city insurance
30 Years of EARNING TRUST

GUARDIANS OF TRUST
CHAMPIONS OF SERVICE



ANNUAL REPORT 2025

city insurance
Insuring your future… Today

GUARDIANS OF TRUST
CHAMPIONS OF SERVICE

Trust is the cornerstone of insurance, and at City Insurance PLC, it defines how we think, decide, and serve. In 2025, we remained focused on our responsibility to safeguard policyholders' interests, protect financial security, and create sustainable value for shareholders. This sense of stewardship guides our actions and anchors our role within Bangladesh's evolving insurance landscape.

We approach our business with a long-term mindset. Our priorities are shaped by prudent risk management, capital discipline, and a clear commitment to honoring every promise we make. By balancing growth with stability, City Insurance PLC continues to strengthen its foundations while remaining responsive to the needs of policyholders and partners.

345
dedicated workforce

41
e-equipped branches

AAA Credit rating

ISO 9001:2015 certified

reputed for **Faster Claims Settlement**

Service excellence is embedded in our culture. Throughout 2025, we refined customer-centric processes, strengthened claims governance, and reinforced accountability across the organization. Our employees are central to this effort. Their professionalism, integrity, and dedication ensure that service is delivered with fairness, clarity, and respect, even in challenging circumstances.

Trust is built through transparency and strong governance. We continued to enhance oversight, internal controls, and regulatory compliance, aligning our practices with the expectations of regulators and stakeholders. This disciplined approach supports confidence in our financial reporting, risk management, and ethical conduct.

Our progress in 2025 reflects steady advancement rather than short-term gains. We invested in operational resilience, strengthened systems and controls, and focused on consistency in execution. These efforts position the Company to navigate uncertainty while remaining reliable and responsive.

Looking ahead, City Insurance PLC remains committed to stability, care, and preparedness. We will continue to act as guardians of trust and champions of service, serving our stakeholders with integrity and confidence as we move forward together.



IN MEMORIAM

ALHAJ ANWAR HOSSAIN

(1938-2021)

Founder & Former Chairman
City Insurance PLC.

MAY YOUR SOUL REST IN PEACE

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ABOUT OUR INTEGRATED **ANNUAL REPORT**

GRI 2-27

This Integrated Annual Report gives a clear picture of City Insurance PLC's performance for the year ending 31 December 2025. It explains how we create value, the strategies that guide us, and the key developments across our financial, social, environmental, and governance priorities. The report also places these insights within the context of our operating environment. Along the way, we outline our outlook for the coming years and the ambitions we're working toward, recognizing that future economic conditions may influence how those plans unfold.

Scope and Boundary

This Annual Report builds on our previous report for the year ending 31 December 2024 and offers a clear view of how the Company operates. It outlines the risks and opportunities linked to our strategy and the expectations of our diverse stakeholders. Our goal is to navigate these relationships effectively and concentrate on the material issues that shape our performance, including:

OUR BUSINESS MODEL
Refer Page No. 87

OUR FUTURE OUTLOOK
Refer Page No. 43

OUR STRATEGY
Refer Page No. 13

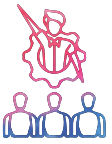
OUR MATERIAL ISSUES
Refer Page No. 50

OUR STAKEHOLDER RELATIONSHIPS
Refer Page No. 57

Key Improvements in the Annual Integrated Report 2025

- Clearer insight into how the Company creates value across financial, social, and environmental dimensions.
- Stronger focus on stakeholder engagement and the impact of their priorities on decision-making.
- The report incorporates our ESG framework and clarifies Group directions on adoption and integration, demonstrating our commitment to sustainable practices
- The business model section is revamped with insightful analysis of past trends, providing a dynamic and contextualized overview.
- Better integration of performance metrics linking strategy, sustainability, and operations.
- Demonstrating the commitment to improving sustainability disclosures by working towards the adoption of IFRS S1 & S2
- Enhanced visuals and data presentation for easier interpretation of trends and results.

Reporting Principles



GUIDING PRINCIPLES



Strategic focus and future orientation

Explanation of the company's strategy and how it connects to value creation and the use of key capitals.



Connectivity of information

Describes how the interconnected factors influencing the organization shape its ability to create value over time. interconnected factors influencing the organization shape its ability to create value over time.



Stakeholder relationships

Description of the key stakeholders and how their interests are considered in decision-making.



Materiality

Covers the disclosures on issues that influence the organization's ability to create value.



Conciseness

Relates to the concise format of the report.



Reliability and completeness

Reflects the report's balance and completeness, ensuring it is free from material errors.



Consistency and comparability

Relates to the Consistency and comparability of the information within the report.



CONTENT ELEMENTS



Organizational overview and external environment

Description of the organization and the external environment.



Governance

Description of the governance structure and its relation to value creation.



Business model

Description of the business model with input, output and capitals included.



Risk and opportunities

Description of the risk and opportunities and the risk mitigation system.



Strategy and resource allocation

Description of the concrete strategy of the company, both short term and long term focused.



Performance

Description of the results, compared with the targets, previous years and capitals.



Outlook

Description of the future challenges in relation to the company.



Basis of preparation and presentation

Description of the materiality determination process, reporting boundaries and frameworks used.

Reporting Frameworks

GRI 2-2,3 & 4

Financial Reporting

- The Companies Act, 1994 and as amendments thereto
- Insurance Act 2010, Insurance Act 1938, Insurance Rules 1958 and amendments thereto
- Income Tax Act 2023; Income Tax TDS Rules, 2024 and other related SROs & Finance Act etc.
- Value Added Tax & Supplementary Duty Act, 2012;

  Value Added Tax & Supplementary Rules, 2016 and Related SRO and Finance Act etc.
- International Accounting Standards (IAS)
- International Financial Reporting Standards (IFRS)
- Generally Accepted Accounting Principle
- Relevant Circulars Issued on Reporting format IDRA
- Securities and Exchange Rules 1987 as amendments thereto 2020

Integrated Reporting

- International Framework of the International Integrated Reporting Council (IIRC) and adopted by IFRS Foundation

Sustainability Reporting

- In accordance with the GRI Standards
- United Nations Sustainable Development Goals
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- IFRS- S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures

Corporate Governance Reporting

- Corporate Governance Code, 2018 (amended up to) of BSEC
- Insurer's Corporate Governance Guidelines 2023 issued by IDRA
- DSE & CSE Listing Rules 2015
- And other applicable Laws and Regulations of the land.

Additional Reporting

- SAFA and ICAB Reporting requirements
- ICSB Corporate Governance Requirements
- IDRA Corporate Governance Requirements
- ICMAB Corporate Requirements
- Other applicable rules and regulations of the land

Assurance

A combined assurance model has been followed to validate the integrity of report content, where all information has been reviewed by management to ensure the accuracy and completeness, with the Board and its sub-committees providing an oversight role. The financial statements included in this report have been audited by the External Auditor. The Report by the External Auditor can be found on **page no. 386**

External Assurance

GRI 2-5 & 27

The company has obtained external assurance on the following reports in the reporting period under consideration:

Description of Report	Financial Statements Audit Report	Corporate Governance Certification (BSEC & IDRA)	Provident Fund Financial Audit
	Gratuity Fund Financial Audit	Credit Rating	ISO Certification
External Assurance	Islam Quazi Shafique & Co. Chartered Accountants	Mollah Quadir Yusuf & Co. Chartered Accountants	MNA Associates
	Credit Rating Information and Services Ltd. (CRISL)	ASCB	
Stakeholders	Investors	Customers	Employees
	Suppliers & Business Partners	Community & Environment	Government & Regulatory Bodies
Strategic Priorities	Customer Solutions	Digital Transformation	Innovative Business
	Organizational Realignment	Empowered Staff	

Forward-Looking Statements

This report contains forward-looking statements about the Company's potential future performance and prospects. These statements are not guarantees of future results and involve risks and uncertainties, including unexpected events, volatile economic and political conditions, and other factors beyond our control. Actual results may differ materially from current expectations. Readers are encouraged to consult qualified professional advisors regarding these matters.

Board Responsibility Statement

The Board of City Insurance recognizes its responsibility to verify the accuracy of this integrated report. After carefully reviewing the assurances received, the Board is confident that there is a sufficient and effective control environment in place to ensure the information's completeness. Additionally, the Board believes, to the best of its knowledge, that the integrated report covers all matters significant to stakeholders' decision-making, as outlined by the Company's value creation process.

Signed on behalf of the Board

Hossain Akhtar
Chairman, City Insurance PLC.

GRI 2-3

Navigation Icon

To make the report easier to follow and keep information connected, we've added the following navigation icons throughout.

Financial Capital

Strength that Supports Every Strategy

<Refer page 63>

Human Capital

People First, Performance Follows

<Refer page 65>

Manufactured Capital

Creating Value Through Quality Assets

<Refer page 76>

Intellectual Capital

Harnessing the Power of Intangible Assets

<Refer page 79>

Social and Relationship Capital

Connected to Communities, Committed to Sustainable Growth

<Refer page 82>

Natural Capital

Valuing the Environment, Securing the Sustainable Future

<Refer page 85>

How to navigate through this report

Matters to interest to Stakeholders		Where to find in this report
How we bring our vision to life	**Page Ref. 88-89**	Value Creating Business Model
Our leaders view	**Page Ref. 122 & 126**	Chairman message & CEO statement
Delivering on our strategy	**Page Ref. 164**	Segment analysis
How our business is governed and managed	**Page Ref. 228 & 268**	Corporate governance, risk management
Measuring our success	**Page Ref. 385-439**	Financial information

Availability of the Annual Report

The soft copy of the Annual Report is sent to all the shareholders prior to the holding of the Annual General Meeting. Moreover, this report has been made available on the website, www.cityinsurance.com.bd.

Feedback & Inquiries

We're always working to sharpen our reporting, and we welcome feedback that can help strengthen future editions. Please share your suggestions and comments at:

Simply scan the QR code to connect instantly on your smartphone

Company Secretary

City Insurance PLC.
Baitul Hossain Building (4th Floor)
27, Dilkusha C/A, Dhaka-1000.
Bangladesh.

