Purabi General Insurance Company Limited

Sandhani Life Tower (2nd Floor), 34 Bangla Motor, Dhaka-1000

(Non-Life Insurance)

16 July, 2026

Chief Executive Officer
Purabi General Insurance Company Limited
Sandhani Life Tower (2nd Floor), 34 Bangla Motor, 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 Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
16 July, 2026	15 July, 2027	7th Surveillance	AA+	ST-2	Stable

The long-term rating & short-term rating is valid up to 15 July, 2027. 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,

Tahzina Khaled
Chief Rating Officer

This letter is integral part of the credit rating report

Purabi General Insurance Company Limited | ***AA+** Long Term Rating* | ***ST-2** Short Term Rating* | ***Stable** Outlook*

*Rating Action 7th **Surveillance*** | *Date of Declaration **16 July, 2026*** | *Valid Till **15 July, 2027***

Business Risk	Liquidity	Profitability	Solvency Score	Capital Adequacy	Sector
High	Good	Good	Good	Adequate	Non-life

Previous Rating

*Long Term Rating: **AA***
*Short Term Rating: **ST-2***
*Outlook: **Stable***
*Date of Declaration: **03 August, 2025***
*Valid From: **01 August, 2025***
*Valid Till: **31 July, 2026***

Contact Analysts

Md. Rakibul Hasan
rakibul@alpharating.com.bd

Razzaqul Haider
razzaqul@alpharating.com.bd

Contents

Date of Incorporation:
29th June, 1988

DSE Listing:
04th August, 1995

Board Chairman:
Mojibul Islam

Chief Executive Officer:
Sukumar Chandra Roy

Total Asset:
BDT 1,844.65 million (As on 31.12.2025)

Authorized Capital:
BDT 1,000.00 million (As on 31.12.2025)

Paid up Capital:
BDT 598.13 million (As on 31.12.2025)

Rationale

AlphaRating, vide credit rating Agreement No. 3064, upgrades long term rating to **"AA+" (Pronounced as "Double A Plus")** from **"AA" (Pronounced as "Double A")** and affirms 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 improved solvency margin, adequate reserve for unexpired risk, spare management expense, agency commission within the regulatory ceiling of 15%, claim settlement period within the stipulated 90 days, fulfillment of the paid-up capital requirement, positive operating cash flow, increased investment income and yield on investment etc. The rating also recognizes the company's experienced management team and established operating track record.

However, the strength of the rating is partly offset by decreased underwriting & net profit, decreased gross and net premium, combined ratio above the 100% benchmark and continued non-compliance with the regulatory ceiling on FDR-based investment etc. The rating further considers the inherent risks associated with the insurance industry, including intense competition among insurers, an uncertain economic environment, a shortage of qualified insurance professionals in Bangladesh and the relatively low level of development of the domestic insurance market.

FYE 31 December	*2025*	*2024*	*2023*	*2022*
Gross premium (BDT in million)	*246.36*	*258.08*	*238.27*	*183.46*
Net premium (BDT in million)	*114.28*	*133.69*	*114.90*	*57.90*
Net Claim (BDT in million)	*54.69*	*4.57*	*15.25*	*5.21*
Underwriting Profit (BDT in million)	*16.02*	*61.23*	*30.43*	*30.64*
Combine ratio (%)	*115.11*	*56.95*	*72.48*	*109.30*
Net profit (BDT in million)	*72.28*	*91.84*	*70.92*	*83.71*
ROA (%)	3.92	5.83	4.89	6.00
ROE (%)	*8.46*	*10.89*	*8.61*	*10.53*
Excess/ (Spare) Mgt. Exp. (BDT in million)	*(19.30)*	*(3.98)*	*(24.23)*	*(14.51)*
Solvency Margin (x)	*10.75*	*9.60*	*10.84*	*20.21*
Investment (BDT in million)	*897.63*	*862.62*	*870.48*	*936.28*
Yield on Investment (%)	*11.39*	*10.11*	*9.01*	*11.08*
Current Ratio (x)	*1.68*	*1.95*	*2.18*	*2.21*
Operating Cash Flow (BDT in million)	*83.27*	*92.79*	*67.13*	*213.12*

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

Tanzina Khaled
Chief Rating Officer
Alpha Credit Rating PLC.

Company Profile

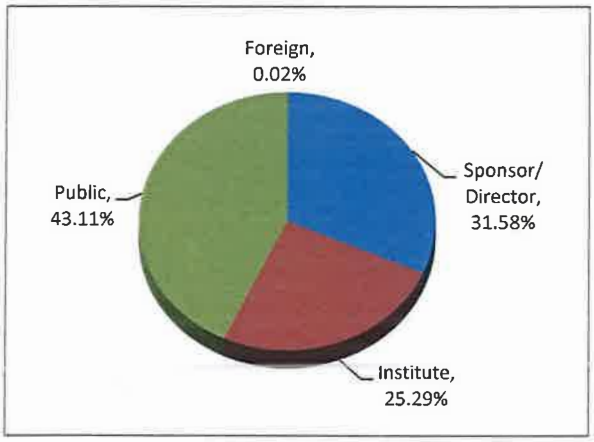
Purabi General Insurance Company Limited (PGICL) is a first (1st) generation private sector non-life insurance Company in Bangladesh. PGICL was incorporated as a Public Limited Company on 29th June 1988 under the Companies Act, 1913 and licensed under the Insurance Act. 1938 in order to run all types of general insurance business other than life insurance business. PGICL got registration from Controller of Insurance on 3rd November 1988. PGICL has been listed on the Dhaka Stock Exchange (DSE) since 4th August 1995.

The company operates through its Head Office located at Sandhani Life Tower (2nd Floor), 34 Bangla Motor, Dhaka-1000 and a network of 22 branches located in different strategically important areas of the country. PGICL's operations are supported by a dedicated workforce of 63 employees.

PGICL is a member of capital market having BDT 1,955.869 million market capitalization on 07.07.2026. According to DSE, market share of the company is categorized as "A"

Ownership Pattern

The shareholding pattern of the company is presented below: (According to DSE; as on 30 June, 2026)



List of Product & Services

Marine Insurance

- Marine Cargo Insurance.
- Marine Hull Insurance.
- Goods in Transit Insurance.

Fire Insurance

- Fire Insurance (including Allied Perils).
- Fire Package Insurance.
- Industrial All Risk Insurance (IAR).
- Property All Risk Insurance (PAR).
- Hotel Owners All Risk.

Motor Insurance

- Comprehensive Private Vehicle Insurance.
- Comprehensive Commercial Vehicle Insurance.
- Comprehensive Motor Cycle Insurance.
- Motor Liability Insurance.
- Motor Transit.

Engineering Insurance

- Machinery Breakdown Insurance (MBD).
- Boiler & Pressure Vessel Insurance (BPV).
- Deterioration of Stock Insurance (DOS).
- Erection All Risk Insurance (EAR).
- Contractor's Plant & Machinery Insurance (CPM).
- Contractor's All Risk Insurance (CAR).

