DIRECTORS' REPORT

for the year ended 31 December, 2025

Directors' Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamualaikum.

On behalf of the Board of Directors of Express Insurance Ltd. (EIL) and my personal behalf I welcome you all in the today's 26th Annual General Meeting of the Company. I extend our sincere appreciation, thanks & profound gratitude to you for continued trust, support and cooperation. My special thanks to you for attending in the today's meeting.

The Board of Directors of EIL is pleased to privilege of presenting this Directors Report with Audited Financial Statement for the year ended 31st December 2025. This report provides a comprehensive overview of Audited Accounts, Financial Position, Statement of Profit & Loss Accounts and other Comprehensive Income, Revenue Accounts and other relevant Financial Statements. This report also provides practices in compliance with the requirements of the Companies Act., Insurance Act. and other applicable regulations of the Insurance Development & Regulatory Authority, Bangladesh Securities & Exchange Commission and other relevant regulatory frameworks. The Annual Report-2025 containing the Audited Financial Statements, Auditors Report, Directors Report together relevant Financial Statements and necessary information is already submitted before the shareholders for their perusal.

Bangladesh Economy: Bangladesh has a developing mixed economy. As the second-largest economy in South Asia, the economy is the 34th largest in the world in nominal terms and 25th largest by purchasing power parity. Bangladesh is seen by various financial institutions as one of the next eleven economy country. It has been transitioning from being a frontier market into an emerging market. Bangladesh is a member of the South Asian Free Trade Area and the World Trade Organization. In fiscal year 2024–2025, Bangladesh registered a GDP growth rate of 3.49%, the slowest in recent years. In that fiscal year, the country's economy could not reach its desired target due to political instability, unrest banking sector, defaulted loans or defaults as well as increased production costs. But the World Bank believes that the country's economy will improve in the coming year. However, political and financial stability is very important in this regard.

Bangladesh Insurance: In the fiscal year 2024-2025 the insurance companies' premium income comes BDT 18,534 crore. In the total premium income of insurance companies there are Life insurance companies premium BDT 12,042 crore and non-life insurance companies premium BDT 6,492 crore and Life fund reaches BDT 34,650 crore. Now 82 insurance companies are operating their business in our country including state owned Shadaran Bima Corporation and Jiban Bima Corporation and there are 36 for life and 46 for non-life insurance companies. Listed insurance companies are 58 on the stock market, 15 life and 43 non-life. Insurance sector is lagging behind with huge prospects. Based on recent data from the Bangladesh Bureau of Statistics (BBS) for the 2024-25 fiscal year, the premium figure of 18,534 crore BDT represents approximately 0.33% of the country's nominal GDP. During the year 2025 non-life insurance companies of the country faced significant stress, arising from intense competition, reduced LC opening, pricing distortions and governance concerns with the segment of the market. Prices such as unsustainable pricing, weak risk selection and rating manipulation undermined sector-wide confidence and posed systemic risks.

Insurance Development & Regulatory Authority: Insurance Development & Regulatory Authority (IDRA) is the regulatory authority of the insurance industry of Bangladesh. The Parliament of Bangladesh on 3 March 2010 has passed two insurance laws in a bid to further strengthen the regulatory framework for the insurance industry. The new laws came into effect on 18 March 2010, are the Insurance Act 2010 and the Insurance Development & Regulatory Act 2010. In the meantime, Insurance Development & Regulatory Authority (IDRA) has been taken many important initiatives and issued significant rules and guideline for the overall discipline & development of the insurance industry. On 19 October 2023 IDRA released a guideline named "Insurers Corporate Governance Guidelines, 2023" which is a very significant guideline for the insurance companies. Currently IDRA placing greater emphasis on solvency, claims settlement discipline, re-insurance security and corporate governance. These measures are critical to restoring trust in the country's insurance industry and ensuring long-term sustainability.