DRIVING INCLUSIVE VALUE **CREATION FOR ALL**

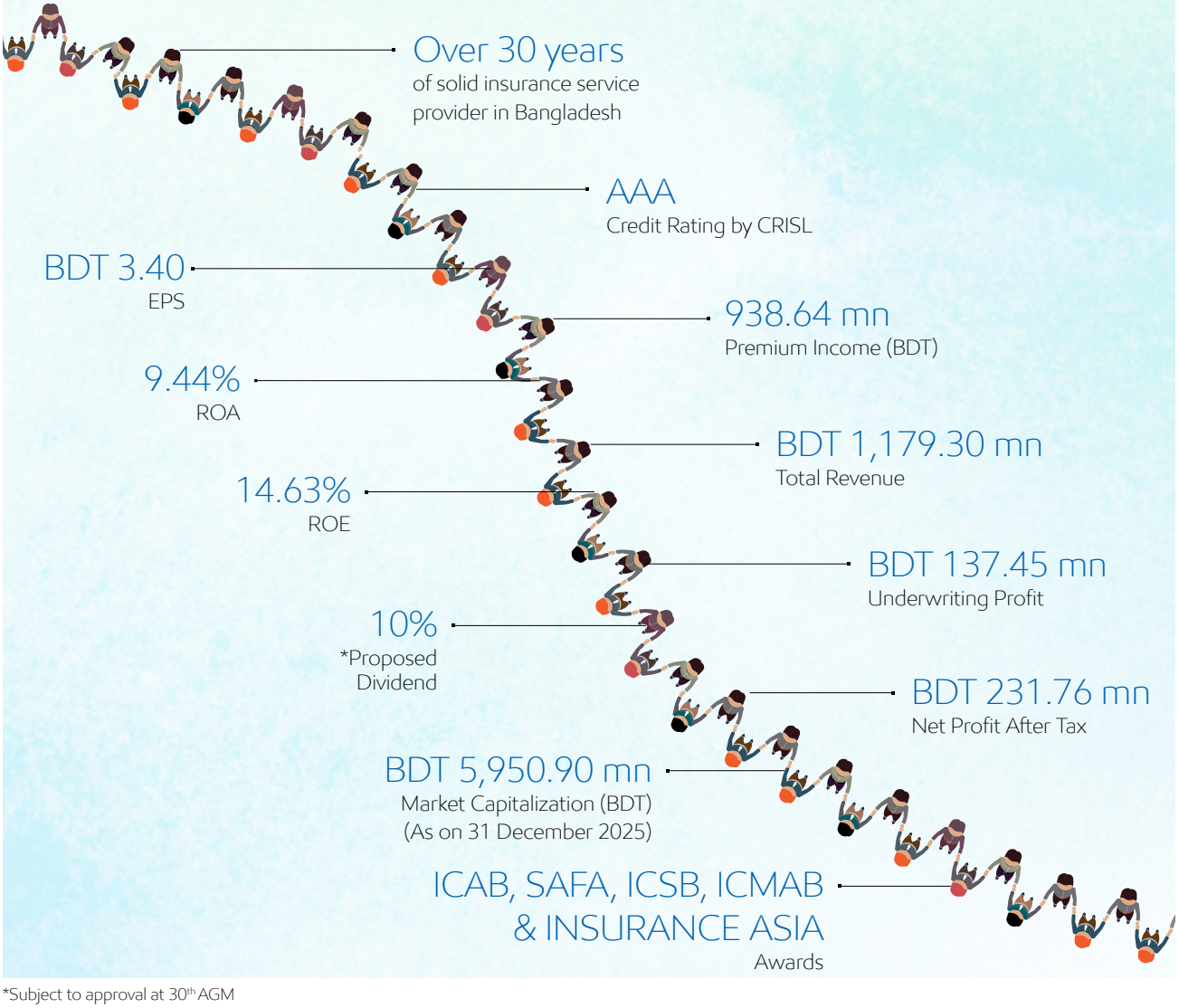
GRI 2-6

External Assurance

The company has obtained external assurance on the following reports in the reporting period under consideration in 2025:

	Total Revenue	Capital Expenditure	EBITDA	Underwriting Profit
Financial Performance	BDT 1,179.30 mn	BDT 2.36 mn	BDT 366.42 mn	BDT 137.45 mn

For our investors



*Subject to approval at 30th AGM

For our valued customers

- **41** Branches
- **36,800++** Customers
- **57%** Claims settlement ratio
- **BDT 125.70 mn** Total Claims Paid
- **25.68 Times** Price Earnings Ratio
- **BDT 23.24** Net Asset Value per Share
- **3.42 Times** Solvency Margin

For the people we serve

- **BDT 204.02 mn** Contributed to National Exchequer
- **BDT 1.34 mn** Spent on CSR Throughout

For our workforce

- **Male 288 Female 57** of Total Workforce
- **850** Unique Training Participants
- **60** Unique Training Programs Conducted
- **863 hrs** Training Hours
- **30** Onboarded during the year
- **17%** Female Representation

OUR STRATEGY

OUR STRATEGIC INTENT

To be the client-oriented best non-life Insurance service provider in Bangladesh



ECONOMIC FOCUS

Our objective is to assist of economic developed by encouraging the growth of productive effort. We eliminate worries and miseries of losses of damage and destruction of wealth.

FOCUS TO THE SHAREHOLDERS

Our strategy and objective are to continue to achieve financial strength and growth generates income for the shareholders, continue profitability by providing focus on client service.

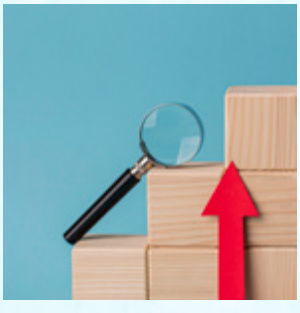
OUR STRATEGY IS TO PERFORM TOWARDS SUSTAINABLE GROWTH ACHIEVEMENT

FOCUS TO THE SUSTAINABLE DEVELOPMENT GOAL (SDG)

Our focus on ensuring our environment and social responsibilities extend to our clients through our policy, strengthened by Govt. Regulations and international frameworks help communicate our rationale and ways to implement sustainable practices with many of our clients.

SERVICE FOCUS

Strengthen trust and partnerships with clients by focusing on the quality customer service, Professionalism, teamwork and integrity.



CLIENT FOCUS

- Develop Client oriented service culture with special emphasis on customer client care and convenience.
- Develop innovative area of insurance and Service that attract our targeted clients and market segments.
- Inadequacy of capital of the society is minimized to a greater extent with the help of the coverage of insurance.

LETTER OF **TRANSMITTAL**

To
The Shareholders of City Insurance PLC, Insurance Development & Regulatory Authority, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies & Firms, Dhaka Stock Exchange PLC., Chittagong Stock Exchange PLC., Central Depository Bangladesh Limited, Financial Reporting Council, And all other stakeholders of City Insurance PLC.

Subject: Integrated Annual Report for the year ended December 31, 2025.

Dear Sir/Madam,

We are pleased to present before you the Integrated Annual Report 2025 together with the Audited Financial Statements as at and for the year ended December 31, 2025 which comprises Financial Position, Profit and Loss Account, Statement of Cash Flows, Statement of Changes in Shareholders' Equity, and notes to the Financial Statements for the year ended December 31, 2025 of City Insurance PLC. for your kind information and record.

Information given in our Annual Report 2025 is complete, accurate and in line with Bangladesh Securities and Exchange Commission (BSEC), Insurance Development and Regulatory Authority (IDRA)'s regulations, International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) and other rules and regulations. We hope that the report will be of use to you today and in the days to come.

Yours sincerely



Mohammed Ashaduzzaman Sarkar
Company Secretary
City Insurance PLC.

Dated: March 07, 2026
Place: Dhaka.

CITY INSURANCE PLC.

Registered Office: Baitul Hossain Building (3rd Floor)
27 Dilkusha C/A, Dhaka-1000.

Notice of the 30th Annual General Meeting

Notice is hereby given that the 30th Annual General Meeting (AGM) of the Shareholders of City Insurance PLC will be held on **30 March 2026 at 11.00 a.m.** The AGM will be held virtually by using Digital platform (Pursuance to BSEC Order no. SEC/SRMIC/94-231/91, dated March 31, 2021, and BSEC/ICAD/SRIC/2024/318/87, dated March 27, 2024) through the following link: **https://cityinsurance.bdvirtualagm.com** to transact the following business:

1. To receive, consider and adopt the Directors' Report and the Audited Financial Statements for the year ended 31 December 2025 together with the Auditors' report thereon.
2. To approve the Cash Dividend for the year ended 31 December 2025 as recommended by the Board of Directors.
3. To appoint the Statutory Auditors for the year 2026 and to fix their remuneration.
4. To elect Directors in place of retiring Directors.
5. To appoint professionals for issuing two certificates for the CG Code of BSEC and ICGG Guidelines of IDRA for the year 2026 of the Company and to fix their remuneration.

Dated: March 07, 2026
Place: Dhaka.

By order of the Board,

Mohammed Ashaduzzaman Sarkar
Company Secretary

Notes:

a) The members whose names appeared in the members Register of the company as on the Record Date i.e., **04 March 2026 (Wednesday)** will be eligible to participate in the Annual General Meeting and qualify for Dividend.

b) Shareholders are requested to login to the system well ahead of the meeting at appointed time (11.00 a.m.) for the AGM on **30 March 2026**. The online (Real-time) or e-Voting option shall be opened before 24 hours prior to start of the Annual General Meeting.

c) The Shareholders will be able to submit their questions/comments and also vote electronically 24 hours before the commencement of the AGM and during the AGM. For login into the system the Shareholders need to put their 16-digit Beneficiary Owners (BO) Account Number.

d) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June 2018 the soft copy of the Annual Report 2025 will be sent within the stipulated time to the email addresses of the Shareholders available in their Beneficiary Owner (BO) Accounts maintained with the Depository. The Soft copy of the Annual Report 2025 will be available on the website of the company at **www.cityinsurance.com.bd.**

e) Shareholders entitled to participate and vote at this Virtual AGM may appoint a proxy to participate and vote. The 'Proxy Form', dully filled, signed and stamped at BDT 100/- must be sent through email to **share@cityinsurance.com.bd** not later than 48 hours before commencement of the AGM.

f) As per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, "no benefit in cash or kind, other than in the form of Dividend (i.e., No Food/Box/Gift Coupon, etc.)" to be distributed at the AGM.

PERFORMANCE DASHBOARD

GRI 2-18

PROFITABILITY

Return on Assets (%)

2025	9.44
2024	9.59

Return on Equity (%)

2025	14.63
2024	14.54

Earnings per Share (Tk.)

2025	3.40
2024	3.08

Net Profit After Tax (BDT mn)

2025	231.76
2024	209.68





STABILITY

Solvency Margin (Times)

2025	3.42
2024	3.08

Underwriting Profit (BDT mn)

2025	137.45
2024	164.84

Profit Before Tax (BDT mn)

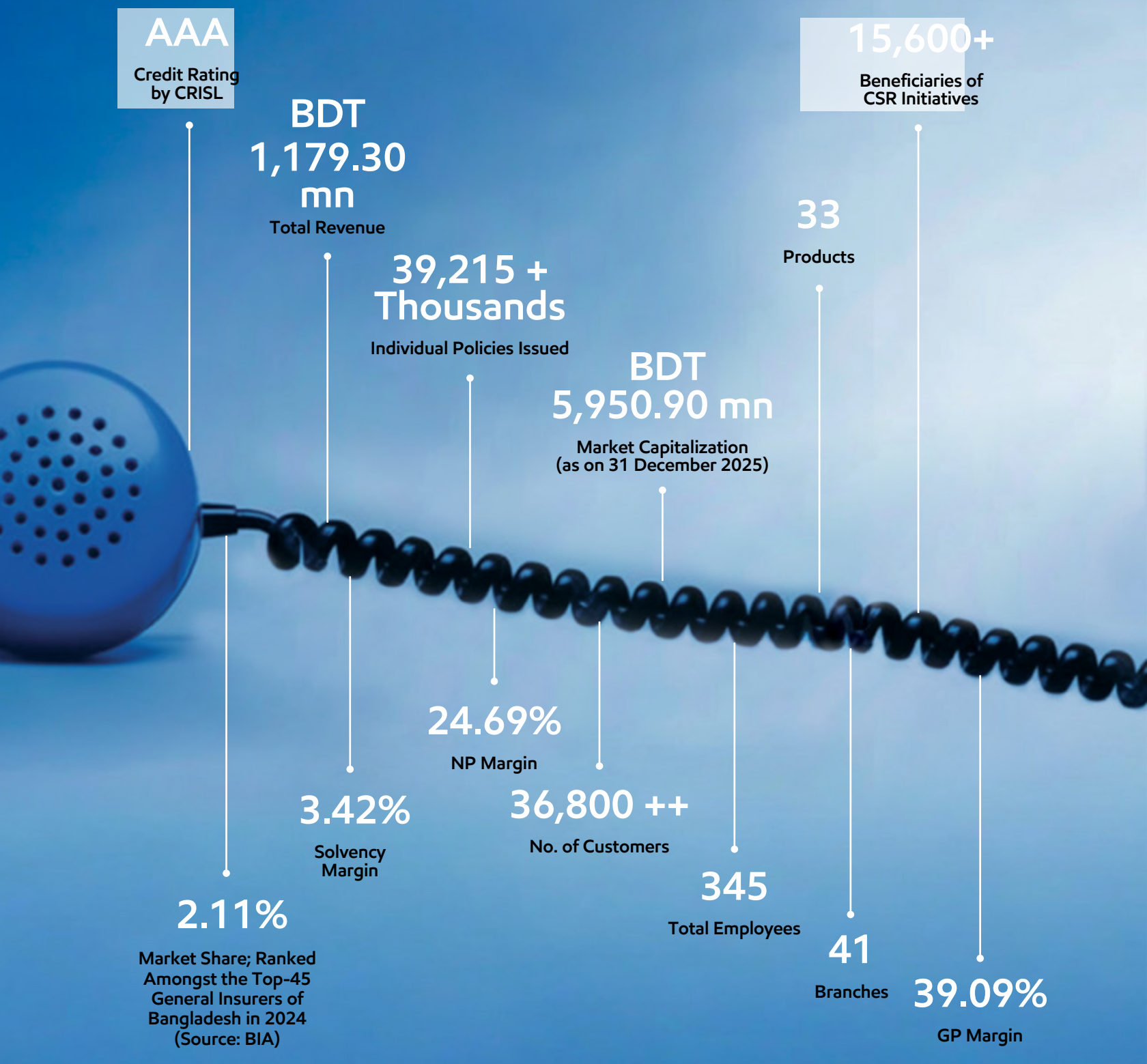
2025	366.42
2024	295.11

Shareholders' Equity (BDT mn)

