

### Key Particulars of the IPO

Ticker	<b>CRYSTALINS</b>
Offer Price (Tk.)	10
Face Value (Tk.)	10
No. of Share (IPO) (40%)	16,000,000
No. of Pre-IPO Share (60%)	24,000,000
No. of Post-IPO Share	40,000,000
<b>Issue Size (Offer Price) (Tk)</b>	<b>160,000,000</b>
Pre-IPO Paid-up Capital (TK)	240,000,000
Post-IPO Paid Up(Tk)	400,000,000
Authorized Capital (Tk)	1,000,000,000
<b>No. of Free Float Shares on Debut</b>	<b>16,000,000</b>
%Δ YoY NPAT Growth (6m, Jun 30, 2020)	16.22%
<b>Post-IPO EPS (9m, Sep 30, 2020)</b>	<b>1.33</b>
<b>Annualized EPS (12m, 2020)</b>	<b>1.77</b>
NAVPs (as on Jun, 2020)	23.71
<b>PE at Tk 10 (Post-IPO)</b>	<b>5.66</b>

### Major Products of the Company

The principal services of Crystal Insurance Company Limited are:

1. Fire Insurance
2. Marine Cargo Insurance
3. Motor Insurance
4. Miscellaneous Insurances
5. Liability Insurance and
6. Engineering Insurance

### Directors holding positions in other listed companies

Name	Company	Position Held
Abdullah Al-Mahmud	Hamid Fabrics Limited	Managing Director
Farhana Danesh	Hamid Fabrics Limited	Director
A.H.M. Mozammel Hoque	Hamid Fabrics Limited	Director
Nusrat Mahmud	Hamid Fabrics Limited	Director
Nabila Mahmud	Hamid Fabrics Limited	Director

### Company Overview

Crystal Insurance Company Limited is a general insurance company incorporated on March 11, 1999. Although the company offers a host of insurance services the company is heavily reliant on the Marine Cargo & Hull Insurance Business for their revenues, as it has accounted for over 70% of the company's total revenue over the previous five financial years. On the other hand, despite having branches located throughout the country, with 31 branches in total, they do not have any major institutional clients in their portfolio. The company's assets have an automatic Reinsurance arrangement with the state owned Sadharan Bima Corporation, the only Re-insurance Corporation of the Country.

The founder and chairman of the company Mr. Abdullah Al-Mahmud is also a leading industrialist and leads a conglomerate by the name of Mahin Group. Currently he is also the managing director of the listed RMG company, Hamid Fabrics Limited. At present, Crystal Insurance Company does have any placement shareholders other than the directors and sponsors, and the company does not have any holding or subsidiary company

### Name of Sponsors and Directors and Key Personnel

Name	Position	Post IPO
Mr. Abdullah Al-Mahmud	Sponsor & Chairman	10.00%
Mr. Abdullah Hasan	Sponsor & Director	10.00%
Mrs. Nusrat Mahmud	Director	10.00%
Ms. Nabila Mahmud	Director	5.00%
Ms. Soera Zahir	Director	5.00%
Mrs. Farhana Danesh	Director	2.39%
Mr. Md. Tajul Islam	Sponsor & Director	2.25%
Mr. A.H.M. Mozammel Hoque	Sponsor & Director	2.00%
Mrs. Farzana Munny	Director	2.00%
Mrs. Shahzadi Begum	Director	2.00%
Mr. Arafat Rashid	Director	2.00%
<b>Total</b>		<b>52.64%</b>

### Financing of IPO fund

Particulars		%	No. of Ordinary Shares	Issue price	Issue Amount (Taka)
Eligible investor (EI)	EI	30%	4,800,000	10	48,000,000
	Mutual Funds & CIS	10%	1,600,000		16,000,000
General public (GP)	GP	50%	8,000,000		80,000,000
	NRB	10%	1,600,000		16,000,000
Total					160,000,000

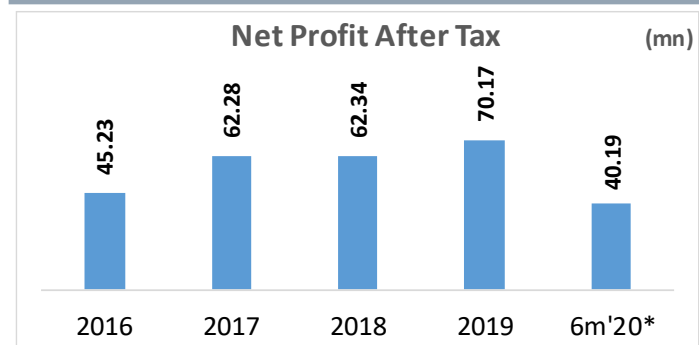
### Use of the Proceeds of IPO

Particulars	Amount	%
Investment in FDR & Treasury Bond	80,000,000	50.00%
Investment in Capital Market	69,271,500	43.29%
IPO Expenses	10,728,500	6.71%
Total	160,000,000	100%

### Implication Schedule of IPO Proceeds

Particulars	Approximate date of utilization of fund
Investment in FDR & Treasury Bond	Investment within 3 months from the collection of IPO proceeds.
Investment in Capital Market	Within 3 months of receiving the IPO fund.