Miscellaneous Insurance

- Cash-in-Safe Insurance (CIS).
- Cash-in-Transit Insurance (CIT).
- Cash-on-Counter Insurance (COC).
- Fidelity Guarantee Insurance (FG).
- All Risks Insurance.
- Burglary & House Breaking Insurance.
- Personal Accident Insurance (PA).
- People's Personal Accident Insurance (PPA).
- Workmen's Compensation Insurance (WC).
- Health Plan Insurance.
- Money Insurance for Bank.
- Bank Locker Insurance.
- Public/Third Party Liability Insurance.
- Product Liability Insurance.
- Professional Liability Insurance.
- Commercial General Liability Insurance.

Industry Overview

Insurance industry in Bangladesh

The insurance sector in Bangladesh is a growing component of the country's financial system, providing risk protection and long-term financial security to individuals and businesses.

At present, the industry consists of a total of 82 insurance companies operating across the country. These are broadly divided into two categories:

- Life insurance sector: There are 36 life insurance companies, including one state-owned life insurer. These companies mainly offer life coverage, savings-oriented insurance plans, pension schemes and other long-term financial protection products designed to support individuals and families.
- Non-life insurance sector: There are 46 non-life insurance companies, including one state-owned non-life insurer. These insurers provide coverage for risks such as property damage, fire, marine and cargo loss, motor vehicle insurance, health-related risks and various commercial and industrial uncertainties.

Supporting the insurance ecosystem, Bangladesh also has around 148 insurance surveyor firms. These organizations play a key role in assessing risks, inspecting damages and verifying insurance claims, helping ensure fairness and transparency in the claims settlement process.

Overall, approximately 22.2 million people in Bangladesh are currently covered under different types of insurance policies. This reflects a gradual but steady increase in insurance penetration, driven by rising awareness of financial protection, economic stability and risk management among the population.

Current Status of Insurance Industry

Item	2023	2024
	BDT in Crore	
Life insurers gross premium	12,312.19	12,306.45
Non-life insurers gross premium	5,953.28	6,049.08
Life insurers assets	47,267.34	48,847.88
Non-life insurers assets	17,591.34	19,588.12
Life insurers investment	39,153.48	40,351.85
Non-life insurers investment	10,524.90	11,217.32
Life insurers claim amount	12,117.08	13,056.03
Non-life insurers claim amount	3,214.92	4,322.23
Life insurers settled claim amount	8,639.94	8,609.55
Non-life insurers settled claim amount	1,142.46	1,333.15
Life claim settlement rate (%)	71.30%	65.94%
Non-life claim settlement rate (%)	35.54%	30.84%

Item	2023	2024
Life insurance policies	75,39,706	70,89,777
Non-life insurance policies	11,32,085	11,32,787
Life insurance agents	5,38,075	4,78,858
Non-life insurance agents	2,365	2,413
Life insurance branches	6,546	6,809
Non-life insurance branches	1,485	1,505
Life insurance staff	18,865	17,096
Non-life insurance staff	20,092	20,315

Insurance penetration & 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.

Currently, only about 22.2 million people out of a population of 171 million in Bangladesh are covered by insurance. Insurance penetration and density are calculated based on data provided by the country's insurers for 2023 and 2024 (Tables 1 & 2 and Figures 1, 2 & 3 and Figures 4, 5 & 6).

Table 1: Bangladesh's Gross Domestic Product (GDP), Premium Income & Penetration

Year	GDP (Current Prices)	Gross Premium		Penetration		
		Life	Non-Life	Life	Non-Life	Life & Non-Life
	BDT in Crore			%		
2009	7,05,071.80	84,928.48	1,389.67	0.70	0.20	0.90
2010	7,97,537.70	5,835.01	1,657.55	0.73	0.21	0.94
2011	9,15,818.80	6,258.74	1,967.37	0.68	0.21	0.90
2012	10,55,204.04	6,587.10	2,167.27	0.62	0.21	0.83
2013	11,98,923.17	6,839.71	2,292.80	0.57	0.19	0.76
2014	13,43,674.40	7,076.32	2,445.71	0.53	0.18	0.71
2015	15,15,802.30	7,316.09	2,643.01	0.48	0.17	0.66
2016	17,32,863.90	7,588.45	2,772.88	0.44	0.16	0.60
2017	19,75,815.20	8,989.07	2,981.43	0.41	0.15	0.57
2018	22,50,479.30	8,989.07	3,393.94	0.40	0.15	0.55
2019	25,42,482.60	9,599.63	3,789.78	0.38	0.15	0.53
2020	31,70,469.50	9,475.97	4,692.14	0.30	0.15	0.45
2021	35,30,184.80	10,232.51	5,396.42	0.29	0.15	0.44
2022	39,71,716.40	11.393.09	5,903.34	0.29	0.15	0.44
2023	44,90,841.70	12,312.19	5,953.28	0.27	0.13	0.41
2024	50,48,000.00	12,306.45	6,049.08	0.24	0.12	0.36

Figure 1: Life Insurance Sector Penetration (%)

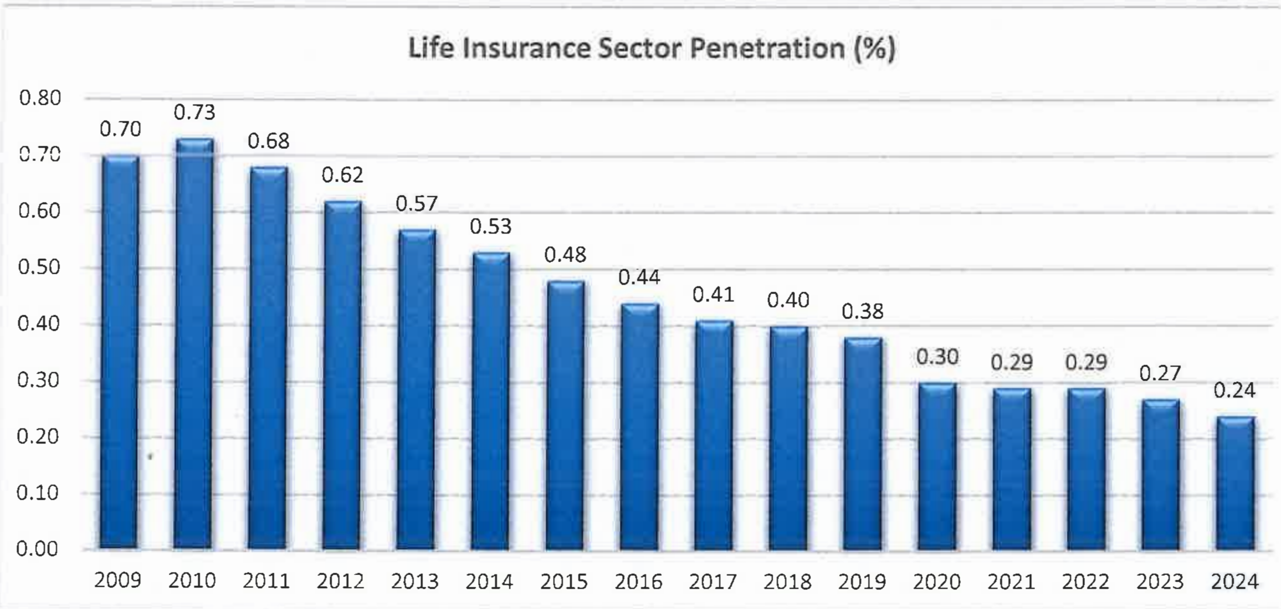


Figure 2: Non-Life Insurance Sector Penetration (%)