Express Insurance Ltd. operational result in the year 2025: Express Insurance Ltd. (EIL) was incorporated in the insurance industry on 30 March 2000 and started business operation on 18 May 2000. In the meantime, company has earned satisfactory business/premium and business reputation in the insurance industry. In the year ended 31 December 2025 company earned net premium Tk. 357.57 million, gross premium Tk. 572.08 million and claim paid Tk. 74.13 million. Net profit Tk. 119.83 million, underwriting profit Tk. 50.74 million and EPS is Tk. 1.18, NAV per share Tk. 19.91 and NOCFPS per share Tk. 0.99 and Re-insurance costs Tk. 214.52 million. EIL took strategy to have a well-established governance framework to implement, enhance and monitor the company with sustainability strategy. To live our commitment to sustainability, we pursue a clear strategy, have a suitable governance framework in place, determine relevant topics, set targets, report on our progress and monitor our performance.

Business Highlights: In the Year 2025 total premium income stood Tk. 572.08 million and net premium income Tk. 357.57 million which was respectively Tk. 586.20 and Tk. 344.99 in 2024. Underwriting profit Tk. 50.74 million and Investment income Tk. 129.98 million which was Tk. 97.04 million and Tk. 112.52 million in the year 2024. As on ended 31 December 2025 the company's total reserves Tk. 608.33 million and total assets Tk. 2366.87 million. The management has taken steps to increase premium income of the company in the coming year. To implement of this plan the company have been recruited professional and experienced marketing officers. In addition to that company also has plan to open new branches at important business location of the country and launch new product & motivational packages to enhance premium income.

Product-wise performance statistics:

Taka In Million

Particulars	Fire	Marine	Motor	Misc.	2024	2025
Gross Premium Income	261.92	172.22	67.00	70.94	586.20	572.08
Re-insurance Ceded	109.45	57.46	1.53	46.08	241.22	214.52
Net Premium Income	152.47	114.76	65.47	24.86	344.99	357.56
Total Claim paid	34.59	28.69	7.82	3.02	79.10	74.13
Agency Commission	35.18	24.16	9.93	4.14	72.76	73.42
Management Expenses	100.72	60.14	27.73	14.92	194.98	203.51
Reserve for unexpired Risk	60.99	45.94	26.18	9.94	138.03	143.05
Underwriting Profit/(Loss)	40.78	-19.55	20.26	9.25	97.04	50.74

Fire Insurance Business: Fire insurance business is most hazardous and risky business in non-life insurance sector. Huge amount premium is ceded for re-insurance protection. As a result, it is very tough to earn an underwriting profit from fire insurance business. The company wrote fire insurance business with a gross premium income of Tk. 261.92 million in 2025 against Tk. 307.74 million in 2024. After ceding of the re-insurance premium, the net premium earned from fire insurance business stood at Tk. 152.47 million. The company earned an underwriting profit of Tk. 40.78 million from fire insurance business in 2025.

Marine Insurance Business: The gross premium income from marine insurance business stood Tk. 172.22 million in 2025 where Tk. 131.22 million in 2024, yielding a net premium of Tk. 114.76 million, after ceding of re-insurance premium. The company earned an underwriting profit of Tk. 19.55 million against Tk. 57.16 million in 2024. The number of claims settled in marine insurance was highest compared to the previous year and as a result underwriting profits turning into losses.

Motor Insurance Business: In motor insurance, the gross premium income stood Tk. 67.00 million where Tk. 61.08 million in 2024. After ceding of the re-insurance premium, the net premium of the motor insurance business amounting to Tk. 65.47 million. The company earned underwriting profit from motor insurance business Tk. 20.26 million as against Tk. 19.79 million in 2024.

Miscellaneous Insurance Business: The gross premium income from miscellaneous insurance business stood Tk. 70.94 million where Tk. 86.16 million in 2024. After ceding of re-insurance premium of Tk. 46.08 million net premium stood Tk. 24.86 million as against Tk. 25.27 million in 2024.

Investment Income: In the year 2025 EIL has earned through investment an amount of Tk. 129.98 million while the investment income was Tk.112.52 million in the financial year 2024. Investment in the FDR and Government Treasury Bonds (BGTB) is more secure and risk free. Therefore, the company has invested comparatively highest in the FDR and Government Bonds.

