9.1 DIRECTORS' REPORT TO THE SHAREHOLDERS

Bismillahir Rahmanir Rahim

Honorable Shareholders

Assalamu Alaikum

On behalf of the Board of Directors of Continental Insurance PLC., it is with great pleasure that I welcome you to the 26th Annual General Meeting of our esteemed company. I express my sincere gratitude for your unwavering support, cooperation, and trust in us throughout the year. Today, I am pleased to present before you the Directors' Report, along with the Audited Financial Statements and the Auditors' Report for the year ended December 31, 2025. These documents reflect our commitment to transparency and accountability, and I trust you will find them comprehensive and insightful. As we reflect on the past year's achievements and challenges, we recognize that our success is rooted in the collective efforts of our stakeholders—our shareholders, employees, customers, and partners. Together, we have navigated through dynamic market conditions and continued to uphold our commitment to excellence in service and performance. I encourage each of you to carefully review the report and provide your valuable feedback. Your insights are crucial as we chart our course for the future and strive to deliver sustained value to all our stakeholders.

Global Economic Outlook

Global growth is expected to hold steady at 2.7 percent in 2025-26. However, the global economy appears to be settling at a low growth rate that will be insufficient to foster sustained economic development—with the possibility of further headwinds from heightened policy uncertainty and adverse trade policy shifts, geopolitical tensions, persistent inflation, and climate-related natural disasters. Against this backdrop, emerging market and developing economies are set to enter the second quarter of the twenty-first century with per capita incomes on a trajectory that implies substantially slower catch-up toward advanced-economy living standards than they previously experienced. Without course corrections, most low-income countries are unlikely to graduate to middle-income status by the middle of the century. Policy action at both global and national levels is needed to foster a more favorable external environment, enhance macroeconomic stability, reduce structural constraints, address the effects of climate change, and thus accelerate long-term growth and development.

Global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026, an upward revision from the April 2025 *World Economic Outlook*. This reflects front-loading ahead of tariffs, lower effective tariff rates, better financial conditions, and fiscal expansion in some major jurisdictions.

Global inflation is expected to fall, but US inflation is predicted to stay above target. Downside risks from potentially higher tariffs, elevated uncertainty, and geopolitical tensions persist.

Restoring confidence, predictability, and sustainability remains a key policy priority.

World Economy

The world continued to experience geopolitical tensions and armed conflicts during the year, with hostilities in the Middle East, most notably the prolonged confrontation involving Israel and Iran, and ongoing instability in South Asia affecting regional dynamics. These events, along with other security challenges in various parts of the world, have contributed to heightened uncertainty in global markets and investor sentiment. At the same time, global economic growth remains modest and uneven. According to the International Monetary Fund's World Economic Outlook (October 2025), global output is projected to grow by around 3.2% in 2025 and 3.1% in 2026, suggesting resilience despite persistent uncertainty and elevated trade tensions. The United Nations also reports that growth is constrained by weak investment, trade fragmentation, and geopolitical risks, keeping expansion below pre-pandemic averages. These economic headwinds-compounded by tariff pressures, trade disruptions, and ongoing conflicts- have resulted in a global environment marked by instability and subdued growth, which continues to affect confidence, trade and capital flows around the world.

Bangladesh Economic Outlook

The International Monetary Fund (IMF) has forecast Bangladesh's Gross Domestic Product (GDP) growth for the current calendar year at 3.8 per cent.

The projection was disclosed in the IMF's latest 'World Economic Outlook, October 2025' report, published late Tuesday. The report's release coincided with the second day of the annual joint meetings of the World Bank and IMF, currently underway in Washington, D.C., USA.

This 3.8 per cent forecast remains unchanged from the IMF's previous projection released in April of this year.

According to the 'World Economic Outlook,' the IMF expects Bangladesh's growth rate to accelerate to 4.9 per cent in the following year (2026).

The International Monetary Fund (IMF) has forecast Bangladesh's Gross Domestic Product (GDP) growth for the current calendar year at 3.8 per cent.

The projection was disclosed in the IMF's latest 'World Economic Outlook, October 2025' report, published late Tuesday. The report's release coincided with the second day of the annual joint meetings of the World Bank and IMF, currently underway in Washington, D.C., USA.

The international lender also estimates that the average overall inflation rate for the current year will stand at 10 per cent.

