

**CREDIT RATING REPORT
ON
TAKAFUL ISLAMI INSURANCE PLC**

RATING REPORT CONTENTS

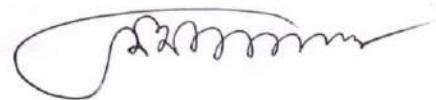
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[FORM-IX]
[Rule 10(8) A(g)]

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Mohammad Jahangir Alam
Chief Executive Officer (CEO)
National Credit Ratings Ltd

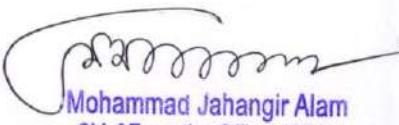
EXECUTIVE SUMMARY
2ND SURVEILLANCE ENTITY RATINGS OF
TAKAFUL ISLAMI INSURANCE PLC

Declaration Date	12.01.2026	09.01.2025
Long Term Entity Rating	AAA (Triple A)	AAA (Triple A)
Short Term Entity Rating	ST-1	ST-1
Outlook	Stable	Stable
Expiry Date	11.01.2027	08.01.2026

Performance Highlights:

Particulars	2024	2023
Total Equity	813.72	820.80
Paid-up Capital	425.87	425.87
Total Assets	1,296.48	1,289.67
Investment in FDR	730.55	711.55
Total Investment	871.33	891.83
Gross Premium Written	719.98	746.37
Net Premium Written	479.88	498.81
Net Premium Earned	487.47	442.28
Net Underwriting Income/(Loss)	72.61	72.49
EPS	1.46	1.47
Dividend	10%	10%
Net Earnings Ratio (%)	13.54	12.96
Return on Assets (ROA) (%)	5.02	5.10
Return on Equity (ROE) (%)	7.95	7.94
Investment Yield (%)	5.08	4.67
Investment Income Ratio (%)	9.18	9.31
Loss Ratio (%)	3.12	4.09
Expense Ratio (%)	85.85	84.45
Combined Ratio (%)	88.97	88.54
Total Liquid Assets	1,034.69	986.06
Liquid Assets to Current Liabilities (X)	3.02	2.97
Liquid Assets to Net Claims Expense (X)	66.43	53.17
Earnings Coverage (X)	94.53	85.81
Equity to Net Claims (X)	53.50	45.36
Total Leverage (%)	12.54	12.74
Capital to Total Assets (%)	71.77	72.94
Claim Settlement Ratio (As per Amount) (%)	57.58	29.52

Strengths
▪ Diversified products and services
▪ Huge district coverage & number of agents
▪ Experienced promoters & management committee
▪ Adequate liquidity position
▪ Sound claim settlement
▪ Improvement in loss ratio
▪ Growth in underwriting income and profit after tax
▪ Regular payment of cash dividend
Challenges
▪ Developing innovative ideas and new products
▪ Raising public faith & awareness
▪ Increasing market share in a very competitive market structure


Mohammad Jahangir Alam
 Chief Executive Officer (CEO)
 National Credit Ratings Ltd.

Declaration Date	12.01.2026
Long Term Entity Rating	AAA (Triple A)
Short Term Entity Rating	ST-1
Outlook	Stable
Expiry Date	11.01.2027

RATING BASIS

Ratings are based on **Audited** Financial Statements up to **December 31, 2024** along with the other relevant Quantitative as well as Qualitative information provided by the Client up to the Date of Rating Declaration. NCR has followed Non-life Insurance Rating Methodology of NCR published in our website.

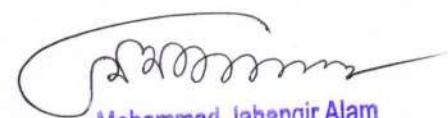
RATING DEFINITION

AAA (Triple A) entity rating defines strongest credit quality.

ST-1 defines strongest ability to meet short term financial commitments.

DEFINITION OF OUTLOOK

Stable indicates that rating may remain unchanged as existing fundamentals may remain unchanged in near future.



Mohammad Jahangir Alam
Chief Executive Officer (CEO)
National Credit Ratings Ltd.

RATING RATIONALE

NCR has reaffirmed the surveillance ratings of **Takaful Islami Insurance PLC** and assigned the Rating Grade (AAA, ST-1), which denotes the strongest credit quality and strongest ability to meet short-term financial commitments.

The concern's strong financial profile and stable business performance were thoroughly considered by the rating committee members while reaffirming the grade. The concern's satisfactory business profile with diversified general insurance products, including fire, marine, motor, engineering, and miscellaneous insurance services, along with its experienced promoters and management committee, were viewed positively. Moreover, the transparency of disclosures and compliance with regulatory requirements also supported the assigned rating. The concern's claim settlement performance and solid financial base, sufficient capital maintenance ratio, adequate liquidity position, and regular payment of cash dividend were also considered by the rating committee members while reaffirming the above ratings. Furthermore, the reinsurance arrangement with reputed reinsurers, adequate total sum insured coverage, and maintenance of sufficient reserves for exceptional losses are well aligned with the requirements of the highest rating grade. In addition, satisfactory net premium earned, underwriting income, and profitability indicators were considered positively. The decline in total claim outstanding, improvement in loss ratio, and adequate earnings coverage reflect the concern's prudent underwriting and efficient claims management practices, which were considered affirmatively by the rating committee members. However, the rating committee members observed a marginal moderation in gross premium written and market share, along with some pressure on expense and investment income ratios; nevertheless, these remain manageable given the concern's strong financial base. Minor fluctuations in claims outstanding period and efficiency indicators are being monitored and are not expected to affect the concern's overall credit profile.

