

# CREDIT RATING REPORT



Setting global standard at national level

## 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](http://www.crislbd.com)

## CREDIT RATING REPORT On CENTRAL INSURANCE COMPANY LIMITED

### REPORT: RR/18266/18

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](http://www.crislbd.com)

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**Entity Rating:**  
CPA Rating: A+

**Outlook:** Stable

**Rating:**  
Based on Financials up to  
December 31, 2016

### CENTRAL INSURANCE COMPANY LIMITED

**ACTIVITY**  
Non-Life Insurance

**DATE OF  
INCORPORATION**  
November 12, 1987

**COMMENCEMENT OF  
BUSINESS**  
December 10, 1987

**CHAIRMAN**  
Md. Nurul Islam

**CHIEF EXECUTIVE  
OFFICER**  
Md. Zahid Anwar Khan

**EQUITY**  
TK. 1,023.60 million

**TOTAL ASSETS**  
TK. 1,608.63 million

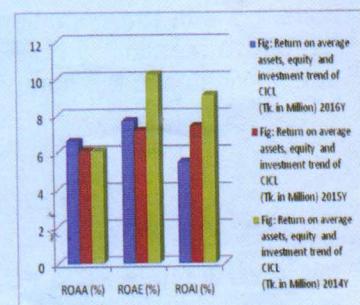
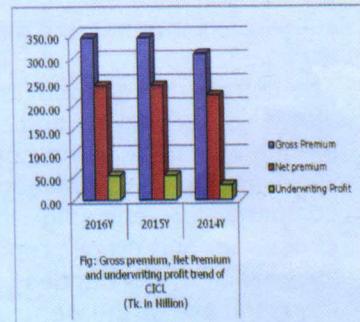
|                                  | Claim Paying Ability          |
|----------------------------------|-------------------------------|
| CPA Rating                       | A+                            |
| Outlook                          | Stable                        |
| Date of Rating: January 03, 2018 | Valid up to: January 02, 2019 |

### 1.0 RATIONALE

CRISL has upgraded the Claim Paying Ability (CPA) Rating of 'A+' (pronounced as Single A plus) to Central Insurance Company Limited (CICL) based on the audited financials up to December 31, 2016 and other relevant qualitative and quantitative information up-to the date of rating. The above rating has been done after due consideration of its fundamentals such as Improving financial performance, good liquidity, average FDR base, diversified investment portfolio etc. However, the above rating is constrained to some extent by management expense beyond allowable limit, decline in return on investment, small market share etc.

CICL sources 100% of its business from Bangladesh market. The company continues to deliver a consistent pattern of underwriting and financial performance. Based on the financial results for YE2016, its profitability, solvency and technical performance indicators improve from previous year. Gross underwriting margin and net underwriting margin increased to 56.42% and 19.52% in YE2016 from 51.53% and 13.25% in YE2015 respectively. ROAA and ROAE are increased to 6.63% and 7.72% from 6.10% and 7.18% during the above periods respectively. The gross and net premium also rose during the reporting period. CRISL views CICL's investment strategy as diversified and secured with around 91.05% of its funds residing in cash and fixed deposits as well as in fixed income instruments and rest 8.95% in capital market investment indicating adoption of conservative policy.

The company maintained a good capital base of its business profile to Tk.448.41 million against the regulatory minimum level of Tk.400 million.



# CERTIFICATE OF CORPORATE GOVERNANCE



কে. এম. হাসান এন্ড কোং  
**K. M. HASAN & CO.**  
Chartered Accountants

Hometown Apartments (7<sup>th</sup>, 8<sup>th</sup> & 9<sup>th</sup> Floor)  
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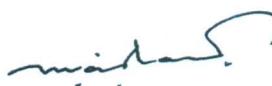
**McMillan Woods  
International**  
Professionalism at the forefro

## Compliance Certificate On Corporate Governance Guidelines To the Shareholders of Central Insurance Company Limited

We have reviewed the compliance of conditions of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by Central Insurance Company Limited (the company) as stipulated in clause 7(i) of the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August, 2012 and subsequent amendment made thereon.

The compliance of conditions of the Corporate Governance Guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of the company. Our review for the purpose of issuing this certificate was limited to the verification of procedures and implementations thereof adopted by the company for ensuring the compliance of conditions of Corporate Governance Guidelines and proper reporting of compliance status on the compliance statement on the basis of evidences obtained and representation received thereon from the management of the company. It is neither an audit nor expression of opinion on the financial statements of the company.

Based on information and explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance Guidelines as stipulated in the above mentioned notification of Bangladesh Securities and Exchange Commission and applicable to the company for the year ended 31 December, 2017.



Md. Amirul Islam FCS, FCA  
Senior Partner

Place: Dhaka  
Date : 30 May 2018