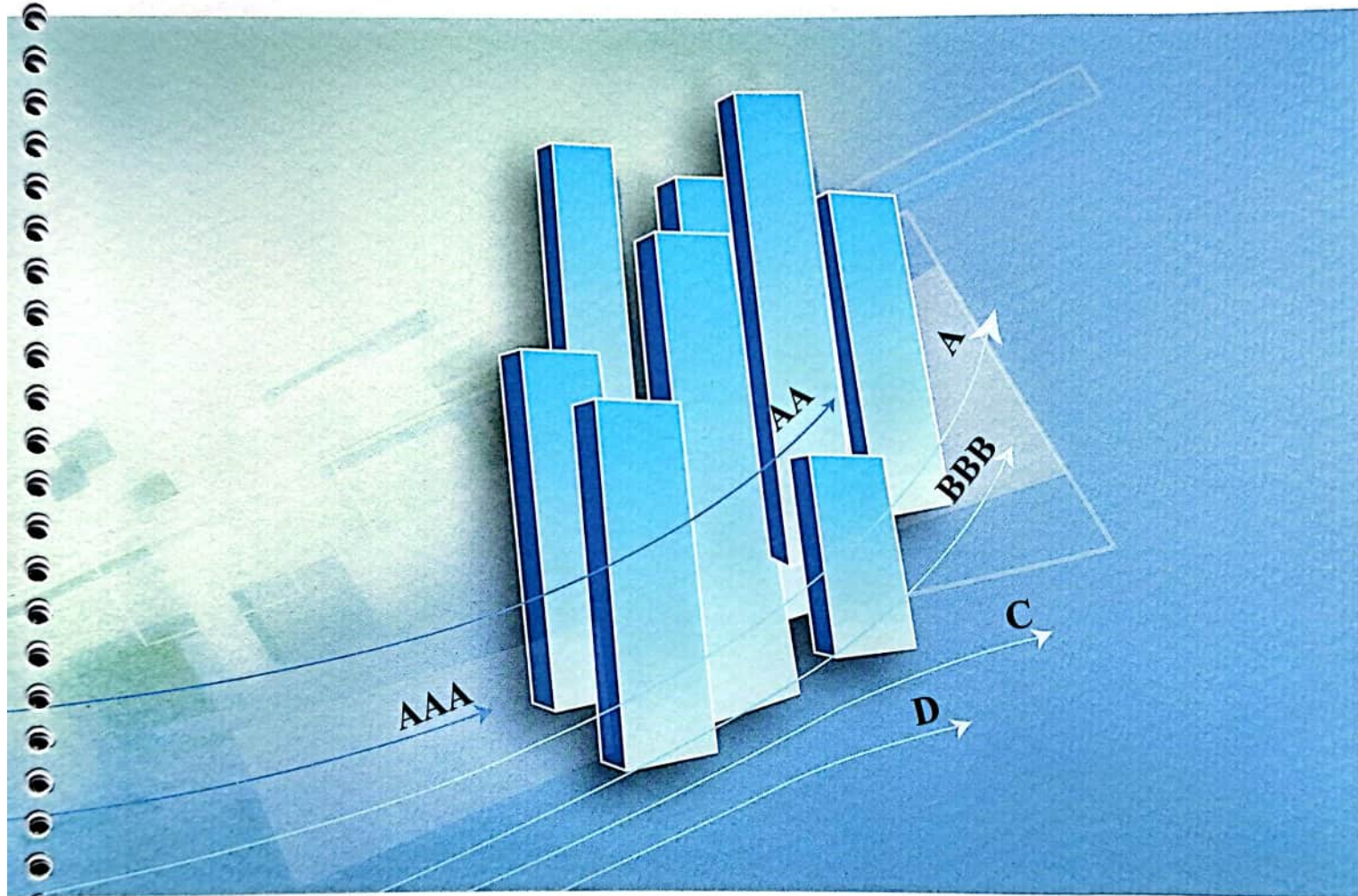


## Credit Rating Report



# AlphaRating

## *Purabi General Insurance Company Limited*

*Sandhani Life Tower (2nd Floor), 34 Banglamotor Dhaka- 1000*

*(Non-Life Insurance)*

**Disclaimer:** Information used herein was obtained from sources believed to be accurate and reliable. However, Alpha Credit Rating PLC does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. The rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities or to finance in a project. All rights of this report are observed by Alpha Credit Rating PLC. The contents may be used by the news media and researchers with due acknowledgement. Under no circumstances Alpha Credit Rating PLC will or its affiliates will be liable for any special, indirect, incidental or consequential damages of any kind, including, but not limited to, compensation, reimbursement or damages on account of the loss of present or prospective profits, expenditures, loans or commitments, whether made in the establishment, development or maintenance of company reputation or goodwill, cost of substitute materials, products, services or information, cost of capital, and the claims of any third party, or for any other reason whatsoever.



03 August, 2025

Chief Executive Officer  
Purabi General Insurance Company Limited  
Sandhani Life Tower (2nd Floor), 34 Banglamotor Dhaka- 1000.

**Subject: Credit Rating of Purabi General Insurance Company Limited.**

Dear Sir,

We are pleased to inform you that Alpha Credit Rating PLC (AlphaRating), vide credit rating Agreement No: 3064, has assigned the following rating to **Purabi General Insurance Company Limited**.

Date of Declaration	Valid From	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
03 August, 2025	01 August, 2025	31 July, 2026	6 <sup>th</sup> Surveillance	AA	ST-2	Stable

The long-term rating & short-term rating is valid up to 31 July, 2026. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating PLC, while assigning this rating to **Purabi General Insurance Company Limited**, hereby solemnly declare that:

- (i) We, Alpha Credit Rating PLC as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With kind regards,



**Abdul Mannan**  
Chief Executive Officer

**This letter is integral part of the credit rating report**

Business Risk  
HighLiquidity  
GoodProfitability  
GoodSolvency Score  
GoodCapital Adequacy  
AdequateSector  
Non-life

Purabi General Insurance Company Limited is a leading non-life insurer of the country, trying to build genial & realistic relationship with clients

## Previous Rating

Long Term Rating: AA  
Short Term Rating: ST-2  
Outlook: Stable  
Date of Declaration: 01 August, 2024  
Valid Till: 31 July, 2025

## Contact Analysts

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**Date of Incorporation:**  
29 June, 1988

**DSE Listing:**  
04 August, 1995

**Board Chairman:**  
Mojibul Islam

**Chief Executive Officer:**  
Sukumar Chandra Roy

**Total Asset:**  
BDT 1,574.47 million  
(As on 31.12.2024)

**Authorized Capital:**  
BDT 1,000.00 million (As on 31.12.2024)

**Paid up Capital:**  
BDT 598.13 million (As on 31.12.2024)

## Rationale

AlphaRating, vide credit rating Agreement No. 3064, affirms long term rating to "AA" (Pronounced as "Double A") and short term rating "ST-2" on claim paying ability (CPA) of Purabi General Insurance Company Limited (Hereinafter referred to as 'PGICL' or 'the company'). The rating is based on the audited financial statement for the year end of 31 December, FY 2022 to 2024 and other qualitative information. While assigning the rating AlphaRating has considered both favorable and unfavorable movement in overall performance of the company.

The assigned rating is supported by increased net profit, increased gross & net premium, improved ROA & ROE, good liquidity, spare management expense, claim settlement period within 90 days, fulfillment of paid up capital requirement, positive CFO, combined ratio below 100% threshold, agency commission within 15%, adequate reserve for unexpired risk, long track record of the management team etc.