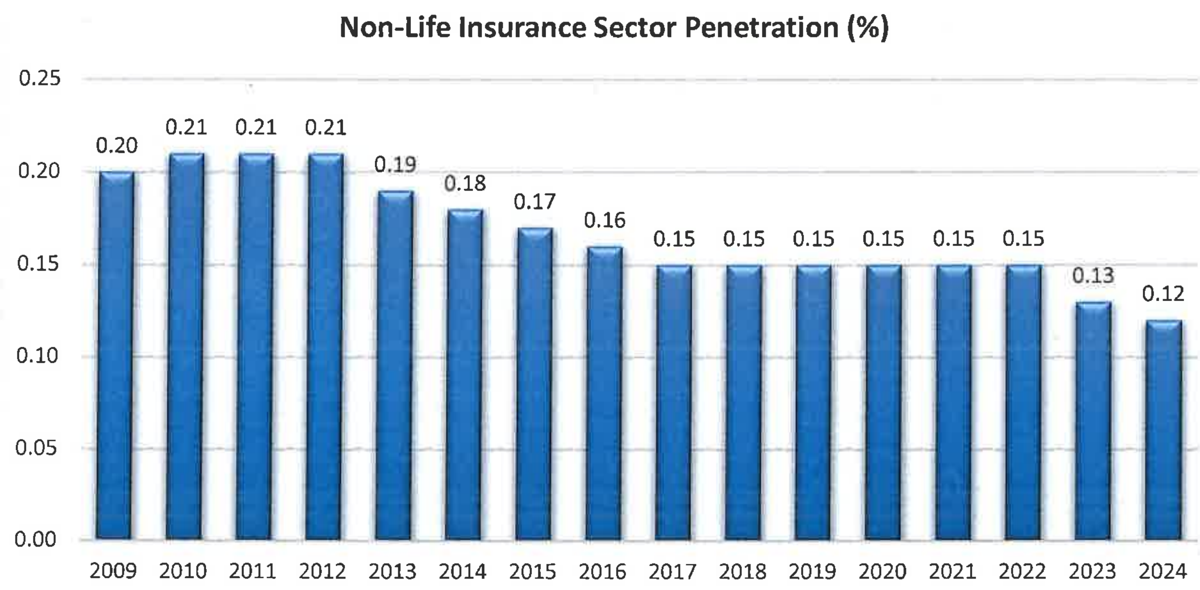


Figure 3: Life & Non-Life Insurance Sector Penetration (%)

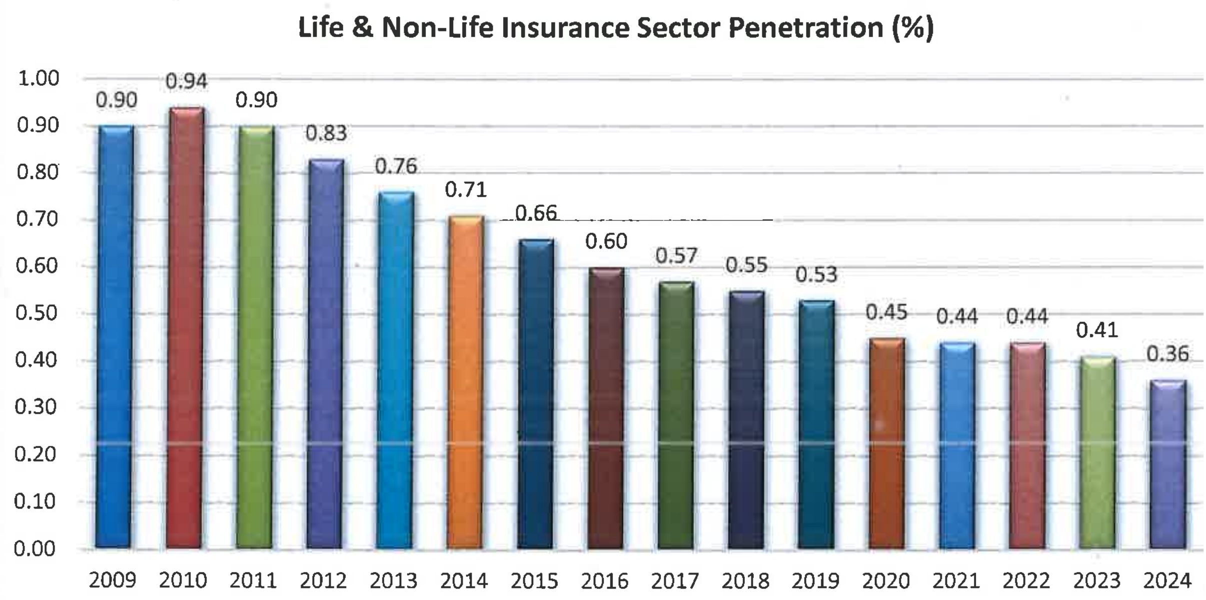


Table 2: Density of Population & Insurance

Year	Population (Crore)	Density (BDT)			Density (USD)
		Life	Non-Life	Total Business	
2009	15.05	327.57	92.36	419.94	6.10
2010	15.21	383.51	108.94	492.45	7.12
2011	15.39	406.38	127.82	534.21	7.50
2012	15.57	422.99	139.17	562.16	7.10
2013	15.76	434.07	145.51	579.58	7.25
2014	15.94	443.92	153.43	597.35	7.69
2015	16.12	453.85	163.96	617.81	7.95
2016	16.30	465.69	170.17	635.85	8.12
2017	16.47	497.87	181.06	678.93	8.58
2018	16.46	546.12	206.19	752.31	8.97
2019	16.59	578.69	228.46	807.15	9.56
2020	16.81	563.75	279.15	842.89	9.94
2021	17.01	601.65	317.30	918.95	10.80
2022	16.98	670.83	347.59	1,018.43	11.94
2023	17.10	720.01	348.15	1,068.16	9.89
2024	17.10	719.68	353.75	1,073.42	9.30

