

# **DIRECTORS' REPORT**

for the year ended 31 December, 2024



Dear Shareholders  
Assalamu Alaikum

I personally and on behalf of the Board of Directors of Express Insurance Ltd. (EIL) welcome you all in the 25<sup>th</sup> Annual General Meeting of the Company. I express my sincere thanks & profound gratitude to you for attending in the today's meeting. I'm pleased to privilege of presenting the Annual Report for the year ended 31<sup>st</sup> December 2024 together with the Directors Report, Audited Accounts containing statement of financial position, Statement of Profit & Loss and Other Comprehensive Income, Revenue Accounts and other relevant Financial Statements.

Pursuant to the Section 184 of the Companies Act 1994, Rule no. 12 (and the schedule there under) of the Bangladesh Securities and Exchange (BSEC) Rules 2020 including code no. 5 of the Corporate Governance Code issued by the BSEC, IAS-1 and referring to section 26-27 of Insurance Act, 2010 and other related sections, subsections, rules and regulations in this purpose pursued accordingly to prepare, approve and submit the Directors' Report before the respected shareholders of the company for their perusal and approval. The Annual Report containing the Audited Financial Statements is already submitted before the shareholders for their perusal.

**Bangladesh Economy:** The economy of Bangladesh has been facing considerable challenges over the last couple of years which have weakened the macroeconomic stability. In this situation, according to the provisional estimates by Bangladesh Bureau of Statistics (BBS), GDP at current market prices for FY 2023-24 reached Tk. 50,48,027 crore from Tk. 44,90,842 crore in the previous fiscal year. GDP growth rate is provisionally estimated at 5.82 percent in real terms and 12.41 percent in nominal terms for FY 2023-24. Per capita GDP and per capita national income in FY 2023-24 were Tk. 2,94,191 and Tk. 3,06,144, compared to Tk. 2,62,868 and Tk. 2,73,360 in FY 2022-23. While there were challenges, including inflation and financial sector instability, the economy also showed some positive indicators like private sector credit growth and increased government revenues.

**Bangladesh Insurance:** Insurance industry is playing an important role in the national economy of Bangladesh. The last decade has experienced a fast growth of the industry. In 1972, Bangladesh nationalized its insurance industry through the Bangladesh Insurance Nationalization Order 1972 and subsequently the Insurance Corporations Act 1973. The government restructured that into two entities (1) Sadharan Bima Corporation for general (non-life) business and (2) Jiban Bima Corporation for life insurance business. However, in 1984, the Government amended the Insurance Act of 1938 and the Insurance Corporation Act of 1973 to allow private insurance companies to conduct insurance business. The government has approved the Insurance Act 2010 and reformed the Controller of Insurance as Insurance Development and Regulatory Authority (IDRA) in the same year. Over time, Bangladesh's insurance sector has witnessed significant growth. According to the latest data the country hosts 81 insurance companies, comprising 35 life insurance and 46 non-life insurance companies. In 2024 Bangladesh's insurance sector saw a total premium collection of Tk18,768 crore and growth 7.3% compared to the previous year which was 17,484 crore and growth 9.16% in 2023. This represents a three-year low in growth, with the non-life insurance sector facing challenges due to the banking sector's difficulties.

**Insurance Development & Regulatory Authority:** Insurance Development & Regulatory Authority (IDRA) is the only government body for regulating and developing 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 IDRA Act 2010. In the meantime, 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 basic guideline for the insurance companies.

**Express Insurance Ltd. (EIL) operational result in the year 2024:** EIL was incorporated in the insurance industry as a third-generation non-life insurance company 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<sup>st</sup> December 2024 company earned net premium Tk. 344.99 million, gross premium Tk. 586.20 million and claim paid Tk. 79.10 million. Net profit Tk. 129.34 million, Underwriting profit Tk. 97.04 million and EPS is Tk. 1.23, NAV per share Tk. 19.29 and NOCFPS per share Tk. 1.49. Re-insurance costs Tk. 241.21 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 2024 EIL total premium income stood Tk. 586.20 million and net premium income Tk. 344.99 million which was respectively Tk. 584.14 and Tk.336.06 in 2023. The gross premium income increased 0.35% and underwriting profit increased 2.63% in the year 2024. The management has taken steps to increase more net premium income in the following year. New marketing personnel have been recruited and new motivation package has also been declared for increasing the premium income. The company has a plan to recruit more professional human resource to cope with the current economy and compliance matter thus operational efficiency will reduce the cost of the company.