2025	1,583.98
2024	1,441.94

OUR KEY PERFORMANCE **INDICATORS (KPIS)**

GRI 2-6 & 7



AAA
Credit Rating by CRISL

BDT 1,179.30 mn
Total Revenue

39,215 + Thousands
Individual Policies Issued

BDT 5,950.90 mn
Market Capitalization (as on 31 December 2025)

33
Products

15,600+
Beneficiaries of CSR Initiatives

2.11%
Market Share; Ranked Amongst the Top-45 General Insurers of Bangladesh in 2024 (Source: BIA)

3.42%
Solvency Margin

24.69%
NP Margin

36,800 ++
No. of Customers

345
Total Employees

41
Branches

39.09%
GP Margin

PERFORMANCE SCORECARD, 2025

GRI 201-1

Financial Performance

Investor Centric

Capital Driven:



FINANCIAL CAPITAL

Return on Average Assets
9.99%
(2024- 9.70%)

Cash & Cash Equivalent
BDT 1,283 mn
(2024- BDT 1,043.63 mn)

Net Asset Value
BDT 1,583.98 mn
(2024- BDT 1,441.94 mn)

Net Turnover
BDT 607.48 mn
(2024- BDT 583.93 mn)

Profit Before Tax
BDT 366.42 mn
(2024- BDT 295.11 mn)

Net Profit After Tax
BDT 231.76 mn
(2024- BDT 209.68 mn)

Cash Dividend *
10%
(2024- 10%)

Underwriting Profit for the year
BDT 137.45 mn
(2024- BDT 164.84 mn)

Earnings Per Share
BDT 3.40
(2024- BDT 3.08)

Total Assets
BDT 2,454.20 mn
(2024- BDT 2,187.46 mn)

Total Investments
BDT 1,680.09 mn
(2024- BDT 1,502.16 mn)

Net Claims Settled
BDT 99.13 mn
(2024- BDT 22.76 mn)

Solvency Margin
3.42%
(2024- 3.08%)

Total Shareholders' Equity
BDT 1,583.98 mn
(2024- BDT 1,441.94 mn)

Return on Equity
14.63%
(2024- 14.54%)

* Subject to approval at 30th AGM

NON-FINANCIAL PERFORMANCE

HUMAN CAPITAL

Total Employees
345
(2024-381)

New Recruitment
30
(2024- 47)

Employee Expenses
BDT 134.16 mn
(2024- BDT 171.11 mn)

Staff Cost per Employee
BDT 0.47 mn
(2024- BDT 0.39 mn)

Investment in Training
BDT 0.28 mn
(2024- BDT 0.14 mn)

Total Training Hours
863
(2024- 282)

Workforce Representation
Male 83%
Female 17%
(2024- Male 84%
Female 16%

Number of Promotions
50
(2024- 26)

Revenue per Employee
BDT 2.72 mn
(2024- BDT 2.41 mn)

INTELLECTUAL CAPITAL

Investment in Brand Building
BDT 4.25 mn
(2024- BDT 3.19 mn)

Full IT Support Enabled Branches
41
(2024- 43)

Facebook Followers
1,21,254
(2024- 1,19,217)

NATURAL CAPITAL

Energy Intensity Electricity Consumption per Employee

KW 97.1

(2024- KW 31.55)

SOCIAL AND RELATIONSHIP CAPITAL

Customer Base

36,800

(2024- 34,200)

Policies Sold

39,215 +

(2024- 36,768+)

New Customers

2,330+

(2024- 1,696+)

Contribution to National Exchequer

BDT 204.02 mn

(2024- BDT 228.06 mn)

CSR Contribution

BDT 1.34 mn

(2024- BDT 1.13 mn)

Products

33

(2024- 33)

MANUFACTURED CAPITAL

No. of Branches

41

(2024- 43)

Investment in Digital Infrastructure

BDT 2.12 mn

(2024- BDT 1.17 mn)

Division Covered

8

(2024- 8)

Capital Expenditure

BDT 2.36 mn

(2024- BDT 1.37 mn)

AWARD & RECOGNITIONS

Certificate of ICSB Gold Award for Corporate Governance Excellence 2024

Certificate of ICMAB Best Corporate Award 2024

Certificate of ICSB Gold Award for Corporate Governance Excellence 2023

Certificate of ICMAB Best Corporate Award 2023



ICSB Gold Award for Corporate Governance Excellence 2024

Bronze Award for ICMAB Best Corporate Award 2024

ICSB Gold Award for Corporate Governance Excellence 2023

ICAB Bronze Award for Best Presented Annual Reports 2023

Silver Award for ICMAB Best Corporate Award 2023



10th ICSB National Award 2021
Bronze Award Certificate for Corporate Governance Excellence in Non-life Insurance

10th ICSB National Award 2022
Gold Award Certificate for Corporate Governance Excellence in Non-life Insurance

South Asian Federation of Accountants (SAFA)
Best presented Annual Report Awards Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2021
Position: Certificate of Merit
Category: "Insurance"

Silver Award winner
Certificate of South Asian Federation of Accountants (SAFA)
Best presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2022 in "Insurance" category



Insurance Asia Awards 2022
on Claims Initiative of the Year – Bangladesh

ICAB 22nd National Award
Position: 2nd Runner Up
Category: Best Presented Annual Reports 2021
Sector: Non-life Insurance

9th ICSB National Award 2021
Position: Bronze Award
Category: For Corporate Governance Excellence in Non-life Insurance

ICAB 23rd National Award.
Gold Award winner for Best Presented Annual Reports 2022
Sector: Non-life Insurance

Silver Award winner of South Asian Federation of Accountants (SAFA)
Best presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2022 in "Insurance" category

10th ICSB National Award 2022.
Gold Award winner for Corporate Governance Excellence in Non-life Insurance



2025

City Insurance PLC. has been awarded by ICSB and ICMAB during the year 2025



Mr. Md. Shamim Hossain, Chief Executive Officer, Mr. Sheikh Azizul Haque, Executive Vice President & CFO and Mr. Mohammed Ashaduzzaman Sarkar, Company Secretary of City Insurance PLC., received the 12th ICSB Gold Award for Corporate Governance Excellence in Non-life Insurance category.



Mr. Sheikh Azizul Haque, Executive Vice President & CFO and Mr. Mohammed Ashaduzzaman Sarkar, Company Secretary of City Insurance PLC., received the 15th ICMAB Best Corporate Bronze Award in Non-life Insurance category.

2024

City Insurance PLC. has been awarded various award by Professional Bodies such as ICAB, ICSB and ICMAB during the year 2024



Sheikh Azizul Haque, Executive Vice President & CFO and Mr. Mohammed Ashaduzzaman Sarkar, Company Secretary and AKM Mohiuddin, Dy. Managing Director of City Insurance PLC., received the 24th ICAB Bronze Award for Best Presented Annual Reports 2023 in Non-life Insurance category.



Faizah Mehmood, Director, Mr. Md. Shamim Hossain, Chief Executive Officer, Mr. Sheikh Azizul Haque, Executive Vice President & CFO and Mr. Mohammed Ashaduzzaman Sarkar, Company Secretary of City Insurance PLC., received the 11th ICSB Gold Award for Corporate Governance Excellence in Non-life Insurance category.



Faizah Mehmood, Director, Mr. Md. Shamim Hossain, Chief Executive Officer, Mr. Sheikh Azizul Haque, Executive Vice President & CFO and Mr. Mohammed Ashaduzzaman Sarkar, Company Secretary of City Insurance PLC., received the 14th ICMAB Best Corporate Silver Award in Non-life Insurance category.

2023

City Insurance PLC has been awarded various prize by Professional Bodies in home and abroad such as ICSB, ICAB and SAFA during the year 2023



Mr. Hossain Akhtar, Chairman, Mr. Md. Shamim Hossain, Chief Executive Officer, Mr. Sheikh Azizul Haque, Executive Vice President & CFO and Mr. Mohammed Ashaduzzaman Sarkar, Company Secretary of City Insurance PLC, received the 10th ICSB Gold Award for Corporate Governance Excellence in Non-life Insurance category.



Mr. Hossain Akhtar, Chairman, Mr. Md. Shamim Hossain, Chief Executive Officer, Mr. Sheikh Azizul Haque, Executive Vice President & CFO and Mr. Mohammed Ashaduzzaman Sarkar, Company Secretary of City Insurance PLC, received the 23rd ICAB Gold Award for Best Presented Annual Reports 2022 in Non-life Insurance category.



Mr. Md. Shamim Hossain, Chief Executive Officer and Mr. Sheikh Azizul Haque, Executive Vice President & CFO of City Insurance PLC, received the South Asian Federation of Accountants (SAFA) Silver Award for Best presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2022 in General Insurance category.

2022

City Insurance PLC has been awarded various prize by Professional Bodies in home and abroad such as Insurance Asia Award, ICAB, ICSB and SAFA during the year 2022



City Insurance PLC won the prestigious Insurance Asia Awards 2022 on Claims Initiative of the Year - Bangladesh which was judged by an esteemed panel consisting of different professional members. The panel members evaluated company's strong claims paying ability position and services to the clients with professional and honesty and efficiently handling claims to pay clients as an easy process of minimum requirements within stipulated time. This indicates its good market reputation and clients satisfaction of the company.

City Insurance PLC Awarded the prestigious ICAB Best Presented Annual Reports 2021 in insurance category. The awarding ceremony of ICAB 22nd National Award for The Best Presented Annual Reports 2021 is organized by The Institute of Chartered Accountants of Bangladesh (ICAB). Mr. Hossain Akhtar, Chairman Md. Shamim Hossain, Chief Executive Officer and Mr. Sheikh Azizul Haque, Sr. Executive Vice President & Chief Financial Officer of the company received the award.





City Insurance PLC Awarded the prestigious ICSB Corporate Governance Excellence Award 2021 in Non-life Insurance category. The awarding ceremony of 9th ICSB National Award 2021 for Corporate Governance Excellence organized by the Institute of Chartered Secretaries of Bangladesh (ICSB). Mr. Hossain Akhtar, Chairman and Md. Hasan Khan, Addl. Managing Director & Company Secretary of the company received the award.

