CHARTERED LIFE INSURANCE PLC

(Islam Tower (8th Floor) 464/H, D. I. T Road, West Rampur, Dhaka-1219)

(Life Insurance)

23 July, 2026

Chief Executive Officer
Chartered Life Insurance PLC
Islam Tower (8th Floor) 464/H, D. I. T Road, West Rampur, Dhaka-1219.

Subject: Credit Rating of Chartered Life Insurance PLC.

Dear Sir,

We are pleased to inform you that Alpha Credit Rating PLC (AlphaRating), vide credit rating Agreement No: 16154, has assigned the following rating to **Chartered Life Insurance PLC.**

Date of Declaration	Valid Till	Rating Action	Long Term Rating	Short Term Rating	Outlook
23 July, 2026	22 July, 2027	Initial	AA	ST-1	Stable

The long-term rating & short-term rating is valid up to 22 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 **Chartered Life Insurance PLC,** 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,

Tanzina Khaled
Chief Rating Officer

This letter is integral part of the credit rating report

Chartered Life Insurance PLC

Long Term Rating: **AA**	Short Term Rating: **ST-1**
Outlook: **Stable**	Rating Action: **Initial**
Date of Declaration: 23 July, 2026	**Valid Till**: 22 July, 2027

Analysts
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rakibul@alpharating.com.bd

Contents

Date of Incorporation:
29 July, 2013

DSE & CSE Listing:
30th October, 2022

Board Chairman:
Engr. Md. Nurul Aktar

Chief Executive Officer (Acting):
Mohammed Amdad Ullah

Total Asset:
BDT 1,282.51 million (As on 31.12.2025)

Life Fund:
BDT 762.33 million (As on 31.12.2025)

Authorized Capital:
BDT 2,500.00 million

Paid up Capital:
BDT 375.00 million

Rating Rationale

Alpha Credit Rating PLC (AlphaRating), vide credit rating Agreement No: 16154, assigns long term rating **"AA" (Pronounced as 'Double A)** and short term rating **"ST-1"** in favor of **Chartered Life Insurance PLC** (herein after referred as 'CLIPLC or the company'). The rating is based on the audited financial statement from FY 2023 to FY 2025 and other qualitative information. While assigning the rating. AlphaRating has considered both favorable and unfavorable movement in overall performance of the company.

The rating of CLIPLC reflects the company's growth in gross & net premium, expansion of the life fund, return to an actuarial surplus in FY 2025, higher investment income with improved investment yield and a satisfactory liquidity position. The company also maintains a solvency ratio above the regulatory minimum requirement, positive operating cash flows, adequate paid-up capital and a satisfactory claims settlement record. In addition, the rating considers the company's experienced management team, qualified Board of Directors, sound IT infrastructure, and effective governance framework.

The rating is, however, constrained by the challenging macroeconomic environment, a decline in first-year and group insurance premiums, high risk retention due to limited reinsurance, excess management expenses, high underwriting risk and increasing competition in the life insurance industry.

Operating Performance

BDT in million	*Year ended December 31*		
Selected Indicators	*2025*	*2024*	*2023*
First year premium	234.36	238.49	317.38
Renewal premium	390.46	323.97	267.05
Group insurance premium	302.80	311.30	383.65
Gross Premium	927.62	873.77	968.07
Re-Insurance Premium	22.52	28.68	25.17
Net Premium	905.10	845.09	942.89
Life Fund	762.33	633.34	585.08
Net Liability (as per valuation)	700.03	673.06	480.67
Actuarial Surplus	62.30	(39.72)	104.41
Excess / (Spare) Management Expense	74.88	87.81	(0.07)
Total Investment	*959.37*	*815.64*	*660.13*
Investment Income	*77.74*	*55.68*	*41.57*
Yield on Investment (%)	*8.10*	*6.83*	*6.30*
Current Ratio (x)	1.94	2.05	2.87
*Solvency Ratio (%)**	*1.90*	-	-
Operating Cash Flow	63.14	81.03	97.53
Retention ratio (%)	97.57	96.72	97.40
Underwriting risk (%)	91.83	106.27	82.16

*The Solvency Margin for FY 2025 has been calculated in accordance with the provisions of the Solvency Margin Regulation, 2024, issued by IDRA.

Tanzina Khaled
Chief Rating Officer
Alpha Credit Rating PLC.

Company Profile

Chartered Life Insurance PLC (CLIPLC) is a public limited company incorporated on 29 July 2013 under the Companies Act, 1994. The company commenced business upon obtaining the Certificate of Commencement from the Registrar of Joint Stock Companies and Firms (RJSC) on the same date and is licensed by the Insurance Development and Regulatory Authority (IDRA) to conduct life insurance business in Bangladesh.

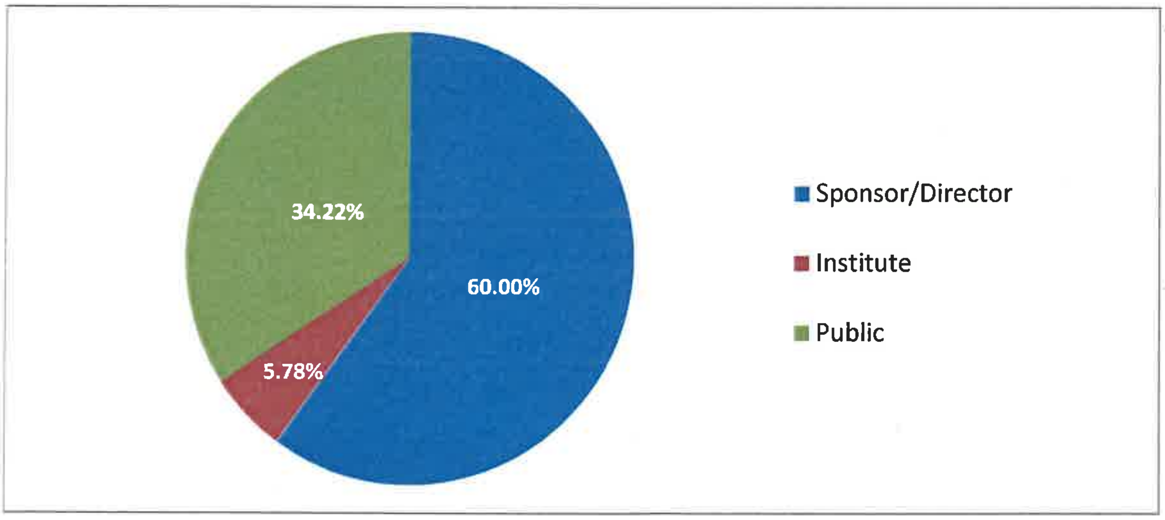
The company has an authorized share capital of BDT 2,500.00 million and a paid-up share capital of BDT 375.00 million as of 31 December 2025. Its registered office is located at Islam Tower (8th Floor) 464/H, D. I. T Road, West Rampur, Dhaka-1219.

