

**CREDIT RATING REPORT
ON
ASIA INSURANCE PLC**

RATING REPORT CONTENTS

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National Credit Ratings Ltd.

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

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



National Credit Ratings Ltd.

EXECUTIVE SUMMARY
FIRST SURVEILLANCE CREDIT RATING OF
ASIA INSURANCE PLC

Declaration Date	18.05.2026	24.06.2025
Long Term	AAA (Triple A)	AAA (Triple A)
Short Term	ST-1	ST-1
Outlook	Developing	Stable
Expiry Date	17.05.2027	23.06.2026

Performance Highlights:

Particulars	2025	2024
Total Assets (TK in Million)	2,470.07	2,504.82
Total Equity (TK in Million)	1,217.50	1,169.47
Total Investment (TK in Million)	1,200.97	1,228.13
Gross Premium Written (TK in Million)	702.43	813.26
Total Claim Lodged	195.21	198.21
Total Claim Settled (TK in Million)	206.05	280.82
Net Underwriting Income (TK in Million)	110.01	134.23
Profit After Tax (TK in Million)	98.16	96.80
Combined Ratio (%)	82.10	79.35
ROA (%)	3.95	3.82
ROE (%)	8.22	8.43
Net Claims Ratio (%)	30.12	27.83
Cash Dividend	10%	11%
EPS	2.09	2.06
NAV (TK in Million)	30.55	29.63

Strengths

- Diversified products and services
- Time-honored experience of the promoters
- An appreciable number of claims settled in a timely and effective manner during the last fiscal year.
- Appreciable ROA & ROE

Challenges

- On time Claim Settlement
- Minimizing management expenses
- To improve public awareness through different promotional activities

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

Reference: **NCRL/2025/ 117706**

Declaration Date	18.05.2026
Long Term Entity Rating	AAA (Triple A)
Short Term Entity Rating	ST-1
Outlook	Developing
Expiry Date	17.05.2027

Rating Basis

Ratings are based on **audited** financial statements as on **December 31, 2025** 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

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



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

Reference: **NCRL/2025/ 117706****Rating Rationale**

NCR has assigned the ratings to **Asia Insurance PLC** after professionally scrutinizing key qualitative and quantitative factors, including the Company's financial performance, skilled management team, diversified business operations, claims settlement performance during the last financial year, and the promoters' long-standing experience in various business sectors. The ratings have further supported by appreciable returns on assets and equity, increased net profit, and the declaration of 10.00% cash dividend during the last reporting year. In addition, the Company's diversified service offerings and well-developed organizational structure have been positively considered by the rating committee while assigning the ratings. Furthermore, continued government patronization and policy support for the insurance industry have also contributed positively to the overall assessment.

However, the ratings have somewhat constrained by the decline in certain financial indicators, particularly gross premium written and underwriting income during the reporting period

Rating Outlook

NCR, taking the concurrent & previous business performance, financial profile, industry growth along with economic inclination into consideration, considers the outlook of the company to be '**Developing**' as the ratings might be might be notched down if the company won't able to improve business performance which will reflect through financial statements parameter.

②

Reference: **NCRL/2025/ 117706**

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 12, 2026. The 25th Annual General Meeting (AGM) of the Company was held on August 26, 2025 for the year ended December 31, 2024. For the year ended on December 31, 2024, Asia Insurance PLC. has approved 10% cash dividend. The company has also reported EPS of BDT 2.09, NAV per share of BDT 30.55 and NOCFPS of BDT 1.89 ended on December 31, 2025 against BDT 2.06, BDT 29.63 and BDT 2.85 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:

Closing Price Graph of ASIAINS



ⓐ

Reference: **NCRL/2025/ 117706**

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 Liability Insurance ▪ Electronic Equipment 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 ▪ Personal Accident 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.



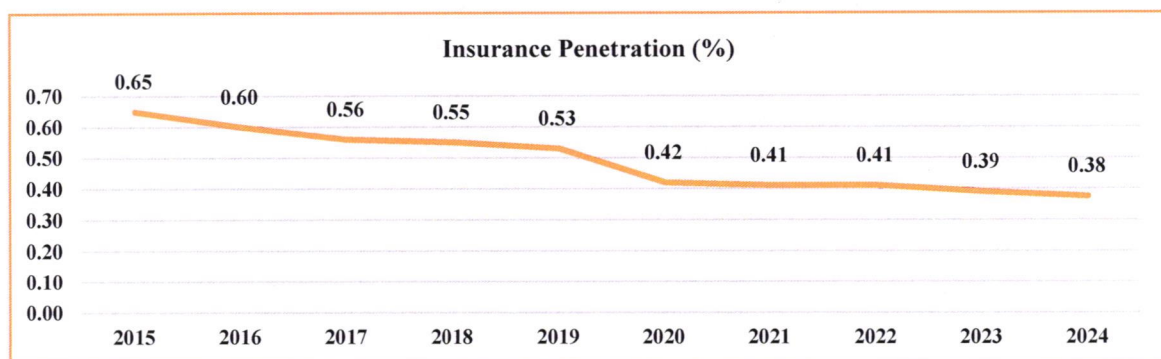
2.0 INDUSTRY OVERVIEW

2.1 After the liberation of Bangladesh in 1971, all 49 insurance companies operating in the country were nationalized in 1972 and brought under five public-sector corporations. These were later reorganized into two entities—Sadharan Bima Corporation (SBC) for general insurance and Jiban Bima Corporation (JBC) for life insurance—under the Insurance Corporations Act, 1973. The private sector was permitted to operate in all areas of insurance for the first time in 1984. Currently, a total of 82 insurance companies operate in Bangladesh. A brief overview of the industry is presented in the table below:

Particulars	Details
Total Gross Premiums of the Insurance Sector (2024)	187.68 billion
Insurance Penetration Rate (2024)	0.38-0.46%
Global Insurance Penetration Rate (2024)	7.40%
Gross Premium (GP) (Life) (2024)	BDT 122.66 billion
Gross Premium (GP) (Non-Life) (2024)	BDT 65.02 billion
Market Share of Life Insurance based on GP (2024)	65.36%
Market Share of Non-Life Insurance based on GP (2024)	34.64%
Number of Life Insurance Policies (2024)	7.1 million
Total Value of Claims (2024)	BDT 130.14 billion
Claim Settlement Ratio (Life) (2024)	66.03%
Claim Settlement Ratio (Non-Life) (2024)	31.96%
Top 05 Life Insurance Companies	Met Life, National Life, Delta Life, JBC, Popular Life
Top 05 Non-Life Insurance Companies	Reliance, Green Delta, Pioneer, Pragati

Source: Allianz Global Insurance Report 2025: Rising demand for protection; The Business Standard, Date: 18.05.2025; The Daily Star, Date: 03.07.2025; ICAB Publications

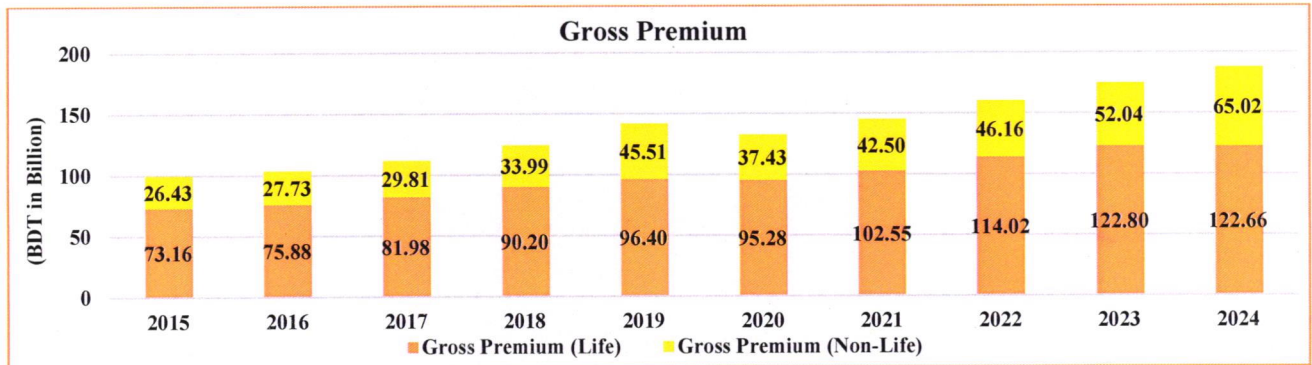
2.2 Though the insurance industry in Bangladesh has a long history, comprehensive regulations were introduced only in 2010. That year, a law was enacted, and the Insurance Development and Regulatory Authority (IDRA) was subsequently established in 2011 to supervise insurance businesses and safeguard the interests of policyholders. However, even after more than a decade, IDRA remains constrained by institutional inefficiencies. Delays in claim settlements, weak public confidence, limited transparency, inadequate product diversification, insufficient use of modern technology, shortage of skilled professionals, and lack of policy support contribute to the low penetration rate of around 0.38–0.46%—among the lowest in the world. In comparison, emerging markets average 3.3%, India 3.2%, and China 2.4%.



Source: Insurance Development and Regulatory Authority (IDRA)

2.3 Insurance penetration in Bangladesh has remained stagnant or declined slightly over the past decade. According to the Allianz Global Insurance Report 2025, the global insurance penetration rate reached 7.4% in 2024, while Bangladesh remains significantly below 1%. Insurance density is also low, indicating limited per-capita expenditure on insurance products and constrained access across segments.