Figure 4: Density of Life Insurance Sector

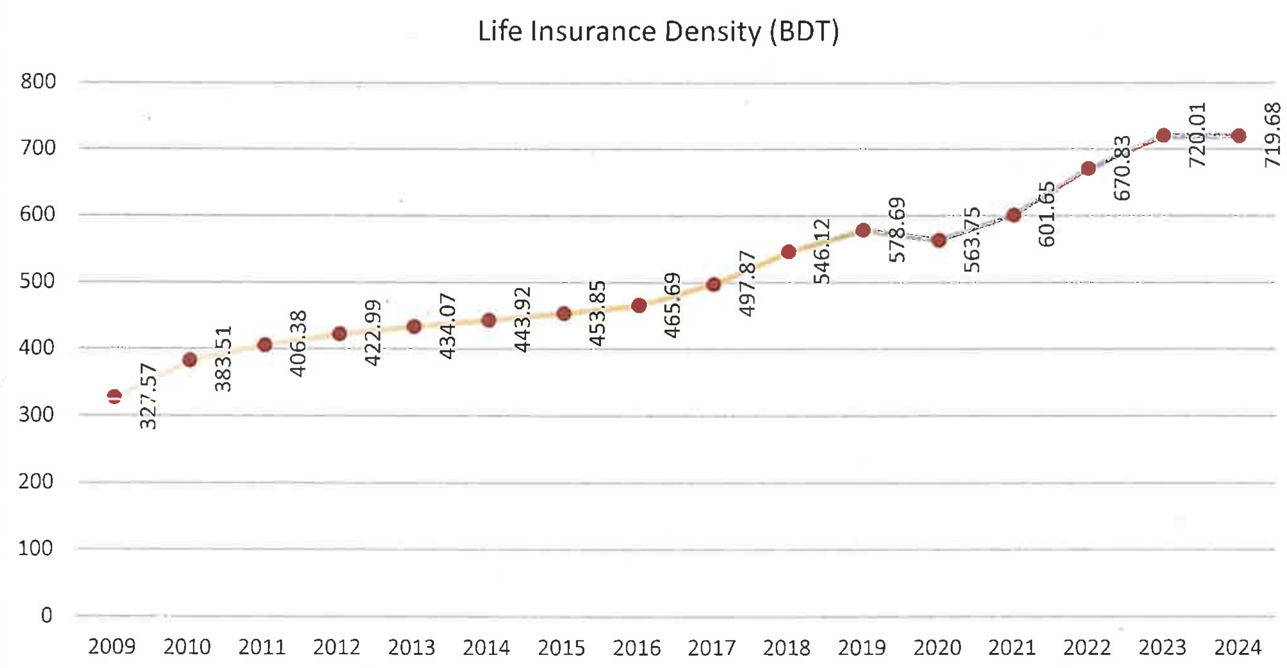


Figure 5: Density of Non-Life Insurance Sector

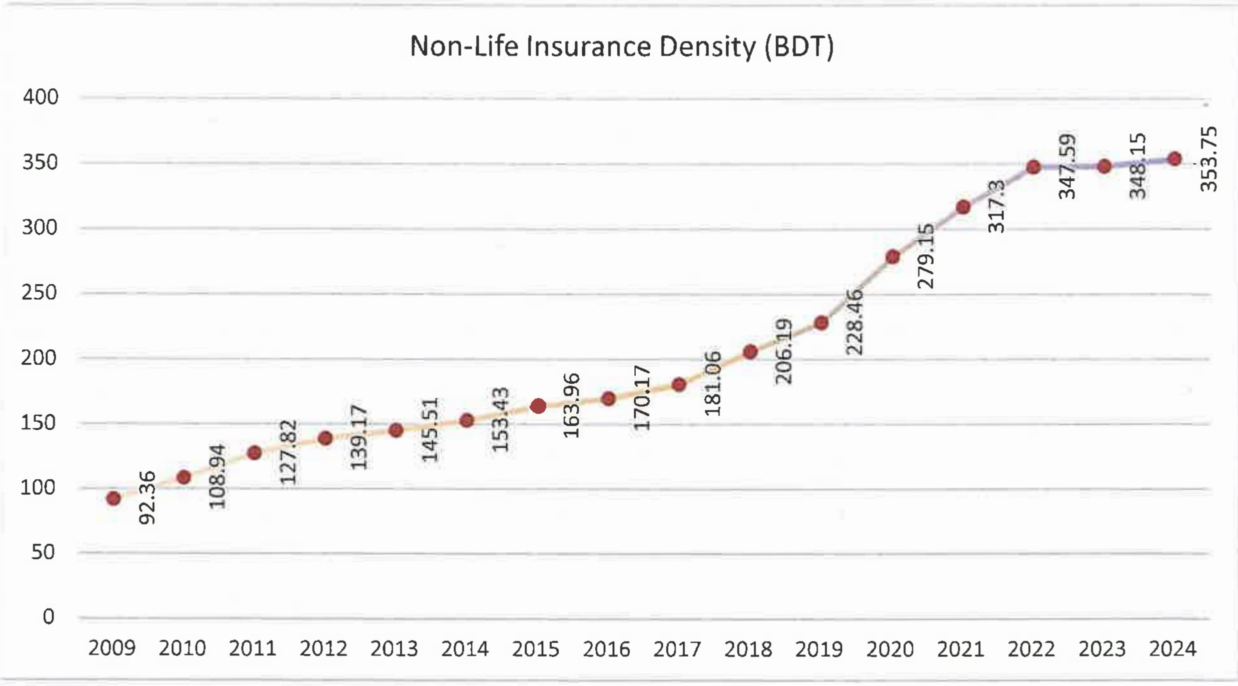
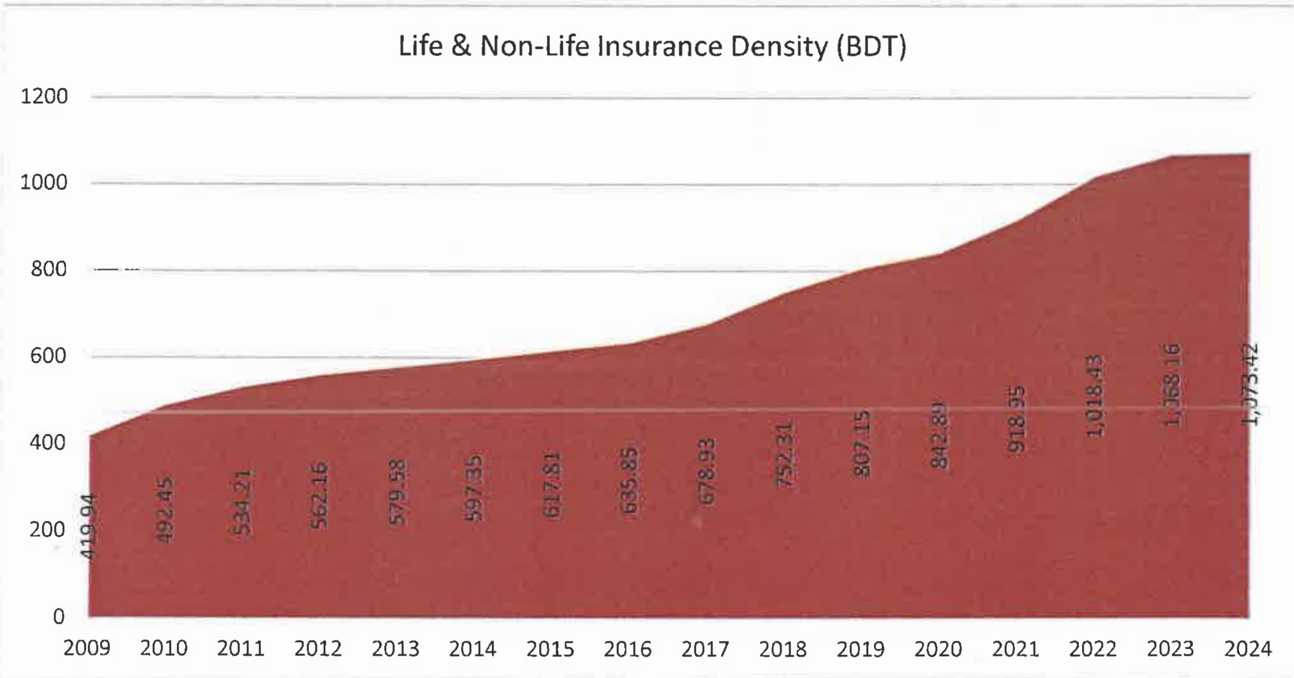


Figure 6: Density of Life & Non-Life Insurance Sector



Review of insurance industry in Bangladesh

Insurer's premium income

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 and non-life) in Bangladesh in 2023 and 2024 was 5.60% and 0.49% respectively. The total premium income in 2023 and 2024 was BDT 18,265.47 Crore and BDT 18,335.53 Crore respectively (Table 3).