City Insurance PLC has been awarded for the Best Presented Annual Reports 2021 by the South Asian Federation of Accountants (SAFA). The Company won the Certificate of Merit in the category **"Insurance Sector"**. The said awarding ceremony was organized by South Asian Federation of Accountants (SAFA), held at Kathmandu, Nepal. Mr. Md. Shamim Hossain, Managing Director & CEO, and Mr. Sheikh Azizul Haque, Executive Vice President & Chief Financial Officer of the Company received the award from the higher officials of SAFA.



OVERVIEW OF
CITY INSURANCE PLC



OVERVIEW OF CITY INSURANCE PLC

The table below gives an overview of the key sections of our company and related compliance information for the fiscal year 2025.

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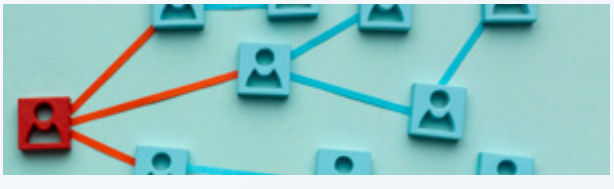
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OUR PHILOSOPHIES



OUR MISSION

Our mission is to deliver unmatched service, safeguard the interests of our insured, and contribute to the country's economic stability. We are committed to operating fairly and transparently, ensuring lasting trust and value for all stakeholders.



OUR VISION

Our vision is to serve our insured with utmost care by providing the most effective solutions to their needs. We aim to be a responsible and principled company, upholding corporate social responsibility while protecting property risks and contributing positively to society.

OUR CORE **VALUES**



OUR VALUES

Honesty and Integrity

We committed to a completely honest relationship with our insured & clients which behave with the utmost good faith to protect company's wealth.

Quality of Insurance

Our aim to insured in qualitative manner

Worthy of Trust

We are static at our promise and committed for doing business at right way.

Mutual Respect

Always, we treat our insured clients and individuals with different backgrounds with dignity and respect.

Team Work

We work together to minimize the risk and ensure the clients for providing the best possible services and risk coverage.



CODE OF CONDUCT

Ethical Principles of City Insurance PLC.

Since its inception, the company has built an outstanding reputation, which remains our most valuable asset and a source of pride and motivation. The ongoing success of CIPLC relies on every member of our team striving to uphold and strengthen our tradition of honesty, integrity, fairness, excellence, respect, and care for others.

Our commitment to ethical conduct is embraced by directors, officials, and all staff members across every role. This commitment covers, but is not limited to, the following principles:

Compliance with Laws, Rules, Regulations, Orders, Notifications, Circulars etc. issued by the Regulatory authority:
Strictly follow all applicable legal and regulatory requirements in every action.

Serving insured and stakeholders in the best way:
Provide fair, efficient, and respectful service to all clients and partners.

Working in a professional manner and with due care:
Perform duties responsibly, maintaining integrity and professionalism.

Prohibition of any fraud, theft, illegal work including insider trading:
Reject and report any dishonest or unlawful behavior immediately.

Protect the company's property:
Use company assets responsibly and prevent misuse or damage.

Maintaining accuracy and adequacy in records, files, documents and reporting:
Ensure all records and reports are complete, correct, and up to date.

Exercising requisite diligence in respect of Anti-Money Laundering:
Remain alert and comply with AML policies to prevent financial crimes.

Avoidance of conflicts of interest:
Act impartially and avoid situations where personal interests may influence decisions.

Maintaining confidentiality of the company's and clients' information:
Protect sensitive data and never disclose it without proper authorization.

Transparency and accuracy in presentation:
Present facts truthfully and clearly in all communications and reports.



OVERALL STRATEGIC OBJECTIVES

City Insurance a trusted partner for financial security since 1996!

- Establish a long-term relationship with our clients and Business Partners built on our prudent underwriting and personalized professional service with trust.
- Respond quickly to new opportunities.
- Eliminate the discretionary between the local and foreign trade insurance.
- Maximize insurance coverage at a minimum cost but must be within legal boundary.
- Assess and managing our business risk carefully.
- Ensuring all industries, factories, buildings and professions under the umbrella of insurance.
- Maintain strong relationship with a wide variety of partners like Re-insurance, Insurance brokerage, Insurance Agent, Regulatory bodies and so on.
- Risk minimizing with assuring the financial coverage.
- Drive for continuous improvement and developing our performance excellence at all levels.

OUR GOALS



- Deliver reliable and innovative non-life insurance products that meet customer needs.
- Ensure prompt and fair settlement of claims to build lasting trust.
- Maintain strong financial stability and sustainable growth.
- Expand market presence through digital transformation and service excellence.
- Uphold transparency, good governance, and regulatory compliance.
- Enhance customer satisfaction and long-term relationships.
- Invest in employee development and a performance-driven culture.
- Contribute to national economic growth and social responsibility initiatives.

YEAR WISE CLAIMS SETTLEMENT RATIO (2021-2025)

2025

	Intimated	Settled	O/s.	% of Settlement
Fire	29	17	12	57.00
Marine	138	70	68	
Motor	24	23	1	
Misc	9	4	5	
Total	200	114	86	

2024

	Intimated	Settled	O/s.	% of Settlement
Fire	78	77	1	98.88
Marine	61	60	1	
Motor	27	27	0	
Misc	12	12	0	
Total	178	176	2	

2023

	Intimated	Settled	O/s.	% of Settlement
Fire	52	52	0	100.00
Marine	45	45	0	
Motor	31	31	0	
Misc	7	7	0	
Total	135	135	0	

2022

	Intimated	Settled	O/s.	% of Settlement
Fire	40	38	2	98.10
Marine	69	68	1	
Motor	49	49	0	
Misc	0	0	0	
Total	158	155	3	

2021

	Intimated	Settled	O/s.	% of Settlement
Fire	42	42	0	100.10
Marine	95	95	0	
Motor	49	49	0	
Misc	0	0	0	
Total	186	186	0	



PROFILE OF CITY INSURANCE PLC

GRI 2-6

- Established in 1996 under the Companies Act, 1994.
- Listed on Dhaka Stock Exchange (2007) and Chittagong Stock Exchange (2008).
- Handles all classes of non-life insurance in Bangladesh.
- Authorized capital: Tk. 2,000 million.
- Paid-up capital: Tk. 681.66 million (as of 2025).
- Shares traded in **"A" category** on both exchanges.
- **Market capitalization: approx. BDT 5,950.90 million** (as of December 31, 2025).
- Serves major national and multinational clients.

Certification & Credit Ratings

- Rated **AAA** by **CRISL** for the second consecutive year. Valid until **July 28, 2026.** Details on **page no. 361**
- **ISO 9001: 2015. Details on page no. 199**

Leadership

- Led by **Mr. Md. Shamim Hossain,** CEO with 24 years of experience.
- Board includes prominent entrepreneurs and professionals. Details on **page No. 102**

Financial Performance

- Consistent positive results from underwriting and investments. Details on **page No. 368**
- Maintains strong corporate governance, ethics, CSR, and skilled management.

Reinsurance Strategy

- Works with **Sadharan Bima Corporation** and **international reinsurers.** Details on **page No. 382**
- Expanding with a customer-centric focus and market-driven solutions.



Accolades & Recognition

- Received awards from **ICAB, ICMAB, ICSB, and SAFA for Annual Reports (2021–2024).** Details on **Page No. 22**

Products & Services

- Comprehensive non-life insurance portfolio. Details on **page No. 40**
- Expanding with a customer-centric focus and market-driven solutions.

Business Networks

- Operates **41 branches** across divisional and district areas. Details on **page No. 45**

Claims Settlement

- Handles claims with professional care and efficiency.
- Settles claims quickly within regulatory frameworks.

Future Prospects

- Plans to expand products and enter new market segments.
- Aims to enhance accessibility and fulfill social responsibilities.

OUR OWNERSHIP STRUCTURE

Director & sponsor	Institute and All investors	Non-Resident Bangladeshi (NRB)	General public
36.06%	34.85%	0.01%	29.08%

CORPORATE INFORMATION

Chairman
Hossain Akhtar

Chief Executive Officer
Md. Shamim Hossain



Chief Financial Officer
Sheikh Azizul Haque

Company Secretary
Mohammed Ashaduzzaman Sarkar



CORPORATE & REGISTERED OFFICE

Baitul Hossain Building (3rd floor),
27, Dilkusha C/A, Dhaka-1000.
PABX: + 88 0222 3387296, 0222 3387281, 0222 3387278, 0222 3387247
Hotline: 01711695906
Fax: + 88 02 223357509
Cable: CITYINSUR
Email: info@cityinsurance.com.bd
www.cityinsurance.com.bd

GENERAL INFORMATION

Registered Name of the Company
City Insurance PLC.

Legal Form
A public limited company incorporated in Bangladesh on 18 March 1996 under the companies Act 1994.

Certificate of Incorporation
25 March 1996

02 July 2024 for City Insurance PLC.

Commencement of Business
25 March 1996

Company Registration Number
CR-4/96

Tax Identification Number (TIN)
215073452882/LTU, DHAKA

Business Identification Number (BIN)
000423256-0202

Authorized Capital
Tk. 2,000.00 Million

Paid-up Capital
Tk. 681.66 Million

Credit Rating
AAA by CRISL

Type of Organization
Non-life Insurance Company

Nature of Business
Fire, Marine, Motor, Miscellaneous insurance, etc.

Number of Shareholders
2,554 (As on 31 December 2025)

Number of Branches
41 (Forty-one) as on December 31, 2025

Number of Employees
345 (As on 31 December 2025)

Listed with Dhaka Stock Exchange PLC.
8 November 2007

Listed with Chittagong Stock Exchange PLC.
22 October 2008

Trade categories in both Exchanges
"A" Category



AUDITORS

Statutory Auditor

Islam Quazi Shafique & Co. Chartered Accountants
Gulfesha Plaza (10th floor), Unit # B & C,
8, Shahid Sangbadik Selina Parvin Road
Boro Mogbazar, Dhaka 1217.
Phone: +88 02 48312349, E-mai: qsi.esk@gmail.com

Compliance Professional (BSEC & IDRA)

M Nurul Alam FCS, CCEP-I
Chief Executive Officer
MNA Associates (ICSB Enrollment no.15)
Tropical Molla Tower (L-3), Sha-15/1-4 Pragati Sarani,
Middle Badda, Dhaka-1212.
Mob: +880 1880887760, Email: info@mnaassociates.org

Provident Fund and Gratuity Auditor

Mollah Quadir Yusuf & Co. Chartered Accountants
House # 63/F (3rd Floor), Dolphin Goli, Lake Circus,
Kalabagan, Dhanmondi
Dhaka-1205. Tel: +88-02-223310578 +88 017-31119595
Email: info@mqyca.com, mqy_ca@yahoo.com

Credit Rating Agency

Credit Rating Information and Services Ltd. (CRISL)
Nakshi Homes (1st, 4th & 5th Floor)
6/1/A Segun Bagicha, Dhaka-1000
Tel: 88-02-9530991-4, Fax: 88-02-9530995
E-mail: info@crislbd.com

ISO Certification

Eurosia ITC Services Limited
Haveily Center (4th Floor), KA -11/2/A, Jagannathpur
Bashundhara Road, Vatara, Dhaka – 1229.
Phone: +88 02 8413264 & +88 01743723141
Email: info@eurosiaitc.com



PRINCIPAL BANKERS

City Bank PLC
Islami Bank Bangladesh PLC
Pubali Bank PLC
Modhumoti Bank PLC
NRBC Bank PLC
National Bank PLC
Sonali Bank PLC



LEGAL ADVISORS

Sheikh & Chowdhury
Barristers & Advocates
Banglar Bani Bhaban (2nd Floor)
81, Motijheel C/A, Dhaka-1000.
Barrister Anwar Ahmed Chowdhury
Lords & Law Associates
24/1-1, Khiljee Road, Shyamoli, Dhaka-1207.
Istiuk Jewel LL.B, M.A. (Philosophy)
Advocate
Supreme Court of Bangladesh
Room No. 510, Ibrahim Mansion (4th Floor)
11, Purana Paltan, Dhaka-1000.

