

Key Particulars of the IPO			Major Products of the Company		
Ticker			ICICL		
Offer Price per Share (Tk.)			10		
Face Value (Tk.)			10		
No. of Share (IPO)			20,261,106		
No. of Pre-IPO Share			30,391,660		
No. of Post-IPO Share			50,652,766		
<b>Issue Size (Offer Price) (Tk.)</b>			<b>202,611,060</b>		
Pre-IPO Paid-up Capital (TK)			303,916,600		
Post-IPO Paid Up Capital (Tk)			506,527,660		
Authorized Capital (Tk)			1,000,000,000		
<b>No. of Free Float Shares on Debut</b>			<b>17,221,940</b>		
Post-IPO EPS (9m Sept, 2022)			0.63		
<b>Annualized EPS (12m Dec, 2022)</b>			<b>0.84</b>		
NAVPs (9m Sept, 2022)			21.01		
<b>PE at Tk 10 (Post-IPO)</b>			<b>11.90</b>		
Name of Sponsors, Directors and Key Personnel					
Name		Position	Post IPO %		
Shahida Anowar		Chairman	3.00%		
Md. Ashik Hossain		Director	6.00%		
Md. Abu Bakkar Siddique		Sponsor Director	5.99%		
Shirin Akhter		Director	5.00%		
Negar Sultana		Sponsor Director	4.00%		
Others			16.96%		
<b>Total</b>			<b>40.95%</b>		
Financing of IPO Fund					
Particulars		%	No. of Ordinary Shares	Face Value	Issue Amount (Taka)
Eligible Investor (EI)	EIs (Including CISs)	17.00%	3,444,388	10	34,443,880
	Mutual Funds	4.25%	861,097		8,610,970
General Public (GP)	Others	59.50%	12,055,358		120,553,580
	NRB	4.25%	861,097		8,610,970
Employees & Others		15.00%	3,039,166		30,391,660
<b>Total</b>		<b>100%</b>	<b>20,261,106</b>		<b>202,611,060</b>

The major products of the company are

- Fire Insurance
- Marine Insurance
- Motor Insurance
- Engineering Insurance
- Miscellaneous

### Company Overview

Islami Commercial Insurance Company Limited (ICICL) was incorporated in October 18, 1999 as a Public Limited Company. The company does not have any subsidiary. The chairman of the company Shahida Anowar is a prosperous business woman who also holds the chairman position of numerous other businesses such as Dubai Bangladesh Cement Mills Ltd., Dubai Bangla LP Gas Ltd. and AG Textile Mills Ltd. The company has 37 branches/offices all over Bangladesh with its head office located in Motijheel, Dhaka. Each of its branches are equipped with professional software in which its major functions are insurance underwriting in order to conduct operations with efficiency and to promptly cater to the needs of its clientele. Meghna Insurance Company Limited also has an automatic reinsurance arrangement with the state owned Sadharan Bima Corporation, the only Re-insurance Corporation of the country.

### Industry Overview

At present, there are 81 insurance companies in Bangladesh — 46 non-life insurance, 35 life insurance. According to a PWC report, insurance penetration (insurance premiums as a share of GDP) in Bangladesh has mostly been on a downward trend since 2009 and stands at 0.55% currently, much below the other emerging markets. Compared to its South Asian counterparts Bangladesh has the lowest premium per capita. However, the industry fails to focus on two sectors with a huge demand for insurance policies — health and agriculture. Bangladesh's expenditure on health is only 2.64% of its GDP—the lowest in South Asia. Around 9% of households in Bangladesh have to make large healthcare payments and 7% of households have to finance their healthcare costs by selling their assets.

