

**CREDIT RATING REPORT
ON
CENTRAL INSURANCE PLC.**

RATING REPORT CONTENTS

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

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Kishor Mitra
Chief Rating Officer (CRO)
National Credit Ratings Ltd

EXECUTIVE SUMMARY

FIRST SURVEILLANCE INSURERS FINANCIAL STRENGTH RATING OF CENTRAL INSURANCE PLC.

Declaration Date	20.08.2026	20.08.2025
Long Term Entity Rating	AAA (Triple A)	AAA (Triple A)
Short Term Entity Rating	ST-1	ST-1
Outlook	Developing	Stable
Expiry Date	19.08.2027	19.08.2026

Performance Highlights:

Particulars	(TK in Million)	
	2025	2024
Total Equity	2,694.16	2,666.28
Paid-up Capital	531.45	531.45
Total Assets	3,836.56	3,793.35
Investment in FDR	660.89	709.15
Total Investment	918.90	964.96
Gross Premium Written	600.56	580.77
Market Share (GPW) (%)	0.92	1.12
Net Premium Written	415.67	397.51
Net Premium Earned (NPE)	406.46	389.70
Net Underwriting Income/ (Loss)	74.64	80.35
EPS	1.87	1.85
Dividend (Cash) %	12	12
Net Earnings Ratio (%)	23.93	24.69
Return on Assets (ROA) (%)	2.61	2.59
Return on Equity (ROE) (%)	3.71	3.69
Investment Yield (%)	11.20	9.67
Investment Income Ratio (%)	25.94	24.46
Net Claims or Loss Ratio (%)	23.98	20.01
Expense Ratio (%)	68.65	69.58
Combined Ratio (%)	92.64	89.59
Total Liquid Assets (TK in Million)	1,694.21	1,668.71
Liquid Assets to Current Liabilities (x)	1.48	1.48
Liquid Assets to Net Claims Expense (x)	17.25	21.60
Earnings Coverage (X)	135.38	135.86
Equity to Net Claims (X)	27.64	34.19
Total Leverage (%)	-	1.20
Capital to Total Assets (%)	70.22	71.14
Claim Settlement Ratio (As per No.) (%)	71.37	91.27
Claim Settlement Ratio (As per Amount) (%)	51.25	58.85

Strengths

- Diversified products and services
- Experience of the promoters
- Diversified group of reinsurers
- Strong asset & equity base
- Improved return indicators
- Increased Investment yield, Investment income ratio and net profit after tax
- Improve net operating cash flow

Challenges

- Increasing net underwriting income
- On time claim settlement
- Improving public awareness through different promotional activities
- Reducing combined ratio
- Maintaining financial reporting transparency



Kishor Mitra
Chief Rating Officer (CRO)
National Credit Ratings Ltd

Reference: Agreement No.: 149753

Declaration Date	20.08.2026
Long Term Entity Rating	AAA (Triple A)
Short Term Entity Rating	ST-1
Outlook	Developing
Expiry Date	19.08.2027

Rating Basis

Ratings are based on **Audited** Financial Statements up to **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 its website.

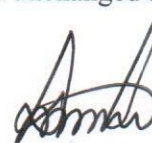
RATING DEFINITION

AAA (Triple A) indicates Strongest Credit Quality.

ST-1 indicates Strongest Ability to Meet Short Term Financial Commitments.

DEFINITION OF OUTLOOK

Developing outlook indicates that rating may be upward, downward or remain unchanged depending on changes in the performance indicators.



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RATING RATIONALE

The rating of Central Insurance PLC. reflects its strong capitalization, adequate liquidity, sustained profitability, satisfactory investment performance and established presence in the non-life insurance industry. Long standing experience & praiseworthy reputation of the promoters in the insurance sector, qualified and experienced management team and reinsurance arrangement with renowned reinsurers have also been taken into account while assigning the ratings.

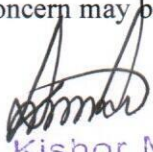
The company maintained a strong capital position, with total equity increasing to TK 2,694.16 million in 2025 from TK 2,666.28 million in 2024, while the capital maintenance ratio remained strong at 132.86%. The company also maintained a sizeable liquid asset base of TK 1,694.21 million, equivalent to 1.48 times current liabilities, supporting its ability to meet near-term obligations. The company continued to generate positive earnings, with profit after tax increasing to TK 99.47 million in 2025 from TK 98.16 million in 2024, while EPS improved to TK 1.87 from TK 1.85. Gross premium written increased by 3.41% to TK 600.56 million in 2025 from TK 580.77 million in 2024. Investment performance also remained supportive, with investment yield improving to 11.20% in 2025 from 9.67% in 2024.

However, the rating is constrained by significant financial reporting, reconciliation and regulatory compliance concerns highlighted in the auditor's adverse opinion. These include discrepancies in reported premium collections, unreconciled and unconfirmed balances with other insurance entities, failure to prepare consolidated financial statements despite having a subsidiary, investment in the subsidiary without relevant IDRA approval, inadequate adjustment of tax balances, and non-compliance with prescribed requirements for premium collection through bank guarantees. Weaker underwriting performance, declined claim settlement ratio, both by number and amount, increased outstanding claims to total equity have also constrained the ratings.

Considering the company's strong capital base, adequate liquidity, continued profitability and satisfactory investment performance against the backdrop of material financial reporting deficiencies, and weakening underwriting and claims settlement indicators, the rating maintains a Developing Outlook. The outlook reflects uncertainty regarding the extent to which the identified audit observations and regulatory concerns will be satisfactorily resolved and their potential impact on the company's financial position and operating performance.

RATING OUTLOOK

NCR, taking the concurrent & previous years' operational as well as the financial performance and loan repayment behaviour into consideration, considers the outlook of the concern to be "**Developing**" as the ratings of the concern may move in either direction; if concern can improve their turnover and profitability, improve their coverage status and lower their financial expenses the ratings of the concern may be retained or upgraded. They may be further downgraded in future otherwise.