**Segment-wise or product-wise performance and table of the statistics:**

Particulars	Taka In Million					
	Fire	Marine	Motor	Misc.	2024	2023
Gross Premium Income	307.74	131.22	61.08	86.16	586.20	584.14
Re-insurance Ceded	124.96	55.37	-	60.89	241.22	248.07
Net Premium Income	182.79	75.85	61.08	25.27	344.99	336.06
Total Claim paid	44.99	7.17	5.80	21.14	79.10	78.22
Agency Commission	42.24	15.91	8.85	5.76	72.76	75.41
Management Expenses	111.61	41.83	22.98	18.56	194.98	175.21
Reserve for unexpired Risk	73.12	30.37	24.43	10.11	138.03	134.76
Underwriting Profit/(Loss)	14.97	57.16	19.79	5.12	97.04	94.48

**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. 307.74 million in 2024 against Tk. 249.42 million in 2023. After ceding of the re-insurance premium, the net premium earned from fire insurance business stood at Tk. 182.79 million. The company earned an underwriting profit of Tk. 14.97 million from fire insurance business in 2024.

**Marine Insurance Business:** The gross premium income from marine insurance business stood Tk. 131.22 million in 2024 where Tk. 201.75 million in 2023, yielding a net premium of Tk. 75.85 million, after ceding of re-insurance premium. The company earned an underwriting profit of Tk. 57.16 million against Tk. 71.78 million in 2023.

**Motor Insurance Business:** In motor insurance, the gross premium income stood Tk. 61.08 million where Tk. 57.19 million in 2023. After ceding of the re-insurance premium, the net premium of the motor insurance business amounting to Tk. 61.08 million. The company earned underwriting profit from motor insurance business Tk. 19.79 million as against Tk. 25.26 million in 2023.

**Miscellaneous Insurance Business:** The premium income from miscellaneous insurance business stood Tk. 86.16 million where Tk. 75.78 million in 2023. After ceding of re-insurance premium of Tk. 60.89 million net premium stood Tk. 25.27 million as against Tk. 19.87 million in 2023.

**Investment Income:** In spite of adverse effect of investment of share and decrease in the rate of interest of FDR, Express Insurance Ltd earned a net profit before tax of Tk. 129.34 million in 2024 while it was Tk. 140.26 million in 2023. Investment income in the FDR is risk free. Express Insurance Limited invested more in the FDR and Investment in Government Bond is an obligation by the rules of IDRA. Investment in Shares and Mutual Funds helped balancing the capital market. It also helps making bigger basket/portfolio of investment.

**Comparison of investment income and profit:**

Over all Result	2024	2023
Underwriting Profit/(Loss)	97.04	94.48
Interest & Revenue	112.18	84.79
Gain/(Loss) on sale of share	0.33	2.78
Total Investment Income	112.52	88.64
Profit before Tax	129.34	140.26
Provision for Tax	306.46	263.17
Reserved for Exceptional Loss	58.62	58.41
Dividend declared (Cash)	5%	7%

The investment of the Express Insurance Limited stood at Tk. 1413.11 million at the end of 2024 after adjustment of cumulative loss of investment in shares of previous years. The head wise investment figures are listed below:

**Investment position of the Express Insurance Limited:**

Particulars	2024	2023
National Investment Bond	70,000,000	50,000,000
Bank Balance with Fixed Deposit	1,218,595,642	1,202,633,093
Investment in Shares & Mutual fund	124,513,146	165,807,416
<b>Total Investment</b>	<b>1,413,108,788</b>	<b>1,418,440,509</b>

As per section 23 of the Insurance Act, 2010 and “Schedule I” every non-life insurance company had to maintain a mandatory deposit of Tk. 25.00 million as statutory deposit in the Bangladesh Government Treasury Bond (BGTB). Total investment of the company comprising of investment in shares, BGTB and FDRs stood at Tk. 1413.11 million against Tk. 1418.44 million in 2023. Like previous years, investment in shares has been stated at fair value as per Bangladesh Financial Reporting Standard-9.