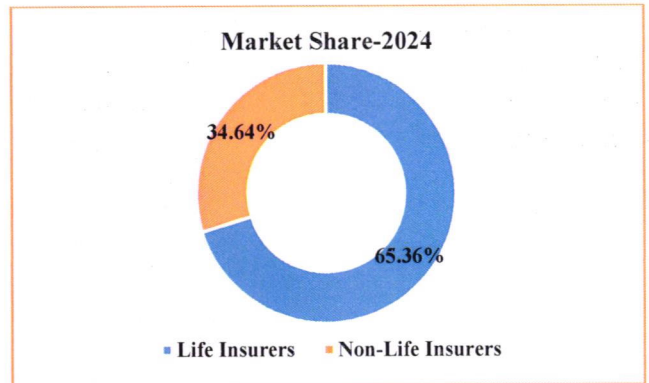
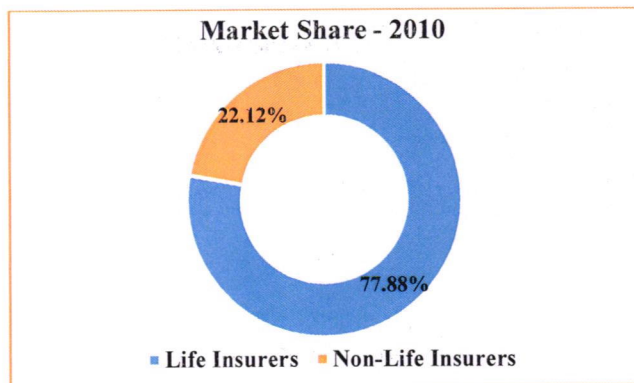




Source: Insurance Development and Regulatory Authority (IDRA)

2.4 The premium collection scenario in Bangladesh’s insurance sector shows moderate growth, with total premiums reaching approximately BDT 18,768 crore in 2024. Life insurance continues to dominate, although its growth has slowed, while non-life insurance is expanding steadily, driven by motor, fire, and marine segments. Despite this growth, overall insurance penetration remains around 0.46% of GDP, underscoring an underdeveloped market with high lapse rates. Persistent challenges include a trust deficit due to slow claims settlement, outdated policy structures, and macroeconomic pressures affecting policyholder affordability. Digitalization, regulatory modernization, product innovation, and financial literacy initiatives are emerging as key enablers for sustainable premium growth.

2.5 Insurance companies are broadly categorized into life and non-life insurers. While life insurers continue to dominate the market, the market share of non-life insurers has increased from 22.12% in 2010 to 34.64% in 2024. This reflects a gradual strengthening of general insurance lines, driven by economic expansion, increased industrial activity, and rising motorization.

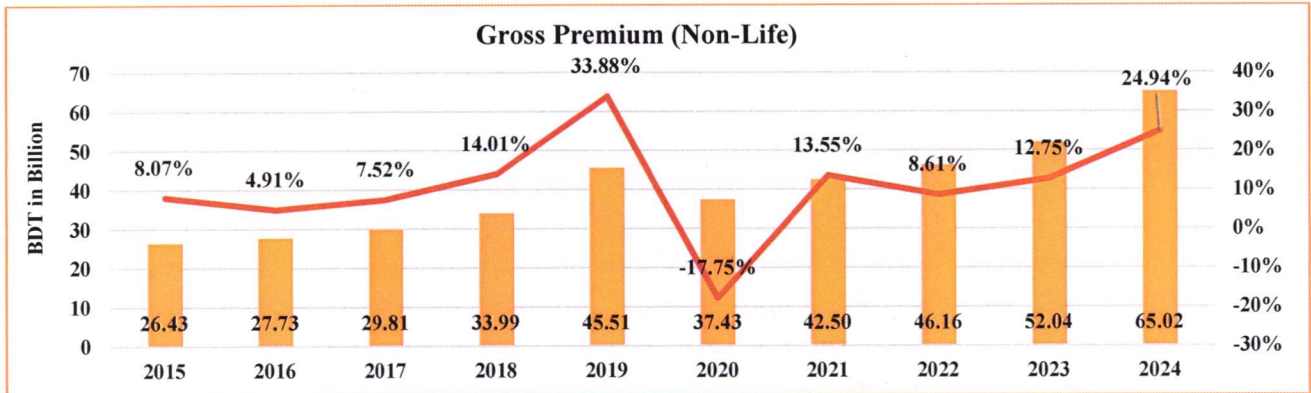


Source: Insurance Development and Regulatory Authority (IDRA)

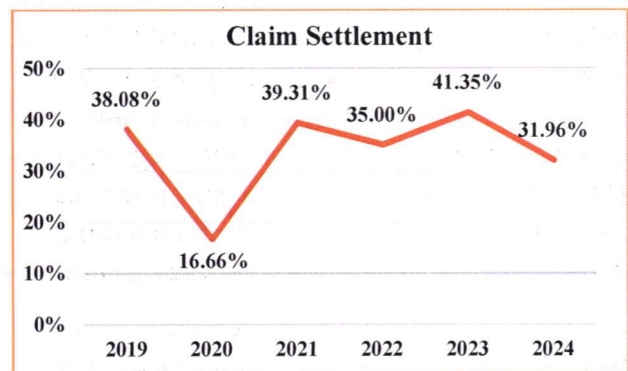
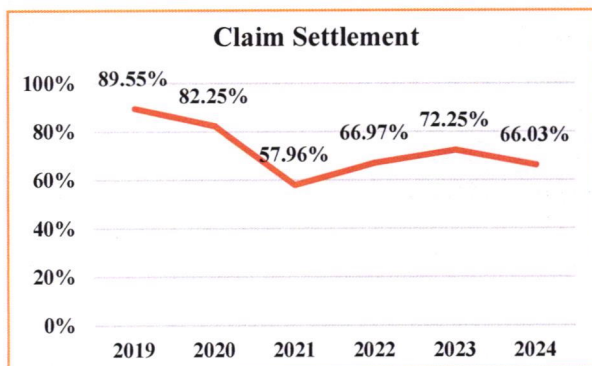
NON-LIFE INSURANCE SECTOR AT A GLANCE