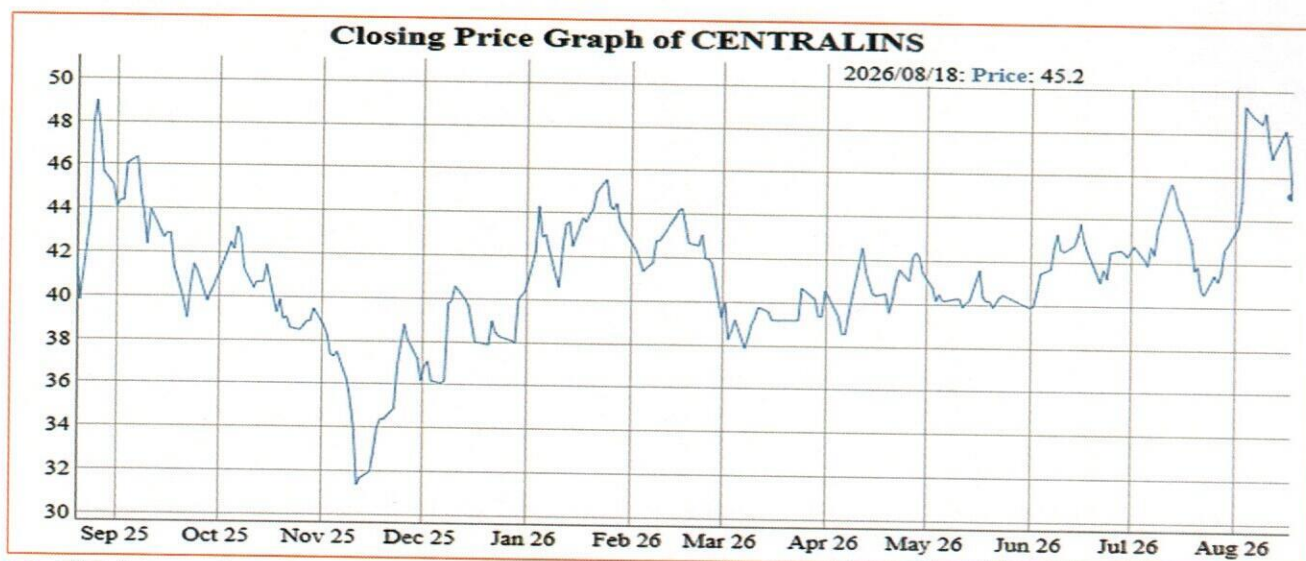
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1.0 BUSINESS OVERVIEW

1.1 Central Insurance PLC. (hereinafter referred as 'CIC.' or 'The Company') is a Non-Life Insurance Company offering all kinds of general insurance products & services i.e. motor, marine (cargo & hull), fire, engineering and miscellaneous, was incorporated on November 12, 1987 as a Public Limited Company under the Companies Act 1994 & Insurance Act 1938 and started operation on December 10, 1987. CIC. was registered with Insurance Development and Regulatory Authority (IDRA) on November 30, 1987. The company is listed with Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC. in 1995.

1.2 The shares of the company are traded under "A" category in both the bourses. The face value of each share is TK 10.00. The 38th Annual General Meeting was held on June 18, 2026. The Board of Directors has approved 12% cash dividend for the year ended on December 31, 2025. The EPS of the company has been reported to TK 1.87 in 2025 against TK 1.85 in 2024. The following graph reveals the trading history of CIC.'s stock closing price over the period of last twelve months at DSE:



1.3 CIC. is operating with 40 branches and one local office all over the country. The corporate office of CIC. is located at CIC Tower-1 (3rd and 4th floor), 7-8, Motijheel C/A, Dhaka-1000 and the Local Office is situated at Ansar Chamber (8th Floor), 149, Motijheel C/A, Dhaka-1000.

1.4 PRODUCT AND SERVICE

Non-life Insurance Schemes	
Fire	Marine
a. Fire Insurance (including Allied Perils) b. Industrial All Risks (IAR) Policy c. Business Interruption Policy d. Comprehensive Machinery Insurance e. Property Damage All Risks	a. Marine Cargo b. Marine Hull c. Builders Risks Insurance
Engineering	Motor
a. Machinery Breakdown Insurance (MBD) b. Electronic Equipment Insurance (EEI) c. Work Plant (WP) d. Contractor's All Risks (CAR) e. Erection All Risks (EAR) f. Oil & Gas Well Drilling Equipment Package (OGD) g. Contractors Plant & Machinery (CPM)	a. Comprehensive Insurance

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h. Deterioration of Stocks (DOS)	
i. Boiler and Pressure Vessel (BPV)	
Miscellaneous	
a. Burglary & House Breaking Insurance	
b. Money Policy	
c. Cash in Safe	
d. Cash in Transit (CIT) Policy	
e. Cash on Counter (COC) Policy	
f. Employers Liability Insurance Policy	
g. Product Liability Policy	
h. Public Liability Policy	
i. Professional Liability Policy	
j. Workman's Compensation (WC) Policy	
k. People Personal Accident Policy	
l. Overseas Mediclaim Policy	
m. Fidelity Guarantee Policy	
n. BBB (Triple B)	

1.5 The company is providing services through 40 branches along with a local office all over the country. The details of the Branches are provided below:

Sl. No.	Name of Branch	Branch Address
01	Local Office	Ansar Chamber (8 th Floor), 149, Motijheel C/A, Dhaka-1000
02	Motijheel	Yousuf Chamber (7 th floor), 20, Dilkusha C/A, Dhaka-1000
03	Nawabpur	18, Malitola Lane (4 th Floor), Bangshal, Dhaka.
04	Dilkusha	Ansar Chamber (8 th Floor), 149, Motijheel C/A, Dhaka-1000
05	Paltan	Paramount Hights (Level-06), 65/2/1, Box Culvert Road, Paltan, Dhaka-1000
06	Bangshal	26, Shahid Abrar Fahad Avenue, Babylon Center (6 th Floor), Dhaka.
07	VIP road	Room No 1307, 83/B, Mouchak Tower, Shiddeshori Circular Road, Malibagh, Dhaka
08	Kawran Bazar	Plot # 31/B, CIC Bhaban, Baponon Bitan, Bir Uttam C.R. Datta Lane, Dhaka-1215
09	Moulvibazar	69-70, Moulvibazar Tower (11 th floor), Chawkbazar, Dhaka-1211
10	Uttara	H.M. Plaza (11 th floor), Plot # 34, Road # 2, Sector # 03, Room # 10, Uttara Model Town, Dhaka
11	Narayangonj	34, S.M Maleh Road (3 rd Floor), Tanbazar, Narayangonj
12	Tangail	Hazi Market (2 nd floor) Bishwas Betka , Mymensing Road , Tangail
13	Madaripur	Howlader Harun Plaza (2 nd floor), Puran Bazar, Madaripur
14	Narsingdi	259/2, Jobbar Market, Station Road, Narshingdi
15	Faridpur	Gold City Bhaban, Nilatoli Mujib Sarak, Faridpur
16	Kakrail (Proposed)	Mansur Bhaban, 50/E (5 th floor), Nayapaltan, Dhaka-1000
17	Sk mujeeb road	Atlas Rangs Plaza (Level-07), 07 Sheikh Mujeeb Road, Agrabad, Chattogram
18	Agrabad	Atlas Rangs Plaza (Level-07), 07 Sheikh Mujeeb Road, Agrabad, Chattogram
19	Cumilla	163/149 Chatipatti, Cumilla
20	Maijdee Court (Proposed)	Binimoy Bitan Bhaban (2 nd Floor), Opposite of Zila School, Main Road, Maijdee Court, Noakhali
21	Rajshahi	146, Shaheb Bazar (3 rd floor), RDA Market, Rajshahi
22	Joypurhat	Moushumi Market, Sadar Road, Joypurhat
23	Pabna	Ma Plaza (3 rd floor), Ataikula Road, Pabna Sadar, Pabna
24	Bogura	Boshiron Market (3 rd floor), Kobi Nazrul Islam Sarak, Zautola, Bogura
25	Sirajgonj	Amin Plaza (1 st floor), Mujib Sarak, Sirajganj Sadar, Sirajgonj -6700
26	Bogura Cantonment (Proposed)	Karotoa Mansion (Near Dublagri College Road), Majhira, Shajahanpur, Bogura.
27	Saidpur	Shahid Jahirul Haque Road, Saidpur, Nilpamari
28	Lalmonirhat	Muaban Complex (2 nd Floor), Purana Bazar, Kalibai, Lalmonirhat.
29	Rangpur	Chamber Bhaban, G.L. Roy Road, Rangpur