Comparison of investment income and profit:

Over all Result	2025	2024
Underwriting Profit/(Loss)	50.74	97.04
Interest & Revenue	129.46	112.18
Gain/(Loss) on sale of share	0.51	0.33
Total Investment Income	129.98	112.52
Profit before Tax	119.83	129.34
Provision for Tax	43.02	42.70
Reserved for Exceptional Loss	40.04	58.62
Dividend declared (Cash)	5%	5%

The investment of the Express Insurance Limited stood at Tk. 1446.35 million at the end of 2025 after adjustment of cumulative loss of investment in shares of previous years. The head wise investment figures are listed below:

Particulars	2025	2024
National Investment Bond	11,00,00,000	7,00,00,000
Bank Balance with Fixed Deposit	120,05,76,347	121,85,95,642
Investment in Shares & Mutual fund	10,57,76,882	12,45,13,146
Total Investment	**141,63,53,229**	**141,31,08,788**

As per section 23 of the Insurance Act, 2010 and "Schedule I" every non-life insurance company had to maintain a mandatory deposit minimum of Tk. 25.00 million as statutory deposit in the Bangladesh Government Treasury Bond (BGTB). As on 31 December 2025 investment of the company comprising of investment in shares & mutual fund Tk. 105.77, BGTB Tk. 110.00 and FDR Tk. 1144.07 million against shares & mutual fund Tk. 124.51, BGTB Tk. 70.00 and FDR Tk. 1122.33 million as on 31 December 2024. Investment in shares has been stated at fair value as per Bangladesh Financial Reporting Standard-9.

Capital: The authorized share capital of the company is Tk. 750.00 million and paid-up share capital of the company is Tk. 651.97 million.

Utilization of proceeds raised through IPO: The company was made Initial Public Offering (IPO) in the year 2020. No further raised the capital through public issues, right issues or any other instrument were proceeds during the year 2025.

Deterioration of Financial Results: After issuance of Initial Public Offering (IPO) of company has no any other indicators of financial results deteriorated.

Extra ordinary activities and their implications: Express Insurance Limited has a strategy to growth the business activities, but during the year 2025 no extra ordinary activities occurred and have no implication in the financial statements.

Related party transaction: All transaction involving related parties arising in normal course of business. Details of transactions with related parities during the year has been provided in the financial statements.

Variance between Quarterly and Annual Financial Statements: The company timely disclosed quarterly financial statements. The 1st Quarter (Q1) on 30 April 2025, 2nd Quarter (Q2) on 28 July 2025 and 3rd Quarter (Q3) on 27 October 2025 was duly disclosed. No significant deviation in operational results of those quarterly and year ended is noticed as a whole.

Directors Remuneration and Board Meeting with Attendance: Directors are not eligible for any remuneration other than attendance fee fixed by the regulatory authority for attending board and its committee meeting. The board of directors held 11 meeting during the year 2025. The attendance of the directors and statement of remuneration paid to the directors including independent directors are shown in corporate governance chapter of this annual report.

Going Concern: The company has adequate resources to continue in the operation as a going concern for the foreseeable future. For this reason, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Deviations from the last year operating results: There were no significant deviations from the last year operating results of the company.

Accounting Policy: Responsibilities of the directors also includes supervision for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these Financial Statements those are free from material misstatement, whether due to fraud and error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Followed IAS & IFRS: The company has followed the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to prepare of the financial statements and any departure there from has been adequately disclosed.

Cash Flow from Operating Activities: In 2025 the net operating cash flow is Tk. 64.37 million against Tk. 97.43 million in 2024. Due to reducing premium income, incresing management expenses and highest income tax and claim paid is the main reason of decreased the net operating cash flow than the previous year.