Bangladesh Economic Growth

The gross domestic product in Bangladesh expanded by 3.97% in the fiscal year ending June 2025, easing from a 4.22% rise in the previous year. Growth slowed for private consumption (4.77% vs 5.99% in FY 2024), government spending (3.21% vs 9.77%), and fixed investment (1.76% vs 3.27%). Meanwhile, net trade contributed positively to the GDP, as exports growth (12.93%) outpaced imports (6.27%). On the production side, activity also moderated in agriculture (1.79% vs 3.30%), construction (1.46% vs 5.63%), and services (4.51% vs 5.09%). Conversely, output rose at a faster pace for manufacturing (5.68% vs 3.16%) while rebounded for mining and quarrying (1.03% vs -1.15%).

Bangladesh Insurance Industry

In 1972, Bangladesh nationalized its insurance industry through the Bangladesh Insurance (Nationalization) Order 1972, excepting postal life and foreign life insurance. All 49 insurance entities were placed under five corporations. Subsequently, the Insurance Corporations Act 1973 restructured this into two entities: Sadharan Bima Corporation for general business and Jiban Bima Corporation for life 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. Over time, Bangladesh's insurance sector has witnessed significant growth. According to the latest data from the Insurance Development and Regulatory Authority (IDRA), the country hosts 81 insurance companies, comprising 35 life insurance firms and 46 non-life insurance entities. These insurers collectively provide coverage to approximately 18.97 million individuals across various policies.

In a recent development, the Bangladesh Bank and the Insurance Development Regulatory Authority introduced Bancassurance agreements and accompanying Both banking and insurance industry experts foresee those banks, owing to their extensive trust and vast micro-level networks, could bring guidelines in December, 2024, indicating a potential transformation in the traditional insurance landscape in Bangladesh. about substantial positive changes through collaboration with the insurance sector, thereby impacting the overall economy significantly.

Branches

The company has expanded its operations extensively across the country, establishing 36 branches. Each branch is staffed with knowledgeable and skilled personnel who are well-versed in the insurance industry. The emphasis on the Branch In-Charges having successful insurance careers and proven track records suggests that the company values expertise and leadership at every level of its branch operations. This setup enables the company to provide high-quality service and effectively manage its operations nationwide.

Business Performance

Continental Insurance PLC. had quite a successful year in 2025 despite the economic challenges. The dedication of our team, along with the support from clients, shareholders, and the Board, clearly played crucial roles in achieving moderate business growth. Demonstrating resilience and progress in such a competitive and uncertain environment is a testament to the strength and adaptability of our organization. In reflecting on our financial performance for 2025, it's evident that our strategic decisions and operational efficiency were key contributors to navigating through those adversities. Looking forward, maintaining this momentum and continuing to leverage our strengths will be essential for further growth and success.

The financial performance of the organization in 2025 showed significant improvements across several key metrics compared to 2024:

1. Premium Income: Gross premium income showed Tk. 724.08 million in 2024 and Tk. 605.44 million in 2025. Net premium income also showed Tk. 384.25 million in 2024 and Tk. 321.89 million in 2025.

2. Total Income: Total income represents from Tk. 113.25 million in 2024 and Tk. 110.78 million in 2025.

3. Profitability: Net profit after tax showed Tk. 61.88 million in 2024 to Tk. 65.56 million in 2025.

4. Reserves: Total reserves showed Tk. 630.83 million in 2024 and Tk. 642.57 million in 2025, highlighting effective risk management and financial stewardship.

5. Assets and Net Assets: Total assets grew from Tk. 1555.23 million at the end of 2024 to Tk. 1659.03 million at the end of 2025, indicating a stable financial foundation and potential for future growth. Net assets also increased from Tk. 954.39 million to Tk. 994.94 million over the same period.

6. Market Value per Share: The market value per share showed Tk. 26.00 at the end of 2024 to Tk. 24.00 at the end of 2025.

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Overall, these metrics reflect solid financial performance and effective management practices throughout 2025, positioning the organization well for future growth and stability in the market.

Financial Highlights

The financial highlights of Continental Insurance PLC. over the last 5 (five) years are mentioned below:

Gross Premium

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	309.05	321.16	312.13	296.04	216.69
Marine Cargo	190.79	267.94	267.44	251.71	257.97
Marine Hull	14.70	24.64	30.01	26.09	23.47
Motor	35.08	51.20	56.68	58.63	46.51
Miscellaneous	55.82	59.14	71.60	71.33	74.60
Total Gross Premium	**605.44**	**724.08**	**737.86**	**703.79**	**619.24**

Net Premium

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	145.76	151.20	134.87	118.90	72.76
Marine Cargo	127.21	167.18	176.53	153.86	143.38
Marine Hull	1.83	8.28	5.47	4.57	4.09
Motor	34.13	49.88	52.93	56.13	39.69
Miscellaneous	12.97	7.71	18.91	11.73	12.24
Total Net Premium	**321.89**	**384.25**	**388.70**	**345.19**	**272.17**

