

Directors' Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamualaikum,

On behalf of the Board of Directors of Crystal Insurance PLC, it is with great pleasure that we welcome you to the 26th Annual General Meeting (AGM). We are very pleased to present before you the annual report along with the audited financial statements for the year ended December 31, 2025. The report includes relevant disclosures and explanations pertaining to the issues to ensure compliance, transparency and good corporate governance practices along with the details of the business performance, operations and achievements of the Company.

Industry Outlook and Possible Future Development

The insurance sector in Bangladesh is highly competitive, with several key factors influencing its performance during the review period. These include unhealthy competition within the non-life segment, the growing market share of insurance companies and an increasing level of risk retained by insurers. Despite these challenges, Bangladesh has the potential to develop a reliable and balanced insurance market. In particular, reforms in insurance regulations, as introduced by the Insurance Development and Regulatory Authority (IDRA) could yield significant positive outcomes for the country's economy.

Over the past decade, the industry has seen rapid growth. In 2025, the general insurance sector in Bangladesh experienced a notable growth rate and this upward trend is expected to continue over the next five years. This growth is driven by favorable regulatory changes designed to improve market practices, build customer confidence and increase insurance penetration.

Segment Wise Performance

Crystal Insurance PLC organizes its underwriting operations by fire, marine, motor and miscellaneous insurance. This structure allows us to manage risks effectively across different industries while staying aligned with standard industry practices.

Over-all and segment-wise performance are shown at page no-97 to 99 of Annual Report 2025.

Risk and Concern

Both life and non-life Insurance Business involves assumption of risk many types-Physical as well as moral. Physical risks are identified as those caused by natural disaster, accidental losses and man-made disasters. The key to proper management of insurance business risks is to make sure proper selection of the client through a inspection process known as underwriting. Non-life insurance business also closely follows the country's economic development and any slowdown in the economic activities also has adverse impact on the insurance industry's growth.

Crystal, being aware of these business risks practices the following to protect its interests;

Selection of risks which have the potential of making underwriting profit.

Diversification into many segments of business-product wise, as well as client wise so that the company is not over reliant on any particular segment

The Company arranges adequate reinsurance back up of risks assumed by it with good quality securities.

The company maintains a conservative reserving policy and its various technical reserves have been created to adequately cater to unforeseen developments in the future.

Cost of Goods Sold, Gross Profit Margin & Net Profit Margin

Crystal Insurance PLC is not a manufacturing company. It is a Non-Banking Financial Institutions dealing with non-life insurance in Bangladesh. Cost of Goods Sold, Gross Profit Margin & Net Profit Margin is not considering preparing Financial Statement.

Extra Ordinary Activities & their Implications

The activities of Crystal Insurance PLC has a steadily growth from the beginning. No extra ordinary activities occurred during the year and have no implications in the financial statements.

Disclosure Related party transactions

The company routinely conducts transactions with entities classified as related parties under IFRS "Related Party Disclosures." Details of these transactions are provided in item No. 42 of the notes to the Financial Statements. The Audit Committee regularly reviews and analyzes these transactions in detail.

Utilization of Proceeds Raised through Public Issues

The Company's IPO was made in 2020. No further raised through public issues, right issues and or any other instruments were proceeds during the year.

Deterioration of financial results after IPO and Rights issues

There is no financial results deteriorate after the company goes for initial public offering (IPO), Rights offer etc.

Variance between Quarterly and Annual Financial Statements

Crystal Insurance PLC has released its financial statements for the first, second and third quarters of 2025. The results for these quarters show no significant variations when compared to the year-end operational performance.

Directors Remuneration

Directors are not eligible for any remuneration other than attendance fee for the Board Meeting. As per IDRA Reference letter No. 53.03.0000.009.18.014.18.123 dated 31st May 2018 directors are eligible for remuneration of BDT 8,000 for attending each meeting. Details of Directors Remuneration are provided in Page No. & Note No 42.03 of notes to the financial Statements.

Financial Statements

The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity. Audited Financial Statements are shown at page no-255 to 302 of Annual Report 2025.

Maintaining Proper Books of Accounts

The Director's responsibilities also include overseeing whether adequate accounting records are being maintained with vouchers relevant to any entry in good

order. The books of accounts kept at the registered office of the Crystal Insurance PLC.

Appropriate Accounting Policy

The Financial Statements 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 and IFRS

International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

Effective Internal Control System

An effective internal control system also requires that an appropriate control structure is set up with control activities defined at every business level. Board of directors has the responsibility for approving the review of overall business strategies and significant policies of the internal control system.