2.6 Non-life insurers hold a smaller portion of the Bangladesh insurance market compared to life insurers, currently accounting for roughly one-third of the industry. The sector has gradually expanded, with gross premium market share rising from 22.12% in 2010 to 34.64% in 2024. Over the past decade, the average claim settlement ratio in the non-life segment has hovered around 30–40%. Persistent underperformance in claim settlement is a key structural weakness, limiting customer trust and constraining long-term industry growth. A brief overview of non-life insurance sector is depicted below:





Source: Insurance Development and Regulatory Authority (IDRA)



Source: Insurance Development and Regulatory Authority (IDRA)

2.7 Following privatization, the number of insurers increased substantially; however, insurance penetration has not kept pace. Bangladesh is the 35th largest economy in the world, yet ranks 60th in terms of insurance premium volume. Many insurers have struggled to build trust due to poor claims practices and limited operational transparency. Industry experts believe the current number of insurance companies is high relative to market size, resulting in intense competition and occasionally unethical practices. Nevertheless, as per-capita income rises and industrial activities expand, significant growth potential remains—provided regulatory reforms are implemented effectively and trust in the insurance system improves.

2.8 The outlook for Bangladesh’s insurance sector over 2025–2030 is moderately positive, with gross premiums expected to grow at 6–8% CAGR and penetration rising to 0.55–0.60% of GDP. Non-life insurance is likely to grow faster than life, driven by motorization, SME expansion, and mandatory coverage. Regulatory reforms, digital platforms, and improved claim settlement are expected to enhance transparency and governance, though consolidation pressures may affect weaker insurers. Growth drivers include bancassurance, digital distribution, microinsurance, and corporate demand for fire, marine, liability, and health coverage. Key risks remain slow regulatory enforcement, macroeconomic volatility, weak underwriting among smaller insurers, and low claim settlement ratios.

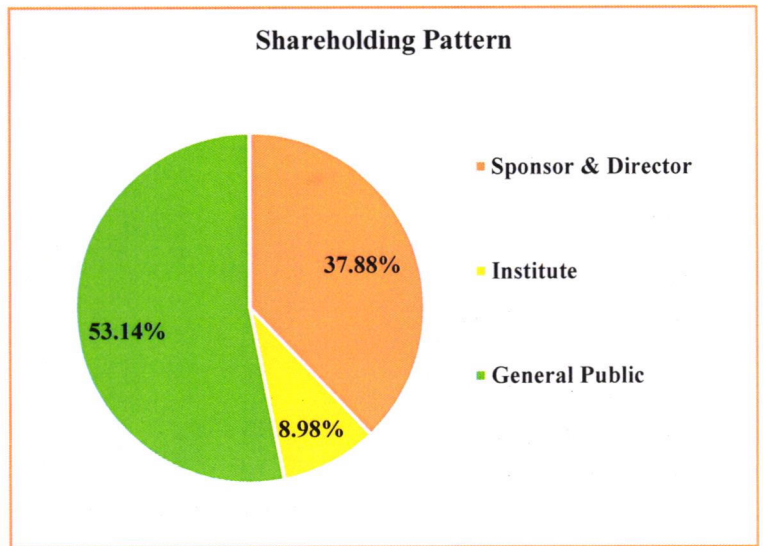
2.9 Bangladesh’s insurance sector remains underdeveloped, with low penetration and limited public trust, but shows significant growth potential. Life insurance continues to dominate, while non-life segments are gradually expanding. Regulatory reforms, digitalization, and product innovation are expected to drive moderate growth over 2025–2030, improving market depth and operational efficiency. However, persistent challenges—such as slow claim settlements, macroeconomic volatility, and weak underwriting among smaller insurers—pose risks to

sustainable development. Overall, the sector’s long-term outlook is stable to positive, contingent on effective regulatory enforcement and enhanced customer confidence.

3.0 BUSINESS RISK

3.1 OWNERSHIP STRUCTURE

The shareholding pattern of the company is categorized among Sponsor & Director, Institute, and General Public shareholders. Among them, the General Public holds the highest portion with 53.14% of the total shares, indicating a widely dispersed ownership structure. The Sponsor & Director group possesses 37.88% of the company’s shares, reflecting significant involvement of the sponsors in the ownership and management of the company. In addition, institutional investors hold 8.98% of the total shares. The current shareholding pattern of the company as on April 30, 2026 is depicted in the adjacent diagram:



3.2 CORPORATE GOVERNANCE

The Board of Directors formed in 2025 is comprised of 13 members. The BoD provides guidelines about limits, policies and ensures strict compliance to the regulatory requirements. During the year 2025, 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 Mustafa Haider	Chairman	Graduation (University of Southern California, USA)	23 years
2.	Mohd. Jahangir Alam	Vice-Chairman	B.A.	26 years
3.	Abul Bashar Chowdhury	Director & Chairman of Executive Committee	B.A. (Hon’s)	26 years
4.	Khaleda Begum	Director	Self-Educated	23 years
5.	Farzana Afroze	Director	Graduation (University of Southern California, USA)	23 years
6.	Walid Mohd Shamuel	Director	Master's (University of Wollongong, Australia)	06 years
7.	Dr. Munal Mahabub	Director	Bachelor	05 years
8.	Rasedul Islam, FCA, FCMA (Representative of Southeast Bank PLC.)	Director (Nominated of Southeast Bank PLC.)	MBA, FCA, FCMA	04 years
9.	Md. Enayet Kabir (Representative of Bay Leasing & Investment Ltd.)	Director (Nominated of Bay Leasing & Investment Ltd.)	MBA, CA (CC)	03 years
10.	Syed Sajedul Karim	Independent Director	Masters in Geography (DU) and Diplomas in Petroleum Accounting from North Texas & Southern Methodist Universities in Dallas, USA.	55 years
11.	Mahfuzur Rahman	Independent Director	Masters in Economics from University of Chittagong.	43 years

12.	Imam Shaheen	Managing Director & CEO	B. Com (Hons.), M. Com (Management), University of Chittagong & ABIA	36 Years
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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.	Syed Sajedul Karim, Independent Director	Member
5.	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.	Syed Sajedul Karim, Independent Director	Chairman
2.	Mohammad Jahangir Alam	Member
3.	Abul Bashar Chowdhury	Member
4.	Walid Mohammed Samuel	Member
5.	Dr. Munal Mahabub	Member
6.	Mahfuzur Rahman, 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 Mustafa Haider	Member
3.	Mohammed Jahangir Alam	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.	Mohammad Mustafa Haider	Chairman
2.	Mohammed Jahangir Alam	Member
3.	Abul Bashar Chowdhury	Member
4.	Mahfuzur Rahman, Independent Director	Member
5.	Md. Imam Shaheen, Managing Director & CEO	Member

Reference: NCRL/2025/ 117706

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 Samuel	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.	Mohammad Mustafa Haider	Chairman
2.	Abul Bashar Chowdhury	Member
3.	Farzana Afroze	Member
4.	Walid Mohammed Samuel	Member
5.	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.	Mahfuzur Rahman, Independent Director	Chairman
2.	Mohammad Mustafa Haider	Member
3.	Abul Bashar Chowdhury	Member
4.	Dr. Munal Mahabub	Member
5.	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 Samuel	Member
5.	Dr. Munal Mahabub	Member
6.	Md. Imam Shaheen, Managing Director & CEO	Member



Reference: **NCRL/2025/ 117706**

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	36 years
Md. Rafiqul Islam	Chief Financial Officer & Addl. Managing Director	Finance & Accounts Department, MIS & IT Department.	B. Com (Hons) Accounting M. Com (Finance) University of Chittagong	34 years
Atique Ullah Majumder	Company Secretary & DMD	Board & Share and Public Relation Dept. HRM & Administration and Establishment & Motor Pool Department.	LL.B (Hons), University of Rajshahi, LL.M, University of Dhaka	35 years
Mohammad Omar Faroque	Sr. Exe. Vice President	Underwriting & Branch Control Department	M. Com (Management), MBA (Finance & Accounts)	26 Years
Monir Ahammad	Exe. Vice President	Re-Insurance & Claims Department.	B.S.S. (Social Science) M.S.S (Political Science)	22 years
Ahsan Habib	Vice President	Audit & Compliance Department	B.Com (Hons), M.Com (Accounting)	29 years
Toufique Hossain	Vice President	Business Dealing & Sales Supporting Wings	B.Sc (Hons), M. Sc.	25 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 is 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	36 years
2.	Mohammad Omar Faroque	Sr. Exe. Vice President	M. Com (Management), MBA (Finance & Accounts)	26 Years
3.	Monir Ahmed	Exe. Vice President	BSS (Social Science), MSS (Political Science) & ABIA	22 years
4.	Toufique Hossain	Vice President	B.SC (Hons), MSC (Zoology)	35 years
5.	Krisna Kamal Das	Asstt. Vice President	B.Com (Pass), M.Com (Management)	26 years

3.5.2 CLAIMS

Upon receipt of a claim intimation, whether by telephone or in writing, AIPLC promptly appoints a government-licensed surveyor to conduct the survey and assess the actual extent of the loss. If deemed necessary, a co-surveyor or 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. However, the Managing Director & CEO may settle any claim amount immediately upon the approval of the Claims Committee Chairman. The Chairman is empowered to approve any claim amount to ensure prompt service for our valued clients.