R/I Premium

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	163.29	169.97	177.27	177.14	143.93
Marine Cargo	63.59	100.75	90.91	97.85	114.59
Marine Hull	12.87	16.36	24.54	21.51	19.38
Motor	1.90	1.32	3.74	2.50	6.81
Miscellaneous	42.85	51.43	52.69	59.60	62.36
Total R/I Premium	**283.54**	**339.83**	**349.16**	**358.60**	**347.07**

R/I Commission

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	28.13	33.76	58.70	47.64	34.39
Marine Cargo	11.70	27.54	20.89	13.00	13.46
Marine Hull	2.05	2.64	3.20	3.44	4.24
Motor	.02	0.09	0.74	0.38	0.10
Miscellaneous	1.26	5.88	5.38	5.30	4.89
Total R/I Commission	**43.17**	**69.91**	**88.91**	**69.76**	**57.09**

Gross Claim Paid

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	67.49	136.78	89.32	41.03	101.48
Marine Cargo	16.74	2.54	56.61	13.68	13.05
Marine Hull	.87	6.27	29.03	2.39	32.12
Motor	8.37	6.05	19.31	7.99	10.86
Miscellaneous	4.58	24.23	10.84	1.09	1.72
Total Gross Claim Paid	**98.06**	**175.87**	**205.11**	**66.17**	**159.23**

Net Claim Paid

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	62.12	89.38	64.79	9.62	57.01
Marine Cargo	13.43	0.57	3.22	1.88	4.51
Marine Hull	(3.32)	(.90)	0.21	0.30	3.29
Motor	8.37	5.34	17.35	7.67	9.75
Miscellaneous	2.72	.56	0.57	0.43	0.18
Total Net Claim Paid	**83.42**	**94.95**	**86.14**	**19.89**	**74.73**

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Underwriting Profit

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	(38.30)	(30.98)	2.56	18.80	(28.16)
Marine Cargo	74.87	95.06	88.81	68.99	90.83
Marine Hull	7.86	0.37	1.62	(3.01)	(3.16)
Motor	21.54	15.32	10.85	17.97	21.81
Miscellaneous	(1.68)	(.11)	4.18	4.90	1.11
Total Underwriting Profit	**64.29**	**79.66**	**108.02**	**107.65**	**82.43**

Management Expenses

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	89.69	86.11	74.90	74.18	63.27
Marine Cargo	41.08	56.98	59.38	57.22	47.93
Marine Hull	3.16	5.99	3.09	6.38	9.82
Motor	10.18	12.44	16.84	15.57	13.65
Miscellaneous	16.20	14.36	10.06	7.59	17.07
Total Management Expenses	**160.32**	**175.88**	**164.27**	**160.94**	**151.73**

Commission

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	41.68	44.25	44.54	42.22	12.66
Marine Cargo	24.00	36.72	37.60	35.29	13.43
Marine Hull	2.04	3.42	3.14	3.56	1.41
Motor	4.98	7.37	8.14	8.41	2.70
Miscellaneous	1.81	1.70	3.21	2.73	1.08
Total Commission	**74.52**	**93.46**	**96.63**	**92.21**	**31.28**

Balance of Funds and Accounts

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	58.30	60.48	53.95	47.56	29.10
Marine Cargo	50.88	66.87	70.61	61.54	57.35
Marine Hull	1.83	8.28	5.47	4.57	4.09
Motor	13.65	19.95	21.17	22.45	15.88
Miscellaneous	5.19	3.08	7.56	4.69	4.90
Total Balance of Funds and Accounts	**129.86**	**158.67**	**158.76**	**140.82**	**111.32**

Revenue Profit

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fire	(38.30)	(30.98)	2.56	18.81	(28.16)
Marine Cargo	74.87	95.06	88.81	68.99	90.83
Marine Hull	7.86	0.37	1.62	(3.01)	(3.16)
Motor	21.54	15.32	10.85	17.97	21.81
Miscellaneous	(1.68)	(.11)	4.18	4.90	1.11
Total Revenue Profit	**64.29**	**79.66**	**108.02**	**107.66**	**82.43**

Total Income

BDT in Million

Particulars	2025	2024	2023	2022	2021
Revenue Profit	64.29	79.66	108.02	107.66	82.43
Investment, Interest & Other Income	46.48	33.59	42.26	33.10	43.98
Total Income	**113.77**	**113.25**	**150.28**	**140.76**	**126.41**

