

DIRECTORS' REPORT

To the Shareholders of
Republic Insurance Company Limited

Bismillahir Rahmanir Rahim

Dear Shareholders,

As-salamu Alaikum,

The Board of Directors of Republic Insurance Company Limited (herein after 'the Company' or RICL) takes this opportunity to welcome you all to the 25th Annual General Meeting (AGM) of the Shareholders and present before you the Annual Report of the Company along with the Audited Financial Statements and Auditor's Report for the year ended on December 31, 2024, for consideration and approval. The Audited Financial Statements were approved by the 156th Meeting of the Board of Directors held on April 30, 2025.

We have prepared this Annual Report in compliance with the Companies Act 1994, the Insurance Act 2010, and guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), the Insurance Development and Regulatory Authority (IDRA), and other Regulatory Authorities from time to time.

GLOBAL ECONOMY

According to IMF World Economic Outlook October 2024, global growth is expected to remain stable yet underwhelming. At 3.2% in 2024 and 2025, the growth projection is virtually unchanged from those in both the July 2024 World Economic Outlook Update and the April 2024 World Economic Outlook. However, notable revisions have taken place beneath the surface, with upgrades to the forecast for the United States offsetting downgrades to those for other advanced economies, particularly the largest European countries. Likewise, in emerging markets and developing economies, disruptions to the production and shipping of commodities, especially oil, conflicts, civil unrest, and extreme weather events have led to downward revisions to the outlook for the Middle East and Central Asia, as well as for sub-Saharan Africa. These

have been compensated for by upgrades to the forecast for emerging Asia, where surging demand for semiconductors and electronics, driven by significant investments in artificial intelligence, has bolstered growth. The latest forecast for global growth five years from now, at 3.1%, remains mediocre compared to the pre-pandemic average. Persistent structural headwinds such as population aging and weak productivity are holding back potential growth in many economies.

Cyclical imbalances have eased since the beginning of the year, resulting in a more favorable alignment of economic activity with potential output in major economies. Global headline inflation is expected to fall from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. As global disinflation continues to progress, broadly in line with the baseline, bumps on the road to price stability are still possible. Goods prices have stabilized, but services price inflation remains elevated in many regions, highlighting the importance of understanding sectoral dynamics and calibrating monetary policy.

As cyclical imbalances in the global economy wane, near-term policy priorities should be carefully calibrated to ensure a smooth landing. In many countries, shifting gears on fiscal policy is urgently needed to ensure that public debt is on a sustainable path and to rebuild budgetary buffers; the pace of adjustment should be tailored to each country's specific circumstances. Structural reforms are necessary to boost medium-term growth prospects, but support for the most vulnerable should be maintained. Chapter 3 discusses strategies to enhance the social acceptability of these reforms, a crucial prerequisite for the successful implementation of these reforms. Multilateral cooperation is more necessary than ever to accelerate the green transition and support debt restructuring efforts. Mitigating the risks of geoeconomic fragmentation and the need to strengthen rules-based multilateral frameworks are

essential to ensure that all economies can reap the benefits of future growth.

BANGLADESH ECONOMY

According to the Asian Development Outlook (ADO) April 2025, Bangladesh's gross domestic product (GDP) is projected to grow by 3.9% in fiscal year (FY) 2025, before increasing to 5.1% in FY2026. Despite growth in Bangladesh's garment exports, the slower growth forecast reflects weaker domestic demand amid a political transition, risks of natural disasters, industrial unrest, and high inflation. Bangladesh's economic growth was 4.2% in fiscal year (FY) 2024. Despite external and domestic headwinds, Bangladesh's economy remains resilient, and this resilience can be further strengthened by implementing crucial structural reforms. Bangladesh should diversify its economy beyond the ready-made garments sector by fostering private sector development. Enhancing resilient infrastructure, improving energy security, strengthening financial sector governance, and attracting foreign investment are crucial to accelerating growth, creating jobs, and boosting competitiveness. Inflation is forecast to accelerate from 9.7% in FY2024 to 10.2% in FY2025, driven by stifled competition in wholesale markets, inadequate market information, supply chain constraints, and the depreciation of the taka. The current account deficit is expected to decrease from 1.4% of GDP in FY2024 to 0.9% of GDP in FY2025, as the trade deficit narrows and remittances rise. ADO April 2025 projects that consumption and investment will grow moderately, driven by strong remittance inflows but partly offset by contractionary monetary and fiscal policies and investor caution. Global tariff increases are also expected to impact Bangladesh's exports and economic growth over time. On the supply side, services growth is expected to be slower due to political uncertainty, financial sector vulnerability, and reduced household purchasing power. Agricultural growth is likely to moderate following repeated floods, while industry growth is expected to improve marginally with a rebound in manufacturing, aided by export growth. The growth forecasts were finalized before the 2 April announcement of new tariffs by the US administration, so the baseline projections only reflect tariffs that were in place previously. However, ADO April 2025 does feature an analysis of how higher tariffs may affect growth in Asia and the Pacific.

GLOBAL INSURANCE MARKET

According to Sigma 5/2024, the primary non-life insurance industry is improving its profitability and economic sustainability. Underwriting results benefited from easing inflation and higher premium rates this year, and we expect them to stay strong in 2025 and 2026. Coupled with improving investment results, this should support profitability. To expect a decade-high 4.3%

global non-life premium growth this year, following the repricing of risk in response to elevated claims. Premium rates are now moderating, and we forecast softer global premium growth of 2.3% annually in real terms over 2025-26, which is below the 3.1% average of the last five years. The active US hurricane season is likely to result in global natural catastrophe insured losses exceeding USD 100 billion this year, marking a fifth consecutive year, and may delay the onset of softer property insurance pricing. The global life insurance industry is buoyant. We project growth of more than twice the historical average, at 3% in real terms over 2025 and 2026, after a decade-high 5% growth in 2024. Total global life insurance premiums are expected to reach USD 4.8 trillion by 2035, up from USD 3.1 trillion in 2024, driven by higher interest rates. US individual annuity sales are expected to set a new record of over USD 400 billion this year.

INSURANCE MARKET IN BANGLADESH

Bangladesh's non-life insurance industry continues to operate in one of the smallest positions in the world. Immediately after the Liberation of Bangladesh in 1971, Sadharan Bima Corporation (SBC) and Jiban Bima Corporation (JBC) were established under the Insurance Corporation Act 1973 as state-owned organizations to deal with non-life and life insurance, respectively. SBC and JBC are state-owned reinsurance service providers. Thereafter, permission was given to private insurance companies to operate under the provisions of the Insurance (Amendment) Ordinance, 1984.