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30	Dinajpur	Bashunia Potti, Dinajpur Sadar
31	Thakurgaon	Usa Squar (2nd floor), Shohid Mohammad Ali Sarak , Thakurgaon
32	Rangpur Shapla Chattar (Proposed)	Mr. Md. Mohoshin Ali, AMD. Mobile: 01828-145697
33	Mymensingh	1 no. Madan Babu Road (5 th Floor), Mymensingh Sadar
34	Sherpur	Al-Haj Chan Mia Bhaban, Sherpur Town, Sherpur
35	Satkhira	Hotel Park, Kaliganj Road, Satkhira
36	Jashore	Ishaq Tower, 43 M.K Road, Jashore
37	Noapara	Sarder Tower, Agrani Bank Bhaban, (3rd floor) , Noapara Bazar, Avaynagar, Jashore.
38	Jhenaidah	Sultan Tower (1 st Floor), Holding#185, Kobi Shukanta Sarak, Jhenaidah
39	Kushtia	Lovely Tower, 55/1 N.S. Road, Kushtia
40	Sylhet	Al-Marzan Shopping Center, Zindabazar, Sylhet
41	Barishal	485, Line Road (1st floor), Student Library, Sadar Barishal

2.0 INDUSTRY OVERVIEW

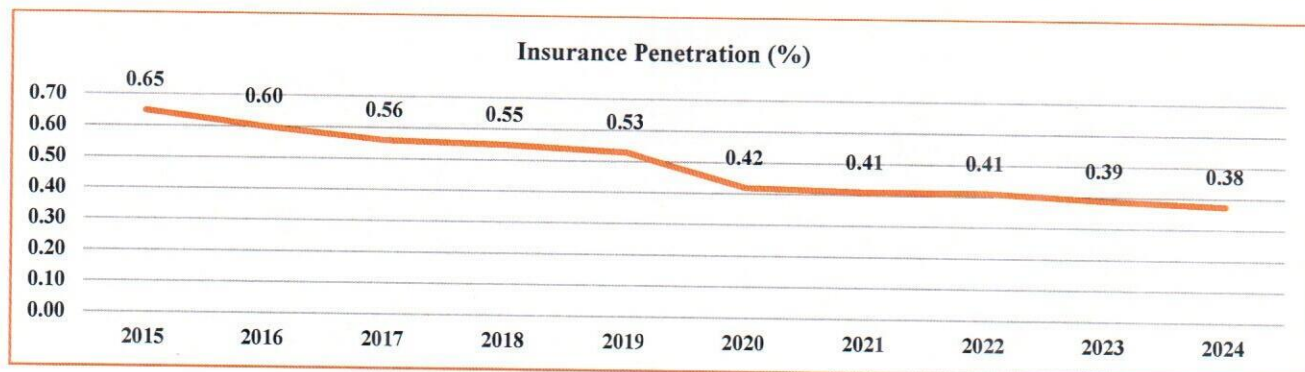
2.1 After the liberation of Bangladesh in 1971, all 49 insurance companies operating in the country were nationalized in 1972 and brought under five public-sector corporations. These were later reorganized into two entities—Sadharan Bima Corporation (SBC) for general insurance and Jiban Bima Corporation (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, Prime

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

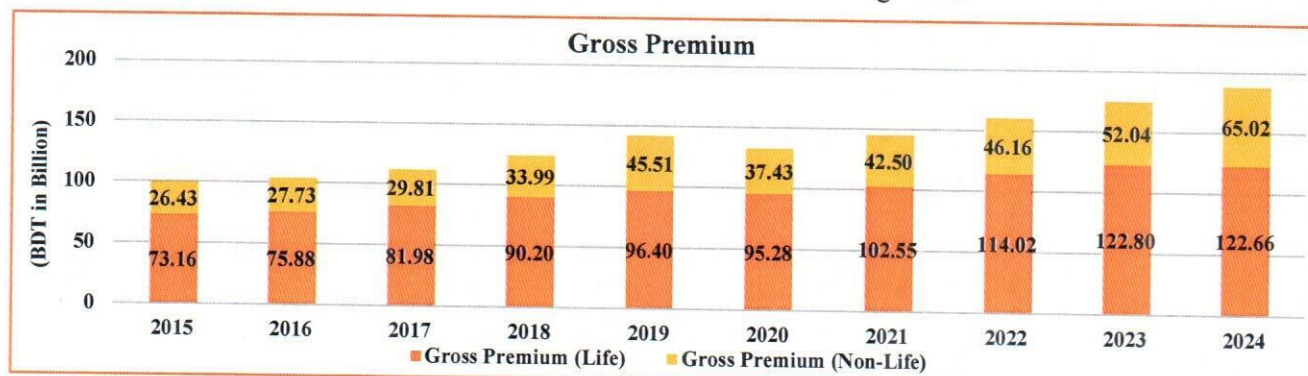
2.2 Though the insurance industry in Bangladesh has a long history, comprehensive regulations were introduced only in 2010. That year, a law was enacted, and the Insurance Development and Regulatory Authority (IDRA) was subsequently established in 2011 to supervise insurance businesses and safeguard 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%.

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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.

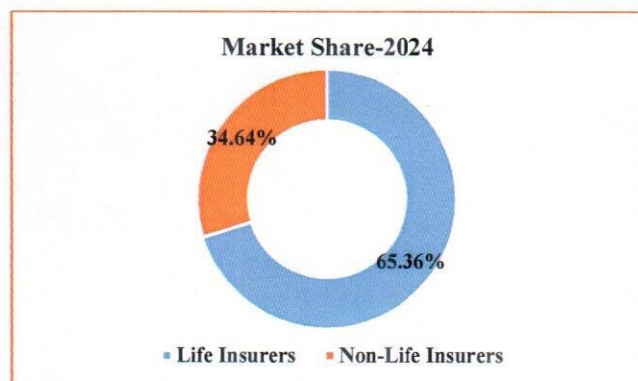
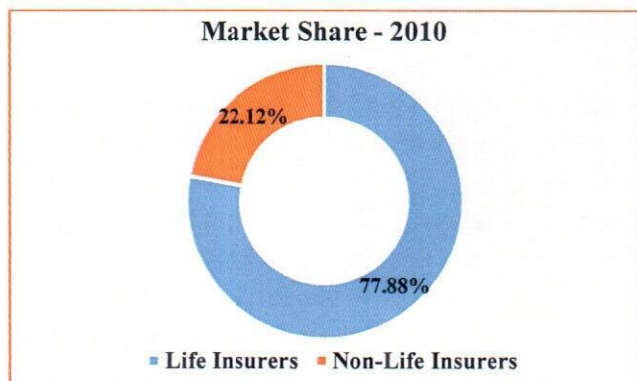


Source: Insurance Development and Regulatory Authority (IDRA)

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 0.38% 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.