Table 3: Premium income & growth rate in the insurance industry.

Year	Gross Premium			Growth		
	Life	Non-Life	Life & Non-Life	Life	Non-Life	Life & Non-Life
	BDT in Crore			%		
2010	5,835.01	1,657.55	7,492.56	18.39	19.28	18.59
2011	6,254.74	1,967.37	8,222.11	7.19	18.69	9.74
2012	6,587.10	2,167.27	8,754.37	5.31	10.16	6.47
2013	6,839.71	2,292.80	9,132.51	3.83	5.79	4.32
2014	7,076.32	2,445.71	9,522.03	3.46	6.67	4.27
2015	7,316.09	2,643.01	9,959.10	3.39	8.07	4.59
2016	7,588.45	2,772.88	10,361.33	3.72	4.91	4.04
2017	8,198.46	2,981.43	11,179.89	8.04	7.52	7.90
2018	8,989.07	3,393.94	12,383.01	9.64	13.84	10.76
2019	9,599.63	3,789.78	13,389.41	6.79	11.66	8.13
2020	9,475.97	4,692.14	14,168.11	-1.29	23.81	5.82
2021	10,232.51	5,396.42	15,628.94	7.98	15.01	10.31
2022	11,393.09	5,903.34	17,296.43	11.34	9.39	10.67
2023	12,312.19	5,953.28	18,265.47	8.07	0.85	5.60
2024	12,306.45	6,049.08	18,355.53	-0.05	1.61	0.49

The lack of timely settlement of insurance claims has undermined the confidence of customers and the general public in the insurance sector. As a result, premium growth in the industry has continued to rise but at a declining rate. In 2022, the gross premium in the life insurance sector amounted to BDT 17,296.43 Crore, which increased to BDT 18,265.47 Crore in 2023. According to estimates for 2024, the gross premium reached BDT 18,355.53 Crore. Of the total gross premium in 2024, BDT 12,306.45 Crore came from the life insurance sector, while BDT 6,049.08 Crore was generated from the non-life insurance sector (Table 3).

Insurer's assets

As can be seen in Table 4, the majority share of the total assets of the insurance industry as of December 31, 2023 and 2024, i.e., BDT 47,267.34 Crore (72.88%) and BDT 48,847.88 Crore (71.38%), was under the control of life insurers. The total assets of life insurers increased by 3.34% in 2024 compared to 2023. The total assets of insurers in non-life insurance were BDT 17,591.34 Crore and BDT 19,588.12 Crore respectively as of December 31, 2023 and 2024, and the growth rate in 2024 was 11.35%. The increase in the growth rate of assets in the life and non-life insurance sectors led to an increase in assets in the insurance industry as a whole, with the growth rate of assets in 2023 being 4.13% which is 5.52% in 2024.

Table 4: Total assets & growth rate of the insurance industry in Bangladesh

Year	Assets			Growth		
	Life	Non-Life	Life & Non-Life	Life	Non-Life	Life & Non-Life
	BDT in Crore			%		
2010	16,646.00	4,741.00	21,387.00	27.05	10.54	22.98
2011	20,253.00	5,499.00	25,752.00	21.6	15.99	20.41
2012	23,963.00	6,392.00	30,355.00	18.32	16.24	17.87
2013	27,569.00	7,416.00	34,985.00	15.05	16.02	15.25
2014	31,392.00	7,916.00	39,308.00	13.87	6.74	12.36
2015	33,289.00	8,663.00	41,952.00	6.04	9.44	6.73
2016	35,014.00	9,737.00	44,751.00	5.18	12.40	6.67
2017	37,052.00	11,124.00	48,176.00	5.82	14.24	7.65
2018	38,687.51	11,293.23	49,980.74	4.41	1.52	3.75
2019	41,174.62	12,074.70	53,249.32	6.43	6.92	6.54
2020	43,879.79	13,384.95	57,264.74	6.57	10.85	7.54
2021	45,333.42	16,238.45	61,571.87	3.31	21.32	7.52
2022	45,592.86	16,696.13	62,289.00	0.57	2.82	1.16
2023	47,267.34	17,591.34	64,858.68	3.67	5.36	4.13
2024	48,847.88	19,588.12	68,435.99	3.34	11.35	5.52

Insurer's investment

The growth rate of investment in the life and non-life insurance sector in 2023 was 6.81%. This rate decreased significantly to 3.81% in 2024. Overall, the amount of investment increased every year. The total investment amount increased from BDT 49,678.37 Crore in 2023 to BDT 51,569.17 Crore in 2024 (Table 5). According to the 2023 estimates, 75.35% of total assets have been invested in various sectors.

Table 4: Total investment amount & growth rate of the insurance industry in Bangladesh

Year	Investment			Growth		
	Life	Non-Life	Life & Non-Life	Life	Non-Life	Life & Non-Life
	BDT in Crore			%		
2010	12,957.00	2,729.00	15,686.00	31.85	33.38	32.11
2011	15,766.00	3,044.00	18,810.00	21.68	11.54	19.92
2012	19,100.00	3,721.00	22,821.00	21.15	22.24	21.32
2013	22,120.00	4,193.00	26,313.00	15.81	12.68	15.30
2014	24,865.00	8,628.00	29,493.00	12.41	10.37	12.09
2015	26,788.00	4,884.00	31,672.00	7.73	5.53	7.39
2016	27,888.00	5,189.00	33,077.00	4.11	6.24	4.44
2017	29,934.00	5,855.00	35,789.00	7.34	12.83	8.20
2018	31,080.24	5,984.55	37,064.79	3.83	2.21	3.56
2019	33,831.42	6,324.67	40,156.09	8.85	5.68	8.34
2020	36,692.72	6,839.32	43,532.04	8.46	8.14	8.41
2021	38,041.15	7,913.96	45,955.11	3.67	15.71	5.57
2022	37,878.36	8,632.37	46,510.73	-0.43	9.08	1.21
2023	39,153.48	10,524.90	49,678.37	3.37	21.92	6.81
2024	40,351.85	11,217.32	51,569.17	3.06	6.58	3.81

Source: IDRA Annual Report 2024–2025 (Bangladesh Insurance Development and Regulatory Authority)

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 and overseas reinsurers, which helps the company to pay off its claims.

Regulatory Risk

The increasing intensity of regulatory requirements plays a significant role in the development of the insurance industry. The Insurance Development and Regulatory Authority Act 2010 and the Insurance Act 2010 have replaced the previous insurance laws, introducing substantial changes in the regulatory framework of the sector. To strengthen the solvency position of insurers, the minimum paid-up capital requirement for non-life insurance companies has been increased to BDT 400.00 million.

In addition, The Insurance Development and Regulatory Authority, through Circular No. Non-Life: 109/2025 dated 23 December 2025, has suspended all individual agent licenses for non-life insurance companies. Accordingly, from 1 January 2026, no individual insurance agents will operate in the non-life insurance sector in Bangladesh and consequently, no commission shall be payable to individual agents.