However, the strength of the rating is partly offset by overall socio economic condition of Bangladesh along with volatility of the share market, decreased total investment & investment income, etc. The rating also considers inherent business risks, unhealthy competition between the competitors and level of sophistication of the domestic insurance market.

FYE 31 December	2024	2023	2022
Combine ratio (%)	56.95	72.48	109.30
ROA (%)	5.83	4.89	6.00
ROE (%)	10.89	8.61	10.53
Net profit (BDT in million)	91.84	70.92	83.71
Current Ratio(x)	2.14	2.35	2.30
Solvency Margin (x)	9.60	10.84	20.21
Gross premium (BDT in million)	258.08	238.27	183.46
Net premium (BDT in million)	133.69	114.90	57.90
Net Claim (BDT in million)	4.57	15.25	5.21
Investment (BDT in million)	862.62	870.48	936.28
Yield on Investment (%)	10.11	9.01	11.08
Underwriting Profit (BDT in million)	61.23	30.43	30.64
Excess/ (Spare) Mgt. Exp. (BDT in million)	(3.98)	(24.23)	(14.51)
Operating Cash Flow (BDT in million)	92.79	67.13	213.12
Fixed Deposit (BDT in million)	720.50	805.00	880.00

The Stable Outlook assessed by AlphaRating reflects that, upside and downside risks to the rating are currently balanced.

*amannan*  
**Abdul Mannan**  
Chief Executive Officer  
Alpha Credit Rating PLC.



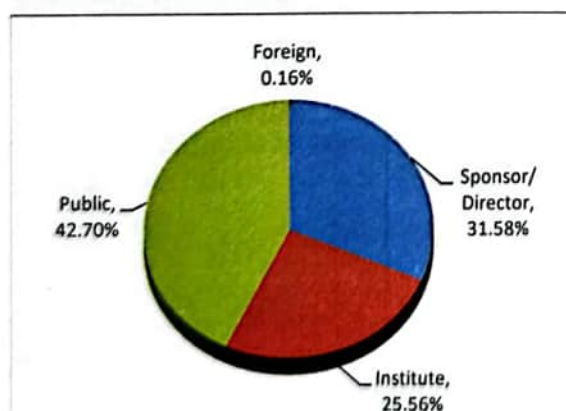
## Company Profile

Purabi General Insurance Company Limited is a 1<sup>st</sup> generation private Non-life insurer in Bangladesh. PGICL was incorporated in 29 June, 1988 under company act 1913 with the object of carrying in and outside Bangladesh all kind of non-life insurance. PGICL started with a paid-up capital of BDT 30.00 million. In FY 2024 paid-up capital has increased & stood at BDT 598.13 million. As of 22 July, 2025, the company has a market capitalization of BDT 1,082.61 million. The registered office of the company is at Sandhani Life Tower (2<sup>nd</sup> Floor), 34 Banglamotor Dhaka- 1000.

Status of the company in Dhaka Stock Exchange: Earlier, Dhaka Stock Exchange PLC classified the Company from "A" Category to "Z" Category. Subsequently, the Company filed a writ petition before the Hon'ble High Court Division of the Supreme Court of Bangladesh challenging the said reclassification. Upon hearing, the Hon'ble Court was pleased to pass an order staying the operation of the DSE's decision to downgrade the Company to "Z" Category, which was sent to Bangladesh Securities and Exchange Commission Ref. No. PGIC/HO/CS-155/2024 dated: 30/12/2024.

## Ownership Pattern

The shareholding pattern of the company is presented below: (As on 30 June, 2025)



## List of Product & Services

In FY 2024, the company continued to offer its products through a mix of distribution channels comprising of agents and direct sales team. The company has presence with 21 branches.

### 1. Marine Cargo Insurance:

A marine cargo insurance policy is a valid document to open the bank LC and goods protection. It covers cargo in the care, custody, or control of the carrier. It provides cover against loss or damage to cargo during transit from one place to another by various modes of transport.

### 2. Fire Insurance:

Traditional Fire Insurance Policy Covers the Fire and/or Lightning risks only. The Policy premium is charged in accordance with Tariff rate prescribed by Central Rating Committee (CRC). However, the Fire Policy can be extended to cover some allied perils such as Riot and Strike Damage, Malicious Damage, Flood & Cyclone and Commercial Explosion.

### 3. Motor Insurance:

Vehicle insurance (also known as motor insurance) is insurance for cars, trucks, motorcycles, and other road vehicles. Its primary use is to provide financial protection against physical damage or bodily injury resulting from traffic collisions. The specific terms of vehicle insurance vary with legal regulations in each region.

### 4. Property Damage All Risk Insurance:

The property damages all risk insurance covers accidental loss or destruction of or damage to the Property Insured under the defined perils. The words "Defined Peril" shall mean Fire, Lightning, Riot & Strike, Explosion, Malicious Damage, Earthquake, Flood, Cyclone & Electrical Short Circuit (Electrical Clause "B") and Burglary.

### 5. Engineering Insurance

Engineering Insurance is an insurance policy that covers a wide range of engineering-related risks. It provides complete protection against risks associated with the erection, resting, and working of any machinery, plant, or equipment. Under the Factories Acts businesses are required to have certification on specific items of plant such as lifting plants, pressure vessels, and steam boilers.

### 6. Miscellaneous Insurance:

Miscellaneous Insurance refers to contracts of insurance other than those of fire, marine, engineering, motor, and money insurance. It covers a variety of MISC risks, the chief of which are personal accident insurance.

### 7. Health Insurance:

Health Insurance is the most cost effective, affordable, dependable & acceptable means of bringing modern treatment facilities within reach of common people especially the fixed income group, in the present financial-social context of Bangladesh.



## Industry Overview

### World Insurance Outlook

The total global GDP in 2023 was \$105.30 trillion. GDP growth was 5.30 percent and inflation adjusted for 2.80 percent. This is about \$5 trillion more than in 2022. Insurance has established itself as a growing industry and in 2023, global gross premium income reached a milestone of \$7.1 trillion. Maintaining this trend is not easy. For this, insurers will have to keep an eye on inflation and economic growth (Swiss-Re, Sigma No: 3/2023).

According to data from Swiss-Re (Sigma No: 3/2024), the total premium income of the global insurance industry in 2022 was \$6,772.753 billion, of which 41.05% came from the life insurance sector and 58.95% came from the non-life insurance sector. In 2022, the total premium income of the life insurance and non-life insurance sectors was US\$ 2,780.409 billion and US\$ 3,992.344 billion respectively. The total growth rate of advanced markets was -1.90% and emerging markets achieved a growth of 4.10%. The growth rate of Asia Pacific countries in 2022 was 1.30 percent. Of this, the growth rate of advanced Asia Pacific countries was -0.1 percent and the growth rate of emerging Asian countries was 2.8 percent. In 2022, the premium growth of China alone was 2.6 percent, while the premium growth of emerging Asian countries excluding China increased to 3.5 percent.