Total Assets

BDT in Million

Particulars	2025	2024	2023	2022	2021
Fixed Assets	124.60	134.42	146.98	152.99	124.48
Investments	137.87	108.58	107.56	144.98	72.96
Fixed Deposits	367.37	377.52	393.83	438.02	447.93
Cash & Cash Equivalents	424.57	426.52	476.50	537.07	537.86
Other Assets	604.62	508.19	386.92	210.18	145.70
Total Assets	**1659.03**	**1555.23**	**1511.79**	**1483.24**	**1328.92**

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Total Reserve

BDT in Million

Particulars	2025	2024	2023	2022	2021
Balance of Funds and Accounts	129.86	158.67	158.76	140.82	111.32
Reserve or Contingency Accounts	512.71	472.16	465.87	453.86	388.13
Total Reserve	**642.57**	**630.83**	**624.64**	**594.68**	**499.46**

Shareholders' Equity & Liabilities

BDT in Million

Particulars	2025	2024	2023	2022	2021
Shareholders' Equity	994.94	954.39	927.30	915.29	849.56
Balance of Funds and Accounts	129.86	158.67	158.76	140.82	111.32
Current Liabilities & Provisions	534.23	442.17	425.72	427.13	368.03
Shareholders' Equity & Liabilities	**1659.03**	**1555.23**	**1511.79**	**1483.24**	**1328.92**

Shareholders' Equity

BDT in Million

Particulars	2025	2024	2023	2022	2021
Paid-up Capital	436.86	436.86	416.05	416.05	416.05
Share Premium	45.38	45.38	45.38	45.38	45.38
Reserve or Contingency Accounts	512.71	472.16	465.87	453.86	388.13
Shareholders' Equity	**994.95**	**954.40**	**927.30**	**915.29**	**849.56**

Other Indicators

BDT in Million

Particulars	2025	2024	2023	2022	2021
Total Administrative Expenses	31.67	38.61	41.13	35.86	28.45
Net Profit Before Tax	79.11	74.63	109.15	104.90	97.96
Net Profit After Tax	65.56	61.88	70.51	66.31	62.75
Net Operating Cash Flows	**40.9**	**(20.73)**	**(23.49)**	**74.92**	**86.29**

Reinsurance arrangement

Continental Insurance engages in reinsurance primarily with Sadharan Birna Corporation (SBC), a state-owned entity, through class-wise treaties. These treaties are structured to manage risks effectively for Continental Insurance. They enable Continental Insurance to handle insurance business of any scale, including high-value projects. The reinsurance arrangements, which include surplus treaty, excess of loss treaty, and facultative method with SBC, are designed to provide comprehensive coverage across different types of risks. This setup allows Continental Insurance to diversify its risk exposure and manage its underwriting capacity more effectively. Surplus Treaty allows Continental Insurance to cede risks above a specified threshold to SBC, thereby sharing the risk and protecting its own capital. Under Excess of Loss Treaty arrangement, SBC covers losses that exceed a predetermined limit, providing additional protection to Continental Insurance against large claims. Facultative Method involves considering individual risks on a case-by-case basis. It allows Continental Insurance to selectively reinsure specific risks with SBC based on their unique characteristics and exposure. These reinsurance strategies are integral to Continental Insurance's risk management framework, enabling the company to diversify its risk exposure across different types of insurance policies while maintaining adequate underwriting capacity. By leveraging these arrangements with SBC, Continental Insurance can effectively manage its risk portfolio and ensure financial stability in its operations.

Risk and Concerns

Continental, being exclusively in the insurance business, confronts a range of risks inherent to its industry and external economic conditions. These risks can be categorized as strategic risks, underwriting risks, reinsurance risks, reserving risks, investment risks, liquidity risks and socio-politico-economic risks. Strategic risks involve challenges related to the company's long-term goals, market positioning, and strategic decisions. It includes factors like competitive pressures, changes in consumer behavior, and technological advancements impacting the insurance landscape. Underwriting risks pertain to the risks associated with assessing and pricing insurance policies. Issues such as misjudgment of risks, inadequate underwriting standards, or unexpected claim frequency and severity can affect profitability. As Continental relies on reinsurance to mitigate large risks, it faces reinsurance risks for potential challenges such as the financial stability of reinsurers, adequacy of reinsurance coverage, and changes in reinsurance market conditions. Ensuring adequate reserves to cover future claims liabilities is crucial. Reserving risks such as inaccurate estimation of reserves can lead to financial instability if claims exceed expectations, impacting the company's solvency and profitability. Insurance companies invest premiums to generate returns. Investment risks include market volatility, credit risks associated with investment instruments, and liquidity risks related to the ability to liquidate investments when needed. Liquidity risks involves having sufficient liquid assets to meet short-term obligations such as claim payments, operating expenses, and policyholder withdrawals. Economic downturns or unexpected large claims can strain liquidity. External factors such as regulatory changes, economic fluctuations, political instability, and socio-economic trends can significantly impact the insurance industry. These factors influence market conditions, consumer behavior, and operational costs. Continental's proactive approach to monitoring these risks, staying informed about industry developments, and taking timely corrective or preventive measures is essential. By doing so, the company aims to safeguard its interests, maintain financial stability, and effectively navigate challenges in the dynamic insurance and economic environment.