Furthermore, the mandatory credit rating system for insurance companies is expected to have a positive impact on the industry, as institutional clients increasingly rely on strong credit ratings to safeguard their interests. Overall, these regulatory measures are expected to make the insurance market more stable, transparent and uniform, while also putting pressure on underperforming companies to improve their performance and maintain market share.

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.

Human Resource

Human resource risk arises in various forms, including the absence of adequately skilled personnel and challenges in maintaining a strong talent pipeline aligned with evolving business requirements. Organizations with an ageing workforce are particularly exposed to this risk, especially in industries that require continuous adaptation and innovation.

In the context of the Bangladeshi insurance industry, there is a growing need for transformation. Limited exposure to international best practices and insufficient training opportunities have contributed to a knowledge gap, which has, in turn, slowed the overall 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.

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.

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 penetrated; these sectors can lead PGICL to generate greater revenue as well as profit.

Socio-political-economic Risk

Socio-political-economic risk arises from changes in a country's political, social and economic environment that may adversely affect employment, income levels, savings and overall investment activity. In Bangladesh, political instability is a key concern, often leading to disruptions in business operations and creating uncertainty in the economic environment.

Such instability can negatively impact business activities across all sectors, including the insurance industry. Frequent disruptions and inconsistent policy environments may affect the company's ability to generate new policies, as well as influence claim patterns and overall business performance. As a result, socio-political and economic volatility remains an important external risk factor for PGICL.

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 2025, PGICL's gross premium decreased to BDT 246.36 million from BDT 258.08 million in FY 2024, while net premium also fell to BDT 114.28 million from BDT 133.69 million, showing a decline of 4.54% and 14.52% respectively. At the same time, underwriting profit dropped significantly to BDT 16.02 million in FY 2025 from BDT 61.23 million in FY 2024, marking a decline of 73.83%.

Selected Indicators
(Without considering commission on reinsurance ceded)

	Year Ended Dec. 31			
	2025	2024	2023	2022
Loss ratio (%)	47.86	3.42	13.27	9.00
Expense ratio (%)	67.25	53.54	59.21	100.30
Combined ratio (%)	115.11	56.95	72.48	109.30

Underwriting performance is evaluated by the combined ratio, which represents the ratio of losses and expenses to net premiums. The company's loss ratio increased to 47.86% in FY 2025, mainly due to a sharp rise in net claims incurred, which increased to BDT 54.69 million from BDT 4.57 million in FY 2024, while net premium declined by 14.52%. The expense ratio also rose to 67.25% in FY 2025 from 53.54% in FY 2024, as actual management expenses increased by 7.37% despite the decline in net premium. As a result, the combined ratio reached 115.11% in FY 2025, exceeding the 100% benchmark.

Selected Indicators
(After considering commission on reinsurance ceded)

	Year Ended Dec. 31			
	2025	2024	2023	2022
Loss ratio (%)	40.81	3.00	11.52	6.80
Expense ratio (%)	57.34	46.93	51.38	75.85
Combined ratio (%)	98.14	49.93	62.90	82.66

After considering the commission on reinsurance ceded, the company's combined ratio stood just below 100% benchmark.

Management Expense

As per the Insurance Act 2010, non-life insurance companies are required to determine their allowable management expenses in accordance with the prescribed guidelines and ensure that their actual management expenses remain within the approved limit.

As per the regulatory guideline, the allowable management expense was BDT 96.15 million, while the actual expense stood at BDT 76.85 million, leaving a spare of BDT 19.30 million. This means the company utilized 79.93% of its allowable management expense in FY 2025, compared to 94.73% in FY 2024, reflecting improved cost control.

Selected Indicators

	Year Ended Dec. 31			
BDT in millions	**2025**	**2024**	**2023**	**2022**
Actual management expense	76.85	71.57	68.03	58.08
Allowable management expense	96.15	75.56	92.26	72.59
Excess/ (Spare) management expense	(19.30)	(3.98)	(24.23)	(14.51)
Actual management Expense as % of Allowable Expense	79.93	94.73	73.74	80.01

In accordance with Section 59 of the Insurance Act, 2010 regarding the limitation of commission expenses for non-life insurers, together with IDRA Circular No. Non-Life-32/2012, insurance agents in Bangladesh are prohibited from receiving commission or any other form of remuneration exceeding 15% of gross premium. In FY 2025, PGICL incurred agency commission of BDT 23.26 million against gross premium of BDT 246.36 million, representing 9.44% of gross premium, which remained within the regulatory limit.

Furthermore, the Insurance Development and Regulatory Authority, through Circular No. Non-Life: 109/2025 dated 23 December 2025, has suspended all individual agent licenses for non-life insurance companies. Accordingly, from 1 January 2026, no individual insurance agents will operate in the non-life insurance sector in Bangladesh and consequently, no commission shall be payable to individual agents.

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	**2025**	**2024**	**2023**	**2022**
Claim Initiated (BDT in million)	241.07	31.28	15.30	5.55
Claim Settled (BDT in million)	5.78	31.47	3.87	5.43
Claim Repudiated (BDT in million)	-	-	0.56	0.11
Number of Claim Initiated	126	69	67	45
Number of Claims Settled	48	75	60	44
Number of Claims Repudiated	-	-	2	1

During FY 2025, the company initiated 126 claims amounting to BDT 241.07 million, of which 48 claims worth BDT 5.78 million were settled, resulting in a claim settlement ratio of 38.10%. No claims were repudiated during the year. The significant increase in claims was primarily attributable to the sudden fire at the cargo village of Dhaka Airport. However, despite the higher number of claims initiated, claim settlements remained comparatively low due to delays in the submission of the required claim documents by policyholders, which postponed the processing and settlement of claims.

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 was observed that the average claim settlement period across all classes of business was 90 days in FY 2025.

Profitability

Selected indicators

			Year Ended Dec. 31	
	2025	**2024**	**2023**	**2022**
Net profit (BDT in million)	72.28	91.84	70.92	83.71
Return on assets (%)	3.92	5.83	4.89	6.00
Return on equity (%)	8.46	10.89	8.61	10.53

The profitability position of PGICL deteriorated in FY 2025 compared to the previous year. The company generates profit from various sources, including underwriting profit, investment income and other income. Among these, investment income remained the major contributor, accounting for 86.45% of total income in FY 2025. The investment income comprised interest income, dividend income & gain or loss from sale of share. During the year, investment income increased to BDT 102.23 million from BDT 87.22 million in FY 2024, mainly driven by higher interest and dividend earnings.

Besides investment income, underwriting profit contributed 13.55% of total income in FY 2025, compared to 27.88% in FY 2024. Total underwriting profit declined by BDT 45.21 million and stood at BDT 16.02 million in FY 2025, against BDT 61.23 million in FY 2024. Segment-wise, underwriting performance improved in the fire, motor and miscellaneous insurance segments, whereas the marine insurance segment incurred an underwriting loss during the year. This decline in underwriting profitability, despite higher investment income, contributed to the overall deterioration in the company's profitability position.

Return on Assets (ROA) measures the company's ability to generate profit from its total asset base, while Return on Equity (ROE) indicates the amount of net income earned as a percentage of shareholders' equity. During the year, both ROA and ROE declined due to a decrease in the company's net profit.

Investment Profile

Level of investment of the company has increased during FY 2025. The company has maintained a conservative investment portfolio, with the majority of its investments concentrated in Fixed Deposit Receipts (FDRs). It has been observed that investment in FDRs increased by BDT 5.42 million in FY 2025, reaching BDT 725.92 million.