CLIPLC offers a wide range of individual and group life insurance products designed to meet the diverse protection and financial security needs of its present and prospective policyholders. The company operates its business through a nationwide network comprising 07 sales offices, 16 cluster branch offices, 23 standalone branch offices and 06 standalone unit offices, ensuring accessible and quality insurance services across Bangladesh.

On 30 October 2022, CLIPLC was listed on both the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). As of 22 July 2026, the company had a market capitalization of BDT 1,935.00 million and is classified under the "B" category by the DSE. In FY 2023, the Board of Directors declared a 2.50% cash dividend for its shareholders.

Shareholding

The paid-up capital of the company stood at BDT 375.00 million against an authorized capital of BDT 2,500.00 million. As per the Insurance Act, 2010 (Section 21, Schedule 1), a life insurance company incorporated in Bangladesh is required to maintain a minimum paid-up capital of BDT 300.00 million, of which 60% must be contributed by the sponsors and the remaining 40% by the public. The company's present shareholding structure was as follows: (According to DSE; as on 30.06.2026)



Products

Sl. No.	Product Name
1	Anticipated Endowment (3 Stage Payment) Insurance Plan-With Profit.
2	Anticipated Endowment (5 Stage Payment) Insurance Plan-With Profit.
3	Ordinary Endowment Insurance Plan With Profit (CEP-1).
4	Ordinary Endowment Insurance Plan Without Profit (CEP-2).
5	Money Back Term Insurance Plan- With Guaranteed Profit.
6	Monthly Savings Insurance Plan- With Profit.
7	Hajj Bima- With Profit.
8	Denmohor Bima- With Profit.
9	Chartered Manpower Export Insurance Plan.
10	Single Premium Insurance Plan- Without Profit.
11	Assurance cum Pension Plan- Without Profit.
12	Chartered Nirapotta Bima (Term Insurance).
13	Chartered Shurakkha Bima.
14	Chartered Islami Single Premium Plan (With Profit).
15	Chartered Child Education Protection Plan.
16	Chartered Life Group Life and A & H Plan.

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

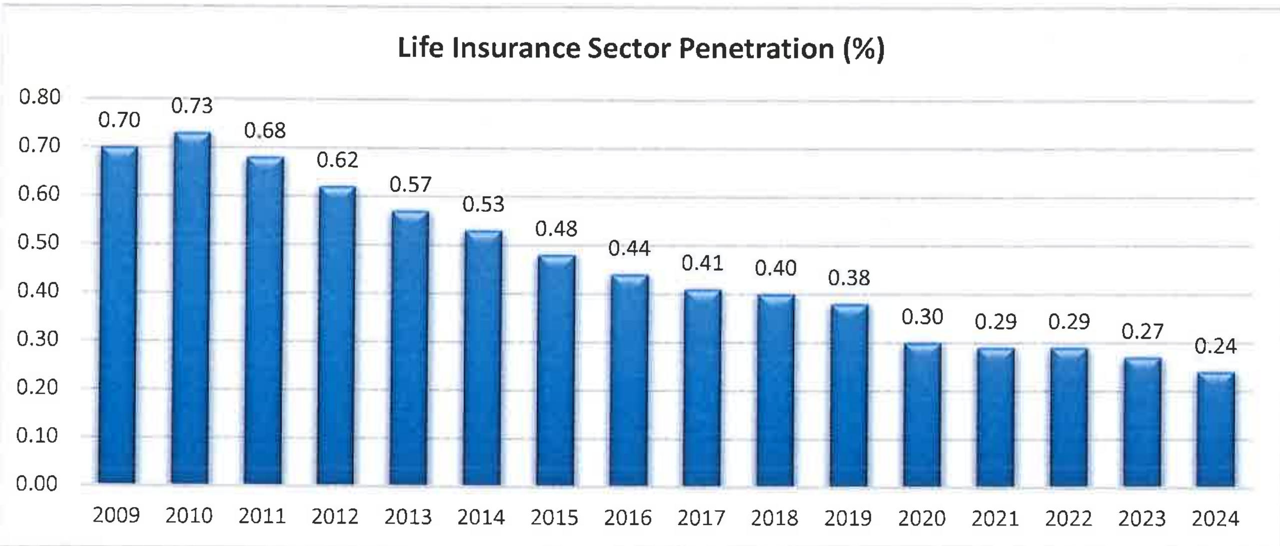


Figure 2: Non-Life Insurance Sector Penetration (%)

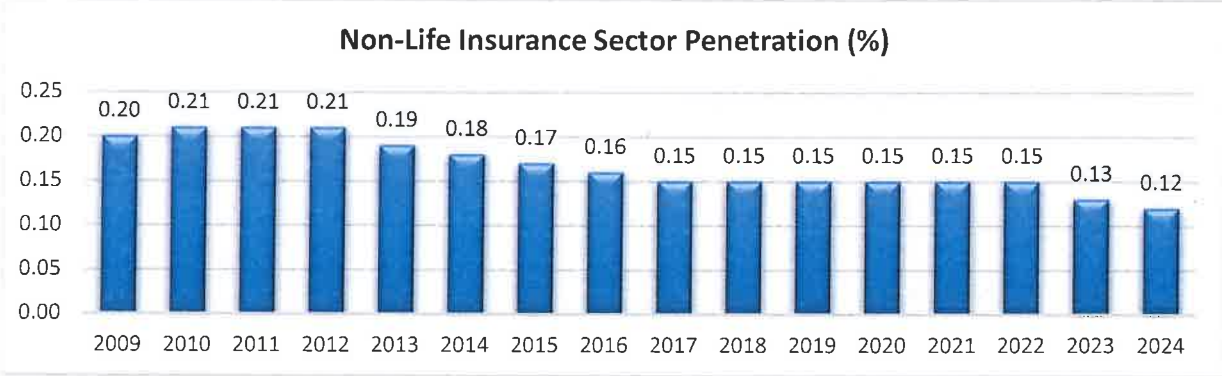


Figure 3: Life & Non-Life Insurance Sector Penetration (%)