In 2023, the total premium income of the life insurance and non-life insurance sectors was US\$ 2,888.998 and US\$ 4,297.176 billion respectively. In 2023, the total premium income of the global insurance industry was US\$ 7,186.174 billion, of which 40.20% came from the life insurance sector and 59.80% came from the non-life insurance sector. In 2023, the total growth rate of advanced markets was 2.0%. However, emerging markets achieved a growth of 6.6%. The premium growth rate in emerging markets excluding China was 3.8%. It is worth noting that the growth rate decreased due to the low growth rate in premium income of the life insurance industry. In 2023, the growth rate of Asia Pacific countries was 3.3 percent. Of this, the growth rate of advanced Asia Pacific countries was -0.8 percent. On the other hand, the growth rate of emerging Asian countries was 7.1 percent. In 2023, China alone had a premium growth of 8.9 percent, while premium growth in emerging Asian countries excluding China increased to 1.1 percent (Swiss-Re, Sigma No: 3/2024).

### Position of insurance in the world

The real growth rate of total insurance premiums worldwide in 2023 was 2.8 percent (Table 1). Of the total premiums worldwide, life insurance business accounted for 40.20 percent and non-life business for 59.80 percent. In 2022, the real growth rate of total insurance premiums in Bangladesh was 6.1 percent and 77.67 percent of total premium income came from the life insurance sector and the share of non-life business was 22.33 percent (Swiss Re, Sigma No: 3/2023).

According to data published by Swiss Re, the global life insurance premium growth rate in 2023 was 1.3 percent and the non-life insurance premium growth rate was 3.9 percent. In 2023, the gross premium growth rate in developed markets was 2.0 percent, of which -0.7 percent was life insurance growth and 3.6 percent was non-life insurance growth. In emerging markets, this growth rate was 6.6 percent, of which 7.8 percent growth was from life insurance and 5.3 percent from non-life insurance (Table 1). Of the total gross premiums in developed markets of 5,841.09 billion Marks in 2023, 37.42 percent came from life insurance and 62.58 percent from non-life insurance. In the same year, out of the gross premium of USD 1,345.08 billion in emerging markets, 52.30 percent came from life insurance business and 47.70 percent from non-life business (Table 2).

**Table 1: Gross premium growth rate 2023- adjusted for actual inflation (Percentage)**

Region/Country	Life	Non-Life	Life & Non-life
Developed Market	(0.7)	3.6	2.0
Emerging Market	7.8	5.3	6.6
Asia	3.1	3.6	3.3
World	1.3	3.9	2.8

Source: Swiss-Re, Sigma No. 3/2024



Table 2: Region wise life and non-life gross premium 2023 (Billion US Dollars)

Region/Country	Life	Non-life Life	Life & Non-life
Developed Market	2,185.58	3,655.51	5,841.09
	(37.42)	(62.58)	(100.00)
Emerging Market	703.41	641.67	1,345.08
	(52.30)	(47.70)	(100.00)
Developed Asia-Pacific	519.59	299.36	818.96
	(63.45)	(36.55)	(100.00)
Emerging Asia	542.55	400.11	942.66
	(57.56)	(42.44)	(100.00)
World	2,888.99	4,297.18	7,186.17
	(40.20)	(59.80)	(100.00)

Source: Swiss-Re, Sigma No. 3/2024

Note: The stage numbers in parentheses indicate percentages

**Insurance penetration and density in Bangladesh**

Insurance penetration and density provide an idea of the level of development of a country's insurance sector. The penetration rate is measured by comparing total premium income to total GDP, and insurance density is obtained by dividing total premium income by total population.

Penetration in Bangladesh was 0.50 percent in 2021, unchanged in 2022. Insurance density was US\$12.00 in 2021 and 2022 (Swiss-Re, Sigma No: 3/2023). Insurance penetration and density are calculated from audited and unaudited data for 2022 and 2023 provided by insurers in Bangladesh (Table 4 & 5 and Graph 1 & 2).

There are various reasons for the low penetration and density of insurance in Bangladesh. While almost half (49%) of the world's total premium income is earned from the health insurance sector, the contribution of the health sector to the total premium income in Bangladesh is only 7% (Swiss Re, Sigma No. 4/2022). As a result, the total premium income has not increased to the desired level, which is having a negative impact on the penetration and density of insurance. In addition, insurance penetration is not increasing as insurance benefits for passengers, agricultural insurance and disaster management insurance have not been popularized. As a result, only about 16.49 million people out of a population of 173 million are covered by insurance. Moreover, there is reluctance on the part of insurers to review insurance products. The lack of innovative or digital products is preventing the insurance sector in Bangladesh from moving forward in the right direction.

Table 3: Insurance penetration &amp; density in some countries in 2023

Country	GDP Rank	Premium Rank	Premium (US Million)	Market Share (%)	Penetration (%)	Density (US Dollar)	Growth (%)
USA	1	1	3226684	44.9	11.9	9640	8
India	5	10	135958	1.9	3.7	95	4.8
Malaysia	37	32	20237	0.3	5.2	590	0.6
Philippines	34	45	7758	0.1	1.8	66	1.3
China	2	2	723664	10.1	3.9	508	3.7
Vietnam	35	43	9447	0.1	2.3	100	-11.3

Source: Swiss-Re, Sigma No: 3/2024

Table 4: Bangladesh's Gross Domestic Product (GDP), Premium Income &amp; Penetration

Year	GDP (Current Price) (BDT in Crore)	Gross Premium (BDT in Crore)		Penetration (%)		
		Life	Non-Life	Life	Non-Life	Life & Non-Life
2022	3971716.40	11393.09	5903.34	0.29	0.15	0.44
2023	4490841.70	12273.49	5953.28	0.27	0.13	0.41

Source: GDP- BBS &amp; Premium- IDRA

Graph 1: Insurance penetration (Percentage of insurance premiums to GDP)

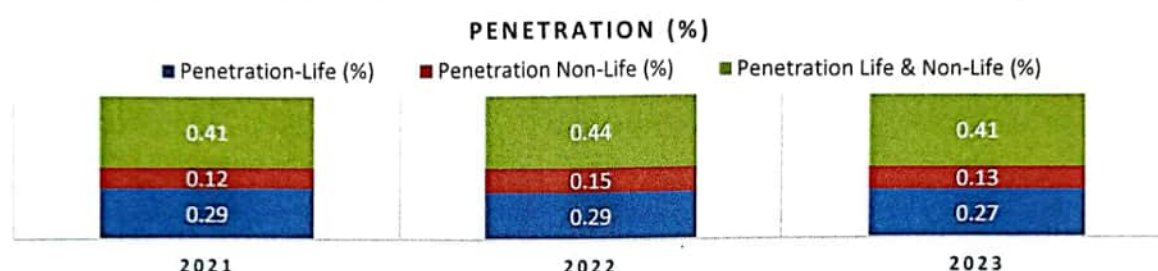
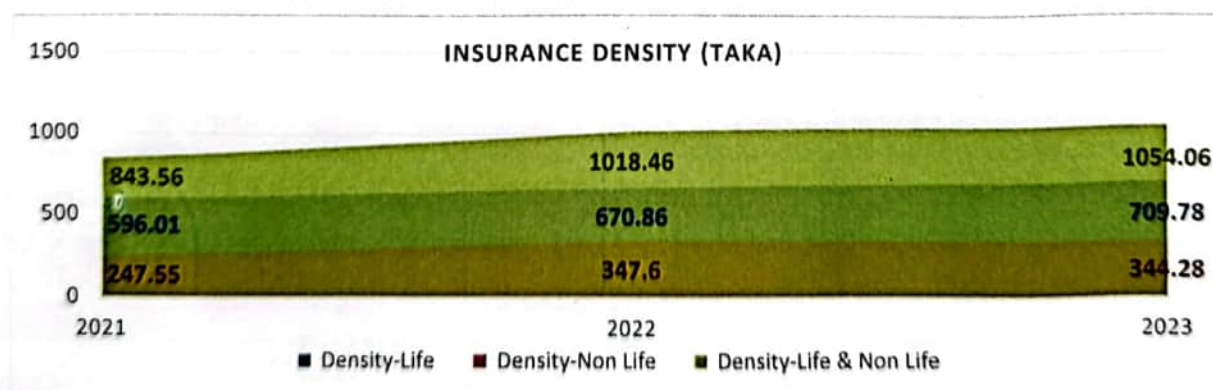