Tax Advisor

Mr. Mahbubur Rahman Azad
Ex. NBR Member & Tribunal President
Rupayan Tower (15th Floor), Kakrail, Dhaka.



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MEMBERSHIP

Bangladesh Insurance Association (BIA)
Bangladesh Insurance Academy
Bangladesh Association of Public Listed Company (BAPLC)
Dhaka Chamber of Commerce and Industry (DCCI)
Bangladesh Insurance Forum (BIF)
Dhaka Stock Exchange PLC (DSE)
Chittagong Stock Exchange PLC (CSE)
Central Depository Bangladesh Limited (CDBL)

CIPLC MILESTONES

Over the years

City Insurance is committed to promoting sustainable economic growth by providing innovative insurance services and products. Focused on meeting today's needs, the company aims to secure a better future for both its customers and the broader economy.

1996

- **25th March, 1996**
  Certificate of Commencement of Business
- **31st March, 1996**
  License Issued by the then Chief Controller of Insurance

2007 & 2008

- **11th July, 2007**
  Publication of Prospectus for IPO
- **19th August, 2007**
  Subscription Opened
- **23rd August, 2007**
  Subscription Closed
- **11th September 2007**
  Listed with CDBL
- **27th September, 2007**
  Lottery held for Allotment of Shares.
- **8th November, 2007**
  Listed with Dhaka Stock Exchange PLC.
- **12th November, 2007**
  Trading of shares in Dhaka Stock Exchange PLC.
- **12th November, 2007**
  Trading of shares in Chittagong Stock Exchange PLC.
- **22nd October, 2008**
  Listed with Chittagong Stock Exchange PLC

2011

- **16th January 2011**
  Face value & Market lot change of share
- **12th July, 2011**
  Rights Share Issued

2021

- **17 March 2021**
  Completion of 25 Years of Service
- **30 December 2021**
  Credit Rating Information and Services Ltd. (CRISL)
  Credit Rating : AA (Double A)

2022

- **1 July 2022**
  Implemented Paperless Office System first time in Insurance sector of Bangladesh
- **29 December 2022**
  Credit Rating Information and Services Ltd. (CRISL)
  Credit Rating : AA+ (Double A Plus)
- **25 September 2022**
  Received Insurance Asia Awards 2022 on Claims Initiative of the Year – Bangladesh
- **3 December 2022**
  Received 22nd ICAB National Award (2nd Runner-up) for Best Presented Annual Report 2021
- **17 December 2022**
  Received "BRONZE" Award in ICSB 9th Corporate Governance Excellence Award 2021
- **18 December 2022**
  Received Certificate of Merit for Best presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2021 from SAFA





2023

- **21 June 2023**
  Credit Rating Information and Services Ltd. (CRISL)
  Credit Rating : AA+ (Double A Plus)
- **14 October 2023**
  Received "GOLD" Award in ICSB 10th Corporate Governance Excellence Award 2022
- **30 October 2023**
  Received "GOLD" Award in 23rd ICAB National Award for Best Presented Annual Report 2022
- **22 December 2023**
  Received Silver Award for Best Presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2022 from SAFA

2024

- **30 June 2024**
  City Insurance signs MoU with City Bank PLC. to launch bancassurance
- **2 July 2024**
  Received the Certificate of Incorporation as City Insurance PLC. from RJSC
- **11 July 2024**
  Credit Rating Information and Services Ltd. (CRISL)
  Credit Rating : AAA (Triple A)
- **11 August 2024**
  Received the Final approval as City Insurance PLC. from IDRA
- **10 September 2024**
  Received "Bronze" Award at the 24th ICAB National Award for Best Presented Annual Report 2023
- **5 October 2024**
  Received "GOLD" Award at the ICSB 11th Corporate Governance Excellence Award 2023
- **14 November 2024**
  Received the "Silver" Award at the ICMAB Best Corporate Award 2023

2025

- **29 July 2025**
  Credit Rating Information and Services Ltd. (CRISL)
  Credit Rating : AAA (Triple A)
- **15 December 2025**
  Received "GOLD" Award at the ICSB 12th Corporate Governance Excellence Award 2024
- **17 December 2025**
  Received the "Bronze" Award at the ICMAB Best Corporate Award 2024
- **29 December 2025**
  Obtained ISO 9001:2015 Certification

OUR DIVERSIFIED **PRODUCTS & SERVICES**

GRI 2-6



Fire Insurance

- Fire and Allied Perils Insurance
- Industrial All Risk Insurance (IAR)
- Property All Risk Insurance

Marine Insurance

- Marine Cargo Insurance
- Marine Hull Insurance
- Marine Inland Insurance

Motor Insurance

- Private Vehicle Insurance
- Commercial Vehicle Insurance
- Motor Liability Insurance

Engineering Insurance

- Contractor's All Risk Insurance (CAR)
- Erection All Risk Insurance (EAR)
- Boiler & Pressure Vessel Insurance (BPV)
- Machinery Breakdown Insurance (MBD)
- Deterioration of Stock Insurance (DOS)
- Contractor's Plant & Machinery Insurance (CPM)
- Electrical Equipments Insurance (EEI)
- Power Plant Operational Package Insurance
- Machinery Insurance (Machinery Breakdown)
- Hotel Owners All Risk (HOAR)

Miscellaneous Insurance

Financial Category

- Money Insurance
- Cash in Transit Insurance
- Cash in Safe Insurance
- Cash on Counter Insurance
- ATM Booth Insurance
- Bank Lockers Insurance
- Fidelity Guarantee Insurance
- Bankers Blanket Bond (BBB)

Accidental/Health Category

- Workmen's Compensation Insurance
- Peoples Personal Accident Insurance
- Personal Accident Insurance
- Overseas Mediclaim Insurance
- Sorbojonin Surokha Bima

Liability Category

- Product Liability
- Public Liability
- Employers Liability
- Professional Liability
- Directors and Officer's Liability
- Commercial General Liability
- Cyber Insurance
- Commercial Crime Insurance

General Category

- All Risk Insurance
- Burglary and House Breaking
- Agriculture Insurance
- Crop Insurance
- Plate Glass Insurance

BANCASSURANCE

City Insurance PLC has signed Bancassurance agreement with Eastern Bank PLC and the same has approved by the Insurance Development and Regulatory Authority (IDRA).



City Insurance PLC launched Bancassurance with City Bank PLC after receiving final approval from both Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA). We are now fully operational.



BANCASSURANCE MoU SIGNING BETWEEN CITY BANK PLC AND CITY GENERAL INSURANCE COMPANY LIMITED

HOW WE PROTECT OUR **POLICYHOLDERS THROUGH INSURANCE**

GRI 2-6

Protecting What Matters, Every Step of the Way

At City Insurance PLC, protecting our policyholders is our priority. Our non-life insurance products provide financial security against life's uncertainties, covering personal property, liabilities, and other risks to ensure peace of mind. Here's how we achieve that:

PROTECTING OUR POLICYHOLDERS

At City Insurance, safeguarding our policyholders is our priority. Our comprehensive non-life insurance products provide financial security against life's uncertainties, covering personal property, liabilities, and other risks.

COMPREHENSIVE COVERAGE

We offer a wide range of policies tailored to individual and business needs, protecting against accidents, natural disasters, and unforeseen damages.



QUICK CLAIMS PROCESSING

Our claims process is fast, transparent, and supported by expert teams, ensuring policyholders receive timely assistance through both digital and in-person channels.

PROACTIVE RISK MITIGATION

We help clients identify and minimize risks before they become claims, offering practical guidance to reduce exposure and potentially lower premiums.



FINANCIAL STABILITY

With strong capital reserves and high ratings from independent agencies, we ensure claims are paid promptly, giving policyholders confidence in our reliability.

PERSONALIZED SERVICE

Each policy is customized, with regular reviews to match changing needs, ensuring the right coverage at every stage.



TRANSPARENCY AND FAIRNESS

Our policies are clear and straightforward, avoiding hidden fees or jargon, so policyholders always know what is covered.

OUTLOOK OF CITY INSURANCE PLC 2026

City Insurance PLC remains steadfast in its vision for sustainable progress and customer-centered growth. The 2026 outlook reflects our continued commitment to innovation, efficiency, and integrity in every aspect of business. With a sharper focus on digital transformation, bancassurance expansion, and product diversification, we aim to deliver greater value to our policyholders and stakeholders alike. Strengthening governance, empowering employees, and promoting responsible investment remain key priorities as we adapt to emerging risks and evolving market needs. Through these initiatives, City Insurance seeks not only to enhance its competitive position but also to contribute meaningfully to Bangladesh's economic resilience and financial inclusion.

Accelerated Business Growth

City Insurance aims to strengthen its market position through steady premium growth, efficient operations, and increased market share across key segments.

Deeper Bancassurance Integration

The company will expand its bancassurance partnerships with major banks, enhancing accessibility and boosting new policy sales.

Digital Ecosystem Expansion

A stronger focus will be placed on end-to-end digitalization — from policy issuance to claims — ensuring faster, smarter, and more transparent service delivery.

Introduction of Innovative Products

New insurance solutions tailored to emerging risks, such as cyber, health, and climate-related coverage, will be launched to address modern market demands.

Customer Experience Excellence

Improving turnaround time, digital communication, and personalized service will remain central to earning customer loyalty and trust.

Strengthened Risk and Compliance Framework

The company will reinforce its internal controls, governance practices, and compliance culture to align with evolving regulatory standards.

Employee Empowerment and Training

Ongoing professional development programs will help employees adapt to new technologies and deliver superior client service.

