

**CREDIT RATING REPORT  
On  
DHAKA INSURANCE LIMITED**

**REPORT: RR/23872/18**

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**

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**CPA Rating: A+**

**Outlook:** Stable

**Rating :**

Based on Financials up  
to December 31, 2017  
& September 30, 2018  
(unaudited)

**DHAKA INSURANCE  
LIMITED**

**ACTIVITY**

Non-Life Insurance

**DATE OF  
INCORPORATION**

January 4, 2000

**COMMENCEMENT OF  
BUSINESS**

January 4, 2000

**CHAIRMAN**

Mrs. Hamida Rahman

**MANAGING DIRECTOR**

A.Q.M Wazed Ali

**EQUITY**

Tk.945.42 Million

**TOTAL ASSETS**

Tk.1,916.29 Million

	Claim Paying Ability
CPA Rating	A+
Outlook	Stable
<b>Date of Rating:</b> December 02, 2018	<b>Valid up to:</b> December 01, 2019

**1.0 RATIONALE**

CRISL has reaffirmed the Claim Paying Ability (CPA) rating of Dhaka Insurance Limited (DIL) to 'A+' (pronounced as single A plus) based on the financials up to December 31, 2017 and other relevant qualitative and quantitative information up-to the date of rating. The above rating reflects DIL's improving underwriting performance, good liquidity, good fixed asset investment, diversified ownership pattern etc.

DIL sources significant business from renowned group of companies. The company continues to deliver improved services taking due care of the compliance requirements with good underwriting and financial performance. Based on the financial statement of YE2017, its underwriting profit stood at Tk.71.47 million in YE2017 which was 12.23% increased than the previous year. However, the gross underwriting margin and net underwriting margin have been found to be slightly declining and moved downward to 66.67% and 31.99% in YE2017 from 67.17% and 32.44% in YE2016 respectively. Profit after Tax (PAT) moved upward to Tk.75.48 million from Tk. 64.22 million during the above periods respectively. 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.

The capital base of the company stood at Tk.400.00 million, as per the regulatory minimum level, however, above capital base stood at Tk.401.25 million as on December 30, 2017. The company has significant investment in fixed asset of Tk.318.66 million on 37.50 decimal land at Purana Paltan Line and Wari, Dhaka which is at current date of rating will be Tk.511.80 million. Moreover, DIL has finished 17 storied tower for its Corporate office at Purana Paltan Line, Dhaka which has enhanced its overall solvency and investment quality.

On the other hand, DIL faces challenges from low business income and market share, decline some profitability indicators, moderate Internal Capital Generation Ratio (ICGR), consecutive underwriting loss in miscellaneous segment due to high management expense; however, reduction of above expense will enhance its overall performance. CRISL expects the company to continue to adopt a prudent underwriting approach, improve business and underwriting performance in miscellaneous segment.

CPA rated in this category is adjudged to offer high claim paying ability. Protection factors are good and there is an expectation of variability in risk over time due to economic and/or underwriting conditions.

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