Risk Management

Risk management is taking a proactive and integrated approach to identifying, assessing, and mitigating risks, whether they are current or potential future threats. By addressing risks preemptively, Continental Insurance can minimize the impact of adverse events and ensure continuity in operations. This process involves strategic planning, risk assessment, risk mitigation strategies, and continuous monitoring and reassessment to adapt to changing circumstances and emerging threats. Ultimately, effective risk management helps Continental Insurance to anticipate and prepare for challenges before they escalate into significant problems.

Related Party Transactions

The Company, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in IAS-24: Related Party Disclosures. All transactions involving relating parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Disclosing related party transactions is crucial for financial transparency and ensuring that the financial statements present a true and fair view of the company's financial position and performance. Such disclosures provide stakeholders, including investors, regulators, and other users of financial statements, with important information about the nature and extent of transactions with related parties, as well as the potential risks and benefits associated with these relationships.

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The company acknowledged and complied with the requirements of IAS 24 by disclosing its transactions with related parties in its financial statements, reflecting its commitment to transparency and adherence to international accounting standards.

Extra-Ordinary Gain or Loss

There were no extraordinary gain or extraordinary loss during the year ended December 31, 2025. It typically means that there were no significant or unusual gains or losses from events or transactions that are outside of the company's ordinary course of business. In financial reporting, extraordinary items are events or transactions that are both unusual in nature and infrequent in occurrence. They are reported separately on the income statement to show shareholders that these items are not part of the company's normal operations. By stating that there were no extraordinary gains or losses, the company is indicating that its financial performance for the year was primarily driven by its regular business activities and that there were no significant one-time gains or losses that would distort the understanding of its ongoing operational performance.

Remuneration of Directors

Each Director, including Independent Directors were given only meeting attendance fee of BDT 8,000/- (Bangladeshi Taka Eight Thousand) per meeting attended of the Board and its Committees during the year 2025. The total amount disbursed to the Directors as remuneration or meeting attendance fees for the year 2025 was BDT 855,600/- (Bangladeshi Taka Eight Lac Fifty Five Thousand Six Hundred). This amount represents the aggregate sum paid to all Directors, including Independent Directors, for attending meetings of the Board and its Committees throughout the year.

Internal Control

The Board is responsible for overseeing Continental's business and management, which includes risk management and establishing internal controls. The Directors affirm that the internal control systems are robust, effectively implemented, and regularly monitored. The Directors are asserting that they have confidence in the mechanisms in place to manage risks and ensure compliance within the organization. They reassure stakeholders that Continental is committed to maintaining strong governance and operational standards.

Quarterly Financial Statements and Annual Financial Statements

Statement of Quarterly Financial Statements are given separately. There were some variances in the financial results from quarter to quarter and quarters to annual. But they are not very significant or material in nature. In business and financial reporting, it's normal to see fluctuations in results due to various factors such as seasonality, economic conditions, operational changes, etc. These variances are expected and are often managed within the normal course of business. Variances that are not material do not need to be highlighted extensively in financial statements or reports, as they do not impact the decision-making process significantly.

Utilization of Proceeds from Public Issues, Rights Issues and/or Any Other Instruments

The utilization of proceeds from public issues, rights issues, or other financial instruments often involves several strategic considerations. Keeping the collected funds as fixed deposits in several banks suggests a conservative approach to managing these funds. Fixed deposits are known for their low risk and high liquidity. By placing funds in fixed deposits, the organization ensures that the principal amount is safe and can be accessed relatively quickly if needed. If the organization plans to use the funds in the near future for specific projects or expenditures, keeping them in fixed deposits allows them to earn some interest without exposing the funds to market volatility.

Protection of Minority shareholders

This is to certify that minority shareholders of Continental Insurance PLC. have been safeguarded from abusive actions perpetrated by or in the interest of controlling shareholders, whether acting directly or indirectly. Effective mechanisms for redress are in place, ensuring that minority shareholders have accessible means to address grievances and seek fair recourse as per established corporate governance principles.