According to the Statista Report, the Non-life insurance market in Bangladesh is expected to witness significant growth in the coming years. By 2025, the market size, measured by gross written premiums, is projected to reach US\$6.09 billion. This indicates a positive trend in the country's insurance sector. In terms of per capita spending, the average amount spent on non-life insurance in Bangladesh is estimated to be \$ 34.49 per capita in 2025. This signifies the growing importance of insurance coverage among the population.

Furthermore, the gross written premium is anticipated to exhibit an annual growth rate of 4.22% from 2025 to 2029. This steady growth is expected to result in a market volume of US\$7.18bn by 2029, reflecting the increasing demand for non-life insurance products in Bangladesh. It is worth noting that, in a global comparison, the United States is projected to generate the highest gross written premium in 2025, amounting to US\$ 2.6 trillion. This highlights the dominant position of the United States in the global non-life insurance market. Overall, the non-life insurance market in Bangladesh is poised for growth, driven by rising awareness and the need for insurance coverage.

DIRECTORS' REPORT

The projected numbers indicate a positive trajectory for the industry, presenting opportunities for both insurers and consumers in the country. Bangladesh's non-life insurance market is experiencing a surge in demand, driven by the country's increasing urbanization and economic growth.

COMPANY'S BUSINESS ACTIVITIES AND PERFORMANCE REVIEW

In 2024, the Insurance sector of Bangladesh was under highly challenging conditions. Since the July mass uprising, the insurance business has come to a standstill due to the decline in imports and exports. In this situation, Republic Insurance Company Limited has earned a gross premium of Tk. 88.76 Crore during the year.

Product wise Performance of the Company

Product-wise underwriting performance of the Company for the last five years is as under:

Year	2024	2023	2022	2021	2020
BDT Crore	88.76	100.96	83.83	74.84	78.00

The segment-wise underwriting performance of the Company for the last five years is as under:

Class of insurance	Amount in BDT Crore				
	2024	2023	2022	2021	2020
Fire	32.40	38.88	30.39	28.31	36.85
Marine & Hull	42.75	47.01	39.29	34.18	29.55
Motor	4.27	5.27	4.18	3.34	4.67
Miscellaneous	9.34	9.80	9.97	9.01	6.93
Total	88.76	100.96	83.83	74.84	78.00

Fire Insurance

The Fire insurance business constitutes 36.50% of the Company's total portfolio. During the year, the Company has underwritten a gross premium of Tk. 32.40 Crore.

Marine and Marine Hull Insurance

The Marine and Marine Hull insurance business constitutes 48.16% of the total portfolio. The Company has underwritten a gross premium of Tk. 42.75 Crore during the year.

Motor Insurance

The Motor insurance business constitutes 4.81% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 4.27 Crore.

Miscellaneous Insurance

The Miscellaneous class of business constitutes 10.53% of the total portfolio. During the year, the Company has underwritten a gross premium of Tk. 9.34 Crore.

POSITION OF PAID-UP CAPITAL AND RESERVED

Authorized Capital

The authorized capital of the Company is Tk. 100 crore divided into 100,000,000 ordinary shares of Tk. 10 each.

Paid-up Capital

RICL increases the business volume regularly. For this, it was necessary to increase the paid-up capital size. Accordingly, the Board of Directors decided to enhance the paid-up capital every year to comply with the Insurance Development and Regulatory Authority's (IDRA) requirements. The Position of Paid-up Capital of the Company is as under:

Year	Description	Amount in Taka
2000	Sponsor's Capital	60,000,000
2008	IPO of Tk. 9 Crore	150,000,000
2009	10% stock dividend	165,000,000
2010	10% stock dividend	181,500,000
2011	10% stock dividend	199,650,000
2012	12% stock dividend	223,608,000
2013	12.50% stock dividend	251,559,000
2014	10% stock dividend	276,714,900
2015	13% stock dividend	312,687,830
2016	12% stock dividend	350,210,370
2017	12.50% stock dividend	393,986,650
2018	10% stock dividend	433,385,310
2019	7% stock dividend	463,722,280
2020	7% stock dividend	496,182,830
2021	5% stock dividend	520,991,970
2024	5% stock dividend (Proposed)	547,041,569

Reserve Fund

To protect against the risk factors of the Company, it is necessary to maintain a reasonable amount of reserve funds for the Company. We plan to build up a substantial reserve fund, so that we can meet any financial requirements from it. The position of Reserve for the last five years is as under:

Year	2024	2023	2022	2021	2020
BDT Crore	48.51	43.35	36.76	34.00	28.66

CLAIMS

RICL is always committed to settling insurance claims in a timely manner. Our commitment is to the satisfaction of our customers, and their satisfaction is the foundation of our company's goodwill. The Board of Directors of the Company delegates the power to the Claims Committee for settling any claim in the quickest time. During 2024, the Company paid a net amount of Tk. 2.41 Crore against claims, which helped the customer recover their losses. The last five years' breakup of net claims paid is enumerated below:

Year	2024	2023	2022	2021	2020
BDT Crore	2.41	5.02	2.16	1.68	4.41

RE-INSURANCE

The Company underwrites a large number of policies with a wide range of risks for various classes of insurance, which involves billions of taka. Every insurance company has limited capital, which is insufficient to cover a small percentage of catastrophic losses or a single large loss. To protect the interests of the Company as well as its policyholders, every company retains a small percentage of risk in its shares. It shifts a significant portion of risk to other reinsurance companies.

RICL has arranged adequate protection through a reinsurance arrangement with the state-owned Sadharan Bima Corporation (SBC). The Company has full coverage insurance and sufficient catastrophe coverage to protect against any national disaster. The Board of Directors is always aware of the customer's insurance risks and ensures the protection of its liability through reinsurance arrangements. During 2024, the Company paid reinsurance premiums to the extent of Tk. 35.42 Crore to protect the risk covered by the Company. Republic Insurance Company Limited is fully equipped with technical expertise. Our current reinsurance arrangement is well-secured to protect the interests of the Company as well as its policyholders in the event of any consequences.