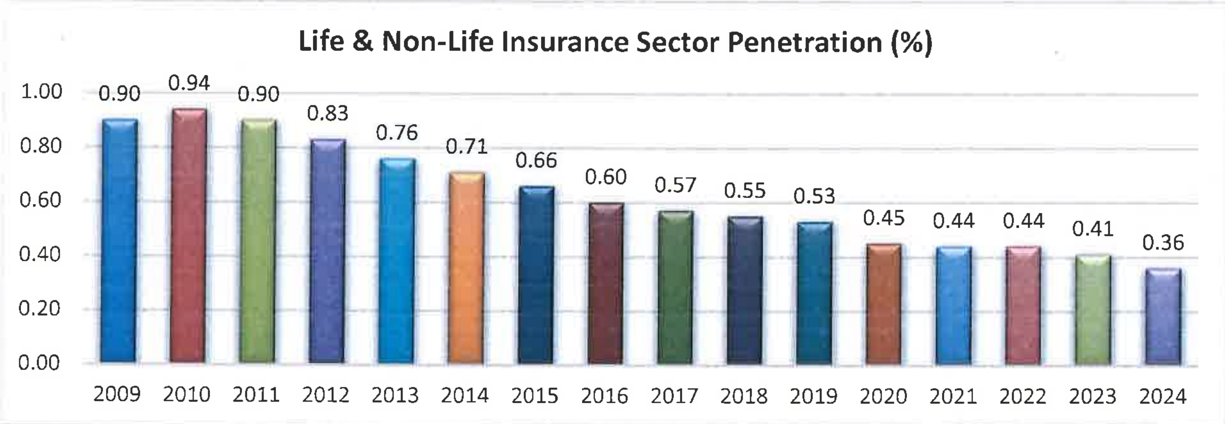


Table 2: Density of Population & Insurance

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

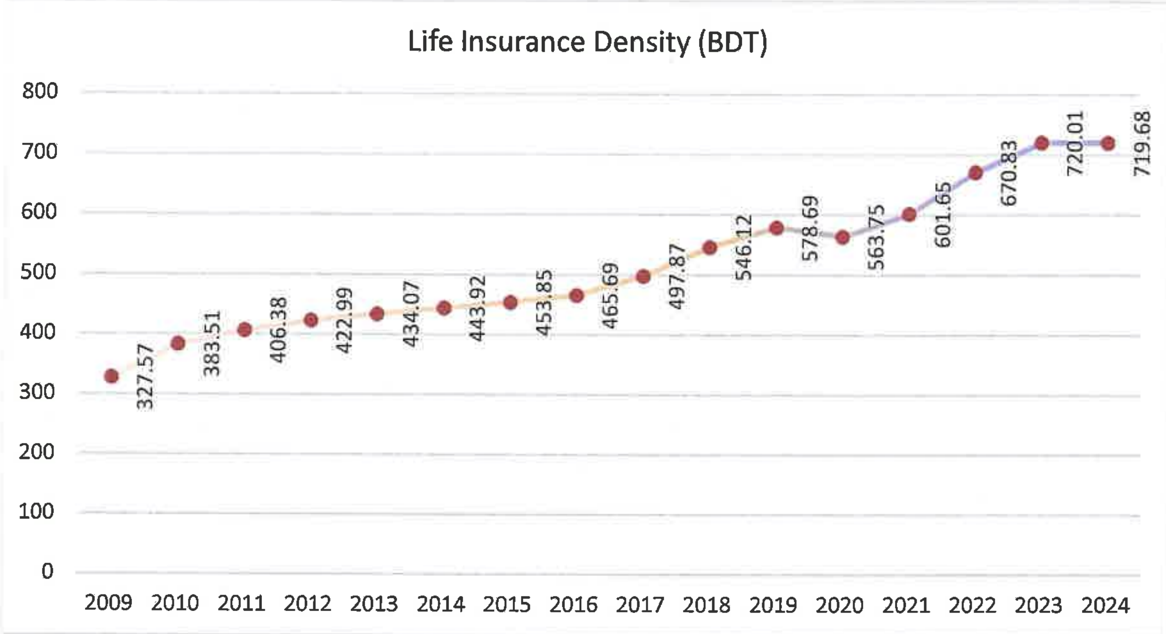


Figure 5: Density of Non-Life Insurance Sector

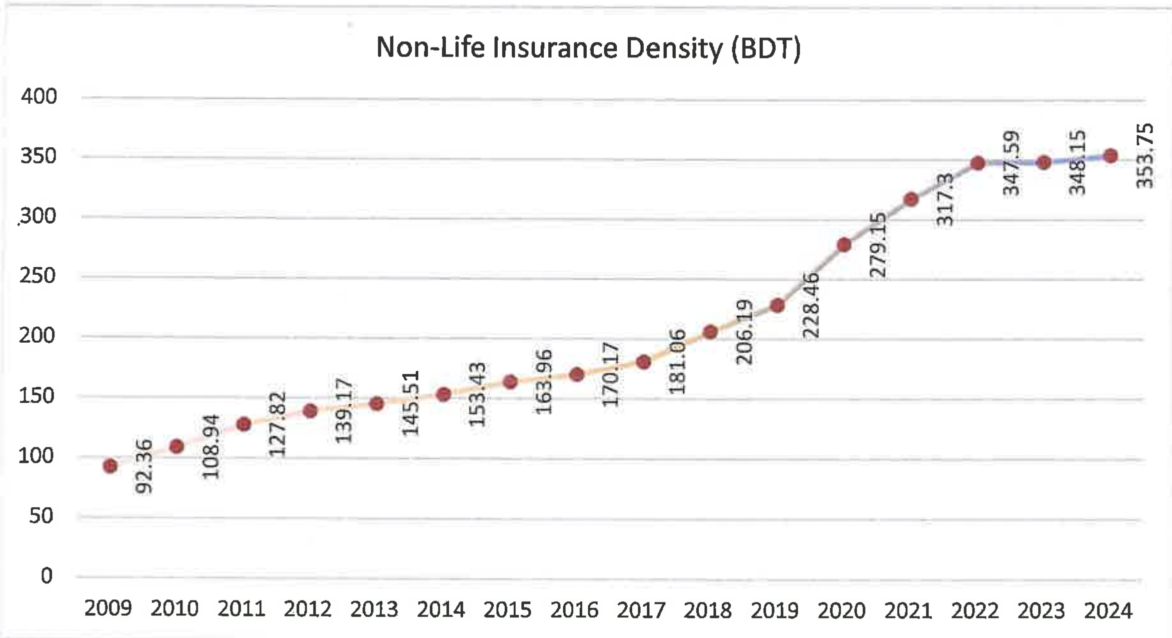
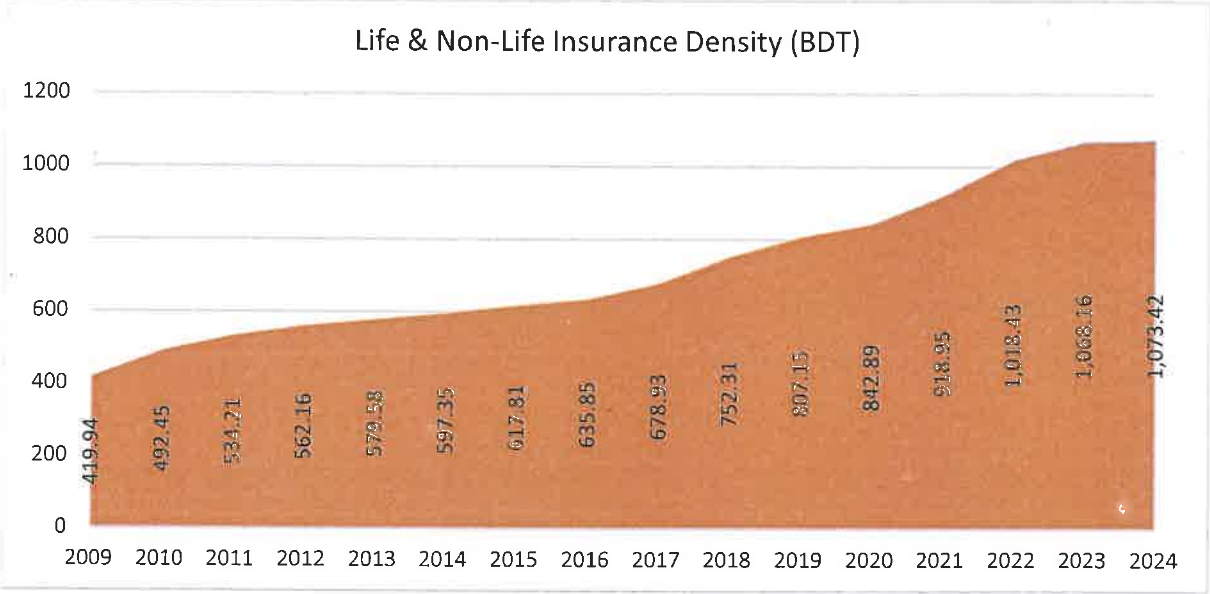


Figure 6: Density of Life & Non-Life Insurance Sector



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 Risk

Insurance underwriting risk is the risk that the company will suffer losses due to economic situation or the rate of occurrence of an incident contrary to the forecast made at the time of setting up the premium rate. The underwriting risk arises from death and sometimes due to permanent disability and critical illness. The company may get exposed to poor risk due to unexpected experience in terms of claim severity or frequency, poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund.

The company manages these risks through proper underwriting, reinsurance, effective claims handling and other claim control mechanism. Pricing is done in line with actuarial guideline and the mortality exposure of potential policyholders. However, appropriate pricing of a policy also depends on the experience of underwriting personnel. Moreover, premium rates are being reviewed from time to time on the basis of claim experience. The company seeks to reduce its risk exposure by reinsuring certain levels of risk with renowned reinsurer Munich-Re. Besides, the company avoids payment of fraudulent claims through claim investigation. Strict monitoring is in place to keep the outstanding balance of premium at a minimum.

Operational Risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through internal audit and compliance department controls operational procedures. Internal audit and compliance department undertakes periodic and special audit to review the operation and compliance of statutory requirements. The audit committee of the Board subsequently reviews the reports of the Internal Audit and Compliance Department.

Liquidity Risk

Liquidity risk is the risk that the company will be unable to meet its funding requirement. In order to reduce the liquidity risk the company has diversified funding sources and managing its asset base keeping liquidity in mind, maintaining healthy balance of cash and cash equivalent and readily market securities.

Credit Risk