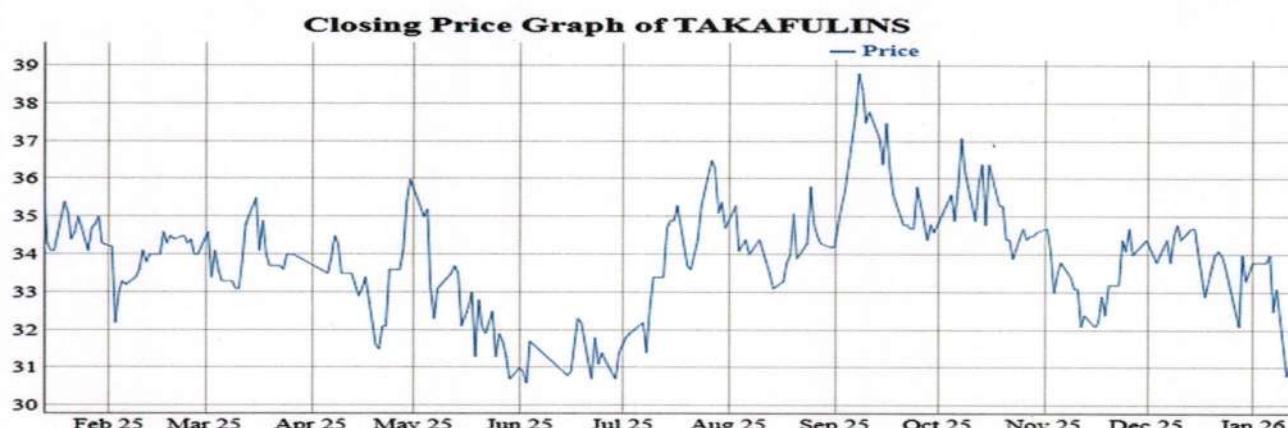
RATING OUTLOOK

The **stable** outlook reflects the company's unwavering performance on its fundamentals and NCR expects that the company will be able to maintain its good fundamentals on an ongoing basis in the future.

2.0 BUSINESS OVERVIEW

2.1 Takaful Islami Insurance PLC (hereinafter referred as 'TIIPLC' or 'The Company') is a Non-Life Islami Insurance Company offering all kinds of general insurance products & services i.e. fire, motor, marine, engineering & miscellaneous areas, was incorporated on December 21, 1999 as a Public Limited Company under the Companies Act 1994 and Insurance Act 1938. The company is listed with Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC in 2008.

2.2 The shares of the Company are traded under "A" category in both the bourses. The face value of each share is TK 10.00. The Board of Directors has recommended 10% cash dividend for the year ended on December 31, 2024. The 25th Annual General Meeting held on 16th August, 2025. The EPS of the Company has been reported to TK 1.46 in 2024 against TK 1.47 in 2023. The following graph reveals the trading history of 'TIIPLC's stock closing price over the period of last twelve months at DSE:



2.3 The Registered Office of TIIPLC is located at Monir Tower (7th, 8th & 9th Floor), 167/1, DIT Extension Road, Motijheel (Fakirapool), Dhaka.

2.4 PRODUCT AND SERVICE:

Non-life Insurance Schemes	
Fire	Marine
<ul style="list-style-type: none"> ▪ Standard fire policy ▪ Fire package ▪ Industrial all risks 	<ul style="list-style-type: none"> ▪ Marine cargo insurance ▪ Marine hull insurance
Engineering	Motor
<ul style="list-style-type: none"> ▪ Contractor all risks insurance (CAR) ▪ Erection all risks insurance (EAR) ▪ Machinery breakdown insurance (MBD) ▪ Deterioration of stock insurance (DOS) ▪ Boiler & pressure vessel insurance (BPV) ▪ Contractor's plant & machinery insurance (CPM) 	<ul style="list-style-type: none"> ▪ Comprehensive insurance ▪ Act liability insurance
Miscellaneous	
<ul style="list-style-type: none"> ▪ Burglary insurance (BUG) ▪ Cash-in-safe insurance (CIS) ▪ Cash-in-transit insurance (CIT) ▪ Workmen's compensation insurance (WP) 	<ul style="list-style-type: none"> ▪ Cash-on-counter insurance (COC) ▪ Personal accident insurance (PA) ▪ Peoples personal accident insurance (PPA)

2.5 The company is providing services through 53 branches (including permission for two new branch) all over the country. The details of the Branches are provided below:

Sl. No.	Name of Branch	Sl. No.	Name of Branch
1	Agrabad Branch	28	Kushtia Branch
2	B. Baria Branch	29	Local Office
3	B.B. Avenue Branch	30	Malibagh Branch
4	Bangshal Branch	31	Mirpur Branch
5	Baridhara Branch	32	Mohakhali Branch
6	Barisal Branch	33	Motijheel Branch
7	Bogura Branch	34	Mymensingh Branch
8	Chowmuhani Branch	35	Narayanganj Branch
9	Chuadanga Branch	36	Narsingdi Branch
10	Cox's Bazar Branch	37	Noapara Branch
11	Cumilla Branch	38	Pabna Branch
12	Dhanmondi Branch	39	Paltan Branch
13	Dilkusha Corp. Branch	40	Principal Branch
14	Dinajpur Branch	41	Rajshahi Branch
15	DIT Extension Road Br.	42	RAJUK Avenue Branch
16	Elephant Rd. Branch	43	Ramganj Branch
17	Feni Branch	44	Rangpur Branch
18	Gazipur Branch	45	Saidpur Branch
19	Gulshan Branch	46	Satkhira Branch
20	Imamganj Branch	47	Shantinagar Branch
21	Jashore Branch	48	Shyamoli Branch
22	Jhenaidah Branch	49	Sylhet Branch
23	Jubilee Road Branch	50	Tangail Branch
24	Kawran Bazar Branch	51	Toyenbee Circular Road Br.
25	Khatunganj Branch	52	Uttara Branch
26	Khulna Branch	53	VIP Road Branch
27	Kishoreganj Branch	--	--

3.0 INDUSTRY OVERVIEW

3.1 After the liberation of Bangladesh in 1971, all 49 insurance companies operating in the country were nationalized in 1972 and brought under five public-sector corporations. These were later reorganized into two entities—Sadharan Bima Corporation (SBC) for general insurance and Jiban Bima Corporation (JBC) for life insurance—under the Insurance Corporations Act, 1973. The private sector was permitted to operate in all areas of insurance for the first time in 1984. Currently, a total of 82 insurance companies operate in Bangladesh. A brief overview of the industry is presented in the table below:

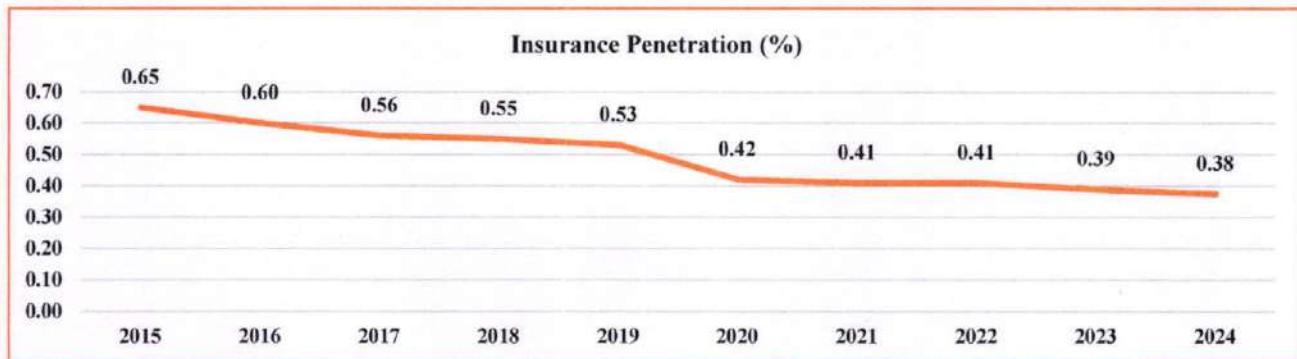
Particulars	Details
Total Gross Premiums of the Insurance Sector (2024)	187.68 billion
Insurance Penetration Rate (2024)	0.38-0.46%
Global Insurance Penetration Rate (2024)	7.40%
Gross Premium (GP) (Life) (2024)	BDT 122.66 billion
Gross Premium (GP) (Non-Life) (2024)	BDT 65.02 billion
Market Share of Life Insurance based on GP (2024)	65.36%
Market Share of Non-Life Insurance based on GP (2024)	34.64%

Reference: Agreement no. NCRL/2024/182

Number of Life Insurance Policies (2024)	7.1 million
Total Value of Claims (2024)	BDT 130.14 billion
Claim Settlement Ratio (Life) (2024)	66.03%
Claim Settlement Ratio (Non-Life) (2024)	31.96%
Top 5 Life Insurance Companies	Met Life, National Life, Delta Life, JBC, Popular Life
Top 5 Non-Life Insurance Companies	Reliance, Green Delta, Pioneer, Pragati

Source: Allianz Global Insurance Report 2025: Rising demand for protection; The Business Standard, Date: 18.05.2025; The Daily Star, Date: 03.07.2025; ICAB Publications

3.2 Though the insurance industry in Bangladesh has a long history, comprehensive regulations were introduced only in 2010. That year, a law was enacted, and the Insurance Development and Regulatory Authority (IDRA) was subsequently established in 2011 to supervise insurance businesses and safeguard the interests of policyholders. However, even after more than a decade, IDRA remains constrained by institutional inefficiencies. Delays in claim settlements, weak public confidence, limited transparency, inadequate product diversification, insufficient use of modern technology, shortage of skilled professionals, and lack of policy support contribute to the low penetration rate of around 0.38–0.46%—among the lowest in the world. In comparison, emerging markets average 3.3%, India 3.2%, and China 2.4%.



Source: Insurance Development and Regulatory Authority (IDRA)

3.3 Insurance penetration in Bangladesh has remained stagnant or declined slightly over the past decade. According to the Allianz Global Insurance Report 2025, the global insurance penetration rate reached 7.4% in 2024, while Bangladesh remains significantly below 1%. Insurance density is also low, indicating limited per-capita expenditure on insurance products and constrained access across segments.

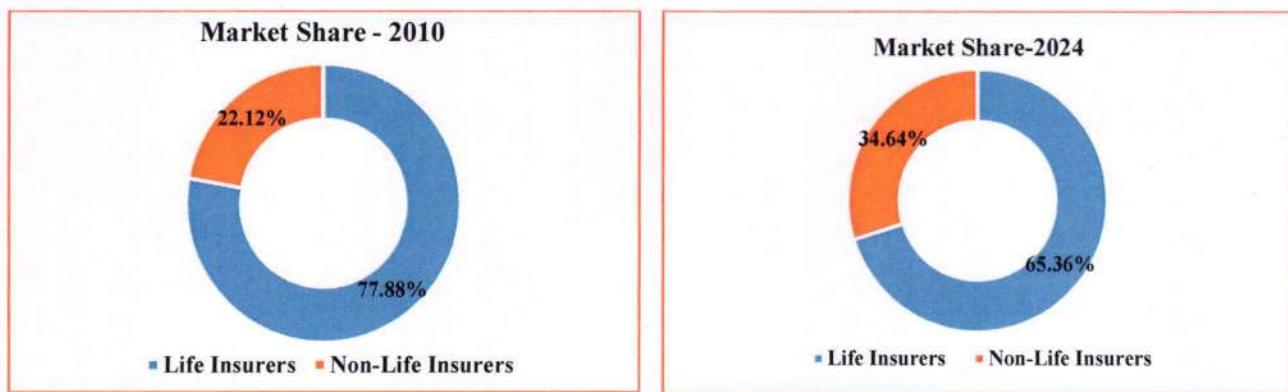


Source: Insurance Development and Regulatory Authority (IDRA)

3.4 The premium collection scenario in Bangladesh's insurance sector shows moderate growth, with total premiums reaching approximately BDT 18,768 crore in 2024. Life insurance continues to dominate, although its

growth has slowed, while non-life insurance is expanding steadily, driven by motor, fire, and marine segments. Despite this growth, overall insurance penetration remains around 0.46% of GDP, underscoring an underdeveloped market with high lapse rates. Persistent challenges include a trust deficit due to slow claims settlement, outdated policy structures, and macroeconomic pressures affecting policyholder affordability. Digitalization, regulatory modernization, product innovation, and financial literacy initiatives are emerging as key enablers for sustainable premium growth.

3.5 Insurance companies are broadly categorized into life and non-life insurers. While life insurers continue to dominate the market, the market share of non-life insurers has increased from 22.12% in 2010 to 34.64% in 2024. This reflects a gradual strengthening of general insurance lines, driven by economic expansion, increased industrial activity, and rising motorization.