**Extra ordinary activities and their implications:** Express Insurance Limited has a strategy to growth the business activities, but during the year 2024 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 parties during the year has been provided in the financial statements.

**Utilization of proceeds raised through Public Issues:** The company was made IPO in the year 2020. No further raised the capital through public issues, right issues or any other instrument were proceeds during the year 2024.

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

**Variance between Quarterly and Annual Financial Statements:** The company disclosed quarterly financial statements for the 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> quarter of 2024. No significant deviation in operational results of those quarterly and year ended is noticed as a whole.

**Board Meeting and Directors Remuneration with attendance:** Directors are not eligible for any remuneration other than attendance fee for attending board and its committee meeting. The board of directors held 11 meeting during the year 2024. The attendance of the directors and statement of remuneration paid to the directors including independent directors are shown in the financial statement.

**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 preparation of the financial statements and any departure there from has been adequately disclosed.

**Cash Flow from Operating Activities:** In 2024 the net operating cash flow was Tk. 97.43 million against Tk. 115.26 million in 2023. In the year 2024, Express Insurance Ltd. could not earned profit from sale of shares & highest claim paid during the year than previous year for that reason the net operating cash flow decreased than the year 2023.

**Assets:** The assets of the company increased to Tk. 2283.16 in 2024 million from Tk. 2209.42 million in 2023. The value of the assets increased mainly due to increase in FDR & Balance with bank and overall growth of company's insurance business. Hence as per 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 do hereby confirm that total expenses relating to usage and maintenance of company's vehicles in 2024 was in compliance. The total number of vehicles was 30 in 2024 against 29 in 2023 and total cost of vehicle as at 31<sup>st</sup> December 2024 was Tk. 45.32 million against Tk. 51.84 million in 2023.

**Reserves:** The Company kept provision for exceptional loss reserve of Tk. 58.62 million for the year 2024 as against Tk. 58.41 million in 2023 and the total reserve for exceptional losses of the company stood at Tk. 466.65 million against Tk. 408.03 million in 2023.

**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 Marin Hull insurance for which provision has been made @ 100% on net premium income under Section 27A of Insurance Act. Workers Profit Participation and Welfare Fund (WPPWF): EIL has been operating a fund named "Worker's Profit Participation and Welfare Fund (WPPWF) under Section 232 of Bangladesh Labor Law 2006. It was approved by the Board in its 210<sup>th</sup> meeting held on 29 May 2017. Provisions for the said fund have been made for the year 2024.

**Dividend:** The Board of Directors in its 322<sup>nd</sup> meeting held on 30<sup>th</sup> April, 2025 recommended 5% cash dividend for its Shareholders for the year ended 31<sup>st</sup> December 2024. 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 2024. 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.

**A statement where key operating and financial data of last 5 (five) years are given below:**

Particulars	Figure in Million				
	2020	2021	2022	2023	2024
Gross Premium Income	554.52	614.08	573.69	584.14	586.20
Net Premium Income	369.95	361.95	325.17	336.06	344.99
Gross Claim	60.75	132.53	48.63	78.22	79.10
Under Writing Profit	80.94	79.45	101.60	94.48	97.04
Investment Income	42.19	100.05	97.99	88.64	112.52
Profit before tax	103.39	154.02	152.55	140.26	129.34
Profit after tax	92.44	128.66	86.64	98.27	80.47
Paid up Capital	651.97	651.97	651.97	651.97	651.97
Shareholders' equity	1011.64	1114.33	1169.07	1222.36	1257.57
Total Reserves	328.31	393.16	467.34	523.86	580.36
Total Assets	1708.84	1976.77	2108.37	2209.42	2283.17
Total Investment	1088.19	1294.99	1371.05	1418.44	1413.11
Fixed Assets (Land & Building)	124.98	122.48	159.22	156.03	152.91
Earnings Per share (EPS)	1.64	1.85	1.33	1.51	1.23
% of Dividend (Cash)	7%	10%	7%	7%	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 25<sup>th</sup> AGM.

