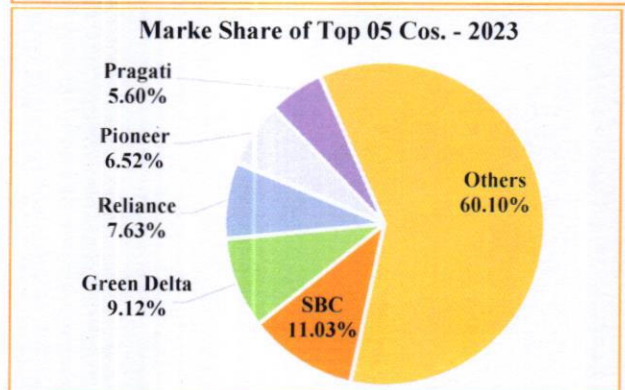
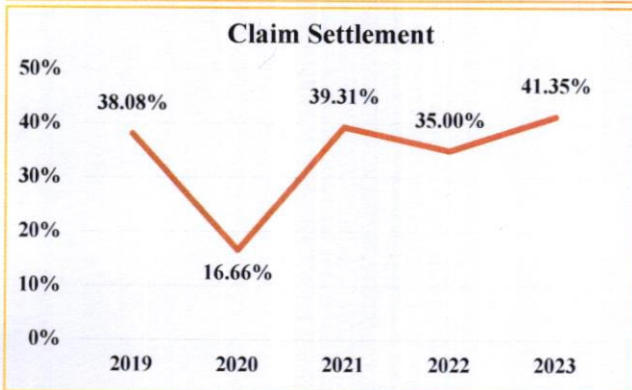
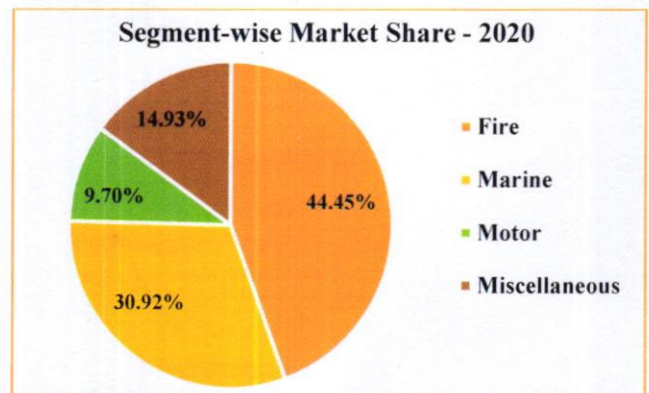
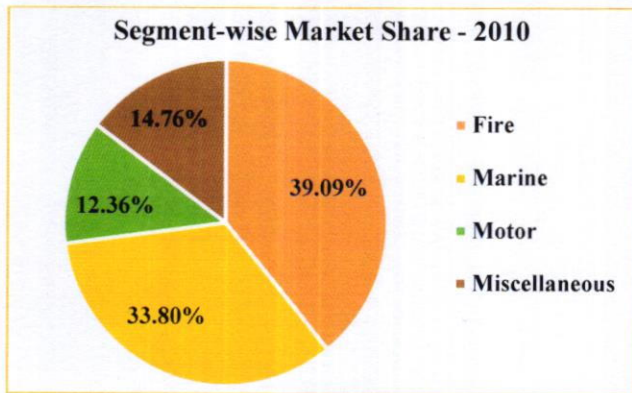
NON-LIFE INSURANCE SECTOR AT A GLANCE

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)



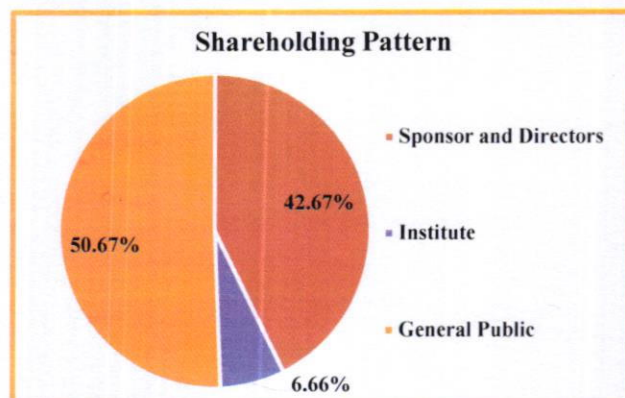
Source: Insurance Development and Regulatory Authority (IDRA)

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.