Assets: The assets of the company increased to Tk. 2366.86 in 2025 million from Tk. 2283.16 million in 2024. The value of the assets increased mainly due to increase in FDR & Balance with bank and overall growth of company's insurance business. In compliance with the direction no. 5 of Circular No.Bi:U:Ni:Ka/GAD/1003/2011-554 dated 24 April 2014 of the Insurance Development and Regulatory Authority (IDRA); we confirm that total expenses relating to usage and maintenance of company's vehicles in 2025 was in compliance. The total number of vehicles are 30 in 2025 which was same in 2024 and total cost of vehicle as at 31st December 2025 was Tk. 40.70 million against Tk. 45.32 million in 2024. The company's head office premises of 9696 sft. located at Al-Razi Complex (9th & 10th Floor), 166-167 Sahid Syed Nazrul Islam Sarani, Bijoynagar, Dhaka was purchased on 22/06/2011 at cost of Tk. 35.34 million which is now a profitable investment of the company. The premises was revalued by independent professional accountant M/s. Ahmed Zakir & Co. Chartered Accounts lastly on 31st December 2022 and as on ended year 2025 the value of the property is stood Tk. 149.85 million.

Reserves: The Company kept provision for exceptional loss reserve of Tk. 40.05 million for the year 2025 as against Tk. 58.62 million in 2024 and the total reserve for exceptional losses of the company stood at Tk. 506.69 million against Tk. 466.65 million in 2024.

Provision for un-expired risk: Surplus on revenue accounts has been arrived after making necessary provision for un-expired risk @ 40% of net premium income on all business except Marine Hull insurance for which provision has been made @ 100% on net premium income under Section 27A of Insurance Act.

Dividend: The Board of Directors in its 334th meeting held on 30 April, 2026 recommended 5% cash dividend for its Shareholders for the year ended 31 December 2025. The company is following a policy regarding dividends to be paid to the shareholders in a manner that shall be in the line with and in consistent to the actual income as well as the practices of the insurance industry.

Internal and External Risk Factors: Excess commission involved in the non-life insurance sector in Bangladesh is the only key external risk factor to Express Insurance Ltd. for which the Company overlooked lots of underwriting business which results poor underwriting profit for the year 2025. We have no such internal risk because we have quality manpower, experienced management and prudent board compare to the market. Our future prospect will be assisting regulator to eliminate excess agents' commission and inspiring insured about the consequences of non-compliance with agent allowable commission. Therefore, assisting regulator towards eliminating excess commission was one of the most important tasks to set up the future prospect of the company.

Financial data of last 5 (five) years:

	Figure in Million				
	2021	2022	2023	2024	2025
Gross Premium Income	614.08	573.69	584.14	586.20	572.08
Net Premium Income	361.95	325.17	336.06	344.99	357.56
Gross Claim	132.53	48.63	78.22	79.10	74.13
Under Writing Profit	79.45	101.60	94.48	97.04	50.74
Investment Income	100.05	97.99	88.64	112.52	129.98
Profit before tax	154.02	152.55	140.26	129.34	119.83
Profit after tax	128.66	86.64	98.27	80.47	76.81
Paid up Capital	651.97	651.97	651.97	651.97	651.97
Shareholders' equity	1114.33	1169.07	1222.36	1257.57	1298.30
Total Reserves	393.16	467.34	523.86	580.36	608.33
Total Assets	1976.77	2108.37	2209.42	2283.17	2366.87
Total Investment	1294.99	1371.05	1418.44	1413.11	1416.35
Fixed Assets (Land & Building)	122.48	159.22	156.03	152.91	149.85
Net Asset Value Per Share (NAVPS)	17.09	17.93	18.75	19.29	19.91
Earnings Per Share (EPS)	1.85	1.33	1.51	1.23	1.18
% of Dividend (Cash)	10%	7%	7%	5%	5%

Composition of the Board: The board comprises of 13 directors including 02 Independent Directors. All of them are well known business personalities and renowned entrepreneur of the country. The board of directors are professionally skilled and experienced in the management, law and business. The board is chaired by Mr. Mazakat Harun who is the renowned business person of the country.

Retirement and Re-election of Directors: As per Companies Act 1994 and Memorandum of Association of the company each year one-third of the directors of the company will retire from office at the AGM and if eligible, may offer themselves for re-election. The following directors will retire from the group 'Ka' at the 26th AGM.