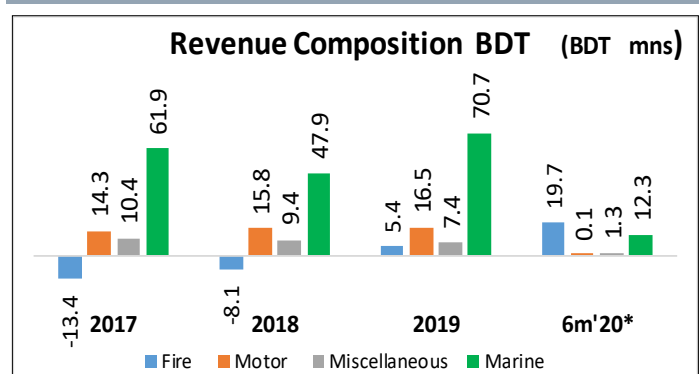
### Net Profit after Tax



### Financial Indicators

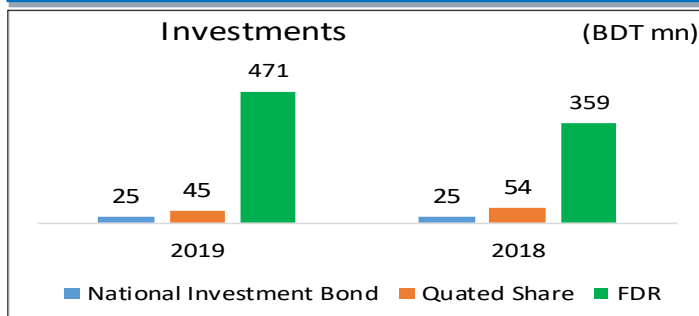
Ratio	2019	2018	2017	2016	2015
ROA	6.65%	6.55%	6.98%	6.00%	6.24%
ROE	11.97%	11.21%	12.08%	11.46%	13.12%
Gross margin Ratio	18.96%	15.07%	17.92%	13.45%	13.34%
Operating Income Ratio	12.04%	7.81%	7.84%	8.33%	7.12%
Net Profit Ratio	13.31%	14.45%	15.24%	15.59%	11.21%

### Revenue Breakdown

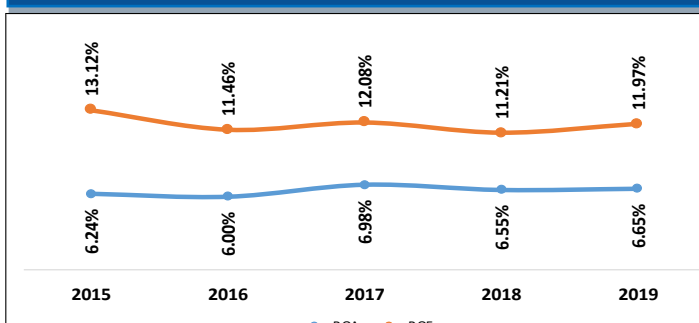


\*For 2020, Jan'20-june'20 (6 months) data is considered.

### Major Investments in Financial Assets



### Return on Assets & Return on Equity



### Key Observations

- Post IPO total shareholding percentage of the company's sponsors and directors would stand at **52.64%**.
- It would be advisable for the company to diversify their business sectors as 60% of the company's revenue are generated from Marine Cargo & Hull Insurance business. Furthermore, the company should also take a careful look into their the fire insurance business sector as it has persistently suffered losses during the last five year except in 2019.
- The company's net profit after tax has increased gradually, **11.36%** over the past five years, in line with the growth in underwriting profit of **15.46%** during the same period.
- Income from investments have increased by **19.03%** during the period between 2014 to 2019; however, as lions share of underwriting premiums are invested in the Fixed Deposits of commercial banks, **87%** and **82%** in 2019 and 2018 respectively the future investment income of the company is likely to take a significant hit as all commercial banks have reduced their interest rate on savings instruments in response to interest rate cap set by the government.
- The company has history of paying stable cash dividend over the last five financial years, therefore investors could expect to earn a dividend income on their investments.
- The general insurance sector is very fragmented and faces a stiff competition as there over 48 companies, with similar products and business model who are competing for market share in a limited market space.

### Dividends Declaration

Year	2019	2018	2017	2016	2015
Cash (%)	12%	10%	07%	12%	10%
Stock (%)	0%	0%	0%	0%	20%

### Price relative to different prices

Price	15	22.5	25	27.5	30	33
PE	8.47	12.71	14.12	15.54	16.95	18.64

### PE relative to other companies

Market PE	13.56
Sector (Insurance)	20.29
PE – EIL	33.30
PE – CITYGENINS	31.80

### Other IPO Details

#### Issue Date of Prospectus:

**Year End:** Dec

**Issue Manager:** Sonar Bangla Capital Management Ltd.

**Auditors:** Mahfel Huq & Co

### Disclaimer

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