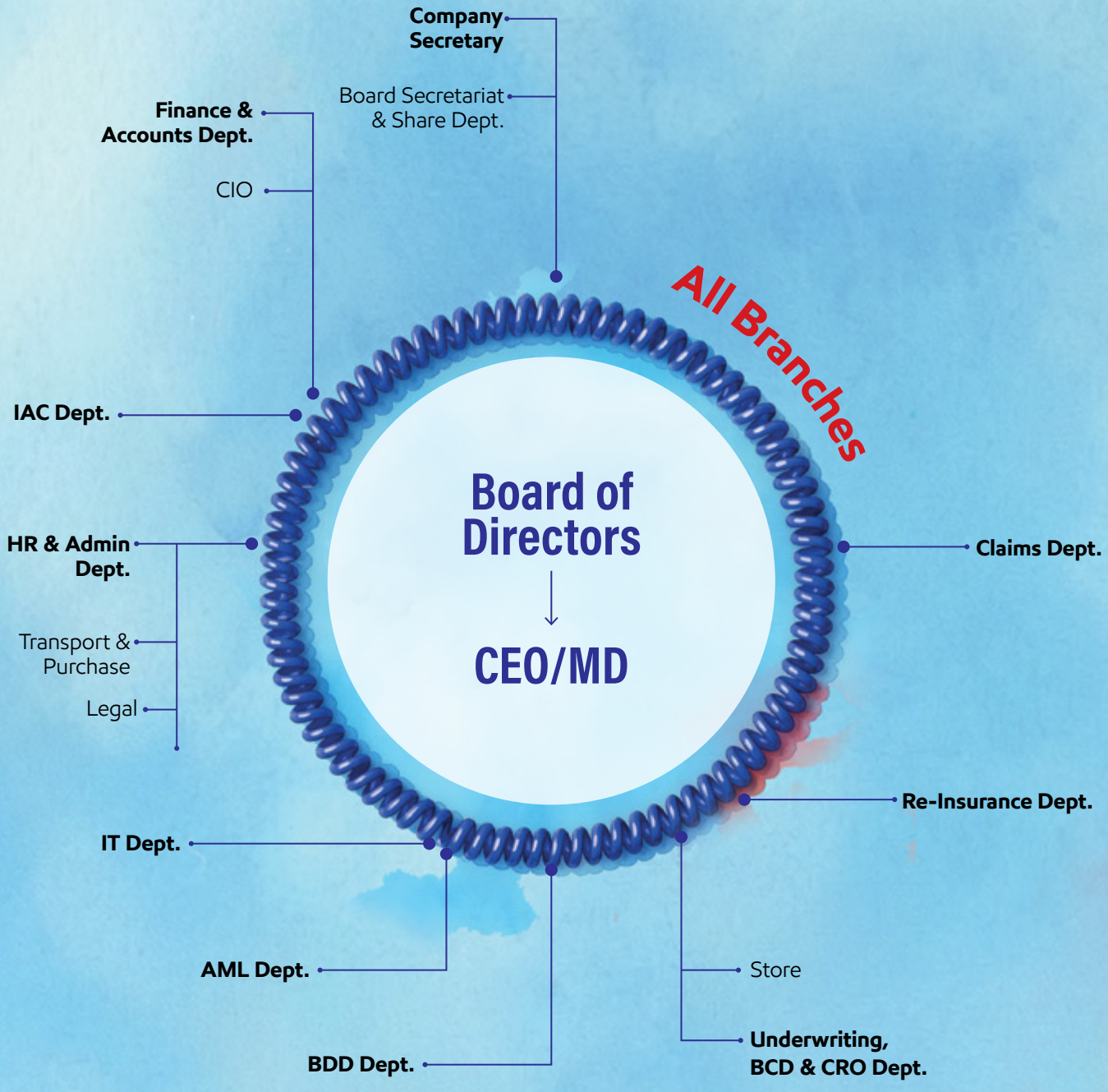
Sustainable and Responsible Investment

City Insurance plans to align its investment strategy with ESG (Environmental, Social, and Governance) principles to promote responsible growth.

Contribution to National Financial Inclusion

By expanding insurance awareness and accessibility, the company will support Bangladesh's broader goal of inclusive and resilient economic development.

CORPORATE ORGANOGRAM



OUR GEOGRAPHICAL **FOOTPRINT**

GRI 2-1

Protecting What Matters, Every Step of the Way

HEAD OFFICE:
Baitul Hossain Building (4th floor),
27, Dilkusha C/A, Dhaka-1000.
PABX: + 88 0222 3387296, 0222 3387281, 0222 3387278, 0222 3387247 Hotline: 01711695906
Fax: + 88 02 223357509 Cable: CITYINSUR



DHAKA DIVISION

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Local Office Baitul Hossain Building (3rd Floor) 27, Dilkusha C/A, Dhaka-1000.	Office # 02223390772 & 02223384072 Mobile # 01329739018 Email: local@cityinsurance.com.bd
B. B. Avenue Branch Lily Pond Center, Suit # 16E (16th Floor) 3, R.K. Mission Road, Dhaka-1203.	Office # 41051812 Mobile # 01332809934 Email: bbave@cityinsurance.com.bd
Dilkusha Branch 44, Dilkusha C/A, (7th floor), Dhaka-1000.	Office # 02223384652 Mobile # '01332809917 Email: dilkusha@cityinsurance.com.bd
Elephant Road Branch Baitul Hossain Bldg. (3rd Floor) 27, Dilkusha C/A, Dhaka-1000.	Office # 0222 3387296 Mobile # 01332809903 Email: elephantroad@cityinsurance.com.bd
English Road Branch 9, North South Road, Bangshal, Dhaka-1000.	Office # 41053522 Mobile # 01332809918 Email: englishroad@cityinsurance.com.bd
Gulshan Branch TA – 118/3, Middle Badda, Dhaka-1212	Office # 48812114 Mobile # 01332809905 Email: gulshan@cityinsurance.com.bd
Imamgonj Branch 31-33, Ray Issor Chandro Shil Bahadur Street (5th Floor), Imamgonj, Dhaka.	Office # 57318671 Mobile # 01332809901 Email: imamgonj@cityinsurance.com.bd
Islampur Branch 101, Mala Corporation, Islampur Road (2nd Floor), Dhaka-1100.	Office # 57392738 Mobile # 01332809919 Email: islampur@cityinsurance.com.bd
Kawran Bazar Branch Hasney Tower (4th Floor), 3/A, Kawran Bazar C/A, Dhaka.	Office # 55013478, 55013476 Fax # 58155980 Mobile # 01329739017 Email: kawranbazar@cityinsurance.com.bd
VIP Road Branch 169, Shahid Nazrul Islam Sarani, Palton, Dhaka.	Office # 41052790 Mobile # 01332809926 Email: vip.br@cityinsurance.com.bd
Motijheel Branch 1/B, DIT Avenue, Motijheel C/A, Dhaka-1000.	Office # 9515806, 9515829 Mobile # 01332809912 Email: motijheel@cityinsurance.com.bd
Shyamoli Branch 14, PC Culture Bhaban (4th Floor) Shyamoli, Dhaka.	Office # 48118969 Mobile # 01332809904 Email: shyamoli@cityinsurance.com.bd

Uttara Branch House # 41, Road # 2, Sector # 3, AB Super Market, Uttara, Dhaka.	Office # 48962162 & 4896211 Mobile # 01332809907 Email: uttara@cityinsurance.com.bd
Board Bazar Branch 1212/A, Meherjan Plaza, 3rd Floor of Agrani Bank, Board Bazar, Gazipur.	Mobile # 01332809908 Email: boardbazar@cityinsurance.com.bd
Mawna Branch Shahidullah Complex-2 Mymensingh Road, Mawna Chowrasta, Sreepur, Gazipur.	Mobile # 01332809909 Email: mawna@cityinsurance.com.bd
Manikganj Branch Bhumi Office Lane, Manikganj Bazar, Manikganj.	Office # 996610993 Mobile #01332809910 Email: manikgonj@cityinsurance.com.bd
Faridpur Branch Holding No- 7/6/1,Word No-10, Community Area- South Alipur, PS - Kotwali , Faridpur	Mobile # 01332809937 Email: faridpur@cityinsurance.com.bd
Narsingdi Branch 2/E, C&B Road, Narsingdi.	Office # 02224453064 Mobile # 01332809916 Email: narsingdi@cityinsurance.com.bd
Tangail Branch Main Road, Tangail	Office # 02997752159 Mobile # 01332809924 Email: tangail@cityinsurance.com.bd



CHATTOGRAM DIVISION

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Agrabad Branch Manzoor Building (1st floor) 67, Agrabad C/A, Chattogram.	Office # 02333315418, 02333315446 Mobile # 01332809911 Email: agrabad@cityinsurance.com.bd
O.R. Nizam Road Branch City General Insurance Company Ltd. Golden Plaza (4th Floor) 1692, C.D.A Avenue, East Nasirabad, Chattogram.	Office # 0233-4451239, 0233-4455197 Mobile # 01332809913 Email: ornizam@cityinsurance.com.bd
Bahaddarhat Branch Siraj Building (2nd Floor), 671/D, Sholakbahar, CDA Avenue, Bahaddarhat, Chattogram.	Office # 031-656770 Mobile # 01332809914 Email: baddarhat@cityinsurance.com.bd
Cumilla Branch 257/240, Haji Mansion, Monohorpur, Cumilla–3500.	Office # 02334405893 Mobile # 01332809915 Email: comilla@cityinsurance.com.bd



SYLHET DIVISION

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Sylhet Branch Purbani Shopping Complex (2nd floor) Room # 11 & 12, East Zindabazar, Sylhet.	Office # 02996635696 Mobile #01332809921 Email: sylhet@cityinsurance.com.bd
Sunamganj Branch Mobarak Bhaban (1st floor) G. S. Road, Sunamganj.	Office # 02996600229 Mobile # 01332809920 Email: sunamgonj@cityinsurance.com.bd



MYMENSINGH DIVISION

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Mymensingh Branch 64, Baro Bazar, Mymensingh.	Office #02996635696 Mobile # 01332809921 Email: mymensingh@cityinsurance.com.bd
Sherpur Branch Khairampur Moor Al-Amin Jewelers (2nd Floor) Munshi Bazar, Sherpur.	Mobile # 01332809923 Email: sherpur@cityinsurance.com.bd



BARISHAL DIVISION

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Barishal Branch 47/47, Sadar Road (3rd floor), Barishal.	Office # 02478865377 Mobile #01332809940 Email: barishal@cityinsurance.com.bd



RANGPUR DIVISION

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Rangpur Branch Uthsorgha Bhaban (2nd Floor) Station Road, Rangpur.	Office # 02589967737 Mobile# 01332809929 Email: rangpur@cityinsurance.com.bd
Saidpur Branch Rice Market (Molla Road), Saidpur, Nilphamari.	Office # 02589957747 Mobile # 01332809931 Email: saidpur@cityinsurance.com.bd
Dinajpur Branch Masjid Market, Chowk Bazar, Dinajpur.	Office # 0258-9923585 Mobile # 01718-836289 Email: dinajpur@cityinsurance.com.bd



KHULNA DIVISION

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Khulna Branch Nizam Chamber, 7, Old Jashore Road, Khulna.	Office # 477726632 Mobile # 01332809938 Email: khulna@cityinsurance.com.bd
Kushtia Branch Lovely Tower (5th floor), 55, N. S. Road, Kushtia.	Office # 071-73656 Mobile # 01332809933 Email: kushtia@cityinsurance.com.bd
Benapole Branch Rahman Chamber (3rd Floor), Benapole Bazar, Benapole, Jashore.	Mobile # 01332809936 Email: benapole@cityinsurance.com.bd
Jashore Branch 125,M.K.Road- 1No Hatkhola Road,Jashore	Office # 02477760153 Mobile # 01332809935 Email: jessore@cityinsurance.com.bd
Satkhira Branch Allahr Dan Market, 2nd floor of Pubali Bank, Satkhira.	Office # 477741444 Mobile # 01332809939 Email: satkhira@cityinsurance.com.bd



RAJSHAHI DIVISION

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Rajshahi Branch House No – 34,(old),Kumarpara,Road No-Old Nator Road,PS- Goramara,6100,Thana- Boalia, Rajshahi City Corporation.	Office # 02588853091 Mobile # 01332809932 Email: rajshahi@cityinsurance.com.bd
Bogura Branch Siraj Market, Boro Gollar Mor Raja Bazar Road, Bogura.	Office # 02589905631 Mobile # 01332809927 Email: bogra@cityinsurance.com.bd
Ishwardi Branch HMK Building (2nd Floor) Station Road Ishwardi Bazar, Pabna.	Office # 02588846462 Mobile # 01332809928 Email: iswardi@cityinsurance.com.bd
Naogaon Branch Rupali Market, Hotel Potti (Sonar Potti), Naogaon.	Office # 02588882698 Mobile # 01783-646133 Email: naogaon@cityinsurance.com.bd
Pabna Branch Muktijodha Super Market Complex (2nd floor) Abdul Hamid Road, Pabna.	Office # 02588844312 Mobile # 01332809925 Email: pabna@cityinsurance.com.bd

MATERIALITY

GRI 3-2 & 3

Material issues include both the opportunities and risks that can influence our ability to create value. We identify them by considering stakeholder expectations alongside the economic, social, environmental, and governance context in which we operate. Each topic is then prioritized based on its importance to both management and stakeholders. In our integrated reporting, an issue is treated as material if it can meaningfully impact City Insurance's capacity to create value over the short, medium, or long term.