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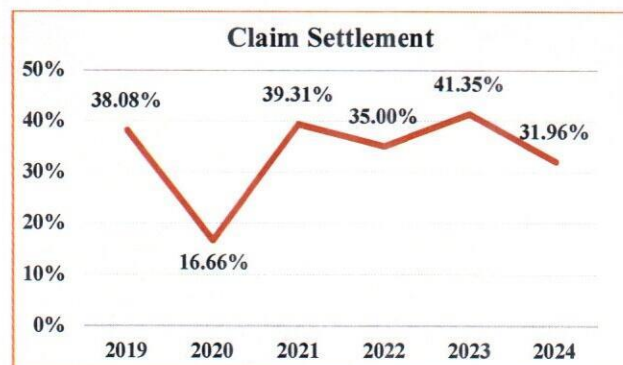
Source: Insurance Development and Regulatory Authority (IDRA)

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

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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.

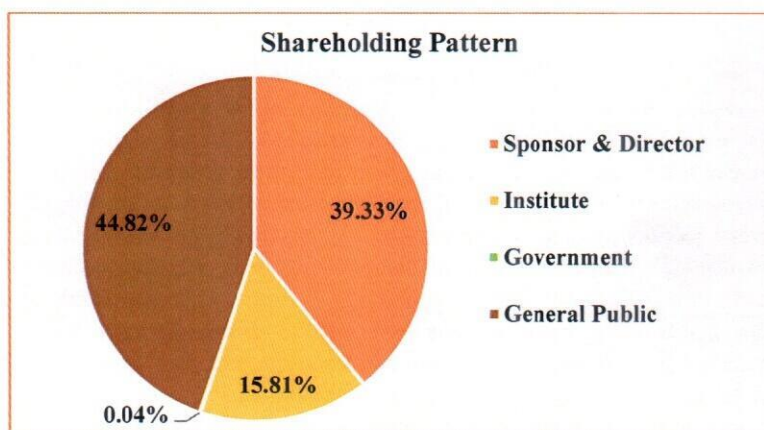
2.8 The outlook for Bangladesh's insurance sector over 2025–2030 is moderately positive, with gross premiums expected to grow at 6–8% CAGR and penetration rising to 0.55–0.60% of GDP. Non-life insurance is likely to grow faster than life, driven by motorization, SME expansion, and mandatory coverage. 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 Authorized Capital of CIC. is TK 1,000.00 million and Paid-up Capital is TK 531.45 million (53.14 million ordinary shares of TK 10 each) as on December 31, 2025. The shareholding pattern of the company has been found diversified among sponsors, institutes, government and general public. The shareholding pattern of the company as on June 30, 2026 is depicted in the adjacent diagram:



3.2 CORPORATE GOVERNANCE

3.2.1 The Board of Directors of the company is comprised of 18 (Eighteen) members including 02 (Two) independent directors. During the year 2025, 9 (Nine) Board Meetings were held. The board is a key source of guidance to the management and responsible for the policy formulation and overseeing the overall management reports. The BoD is not fully independent from the management and the corporate financial reporting system is good. The Managing Director monitors the overall operation continuously and reviews the financial reports as well, while major decisions are approved by the BoD. Current shareholding pattern of BODs is given below:

SL	Name of the Board Members	Designation	% of Share
1.	Mr. Mohammed Masud Karim	Chairman/Director	2.02
2.	Mr. Shabbir Ul Kabir	Vice-Chairman/Director	2.45
3.	Mr. Mohammed Masud Hossain	Director	2.50
4.	Mrs. Shahida Newaz	Director	2.00
5.	Mrs. Rizwana Afroze Binte Kalam	Director	2.23
6.	Mr. Tayabur Rahman	Director	2.50
7.	Dr. Jahanara Arzu	Director	3.01
8.	Mr. Ifthehar Maleque	Director	2.00
9.	Mr. Sarwar Jahan	Director	2.00
10.	Mr. Shahriar Jahan	Director	2.61
11.	Mr. Mohammed Musa	Director	2.00
12.	Mr. Abu Mohammad	Director	2.00
13.	Mr. Zoynal Abedin Chowdhury	Director	2.00
14.	Ms. Angee Chowdhury	Director	2.01
15.	Mr. Alif Azwad Malik	Director	2.26
16.	Mr. Saiful Islam Ricon	Director	2.00
17.	Mr. Abu Sayed Mojumder FCA	Ind. Director	--
18.	Ms. Gulshan Ara Afroja	Ind. Director	--

3.2.2 The board has six committees, i.e. Executive Committee, Audit Committee, Nomination & Remuneration Committee (NRC), Investment Committee, Risk Management Committee and Policyholder Protection & Compliance Committee (PPCC). The committee members are directly selected by the BoD. Each committee operates under specific Terms of Reference (TOR) which outlines the responsibilities/functions of the committee. All the committees are reconstituted after every AGM and the meetings are held on regular basis to oversee and monitor the functions of the company.

SL	Committee	No. of Members	Responsibilities/Activities
1.	Executive Committee	11	The Executive Committee acts as a crucial liaison between the company's management and its board of directors. It is responsible for making timely decisions on behalf of the full board, particularly on matters that require prompt attention. Furthermore, the committee serves as a vital collaboration outlet, where key executives can work together to address complex issues, develop strategies, and ensure the company's operational goals align with the board's overarching vision.
2.	Audit Committee	10	The Audit Committee of CIC. is a sub-committee of the Board with jurisdiction over the company's financial matters. Comprised of ten board members, including an Independent Director who chairs the committee, its primary function is to assist the Board in fulfilling its oversight responsibilities. The committee's key activities include overseeing the financial reporting process, managing the appointment, remuneration, and evaluation of auditors, and evaluating the effectiveness of the company's internal financial controls, internal audit function, and risk management systems.
3.	Nomination & Remuneration Committee (NRC)	08	The Nomination and Remuneration Committee (NRC) is a sub-committee of the Board established to assist in the formulation of policies regarding the nomination and remuneration of directors and top-level executives. This includes setting criteria for qualifications, positive attributes, experiences, and independence. The NRC's terms of reference are clearly defined in writing, aligning with the roles prescribed in the Corporate Governance Code-2018. The committee is responsible for reviewing and approving the company's

Reference: Agreement No.: 149753

			remuneration philosophy, policies on Board diversity and effectiveness, and overseeing talent management and HR processes. The specific policies and evaluation criteria adopted by the committee are detailed in a separate chapter of the Annual Report.
4.	Investment Committee (IC)	08	According to the Insurers Corporate Governance Guideline-2023 from the Insurance Development and Regulatory Authority (IDRA), Central Insurance PLC. has formed an Investment Committee (IC). This committee is composed of eight members from the Board, and includes an Independent Director. Mrs. Shahida Newaz, currently serves as the Chairman of the Committee.
5.	Risk Management Committee (RMC)	08	In accordance with the Insurers Corporate Governance Guideline-2023 issued by the Insurance Development and Regulatory Authority (IDRA), a Risk Management Committee (RMC) has been established. This committee consists of eight members from the Board, including an Independent Director. Mr. Abu Sayed Mojumder FCA, currently serves as the Chairman of the Committee.
6.	Policyholder Protection & Compliance Committee (PPCC)	08	In compliance with the Insurers Corporate Governance Guideline-2023 issued by the Insurance Development and Regulatory Authority (IDRA), a Policyholder Protection & Compliance Committee (PPCC) has been established. This committee is composed of eight members from the Board, which includes an Independent Director. Mr. Shabbir Ul Kabir is the Chairman of this Committee, tasked with overseeing matters related to the protection of policyholders and ensuring regulatory compliance.