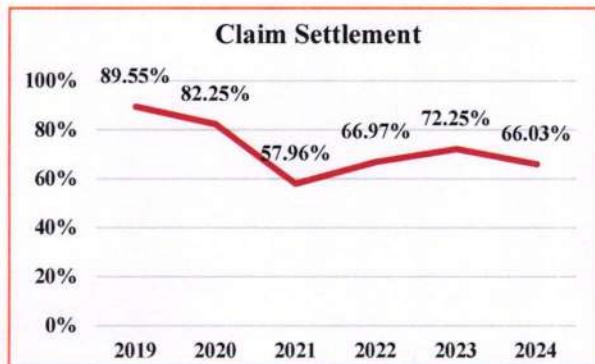
Source: Insurance Development and Regulatory Authority (IDRA)

NON-LIFE INSURANCE SECTOR AT A GLANCE

3.6 Non-life insurers hold a smaller portion of the Bangladesh insurance market compared to life insurers, currently accounting for roughly one-third of the industry. The sector has gradually expanded, with gross premium market share rising from 22.12% in 2010 to 34.64% in 2024. Over the past decade, the average claim settlement ratio in the non-life segment has hovered around 30–40%. Persistent underperformance in claim settlement is a key structural weakness, limiting customer trust and constraining long-term industry growth. A brief overview of non-life insurance sector is depicted below:



Source: Insurance Development and Regulatory Authority (IDRA)



Source: Insurance Development and Regulatory Authority (IDRA)

3.7 Following privatization, the number of insurers increased substantially; however, insurance penetration has not kept pace. Bangladesh is the 35th largest economy in the world, yet ranks 60th in terms of insurance premium volume. Many insurers have struggled to build trust due to poor claims practices and limited operational transparency. Industry experts believe the current number of insurance companies is high relative to market size, resulting in intense competition and occasionally unethical practices. Nevertheless, as per-capita income rises and industrial activities expand, significant growth potential remains—provided regulatory reforms are implemented effectively and trust in the insurance system improves.

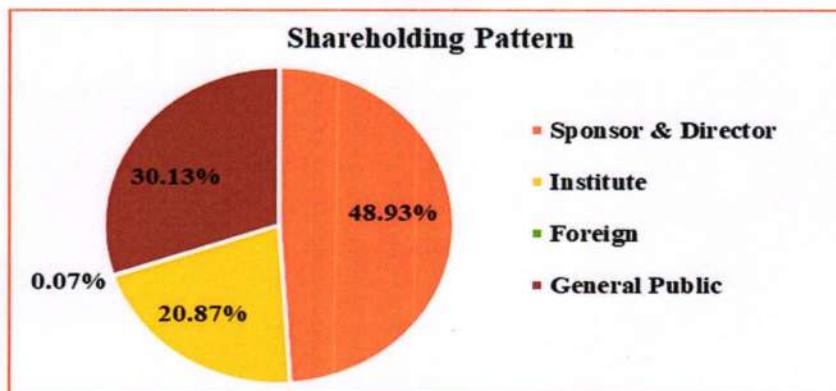
3.8 The outlook for Bangladesh's insurance sector over 2025–2030 is moderately positive, with gross premiums expected to grow at 6–8% CAGR and penetration rising to 0.55–0.60% of GDP. Non-life insurance is likely to grow faster than life, driven by motorization, SME expansion, and mandatory coverage. Regulatory reforms, digital platforms, and improved claim settlement are expected to enhance transparency and governance, though consolidation pressures may affect weaker insurers. Growth drivers include bancassurance, digital distribution, microinsurance, and corporate demand for fire, marine, liability, and health coverage. Key risks remain slow regulatory enforcement, macroeconomic volatility, weak underwriting among smaller insurers, and low claim settlement ratios.

3.9 Bangladesh's insurance sector remains underdeveloped, with low penetration and limited public trust, but shows significant growth potential. Life insurance continues to dominate, while non-life segments are gradually expanding. Regulatory reforms, digitalization, and product innovation are expected to drive moderate growth over 2025–2030, improving market depth and operational efficiency. However, persistent challenges—such as slow claim settlements, macroeconomic volatility, and weak underwriting among smaller insurers—pose risks to sustainable development. Overall, the sector's long-term outlook is stable to positive, contingent on effective regulatory enforcement and enhanced customer confidence.

4.0 BUSINESS RISKS

4.1 OWNERSHIP STRUCTURE

The shareholding pattern of the company has been found diversified among sponsors/Directors, institutes and general public. The majority of the shares 48.93% are held by the Sponsors/Directors, while different institutes hold 20.87% of the total shares, foreign shareholder holds 0.07% and 30.13% shares are held by the General Public as on December 31, 2025. The following graph portrays the shareholding structure of the company as on December 31, 2025:



Sl. No.	Name	Status	Shares	% of paid up shares
01	Mrs. Tahmina Afroz	Chairman	9,94,075	2.33%
02	Engr. Khondaker Mesbauddin Ahmed Rep. of The Eventus	Vice Chairman	8,52,000	2.00%
03	Mr. Emdadul Haque Chowdhury	Sponsor Shareholder Director	8,61,734	2.02%
04	Mr. Md. Humayun Kabir Patwary	Sponsor Shareholder Director	14,77,594	3.47%
05	Mr. Abul Hashem	Sponsor Shareholder Director	12,77,594	3.00%
06	Mr. Md. Abul Hashem	Sponsor Shareholder Director	8,51,744	2.00%
07	Mrs. Shahanaz Parvin	Sponsor Shareholder Director	15,32,587	3.60%
08	Mr. Md. Iqbal Hossain, Rep. of Eastern Diagnostic H & OPMS	Sponsor Shareholder Director	15,26,807	3.58%
09	Mr. Redwan Kabir	Sponsor Shareholder Director	8,52,000	2.00%
10	Mr. ABM Kaikobad, Rep. of Hazi Shakhawat Anwara Eye Hospital.	Sponsor Shareholder Director	13,65,448	3.21%
11	Mr. Md. Masudur Rahman, Rep of Engineer Towhidur Rahman Ltd.	Sponsor Shareholder Director	8,60,000	2.02%
12	Mr. Md Saiful Islam, Rep. of Modern Diagnostic Center Ltd.	Public Shareholder Director	8,52,011	2.00%
13	Mr. Khorshed Alam Khan	Public Shareholder Director	8,52,028	2.00%
14	Mr. Md. Jahirul Islam	Public Shareholder Director	35,97,035	8.45%
15	Mr. Mahmud Ali Khan, Rep. of Daffodils Sign Media.	Public Shareholder Director	11,25,720	2.64%
16	Mr. Md. Zia Uddin Podhar	Public Shareholder Director	9,50,514	2.23%
17	Mr. Md. Mofizuddin	Sponsor Shareholder	10,07,000	2.36%
18	Mr. Anwer Hossain Khan	Sponsor Shareholder	8,86,355	2.08%
19	Engr. Khondaker Mesbauddin Ahmed	Sponsor Shareholder	4,25,594	1.00%
20	Mrs. Farzana Rahman	Sponsor Shareholder	12,77,594	3.00%
21	Mr. Anwar Hossain Chowdhury	Sponsor Shareholder	8,51,834	2.00%
22	Alhaj Tofazzal Hossain	Sponsor Shareholder	5,67,819	1.33%
23	DN Securities Limited	Sponsor Shareholder	8,97,367	2.11%
	Total		2,57,42,454	60.43%