Materiality Determination Process of City Insurance Plc

In our bid to prioritize key issues, we regularly undertake a materiality evaluation to acquire insight into each of the significant concerns that might impact our value generation. In addition, it allows us to comprehend the significance of these challenges to each of our stakeholder groups so as to enhance our strategic planning and decision-making. The Materiality Determination Process of the company is outlined below:



Identification of Materiality

This stage focuses on scanning all potential factors that could influence CIPLC's ability to create value over the short, medium, and long term. The review draws on internal data, industry trends, stakeholder input, regulatory requirements, and analytical insights. The issues identified may span financial, environmental, social, and governance areas



Prioritize Materiality

Not every issue carries the same weight. At this stage, each one is evaluated for its potential impact on CIPLC's ability to create value. The assessment considers factors such as scale, likelihood, and the level of stakeholder concern. A materiality matrix is then used to map these issues and show their relative importance.



Disclose Materiality

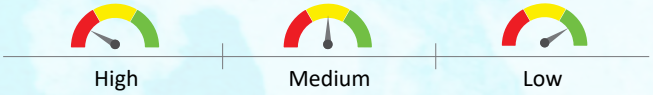
Only the issues that rank as truly material are carried through to CIPLC's integrated report. The disclosures are kept clear and useful, giving stakeholders a solid view of what matters and how these issues affect the company. Both quantitative and qualitative insights are included, depending on what best explains each material topic.



Review Materiality

The materiality process isn't fixed. It needs ongoing review to keep pace with shifts in CIPLC's operations, the broader environment, and what stakeholders expect. How often these reviews happen depends on how fast the industry is moving and whether any major events have taken place.

MATERIAL MATTERS OF **CITY INSURANCE PLC**

Level of materiality: 

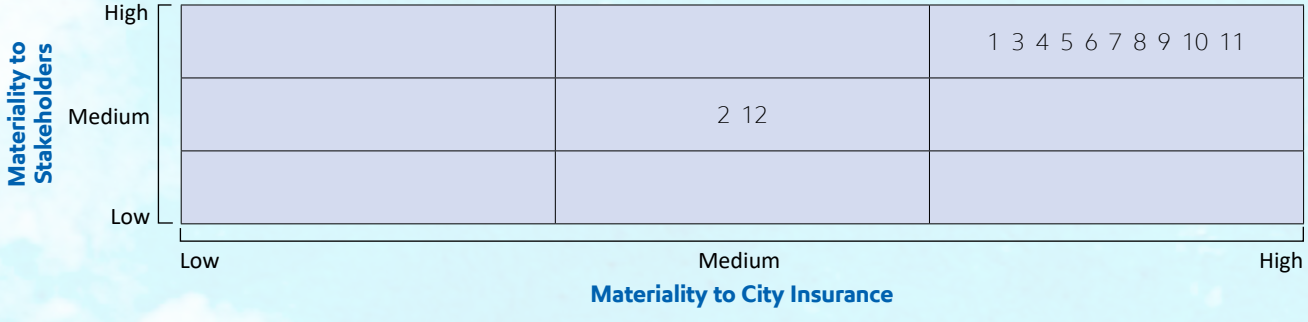
No.	Material Topic	Level of materiality 2025		Change in materiality (2025) (INC/DEC/NC)	
		To CIPLC	To Stakeholders	To CIPLC	To Stakeholders
1	Financial Stability & Profitability	High	High	NC	NC
2	Geographical Expansion	Medium	High	INC	NC
3	Corporate Governance	High	High	INC	NC
4	Employment	High	High	NC	NC
5	Retention, training and development	High	High	NC	NC
6	Customer Privacy	High	High	NC	NC
7	Diversity, Equal Opportunity & Non-Discrimination	High	High	INC	NC
8	Reinsurance Partners	High	High	NC	NC
9	Risk Management	High	High	NC	NC
10	Corporate Citizenship	High	High	INC	INC
11	Socio economic Compliance	High	High	INC	INC
12	Digital Transformation	Medium	Medium	INC	NC

GRI 3-2 & 3

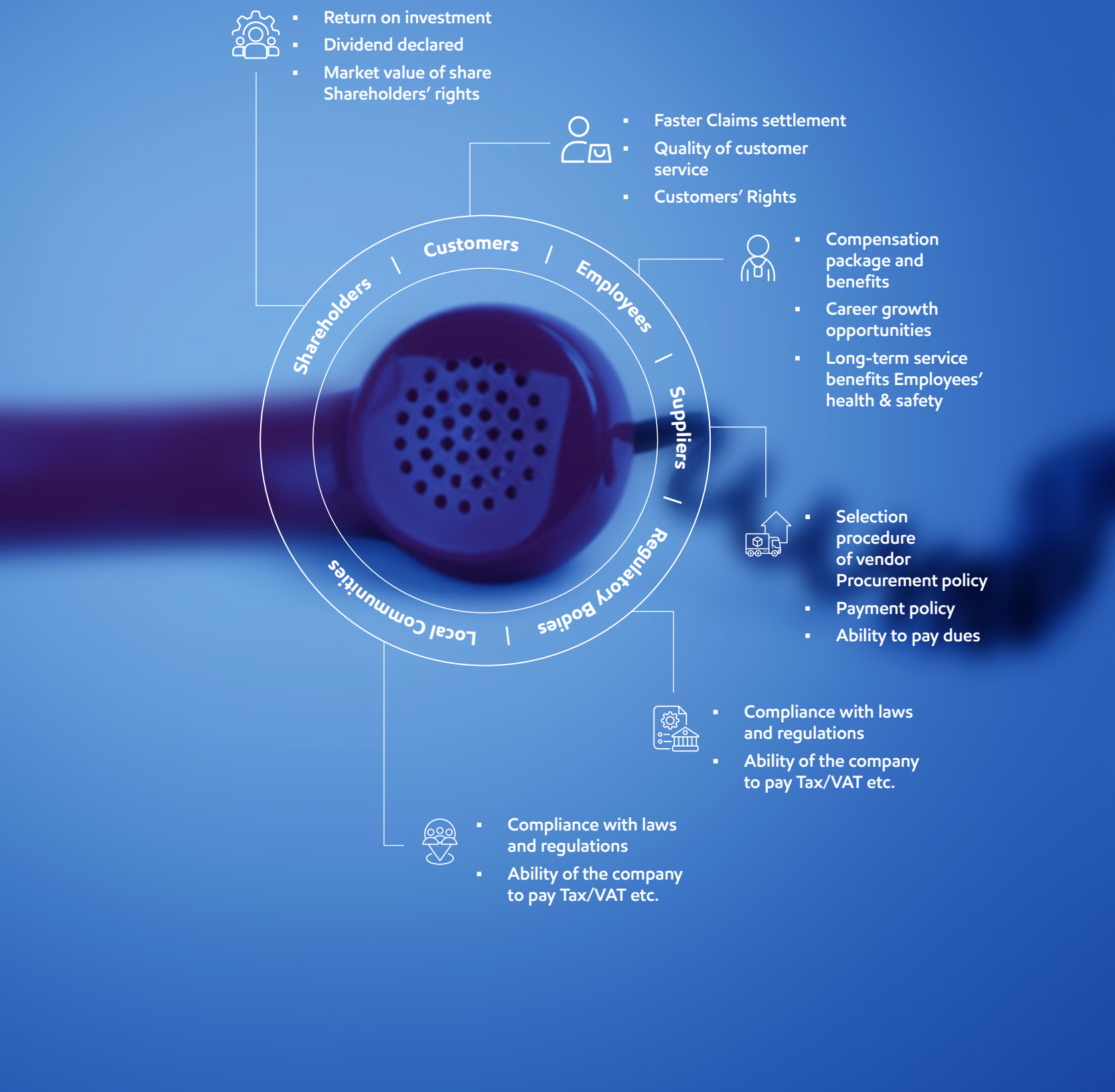
NC - Not Changed **INC** - Increased **DC** - Decreased

Relevant SDG Management of Material Topic	Link to the capital	Relevant stakeholders	Strategic pillar	Management of Material Topic
	Financial	All stakeholders	Financial Governance	Driving Growth Through Smart Financial Management **Refer page 63-64**
	Manufactured	Customers, Investors, Employees, Local Communities, Suppliers & Business Partners	Leveraging on Bancassurance	Investing in our operational activities **Refer page 76-78**
	--	All stakeholders	--	Corporate Governance **Refer page 219-349**
	Human	Employees	People First	Our People: The Core of Our Success **Refer page 65-75**
	Human	Employees	People First	Our People: The Core of Our Success **Refer page 65-75**
	Social and Relationship	Customers	--	Creating Shared Value: Strong Relationships, Sustainable Growth **Refer page 82-84**
	Human	Employees	People First	Our People: The Core of Our Success **Refer page 65-75**
	Social and Relationship	Suppliers & Business Partners	Value Accretive Product Proposition	Creating Shared Value: Strong Relationships, Sustainable Growth **Refer page 82-84**
	--	All stakeholders	Financial Governance	Risk Management Report **Refer page 271-279**
	Social and Relationship	All stakeholders	--	Creating Shared Value: Strong Relationships, Sustainable Growth **Refer page 82-84**
	Social and Relationship	All stakeholders	--	Creating Shared Value: Strong Relationships, Sustainable Growth **Refer page 82-84**
	Social and Relationship	Employees, Customer, Regulatory Bodies	--	Creating Shared Value: Strong Relationships, Sustainable Growth **Refer page 82-84**

MATERIALITY MATRIX



MATERIALITY IN RESPECT OF **DISCLOSURE TO STAKEHOLDERS**



- Return on investment
- Dividend declared
- Market value of share Shareholders' rights

- Faster Claims settlement
- Quality of customer service
- Customers' Rights

- Compensation package and benefits
- Career growth opportunities
- Long-term service benefits Employees' health & safety

- Selection procedure of vendor Procurement policy
- Payment policy
- Ability to pay dues

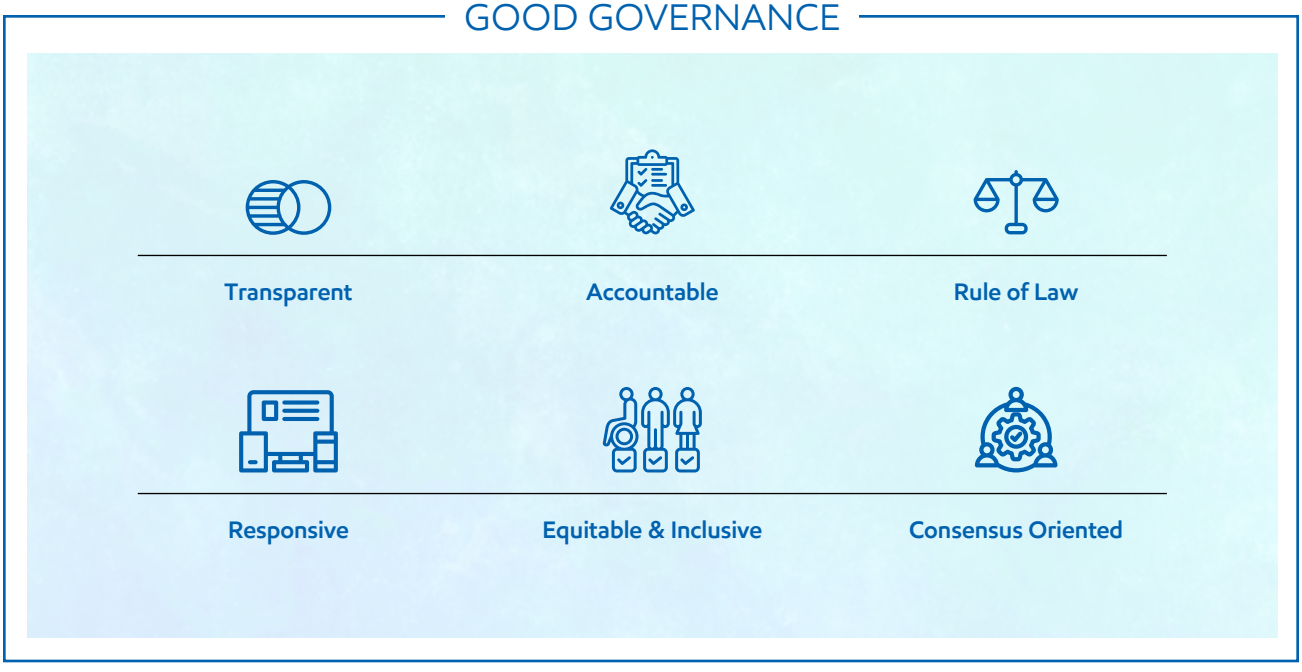
- Compliance with laws and regulations
- Ability of the company to pay Tax/VAT etc.