Credit risk is the risk which arises with the possibility that one party entered into a financial instrument, will fail to discharge its obligation and cause the other party to incur a financial loss. The management monitors exposure to credit risk through regular review of credit exposure and assessing credit worthiness of counter parties.

Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices. Company is exposed to market risk with respect to its investment.

The company adopts a prudent policy in respect of investments. The company has made investments as per provision of the Insurance Act. The company also limits market risk by maintaining a diversified profile. In addition, the company actively monitors the key factors that affect the underlying value of the invested securities.

Reinsurance Risk

The company seeks to reduce its risk exposure by reinsuring certain levels of risk with re-insurer. Re-insurer ceded does not relieve the company from its obligation to policyholders and as a result, the company also remains liable for the portion of outstanding claims reinsured to the extent that re-insurer does not meet the obligations under the reinsurance agreements. In order to minimize the risk, the company has obtained reinsurance cover from Trust Re with proven sound financial health.

Interest Rate Risk

CLIPLC is exposed to interest rate risk through its investments in fixed-income securities and interest-bearing deposits. Changes in market interest rates may affect the returns and market value of these investments. To mitigate this risk, the company monitors movements in market interest rates and maintains a diversified investment portfolio across various financial institutions and investment instruments.

Financial Risk Analysis

Operating Performance

The operating performance of CLIPLC has been assessed based on its audited financial statements and actuarial valuation reports.

In FY 2025, the company recorded a gross premium of BDT 927.62 million, representing an increase of BDT 53.85 million from BDT 873.77 million in FY 2024. The growth was primarily supported by a strong increase in renewal premium, which rose by 20.52% to BDT 390.46 million from BDT 323.97 million, indicating improved policy persistency and customer retention. In contrast, first year premium declined marginally by 1.73% to BDT 234.36 million, while group premium decreased by 2.73% to BDT 302.80 million, reflecting comparatively slower new business acquisition and lower group business during the year.