INVESTMENT

Dear Shareholders, Insurance is a risk management activity primarily used as a hedge against the risk of a contingent or uncertain loss. To mitigate uncertain losses, the Company maintains an investment amount. On the other hand, a good investment is also a significant tool for sustaining and improving the Company's profitability. Republic Insurance Company earns significant investment profits. Due to this, the Board expects to increase the company's investment figure. Our goal is to generate higher profits from the Company's investment. For the greater interest of the Company and its

Shareholders, we ensure the maximum utilization of funds, and in this connection, we have invested them appropriately. The last five years' investment breakup of the Company is as under:

Year	2024	2023	2022	2021	2020
BDT Crore	67.31	63.64	64.12	58.63	52.72

CREDIT RATING

Republic Insurance Company Limited has been awarded "AA+" (pronounced AA Plus) in the long term and "ST-1" in the short term, and rated by Alpha Credit Rating (AlphaRating). The rating reflects RICL's established track record, improved underwriting performance, GPW, and net income. The rating also draws strength from the improved risk absorption capacity, enhanced equity base, financial stability, and premium solvency ratio. The rating is, however, constrained by a decline in ROA and reserve solvency ratio, a moderate liquidity position, dependence on investment returns, and moderate systems and processes.

DIVIDEND

Dear Shareholders, it is a great pleasure for the Board of Directors of RICL to recommend a 11% dividend (6% cash and 5% stock) subject to the approval of the Shareholders in the 25th AGM for each share @ Tk. 10 for the year ended December 31, 2024. The Shareholders, whose names would be recorded in the 'Depository Register' on the record date, i.e., on May 25, 2025, shall be entitled to the dividend.

BOARD COMMITTEES

As per the Corporate Governance Code-2018 issued by the Bangladesh Securities and Exchange Commission (BSEC) and the Insurer's Corporate Governance Guidelines-2022 issued by the Insurance Development and Regulatory Authority (IDRA), the Company has five (5) mandatory Sub-Committees of the Board. Other than 5 (five) committees, the Board has also formed 2 (two) other sub-committees. The names of 7 (seven) Sub-committees of the Company are as follows:

01. Audit Committee
02. Nomination and Remuneration Committee
03. Investment Committee
04. Risk Management Committee
05. Policyholder Protection and Compliance Committee
06. Executive Committee
07. Claims Committee

PROFITABILITY OF THE COMPANY

Republic Insurance has consistently demonstrated

DIRECTORS' REPORT

profitability over the years, as evident in its statistical figures. In 2024, despite various macroeconomic challenges, the absence of a usual atmosphere for motor insurance and foreign currency crises, and the need to open the required number of letters of credit to enhance marine cargo insurance, we were able to register a business decrease of 12% compared to 2023. As the insurance business is essentially a risk-taking business and hence vulnerable to fluctuations, Republic Insurance Company Limited follows a conservative policy in both matters of insurance underwriting and investments to safeguard the interests of the Company in the long run.

STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

The Board of Directors is always committed to protecting the interests of our valued shareholders. Under the active guidance and supervision of the Board, the Management performs its responsibility for achieving the Company's financial goal. The Company earned a net profit before tax of Tk. A decrease of 13.17 Crore compared to the previous year reflects that, during the year, the Company was unable to earn the expected profit due to the payment of agency commission, management expenses, and the prior year's income tax provision, which significantly affected the Company's profitability. The breakup of the funds available for distribution is as follows:

Particulars	Amount in Taka Crore	
	2024	2023
Net Profit Before Tax	13.17	15.56
Less: Provision for Income Tax & Deferred Tax	2.28	3.51
Net Profit After Tax	10.89	12.05
Add: Balance brought forward of previous years retained earnings	6.53	6.27
Less: Reserve for Exceptional Losses	5.33	6.25
Less: Cash dividend paid for the 2023	5.73	5.47
Less: General Reserve	0.07	0.07
Funds available for distribution	6.29	6.53

EARNINGS PER SHARE (EPS)

The Earnings per Share (EPS) for the year 2024 stood at Tk. 2.09 in place of Tk. 2.31 in the previous year.

CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices, and processes by which a company is operated and

controlled. Corporate governance essentially involves balancing the interests of a company's various stakeholders, including shareholders, Management, Customers, Suppliers, Financiers, Government, and the community. Corporate governance facilities are the rules and regulations that enable organizations to operate in the best interest of their stakeholders. The Board of Directors firmly believes that the practice of good corporate governance is essential to ensuring a disciplined and sustainable national economy. The Management strictly adheres to two fundamental principles of Corporate Governance, i.e., transparency and disclosure. Since the company's inception, the Board of Directors has been fully committed to building a strong and empowered Management Team. This helped RICL maintain a good corporate governance status of compliance, as per the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CM-MRRCD/2006-158/207/ Admin/80, dated June 03, 2018, along with a certificate from a practicing Chartered Accountant, has been presented on pages 70-80 in this report.

COST OF SERVICE AND PROFIT MARGIN

The overall cost of services increased during the year. The profit margin of the Company during the year is as follows:

Particulars	Amount in Taka Crore
Net Sales/Turnover/Receipts/ Premium earned	88.76
Less: Cost of Sales/Re-insurance premium ceded	35.42
Gross profit/Net premium earned	53.34
Add: Other operating income/ Balance of fund account at the beginning of the year	32.36
Less: Selling & Marketing expenses/ Claims under policies less re-insurance/ Agency commission/Expenses of management/Balance of fund account at the end of the year	74.05
Less: Other operating expenses/ Insurance stamps consumed	0.26
Less: Financial expenses/Expenses of management/Expenses for WPPF	3.45
Add: Any other business income	5.23
Profit before Tax	13.17

REMUNERATION PAID TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The Company has paid Tk. 1,232,000 as directors' fees to the directors, including Independent Directors, for

attending committee and Board meetings in 2024, which has been mentioned in the company's profit and loss accounts. The Company has not paid any remuneration to the directors in 2024.

DIRECTORS

A. Sponsor Directors

In terms of the provisions of clauses 96 & 97 of the Articles of Association of the Company, the following Directors from the sponsor shareholders' group, i.e., group "A" shareholders, will retire in this Annual General Meeting (AGM):

01. Mr. S.M Shafiul Haque
02. Mr. Mahboob Ur Rahman
03. Mrs. Khurshida Rahman

Being eligible, all the above directors have offered themselves for re-election.

Brief Resume and other information of the Directors as per clause 1.5 (xxiv) of BSEC Corporate Governance Code on 03 June 2018, disclosed in this Annual report on pages 20-22.

B. Public Shareholders Directors

Under the exact provisions of the Articles of Association mentioned above, Mr. Hamdan Hossain Chowdhury, Director from group-B shareholders, will retire at this AGM, and being eligible, he offered himself for re-election:

Mr. Md. Arif, FCA, FCMA, was the nominated Director by Unitex LP Gas Ltd. The authority of Unitex LP Gas Ltd. proposed to appoint Mr. Md. Kamrul Hassan, FCA, as the nominated Director of Unitex LP Gas Ltd. in place of Mr. Md. Arif, FCA, FCMA. Accordingly, the Board accepted their proposal and appointed Mr. Md. Kamrul Hassan, FCA, as Nominee Director, nominated by Unitex LP Gas Ltd. from the public shareholder group-B, in its 154th Meeting of the Board of Directors held on February 18, 2025, Subject to approval by the shareholders at the 25th AGM.