Year-wise Performance for the Last Five Years

Continental Insurance PLC. provides a comprehensive overview of the company's performance over the last five years under titles "Key Operating & Financial Highlights" and "Accounting & Financial Ratios" in this Annual Report at page number 65 & 67 "Key Operating & Financial Highlights" and "Accounting & Financial Ratios" present a summary of key financial metrics over the last five-years period. It includes data such as premium, claims paid, commission, total income, net profit, assets, liabilities, equity, earnings per share (EPS), return on investment (ROI), and other financial indicators. The statements showing steady growth in most parameters indicates that the company has been consistently improving its financial performance over the years. This is generally positive news for stakeholders as it suggests the company's operations are expanding or becoming more efficient. Segmental Performance breaks down the

company's performance by different segments or classes. It provides insights into how each segment has contributed to the overall growth or performance of the company over the last five-years period. This analysis helps stakeholders understand which parts of the business are driving growth, where there may be opportunities for improvement, and how the company's different segments compare in terms of profitability and operational efficiency. This information is valuable for investors, analysts, and stakeholders to assess the company's overall performance and make informed decisions about its future prospects.

Management's Discussion and Analysis

Management's Discussion and Analysis provides shareholders and other stakeholders with a narrative explanation from management about the company's financial condition, results of operations, and future prospects. It is shown at page number 154 that includes detailed analysis of financial results over 2025, discussing key financial metrics, such as revenue, profitability, margins, etc., review of the company's operational performance, including any significant changes in business activities, expansions, or strategic shifts, explanation of any notable changes in the company's financial statements (balance sheet, income statement, cash flows statement) compared to previous periods, discussion of the industry and market conditions affecting the company, such as competition, regulatory changes, economic factors, etc. and identification and discussion of key risks and uncertainties facing the company. These documents are crucial for stakeholders to gain a deeper understanding of the company's financial health, strategic direction, and overall performance. They help investors and other interested parties make informed decisions about the company's prospects and potential future returns.

Declaration or Certification by CEO and CFO

Declaration/Certification by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) to the Board is placed in the Annual Report at page number 181 and be treated as a part of Directors' Report as per Annexure-A in accordance with the provision laid down in condition No. 3(3) read with clause xxvi of condition No. 1(5)(xxvi) of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission vide their notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June, 2018.

Qualified Opinion of Auditors' Report:

The Board of Directors of Continental Insurance PLC acknowledge the observations highlighted by the auditors and remain fully committed to strengthening the Company's governance, compliance, and operational framework.

Regarding the Fixed Assets Register and asset verification process, the Company has already initiated a comprehensive project to update and modernize its fixed asset management system. Necessary steps are being undertaken to ensure proper asset identification, tagging, documentation, and periodic physical verification in line with best industry practices.

With respect to outstanding insurance claims, the Company continues to work diligently to expedite the settlement process while ensuring proper assessment and compliance with regulatory requirements. Management is actively reviewing internal procedures to enhance efficiency and ensure timely claim settlements.

The Company provides various employee welfare benefits, including Provident Fund (PF), Gratuity Fund (GF), Group Insurance coverage, and Car Loan facilities for eligible employees. Management's understanding is that the provisions relating to Workers' Profit Participation Fund (WPPF) are generally not applicable to insurance companies operating under the regulatory framework governing the insurance sector in Bangladesh. Moreover, the Company will continue to review applicable legal and regulatory requirements and will take appropriate actions should any future obligation arise.

Management acknowledges the auditors' observation regarding the audit of the Provident Fund and Gratuity Fund. The audit process of the PF and GF is currently underway. Management is committed to ensuring timely completion of the audits and compliance with all applicable statutory requirements going forward.

The Government of Bangladesh and Bangladesh Bank have implemented a resolution and amalgamation process whereby Social Islami Bank PLC, Union Bank PLC, and EXIM Bank Ltd. have been merged into Sammilito Islami Bank PLC. The Company continues to closely monitor developments relating to the implementation of the Bank Resolution Scheme and remains in communication with the relevant authorities and banking institutions. Management considers this matter to be a broader national banking sector issue affecting numerous depositors.