Following the improvement in gross premium and a reduction in reinsurance premium, net premium increased by 7.10% to BDT 905.10 million in FY 2025 from BDT 845.09 million in FY 2024. The company also reported a significant improvement in investment income, which increased to BDT 77.74 million from BDT 55.68 million, supported by stronger investment returns. Conversely, other income declined to BDT 0.86 million from BDT 2.53 million, though it remained immaterial relative to the company's overall revenue base.

The company's life fund continued its positive growth trajectory, increasing by 20.37% to BDT 762.33 million in FY 2025 compared with BDT 633.34 million in the previous year. The consistent expansion of the life fund enhances the company's financial strength and its capacity to meet future policyholder obligations. During the same period, net actuarial liabilities increased to BDT 700.03 million from BDT 673.06 million, reflecting the growth and ageing of the insurance portfolio. Despite the increase in liabilities, the company generated an actuarial surplus of BDT 62.30 million, reversing the actuarial deficit of BDT 39.72 million reported in FY 2024.

The company's policy portfolio also expanded during the year, with in-force policies increasing to 31,760 from 29,051 in FY 2024. The increase in active policies, together with the strong growth in renewal premiums, reflects satisfactory business retention and policy persistency. As of FY 2025, in-force policies constituted the largest share of total net liabilities at 65.53%, followed by paid-up policies (24.93%) and group insurance business (8.66%). The remaining liabilities related to supplementary accidental and health (A&H) riders, revived lapsed policies and adjustments arising from reinsurance arrangements.

BDT in million	*Year ended December 31*		
Selected indicators	***2025***	***2024***	***2023***
First year premium	*234.36*	*238.49*	*317.38*
Growth rate of first year premium (%)	*(1.73)*	*(24.86)*	*(2.10)*
Renewal premium	*390.46*	*323.97*	*267.05*
Growth rate of renewal premium (%)	*20.52*	*21.31*	*43.33*
Group premium	*302.80*	*311.30*	*383.65*
Growth rate of group premium (%)	*(2.73)*	*(18.86)*	*53.44*
Gross Premium	*927.62*	*873.77*	*968.07*
Re-Insurance Premium	*22.52*	*28.68*	*25.17*
Net Premium	*905.10*	*845.09*	*942.89*
Investment income	*77.74*	*55.68*	*41.57*
Other Income	*0.86*	*2.53*	*1.77*

BDT in million	*Year ended December 31*		
Selected indicators	***2025***	***2024***	***2023***
Life Fund	*762.33*	*633.34*	*585.08*
Growth rate of Life Fund (%)	*20.37*	*8.25*	*28.14*
Net Liability (as per valuation)	*700.03*	*673.06*	*480.67*
Actuarial Surplus	*62.30*	*(39.72)*	*104.41*
Less: Unappropriated previous amount	-	-	*5.54*
Plus: Bonuses paid during the year	-	-	-
Surplus for the year	*62.30*	*(39.72)*	*98.87*
Surplus allocated for dividend to Shareholder	*6.23*	-	*9.40*
Surplus allocated to policyholders for bonus	*46.26*	-	*61.19*
Surplus carried forward	*9.81*	-	*33.82*

Under the prevailing regulatory framework, policyholders of participating life insurance policies are entitled to up to 90% of the distributable actuarial surplus, while shareholders may receive up to 10% of the surplus attributable to participating business. Shareholders are also entitled to the profits generated from non-participating business, subject to applicable regulatory requirements. Based on the FY 2025 actuarial valuation, BDT 46.26 million was allocated to policyholders as bonus, BDT 6.23 million was allocated to shareholders as dividend, and the remaining BDT 9.81 million was carried forward for future appropriation.

Investment Profile

AlphaRating observed that CLIPLC has maintained a diversified investment portfolio comprising statutory deposits with Bangladesh Bank, Bangladesh Government Treasury Bonds, fixed deposit, equity investments etc. The company's total investment portfolio increased to BDT 959.37 million in FY 2025 from BDT 815.64 million in FY 2024, reflecting continued deployment of funds generated from business growth and the expansion of the life fund.

In accordance with the Insurance Act 2010, every life insurance company is required to maintain a statutory deposit of BDT 15.00 million with Bangladesh Bank. CLIPLC remained fully compliant with this regulatory requirement throughout FY 2025. The company also increased its exposure to Bangladesh Government Treasury Bonds, with investments rising to BDT 613.43 million from BDT 466.80 million in FY 2024. The increased allocation to sovereign securities reflects a prudent investment strategy, as government bonds offer relatively low credit risk, stable returns and strong liquidity.

Fixed deposit continued to represent another important component of the investment portfolio. FDR investments increased modestly to BDT 86.94 million in FY 2025 from BDT 83.93 million in the previous year. Meanwhile, the company maintained exposure to the equity market, with listed shares having a market value of BDT 214.21 million against a cost value of BDT 222.39 million as of December 31, 2025, indicating an unrealized depreciation in the equity portfolio.

BDT in million	***Year ended December 31***		
Selected Indicators	***2025***	***2024***	***2023***
Total Investment	*959.37*	*815.64*	*660.13*
Investment income	*77.74*	*55.68*	*41.57*
Yield on Investment (%)	*8.10*	*6.83*	*6.30*

In FY 2025, CLIPLC generated an investment income of BDT 77.74 million against a total investment portfolio of BDT 959.37 million. As a result, the company's yield on investment improved to 8.10% in FY 2025 compared to 6.83% in FY 2024.

Investment Return

Items	Required Rate	Chartered Life's Rate	
		2025	**2024**
Govt. Securities	30% (min)	49.20%	43.00%
Shares	25% (max)	17.23%	20.15%
FDR (Bank)	60% (max)	6.74%	7.34%
Other assets	5% (max)	3.40%	2.37%

AlphaRating observed that CLIPLC complied with the regulatory investment allocation requirements over the years under consideration.

Management Expense

Under the Insurance Act 2010, life insurance companies are required to determine their allowable management expenses in accordance with prescribed regulatory guidelines and ensure that actual management expenses remain within the permissible limit.

BDT in million	***Year ended December 31***		
Selected Indicators	***2025***	***2024***	***2023***
Allowable management expense	*317.23*	*297.72*	*427.04*
Actual management expense	*392.11*	*385.53*	*426.97*
Excess / (spare) management expense	*74.88*	*87.81*	*(0.07)*
Actual management expense as % of net premium	*43.32*	*45.62*	*45.28*

AlphaRating observed that CLIPLC exceeded the allowable management expense during last two financial years. In FY 2025, the company's allowable management expense stood at BDT 317.23 million, whereas actual management expenses amounted to BDT 392.11 million, resulting in an excess management expense of BDT 74.88 million, compared with BDT 45.62 million in FY 2024. Actual management expenses represented 43.32% of net premium in FY 2025, which was 45.62% in FY 2024, indicating better expense efficiency despite continued non-compliance with the prescribed regulatory limit.