Under the Insurance Act, 2010, PGICL is required to maintain a statutory investment of BDT 25.00 million in Bangladesh Government Treasury Bonds. It was observed that the company has consistently maintained statutory investments well above the regulatory minimum. The statutory investment increased to BDT 64.50 million in FY 2025 from BDT 59.50 million in FY 2024, demonstrating the company's continued compliance with regulatory requirements.

Investment in the stock market constitutes another significant component of the company's investment portfolio. As of FY 2025, the company held stock market investments with a cost value of BDT 107.22 million, while the corresponding market value stood at BDT 94.59 million. In addition to this, the company's total asset base comprises short-term bank deposits, fixed assets and other current assets. As a result, the total asset base increased to BDT 1,844.65 million in FY 2025 compared to the previous year.

Selected Indicators

	Year Ended Dec. 31			
BDT in millions	**2025**	**2024**	**2023**	**2022**
Total Investment	897.63	862.62	870.48	936.28
Investment income as % of total income	86.45	58.71	71.86	77.20
Yield on investment (%)	11.39	10.11	9.01	11.08

Investment income as a percentage of total income increased significantly to 86.45% in FY 2025 from 58.71% in FY 2024. This increase was mainly attributable to a 17.20% growth in investment income, while total income declined by 20.40% during the same period. On the other hand, supported by the increase in investment income, the yield on investment improved to 11.39% in FY 2025 from 10.11% in FY 2024.

Items	Required Rate (in terms of assets)	PGICL's Rate (%)			
		2025	2024	2023	2022
Govt. Securities	7.50% (min)	7.66	7.16	0.52	0.47
BSEC approved Shares (Total)	25% (max)	12.16	9.15	7.06	5.63
FDR (Bank)	80% (max)	93.35	93.35	92.42	91.56
Others	5% (Max)	-	-	-	2.34

During FY 2025, PGICL maintained an excessive amount of investment in FDR with scheduled bank, exceeding the permissible limit prescribed under the IDRA regulation dated 14 November 2019.

Liquidity Analysis

Selected indicators

	Year Ended Dec. 31			
	2025	**2024**	**2023**	**2022**
Current ratio (times)	1.68	1.95	2.18	2.21
Current asset/net claim (times)	30.48	311.92	89.62	255.54
Cash & bank balance/total assets (%)	43.05	51.90	57.37	64.76
Operating cash flow/net claim paid out (%)	152.26	2030.94	440.27	4091.04
Operating Cash Flow (CFO) (BDT in million)	83.27	92.79	67.13	213.12

Liquidity refers to a company's ability to meet its short-term obligations using its current assets. In the case of PGICL, the current ratio slightly declined to 1.68 times in FY 2025 from 1.95 times in FY 2024. Nevertheless, the ratio remained well above 1.0, indicating a good liquidity position and the company's ability to comfortably meet its short-term liabilities.

Current assets to net claim ratio declined to 30.48 times in FY 2025. The decline was driven by a sharp increase in net claims by 1097.16%, outpacing the 16.99% growth in current assets during the year. The ratio of cash and bank balance to total assets also declined in FY 2025, primarily due to a 2.83% decrease in cash and cash equivalents, coupled with a 17.16% increase in total assets.

The company generated operating cash flow of BDT 83.27 million in FY 2025, compared to BDT 92.79 million in FY 2024. Although operating cash flow remained positive, it declined during the year, indicating lower cash generation from the company's core operating activities.

Reinsurance Utilization

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. 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 SBC or with any other insurer whether in or outside Bangladesh.

PGICL has maintained reinsurance arrangement with SBC. Reinsurance protections availed from SBC (1st April, 2026 to 31st March, 2027) is presented below:

Selected Indicators

	Fire	Marine Cargo	Misc.
Treaty Limit	300.00	25.00	10.00
Retention	20.00	2.50	0.50
Line Limits	15 Line	10 Line	20 Line

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

In addition, facultative reinsurance coverage is arranged for risks exceeding treaty limits with Sadharan Bima Corporation as well as a wide range of reputed international reinsurers, including CICA RE, WAICA RE, FINSBURY RE, Best Meridian International Insurance Company, Worldwide Reinsurance Limited, Global RE LLC, ION Insurance Group S.A., Southern Pacific Insurance Corporation (SOPAC), International Insurance Company N.V. and Titan Capital Surety S.R.L.

Risk Retention Ratio

Individual class wise risk retention ratios of last 04 years are presented below:

Business Class\Year	2025	2024	2023	2022
Fire (%)	7.00	9.55	16.29	17.03
Marine (Cargo) (%)	71.50	77.29	74.38	49.65
Marine (Hull) (%)	4.75	3.10	2.86	1.68
Motor (%)	93.66	96.60	81.77	82.25
Misc. (%)	6.29	5.08	4.22	3.27
Total (Average) (%)	46.39	51.80	48.22	31.56

PGICL's total sum insured stood at BDT 28.29 billion, while reinsurance coverage amounted to BDT 10.39 billion in FY 2025. In general, a higher retention level indicates lower reliance on reinsurance protection, whereas a lower retention level may affect profitability. The company's overall risk retention ratio decreased to 46.39% in FY 2025 from 51.80% in FY 2024, indicating a slightly higher level of risk transfer to reinsurers compared to the previous year.

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.

In accordance with the regulations of the Insurance Development and Regulatory Authority (IDRA), all non-life insurance companies are required to prepare and maintain a statement of solvency margin to assess their financial soundness and ability to meet policyholder obligations. To ensure greater clarity, uniformity, and consistency in the calculation process, IDRA introduced the Solvency Margin Regulation, 2024, effective from 15 October 2024, which provides a standardized framework and methodology for determining the solvency margin of insurers.

Selected indicators

Year Ended Dec. 31

BDT in millions	2025	2024	2023	2022
Available Solvency (AS)	645.12	646.05	627.81	701.83
Required Solvency (RS)	59.99	67.28	57.89	34.73
Solvency Margin (times)	10.75	9.60	10.84	20.21

In FY 2025, PGICL's available solvency declined to BDT 645.12 million from BDT 646.05 million in FY 2024. During the same period, the required solvency also declined to BDT 59.99 million from BDT 67.28 million. As a result, the company's solvency margin improved to 10.75 times in FY 2025, compared to 9.60 times in the previous year. As of 31 December 2025, the solvency position remained comfortably above the regulatory minimum of 1.00 time, reflecting adequate capacity to meet policyholder liabilities and regulatory obligations.

Reserve Adequacy

Reserve for unexpired risk must be maintained by all insurance companies at 100% of net premium income for marine hull, 40% for fire and motor insurance and 50% for marine cargo and miscellaneous insurance business classes. It has been observed that PGICL has complied with these regulatory requirements in maintaining the reserve for unexpired risk.

In addition, the company also maintains a reserve for exceptional losses. In FY 2025, the reserve increased to BDT 72.73 million, reflecting a rise of BDT 11.43 million compared to the previous year. This reserve is equivalent to 10% of net premium for the year.

Furthermore, the reserve for exceptional losses stood at 1.33 times the net claims in FY 2025, compared to 13.41 times in FY 2024. This substantial decline indicates a significant reduction in the company's capacity to absorb unexpected losses.