Mrs. Shahella Rashid Chowdhury was nominated as the Director by Cove Investment Ltd. The authority of Cove Investment Ltd. proposed to appoint Mr. Mohammad Abul Kalam, NDC, as the nominated Director of Cove Investment Ltd. in place of Mrs. Shahella Rashid Chowdhury. Accordingly, the Board accepted their proposal and appointed Mr. Mohammad Abul Kalam, NDC, as Nominee Director, nominated by Cove Investment Ltd. from the public shareholder group B, at its 155th Meeting of the Board of Directors held on April 22, 2025, Subject to approval by the shareholders at the 25th Annual General Meeting.

Ms. Raimah Chowdhury was nominated as the Director by Binning & Company (BD) Ltd. The authority of Binning & Company (BD) Ltd. proposed to appoint Mr. Anis Ud Dowla as the nominated Director of Binning & Company (BD) Ltd. in place of Ms. Raimah Chowdhury. Accordingly, the Board accepted their proposal and appointed Mr. Anis Ud Dowla as Nominee Director, nominated by Binning & Company (BD) Ltd. from the public shareholder group- B in its 155th Meeting of the Board of Directors held on April 22, 2025, Subject to approval by the shareholders in the 25th AGM.

C. Independent Directors

To comply with the Corporate Governance Code notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018, the Board of Republic Insurance Company Limited (RICL) appointed Professor Dr. Shobod Deba Nath as Independent Director, subject to prior consent of the Bangladesh Securities and Exchange Commission (BSEC) and approval by the Shareholders in the AGM. Accordingly, the BSEC had given its consent to the appointment of Professor Dr. Shobod Deba Nath as an Independent Director in the Board of RICL, vide letter no. BSEC/I-CA/2023/116/Part-i/493, dated: December 29, 2024.

In compliance with BSEC notification no. BSEC/CMRRCD/2009-193/76/PRD/151 dated April 4, 2024: The Board is seeking another competent and qualified Female person for appointment as an Independent Director of the Company.

AUDITORS

A. Statutory Auditors

The Company's Statutory Auditor Rahman Mostafa Alam & Co., Chartered Accountants, will retire at the 25th Annual General Meeting. Being eligible under Section 212 of the Companies Act 1994, the Auditors have expressed their willingness to continue for the year 2025 at the existing fee. The Auditors have completed their first year of audit and are hence eligible for reappointment. The Board of Directors recommended for approval of the appointment of Rahman Mostafa Alam & Co., Chartered Accountants as Auditors of the Company for the year 2025 with a fee of Tk. 3,85,000 (Taka three lac eighty five thousand) including VAT & Tax, subject to the approval of Shareholders in the 25th Annual General Meeting (AGM).

B. Compliance Auditor

As per Corporate Governance (CGC) Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the Board of Directors recommended the approval of the appointment of T. Hussain & Co., Chartered Accountant, as the compliance Auditor for obtaining a certificate of compliance from CGC for the year 2025 at a fee of Tk. 50,000 (Taka fifty thousand) including VAT, subject to approval of shareholders in the 25th AGM.

DIRECTORS' REPORT

C. ICGG Auditors

The Insurance Development and Regulatory Authority (IDRA) issued the Insurers' Corporate Governance Guidelines (ICGG) to be applied by insurance companies to restore corporate governance. As per condition no. 19(2) of ICGG, the Board of Directors recommended the approval of the appointment of Jasmin & Associates, Chartered Secretaries, to obtain a certificate of compliance from ICGG for the year 2025 at a fee of Tk. 30,000 (Taka thirty thousand) excluding VAT, subject to approval of the shareholders in the 25th Annual General Meeting (AGM).

LEVERAGING TECHNOLOGY

We follow, adopt, and update necessary technologies in response to the latest industry changes. The IT department of RICL has successfully implemented a Wide Area Network (WAN) to connect all branch offices nationwide in real-time, thereby providing seamless connectivity and prompt customer service. All Branches are working under IT software. Currently, the IT system generates nearly 200 MIS reports, which enable management to make informed decisions promptly. This is achieved by controlling business procurement through the Computer Integrated Insurance System (CIIS) software and quickly accessing underwriting documents through CIIS for seamless departmental integration with Underwriting, Claims & Reinsurance, and Accounts. By this time, the Company has introduced numerous IT facilities for our shareholders and customers.

We are trying to set up technology-based products such as Card Protection Insurance, Online Motor Insurance, etc. in a way to settle every valid claim in a shorter period, we attempt to improve our core competency in claims management because we want to reflect in our every dealing that insurers must be the ones who are in the business of indemnifying policyholders when misfortunes do strike.

INTERNAL CONTROL AND COMPLIANCE

The Board is responsible for ensuring that an adequate and effective control system is in place. However, no system of internal financial control can provide absolute assurance against material misstatement or loss. The Company's internal.

Control systems have been designed to provide the Directors with reasonable assurance that assets are safeguarded against unauthorized use by employees, management, and/or third parties. Transactions are authorized and correctly recorded, and material errors and irregularities are either prevented or detected within a reasonable period. An adequately designed management structure, clearly defined responsibilities, delega-

tion of authorities, establishment of accountability at each level, and a system of periodic reporting and monitoring performance are the key elements of the internal control framework employed in RICL.

BOARD MEETING

The Board members sometimes review the activities of the Company and decide on topics related to policy, and accordingly, monitor the Company's progress as per the Companies Act 1994 and the Articles of Association. The Board meetings are held accordingly.

Board meetings are typically held to discuss and decide on major corporate, strategic, and operational issues, as well as to evaluate significant investment opportunities. At the Meetings, the Chairperson of the Board allocated sufficient time for the directors to consider each agenda item prudently and allowed them to freely discuss, inquire, and express opinions on the items of interest, so that they could fulfill their duties to the best of their abilities. During the year 6 (six) Meetings of the Board were held wherein policies and significant business and strategic decisions were taken. At the invitation of the Board Members, senior management personnel attended Board Meetings to participate in discussions.

Board meetings are normally held to discuss and decide on major corporate, strategic, and operational issues as well as to evaluate major investment opportunities. At the Meetings, the Chairperson of the Board allocated sufficient time for the directors to consider each agenda prudently and allowed them to freely discuss, enquire and express opinions on the items of interest so that they can fulfill their duties to the best of their abilities. During the year 6 (six) Meetings of the Board were held wherein policies and major business and strategic decisions were taken. On invitation of the Board Members, the senior management person thereof attended Board Meetings to participate in discussions.