Liquidity

BDT in million	Year ended December 31		
Selected Indicators	**2025**	**2024**	**2023**
Current Ratio (x)	1.94	2.05	2.87
Liquid assets to claim (x)	0.30	0.32	0.40
Current Assets to Life Fund (x)	0.33	0.39	0.54
Operating Cash Flow	63.14	81.03	97.53

AlphaRating considers CLIPLC's liquidity position to be satisfactory, supported by a prudent investment strategy and adequate short-term solvency. As of FY 2025, approximately 74.57% of the company's investment portfolio was concentrated in highly secure and relatively liquid assets, including Bangladesh Government Treasury Bonds, fixed deposit and the statutory deposit with Bangladesh Bank, providing a stable source of funds to meet policyholder obligations. On the liability side, the balance sheet remained primarily funded by the life fund (59.44% of total liabilities and equity), followed by shareholders' equity (29.24%), with the remainder comprising other liabilities.

The current ratio stood at 1.94 times in FY 2025, compared with 2.05 times in FY 2024, indicating that the company continued to maintain adequate liquidity to meet its short-term obligations despite the marginal decline. Similarly, the current assets to life fund ratio decreased to 0.33 times from 0.39 times, reflecting a lower proportion of current assets relative to the growing life Ffund.

The liquid assets to claims ratio also declined slightly to 0.30 times in FY 2025 from 0.32 times in the previous year, primarily due to a reduction in cash and bank balances alongside higher claim obligations. Nevertheless, the company's liquidity remained supported by its sizeable holdings of government securities and other liquid investments.

CLIPLC continued to generate positive operating cash flow, amounting to BDT 63.14 million in FY 2025. Although operating cash flow declined from BDT 81.03 million in FY 2024, mainly due to lower operating cash inflows and higher cash outflows.

Reinsurance

BDT in million	Year ended December 31		
Selected indicators	**2025**	**2024**	**2023**
Total Reinsurance	22.52	28.68	25.17
Retention Ratio (%)	97.57	96.72	97.40

Reinsurance is an important risk management tool that enables insurers to transfer a portion of their underwriting risk to reinsurers, thereby reducing exposure to large or unexpected claims. In accordance with Section 20 of the Insurance Act 2010, insurers are required to reinsure risks that cannot be prudently retained. CLIPLC has entered into a reinsurance arrangement with Trust Re to manage its underwriting risk and strengthen its claims-paying capacity.

During FY 2025, reinsurance declined to BDT 22.52 million from BDT 28.68 million in FY 2024. Consequently, the company's retention ratio increased slightly to 97.57% from 96.72%, indicating that CLIPLC retained the majority of its underwriting risk while ceding only a small portion to the reinsurer. Although the high retention ratio supports premium retention and profitability, it also increases the company's exposure to large claims.

Capital Adequacy

BDT in million	Year ended December 31		
Selected Indicators	**2025**	**2024**	**2023**
Required paid-up capital	300.00	300.00	300.00
Actual paid-up capital	375.00	375.00	375.00
Surplus/ (deficit) of capital	75.00	75.00	75.00
Actual Paid-up capital to required paid-up capital (%)	125.00	125.00	125.00

As per Insurance Act 2010 Section 21 (Schedule 1) life insurance companies are required to have BDT 300.00 million paid up capital amongst 60 percent shall be subscribed by the sponsors and the remaining 40 percent shall remain open for public subscription. The company's paid-up capital remained unchanged at BDT 375.00 million throughout the review period, comfortably exceeding the statutory minimum. The adequate capital base strengthens the company's financial position and provides additional support in meeting any potential shortfall in the life fund.

Underwriting

BDT in million	Year ended December 31		
Selected indicators	**2025**	**2024**	**2023**
Underwriting risk (%)	*91.83*	*106.27*	*82.16*
Life Expectancy (in years)	*74.07*	*73.82*	*73.57*

Underwriting risk represents the risk of financial loss arising from inaccurate risk selection, pricing or a higher-than-expected incidence of insured events. As underwriting is the primary driver of premium generation and future policy liabilities, an effective underwriting framework is essential to maintaining the financial soundness of a life insurer.

In FY 2025, CLIPLC's underwriting risk improved to 91.83% from 106.27% in FY 2024, primarily due to higher growth in the life fund relative to the increase in net liabilities. This indicates an improvement in the company's capacity to support its underwriting obligations. Nevertheless, the underwriting risk remains relatively high and the company should continue to strengthen its underwriting practices and expand its life fund to support future liabilities. However, AlphaRating notes that the underwriting risk level remains broadly comparable with that of the domestic life insurance industry, where relatively high underwriting risk is common. Meanwhile, life expectancy in Bangladesh continued to improve, increasing to 74.07 years in 2025 from 73.82 years in 2024.

Solvency

The solvency margin is one of the key indicators of an insurer's financial strength and its ability to meet policyholder obligations. It represents the excess of an insurer's admissible assets over its liabilities and other regulatory commitments. In accordance with the requirements of the Insurance Development and Regulatory Authority (IDRA), all life insurance companies are required to maintain a prescribed solvency margin and prepare a solvency statement to demonstrate their financial soundness. To strengthen consistency and transparency in solvency assessment, IDRA introduced the Life Insurer's Solvency Margin Regulation, 2024, effective from 23 October 2024, which provides a standardized methodology for calculating the solvency margin.

BDT in million	Year ended December 31
Selected Indicators	**2025**
*Required solvency**	*27.37*
*Available solvency**	*51.88*
*Solvency margin (x)**	*1.90*

*The Solvency Margin for FY 2025 has been calculated in accordance with the provisions of the Solvency Margin Regulation, 2024, issued by IDRA.

During FY 2025, CLIPLC's required solvency stood at BDT 27.37 million, while the available solvency amounted to BDT 51.88 million, resulting in a solvency margin of 1.90 times. The company's solvency margin remained comfortably above the regulatory minimum requirement of 1.00 time as of 31 December 2025, indicating adequate capital to absorb unforeseen losses, meet policyholder obligations and comply with statutory solvency requirements.

