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## Credit Rating Report

## Credit Rating Information and Services Limited

Founder Member, Association of Credit Rating Agencies in Asia (ACRAA), Manila, Philippines  
Joint Venture with JCR-VIS Credit Rating Company Ltd. Pakistan  
www.crislbd.com

### CREDIT RATING REPORT On DHAKA INSURANCE LIMITED

REPORT: RR/32456/19

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's Claim Paying Ability Rating is valid for only one year from the date of rating. After the above period, the rating will not carry any validity unless the company goes for rating surveillance. CRISL followed Insurance Rating Methodology published in CRISL website www.crislbd.com

	Claim Paying Ability
CPA Rating	AA-
Outlook	Stable
Date of Rating : December 18, 2019	Valid up to : December 17, 2020

#### Address:

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CPA Rating: AA-  
Outlook: Stable

#### Rating :

Based on Financials up  
to December 31, 2018  
& September 30, 2019  
(unaudited)

#### DHAKA INSURANCE LIMITED

#### ACTIVITY

Non-Life Insurance

#### DATE OF INCORPORATION

January 4, 2000

#### CHAIRMAN

Mrs. Hamida Rahman

#### MANAGING DIRECTOR

A.Q.M Wazed Ali

#### EQUITY

Tk. 965.53 million

#### TOTAL ASSETS

Tk. 1,992.95 million

Page 1 of 12

### 1.0 RATIONALE

CRISL has upgraded the Claim Paying Ability (CPA) rating of Dhaka Insurance Limited (DIL) to 'AA-' (Very High claims paying ability) based on the financials up to December 31, 2018 and other relevant qualitative and quantitative information up-to the date of rating. The rating has been upgraded on the basis of DIL's improving financial performance, improving underwriting performance, good capital base, good fixed asset investment, experienced Board members and professional management team etc. DIL sources significant business from renowned group of companies and banks. The company continues to deliver improved and innovative product and services taking due care of the compliance requirements with good underwriting and financial performance. Based on the financial statement of 2018, its underwriting profit stood at Tk.81.36 million in YE2018 from Tk.71.47 million in 2017. Profit after Tax (PAT) moved upward to Tk.79.78 million in YE2018 from Tk.75.48 million in YE2017. Net underwriting margin increased to 34.95% in YE2018 from 31.99% in YE2017. CRISL views DIL's investment strategy is diversified having around major portion of its funds remaining in cash and deployed in fixed deposits as well as in fixed assets while rest in capital market.

On the other hand, DIL faces challenges from small market share, yet to minimize management expense according to allowable limit, still have some disputed tax liability, consecutive underwriting loss in miscellaneous business, decline in market capitalization; however, reduction of management expense will enhance its overall performance in near future. Besides, the company's investment return from capital market investment is moderate. CRISL expects the company to continue to adopt a prudent underwriting approach, improve business and investment portfolio.

CPA rated in this category is adjudged to offer very high claims paying ability. Protection factors are strong. Risk is modest but may vary slightly over time due to underwriting and/or economic condition.

CRISL also views the company with "Stable Outlook" from the industry viewpoint for overall industry growth and policy and regulations implicated by regulatory authority. CRISL believes that the company will be able to maintain its fundamentals in foreseeable future.

### 2.0 CORPORATE PROFILE

#### 2.1 The Genesis

Dhaka Insurance Limited, a third generation non-life insurance company started its journey with an objective to provide all types of general insurance services to the insuring community according to their need and expectation. The company was incorporated on January 4, 2000 and obtained the Certificate of Registration (C-39415(1383)/2000) for carrying on insurance business from the Chief Controller of Insurance on February 2, 2000. DIL was incorporated with the initiative of some renowned business personalities of the country having involvement in diversified businesses with the vision 'to be premier insurer and the insurer of the first choice with a sound reputation of for dependability, professionalism and highest standard of customer satisfaction and creating corporate culture.' The company started its business with a paid up capital of Tk.60.00 million against an authorized capital of Tk.1200.00 million. Meanwhile, the paid up capital of the company have been enhanced to Tk.401.25 million as on December 31, 2015 which is still prevailing. The shares of the company are listed with both stock exchanges of the country under 'A' category issue. The company has been operating its

For President & CEO  
Md. Asaduzzaman Khan  
Executive Director  
Credit Rating Information and Services Ltd.