RELATED PARTY TRANSACTIONS

As per International Accounting Standard (IAS) 24 "Related Party Disclosures," parties are considered to be related if one of the parties can control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures are provided in Note 37.00.

ENTITLEMENT OF DIVIDEND

Shareholders whose names shall appear in the Members Register of the Company or the Depository Register of CDBL on the 'Record Date' of the respective year's AGM will receive the entitled dividend.

PROCESS OF DISTRIBUTION OF CASH DIVIDEND

Cash dividend shall be paid directly to the bank account within 15 days and not more than 30 (thirty) days from the date of approval by the Shareholders in the AGM and the date of the Board's approval in case of interim Dividend subject to compliance of circulars/directives of BSEC or Bangladesh Bank or other regulatory authority from time to time.

PROCEDURE OF STOCK DIVIDEND DISTRIBUTION

The stock dividend will be credited within 30 (thirty) days of approval, subject to clearance of the regulatory requirements. Process for settling unpaid dividends, unpaid or unclaimed cash dividends, and stock dividends shall be settled as per instructions of the BSEC or other regulatory authority from time to time.

CAPITAL MARKET STABILIZATION FUND (CMSF)

The BSEC has established a Capital Market Stabilization Fund (CMSF) using unclaimed or undistributed cash, stock dividends, non-refunded public subscription money, or unallotted rights shares from issuers of listed securities that they have held for more than three years. However, it has yet to demonstrate its performance in making the bourses vibrant. During the year, the Company transferred an amount of Tk. 5,03,104.69 to the CMSF as an unclaimed dividend for the year 2020, in compliance with the rules of the Fund.

DECLARATION ON THE FINANCIAL STATEMENTS

The Directors are responsible for the governance of the Company and, as part of the preparation and presentation of the financial statements for the year ended December 31, 2024, of Republic Insurance Company Limited, the Directors confirm, to the best of their knowledge, that:

- (a) The financial statements, prepared by the Management of the Company, which were duly scrutinized by the external auditors, present fairly its state of affairs, the result of its operations, cash flows, and changes in equity;
- (b) Proper books of account of the Company have been maintained.
- (c) Appropriate accounting policies have been consistently applied in the preparation of the Financial Statements, and the accounting estimates are based on reasonable and prudent judgments.
- (d) The International Accounting Standards (IAS) and/or IFRS, as applicable in Bangladesh, have been followed in the preparation of the Financial Statements, and any departure therefrom has been adequately disclosed.

- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There is no doubt, whatsoever, upon the Company's ability to continue as a going concern;
- (g) The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (h) The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;
- (i) The CEO and CFO have further certified to the Board that, to the best of their knowledge and belief, there are no transactions entered into by the Company during the year that are fraudulent, illegal, or in violation of the Company's code of conduct. The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or in violation of the Company's code of conduct; and
- (j) The declarations of the CEO and CFO of the Board of Directors are shown on page 55 in this report.

OTHER REGULATORY DISCLOSURES

Under the BSEC Notification on 'Code of Corporate Governance' (CGC) dated June 03, 2018, the Directors of RICL also report that:

- (i) The Company is aware of its various risks and concerns. Financial risk management has been disclosed in Note 2.20 of the financial statements.
- (ii) All transactions with related parties have been made on a commercial basis, and the details of related parties and transactions have been disclosed under Note No. 37 of the financial statements.
- (iii) Appropriate accounting policies have been followed in the preparation of the financial statements, and the accounting estimates are based on reasonable and prudent judgment.
- (iv) The financial statements are prepared in accordance with IAS/IFRS, and any departure therefrom has been adequately disclosed.

DIRECTORS' REPORT

- (v) The Company's IPO was made in 2008.
- (vi) From inception, the Company's financial results have continued to grow, as reflected in its yearly financial statements.
- (vii) No extraordinary gain or loss has been recognized in the financial statements of the Company.
- (viii) No significant variations have occurred between the quarterly and final financial results of the Company for 2024.
- (ix) During the year, the Company has paid a total amount of Tk. 12,32,000 as Board meeting attendance fees;
- (x) All significant deviations from the previous year in the Company's operating results have been highlighted, along with the reasons for these deviations.
- (xi) The key operating and financial data for the last five years are disclosed on page 51 of this report.
- (xii) The Company has proposed a 6% cash and 5% stock dividend for the year 2024.
- (xiii) During 2024, 6 Board Meetings were held, which met the regulatory requirements. The attendance records of the Directors are shown on page 54 in this report.
- (xiv) The rights and interests of the minority Shareholders have been duly protected using transparent operations and proper disclosure of material information of the Company.
- (xv) No bonus or stock dividend has been declared, nor has an interim dividend been declared during the year.
- (xvi) A statement of 'Management Discussion and Analysis' has been presented on pages 52-53 in this report.
- (xvii) The Shareholding pattern of the Company as on December 31, 2024, is shown on page 79 in this report; and
- (xviii) Directors' profiles have been included in the Annual Report in accordance with BSEC Guidelines.

FINANCIAL STATEMENTS

The Board of Directors of Republic Insurance Company Limited would like to inform you that the Financial Statements containing the audited accounts for the year ended December 31, 2024, conform with the requirements of the Companies Act, 1994, IAS, and

IFRS as adopted and applicable, Securities & Exchange Rules-1987 and the listing regulations of the Dhaka Stock Exchange PLC and Chattogram Stock Exchanges PLC, and believes that the financial statements reflect fairly the form and substance of all transactions carried out during the year under review and reasonably accurately present the Company's financial condition and results of its operations.

CODE OF CONDUCT FOR THE CHAIRPERSON, OTHER BOARD MEMBERS, AND CHIEF EXECUTIVE OFFICER

The Company has prepared a Code of Conduct Policy for the Chairperson, other Board members, and the Chief Executive Officer, which has been approved by the Board. The Code of Conduct for the Chairperson, other Board Members, and Chief Executive Officer is disclosed on pages 59-61 in this report.

DIVIDEND DISTRIBUTION POLICY

The dividend policy outlines the amount of cash that will be distributed to shareholders every year as a dividend from the Company's after-tax profit. The dividend policy is based on balancing the value expectations of Shareholders and ensuring the availability of funds for future expansion plans. The Board of Directors of the Company has approved the Dividend Distribution Policy in accordance with applicable Laws and regulatory directives issued by the Bangladesh Securities and Exchange Commission. The Dividend Distribution Policy of the Company is disclosed on pages 67-68 in this report.