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:

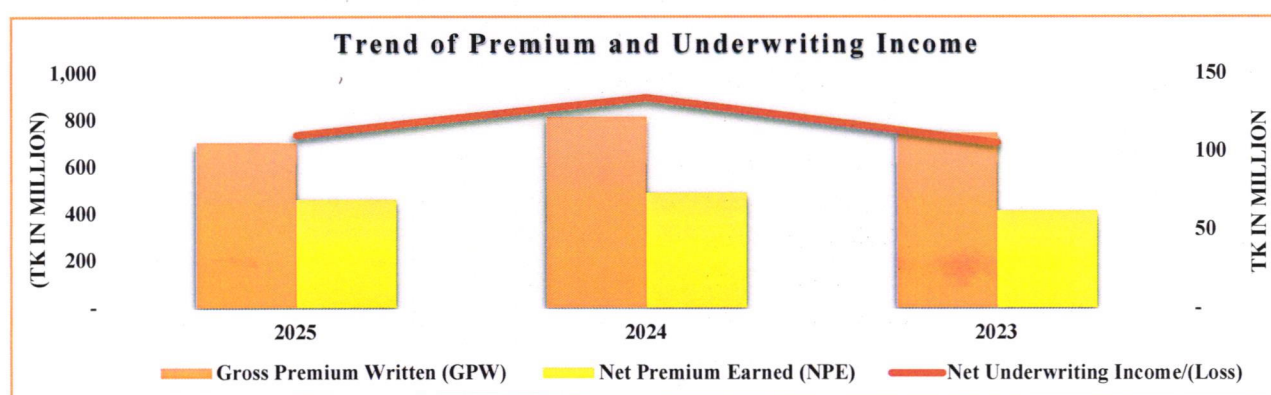
The company has been maintaining a robust client base over the years. The customer base is segregated in fire, marine, motor, miscellaneous etc. Some of the major clients are enlisted below based on gross premium earned:

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	30.48
05	T. K. Group of Industries	30.02
06	National Bank Limited	22.71
07	Snowtex Group	17.61
08	Energypac Group	15.09
09	Samuda Group	13.14
10	Everest Pharmaceuticals Group	11.23

3.6 FINANCIAL RISK UNDERWRITING PERFORMANCE

(BDT In million)

Particulars	2025	2024	2023	2022	2021
Gross Premium Written (GPW)	702.43	813.26	744.32	793.46	757.81
Reinsurance Usage (%)	35.15	32.15	46.52	45.43	40.54
Reinsurance Expense	246.91	261.48	346.29	360.47	307.20
Net Premium Written	455.52	551.78	398.04	433.00	450.60
Net Premium Earned (NPE)	460.09	488.76	411.69	440.15	446.50
Net Underwriting Income/(Loss)	110.01	134.23	105.15	142.81	193.38



3.6.1 The company's Gross Premium Written (GPW) fluctuated over the period, declining to Tk. 702.43 million in 2025 from Tk. 813.26 million in 2024, after showing mixed performance in previous years. Reinsurance usage decreased to 35.15% in 2025 from 46.52% in 2023, indicating comparatively lower dependence on reinsurance support. Consequently, reinsurance expense also declined to Tk. 246.91 million in 2025 from Tk. 360.47 million in 2022. Net Premium Written (NPW) decreased to Tk. 455.52 million in 2025 from Tk. 551.78 million in 2024, while Net Premium Earned (NPE) also declined to Tk. 460.09 million from Tk. 488.76 million during the same period. Net underwriting income stood at Tk. 110.01 million in 2025, lower than Tk. 134.23 million in 2024 and significantly below Tk. 193.38 million in 2021, indicating comparatively reduced underwriting profitability over the years.

(BDT in million)

Business Class	2025			2024		
	Sum Insured	Reinsurance Coverage	Reinsurance Coverage (%)	Sum Insured	Reinsurance Coverage	Reinsurance Coverage (%)
Fire	79,963.34	50,745.17	63.46%	109,577.19	61,131.31	55.79%
Marine	157,764.67	19,480.11	12.35%	84,744.58	16,536.53	19.51%
Motor	2,571.82	101.99	3.97%	2,623.28	44.35	1.69%
Miscellaneous	44,926.29	2,256.83	5.02%	126,930.35	1,597.14	1.26%
Total	285,226.12	72,584.10	25.45%	323,875.40	79,309.32	24.49%

3.6.2 The company's total sum insured decreased to Tk. 285,226.12 million in 2025 from Tk. 323,875.40 million in 2024, while overall reinsurance coverage also decreased to Tk. 72,584.10 million from Tk. 79,309.32 million. However, the overall reinsurance coverage ratio increased slightly to 25.45% in 2025 from 24.49% in 2024. Among the business classes, Fire insurance maintained the highest reinsurance coverage ratio at 63.46% in 2025 compared to 55.79% in 2024, indicating strong risk mitigation practices in this segment. Marine insurance coverage ratio declined to 12.35% from 19.51%, while Motor insurance coverage ratio improved to 3.97% from 1.69%.