HR Practices

Continental Insurance PLC. emphasizes professionalism and the development of robust human resource management policies to enhance employee quality and maximize their contribution to corporate goals. They view their Human

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Resources (HR) as a crucial source of competitive advantage due to the knowledge and experience they bring. The company maintains a commitment to recruiting top talent and implementing programs that foster the development and retention of high-quality employees. To support these objectives, Continental Insurance organizes regular and systematic internal and external training programs, both domestically and internationally, based on identified needs. This ensures that employees receive ongoing opportunities to enhance their skills and knowledge. Additionally, Continental Insurance places importance on competitive compensation and rewards packages, which include provisions for employee health and safety. This approach is designed not only to retain employees but also to enhance job satisfaction across the organization. In summary, Continental Insurance's approach to HR management focuses on creating a supportive environment that attracts, develops, and retains talented individuals who are equipped to drive the company's success while ensuring their well-being and satisfaction.

Information Technology

Continental Insurance PLC. has made significant advancements in its IT infrastructure and operations. Continental Insurance has engaged highly experienced and well-trained IT professionals to maintain and develop its IT infrastructure. These professionals are constantly innovating and developing in-house programs to meet the company's needs. The completion of a Wide Area Network (WAN) signifies that Continental Insurance has established a robust communication infrastructure linking all of its 36 branch offices with the head office. This enables seamless data exchange and communication across the organization. Continental Insurance uses an Integrated Insurance Management System, which is a fully automated web-based system developed internally by its IT department. This system covers various aspects such as Underwriting, Claims, and Re-insurance. It provides high levels of data security and offers solutions for managing these critical aspects of insurance operations. The entire network system of Continental Insurance is fully computerized, indicating a modern approach to managing its operations. This setup ensures efficiency and reliability in handling data and communications between the branches and the head office. In summary, Continental Insurance's strategic investments in IT infrastructure, skilled workforce, and specialized software solutions underscore its commitment to enhancing operational efficiency, data security, and service delivery across its insurance business. These initiatives position Continental Insurance well to meet the dynamic needs of its customers and stakeholders in the insurance industry.

Corporate and Financial Reporting Framework

The Directors, in accordance with BSEC Notification No. SEC/CMRRCD/2006-158/207/admin/80 dated June 03, 2018 confirm compliance with the financial reporting frame work for the following:

We report that:

i. The financial statements prepared by the management of the company fairly present its state of affairs, the operational result, cash flows and changes in equity.

ii. Proper books of accounts of the company have been maintained.

iii. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

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

v. The system of internal control is sound in design and has been effectively implemented and monitored.

vi. There is no significant doubt about the company's ability to continue as a going concern.

vii. There is no significant deviation from last year in operating result of the company.

viii. The key operating and financial data of preceding five years have been provided.

ix. Declaration or Certification by CEO and CFO to the Board as required under condition No. 3(3) is disclosed.

x. The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 is disclosed.

Shareholding Pattern

Pattern of Shareholding in the company in compliance of the corporate governance guidelines has been stated separately as "Shareholding Pattern" at page number 127.

Board Meeting

The Directors of Continental Insurance meet on a regular basis. A detail statement showing attendance of the Directors in the Board Meeting is placed herewith separately at page number 129.

Credit Rating

The credit rating of AA+ (Double A Plus) assigned by M/s. Alpha Credit Rating Limited to the company indicates a high level of creditworthiness and financial strength. Specifically, in the context of insurance companies, this rating suggests that the company has demonstrated a strong ability to pay claims promptly and efficiently. This is crucial for policyholders who rely on the insurer to honor their claims when needed. The insurer has substantial financial resources and liquidity to meet its obligations towards policyholders. This includes not only paying claims but also providing benefits and services promised under the insurance policies. The AA+ rating indicates that the company's financial strength and claims-paying ability are superior relative to other insurance companies in the same market segment. This positions the company favorably among its competitors in terms of reliability and stability. Overall, receiving AA+ credit rating reflects positively on the company's financial health and its ability to fulfill its commitments to policyholders, which is essential in maintaining trust and confidence within the insurance market.

Dividend

The Board of Directors made a decision during their 236th Board Meeting held on April 30, 2026, regarding the distribution of profits from the year 2025. Specifically, they recommended 5% cash dividend to be given to the shareholders. This means that shareholders will receive a dividend equal to 5% of their holdings, based on the profits the company made in 2025. Dividends are a way for companies to distribute a portion of their earnings to shareholders as a return on their investment in the company's stock. It's a common practice for profitable companies to distribute dividends to their shareholders as a reward for their investment and to attract investors seeking income from their investments.

Auditor

The Auditor of the Company M/s. PKF Aziz Halim Khair Choudhury & Co., Chartered Accountants will retire at the 26th Annual General Meeting and being eligible qualifies for re-appointment under section 210 (3) of the Company Act 1994 but they did not apply for their interest to doing auditing work for the year 2026. In this connection, Continental Insurance PLC. received letters of Interest from several audit firms. The Board of Directors, considering the overall position, have recommended M/s. ARTISAN, Chartered Accountants as the external auditor for the Company for the year 2026 and fixation of their remuneration. Hence, the recommendation is to be placed in the 26th Annual General Meeting for approval.