3.2.3 The committee meetings are held on regular basis and are convened by the respective chairperson. The synopsis of the members of the committee and number of meetings held under each committee is presented below:

SL.	Name of the Committee	No. of Members	Frequency of meeting required in a year	No. of Meetings held in 2025
1.	Executive Committee	11	01	03
2.	Audit Committee	10	04	05
3.	Nomination & Remuneration Committee	08	02	01
4.	Investment Committee	08	--	01
5.	Risk Management Committee	08	--	01
6.	Policyholder Protection & Compliance Committee (PPCC)	08	--	01

3.3 MANAGEMENT

3.3.1 The management team is well-structured with some qualified and experienced professionals. The management team is headed by the Chief Executive Officer, Mr. Md. Nakibur Rahman Khan, who has vast experience in insurance sector. All the heads of different departments directly report to the Chief Executive Officer. A brief profile of the key management personnel is given below:

SL	Name of the Professionals	Designation	Name of the Department	Education Qualification	Experience (In Years)
1.	Mr. Md. Nakibur Rahman Khan	Chief Executive Officer	--	Masters of Commerce-Dhaka University (Management)	39
2.	Mr. Md. Noor-Ul-Alam FCS	Assistant Managing Director, Company Secretary & Head of HR and Admin	Board Department & HR and Admin	FCS (ICSB), MBA (HRM), Masters (English Language),	18

Reference: Agreement No.: 149753

				BBA, LLB, ICMB (Level-3)	
3.	Mr. Md. Abul Hasanat	Assistant Managing Director & Chief Financial Officer (CFO)	Accounts	Masters & Honors (Accounting), CA- Professional Level (ICAB), ITP (NBR), DTBA, CA (CC)	22
4.	Mr. Md. Ainur Rahman	Senior Executive Vice President & Head of Claims and Re-Insurance	Claims and Re-Insurance	MBA (Accounting), MSS (Economics) Insurance Diploma	20
5.	Mr. S. M Hasan Akter	Executive Vice President & Head of Share & Establishment	Share & Establishment	B.A (Hon) M.A (DU)	35
6.	Mr. Mohammed Tazul Islam Mozumder	Senior Vice President & Head of Underwriting & Branch Control	Underwriting & Branch Control	BSS	34
7.	Mr. Salah Uddin	Deputy Vice President & Head of Internal Audit	Internal Audit	BA (Pass), CA Foundation Course (ICAB), CA (CC)	17
8.	Mr. Imtiaz Ahmed Chowdhury	Senior Manager & Head of IT	IT Department	M.Sc. in CSE, CCNA, Fortinet NSE 1, NSE 2, WDAD (BK-IAC)- BUET	13

3.3.2 The management team is vital for ensuring the company's business operations align with corporate governance norms, the company's Code of Conduct, and a strong internal control framework. Guided by both the legal framework and the organization's core values, the management team, led by the CEO, is responsible for executing the Board's strategies and policies. They report directly to the Board, overseeing day-to-day operations and developing and implementing business strategies. The team is accountable for achieving the annual operating plan approved by the Board and delivering maximum returns for all stakeholders. The Management Committee (composed of 08 members) specifically works on setting the strategic direction, ensuring effective organizational management, and monitoring activities to ensure they remain consistent with the company's founding principles and values.

3.4 INTERNAL CONTROL SYSTEM

The company has a written HR policy for its employees & abides by the labor law 2006 and actively encourages employee involvement in company's business through various types of benefits. There are 360 employees working in CIC. The company recruits all employees centrally and the recruitment depends on the necessary skills, expertise and qualification. All the employees are provided with Foundation training and on the Job training according to individual's need and business based. The company provide good compensation package and along with that, the company has Performance Appraisal Process depending on which Reward and Recognition of Training & Development is provided.

3.5 OPERATIONAL RISKS

The company is exposed to some risks associated with the operation. Some of the significant operational risks are stated below:

Reference: Agreement No.: 149753

3.5.1 INFORMATION TECHNOLOGY

3.5.1.1 CIC. has significantly upgraded its IT infrastructure to enhance communication, data security, and operational efficiency. The company has implemented a company-wide IP phone system and a virtual communication platform for secure messaging, file sharing, and collaboration. To modernize its infrastructure, CIC. replaced outdated servers with high-performance virtualized systems using VMware vSphere 7.0, which improves resource utilization. For customer service, CIC. is developing a Customer Relationship Management (CRM) system and a virtual support center. The company adheres to the CIA (Confidentiality, Integrity, and Availability) security model to protect its data and is developing an online platform and mobile application for digital policy purchases. CIC. uses integrated software for core business functions like underwriting and claims, and has a robust disaster recovery plan, a dual backup system (using Microsoft One Drive and on-premises servers), and a backup VPN tunnel to ensure continuous connectivity across its centrally connected branch offices.

