

**National Life Insurance Company Limited (NLICL)****RATING REPORT**

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**Ratings**

Long Term: AA<sub>3</sub>  
Short Term: ST-2

Date of Rating: 9 March 2008  
Validity: One Year

Analyst: Enam Al Quddus

**RATIONALE**

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Credit Rating Agency of Bangladesh Limited (CRAB) has assigned **AA<sub>3</sub>** (Pronounced Double A Three) rating in the Long Term and **ST-2** rating in the Short Term to the National Life Insurance Company Limited (NLICL). The long term rating of NLICL reflects its strong position in life insurance market of Bangladesh.

The financial profile of NLICL is also above average compared to other life insurers. Very high safety rating reflects its relatively good asset portfolio and satisfactory profitability.

At the end of FY06, NLICL's total premium income stood at BDT 3,160 million, which is approx. 13% of total life insurance market. It maintained 2<sup>nd</sup> position among local private sector life insurers. Its investment portfolio stood at BDT 6,094 million at the end of FY06. Investment yield of NLICL is also increasing over the years.

NLICL's capitalization seems to be moderate compared to its peers. However, the company plans to augment its capital base as per regulatory requirement to BDT 75.00 million by June 2008.

The company has in place an efficient and effective underwriting process. However, it should be vigilant on keeping lapses and surrenders to a minimum. The company seems to be able to settle claims in due time in most of the instances. However, claims settlement process needs to be more streamlined for improved customer satisfaction and company reputation.