1. Mr. ABM Kaiser
2. Mr. Asifur Rahman
3. Mrs. Mahfuza Younus
4. Mr. Syed Al Farooque

On the other hand, as per Insurance Rules 1958 last year we have published a notice in "The Daily Present Time" and "The Daily Niropekkho Shangbad " on 01 May 2025 for election of directors from public shareholders i.e group "Kha" but we have not received any application in the stipulated time. This year we have also published a notice on 1 May 2026 in "The Business Miror" and "The Aurthonitir Kagoj."

Independent Directors: As per section 76 of the Insurance Act, 2010 an insurance company shall have two independent directors in the board. In according to that the Board of Directors has duly appointed Mr. Md. Hasanul Islam and Dr. Md. Rezaul Kabir as Independent Directors of the Company which was approved by the shareholders at 23rd AGM held on 28 August 2023. As per rule the tenure of Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only. The 1st tenure of Independent Director of the company will expire on 03 October 2026. In this regard the Board of Directors in its 335th meeting held on 20 May 2026 has decided to extend the tenure of Independent Directors Mr. Md. Hasanul Islam and Dr. Md. Rezaul Kabir for further period subject to approval by the shareholders at AGM. On the other hand, the board of directors is serching qualified female independent director to appoint in the board.

Shareholding Pattern: All over the year the shareholding position of the sponsors and directors of the company was unchanged. Public and institutions shareholding position was deviated much during the period. Significant shareholding position and it's pattern of the shareholding has given in the financial statement. The Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children's shareholding position also disclosed.

Executive Committee: The Executive Committee (EC) is constituted with a view to act as a bridge among Board of Directors and Management and to play an effective role in establishing efficient, strong and secured business environment. The committee is consists of 09 (nine) members.

Audit Committee: The committee is consists of 08 (eight) members & Chaired by an Independent Director, Mr. Md. Hasanul Islam. Audit Committee is responsible to oversee the financial reporting process, to monitor the accounting policies & principles, monitor internal control & risk management process, oversee of external auditors & their functions, review statements of party transactions submitted by the management etc. The committee held 11 (eleven) meetings during the year 2025.

Nomination & Remuneration Committee (NRC): The committee is consists of 05 (five) members & Chaired by an Independent Director, Dr. Md. Rezaul Kabir. NRC assist the board in formation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors & top level executives as well as a policy for formal process of considering remuneration of directors and top level executives. The committee is responsible & accountable to the Board and Shareholders. During the year 2025 NRC held its 02 (two) meeting.

Policyholder Protection & Compliance Committee: The Policyholder Protection & Compliance Committee (PPCC) is consists of 09 (nine) members. Efficient & smart settlement of claim speaks about the company's goodwill in the insurance market. The committee is responsible to review, assess and recommend claims for prompt settlement, review of surveyor's report, their method of assessment, recommendations of each claim etc. The committee held 12 (Twelve) meetings during the year 2025.

Risk Management Committee: As per Insurer Corporate Governance Guideline-2023 of Insurance Development & Regulatory Authority (IDRA) the Board constituted the Risk Management Committee by five members. The Committee is responsible to oversee the monitor overall internal control & risk management process. During the year 2025 Management Committee held 01 (one) meeting.

Investment Committee: As per Insurer Corporate Governance Guideline-2023 of Insurance Development & Regulatory Authority (IDRA) the Board constituted the Investment Committee by five members. The Committee is responsible to prepare an effective investment rules for duly implement of investment related regulations of Insurance Act. 2010. The committee was held 01 (one) meeting during the year 2025.

Management: The management operates within the guidelines, limits, policies as well as the budgetary control adopted by the board. The team is headed by the CEO Mr. Md. Badiuzzaman Lashkar. CEO implements the internal control system, follow-up the day-to-day affairs of the management. The senior management ensures the CEO about the company's improvement with the compliance of statutory and the regulatory requirements too.

Human Resource: Human capital is considered as the prime asset of the company. It is the combination of competencies, knowledge and personality attributes that can be enhanced through education, training and experience. During its epic journey of 25 years, EIL is able to place itself in current position with the help of loyal employees.