Table 5: Density of population &amp; insurance

Year	Population (BDT Crore)	Insurance Density (Taka)			Density (US Dollar)
		Life	Non-Life	Total	
2022	16.98	670.96	347.60	1018.86	10.91
2023	17.29	709.78	344.28	1054.06	9.76

Source: Population- BBS &amp; Premium- IDRA

Graph 2: Insurance density (Gross premium per capita)

**Overview of insurance industry in Bangladesh**

Despite many problems in the insurance sector, premium income is growing at a decreasing rate every year. The growth rate of total gross premium received from the insurance sector (life & non-life) in Bangladesh in 2022 and 2023 was 10.67% and 5.38% respectively. The total premium income in 2022 and 2023 was BDT 17,296.43 and BDT 18,226.77 crore respectively, which was BDT 15,628.94 crore in the previous year 2021 (Table 6 and Graph 3).

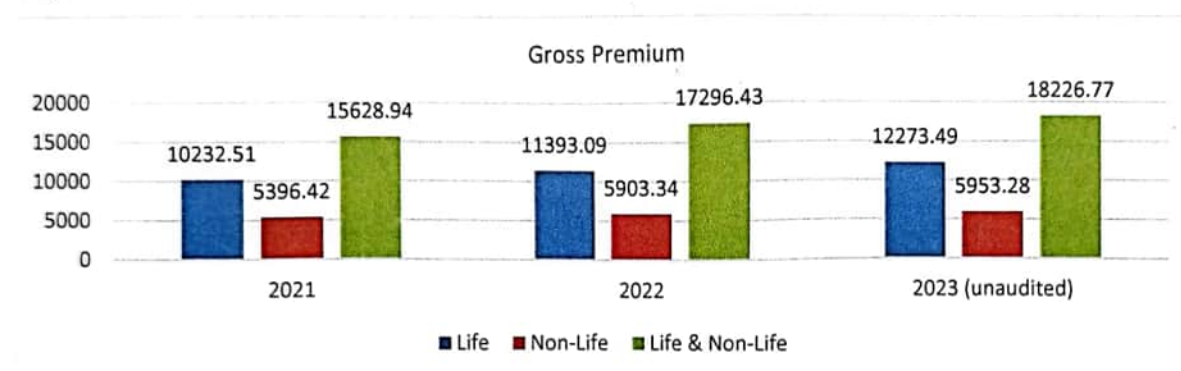


Table 6: Premium income and growth rate in the insurance industry

Year	Gross Premium (Crore taka)			Growth (%)		
	Life	Non-Life	Life & Non-Life	Life	Non-Life	Life & Non-Life
2022	11393.09	5903.34	17296.43	11.34	9.39	10.67
2023 (unaudited)	12273.49	5953.28	18226.77	7.73	0.85	5.38

Source: Information collected by IDRA from insurance companies

Graph 3: Gross premium income



Insurance promotion, various initiatives by the authorities and increased awareness about life insurance are identified as one of the reasons for the significant growth in premiums. As a result, while the growth rate of gross premium in the life insurance sector was 7.98% in 2021, it was 11.34% in 2022 and the growth rate of gross premium in the non-life insurance business was 9.39% in 2022. In 2023, the growth rate of gross premium in the life insurance sector was 7.73% and the growth rate in non-life was 0.85% (Table 6 and Graph 3).

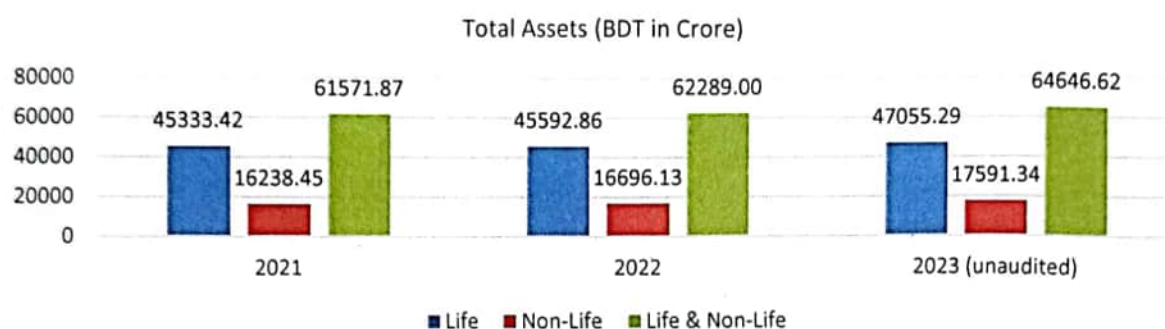
As can be seen in Table 7, the lion's share of the total assets of the insurance industry as of December 31, 2022 and 2023, i.e., BDT 45,592.86 crore and BDT 47,055.29 crore, were under the control of life insurers. The total assets of life insurers increased by 3.21% in 2023 compared to 2022. The total assets of insurers in non-life insurance were BDT 16,696.13 crore and BDT 17,591.34 crore as of December 31, 2022 and 2023 respectively, and the growth rate in 2023 was 5.36%. The overall assets in the insurance industry increased due to the increase in the growth rate of assets in the life and non-life insurance sectors, the growth rate of assets in 2022 was 1.16%, which increased to 3.78% in 2023. The overall assets increased mainly due to the increase in the assets of a few specific insurers (Graph 4).

Table 7: Total asset &amp; growth rates of insurance industry in Bangladesh

Year	Assets (BDT in Crore)			Growth (%)		
	Life	Non-Life	Life & Non-Life	Life	Non-Life	Life & Non-Life
2022	45592.86	16696.13	62289.00	0.57	2.82	1.16
2023 (unaudited)	47055.29	17591.34	64646.62	3.21	5.36	3.78