4.2 CORPORATE GOVERNANCE

4.2.1 The Board of Directors of the company is comprised of 16 (sixteen) members. During the year 2024, 06 Board Meetings were held. The board is a key source of guidance to the management and responsible for the policy formulation and overseeing the overall management reports. A brief profile of board members is given below:

Sl. No.	Name of Directors	Designation	Educational Qualification	Experience
01	Mrs. Tahmina Afroz	Chairman	B.Sc.	24 Years
02	Engr. Khondaker Mesbauddin Ahmed Rep. of The Eventus	Vice Chairman	M.Sc. (Engr.)	61 Years
03	Mr. Md. Masudur Rahman, Rep of Engineer Towhidur Rahman Ltd.	Chairman, Investment Committee	M.Sc. in Statistics (DU)	31 Years
04	Mr. Khorshed Alam Khan	Chairman, Policyholder Protection & Compliance Committee	Graduation	21 Years
05	Mr. Emdadul Haque Chowdhury (Emdad)	Sponsor Shareholder Director	Graduation	51 Years
06	Mr. Md. Humayun Kabir Patwary	Sponsor Shareholder Director	C.A.C.C., M.Com	42 Years
07	Mr. Md. Abul Hashem	Sponsor Shareholder Director	Graduation	51 Years
08	Mr. Abul Hashem	Sponsor Shareholder Director	BBM	22 Years
09	Mr. Md. Iqbal Hossain (Rep. of Eastern Diagnostic H & OPMS)	Sponsor Shareholder Director	H.S.C	07 Years
10	Mrs. Shahanaz Parveen	Sponsor Shareholder Director	B.A	08 Years
11	Mr. Redwan Kabir	Sponsor Shareholder Director	Masters of Business Analytics (York University, Canada), B.Com. (Hons.)	04 Years
12	Mr. ABM Kaikobad Representative of Hazi Shakhawat Anwara Eye Hospital Ltd.	Sponsor Shareholder Director	Masters	05 Years
13	Mr. Md. Saiful Islam (Rep. of Modern Diagnostic Center Ltd.)	Public Shareholder Director	Masters	04 Years
14	Mr. Jahirul Islam	Public Shareholder Director	Graduation	21 Years
15	Mr. Md. Zia Uddin Podhar	Public Shareholder Director	B.Com.	22 Years
16	Mr. Mahmud Ali Khan (Rep. of Daffodils Sign Media)	Public Shareholder Director	H.S.C.	31 Years

4.2.2 The board has six committees, i.e. Audit Committee (composed of 04 members), Nomination & Remuneration Committee (composed of 04 members), Investment Committee (composed of 05 members), and Risk Management Committee (composed of 03 members), Policyholder Protection & Compliance Committee (composed of 03 members) & Shariah Council (composed of 06 members). The committee members are directly selected by the BoD. Each committee operates under specific Terms of Reference (TOR) which outlines the responsibilities/functions of the committee. All the committees are reconstituted after every AGM and the meetings are held on regular basis to oversee and monitor the functions of the company.

SL	Committee	Responsibilities/Activities
1.	Audit Committee	The 4 (four) members Audit Committee of Takaful Islami Insurance PLC was constituted by the Board of Directors to monitor, analyze and audit the overall activities of the Company and report to the Board and AGM ensuring and certifying that the financial statements as presented reflect a true and fair view.
2.	Nomination & Remuneration Committee	<p>The 4 (four) members Nomination and Remuneration Committee of Takaful Islami Insurance PLC was constituted by the Board of Directors. Responsibilities of NRC -</p> <ul style="list-style-type: none"> ▪ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks. ▪ Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals. ▪ Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality. ▪ Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down and recommend their appointment. ▪ Formulating criteria for evaluation of performance of independent directors and the Board. ▪ Identifying company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria. ▪ Developing recommending and reviewing annually the company's human resources and training policies.
3.	Investment Committee	The 5 (five) members Executive Committee of Takaful Islami Insurance PLC was constituted by the Board of Directors to oversee the Company's investment portfolio in the interest of insurance customers, shareholders and stakeholders and report to the Board.
4.	Risk Management Committee	The 3 (three) members Executive Committee of Takaful Islami Insurance PLC was constituted by the Board of Directors. The Risk Management Committee will play an effective role in mitigating the emerging and potential risks in the implementation of the strategies and action plans formulated by the Board of Directors and will smoothly complete the duties of the Board of Directors in this regard.
5.	Policyholder Protection & Compliance Committee	The 3 (three) members Policyholder Protection and Compliance Committee of Takaful Islami Insurance PLC was constituted by the Board of Directors. The Policyholder Protection and Compliance Committee will review the complaints of the insured and ensure speedy settlement of claim and protection of interests and carry out the duties assigned by the Board of Directors in this regard.
6.	Shariah Council	The 6 (six) members Shariah Council Committee of Takaful Islami Insurance PLC was constituted by the Board of Directors to refix percentage of Tabarru and Service charge after stabilization of the present situation.

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

SL. No.	Committee	Number of Meeting held in FY 2024
1	Board of Directors	06
2	Audit Committee	04
3	Nomination and Remuneration Committee	07
4	Investment Committee	06
5	Risk Committee	04
6	Policyholder Protection & Compliance Committee	04
7	Shariah Council	03

4.3 MANAGEMENT

4.3.1 The management team is well-structured with some qualified and experienced professionals. The management team is headed by the CEO, Mr. Abul Kalam Azad who has around 26 years of experience in insurance sector. All the heads of different departments directly report to the Chief Executive Officer. A brief profile of the key management personnel is given below:

SL	Name of the Professionals	Designation	Education Qualification	Experience
1.	Mr. Abul Kalam Azad	Chief Executive Officer	M.Com (Management) & Insurance Diploma (BIA)	26 Years
2.	Mr. Mohammad Selim	Additional Managing Director	B.S.S (Hons.), M.S.S. (Economics), M.B.A. (Finance & Banking) & Insurance Diploma from BIA	29 Years
3.	Mr. Mohammad Mamanul Islam	Assistant Managing Director & Chief Financial Officer	M.Com (Accounting), CA Professional Couse (Knowledge level) from ICAB	15 Years
4.	Mr. Shamsuddin Ahmed	Executive Vice President & Head of Internal Audit	B.Sc. (Honours), M.Sc. (Chemistry),	34 Years
5.	Mohammad Shaheen Miah	VP & Company Secretary	M.A. & CS Inter (ICSB)	26 Years
6.	Mr. Md. Ali Rahim	Vice President & Head of Underwriting (Marine)	M.S.S. (Sociology) & Insurance Diploma from BIA	27 Years
7.	Mr. Md. Nuzmul Ahsan Chowdhury	Deputy Vice President & Head of Underwriting (non-marine)	M.B.A. (Management)	23 Years
8.	Mr. Md. Rahim Ullah	Head of IT	M.B.A. (Accounting), EMSC (Computer Science)	17 Years

4.3.2 The management meeting is arranged every month where administrative and business issues are discussed along with periodic statements on the financial performance which includes, monthly cash flow statement, monthly business position, monthly third party premium collection, branch wise policy issue statements, monthly expenses summary, monthly review of internal audit report, claim settlement statement review, reinsurance statement review, recovery from Sadharan Bima Corporation etc. are discussed.

4.3.3 There are 69 employees working in Head Office and 185 desk employees and 727 Marketing Officer working in Branch Office as on December 31, 2024. The company recruits all employees centrally and the recruitment depends on the necessary skills, expertise and qualification. All the employees are provided with Foundation training and on the Job training according to individual's need and business based. The company provide good compensation package and along with that, the company has Performance Appraisal Process depending on which Reward and Recognition of Training & Development is provided.

4.4 INTERNAL CONTROL SYSTEM

The company has a written HR policy for its employees & abides by the labor law 2006 and actively encourages employee involvement in company's business through various types of benefits. TIPLC offers good compensation packages to its employees including festival bonus, incentives, provident fund, gratuity etc. According to the HR policy they also provide health care facilities (first aid facilities, in house medical treatment, outside medical treatment), Maternity facilities (maternity treatments, maternity awareness program, and maternity leave). With the motivation and support of their executives and workers, they look forward to attain sustainable growth.

4.5 OPERATIONAL RISKS

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

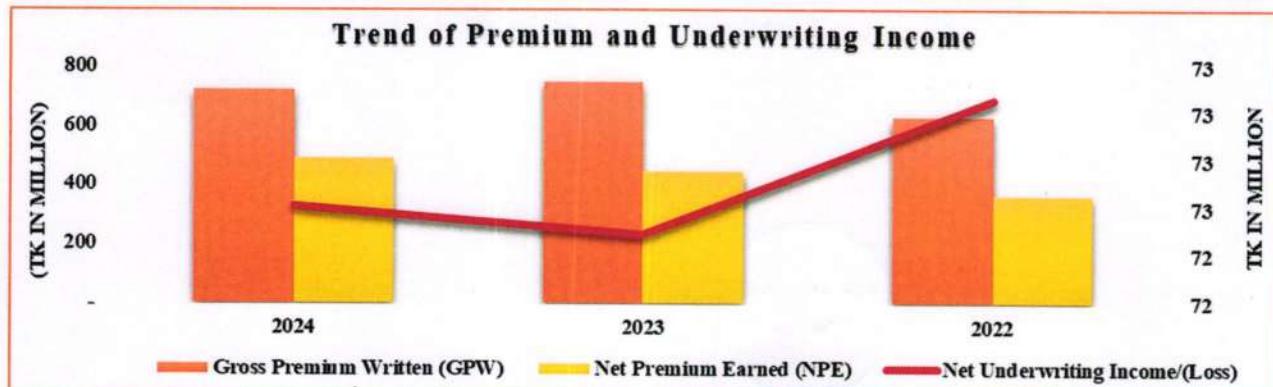
4.5.1 UNDERWRITING & RISK ASSESSMENT:

A brief profile of the team of experts for underwriting:

SL.	Name of the Employees	Designation	Education Qualification	Experience
01.	Mr. Mohammad Selim	Additional Managing Director	B.S.S (Hons.), M.S.S. (Economics), M.B.A. (Finance & Banking) & Insurance Diploma from BIA	29 Years
02.	Mr. Md. Ali Rahim	Vice President & Head of Underwriting (Marine)	M.S.S. (Sociology) & Insurance Diploma (BIA)	27 Years
03.	Mr. Md. Nuzmul Ahsan Chowdhury	Deputy Vice President & Head of Underwriting (non-marine)	M.B.A. (Management)	23 Years

4.5.2 UNDERWRITING PERFORMANCE

Particulars	2024	2023
Gross Premium Written (GPW)	719.98	746.37
Reinsurance Usage (%)	33.35	33.17
Reinsurance Expense	240.10	247.56
Net Premium Written (NPW)	479.88	498.81
Net Premium Earned (NPE)	487.47	442.28
Net Underwriting Income/(Loss)	72.61	72.49



4.5.2.1 The Gross Premium Written (GPW) declined to TK 719.98 million in 2024 from TK 746.37 million in 2023, while reinsurance usage remained almost stable at around 33%. Reinsurance expense decreased to TK 240.10 million from TK 247.56 million, resulting in a lower Net Premium Written (NPW) of TK 479.88 million compared to TK 498.81 million in 2023. Despite this, Net Premium Earned (NPE) increased to TK 487.47 million in 2024 from TK 442.28 million in 2023. Net underwriting income remained stable at TK 72.61 million, indicating consistent underwriting performance.

Business Class	2024 (TK)		2023 (TK)	
	Sum Insured	Re-insurance Coverage	Sum Insured	Re-insurance Coverage
Fire	91,320,044,039.00	45,348,878,314.00	144,063,449,090.00	126,162,427,711.00
Marine (Cargo)	113,670,783,534.00	15,234,803,497.00	84,961,345,588.00	34,135,119,786.00
Marine (Hull)	57,500,000.00	50,000,000.00	33,240,000.00	29,720,000.00
Motor	1,055,378,323.00	14,000,000.00	1,389,412,900.00	155,958,822.00
Miscellaneous	282,554,782,171.00	355,231,493.00	354,545,742,555.00	125,559,660,002.00
Total	488,658,488,067.00	61,002,913,304.00	584,993,190,133.00	286,042,886,321.00

4.5.2.2 The total sum insured declined to TK 488,658.49 million in 2024 from TK 584,993.19 million in 2023, while reinsurance coverage significantly reduced to TK 61,002.91 million from TK 286,042.89 million. Fire insurance sum insured decreased notably in 2024, with comparatively lower reinsurance coverage than the previous year. Marine (Cargo) business recorded a higher sum insured in 2024, although reinsurance coverage declined sharply. Motor and Marine (Hull) segments remained relatively small in size with limited reinsurance utilization. Miscellaneous insurance continued to dominate the portfolio in terms of sum insured, despite a substantial reduction in reinsurance coverage in 2024.