Claims Analysis

AlphaRating observed that CLIPLC has identified claims management as a key operational priority and has undertaken initiatives such as workflow automation and enhanced investigation of early claims to improve the efficiency and effectiveness of the claims settlement process.

During FY 2025, total claims increased modestly to BDT 437.46 million from BDT 424.66 million in FY 2024. However, as gross premium and net premium grew at a faster pace, the claim to gross premium ratio declined to 47.16% from 48.60%, while the claim to net premium ratio decreased to 47.43% from 49.04%. Similarly, the claim to life fund ratio improved to 56.31% from 65.43%, reflecting stronger growth in the Life Fund relative to claims. These trends indicate an improvement in the company's claims absorption capacity. Nevertheless, sustaining premium growth and further strengthening the life fund will remain essential to support future claim obligations.

Analysis of the claims mix indicates a changing claims profile. Hospitalization claims continued to account for the largest share of total claims at 57.09%, although their proportion declined from 64.18% in FY 2024. In contrast, survival claims and maturity claims increased to 13.65% and 7.79% of total claims respectively, reflecting the gradual maturity of the company's insurance portfolio, particularly its endowment products. Death claims remained broadly stable at around 10% of total claims.

The company's investment income to claim ratio improved to 0.18 times in FY 2025 from 0.13 times in FY 2024, indicating that investment income alone was insufficient to fully cover claim payments. Therefore, the company continues to rely primarily on premium income and other available resources to meet claims obligations. Further strengthening investment income would enhance CLIPLC's claims paying capacity and reduce its dependence on other funding sources.

BDT in million	*Year ended December 31*		
Selected Indicators	***2025***	***2024***	***2023***
Total claim	*437.46*	*424.66*	*379.08*
Claim on life fund (%)	*56.31*	*65.43*	*63.65*
Claim on gross premium (%)	*47.16*	*48.60*	*39.16*
Claim on net premium (%)	*47.43*	*49.04*	*39.50*
Investment income/claims (x)	*0.18*	*0.13*	*0.11*
Death claim as % of total claim	*10.01*	*10.67*	*10.70*
Surrender claim as % of total claim	*9.61*	*9.58*	*7.41*
Survival claim as % of total claim	*13.65*	*8.77*	*6.58*
Maturity claim as % of total claim	*7.79*	*4.67*	*2.37*
Hospitalization claim as % of total claim	*57.09*	*64.18*	*69.48*

BDT in million	*Year ended December 31*		
Selected Indicators	***2025***	***2024***	***2023***
Number of claim initiated	*4,372*	*2,612*	*1,780*
Number of claims settled	*4,244*	*2,564*	*1,761*
Number of claim repudiated	*128*	*48*	*19*

Operationally, CLIPLC initiated 4,372 claims during FY 2025 and successfully settled 4,244 claims, representing a 97.07% settlement rate. Although the number of claim repudiations increased to 128 from 48 in FY 2024, the higher repudiation largely coincided with a substantial increase in claim notifications. The company maintained an efficient claims settlement process, requiring approximately three days to settle death (IL) claims and two days for other claim categories, demonstrating a satisfactory level of operational efficiency and customer service.

Management and Other Qualitative Factors

Board of Directors

CLIPLC's Board comprises of 12 (twelve) members including 01 Independent Director and 01 Executive Director, who serves as the Chief Executive Officer. The Board is chaired by Engr. Md. Nurul Aktar. The Board brings together diverse expertise in management, law and business, enabling effective oversight and decision-making. It provides strategic direction, oversees the company's operations and governance, approves key policies, ensures effective internal controls and regulatory compliance and protects the interests of all shareholders, including minority shareholders. During FY 2025, 10 (ten) Board meetings were held.

Nomination and Remuneration Committee (NRC)

NRC consists of 04 (four) members. Mr. Mohammed Forkan Uddin, FCA is the chairman of the NRC committee. The NRC assists the Board by overseeing policies on Board composition, director independence, diversity and executive remuneration. It recommends the appointment, evaluation and succession of directors and senior executives, ensures remuneration is aligned with performance and market practices and reviews the company's human resource, talent management and training policies to support effective leadership and organizational development. During FY 2025, 05 (five) meetings were held by the committee.

Risk & Investment Committee

Risk & Investment Committee consists of 05 (five) members. Mr. Ghulam Mustafa is the chairman of the committee. The committee assists the Board in overseeing the company's risk management framework. It reviews risk management policies, strategies and related reports, monitors key financial and operational risks, evaluates the effectiveness of risk mitigation measures and recommends improvements to the Board. The Committee also oversees compliance with regulatory requirements and ensures appropriate action is taken on emerging risk and control issues. During FY 2025, 02 (two) meetings were held by the committee.

Audit Committee

The audit committee consists of 05 (five) members. Mr. Mohammed Forkan Uddin, FCA is the chairman of the audit committee. The audit committee assists the Board in overseeing the integrity of financial reporting, the effectiveness of internal controls, risk management, compliance and internal audit functions. It reviews quarterly and annual financial statements, monitors accounting policies and related party transactions, oversees the appointment and performance of external auditors, evaluates audit findings and ensures that identified control weaknesses are appropriately addressed before financial reports are submitted to the Board. During FY 2025, 08 (eight) meetings were held by the committee.

Sariah Council Committee

Sariah Council Committee consists of 08 (eight) members. Principal Kamaluddin Abdullah Zafree is the chairman of the committee. The Shariah Council of CLIPLC oversees the company's Islamic insurance operations to ensure compliance with the principles of Shariah. It reviews and approves Shariah-compliant products, policies, contracts, investments and operational practices, advises the Board and Management on Shariah matters, monitors compliance, recommends corrective actions where necessary and promotes awareness of Islamic insurance principles among stakeholders. Through its oversight, the Council supports ethical business practices, transparency,and policyholder confidence.

Policyholders Protection and Compliance Committee

Policyholders Protection and Compliance Committee consists of 03 (three) members. Mr. Shykh Seraj is the chairman of the committee. The committee oversees policyholder protection, customer service and regulatory compliance. It reviews and monitors customer complaints, recommends measures for their timely resolution, oversees claims servicing standards and service level agreements, ensures compliance with applicable laws and regulatory requirements and promotes initiatives to enhance policyholder awareness and satisfaction. During FY 2025, 01 (one) meetings was held by the committee.