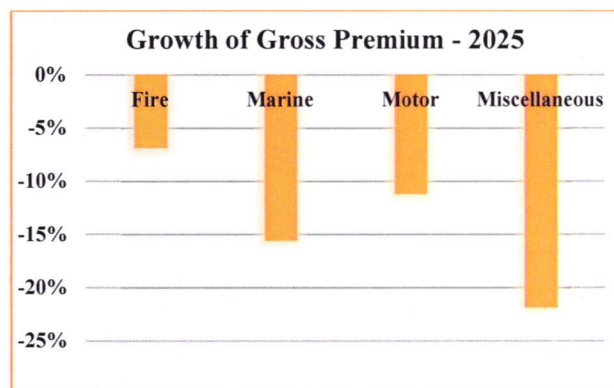
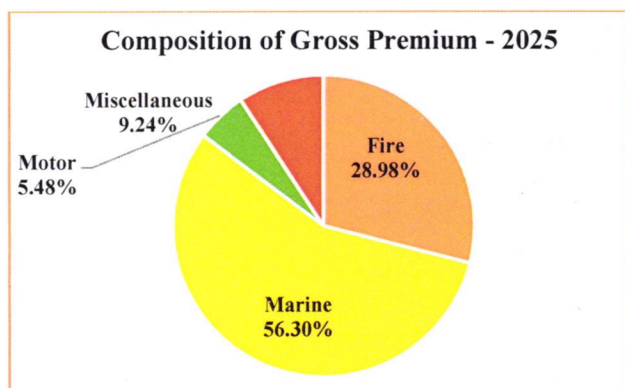
Reference: **NCRL/2025/ 117706**

1.69%. Miscellaneous business also showed an increase in reinsurance coverage ratio to 5.02% from 1.26%, despite a significant decline in sum insured.

(BDT in million)

Business Class	Gross Premium Written (GPW)		Growth of GPW
	2025	2024	2024
Fire	203.53	218.47	-6.84%
Marine	395.47	468.36	-15.56%
Motor	38.50	43.34	-11.16%
Miscellaneous	64.92	83.08	-21.85%
Total	702.43	813.25	-13.63%

3.6.3 The company's Gross Premium Written (GPW) declined across all business classes in 2025, resulting in an overall decrease of 13.63% to Tk. 702.43 million from Tk. 813.25 million in 2024. Among the segments, Marine business contributed the highest GPW at Tk. 395.47 million in 2025; however, it registered a decline of 15.56% from the previous year. Fire business also decreased by 6.84% to Tk. 203.53 million, while Motor business declined by 11.16% to Tk. 38.50 million. The Miscellaneous segment experienced the highest contraction, with GPW decreasing by 21.85% to Tk. 64.92 million. Overall, the decline in GPW across all major business classes indicates reduced underwriting volume during 2025.



3.7 EARNINGS STRENGTH

Particulars	2025	2024	2023	2022	2021
Gross Premium Earned to Total Sum Insured (%)	0.25	0.23	0.32	0.00	0.00
Underwriting Income to Gross Premium (%)	15.66	16.50	14.13	18.00	25.52
Net Earnings Ratio (%)	21.55	17.54	23.94	22.68	47.67
Return on Assets (ROA) (%)	3.95	3.82	3.81	3.97	9.43
Return on Equity (ROE) (%)	8.22	8.43	8.60	9.11	21.03
Investment Yield (%)	6.70	6.63	5.14	5.51	5.36
Investment Income Ratio (%)	17.67	17.21	16.52	17.12	14.87
Net Claims Ratio or Loss Ratio (%)	30.12	27.83	25.44	23.40	27.52
Expense Ratio (%)	51.98	51.52	57.55	52.87	36.81
Combined Ratio (%)	82.10	79.35	82.99	76.28	64.32

3.7.1 The company's profitability and operational efficiency indicators showed mixed performance during 2021–2025. Gross Premium Earned to Total Sum Insured increased slightly to 0.25% in 2025 from 0.23% in 2024, while underwriting income to gross premium declined marginally to 15.66% from 16.50%. Net earnings ratio improved to

Reference: **NCRL/2025/ 117706**

21.55% in 2025 from 17.54% in 2024. Return indicators remained relatively stable, with ROA increasing slightly to 3.95% from 3.82%, while ROE declined marginally to 8.22% from 8.43%. Investment performance improved gradually, as investment yield increased to 6.70% in 2025 from 5.14% in 2023, and investment income ratio also rose to 17.67%. However, claims and operating expenses increased over time, with net claims ratio rising to 30.12% in 2025 from 23.40% in 2022, and expense ratio remaining high at 51.98%. Consequently, the combined ratio increased to 82.10% in 2025 from 79.35% in 2024, indicating comparatively higher underwriting and operational pressure, though still remaining below 100%, which reflects overall underwriting profitability

3.8 LIQUIDITY AND SOLVENCY

Particulars	2025	2024	2023	2022	2021
Total Liquid Assets (<i>BDT in million</i>)	2,237.25	2,254.74	2,328.09	2,224.22	2,305.38
Liquid Assets to Net Claims Expense (X)	16.21	16.85	21.74	21.99	16.71
Days Claims Outstanding (Days)	300.01	375.60	593.23	721.52	579.95
Earnings Coverage (X)	74.24	62.44	64.31	60.09	100.43
Equity to Net Claims (X)	8.79	8.60	10.77	10.57	8.69
Net Cash Flow from Operating Activities (<i>BDT in million</i>)	88.90	133.96	127.15	222.56	-

3.8.1 The company's total liquid assets remained relatively stable over the period, standing at Tk. 2,237.25 million in 2025 compared to Tk. 2,254.74 million in 2024. However, liquid assets to net claims expense decreased gradually to 16.21 times in 2025 from 21.99 times in 2022, indicating comparatively lower liquidity coverage against claims obligations. Days claims outstanding improved significantly to 300.01 days in 2025 from 721.52 days in 2022, reflecting better claims settlement efficiency. Earnings coverage strengthened to 74.24 times in 2025 from 62.44 times in 2024, indicating improved capacity to absorb financial obligations. Equity to net claims remained stable at 8.79 times in 2025 compared to 8.60 times in 2024, reflecting adequate capital support against claims exposure. Net cash flow from operating activities declined to Tk. 88.90 million in 2025 from Tk. 222.56 million in 2022, indicating comparatively weaker operating cash generation over the years.