Redressal of Minority Shareholders Effective

No situation arisen with minority shareholders who protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and no effective means of redress.

Going Concern

Financial statements are generally prepared under the assumption that the business will remain a "going concern." It is the responsibility of the management of a Company to determine whether the going concern assumption is appropriate in the preparation of financial statements. The report on going concern is disclosed in the Page No.112 of Annual Report 2025.

Deviations from the Last Year Operating Results

NOCFPS decreased from the previous year due to increase of claim paid and tax paid during the year.

Five Years Operating and Financial Data

The Key operating and financial data for the last five years have been shown at below:

BDT in Million

Particulars	2025	2024	2023	2022	2021
Gross Premium	923.10	813.04	710.74	684.85	617.44
Net Premium	704.72	561.79	476.36	479.19	390.50
Gross Claim	265.27	236.92	214.04	62.03	61.10
Underwriting Profit	144.62	154.21	142.16	137.44	118.07
Net Profit Before Tax	188.55	187.72	146.01	130.24	134.70
Net Profit After Tax	155.94	146.58	128.83	115.16	119.59
Total Asset	2229.88	2,059.61	1,907.42	1,838.05	1,598.50
Total Liability	725.87	702.75	680.31	672.74	528.07
Balance of Fund	287.54	227.36	192.50	192.87	158.54
Shareholders' Equity	1216.48	1,129.50	1,034.61	972.43	911.89
No. of shares	44.00	44.00	40.00	40.00	40.00
Face Value	10.00	10.00	10.00	10.00	10.00
NAV per share	27.65	25.67	25.87	24.31	22.8
Earnings per share	3.34	3.13	3.05	2.72	2.83
Dividend	12% Cash (Recommended)	12% Cash	10% Stock & 7% Cash	10% Cash	10% Cash

Dividend Declaration Policy

In the year under review as per the instruction of the Board of Directors of the Company, the management 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. The Board of Directors Meeting held on 16th February 2026 has recommended Cash dividend at 12% for the year 2025.

Disclosure on Dividend Distribution

Crystal Insurance PLC plan to pay the dividend to the securities holder within 30(thirty) days of declaration or approval and submit a compliance report to the Exchange and

to the Commission in respect of dividend payment within 7 (seven) working days.

Interim Dividend

No bonus share or stock dividend has been declared by the Board as interim dividend and there was no effect of the company's financial position.

Board Meetings and Attendance

During the year, the Board of Directors Meeting and their attendance records are shown at below:

The Board of Directors' meetings held regularly and with due manner. A total of four (04) Board of Directors' meeting was held during the year 2025.

S.L	Name of Directors	Position	Attendance
01	Mr. Abdullah Al-Mahmud	Chairman	4
02	Mr. Abdullah Hasan	Director	3
03	Mr.A.H.M. Mozammel Hoque	Director	4
04	Mr. Md. Tajul Islam	Director	4
05	Mrs. Farhana Danesh	Director	4
06	Ms. Soera Zahir	Director	3
07	Mr. Arafat Rashid	Director	3
08	Mrs. Nusrat Mahmud	Director	4
09	Ms. Nabila Mahmud	Director	4
10	Mr. Md. Abdul Latif Mia	Independent Director	1
11	Mr. Md. Rashedur Rahman	Independent Director	4

N.B: CEO (Chief Executive Officer); CS (Company Secretary), CFO (Chief Financial Officer) and Head of Internal Audit & Compliance (HIAC) were also present in all Board of Directors meeting during the year 2025.

Pattern of Shareholding

A report on the pattern of shareholding disclosing the aggregate number of shares along with name-wise details as on 31st December 2025 are stated at below:

Shareholding pattern of the Company as on 31st December 2025.