Auditors: Pursuant to the Section 210 of the Companies Act 1994, the Company's statutory auditors M/s. Pinaki & Company, Chartered Accountants will retire and they are not eligible for re-appointment because of conducted consecutive 03 (three) years audit of the company. In this situation two audit firms as M/s. K. M. Alam & Co. and M/s. K. M. Hasan & Co. Chartered Accountants applied to be appointed as Statutory Auditors of the company for the year 2026. The Board of Directors in its 335th meeting held on 20 May 2026 recommended to appoint M/s. K. M. Alam to conduct the audit of the company for the year 2026 with the remuneration of Tk. 2,50,000/- subject to the approval by the shareholder in the 26th Annual General Meeting after completion of due process and formalities.

Compliance Auditors & Corporate Governance: As per approval of shareholders in the 25th AGM the company has appointed M/s. Podder & Associates and M/s. Jasmin & Associates as Compliance Auditors of the company for the year 2025 on compliance of Corporate Governance Code under BSEC's notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 and Insurer Corporate Governance Guideline, 2023 dated 19 October 2023 under Corporate Guideline dated 19 October 2023 of IDRA's M/s. Podder & Associates and M/s. Jasmin & Associates has audited the compliance status of the company and issued us a certificate which are attached herewith.

Independent Scrutinizer: The board of directors in its 334th meeting held on 30 April 2026 appointed M/S. Jasmin & Associates as Independent Scrutinizer to observe the 26th AGM to be held on 01 July 2026.

Credit Rating: The present credit rating position of the company is "AA+" for long term and "ST-1" for short term with stable outlook, rated by Alpha Credit Rating PLC

CSR Activities: Corporate Social Responsibilities (CSR) activities is very important issue for an organization. It can bring benefits in terms of building reputation, brand value, client relations & satisfactions and achievement of business goals. Considering the importance of the matter Insurance Development & Regulatory Authority (IDRA) has mentioned in the condition No. 16 of Corporate Governance Guideline, 2023. Express Insurance Limited is an 3rd generation non-life insurance company incorporated on 30 March 2000. Company has been contributing to the CSR activities since inception.

Prospects for 2026: Express Insurance is more focused on underwriting income and different strategy will be implemented to attract the institutional buyer of the insurance product. The company will disclose the ins and out of the insurance business related to expense and profit so that clients will not think about receiving excess commission but focus on potential risk covering strategy. To train the insured's and delivering the information related to non-life insurance business through seminar and focus group discussion may be the revenue earning mechanism. Express Insurance Ltd. is focusing on revenue earning from quality business and therefore, it has planned to open new branches and recruit number of more qualified marketing officers in 2026 to ensure high volume of insurance business and achieving target.

Acknowledgement: We gratefully acknowledge the trust of the shareholders of the company including our clients. We are specially thankful to our valued clients and other stockholders for the generous and complete support and co-operation of our business partners and we assure them that it will be our constant effort to prove worthy of the trust they have reposed on us. We also sincerely appreciate for the help and co-operation that we have received from the relevant Ministries, Bangladesh Bank, National Board of Revenue (NBR), Bangladesh Securities & Exchange Commission (BSEC), Insurance Development and Regulatory Authority (IDRA), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Sadharan Bima Corporation (SBC), Scheduled Banks, Financial Institutions, Bangladesh Insurance Association (BIA), Local and Foreign Chamber Bodies, Institute of Chartered Accountants of Bangladesh (ICAB), Institute of Cost and Management Accountants (ICMAB), Institute of Chartered Secretaries of Bangladesh (ICSB), Registrar of Joint Stock Companies and Firms (RJSC), Central Depository Bangladesh Ltd. (CDBL), Bangladesh Association of Public Listed Companies (BAPLC) and Auditors of the company. Special thanks to the respected members of the Board of Directors of Express Insurance Ltd. and also thanks to the management, branch managers and employees of the company for their sincerity and hard-working to continue the growth of the company.

Thank you all

On behalf of the Board of Directors of Express Insurance Ltd.

(Mazakat Harun)
Chairman