Source: Information collected by IDRA from insurance companies

Graph 4: Total assets in the insurance industry of Bangladesh



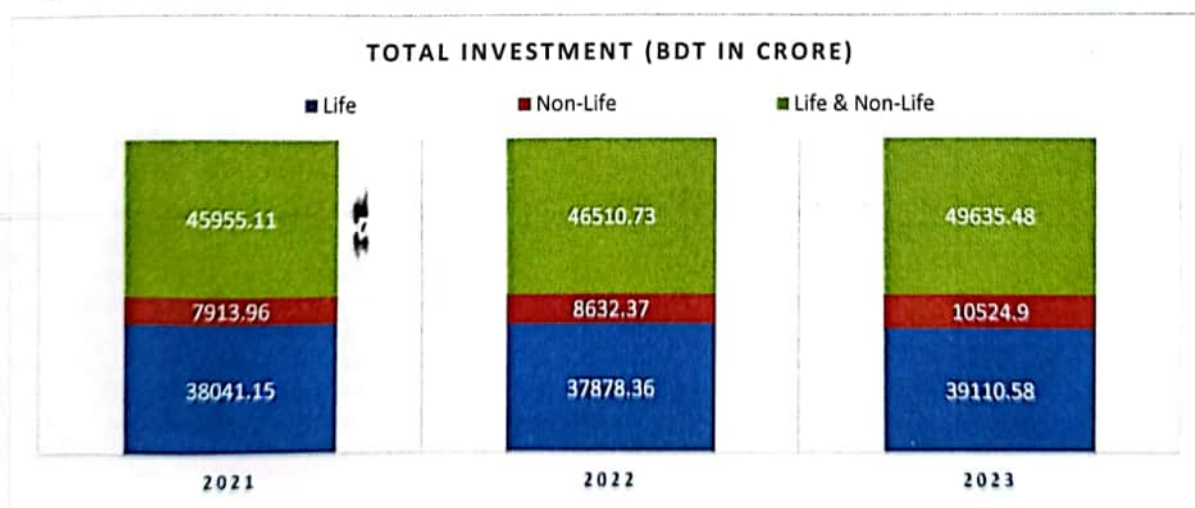
The growth rate of investment in the life and non-life insurance sector in 2021 was 5.57%. This rate decreased significantly in 2022 to just 1.21% and increased to 6.72% in 2023. Overall, the amount of investment has been increasing every year. The total investment amount increased from BDT 46,510.73 crore in 2022 to BDT 49,635.48 crore in 2023 (Table 8 and Graph 5). As per the 2023 estimates, 76.78% of the total assets have been invested in various sectors.

Table 8: Total Investment and growth rate in the insurance industry in Bangladesh

Year	Investment (BDT in Crore)			Growth (%)		
	Life	Non-Life	Life & Non-Life	Life	Non-Life	Life & Non-Life
2022	37878.36	8632.37	46510.73	(0.43)	9.08	1.21
2023 (unaudited)	39110.58	10524.90	49635.48	3.25	21.92	6.72

Source: Information collected by IDRA from insurance companies

Graph 5: Total investment in the insurance industry in Bangladesh



Source-Annual report of 2023-2024 (published by IDRA)



## Business Risk Analysis

### Insurance/Actuarial Risk

The risk under an insurance contract is that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principle risk the company faces under such contracts is that the actual claims and benefit payments exceed the premiums written or the carrying amount of insurance liabilities. This is influenced by the frequency of claims, actual benefits paid being greater than originally estimated subsequent development of long-term claims.

PGICL reduces this risk with the help of underwriting team who undertakes pre-insurance surveys of large and complicated risk. Risk Management Committee of the company consist of five members, all member are well experience and trained. Risk management ensures proper understanding of the right level of risk acceptance, risk control and risk related expenditure. PGICL also takes reinsurance coverage from SBC which helps the company to pay off its claims.

### Regulatory Risk

The increasing intensity of regulatory requirements poses a significant threat to the industry. The new Insurance Development and Regulatory Authority Act-2010 and Insurance Act-2010 replaced the old insurance laws which are likely to bring significant changes in the regulation of the industry. In order to make overall claim settlement procedure smooth and timely, insurance companies are required to set up a special fund known as 'policyholders' Protection Fund'. For further enhancing the solvency position, paid up capital for non-life and life insurance companies have been raised to BDT 400.00 million and BDT 300.00 million respectively.

As per the circular issued by IDRA, agents will be paid commission at a maximum rate of 15% of gross premium. Moreover, Credit Rating practice for the insurance companies is expected to create a positive vibration in the industry as the institutional insured expect good credit rating to safeguard their interest. All these requirements will make the market more reliable and uniform. The same will pressurize the underperforming insurance companies to retain their market share.

### Internal Control Risk

Internal control risk arises from non-compliance of rules and regulation which ultimately possess negative impact on overall business performance.

PGICL has a separate audit department which is responsible for examination and review of the financial statement of the company submitted by its auditor. It monitors compliance issue of day to day activities. The main purpose internal control system is to look at the compliance issues as per the provisions of the Insurance Act, directives of the Board and Chief Executive Officer.

### Interest Rate Risk

Interest risk arises out of investment decisions and acceptance of high exposures in any one type of investment instrument. Volatility of money market has also great influence over the interest rate structure of fund hold by PGICL. Interest Income of PGICL is a significant portion of total income. This income from fixed and other deposit may fall with the reduction of interest rate of commercial bank.

In order to mitigate interest rate exposure, companies can invest into mutual funds to secure its revenue and also to generate capital gains. However, this source has also its own drawback, if the overall capital market position falls, then the performance of mutual fund will also decline. Thus the company should more concentrate on traditional business in order to minimize any loss/reduction of income arise from the investment already made.

### Liquidity Risk

Liquidity is the risk that arises when a firm though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive cost. The major liquidity risk confronting the company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and maturity of investment securities. Liquidity risk also occurs more generally in relation to the ability to buy and sell investments. This is a function of size of PGICL's holding relative to the availability of counter parties willing to buy or sell these holding at any given time.

However, PGICL sets limit on the minimum portion of maturing funds available to meet such calls to cover claims at unexpected levels of demand.

### Human Resource

Human resource risk arises in many forms. Not having the right person in place and the required skills needed to compete is two of those risks. Companies with an ageing workforce are even at more risk.

It is noted that, insurance industry of Bangladesh needs to transform. Lack of frequent training from developed nations' results into information gap and under development of the sector.

Like most of the private sector non-life insurance company, PGICL holds a very little portion of total market & is continuously striving to hold the position. Recruitment of energetic, qualified professionals is expected to gear up the business.

### Competition in the Market

Unhealthy competition among the existing companies, presence of unethical practice of providing commissions over premium and expected entry of multinational insurance company in Bangladesh are critical factors. Moreover, there is a tendency of native customers to go for foreign brands (companies). Lack of information and knowledge among the general public about the insurance sector often leads them to choose cheap but unreliable alternatives. All of the aforementioned factors put profound impact on profitability of the company. However, people have a growing interest to prefer companies with a high claim settlement rates. Overall steady growth of the insurance industry in Bangladesh with increasing number of customers and net premium income are positive aspects for the company.

Limited advertisement which is only targeting niche corporate and industrial segments deprives PGICL from greater earnings. Large Retail and SME segments are yet to be penetrated; these sectors can lead PGICL to generate greater revenue as well as profit.



## Financial Risk Analysis

### Underwriting Process & Quality

Revenue from underwriting is a core source of income of PGICL. The company has its dedicated underwriting department which is responsible for securing a safe and profitable distribution of risks & also responsible for classifying clients into appropriate risk classes.

During FY 2024, gross premium of PGICL has increased to BDT 258.08 million and net premium has also increased to BDT 133.69 million whereas in FY 2023 gross premium was BDT 238.27 million and net premium was BDT 114.90 million. This indicates that the company has higher premium collection than previous year. On the other hand, total underwriting profit of the company has increased by BDT 30.80 million & stood at BDT 61.23 million in FY 2024.

#### Selected Indicators

(Without considering commission on reinsurance ceded)

	Year Ended Dec. 31		
	2024	2023	2022
Loss ratio (%)	3.42	13.27	9.00
Expense ratio (%)	53.54	59.21	100.30
Combined ratio (%)	56.95	72.48	109.30

Underwriting performance is evaluated by combined ratio, which is the ratio of expenses & losses to net premiums. Loss ratio of the company has decreased in FY 2024 & stood at 3.42%. It is observed that, net claim paid out has decreased by 70.04% whereas net premium has increased by 16.36% in FY 2024. This decrease in claims has contributed to the improved loss ratio.