3.5.2 UNDERWRITING & CLAIM SETTLEMENT

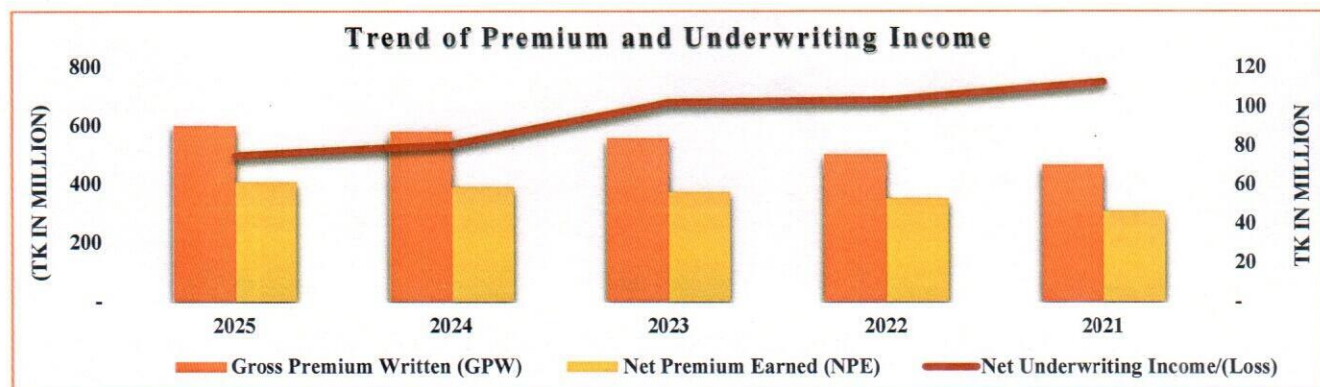
Non-life insurance covers a wide range of risks, encompassing both physical and moral hazards. Physical risks include those stemming from natural catastrophes, accidental losses, and man-made disasters. To effectively manage these diverse risks, a core practice in the insurance business is underwriting, a vetting process that ensures the proper selection of both the risks and the clients. By carefully evaluating each policy application, insurers can better assess potential liabilities and make informed decisions, which is key to maintaining a sound and profitable business. Underwriting risk refers to the potential for losses arising from insurance contracts due to a mismatch between premiums collected and claims paid. This risk is managed through careful selection of clients and the risks they represent, accurate pricing of policies, and ongoing monitoring of the portfolio. It also involves establishing adequate technical provisions to cover future claims. For risks with an exceptionally high potential volume of loss, insurers often mitigate this exposure by jointly sharing the risk with other insurance companies, as per approved guidelines for different non-life insurance products. CIC. has developed a qualified and well-experienced team of experts for underwriting. A brief profile of the team is stated below.

Sl.	Name	Designation	Experience	Training
1.	Mohammed Tazul Islam Mozumder	Sr. Vice President	34 years	From BI Academy and Bangladesh Bank
2.	Md. Nur Hossain	Dy. Vice President	29 years	-
3.	Mr. Belal Hossain	Asst. Vice President	28 years	-

3.5.3 UNDERWRITING PERFORMANCE

Particulars	(TK in Million)		
	2025	2024	2023
Gross Premium Written (GPW)	600.56	580.77	558.58
Reinsurance Usage (%)	30.79	31.56	32.20
Reinsurance Expense	184.89	183.26	179.86
Net Premium Written (NPW)	415.67	397.51	378.72
Net Premium Earned (NPE)	406.46	389.70	372.20
Net Underwriting Income/(Loss)	74.64	80.35	101.77

Reference: Agreement No.: 149753



3.5.3.1 The insurance business of the company recorded moderate growth in 2025 compared to 2024, with Gross Premium Written (GPW) increasing to TK 600.56 million in 2025 from TK 580.77 million in 2024, representing a 3.41% increase. Reinsurance usage declined to 30.79% in 2025 from 31.56% in 2024, indicating a marginal reduction in reliance on reinsurance, while reinsurance expense increased to TK 184.89 million in 2025 from TK 183.26 million in 2024. Consequently, Net Premium Written (NPW) increased by 4.57% to TK 415.67 million in 2025 from TK 397.51 million in 2024, while Net Premium Earned (NPE) increased by 4.30% to TK 406.46 million in 2025 from TK 389.70 million in 2024. However, net underwriting income declined by 7.11% to TK 74.64 million in 2025 from TK 80.35 million in 2024, indicating pressure on underwriting profitability despite the growth in premium income.

(TK in Million)

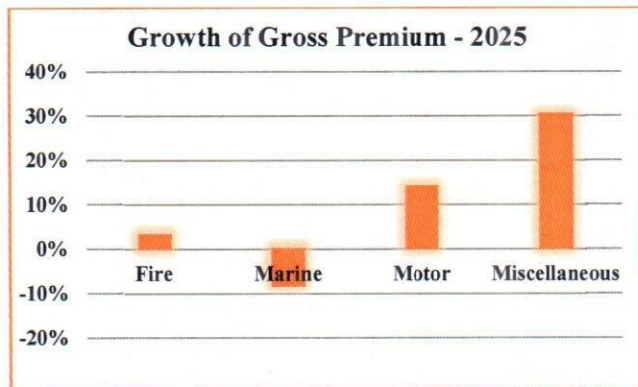
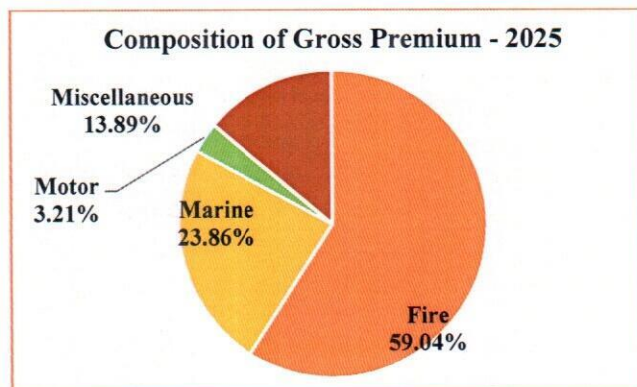
Business Class	2025			2024		
	Sum Insured	Reinsurance Coverage	Reinsurance Coverage (%)	Sum Insured	Reinsurance Coverage	Reinsurance Coverage (%)
Fire	131,858.23	46,150.38	35.00%	119,621.28	23,924.26	20.00%
Marine	165,499.78	41,731.12	25.22%	161,463.20	40,713.29	25.22%
Motor	3,969.64	-	0.00%	3,872.82	1,161.85	30.00%
Miscellaneous	90,952.66	31,833.43	35.00%	30,986.71	9,296.01	30.00%
Total	392,280.31	119,714.94	30.52%	315,944.00	75,095.41	23.77%

3.5.3.2 The business portfolio of the company showed significant growth in 2025 compared to 2024, with total sum insured increasing to TK 392,280.31 million in 2025 from TK 315,944.00 million in 2024, representing a 24.16% increase. At the same time, the overall reinsurance coverage ratio increased to 30.52% in 2025 from 23.77% in 2024, indicating greater reliance on reinsurance protection against the expanded risk exposure. The growth in sum insured was mainly driven by the Marine business, which increased to TK 165,499.78 million in 2025 from TK 161,463.20 million in 2024, and the Miscellaneous business, which increased substantially to TK 90,952.66 million from TK 30,986.71 million. The Fire business also recorded growth, with sum insured increasing to TK 131,858.23 million in 2025 from TK 119,621.28 million in 2024, accompanied by an increase in reinsurance coverage to 35.00% from 20.00%. In contrast, the Motor business remained largely stable in terms of sum insured but its reinsurance coverage declined to 0.00% in 2025 from 30.00% in 2024. Overall, the higher reinsurance coverage alongside the expansion in the sum insured suggests increased risk mitigation through reinsurance, particularly for the growing Fire and Miscellaneous portfolios.