3.9 CAPITAL ADEQUACY

Particulars	2025	2024	2023	2022	2021
Paid-up Capital (<i>BDT in Million</i>)	470.70	470.70	470.70	470.70	470.70
Shareholders' Equity (<i>BDT in Million</i>)	1,217.50	1,169.47	1,127.73	1,089.22	1,067.80
Gross Underwriting Leverage (%)	117.67	117.67	117.67	117.67	117.67
Operating Leverage (%)	77.34	90.41	81.78	89.87	92.10
Total Leverage (%)	37.87	47.60	35.65	39.78	43.69
Capital to Total Assets (%)	0.42	1.15	0.65	0.80	1.05

3.9.1 The company's paid-up capital remained unchanged at Tk. 470.70 million throughout 2021–2025, while shareholders' equity showed a gradual increasing trend, reaching Tk. 1,217.50 million in 2025 from Tk. 1,067.80 million in 2021, indicating steady capital accumulation. Gross underwriting leverage remained constant at 117.67% over the years, reflecting stable underwriting exposure relative to capital. Operating leverage improved to 77.34% in 2025 from 90.41% in 2024, indicating comparatively lower operational risk exposure. Total leverage also declined to 37.87% in 2025 from 47.60% in 2024, reflecting improved financial stability. However, capital to total assets ratio remained low at 0.42% in 2025 compared to 1.15% in 2024, indicating relatively lower capital support against total asset base.



3.10 ASSET QUALITY

Particulars	2025	2024	2023	2022	2021
Total Assets (BDT in million)	2,470.07	2,504.82	2,565.86	2,430.27	2,520.52
Investment in FDR (BDT in million)	670.82	695.78	777.40	860.06	920.66
Total Investment (BDT in million)	1,200.97	1,228.13	1,311.06	1,337.46	1,398.32
Investment to Total Assets (%)	48.62	49.03	51.10	55.03	55.48

3.10.1 The concern's total assets remained relatively stable over the period, standing at Tk. 2,470.07 million in 2025 compared to Tk. 2,520.52 million in 2021. Investment in FDR showed a declining trend, decreasing to Tk. 670.82 million in 2025 from Tk. 920.66 million in 2021, indicating gradual reduction in fixed deposit investments. Total investment also declined consistently to Tk. 1,200.97 million in 2025 from Tk. 1,398.32 million in 2021. Consequently, the investment to total assets ratio decreased to 48.62% in 2025 from 55.48% in 2021, reflecting comparatively lower allocation of assets toward investments over the years.

3.11 CLAIM SETTLEMENT

Particulars	(BDT in million)	
	2025	2024
No. of Claim Lodged	241.00	190.00
Total Claim Lodged	195.49	198.21
No. of Claim Settled	201.00	136.00
Claim Settled - Lodged in Current Year	135.63	134.69
Claim Settled - Lodged in Previous Years	70.42	146.13
Total Claim Settled during the Year	206.05	280.82
Total Claim Outstanding	161.70	172.25
Claim Settlement Ratio (As per No.) (%)	83.40	71.58
Claim Settlement Ratio (As per Amount) (%)	105.55	141.68
Total Claim Outstanding to Total Equity (%)	13.28	6.16

3.11.1 The company's number of claims lodged increased to 241 in 2025 from 190 in 2024, while the total claim lodged remained relatively stable at Tk. 195.21 million. The company's number of claims settled also increased significantly to 201 in 2025 from 136 in 2024, reflecting improved claim settlement activity. Claims settled against current year lodgments increased slightly to Tk. 135.63 million, while claims settled from previous years declined to Tk. 70.42 million from Tk. 146.13 million. Consequently, the company's total claims settled during the year decreased to Tk. 206.05 million in 2025 from Tk. 280.82 million in 2024. The company's total claim outstanding declined to Tk. 161.70 million from Tk. 172.25 million, indicating improved claim management. The claim settlement ratio improved notably to 83.40% from 71.58% based on number of claims, while settlement ratio based on amount remained above 100% at 105.55%, reflecting settlement of previous years' claims as well. However, total claim outstanding to total equity increased to 13.28% from 6.16%, indicating relatively higher claims exposure against equity.

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

APPENDIX-I: RATING HISTORY

INITIAL ENTITY RATING-2025	
Date of Rating Declaration	Long Term
24.06.2025	AAA (Triple A)

APPENDIX- II: 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)