On the other side, expense ratio of the company has decreased and stood at 53.54% in FY 2024. Though actual management expense has increased by 5.20% in FY 2024 but due to higher increase of net premium, expense ratio of the company has decreased during the year. Combined ratio of the company has stood at 56.95% in FY 2024, which is below 100% and indicates an undertaking profit.

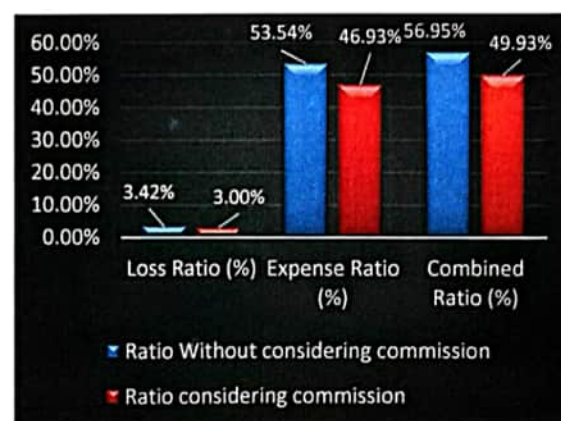
However, if we consider commission on reinsurance ceded along with net premium, scenario of underwriting performance of the company would be as following:

#### Selected Indicators

(After considering commission on reinsurance ceded)

	Year Ended Dec. 31		
	2024	2023	2022
Loss ratio (%)	3.00	11.52	6.80
Expense ratio (%)	46.93	51.38	75.85
Combined ratio (%)	49.93	62.90	82.66

After considering commission on reinsurance ceded, loss & expense ratio of the company shows much better performance and combined ratio stood well below 100%.



## Management Expense

As per Insurance Act 2010, non-life insurance companies are required to calculate the allowable management expenses as per the given guideline and maintain its actual management expenses within the limit.

### Selected Indicators

	Year Ended Dec. 31		
BDT in millions	2024	2023	2022
Actual management expense	71.57	68.03	58.08
Allowable management expense	75.56	92.26	72.59
Excess/(Spare) management expense	(3.98)	(24.23)	(14.51)
Actual management Expense as % of Allowable Expense	94.73	73.74	80.01

It has been noticed that, PGICL was able to keep the actual management expense within the allowable limit. As per given guideline, PGICL's allowable management expense was BDT 75.56 million whereas actual management expense was BDT 71.57 million in FY 2024, which has resulted in spare allowable management expense of BDT 3.98 million. PGICL has incurred almost 94.73% of its allowable management expense in FY 2024, which was 73.74% in FY 2023.

According to IDRA, agency commission must be within 15% of its gross premium of all classes of insurance. PGICL incurred BDT 21.10 million as agency commission in FY 2024 against the gross premium of BDT 258.08 million. So, the agency commission was 8.18% of gross premium which is within the prescribed limit set by the authority.

## Claim Management

PGICL appoints government licensed surveyor in order to conduct the claim settlement procedure, whenever a claim is being placed. Based on the delegated power, claims are being approved by the authority and are being processed forward. Performance of the company on the basis of claim settlement is presented below:

### Selected Indicators

	Year Ended Dec. 31		
BDT in millions	2024	2023	2022
Claim Initiated (BDT in million)	31.28	15.30	5.55
Claim Settled (BDT in million)	31.47	3.87	5.43
Claim Repudiated (BDT in million)	-	0.56	0.11
Number of Claim Initiated	69	67	45
Number of Claims Settled	75	60	44
Number of Claims Repudiated	-	2	1

During FY 2024, the company has settled 75 claim worth of BDT 31.47 million against 69 initiated claims worth of BDT 31.28 million. Both number of initiated and settled claims has increased during the year. In terms of percentage, the company has settled 100.00% of total initiated claims in FY 2024, which was 89.55% in FY 2023. On the other hand, PGICL reported zero repudiated claims during FY 2024.

As per the rules, the claim must be approved or settled within 90 days of claim registered or last submitting of the required documents. The lower the time taken by the company to settle the claim, the better it is for the company's reputation, which can bring positive campaign for the company. It has observed that, average claim settlement period for fire & motor insurance was 60 days and for marine cargo & miscellaneous insurance it was 90 & 45 days respectively in FY 2024.



## Profitability

### Selected indicators

	Year Ended Dec. 31		
	2024	2023	2022
Net profit (BDT in million)	91.84	70.92	83.71
Return on assets (%)	5.83	4.89	6.00
Return on equity (%)	10.89	8.61	10.53

Profitability position of the company has improved in FY 2024 from that of previous year. PGICL earns profit from different sources including underwriting profit, investment income and other income. Investment income is one of the main sources of earnings of PGICL, representing 58.71% of total income in FY 2024. The investment income consists of interest income, dividend income and gain from sale of shares of listed companies. However, investment income has increased to BDT 87.22 million in FY 2024 from BDT 78.45 million in FY 2023 due to increase of interest income.

Other than investment income, underwriting profit comprises 41.21% of total income of in FY 2024 which was 27.88% in FY 2023. Total underwriting profit has increased by BDT 30.80 million & stood at BDT 61.23 million in FY 2024, which was BDT 30.43 million in FY 2023. During the year, underwriting profit improved in fire, marine cargo, and miscellaneous insurance segments, while motor insurance reported a decline in profitability.

Return on assets (ROA) is an indicator of how profitable a company in relation to total assets and return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. During the year, both ROA & ROE has increased as net profit of the company has increased.

## Investment Profile

Level of investment of the company is showing decreasing trend over the years under consideration. The company has maintained a conservative investment portfolio & most of PGICL's investment comprise of FDR. It has noticed that, investment in FDR has decreased in FY 2024 by BDT 84.50 million & stood at BDT 720.50 million.

According to the Insurance Act 2010, the company has to maintain statutory requirement of investing BDT 25.00 million in Bangladesh Govt. Treasury Bond. It has observed that, PGICL has invested BDT 59.50 million in Bangladesh Govt. Treasury Bond over the years. Investment in stock market is another significant area of investment for the company and stood at BDT 82.62 million at cost price. Along with this, the base of total asset of the company contains short term deposits with banks, fixed assets etc. As a result, total asset base of the company has increased to BDT 1574.47 million in FY 2024 from that of previous year.

### Selected Indicators

	Year Ended Dec. 31		
BDT in millions	2024	2023	2022
Total Investment*	862.62	870.48	936.28
Investment income as % of total income	58.71	71.86	77.20
Yield on investment (%)*	10.11	9.01	11.08

Investment income as % of total income has decreased to 58.71% in FY 2024, which was 71.86% in FY 2023. The reason behind this fall is, investment income has increased by 11.18% whereas total income has increased by 36.09%. On the other hand, due to increased investment income, yield on investment has increased to 10.11% in FY 2024 from 9.01% in FY 2023.

Items	Govt. Securities	BSEC approved Shares (Total)	FDR (Bank)	Others
Required Rate (in terms of)	7.50% (min)	25% (max)	80% (max)	5% (Max)
PGICL's Rate (FY 2024)	7.16	9.15	93.35	-
PGICL's Rate (FY 2023)	0.52	7.06	92.42	-
PGICL's Rate (FY 2022)	0.47	5.63	91.56	2.34

It is to be noted that, in FY 2024 PGICL has only complied with the investment rules of shares but did not complied with the investment rules of Govt. Securities & FDR which is depicted in the table.