(TK in Million)

Business Class	Gross Premium Written (GPW)		Growth of GPW	
	2025	2024	2025	2024
Fire	354.54	343.49	3.22%	7.07%
Marine	143.29	156.39	-8.38%	19.76%
Motor	19.28	16.90	14.09%	-25.99%
Miscellaneous	83.45	63.99	30.41%	-24.13%
Total	600.56	580.77	3.41%	4.96%

3.5.3.3 The business portfolio of the company recorded a 3.41% growth in GPW, reaching TK 600.56 million in 2025 from TK 580.77 million in 2024, although the growth rate moderated from 4.96% in 2024. The Fire business remained the largest contributor to premium income, with GPW increasing by 3.22% to TK 354.54 million in 2025 from TK 343.49 million in 2024, despite its growth rate being lower than the 7.07% recorded in 2024. In contrast, GPW from the Marine business declined by 8.38% to TK 143.29 million in 2025 from TK 156.39 million in 2024, reversing the 19.76% growth recorded in 2024. The Motor business showed a positive turnaround, with GPW increasing by 14.09% to TK 19.28 million in 2025 from TK 16.90 million in 2024, compared to a 25.99% decline in 2024. Similarly, the Miscellaneous business recorded strong growth of 30.41%, with GPW increasing to TK 83.45 million in 2025 from TK 63.99 million in 2024, following a 24.13% decline in 2024. Overall, the increase in GPW was supported mainly by the strong growth in the Miscellaneous and Motor businesses and moderate growth in Fire, which more than offset the contraction in the Marine business.



3.5.4 CLAIMS

3.5.4.1 Underwriting and claims settlement are the two most critical functions for any insurance company. A client pays a premium to an insurer with the expectation of receiving financial protection in the event of a loss. They anticipate adequate and fairly priced coverage, prompt delivery of accurate policy documents, and, most importantly, a quick and satisfactory claims settlement should a loss occur. To meet these expectations, Central Insurance has a corporate philosophy on claims management that prioritizes high-quality service and expeditious claims settlement. This philosophy outlines specific service standards for each stage of the claims process, emphasizes the speed of service, and uses an IT-enabled interactive process to allow clients to track the status of their claims, demonstrating a commitment to actively managing claims rather than just processing them. When CIC. gets an intimation of claim, it appoints a survey firm for surveying and assessing of loss. If needed, particularly when the size of loss is quite big, the company appoints a second surveyor for the joint survey. CIC. is very prompt in settling the claims. And once all the documents and survey report against any claim is received and the claim is found indemnifiable, CIC. proceeds to approval to settle the claim as per the delegated authority.

Reference: Agreement No.: 149753

When CIC. gets an intimation of claim over phone or in writing, the company appoints a Surveyor and also sends an Officer of Claim Department to conduct the survey of the affected property. After the preliminary survey report, if the deemed loss is above TK 0.20 Million another joint surveyor is appointed and finally photographs and Video Clips of the incident is prepared for documentation. Depending on the Survey Report and documentation, the Managing Director along with Consultant can instantly settle Claim up to TK 0.20 million, the Claim Committee has been delegated to settle Claims above TK 0.20 million. Claims above TK 0.20 million are approved by Board. The maximum time required to settle the Claims after the receipt of all necessary documents is 90 day. CIC.'s claim committee has not identified any fraudulent claims submitted to them so far.

SL.	Type of Claim	Approval Authority of MD	Approval Authority of Claim Committee
01.	Marine Cargo	Upto TK 2 lac	TK 2 lac and above
02.	Hull		
03.	Fire		
04.	Motor		
05.	Misc.		

3.5.5 CLAIM SETTLEMENT PERFORMANCE

(TK in Million)

Particulars	2025	2024	2023
No. of Claim Lodged	234.00	126.00	116.00
Total Claim Lodged	169.67	195.42	50.11
No. of Claim Settled	167.00	115.00	81.00
Claim Settled - Lodged in Current Year	17.55	54.00	40.00
Claim Settled - Lodged in Previous Years	69.40	61.00	41.00
Total Claim Paid during the Year	86.95	115.00	81.00
Total Claim Outstanding	82.72	81.90	51.30
Claim Settlement Ratio (As per No.) (%)	71.37	91.27	69.83
Claim Settlement Ratio (As per Amount) (%)	51.25	58.85	161.63
Total Claim Outstanding to Total Equity (%)	3.07	2.47	1.93

3.5.5.1 The number of claims lodged increased sharply to 234 in 2025 from 126 in 2024, while the total amount of claims lodged declined to TK 169.67 million in 2025 from TK 195.42 million in 2024 indicating indicating the lodges of claims with smaller amounts. Although the number of claims settled increased to 167 in 2025 from 115 in 2024, the claim settlement ratio by number declined to 71.37% in 2025 from 91.27% in 2024, indicating a lower proportion of claims being settled during the year. Similarly, the total claim paid during the year declined to TK 86.95 million in 2025 from TK 115.00 million in 2024, resulting in a decrease in the claim settlement ratio by amount to 51.25% in 2025 from 58.85% in 2024. Meanwhile, total claim outstanding increased marginally to TK 82.72 million in 2025 from TK 81.90 million in 2024, and the ratio of claim outstanding to total equity rose to 3.07% in 2025 from 2.47% in 2024, suggesting a moderate increase in claims-related pressure on the company's capital position. Overall, the higher number of claims lodged, lower settlement ratios and increased outstanding claims indicate a weakening claims management position in 2025, despite the lower total amount of claims lodged.

3.5.6 TOP CUSTOMER LIST

The company has been maintaining a robust client base over the years. The customer base is segregated in motor, marine, energy, property and casualty, health, accident and liability areas. Some of the major clients are enlisted below based on Gross Premium Earned:

Reference: Agreement No.: 149753

SL.	Name of Customer	Gross Premium (TK in Million)
01	Nabil Group	29.83
02	Shabnam Vegetable Oil Industries Limited	29.13
03	Uttara Bank PLC.	24.01
04	Energypac	23.98
05	Islam Group	21.41
06	Runner Group	21.06
07	Spectra Hexa Feeds Ltd.	21.11
08	Royal Group	14.55
09	Al-Razee Spinning Mills Ltd.	14.00
10	Tongwei Feed Mill Bangladesh Limited	12.90
	Total	211.97

4.0 FINANCIAL RISKS

4.1 EARNINGS STRENGTH

Particulars	2025	2024	2023
Gross Premium Earned to Total Sum Insured (%)	0.15	0.18	0.22
Underwriting Income to Gross Premium (%)	12.43	13.84	18.22
Net Earnings Ratio (%)	23.93	24.69	27.76
Return on Assets (ROA) (%)	2.61	2.59	2.82
Return on Equity (ROE) (%)	3.71	3.69	3.98
Investment Yield (%)	11.20	9.67	8.38
Investment Income Ratio (%)	25.94	24.46	22.47
Net Claims Ratio or Loss Ratio (%)	23.98	20.01	17.26
Expense Ratio (%)	68.65	69.58	66.16
Combined Ratio (%)	92.64	89.59	83.41

4.1.1 The operating performance of the company remained mixed in 2025 compared to 2024, with Gross Premium Earned to Total Sum Insured declining to 0.15% in 2025 from 0.18% in 2024, while Underwriting Income to Gross Premium decreased to 12.43% in 2025 from 13.84% in 2024, indicating weaker underwriting efficiency. Similarly, the Net Earnings Ratio declined to 23.93% in 2025 from 24.69% in 2024, although profitability indicators improved marginally, with ROA increasing to 2.61% from 2.59% and ROE increasing to 3.71% from 3.69%. Investment performance strengthened, as Investment Yield increased to 11.20% in 2025 from 9.67% in 2024, while Investment Income Ratio increased to 25.94% from 24.46%, providing some support to overall earnings. However, underwriting risk increased, as the Net Claims Ratio rose to 23.98% in 2025 from 20.01% in 2024, although the Expense Ratio improved slightly to 68.65% from 69.58%. Consequently, the Combined Ratio increased to 92.64% in 2025 from 89.59% in 2024, reflecting deterioration in overall underwriting performance, although the ratio remained below 100%, indicating that underwriting operations continued to generate a profit.