NOMINATION AND REMUNERATION POLICY

The Company has prepared a Nomination and Remuneration Policy, which has been approved by the Board. The Nomination and Remuneration Policy is disclosed on pages 62-66 of this Annual Report.

RISKS AND CONCERNS

Without risk, no business can be assumed to be successful, whether it is small or large. The insurance business deals with the risks of other companies and the personal property of individuals. As a non-life insurer, RICL deals with various types and numbers of risks, including underwriting risks such as fire, Marine cargo and Hull, Motor vehicle, and Miscellaneous risks like burglary, personal accident policies, engineering, and crop insurance. High risks under different scenarios are identified, assessed, and monitored through regular analysis by our specialist risk assessment team, which includes professionals from insurance and engineering. Furthermore, the main strategic risks identified by the company, as well as the high-value clientele, are regularly monitored by Senior Management, including any mitigating actions. Insurance risks are classified into strategic risks, underwriting risks, reinsurance risks, reserving risks, investment risks,

liquidity risks, and socio-political-economic risks. Republic Insurance continuously monitors those risks and takes appropriate measures to deal with risks of high magnitude.

RISK ASSESSMENT AND MITIGATION

Republic Insurance Company Limited recognizes the dynamic nature of the insurance industry and the inherent risks associated with conducting business. This disclosure aims to provide stakeholders with insights into the risks faced by the Company in 2024 and the corresponding strategies employed to mitigate them. The Key risks identified for the company are:

Economic Risk:

According to the World Bank's October 2024 update report, at a crossroads to upper-middle-income status, Bangladesh faces intertwined challenges in the short and medium terms. Bangladesh's economic growth over the past decade has faced significant challenges in recent years. Real GDP growth is estimated to have moderated to 5.2 percent in FY24, down from 5.8 percent in FY23. Inflation has remained elevated, financial sector vulnerabilities worsened, and pressure on the external sector persisted. Growth is expected to rebound gradually in the medium term.

To achieve its vision of attaining upper-middle-income status, Bangladesh needs to create jobs through a competitive business environment, build a skilled labor force, develop efficient infrastructure, and establish a policy environment that attracts private investment.

Development priorities include diversifying exports beyond the RMG sector, resolving financial sector vulnerabilities, making urbanization more sustainable, and strengthening public institutions, including fiscal reforms to generate more domestic revenue for development. Addressing infrastructure gaps would accelerate growth. Addressing vulnerability to climate change and natural disasters may help Bangladesh to continue to build resilience to future shocks. Pivoting towards green growth would support the sustainability of development outcomes for future generations.

Market volatility:

The insurance industry is vulnerable to market fluctuations, which can impact investment returns and financial stability. Republic Insurance has diversified its investment portfolio, implemented risk management models, and regularly monitors market trends to make informed decisions.

Regulatory changes:

Evolving regulatory landscapes can pose challenges in compliance, affecting operations and financial performance. The Company maintains a dedicated

regulatory compliance team to stay abreast of changes, conducts regular audits, and engages in proactive dialogue with regulatory bodies.

Cyber security threats:

Increasing cyber threats pose risks to sensitive customer data, operational integrity, and overall business continuity. Robust cybersecurity measures, employee training programs, and continuous assessments of IT infrastructure help mitigate the risk of cyberattacks. Investments in advanced security technologies are ongoing.

Underwriting Risks:

Inaccurate risk assessment and underwriting may lead to substantial financial losses. RICL employs advanced data analytics, artificial intelligence, and machine learning algorithms to enhance underwriting accuracy. Regular training programs ensure that underwriters are updated on industry trends.

Climate change impact:

Climate-related events can result in an increase in insurance claims and pose a threat to the Company's financial stability. The Company actively assesses and adjusts its risk exposure to climate-related events. Sustainable business practices are adopted, and partnerships with climate risk experts are established.

Financial Preparedness:

Republic Insurance Company Limited maintains a robust financial position to address unforeseen challenges. Adequate reserves, stress testing, and scenario analyses are conducted regularly to ensure the company's ability to weather economic downturns or unexpected events.

Continuous monitoring and adaptation:

Risk management is an ongoing process at Republic Insurance, with regular reviews and updates to strategies based on emerging threats and industry developments. The company remains committed to transparency and will communicate promptly with stakeholders in the event of any significant changes to the risk landscape.

RISK MANAGEMENT

An organization needs to analyze and critically comprehend the risks to which it is exposed and the potential loss associated with such risks. After obtaining a clear understanding of the risk and its consequences, management can make informed decisions about the acceptability or otherwise of those exposures. Risk management thus enables management to effectively deal with uncertainty and its associated risks, along

DIRECTORS' REPORT

with opportunities for capacity building. The fundamental objective of risk management is to preserve assets and earning power from potential loss or destruction.

The role of risk management in the operation of an insurance company, especially in the case of non-life insurance organizations, is of immense importance. This is because enterprises prefer to transfer their risk to the insurer as a risk management mechanism, which is part of their overall risk management strategy. The insurer must manage the acquired risks competently to operate their business profitably, even after adequately settling claims, thereby retaining customer confidence as a trusted insurer. This presents the operational challenge for risk management on the part of a non-life insurance company, such as Republic Insurance Company.

Business Risk:

RICL manages its business risks arising from various underwriting policies through underwriting professionals at the branch level, with the assistance of IDRA guidelines. The Company has decentralized its underwriting functions and delegated powers to its zonal offices and branches, enabling them to render prompt, efficient, and effective services to clients. Risks associated with policies are assessed by underwriting officers of the respective branch for underwriting policies up to a specific limit of the sum insured. Beyond this limit, risk assessment of different policies is conducted by the internal Risk Inspection Team.

Insurance Risk:

RICL mitigates this risk with the assistance of its experienced professionals, who conduct pre-insurance surveys of large and complex risks. Risk management ensures a proper understanding of the right level of risk acceptance, risk control, and risk-related expenditure. RICL also takes reinsurance coverage from SBC.

Human Resource Risk:

We recognize that the insurance industry in Bangladesh needs to transform. Lack of frequent training from developed nations results in an information gap and underdevelopment of the sector.

To retain its position as the market leader, RICL needs to recruit employees with relevant qualifications. Not only that, the company needs to arrange proper training both inside and outside the country for its staff. It will help the company to cope with the latest business trend in the industry and also enable the corporation to introduce new products. All of these are expected to boost the company's business.

Market Risk:

The insurance sector in Bangladesh has immense potential. The industry is likely to flourish as the country moves towards becoming a middle-income country. The government plans to expand the insurance facility to include more people. For all these reasons, the industry is very lucrative. The number of insurance companies is increasing daily. Competition among insurance companies is increasing day by day, which may significantly affect the profitability of the company.