1. Mr. Amir Hamza Sarker
2. Mrs. Yasmin Ferdous
3. Ms. Nadia Khalil Chowdhury

On the other hand, as per Insurance Rules 1958 last year we have published a notice in "The Present Time" and "The Daily Aurthonitir Kagoj" on 30 April 2024 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 2025 in "The Daily Present Time" and "The Daily Niropekkha Sangbad."

**Independent Directors:** As per section 76 of the Insurance Act, 2010 an insurance company shall have two independent directors on the board. In compliance of that the board has appointed Mr. Md. Hasanul Islam and Dr. Md. Rezaul Kabir as Independent Directors of the Company and accordingly that was approved by the shareholders at the 23<sup>rd</sup> Annual General Meeting of the company held on 28 August, 2023.

**Shareholding Pattern:** All over the year the shareholding position of the sponsors and directors of the company was in an increased fashion. Public and institutions shareholding position was also deviated much during the period. Significant shareholding position and its 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 Executives 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 09 (nine) 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 2024.

**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 2024 NRC held 02 (two) meetings.

**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 11 (eleven) meetings during the year 2024.

**Risk Management Committee:** As per Insurer Corporate Governance Guideline-2023 of Insurance Development & Regulatory Authority (IDRA) the Board constituted the Management Committee by 5 (five) members. The Committee is responsible to oversee the monitor overall internal control & risk management process. During the year 2024 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 5 (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 held 01 (one) meeting during the year 2024.

**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 and being eligible M/s. Pinaki & Company applied on 24 April 2025 to be appointed as statutory auditor for the year 2025. The board of directors in its 322<sup>nd</sup> meeting held on 30 April 2025 accepted the application and approved the appointment of M/s. Pinaki & Company as statutory auditor for the year 2025 with the remuneration of Tk. 2,50,000/- (Two lac fifty thousand) only subject to approval of the shareholders in the 25<sup>th</sup> Annual General Meeting and after completion of due process & formalities.

**Compliance Auditors & Corporate Governance:** As per approval of shareholders in the 24<sup>th</sup> AGM the company has appointed M/s. Podder & Associates and M/s. Jasmin & Associates as Compliance Auditors of the company for the year 2024 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. M/s. Poddar & 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 322<sup>nd</sup> meeting held on 30 April 2025 appointed M/S. Jasmin & Associates as Independent Scrutinizer to observe the 25<sup>th</sup> AGM to be held on 01 July 2025. 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 Limited.

**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. Express Insurance Limited is a 3<sup>rd</sup> generation non-life insurance company incorporated on 30 March 2000. Company has been contributing to the CSR activities since inception. In 2024 company expand it's CSR activities to devastating flood affected area of Raypur, Laxmipur, Ramgonj & Noakhali and an amount of Tk. 5.00 (five) lac donated for flood affected people.

**Prospects for 2025:** Express Insurance Ltd. 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. EIL is focusing on revenue earning from quality business and therefore, it has planned to open new branches and recruit number of more qualified & professional desk and marketing officials in 2025 to ensure high volume of quality insurance business and achieving goal.

**Acknowledgement:** We gratefully acknowledge the trust of the shareholders of the company including our clients for their brand loyalty. 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, Sadharan Bima Corporation, Bangladesh Bank and Scheduled Banks, Financial Institutions, Local and Foreign Chamber Bodies, the Institute of Chartered Accountants of Bangladesh (ICAB), the Institute of Cost and Management Accountants (ICMAB), Registrar of Joint Stock Companies and Firms (RJSC), Central Depository Bangladesh Ltd (CDBL), Bangladesh Association of Public Listed Companies (BAPLC), Bangladesh Insurance Association (BIA), Dhaka Stock Exchange (DSE) Chittagong Stock Exchange (CSE) and Bangladesh Securities & Exchange Commission (BSEC) and Insurance Development and Regulatory Authority (IDRA), National Board of Revenue (NBR) 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