4.2 LIQUIDITY AND SOLVENCY

Particulars	2025	2024	2023
Total Liquid Assets (TK in Million)	1,694.21	1,668.71	1,700.65
Liquid Assets to Current Liabilities (X)	1.48	1.48	1.50
Liquid Assets to Net Claims Expense (X)	17.25	21.69	25.55

Reference: Agreement No.: 149753

Days Premium Outstanding (Days)	-	-	-
Days Claims Outstanding (Days)	278.27	274.26	242.47
Earnings Coverage (X)	135.38	135.86	145.36
Equity to Net Claims (X)	27.64	34.19	41.34
Net Cash Flow from Operating Activities (TK in Million)	87.23	79.78	116.67

4.2.1 The liquidity and coverage position of the company remained generally adequate in 2025, with total liquid assets increasing marginally to TK 1,694.21 million in 2025 from TK 1,668.71 million in 2024, while liquid assets to current liabilities remained unchanged at 1.48 times, indicating a stable short-term liquidity position. However, liquid assets to net claims expense declined to 17.25 times in 2025 from 21.60 times in 2024, mainly reflecting higher claims-related pressure. Days Claims Outstanding increased to 278.27 days in 2025 from 274.26 days in 2024, suggesting a slight deterioration in claims settlement efficiency. Earnings coverage declined marginally to 135.38 times in 2025 from 135.86 times in 2024, yet remained very strong. Equity to net claims decreased to 27.64 times from 34.19 times, but remained high. On the positive side, net cash flow from operating activities increased to TK 87.23 million in 2025 from TK 79.78 million in 2024, supporting the company's cash-generating capacity. Overall, the company maintained a satisfactory liquidity position.

4.3 CAPITAL ADEQUACY

Particulars	2025	2024	2023
Paid-up Capital (TK in Million)	531.45	531.45	531.45
Shareholders' Equity (TK in Million)	2,694.16	2,666.28	2,655.01
Capital Maintenance Ratio (%)	132.86	132.86	132.86
Gross Underwriting Leverage (%)	28.75	27.87	26.94
Operating Leverage (%)	15.42	14.70	14.09
Total Leverage (%)	-	1.20	1.96
Capital to Total Assets (%)	70.22	71.14	71.47

4.3.1 The capitalization and leverage position of the company remained strong in 2025, with paid-up capital remaining unchanged at TK 531.45 million in both 2025 and 2024, while shareholders' equity increased marginally to TK 2,694.16 million in 2025 from TK 2,666.28 million in 2024. The capital maintenance ratio remained stable at 132.86% in both years, indicating a consistent capital position. However, leverage increased moderately, with gross underwriting leverage rising to 28.75% in 2025 from 27.87% in 2024 and operating leverage increasing to 15.42% from 14.70%, reflecting a higher level of underwriting and operating exposure relative to the capital base. Meanwhile, capital to total assets declined slightly to 70.22% in 2025 from 71.14% in 2024, although it remained at a strong level, indicating that a substantial portion of the asset base continued to be supported by shareholders' equity. Overall, the company maintained a robust capitalization position in 2025, with only a moderate increase in leverage and a marginal decline in capital-to-assets coverage.

4.4 ASSET QUALITY

Particulars	2025	2024	2023
Total Assets (TK in Million)	3,836.56	3,793.35	3,789.52
Investment in FDR (TK in Million)	660.89	709.15	764.25
Investment Properties (TK in Million)	100.00	100.00	100.00
Total Investment (TK in Million)	918.90	964.96	1,005.88
Investment to Total Assets (%)	23.95	25.44	26.54

Reference: Agreement No.: 149753

4.4.1 The asset base of the company remained broadly stable in 2025, with total assets increasing marginally to TK 3,836.56 million in 2025 from TK 3,793.35 million in 2024, representing a 1.14% increase. However, the investment portfolio declined, with investment in FDR decreasing to TK 660.89 million in 2025 from TK 709.15 million in 2024, while total investment declined to TK 918.90 million from TK 964.96 million, representing a 4.77% reduction. Consequently, the investment to total assets ratio declined to 23.95% in 2025 from 25.44% in 2024, indicating a lower proportion of assets being allocated to investments. Overall, the company maintained a stable asset base, although the contraction in total investments reduced the relative contribution of investment assets to the overall asset portfolio.

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Kishor Mitra

Chief Rating Officer (CRO)
National Credit Ratings Ltd

APPENDIX- I: RATING HISTORY

INITIAL ENTITY RATING – 2025	
Date of Rating Declaration	Long Term
20.08.2025	AAA (Triple A)

APPENDIX- II: RATING SCALE & DEFINITIONS [FORM XI]

Long Term Rating Scale and Definitions			
Rating Notches	Definition	Weighted Score Range	
AAA	Strongest Credit Quality	91	100
AA+	Below Strongest Credit Quality	88	90
AA	Very Strong Credit Quality	84	87
AA-	Below Very Strong Credit Quality	81	83
A+	Very Good Credit Quality	78	80
A	Above Average Credit Quality	74	77
A-	Moderately Good Credit Quality	71	73
BBB+	Moderate Credit Quality	68	70
BBB	Average Credit Quality	64	67
BBB-	Below Average Credit Quality	61	63
BB+	Moderately Below Average Credit Quality	58	60
BB	Slightly Below Average Credit Quality	54	57
BB-	Less Than Average Credit Quality	51	53
B+	Significantly Below Average Credit Quality	48	50
B	Weak Credit Quality	44	47
B-	Very Weak Credit Quality	41	43
C	Poor Credit Quality	38	40
D	Default (Failed to meet their rated financial commitment on time or when due)	Not Classified (<38)	

Short Term Rating Scale and Definitions			
Rating Notches	Definition	Weighted Score Range	
ST-1	Strongest Ability to Meet Short Term Financial Commitments	81	100
ST-2	Above Average Ability to Meet Short Term Financial Commitments	71	80
ST-3	Average Ability to Meet Short Term Financial Commitments	61	70
ST-4	Below Average Ability to Meet Short Term Financial Commitments	51	60
ST-5	Well Below Average Ability to Meet Short Term Financial Commitments	41	50
ST-6	Default (Failed to meet their short-term financial commitments)	<=40	