Capital Adequacy

According to the statutory capital requirement under the Insurance Act, 2010, every non-life insurance company is required to maintain a minimum paid-up capital of BDT 400 million, of which at least 60% must be subscribed by the sponsors and the remaining 40% shall remain open for public subscription. As of FY 2025, the company's paid-up capital remained unchanged at BDT 598.13 million.

The following table presents a summary of PGICL's historical dividend declarations and rights issues:

Fiscal Year	Cash Dividend (%)	Bonus Issue (Stock Dividend) (%)	Right Issue
2024	10.00	-	-
2023	10.00	-	-
2022	7.00	3.00	-
2021	10.00	-	-
2020	5.00	5.00	-
2019	10.00	-	-
2018	12.00	-	-
2017	-	12.00	-
2016	-	10.00	-
2015	-	12.00	-
2014	-	15.00	-
2013	-	15.00	2R:1
2012	-	10.00	-
2011	-	10.00	-
2010	-	15.00	-
2009	-	10.00	-
2008	-	10.00	-

Management & Other Qualitative Factors

Composition of the Board

The composition of the Board complies with the regulatory requirements of Insurance Development and Regulatory Authority (IDRA) and Bangladesh Securities and Exchange Commission (BSEC). The Board consists of 11 directors, including 04 sponsor directors and 03 independent directors. The members are professionally competent and possess extensive experience in management, law and business. The Board is chaired by Mojibul Islam. The company has also complied with the requirement of the Bangladesh Securities and Exchange Ordinance, 1969, which stipulates that at least one-fifth of the total number of directors must be independent directors. During FY 2025, the Board held a total of 04 meetings.

Management Team

The management team operates within the guidelines, limits, policies and budgetary controls approved by the Board. The team is headed by the Chief Executive Officer, Sukumar Chandra Roy, who is responsible for implementing the policies and procedures adopted by the Board. The Chief Executive Officer oversees the internal control system, monitors day-to-day operations and ensures the safety and security of the company.

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.

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

Audit Committee

The audit committee comprises of 03 members. Independent Director, Dr. Md. Mizanoor Rahman is the chairman of the committee. The responsibility 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. In FY 2025, 04 meetings were held by the committee.

Nomination & Remuneration Committee (NRC)

Nomination & Remuneration Committee (NRC) is consists of 05 members. Independent Director, Amzad Hussain CIP is the chairman of NRC. The responsibility of NRC is to cultivate Board & executive leadership, identify & recommend talent, design fair & effective remuneration, uphold director independence & manage conflicts, evaluate Board & committee performance etc. In FY 2025, 02 meetings were held by the committee.

Investment Committee

The Investment committee consists of 06 members and is chaired by Golam Fatema Tahera Khanam. The committee is responsible for defining & overseeing investment strategy, strategic asset allocation & diversification, monitoring investment performance, managing investment risk, ensuring compliance & regulatory adherence, reporting to the Board etc. In FY 2025, 04 meetings were held by the committee.

Risk Management Committee

The Risk Management Committee consists of 05 members and is chaired by Col. Md. Saleh Ahmed (Retd). 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 regulatory standard etc. In FY 2025, 04 meetings were held by the committee.

Policyholder Protection & Compliance Committee

The Policyholder Protection & Compliance Committee consists of 05 members and is chaired by Col. Md. Saleh Ahmed (Retd.). The responsibility of the committee is to ensure fair treatment of policyholder, develop & maintain compliance policies, manage policyholder complaints, train staff on compliance & policyholder protection, monitor compliance with regulation, protect policyholder information, ensure clear communication with policyholders, provide reports to management & regulators, advise on business decisions etc. In FY 2025, 02 meeting was held by the committee.

Internal Control system

PGICL maintains a robust internal control system to support effective governance, risk management, regulatory compliance and operational efficiency. The framework promotes a strong control culture, regular risk assessment, effective control activities, reliable information and communication, secure ICT systems and continuous monitoring.

Key controls are implemented across underwriting, claims, investments, accounting, reinsurance, solvency, policyholder protection and anti-money laundering, with appropriate segregation of duties and oversight. The company also maintains secure ICT infrastructure to safeguard data and manage technology risks. The effectiveness of the internal control system is regularly reviewed through independent internal audits, periodic assessments and timely implementation of corrective actions.

IT Infrastructure

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. 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.

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. As of December 2025, the total number of employees stood at 63, while the employee turnover rate for FY 2025 was 14.29%.

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 Co. Ltd.)	Vice-Chairman
03	Faisal Kabir Chowdhury	Sponsor Director
04	Mohammad Iqbal	Sponsor Director
05	Naziba Begum	Sponsor Director
06	Md. Nazrul Islam Chowdhury	Sponsor Director
07	Col. Md. Saleh Ahmed (Retd.) (Representative of Mona FCS Ltd.)	Director
08	Nazneen Akther	Director
09	Amzad Hussain, CIP	Independent Director
10	Dr. Md. Mizanoor Rahman	Independent Director
11	Prof. Abu Zayed Mohammad	Independent Director

Major Shareholders *(According to DSE; as on 30 June, 2026)*

Sponsor/Director	31.58%
Institute	25.29%
Public	43.11%
Foreign	0.02%

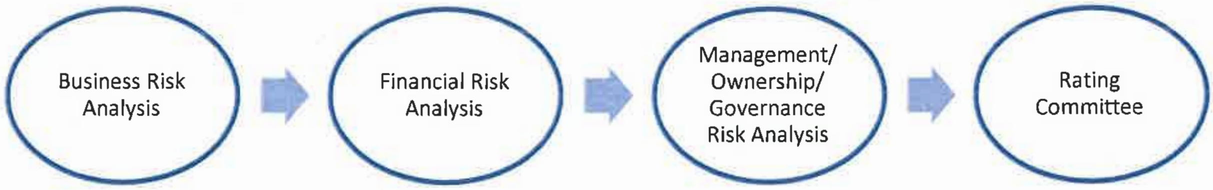
Head Office

Purabi General Insurance Company Limited
Sandhani Life Tower (2nd Floor), 34 Bangla Motor, Dhaka-1000
Web: purabiinsurance.org
Email: purabiinsurance@gmail.com
Phone: +8801714044146

Auditor

PKF Aziz Halim Khair Choudhury
Chartered Accountants
Phulbari House, House 25, Road 1, Sector 9, Uttara Model Town, Dhaka-1230

AlphaRating's Research Methodology for Determining Insurance Rating



Business Risk Analysis

Analysis is segmented into two or three sub sectors:

- Industry Outlook
- Competitive Position
- Operational Analysis

Financial Risk Analysis

Analysis is segmented into four sub sectors:

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

Management/ Ownership/ Governance Risk Analysis

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.

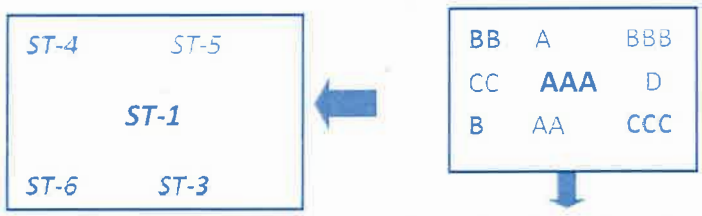
Rating Committee

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.