Despite increased competition, RICL enables it to maintain positive revenue growth. Also, high entry and exit barriers in the industry provide comfort to the existing companies in the market against the threat of new entrants.

Regulatory Risk:

Previously, insurance companies were regulated by the Insurance Act of 1938; this act was replaced by the 'Insurance Act 2010'. The preceding act was introduced to regulate the insurance industry more strictly, protect the policyholders' interests, and establish fair and healthy competition within the industry. The government also established the Insurance Development Regulatory Authority (IDRA) as a regulatory body of the industry. IDRA closely monitors the industry and proposes draft regulations to design a more effective regulatory system. At present regulatory requirements has been introduced to make the market more reliable and uniform such as regulation on claim settlement to protect the right of policy holder and insurance companies are required to set up a special fund named as "Policyholders' Protection Fund"; For further enhancing the solvency position, paid up capital for non-life insurance companies have been raised every year. As per the circular issued by IDRA, agents will be paid a commission at a maximum rate of 15%. RICL has complied with the rules, regulations, Circulars, and directives currently introduced by IDRA.

Interest Risk:

The Volatility of the money market has a significant influence over the interest rate structure of funds held by RICL. Income from FDR accounts is a substantial portion of total income. Income from fixed and other deposits may decrease due to a reduction in the interest rate of commercial banks.

To mitigate interest rate exposure, the company can invest in mutual funds to secure its revenue and also generate capital gains. However, this source also has its drawbacks. If the overall capital market position falls, then the performance of the mutual fund will also decline. Thus, the Company should concentrate on its core business.

Internal Control Risk:

Internal control risk arises from non-compliance with rules and regulations, which ultimately hurts overall business performance.

The Company's internal control system has been designed to provide directors with reasonable assurance that assets are safeguarded against unauthorized use. The Company has placed a rigorous internal control system. However, maintaining an effective internal control system is a continuous process. Therefore, management should routinely check whether the internal control system is adequate and relevant to the company's current operational process; failure to do so could disrupt operations and hamper overall profitability.

Liquidity Risk:

Liquidity is the risk that a firm, although solvent, either does not have sufficient financial resources available to meet its obligations as they fall due or can secure them only at an excessive cost. The major liquidity risk confronting the company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and the maturity of investment securities. Liquidity risk also refers to the ability to buy and sell investments quickly and easily. This is a function of the size of RICL holdings relative to the availability of counterparties willing to buy or sell these holdings at any given time. RICL sets a limit on the minimum portion of maturing funds available to meet such calls to cover claims at unexpected levels of demand.

DISCLOSURE OF RISK REPORTING

Republic Insurance Company Limited (RICL) though cannot eliminate risks of its clientele, but through its experience of efficient risk management practice, endeavours to set forth its commitment to help its clients in loss minimization or provide advisory support for loss prevention and thus makes the client to manage a better risk to insure as well. A properly customized design of a risk management system for any enterprise necessitates complete disclosure of risk reporting, risk identification, risk control, and risk financing matters.

The basic risk-specific information that needs to be gathered and recorded is:

01. Disclosure of risk in respect of the date and time of occurrence of the incident, along with its corresponding extent of loss;
02. An internal enquiry report that identifies the possible cause of such an incident, measures taken to control the loss, regular safety compliance and maintenance records, etc. - all of which must be documented so that proactive measures for loss prevention can be prescribed.

It is also imperative for an enterprise to ensure all environmental safety compliances, and the enterprise must not be responsible for any casualties due to any default or negligence in the construction and maintenance of its factory or office premises.

Disclosures relating to Risk reporting ensure the proper identification of physical hazards based on risk factors, analysis of appropriate measures to control risks, and, last but not least, to decide on the extent of risk financing. RICL, through its expert professionals, imparts awareness to clients on achieving the objectives of analyzing risk factors associated with various activities, observing how risks can impact the decision-making process, and how operational risks can be managed effectively by arranging adequate insurance protection.

Transparency is key to the existing risk management system that RICL always encourages its clients to maintain; risk reporting and disclosure ensure such transparency. It helps keep records to aid in proper risk inspection and thus arrange for adequate insurance protection, providing further advisory support for better risk management.

RICL thus ensures and encourages proper risk management of its clients, which benefits them by saving resources. The clients' time, assets, property, income, and people - all are valuable resources that can be saved if fewer claims occur. Proper risk management also ensures protecting the reputation and public image of the clientele, preventing or reducing legal liability and increasing the stability of operations; it creates awareness in protecting people from harmful events, and thereby protecting the environment by enhancing competence and efficiency by reducing liabilities, and also assisting in clearly defining insurance needs. Our concerted efforts thus help control the overall manufacturing and business environment. After all, following a loss, the economic consequences are mitigated through the mechanism of Insurance; However, we can never fully compensate for the effects of the loss on human beings, society, the country, and the world at large.

AUDITORS OPINION

Basis for Qualified Opinion:

Opinion 01: According to the company's records, Sadharan Bima Corporation (SBC) reports a balance of Tk. 486,363,396 in receivables and Tk. 46,947,525 in payables. We have received confirmation from SBC regarding a payable amounting to BDT 587,999,899. Although the company has partially reconciled the payable balance, it has not supplied supporting documentation to substantiate this reconciliation. Regarding receivables, we did not receive any confirmation from SBC.

Explanation: The Company has been arranging reinsur-

DIRECTORS' REPORT

ance business with Sadharan Bima Corporation since 2000. According to our company's books of accounts, the payable figure to Sadharan Bima Corporation is shown as Tk. 4,69,47,525.00 only. Our external Auditors, Rahman Mostafa Alam & Co. Chartered Accountants, have carried out the Audit of our company's accounts for the year ended December 31, 2024. In the financial Accounts, they have given a qualified opinion that the payable amount to Sadharan Bima Corporation is Tk. 58,79,99,899/-, which differs from our payable amount to Sadharan Bima Corporation. In this regard, they have written a letter to SBC and requested confirmation of the said figure. SBC confirmed the figure receivable from RICL, but the amount receivable by RICL from SBC was not mentioned in their letter. A reconciliation statement with supporting documents regarding the matter was explained to our external Auditor.

Opinion 02: By Section 2(10) of the Bangladesh Labour Act, 2006, organizations are required to recognize gratuity expenses equivalent to 45 days' wages for each year of service for employees who have completed more than 10 years of service. Unfortunately, the organization has failed to fulfill this obligation. While the company has provisioned for the basic salary of the most recent month within this year's gratuity calculation, it has not sufficiently addressed the shortfall in recognizing past service costs, as the current basic salary surpasses that of prior years.