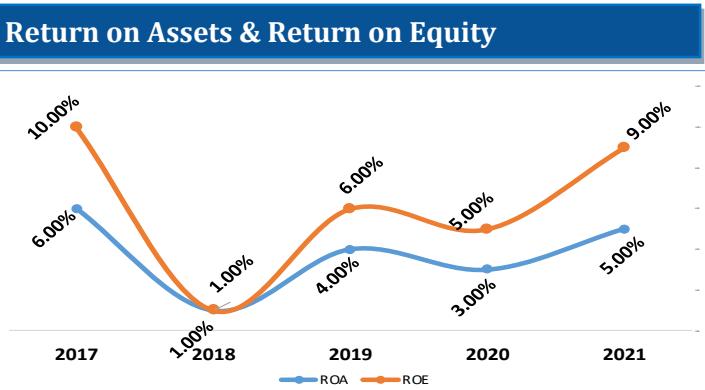
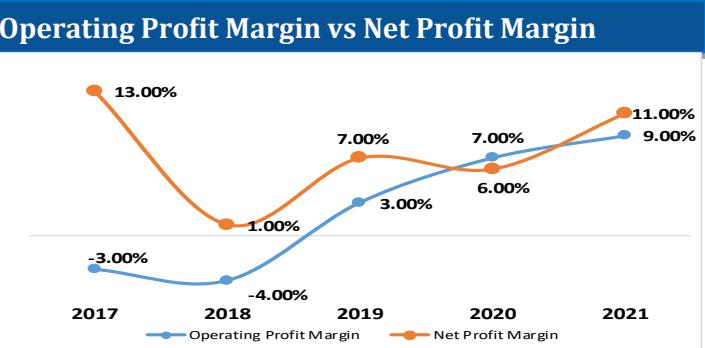
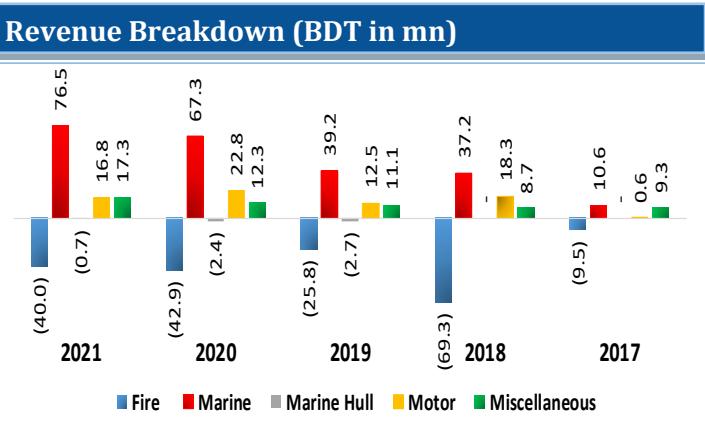
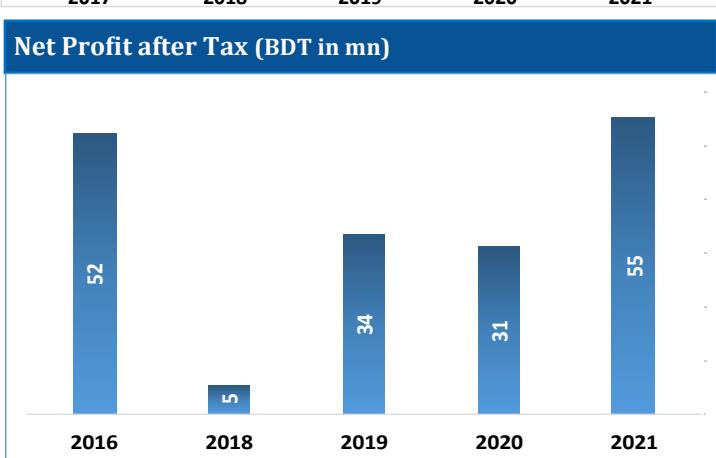
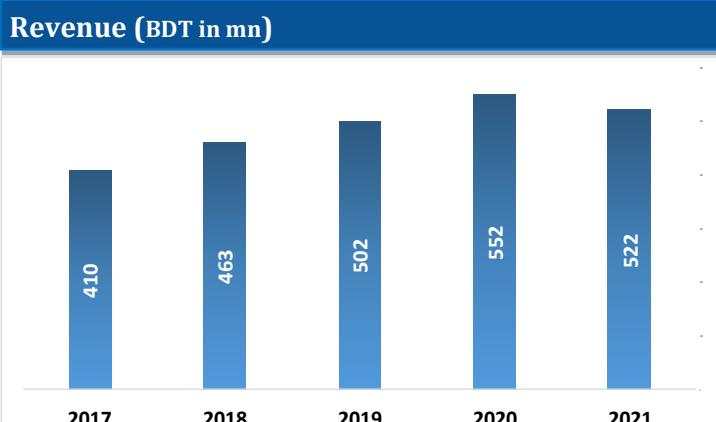
## IPO PROFILE OF ISLAMI COMMERCIAL INSURANCE COMPANY LTD.