Directors and Sponsors	Position	Shareholding Status	% of Shareholdings
Mr. Abdullah Al-Mahmud	Chairman	44,00,000	10.00%
Mr. Abdullah Hasan	Director	44,00,000	10.00%
Mr. A.H.M. Mozammel Hoque	Director	8,80,000	2.00%
Mr. Md. Tajul Islam	Director	9,90,000	2.25%
Mrs. Farhana Danesh	Director	10,50,500	2.39%
Mrs. Soera Zahir	Director	22,00,000	5.00%
Mr. Arafat Rashid	Director	8,80,000	2.00%
Mrs. Nusrat Mahmud	Director	44,00,000	10.00%
Mrs. Nabila Mahmud	Director	22,00,000	5.00%
Mr. Ashoke Ranjan Kapuria	Sponsor Shareholder	13,20,000	3.00%
Mr. Iqbal Hasan Mahmood	Sponsor Shareholder	4,12,500	0.94%
Mrs. Sarah Hasein Mahmood	Sponsor Shareholder	3,30,000	0.75%
Mr. Rubayat Tanveer Huda	Sponsor Shareholder	2,97,000	0.68%
Mrs. Suraya Akter Tondra	Sponsor Shareholder	4,40,000	1.00%
Mr. Khalid Al Mamun	Sponsor Shareholder	2,20,000	0.50%
Mr. Zarif Al Mamun	Sponsor Shareholder	2,20,000	0.50%
Mr. Syed Salman Habib	Sponsor Shareholder	5,86,666	1.33%
Mrs. Syeda Samina Mirza	Sponsor Shareholder	2,93,334	0.67%
Public & Others		18,480,000	42.00%
Total		44,000,000	100.00%

Retirement and Re-election of Directors

As per Companies Act, 1994, each year one-third of the Directors (except Independent Director) retire from office at the Annual General Meeting (AGM) and if eligible, may offer themselves for re-election by share-holders at the Annual General Meeting. In line with the requirement of Company Act, 1994, the following Directors will retire at the 26th AGM with seniority basis:

1. Mr. Abdullah Al Mahmud
2. Mr. Abdullah Hasan
3. Ms. Nusrat Mahmud

The above directors are eligible for re-election for their next term.

Management's Discussion and Analysis of the Company's Position

Management's Discussion and Analysis signed by CEO presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements are stated at page no(82-86) in this Annual Report.

Bangladesh Economy

Despite a recent slowdown, Bangladesh averaged 6.3 percent GDP growth over the past decade. Services account for over half of GDP, followed by industry (34 percent) and agriculture (11 percent). Poverty fell from 14.7 percent in 2010 to 5.9 percent in 2022, based on the \$3.00 per person per day international poverty line (2022 PPP, comparable welfare series). Inequality has narrowed slightly in rural areas but widened in urban areas.

Amid global uncertainties, Bangladesh faces short- and medium-term challenges. According to provisional government estimates, real GDP growth was 3.7 percent in FY25 due to weaker private and public investment. The World Bank projects GDP growth to rise to 4.8 percent in FY26 and 6.3 percent in FY27. Inflation remains elevated and financial sector vulnerabilities persist. External pressures have eased, with strong remittance inflows and exports supporting the current account. Foreign exchange reserves have also improved. Growth is expected to rebound in the medium term if underpinned by strong reforms.

To stay on an inclusive, sustainable growth path, Bangladesh needs urgent reforms to strengthen the financial sector, improve the business environment, enhance domestic revenue mobilization, diversify exports, strengthen institutions and create jobs for its large youth population.

World Bank Economy

Global Economy

Global growth is slowing due to a substantial rise in trade barriers and the pervasive effects of an uncertain global policy

environment. Growth is expected to weaken to 2.3 percent in 2025, with deceleration in most economies relative to last year. This would mark the slowest rate of global growth since 2008, aside from outright global recessions. In 2026-27, a tepid recovery is expected, leaving global output materially below January projections. Progress by emerging market and developing economies (EMDEs) in closing per capita income gaps with advanced economies and reducing extreme poverty is anticipated to remain insufficient. The outlook largely hinges on the evolution of trade policy globally. Growth could turn out to be lower if trade restrictions escalate or if policy uncertainty persists, which could also result in a build-up of financial stress. Other downside risks include weaker-than-expected growth in major economies with adverse global spillovers, worsening conflicts, and extreme weather events. On the upside, uncertainty and trade barriers could diminish if major economies reach lasting agreements that address trade tensions. The ongoing global headwinds underscore the need for determined multilateral policy efforts to foster a more predictable and transparent environment for resolving trade tensions, some of which stem from macroeconomic imbalances. Global policy efforts are also needed to confront the deteriorating circumstances of vulnerable EMDEs amid prevalent conflict and debt distress, while addressing long-standing challenges, including the effects of climate change. National policy makers need to contain risks related to inflation as well as strengthen their fiscal positions by raising additional domestic revenues and re-prioritizing spending. To facilitate job creation and boost long-term growth prospects in EMDEs, reforms are essential to enhance institutional quality, stimulate private investment growth, develop human capital, and improve labor market functioning.