IT Infrastructure

CLIPLC maintains a secure and reliable IT infrastructure that supports its core insurance operations, digital services and information security. The company operates integrated business systems for policy administration, claims processing, finance, human resources and inventory management, complemented by digital service channels including mobile applications, an online claims portal and its corporate website. Business continuity is ensured through a primary Data Centre, a Disaster Recovery Centre, dual-ISP connectivity, secure VPN access and robust cyber security controls.

Future Plan: During 2026–2027, the company plans to strengthen its IT capabilities by deploying a next-generation enterprise firewall, redesigning the network infrastructure, establishing two dedicated disaster recovery sites, upgrading the data center with high-availability infrastructure, implementing an active-active server cluster, completing enterprise licensing and access management, expanding digital services through its website and enhancing IT manpower.

Internal Control System

CLIPLC maintains a comprehensive internal control system designed to safeguard assets, ensure the accuracy and reliability of financial reporting, promote operational efficiency, manage risks and ensure compliance with applicable laws, regulations and internal policies. The Board of Directors and the Audit Committee oversee the effectiveness of the internal control framework, while management is responsible for its implementation and continuous improvement.

The Internal Audit Department conducts risk based audits, department wise pre & post audits, quarterly reviews of financial statements and operational audits across all functions. It also monitors compliance, reviews key transactions, maintains a risk register, identifies control weaknesses, recommends corrective actions and reports its findings regularly to the Audit Committee. This framework provides reasonable assurance that the company's operations are effective, transparent and aligned with sound corporate governance practices.

Corporate Social Responsibility

CLIPLC is committed to contributing to sustainable social and economic development through initiatives in disaster relief, financial literacy, healthcare, education and environmental conservation. The company supported flood-affected families, conducted life insurance awareness programs, organized health camps, provided scholarships and implemented tree plantation and waste reduction initiatives. These activities are overseen by the CSR & Sustainability Committee of the Board. Going forward, CLIPLC plans to expand its CSR efforts through digital health initiatives, rural micro insurance promotion and green office practices.

Human Resources & Training

CLIPLC is committed to transforming its human resources into human capital by enhancing employees' knowledge, skills, competencies and professional capabilities. As of the end of FY 2025, the company employed 123 personnel and recorded an employee turnover rate of 37.59%.

The company places strong emphasis on employee learning and development through regular training programs aimed at improving technical, operational and professional competencies. During FY 2025, CLIPLC conducted 07 training programs on various topics, with a total of 1,072 participant attendances.

Company Information

Board of Directors & CEO

Engr. Md. Nurul Aktar (Rep. of Energypac Power Generation Ltd.)	Chairman
Mr. Ghulam Mustafa	Vice Chairman
Mr. Shykh Seraj	Director
Mr. Haseeb Ahmed (Rep. of Golden Oil Mills Ltd.)	Director
Md. Sharif Hasan, FCS (Rep. of Unique Hotel & Resort PLC.)	Director
Mohammed Jahangir Alam (Rep. of GPH Power Generation Ltd.)	Director
Touseef Mashrurul Karim (Rep. of Reedisha Food & Beverage Ltd.)	Director
Mr. Dipen Kumar Saha Roy FCA (Nominee of Naryan Chandra Saha)	Director
Barrister Mohammed Mozibur Rahman (Nominee of Shamshed Ali)	Director
Mr. MD. Abdul Majid Laskar (Nominee of Mohammad Nazim Uddin Khan)	Director
Mohammed Forkan Uddin FCA	Independent Director
Mohammed Amdad Ullah	Chief Executive Officer (Acting)

Shareholding *(According to DSE; as on 30.06.2026)*

Name of Sponsors	% of Holdings
Sponsor/Director	60.00%
Institute	5.78%
Public	34.22%
Total	**100%**

Auditor

Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban (6th & 7th Floor), 7-9, Karwan Bazar Commercial Area, Dhaka-1215.

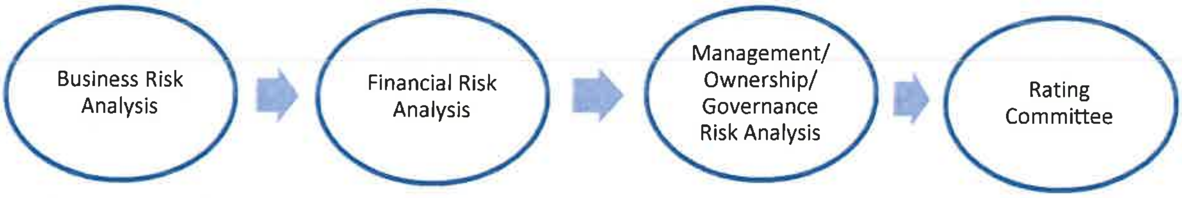
Actuary

Fahim Islam
Fellow Actuary (FSA), Society of Actuaries, USA

Head Office

Chartered Life Insurance PLC
Islam Tower (8th Floor) 464/H, D. I. T Road, West Rampura, Dhaka-1219.
Customer Service: +8801777770990, +8802-55128956-7
Email: mail@charteredlifebd.com
Website: www.charteredlifebd.com

AlphaRating's Research Methodology for Determining Life Insurance Credit Rating



Analysis is segmented into two or three sub sectors:

- Industry Outlook
- Competitive Position
- Operational Analysis

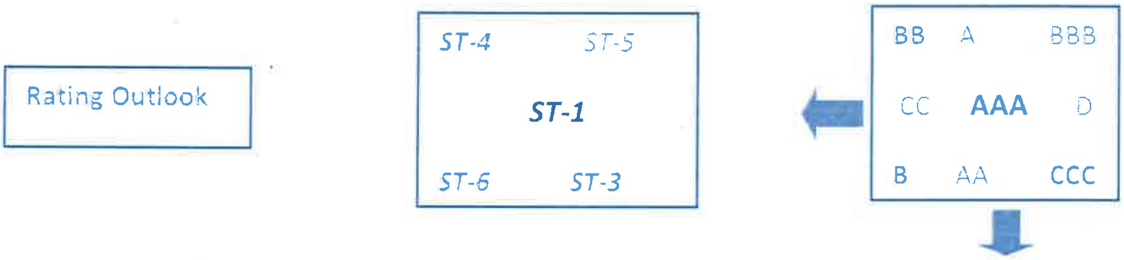
Analysis is segmented into four sub sectors:

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

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

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

- Review Modeling Assumption
- Approve Company-Specific Adjustments



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.