Use of the Proceeds of IPO		
Particulars	Amount	%
Investment in FDR	129,846,987	64.09%
Investment in Treasury Bond	22,914,174	11.31%
Investment in Capital Market of Bangladesh	40,522,212	20.00%
IPO expenses	9,327,687	4.60%
<b>Total</b>	<b>202,611,060</b>	<b>100%</b>

Financial Indicators					
Ratio	2021	2020	2019	2018	2017
ROA	5.00%	3.00%	4.00%	1.00%	6.00%
ROE	9.00%	5.00%	6.00%	1.00%	10.00%
Net Operating Cash Flow per Share	3.33	-0.02	-2.60	2.28	3.28
Operating Margin	9.00%	7.00%	3.00%	-4.00%	-3.00%
Net Profit Margin	11.00%	6.00%	7.00%	1.00%	13.00%

Implication Schedule of IPO Proceeds	
Particulars	Approximate Period of Investments
Investment in FDR	within 01 months after listing
Investment in Treasury Bond	within 01 months after listing
Investment in Capital Market of Bangladesh	within 03 months after listing





## Key Observations

- Post IPO total shareholding percentage of sponsors and directors for Islami Commercial Insurance Company Limited would stand at **40.95%**.
- Islami Commercial Insurance Company Limited had a CAGR of **4.92%** for their revenue over the last five years, during the same period the company net profit after tax had a CAGR of **1.14%**.
- The company's sales revenue is split between their five insurance categories consisting of fire, marine cargo, marine hull, motor and miscellaneous. During the last five years, marine cargo insurance contributed to the highest percentage of total revenue while fire insurance suffered majority of losses.
- As the company's lions share of underwriting premiums are invested in the Fixed Deposits of **64.1%**, their future investment income are likely to take a significant hit as banks have reduced their interest rate on savings accounts in response to interest rate cap set by the government.
- The general insurance business faces a stiff competition as there are over 46 companies, who are competing for the shares in a limited market space with similar products and business model.
- Over the last five years the company did not have a stable cash dividend history, therefore investors should be wary of company's dividend policies going forward.
- Net profit after tax rose during the year 2021 due to imposed restriction on agent commission. NPAT of previous years was almost consistent except 2018 due to payments of excessive claim.

## Dividends Declaration

Year	2021	2020	2019	2018	2017
Cash	10%	7%	-	5%	2%
Stock	-	-	3%	-	10%

## Price Relative to Different Prices

Price	10	15	20	25	30	35
PE	11.90	17.9	23.8	29.8	35.7	41.7

## PE Relative to Other Companies

Market PE	18.0
Sector (Insurance)	15.44
PE – EIL	15.72
PE – SKICL	15.51

## Other IPO Details

**Issue Date of Prospectus:** October 20, 2022

**Year End:** December

### Issue Managers:

- Prime Finance Capital Management
- ICB Capital Management Limited
- EC Securities Limited

**Auditors:** Islam Aftab Kamrul & Company.

## Disclaimer

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