### Liquidity Analysis

Liquidity position refers to the company's ability to pay short term obligation as they fall due. While analyzing the liquidity position of the company, it is observed that current ratio of the company has slightly decreased and stood at 2.14 times in FY 2024 as PGICL's current assets has increased by 4.27% whereas current liabilities has increased at a higher rate by 14.60%.

Current assets to net claim has increased to 311.92 times in FY 2024. Moreover, net claim has decreased by 70.04% whereas current assets has increased by 4.27% in FY 2024. As the company does not have any non-current liability, current liability to total liability of the company remained same over the years. Cash & bank balance to total assets has decreased in FY 2024 compared to last year because of cash and cash equivalents has decreased by 1.77%.

However, operating cash flow of the company has increased to BDT 92.79 million in 2024. Operating cash flow has mainly increased due to increase in collection from premium & other income. However, operating cash flow to net claim ratio has increased in FY 2024 due to significant decrease of net claim.

#### Selected indicators

	Year Ended Dec. 31		
	2024	2023	2022
Current ratio (times)	2.14	2.35	2.30
Current asset/net claim (times)	311.92	89.62	255.54
Current liabilities/total liabilities (%)	100.00	100.00	100.00
Cash & bank balance/total assets (%)	51.90	57.37	64.76
Operating cash flow/net claim paid out (%)	2030.94	440.27	4091.04
Operating Cash Flow (CFO) (BDT in million)	92.79	67.13	213.12

### Reinsurance Utilization

In accordance with the present rule, 50% of the re-insurable general business shall be reinsured with Sadharan Bima Corporation (SBC) and the remaining 50% of such business may be reinsured either with the corporation or with any other insurer whether in or outside Bangladesh. PGICL also maintains reinsurance arrangement with SBC. Reinsurance protections availed from SBC (1<sup>st</sup> April, 2025 to 31<sup>st</sup> March, 2026) is presented below:

#### Selected Indicators

	Fire	Marine Cargo	Misc.	Motor
Treaty Limit	150.00	25.00	10.00	1.00
Retention	10.00	2.50	0.50	0.50

It has been observed that, PGICL has surplus treaty for fire, marine cargo and miscellaneous insurance, whereas motor insurance has excess of loss treaty.

Under the discretion of Insurance Act, the retention limit of non-life insurance companies is being revised from time to time depending on the financial strength, underwriting expertise etc. Generally high retention level signals inadequate reinsurance protection while low retention level may hamper profitability. It has been observed that, the company has high retention level in motor & marine cargo and low retention in fire, marine hull and miscellaneous insurance.

Individual class wise risk retention ratios of last 03 years are presented below:

Business Class\ Year	2024	2023	2022
Fire (%)	9.55	16.29	17.03
Marine (Cargo) (%)	77.29	74.38	49.65
Marine (Hull) (%)	3.10	2.86	1.68
Motor (%)	96.60	81.77	82.25
Misc. (%)	5.08	4.22	3.27
Total (Average) (%)	51.80	48.22	31.56



## Solvency Analysis

Solvency Margin Ratio is another important financial indicator and one of the key benchmarks for industry regulators. Solvency Margin means the amount by which the assets of the insurance company exceed its liabilities and other comparable commitments. The table below represents the solvency in all concerned years.

### Selected indicators

	Year Ended Dec. 31		
BDT in millions	2024	2023	2022
Available Solvency (AS)*	646.05	627.81	701.83
Required Solvency (RS)*	67.28	57.89	34.73
Solvency Margin (times)	9.60	10.84	20.21

As per The Insurance Development & Regulatory Authority's (IDRA) regulations 2010, every non-life insurer needed to prepare statement of solvency margin. Solvency margin for non-life insurance company have been prepared by IDRA but not yet been approved by the Finance Ministry thereby not yet promulgated through official gazette.

It is observed that solvency margin of the company has decreased to 9.60 times in FY 2024 from 10.84 times in FY 2023. Available solvency has increased by 2.91% whereas required solvency has also increased by 16.22%. The significant rise in required solvency, compared to the relatively marginal increase in available solvency, resulted in an overall decline in the solvency margin.

## Reserve Adequacy

As per Insurance Act, 2010, the company need to maintain reserve for un-expired risk, which is 100% of the net premium income for marine hull insurance and 40% to 50% for all other business classes. The company has maintained reserve for un-expired risk as per policy.

The company also maintained reserve for exceptional losses. In FY 2024 the reserve for exceptional losses has increased by BDT 13.37 million & stood at BDT 61.30 million, which is the addition of 10% of net premium with previous year balance. However, the reserve represents 45.85% of net premium in FY 2024 which was 41.72% in previous year.

Reserve for exceptional losses represent 13.42 times of net claim in FY 2024 which was 3.14 times in FY 2023, suggesting the company's unexpected events absorbing ability has increased in FY 2024.

## Capital Adequacy

According to statutory capital requirement, every non-life insurance company is required to maintain BDT 400 million as paid up capital, of which at least 60% shall be subscribed by the sponsors and the remaining 40% shall remain open for public subscription. The paid-up capital of the company remained unchanged at BDT 598.13 million in FY 2024, the same as in FY 2023. Consequently, the capital maintenance ratio also remained the same at 1.50 times in FY 2024, consistent with FY 2023.

The following table summarizes the historical dividend declarations and right issues by PGICL over recent fiscal years:

Fiscal Year	Cash Dividend (%)	Bonus Share (Stock Dividend) (%)	Right Issue
2023	10	-	-
2022	7	3	-
2021	10	-	-
2020	5	5	-
2019	10	-	-
2018	12	-	-
2017	-	12	-
2016	-	10	-
2015	-	12	-
2014	-	15	-
2013	-	15	2R:1
2012	-	10	-
2011	-	10	-
2010	-	15	-
2009	-	10	-
2008	-	10	-

## Management & Other Qualitative Factors

### Composition of the Board

The composition of the Board complies with the requirements as per rules of IDRA & notification of BSEC. The Board comprises of 10 directors, including 04 sponsor director & 03 Independent director. All of them are professionally skilled and experienced in the management, law and business. The Board is chaired by Mojibul Islam. The company also complied with the Bangladesh Securities and Exchange Ordinance 1969's requirement of at least 1/5<sup>th</sup> of the total number of directors should be Independent Director. During FY 2024, total 04 meetings were held by the Board.

### Board Committees

For smooth functioning of the company, PGICL formed various committees which are comprised of Senior Executives. Each committee is responsible and accountable for the effective operation of their assigned business area.

- Nomination & Remuneration Committee (NRC).
- Audit Committee.
- Investment Committee.
- Risk Management Committee.
- Policyholder Protection & Compliance Committee.

### Nomination & Remuneration Committee (NRC)

Nomination & Remuneration Committee (NRC) is consists of 05 members of the Board of Directors. Independent Director, Amzad Hussain CIP is the chairman of NRC. The responsibility of NRC is to oversee the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the board relating to remuneration of the directors, top level executives etc. The committee devising a policy on board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality. Besides, the committee formulates the criteria for evaluation of performance, identify the company's needs for employees at different levels and determine their selection, transfer and promotion etc. During FY 2024, total 02 meetings were held by the NRC.

### Audit Committee

The audit committee comprises of 03 members headed by the Independent Director, Dr. Md. Mizanoor Rahman is the chairman of the committee. In FY 2024, 04 meetings were held by the committee. The primary role of the committee is to oversee the financial reporting process and disclosure of financial information, ensuring internal controls is well adopted, properly managed and satisfactorily monitored, oversee hiring and performance of external auditors, review the adequacy of internal audit function, monitor choice of accounting policies and principles, assess whether financial statement is complete and fairly presented, review management letter, review statement of significant related party transactions, review along with the management the quarterly, half yearly and annual financial statements before submission to the board for approval.