Business class	Gross Premium	Net Premium	Gross Premium	Net Premium
	2024 (TK in Million)		2023 (TK in Million)	
Fire	207.33	93.86	247.02	123.21
Marine (Cargo)	427.97	352.90	407.62	348.20
Marine (Hull)	2.93	0.45	9.52	0.47
Motor	18.15	17.35	18.27	16.44
Miscellaneous	63.61	15.33	63.95	10.49
Total	719.98	479.88	746.37	498.81

4.5.2.3 The gross premium declined to TK 719.98 million in 2024 from TK 746.37 million in 2023, while the net premium also decreased to TK 479.88 million from TK 498.81 million. Marine (Cargo) remained the dominant business class, contributing TK 427.97 million gross and TK 352.90 million net premium in 2024, compared to TK 407.62 million gross and TK 348.20 million net premium in 2023. Fire insurance premiums declined in both gross and net terms in 2024, indicating reduced business volume. Motor and Marine (Hull) segments remained relatively small with marginal year-on-year changes. Miscellaneous insurance maintained a stable gross premium, although net premium improved in 2024, reflecting lower reinsurance retention.

4.5.3 CLAIMS

A brief of claim settlement for the year 2023 & 2024 by the delegated authority is as follows:

Type of Claim	Year: 2024		Approval Authority of Claim Committee	
	Nos.	Amount	Nos.	Amount
Fire	06	86,865.00	10	58,925,640.00
Marine Cargo	09	85,769.00	13	1,939,892.00

Reference: Agreement no. NCRL/2024/182

Marine Hull	00	--	00	--
Motor	19	266,800.00	24	1,896,280.00
Misc.	00	--	02	541,331.00
Year: 2023				
Fire	06	93,300.00	16	123,301,237.00
Marine Cargo	07	106,750.00	11	14,898,143.00
Marine Hull	00	--	00	--
Motor	28	429,800.00	25	3,749,650.00
Misc.	00	--	00	--

4.5.4 CLAIM SETTLEMENT PERFORMANCE

TIIPLC has reinsurance arrangement with State owned Sadharan Bima Corporation (SBC). A synopsis of claim settlement of the company is detailed below:

Claim Settlement in Number						
Fire Business						
Year	Nos. of Openning Claim	Nos. of New Claim	Nos. of total Claim	Nos. of Claim Settled	Nos. of Claim Repudiate/Closed	Nos. of Claim Outstanding
2024	20	16	36	13	03	20
2023	17	30	47	23	04	20
Marine Cargo & Hull Business						
2024	32	21	53	17	05	31
2023	22	28	50	18	00	32
Motor Business						
2024	18	45	63	39	04	20
2023	15	53	68	50	00	18
Misc. Business						
2024	02	04	06	02	01	03
2023	01	02	03	00	01	02

The segment wise claim settlement in amount is shown below:

Claim Settlement in Amount (BDT in Million)						
Fire Business						
Year	Openning Claim	New Claim	Total Claim	Claim Settled	Claim Repudiate	Claim Outstanding
2024	9.62	8.75	18.37	15.12	-	3.26
2023	10.26	5.28	15.54	5.92	-	9.62
Marine Cargo & Hull Business						
2024	8.63	2.50	11.13	1.88	-	9.26
2023	8.13	4.43	12.56	3.93	-	8.63
Motor Business						
2024	0.98	2.49	3.47	2.16	-	1.31
2023	0.82	4.33	5.14	4.17	-	0.98
Misc. Business						
2024	0.25	0.99	1.24	0.54	-	0.70
2023	0.25	0.73	0.98	0.00	-	0.25

4.5.4.1 The claim settlement position of the concern showed varied performance across business classes in 2024. In the fire business, total claims increased to TK 18.37 million from TK 15.54 million, while claims settled improved significantly, reducing outstanding claims to TK 3.26 million. The marine cargo & hull business recorded slightly lower total claims; however, low settlement resulted in higher outstanding claims of TK 9.26 million. In the motor business, total claims declined to TK 3.47 million from TK 5.14 million, with a moderate level of outstanding claims. The miscellaneous business recorded higher total claims in 2024, with partial

settlement and outstanding claims of TK 0.70 million. Overall, claim settlement improved in the fire segment, while marine and miscellaneous segments require closer monitoring.

4.5.5 INFORMATION TECHNOLOGY:

TIPLC uses an “Integrated Insurance Business Solution (IIBS)” Software which is fully automated web-based system developed by the company’s IT department. All the operational process and functionalities are included in ERP applications. All the branches are fully under the automated web-based system. The system provides high level of data security and capable of keeping all information regarding Underwriting, Claims and Re-insurance and provides solution for these issues.

4.5.6 TOP CUSTOMER LIST:

The company has been maintaining a robust client base over the years. The customer base is segregated in motor, marine, engineering, motor & miscellaneous areas. Some of the major clients are enlisted below based on Gross Premium Earned:

Sl. No.	Name of Customer	Gross Premium (Tk. in Million)	Sl. No.	Name of Customer	Gross Premium (Tk. in Million)
01	United Group	29.00	09	ACME	7.00
02	Ibn Sina Group	22.00	10	Bio Pharma	6.70
03	RRP Group	10.00	11	United Coal	6.50
04	Arla Food	20.00	12	Nippon Paint	5.00
05	Fame Apparels	13.00	13	Prism Trade International	36.75
06	Star Link	8.80	14	Global Trading Company	55.18
07	Titanium	8.60	15	Healthcare Formulations Ltd.	49.22
08	Libas Textile	7.60			

5.0 FINANCIAL RISKS

5.1 EARNINGS STRENGTH

Particulars	2024	2023
Gross Premium Earned to Total Sum Insured (%)	0.15	0.12
Underwriting Income to Gross Premium (%)	10.08	9.71
Net Earnings Ratio (%)	13.54	12.96
Return on Assets (ROA) (%)	5.02	5.10
Return on Equity (ROE) (%)	7.95	7.94
Investment Yield (%)	5.08	4.67
Investment Income Ratio (%)	9.18	9.31
Net Claims Ratio or Loss Ratio (%)	3.12	4.09
Expense Ratio (%)	85.85	84.45
Combined Ratio (%)	88.97	88.54