Compliance Auditor

The Board of Directors, considering the overall position, have recommended M/s. Jasmin & Associates, Chartered Secretaries & Firm as the Compliance Auditor (BSEC & IDRA) for the Company for the year 2026 and fixation of their remuneration. Hence, the recommendation is to be placed in the 26th Annual General Meeting for approval.

Directors

Group A:

In accordance with the provisions of the Articles of Association of the Company, the following sponsor directors retire by rotation and, being eligible, offer themselves for re-election:

1. Mr. Feroz Alam
2. Ms. Saira Yasin

Group B:

In accordance with the provisions of the Articles of Association of the Company, the following Directors who were appointed from among the public subscribers will retire and offer themselves for re-election:

1. Mr. Imtiaz Bin Musa
2. Mr. Anwar Hossain

The election of directors from public subscribers (Group-B) is scheduled to take place on 13th August 2026 during the Annual General Meeting (AGM), as per the requirements of Insurance Rules which mandate a 60 days' notice period for such elections. A notification was published on 3rd May 2026 in two national dailies newspaper. The above mentioned two directors from public subscribers have submitted their nomination forms.

Please be informed that the following individuals have been appointed in the Board of Directors meeting and are proposed for confirmation as directors in 'Group B'. They will subsequently retire and are eligible for re-election:

1. Mr. Fakir Mashfiquzzaman Fabi

Also In accordance with the Articles of Association of the Company and as per the Bangladesh Securities and Exchange Commission's Corporate guideline dated 3rd June 2018 the appointment of additional/new independent Director/re-appointment independent Directors, if any, needs to be confirmed at the Annual General Meeting. In line with this, The Board of Director of Continental Insurance PLC. appointed Mr. Jorzes Miah as company's Independent

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Director for 1 (one) tenure. Hence the appointment of Mr. Jorzes Miah to be ratified at the 26th Annual General Meeting under the agenda "Appointment of Independent Directors".

Corporate Governance

Continental Insurance PLC. considers good corporate governance and transparency essential for the company's disciplined and sustainable status. This implies that adhering to high standards of governance helps in maintaining operational efficiency and long-term viability. Continental Insurance has designed its corporate governance systems to ensure adequate internal controls, transparency, and accountability in its operational processes. This framework includes policies and procedures that guide decision-making and ensure compliance with regulatory requirements. The parties involved in corporate governance at Continental Insurance include the Board of Directors, various committees, management, decision-making personnel, and possibly other stakeholders. Each of these parties has defined roles and responsibilities to contribute to effective governance. The corporate governance structure specifies the distribution of rights and responsibilities among executives, including the Board of Directors and different committees. This helps in clarifying decision-making processes and ensures that responsibilities are appropriately assigned. Continental Insurance emphasizes compliance with regulatory authorities. This indicates that the company adheres to all regulatory requirements related to corporate governance practices. Regulatory authorities play a crucial role in overseeing and enforcing these standards. Plans, programs, and policy decisions initiated by the Board of Directors are implemented by the management team, led by the Chief Executive Officer. This highlights the hierarchical structure where the Board sets the strategic direction and the management team executes these strategies.

Corporate Social Responsibility (CSR)

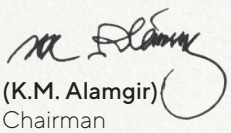
Continental Insurance PLC. places significant emphasis on Corporate Social Responsibility (CSR). The company actively participates in various CSR initiatives aimed at supporting social causes. The Board of Directors is dedicated to expanding these efforts, particularly focusing on alleviating poverty and assisting the underprivileged segments of society in the future.

Conclusion

The Board of Directors extends its sincere gratitude and deep appreciation to various public and private sector banks, financial institutions, and private sector enterprises for their invaluable support and cooperation throughout the year under review. They also express heartfelt thanks to the Ministry of Finance, Ministry of Commerce, the Office of the Chairman, Insurance Development & Regulatory Authority, Sadharan Bima Corporation, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd, Bangladesh Insurance Association, Registrar of Joint Stock Companies and Firms, as well as government and non-government organizations for their unwavering assistance and cooperation. Finally, the Board of Directors acknowledges and places on record its appreciation for the valuable contributions made by the executives, officers, and staff of all ranks of the company, whose dedication has been instrumental in its continued growth.

May Almighty Allah grace us with divine blessings.

On behalf of the Board of Directors



(K.M. Alamgir)
Chairman