World Bank Global Economic Prospects

Corporate Social Responsibility (CSR) Policy

Annual CSR programs in terms of board approved CSR policies of Crystal Insurance PLC will be drawn up and implemented by the dedicated CSR unit. Report on CSR shown at page no. 159 & 165 of Annual Report.

Earnings per Share (EPS)

Net profit before tax of the Company stands at Tk 188.55 million during the year 2025, Earning per share after tax of Tk 3.34 compared to Tk 3.13 per share in the previous year. The calculation of EPS are Shown at Note No. 36.00 of Financial Statement in the Annual Report.

Claims and Client Service

The gross claim for the year 2025 was for Tk 265.92 million as against Tk 236.92 million in 2024. This has been increased by Tk 28.35 million over the previous year. The company

received on (Re-insurance ceded) total for the year 2025 was Tk 73.74 million whereas the amount was Tk 100.02 million in the previous year which is Tk 26.28 million less than that of the previous year. However, we always keep ourselves ready to meet our valued client's satisfaction.

Solvency Analysis and Credit Rating

Both short term and long term solvency of the company has reached to such a level that is needed for meeting the requirement of new Insurance Act-2010 as well as for getting satisfaction of the financial analysts and the rating agencies. The equity base of the company paid up capital Tk 440 million. Crystal Insurance PLC has been earn a Credit Rating of AAA (Triple A) based on 2024 financial strength and performance by National Credit Ratings Limited (NCR) on 24th February, 2024 which defines strongest credit quality. The above short term entity rating defines strongest ability to meet short term financial commitments.

Loans or Advances to Directors

In the year 2025, CIPLC has not allowed any loans or advances or any debit balances (including guarantee or security in connection with a loan) to any Director of the company with refer to the Commissions Notification no. SEC/CMMRR/CD/2006-159/Admin/02-10 dated 10 September 2006.

Shareholders' Value

Crystal Insurance PLC remains fully committed to delivery of higher standard of shareholders' value. The higher profitability underpins the value of the shareholders derived from investing in the shares of Crystal Insurance PLC.

Annual General Meeting

26th Annual General Meeting (AGM) of the company will be held on 30th March at 11.00 a.m. in the through Digital Platform. In this connection, financial statements were adopted in the 114th Board Meeting held on 16th February, 2026 and the financial statements will be placed for approval in the 26th AGM.

Corporate Governance

Good Corporate Governance is the system through which the company is directed, guided and controlled by the Board, keeping in view its accountability to the Shareholders. The Board has complied with the requirements set out by BSEC.

Appointment of Auditors and fixation of their Remuneration

Statutory Auditors:

M/S. Mahfel Huq & Co, Chartered Accountants was re-appointed as the Statutory Auditor of the Company at the

25th AGM held on March 23, 2025. Which will expire in the 26th AGM. Statutory auditor for the FY 2026 will be appointed based on the recommendation of the Board of Directors, subject to approval by the shareholders at the 26th Annual General Meeting.

Compliance Auditors:

The Company is required to obtain a certificate on compliance of the corporate governance conditions from a practicing professional/firm. M/S. Jobair Satter & Co., Chartered Accountants were appointed as the Compliance Auditors at the 25th AGM held on 23rd March 2025. They have expressed their consent and confirmed eligibility for re-appointment for the financial year ending 31st December 2026.

Transparency and Accountability

Crystal Insurance PLC always maintains transparency and accountability at all levels in doing business. To provide sustainable profitability, minimizing risks and establishing good governance in all spheres of Company's operation, the Company ensures the segregation of duties and responsibilities between the Board & Management.

Acknowledgement

The members of the Board of Director of Crystal Insurance PLC like to express gratitude to all honorable shareholders, valued clients for their patronage and support. The Directors also express their thanks and profound appreciation for the immense support and co-operation received from office of the Chairman, Insurance Development & Regulatory Authority (IDRA), all concerned Government Offices including Ministry of Finance, Ministry of Commerce, Sadharan Bima Corporation, Bangladesh Bank, all Nationalized Bank, Commercial Bank and Financial Institution, Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository Bangladesh Limited (CDBL), National Board of Revenue (NBR), Bangladesh Insurance Association, and Bangladesh Association of Publicly listed companies (BAPLC). The Board Members also pleased to put on record their appreciation for the commitment and dedication extended by the management of the Company.

On behalf of the Board of Directors



Abdullah Al Mahmud
Chairman