5.1.1 The gross premium earned to total sum insured ratio increased to 0.15% in 2024 from 0.12% in 2023, indicating improved premium realization. The underwriting income to gross premium ratio improved to 10.08% from 9.71%, reflecting better underwriting efficiency. The net earnings ratio rose to 13.54% in 2024 compared to 12.96% in 2023, while return on equity remained almost stable at 7.95%; however, return on assets slightly

declined to 5.02% from 5.10%. The investment yield improved to 5.08% from 4.67%, although the investment income ratio marginally decreased. The net claims ratio declined to 3.12% from 4.09%, indicating better claims experience, while the expense ratio increased slightly. Consequently, the combined ratio remained almost stable at 88.97% in 2024 compared to 88.54% in 2023, indicating maintained overall underwriting performance

5.2 LIQUIDITY AND SOLVENCY

Particulars	2024	2023
Total Liquid Assets (TK in Million)	1,034.69	986.06
Liquid Assets to Current Liabilities (X)	3.02	2.97
Liquid Assets to Net Claims Expense (X)	66.43	53.17
Days Claims Outstanding (Days)	407.95	392.72
Earnings Coverage (X)	94.53	85.81
Equity to Net Claims (X)	53.50	45.36
Net Cash Flow from Operating Activities (TK in Million)	56.66	(28.33)

5.2.1 The liquidity position of the concern improved in 2024, as total liquid assets increased to TK 1,034.69 million from TK 986.06 million in 2023. Liquid assets to current liabilities rose to 3.02 times from 2.97 times, indicating a strong short-term repayment capacity. Liquid assets to net claims expense significantly increased to 66.43 times from 53.17 times, reflecting enhanced claims-paying ability. Days claims outstanding slightly increased to 407.95 days from 392.72 days, while earnings coverage improved to 94.53 times from 85.81 times. Equity to net claims strengthened to 53.50 times from 45.36 times, and net cash flow from operating activities turned positive at TK 56.66 million compared to a negative position in 2023, supporting overall liquidity and solvency.

5.3 CAPITAL ADEQUACY

Particulars	2024	2023
Paid-up Capital (TK in Million)	425.87	425.87
Shareholders' Equity (TK in Million)	813.72	820.80
Capital Maintenance Ratio (%)	106.47	106.47
Gross Underwriting Leverage (%)	111.62	116.27
Operating Leverage (%)	51.29	56.72
Total Leverage (%)	12.54	12.74
Capital to Total Assets (%)	71.77	72.94

5.3.1 The paid-up capital of the concern remained unchanged at TK 425.87 million in 2024, while shareholders' equity slightly declined to TK 813.72 million from TK 820.80 million in 2023. The capital maintenance ratio remained stable at 106.47%, indicating adequate capital compliance. Gross underwriting leverage decreased to 111.62% from 116.27%, reflecting lower underwriting risk. Operating leverage and total leverage declined to 51.29% and 12.54%, respectively, indicating reduced overall risk exposure. The capital to total assets ratio stood at 71.77%, demonstrating a strong capital base.

5.4 ASSET QUALITY

Particulars	2024	2023
Total Assets (TK in Million)	1,296.48	1,289.67
Investment in FDR (TK in Million)	730.55	711.55
Total Investment (TK in Million)	871.33	891.83
Investment to Total Assets (%)	67.21	69.15

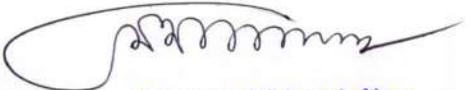
5.4.1 The asset base of the concern slightly increased to TK 1,296.48 million in 2024 from TK 1,289.67 million in 2023. Investment in FDR rose to TK 730.55 million from TK 711.55 million, indicating a higher allocation to low-risk instruments. However, total investment marginally declined to TK 871.33 million in 2024 from TK 891.83 million in 2023. Consequently, the investment to total assets ratio decreased to 67.21% from 69.15%, reflecting a modest shift in asset composition.

Besides the audited financial statements up to December 31, 2024, we have also considered the un-audited financial performance of the concern up to the third quarter of 2025. Based on the balance sheet and income statement as at 30.09.2025, the concern maintained a stable asset base with adequate liquidity supported by healthy cash and investment balances. Shareholders' equity remained strong, reflecting retained profitability despite dividend payouts. Operating performance improved, as net premium income and investment income supported higher profit before tax during the period. Overall, the financial position indicates satisfactory profitability, liquidity, and capital strength as of September 30, 2025.

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Mohammad Jahangir Alam
Chief Executive Officer (CEO)
National Credit Ratings Ltd

APPENDIX- I: RATING HISTORY

INITIAL ENTITY RATING – 2025	
Date of Rating Declaration	Long Term
09.01.2025	AAA (Triple A)
INITIAL ENTITY RATING – 2024	
Date of Rating Declaration	Long Term
19.02.2024	AA+ (Double A Plus)

APPENDIX- II: RATING SCALE

Long Term Rating Scale and Definitions	
Rating Notches	Definition
AAA	Strongest Credit Quality
AA+	Below Strongest Credit Quality
AA	Very Strong Credit Quality
AA-	Below Very Strong Credit Quality
A+	Very Good Credit Quality
A	Above Average Credit Quality
A-	Moderately Good Credit Quality
BBB+	Moderate Credit Quality
BBB	Average Credit Quality
BBB-	Below Average Credit Quality
BB+	Moderately Below Average Credit Quality
BB	Slightly Below Average Credit Quality
BB-	Less Than Average Credit Quality
B+	Significantly Below Average Credit Quality
B	Weak Credit Quality
B-	Very Weak Credit Quality
C	Poor Credit Quality
D	Default (Failed to meet their rated financial commitment on time or when due)

Short Term Rating Scale and Definitions	
Rating Notches	Definition
ST-1	Strongest Ability to Meet Short Term Financial Commitments
ST-2	Above Average Ability to Meet Short Term Financial Commitments
ST-3	Average Ability to Meet Short Term Financial Commitments
ST-4	Below Average Ability to Meet Short Term Financial Commitments
ST-5	Well Below Average Ability to Meet Short Term Financial Commitments
ST-6	Default (Failed to meet their short-term financial commitments)