### Investment Committee

The committee consists of 06 members and is chaired by Mrs. Golam Fatema Tahera Khanam. The committee is responsible for preparing effective investment rules, reviewing monthly investments and returns of investment & inform the Board, ensuring suitability about the risk of investment, examining reports/comments/observations of insurance policies, and reviewing the statements of business transactions etc. The committee held 01 meeting in FY 2024.

### Risk Management Committee

The committee consists of 05 members and is chaired by Mr. Md. Saleh Ahmed. The committee is responsible for monitoring overall internal control and risk management processes, analyzing risk exposures & informing the Board, monitoring and discussing business continuity and other related issues, adopting necessary plans to reduce risks in the current methodology, assisting the company in fulfilling solvency margin requirements etc. The committee held 01 meeting in FY 2024.

### Policyholder Protection & Compliance Committee

The committee consists of 05 members and is chaired by Mr. Md. Saleh Ahmed. The committee is responsible for examine & verify the all sorts of documents of the claim, assign & select surveyor for assess the claims, justify the genuineness of arise claims & related documents, monitoring relevant activities of the department etc. The committee held 01 meetings in FY 2024.



**IT Infrastructure & Its Utilization**

PGICL is setting up its motto to provide a better customer service, create a client friendly environment and build up a trust worthy relationship with all stakeholders and taking priority based initiative to digitalize all its functional activities as earliest as possible in respect to align with government's digitalization plan. PGICL using online based oracle software from confidence software limited. It can provide any information in a fingertip from MIS Module. The company has a plan to introduce two different online portal name agent & client portal. From where client can easily enter by using their ID & password from their desk to check their business transaction with PGICL.

**Internal Control**

The company has an internal control department headed by a senior manager, who worked under the supervision of chief executive officer. The In-Charged of internal audit regularly visit various branches and examines whether branch operation are compliance with laws and regulations, internal policies and procedures. Then submit the report with findings to the chief executive after inspection of each branch. BCD & MIS department also examines all insurance documents. On examination of reports submitted by Internal Audit, BCD & MIS department management takes proper initiative to solve those issues.

**Management**

The management team analyses and identifies the business' goals and objectives and implements and enforce the strategies the employees need to achieve success. The legal structure of the business is formed by the management team. Introduce each member of the company's Board of Directors. Each of the company's departments and include the management position that is responsible for the departments. Further the management team is also responsible for all other managerial roles such as hiring employees, meeting their needs etc.

**Human Resource**

The company believes that quality of human resources is the key to a productive and performance oriented work culture. PGICL strive to ensure employee satisfaction by creating a performance based and transparent work environment. During the last years staff turnover pictured of the company has presented below:

Year	Turnover Ratio (recruited/left)
2017	7%
2018	-
2019	20%
2020	7.04%
2021	22.73%
2022	16.24%
2023	13.04%
2024	3.38%

**End of the Report**

## Company Information:

### Board of Director

S.L	Name	Designation
01	Mojibul Islam	Chairman
02	Golam Fatema Tahera Khanam (Representative of Sandhani Life Insurance Com. Ltd.)	Vice-Chairman
03	Col. Saleh Ahmed (Retd.) (Representative of Mona FCS Ltd.)	Director
04	Faisal Kabir Chowdhury	Sponsor Director
05	Mohammad Iqbal	Sponsor Director
06	Naziba Begum	Sponsor Director
07	Nazrul Islam Chowdhury	Sponsor Director
08	Amzad Hussain, CIP	Independent Director
09	Dr. Md. Mizanoor Rahman	Independent Director
10	Prof. Abu Zayed Mohammad	Independent Director

### Major Shareholders (As on 30 June, 2025)

Sponsor/Director	31.58%
Institute	25.56%
Public	42.70%
Foreign	0.16%

\*As per DSE

### Address

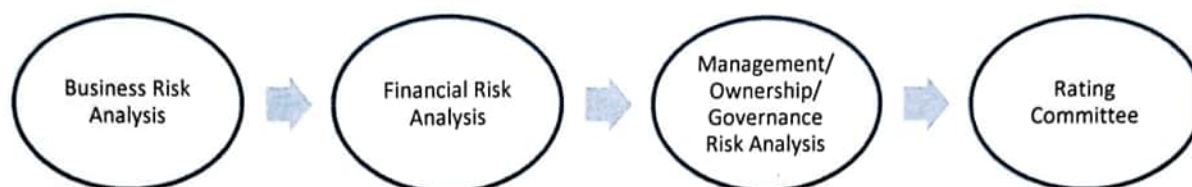
Purabi General Insurance Company Limited  
Sandhani Life Tower (2<sup>nd</sup> Floor), 34 Banglamotor, Dhaka- 1000  
Email: purabiinsurance@gmail.com  
Phone: +8801714044146

### Auditor

Khan Wahab Shafique Rahman & Co.  
Chartered Accountants  
Rupali Bima Bhaban, 1 Rajuk Avenue (5<sup>th</sup> & 6<sup>th</sup> Floor), Motijheel, Dhaka-1000.



## AlphaRating's Research Methodology for Determining Insurance Rating



Analysis is segmented into two or three sub sectors:

- ▶ Industry Outlook
- ▶ Competitive Position
- ▶ Operational Analysis

Analysis is segmented into four sub sectors:

- ▶ Earnings
- ▶ Cash Flow
- ▶ Generating Ability & Debt Servicing Capacity
- ▶ Capital Adequacy
- ▶ Financial Flexibility

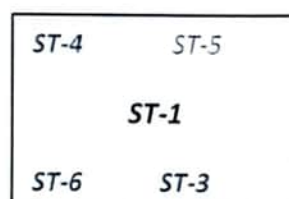
It is one of the key elements of the rating methodology since management decides what businesses to be in, what strategies should be pursued and how these activities should be financed.

Senior personnel review each company to determine the appropriate final credit rating.

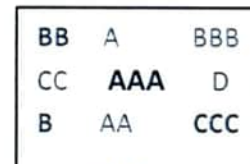
- ▶ Review Modeling Assumption
- ▶ Approve Company-Specific Adjustments

## Rating Outlook

POSITIVE	Rating may be raised
NEGATIVE	Rating may be lowered
STABLE	Rating is likely to remain unchanged
DEVELOPING	Rating may be raised, lowered or remain unchanged.



ST-1	Strong Capacity
ST-2	Good Capacity
ST-3	Adequate Capacity
ST-4	Weak Capacity
ST-5	Very Weak Capacity
ST-6	High Risk of Default



AAA	Exceptionally Strong Capacity
AA	Very Strong Capacity
A	Strong Capacity
BBB	Low Expectation of Ceased or Interrupted Payments
BB	Elevated Vulnerability to Ceased or Interrupted Payments & Key Financial Indicators
B	Significant Risk of Ceased or Interrupted Payments Could Occur in the Future.
CCC	Real Possibility That Ceased or Interrupted Payments Could Occur in the Future.
CC	Probable that Ceased or Interrupted Payments Could Occur in the Future.
C	Ceased or interrupted payments are imminent

Note: "+" or "-" may be appended to a rating to indicate the relative position of a credit within the rating category. Such suffixes are not added to ratings in the 'AAA' category or to ratings below the 'B' category.

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