Explanation: As per the approved policy regarding gratuity provision by the Board of Directors, dated January 3, 2013, the Company is making a provision/paying as employees' gratuity fund equivalent to 30 days' wages for each year of service for employees who have completed more than 10 years of service. In light of the auditors' observation, the matter shall be forwarded to the Board Meeting.

Opinion 03: According to IFRS 9, Paragraphs 5.5, the lifetime expected credit loss of deposit clearing and short deposits aggregating Tk. Seven million nine hundred eighty-nine thousand seven hundred eighteen should be recognized in the Profit and Loss Account as a loss immediately. However, as per the board of directors' resolution, the Company intends to write it off over the next seven years, and the financial statements reflect this approach.

Explanation: According to the Board of Directors' resolution, the said balance is being written off over 7 (seven) years. The written-off process is continuing into the current year as well. As of March 31, 2025, the balance is reduced to Tk. 75,90,231. The matter shall be resolved gradually.

Emphasis of Matter (EM):

The External Auditors draw attention to the following financial statement issue, but our opinion is not modified in respect of this issue:

EM 01: According to the Insurance Act 2010, section 21, schedule 1, a Non-Life Insurance company's sponsors and directors must hold 60% of the total paid-up capital. However, the company's sponsors and directors hold 40.48% instead of 60%. (Ref: note no. 3).

Explanation: Since the registration date (18/05/2000) of the company, the board of directors and the sponsor of the company have jointly held 100% of the company's shares. However, due to the regulatory obligation of IDRA, the company floated its shares through an IPO in 2009, and the directors' and sponsors' shareholding was reduced to 40.48% after the post-IPO issue. The requirement for a 60% shareholding by the company's directors and sponsors came into effect in 2010. We have yet to increase our directors' and sponsors' holding to 60%.

EM 02: The company has made a WPPF provision since 2014 and requires disbursing amounts to the Workers' Participation Fund, Workers' Welfare Fund, and Workers' Welfare Foundation Fund in the required 80:10:10 ratio according to Section 234 of the Bangladesh Labor Act, 2006. According to labor law, the WPPF balances must be disbursed within nine months of the end of the year. Still, it has not disbursed any amounts as instructed by the BIA letter, reference BIA-3(58)/2023, dated July 12, 2023, which is disclosed in note no. 10.

Explanation: The Company is making provision for WPPF as per Section 234 of the Bangladesh Labour Act, 2006, in accordance with the prudence approach of the ICAB/IASB Conceptual Framework. However, distribution is delayed due to a management decision, as per the Bangladesh Insurance Association, vide letter no. BIA-3(58)/2023, dated July 12, 2023, has applied, with the recommendation of IDRA, to renounce the insurance companies from the making provision of WPPF as per Section 234 of the Bangladesh Labour Act, 2006. The decision in this regard is currently being processed.

EM 03: Note No. 12(a) of the financial statements describes the Deed of Trust of the Gratuity Fund as required by the labor law, which is in process.

Explanation: The registration of the truth deed is undetermined.

EM 04: Note 21 states that three FDRs are liens with IDRA as part of the company's paid-up capital, in line with IDRA directive (Ref: ৫৩.০৩.০০০০.০৫১.৪৮.০০২.২৪.৯৩ dated 28.07.2024).

Explanation: As part of the regulatory requirement of IDRA, the mentioned FDRs were linked with IDRA, which is the primary regulatory authority of Bangladesh to regulate insurance companies.

EM 05: Annexure A indicates that the mutation process

DIRECTORS' REPORT

for land valued at BDT 6,238,556 is currently underway.

Explanation: The mutation of land situated at the Basundhara Baridhara Project, Dhaka, Plot # 3906/H and 4009/H, Block P, is in progress.

EM 06: Note No. 13 of the financial statements, which describes the unclaimed dividend dedicated accounts balance and payment status.

Explanation: The shortfall of dividends was subsequently deposited in the designated bank account for dividend payment.

FUTURE PROSPECTS

The non-life insurance sector in Bangladesh has undergone significant transformations in recent years, reflecting the country's dynamic economic landscape. In Bangladesh, marine insurance is considered the lifeguard for the non-life insurance business. Marine insurance is heavily dependent on imports, which have been continuously disrupted by political unrest; however, the market is expected to improve in the future.

The non-life insurance market continues to be extremely overcrowded compared to developing countries, including our neighbors. The general insurance industry underwent significant changes in 2023. The pandemic has accelerated the industry's digital transformation, leading to increased demand for new insurance products and services. The Insurance Development and Regulatory Authority (IDRA) has introduced several reforms during this financial year to expand the insurance market and increase insurance penetration, including the endorsement of Bancassurance and the issuance of Corporate Governance Guidelines for Insurance companies.

It is a matter of optimism that the Insurance Development and Regulatory Authority (IDRA) has rightly identified the obstacles in the insurance industry and is trying to resolve those problems. Notable steps already taken include the prohibition on undertaking risk with a premium rate lower than the tariff rate and stopping the practice of issuing insurance documents without receiving a premium. Insurance Companies and the Bangladesh Insurance Association (BIA) have come forward to implement the steps adopted by IDRA with sincerity. By this, insurance companies are benefiting and advancing gradually

toward prosperity. We are strengthening our marketing and other departments within the Company to substantially increase our gross premium income by adhering to the rules and regulations of IDRA. We hope to generate higher returns for shareholders' investments in the years to come.

CONCLUSION

The Board of Directors of the Company takes this opportunity to express its gratitude to the shareholders, valued clients, patrons, and well-wishers for their appreciation and continued support and cooperation. The Company is indebted to its clients, shareholders, the Government Authorities, particularly the Ministry of Finance, the Ministry of Commerce, the Insurance Development & Regulatory Authority, Registrar of Joint Stock Companies & Firms, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC., Chattogram Stock Exchange PLC., Central Depository Bangladesh Limited (CDBL), Sadharan Bima Corporation, Bangladesh Bank, Commercial Banks, Bangladesh Insurance Association and Bangladesh Insurance Forum for their continued

support towards the growth of the Company. The Board of Directors also expresses its deep appreciation to management and all staff members who were called upon to face significant challenges while maintaining the highest standards of service to our clients. We thank everyone for their performance.

We will continue to solicit the support, cooperation, and valuable advice of all stakeholders of the Company in the years to come.

May Allah bless us all. Allah Hafez

On behalf of the Board of Directors



(S.M Shafiul Hoque)
Vice Chairman