- Compliance with laws and regulations
- Ability of the company to pay Tax/VAT etc.

GOVERNANCE

Corporate Governance defines the relationships between management, the Board, shareholders, and stakeholders, establishing a framework to set, achieve, and monitor objectives. City Insurance maintains high governance standards, ensuring stakeholder engagement, strategic alignment, effective risk management, and operational excellence, while adhering to IDRA, DSE, CSE, and BSEC Corporate Governance Code requirements.

Corporate Governance Framework



City insurance's leadership structure including the skills and diversity of those charged with governance and whether regulatory requirements influence the design of the governance structure.

The Board of Directors is responsible for designing and implementing governance mechanisms that drive the company towards growth. They play a crucial role in shaping the governance structures and practices by choosing effective strategies and providing leadership. The Board is also responsible for selecting and appointing members of sub-committees. To safeguard against any unforeseen events that may weaken the company's brand value, the risk management and overall support functions of the company have been designed and kept fully independent of the ordinary course of business.

City Insurance complies with relevant guidelines and regulations set forth by the Insurance Development & Regulatory Authority (IDRA) circulars, the Companies Act 1994 (amended up to 2020), Insurance Act 1958 (amended up to 2010), Bangladesh Securities and Exchange Commission (BSEC) notifications, and the Memorandum & Articles of Association of the company. These regulatory requirements play a significant role in shaping the company's governance structure.

Our Board of Directors comprises a diverse group of individuals with extensive experience and knowledge in various fields.

Details available at:

Our Board Profile	Our Management	Governance Report
Page no. 102-109	Page no. 112-119	Page no. 228-297

Mandatory and voluntary code of corporate governance adopted by the company

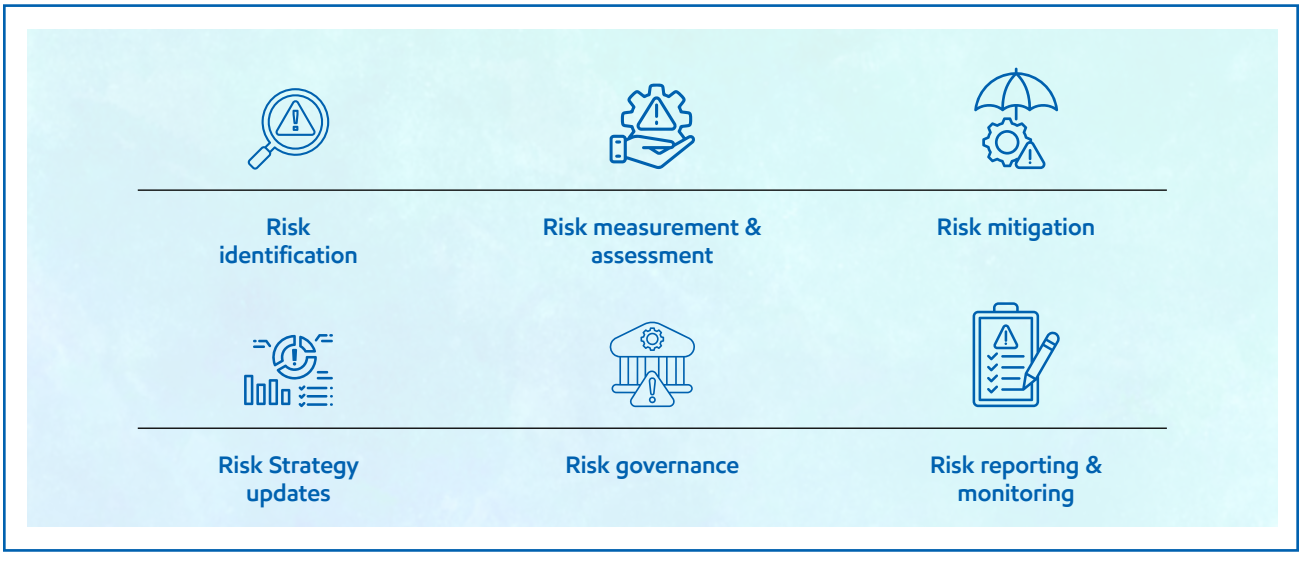
City Insurance always makes its best efforts to comply with corporate governance practices in accordance with all aspects of the Corporate Governance Code BSEC/ CMRRCD/2006-158/207/ Admin/80, dated June 3, 2018 (as amended up-to-date), Insurer's Corporate Governance Code 2023 by Insurance Development & Regulatory Authority (IDRA) dated October 19, 2023, the provisions of the Insurance Act 1958 (amended up to 2010), the Companies Act 1994 (as amended up-to-date), and the Directives, Notifications of BSEC, DSE and CSE, as well as all aspects by Insurance Development & Regulatory Authority (IDRA) Circulars.

Code of ethical conduct adopted by the company in relation to ethical business

The Board of Directors is committed to upholding high ethical standards and ensuring compliance among all employees of the company. They consistently encourage the management team to ensure that every employee adheres to the company's ethics and integrity policies, providing necessary guidance. To recognize employees who embody these values, the company has introduced the Integrity Awards.

Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues:

To support long-term value creation, the Board of City Insurance PLC, acting through its Risk Management Committee, exercises active oversight of the Company's risk management activities. The Committee is responsible for reviewing and approving the risk strategy and risk management policy, and for ensuring the effectiveness of the overall risk management system. The Risk Management Framework is built on the following key pillars:



City Insurance PLC values maintaining strong, interactive relationships with stakeholders. Our proactive stakeholder redressal policy ensures grievances and complaints are handled fairly and effectively. Those overseeing governance focus on monitoring the organization's strategic direction and risk management approach. We believe that effective risk management goes beyond regulatory requirements, and CIPLC has established its own comprehensive risk management framework to address and manage risks effectively across the organization.

CIPLC HAS THREE LEVELS OF STRUCTURE REGARDING MANAGEMENT RISK.



Board of Directors
(Governance Level)

- The highest authority for risk oversight, responsible for defining the organization's overall risk appetite, policies, and governance framework.
- Approves the risk management strategy and ensures that the risk management process aligns with the company's long-term goals.
- Provides oversight and guidance to senior management, ensuring that risks are effectively monitored and managed.



Executive Management
(Strategic Level)

- Translates the Board's risk policies into actionable strategies and ensures that risk management is integrated into the organization's operations.
- Responsible for identifying key risks, implementing risk management processes, and allocating resources to mitigate risks across business units.
- Regularly reports to the Board on risk performance and emerging threats or opportunities.



Operational Management
(Tactical/ Operational Level)

- Manages day-to-day risk identification, assessment, and mitigation within specific business units or functions.
- Implements risk management procedures, monitors risks, and ensures compliance with risk management policies set by higher levels.
- Provides regular updates to executive management on operational risks and supports the resolution of specific risk issues.

Actions of those charged with governance have taken to influence and monitor the strategic direction of the company and approach to risk management

The company's strategy details the long-term and, in some cases, short-term goals and objectives, as well as how progress towards their achievement is measured. The Board of Directors sets the strategies, and senior management is responsible for implementing them and communicating them throughout the company.

Risk appetite is defined as the amount and type of risk that the company is able and willing to accept in pursuit of its strategic and business objectives. City Insurance sets its risk appetite, including tolerance and limit, every year to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital, and risk.

The organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders

City Insurance prioritizes clear, transparent, and consistent communication with its stakeholders so they can understand the company's performance and overall position. We remain committed to sharing relevant and material information in a timely, high-quality manner. A detailed discussion of each capital is provided on **page no. 62**

Governance practices of City Insurance

Details on City Insurance's governance practices, including the key policies implemented within the applicable legal framework, are provided on **page no. 230**

The responsibility those charged with governance take for promoting and enabling innovation

City Insurance has established a well-defined and structured Corporate Governance framework to support the Board's aim of achieving long-term and sustainable value. To maintain leading governance practices in the highly regulated industry in which the company operates, the Board Committees assist the Board in fulfilling its governance role effectively by promoting and enabling innovation for the long-term sustainability of the company's businesses.

The detailed explanations are given in the following segments:

- Statements of Directors' responsibility to establish appropriate System of Internal Control **Page no. 268**
- Statement of Directors on Adequacy of the System of Internal Control **Page no. 268**
- CEO and CFO's Declaration to the Board **Page no. 308**

Remuneration and incentives linked to short, medium and long term value creation as well as company's use of and effects on the capitals

City Insurance follows a pay-for-performance philosophy grounded in prudent risk management and ethical conduct. The Board, through the Nomination and Remuneration Committee (NRC), ensures that remuneration supports the attraction and retention of capable talent, aligns management interests with those of shareholders and stakeholders, and promotes sustainable value creation by balancing financial and non-financial performance.

Remuneration Structure and Performance Linkage

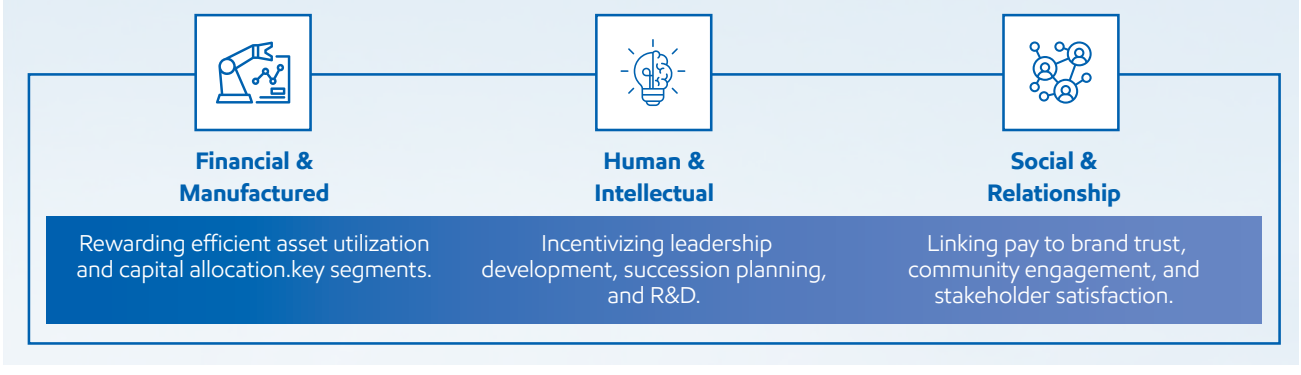
Component	Nature	Link to Strategy & Performance
Fixed Pay	Base Salary & Benefits	Reflects the role's complexity, market competitiveness, and the individual's **Human Capital** (skills/experience). It provides financial stability and discourages excessive risk-taking.
Short-Term Incentives (STI)	Annual Performance Bonus	Tied to annual KPIs including **Financial Capital** (Profitability, ROE) and **Social Capital** (Customer Satisfaction, Compliance). Targets are set to drive immediate operational excellence.
Long-Term Incentives (LTI)	Deferred Awards / Performance Units	Linked to 3-5 year strategic goals such as Intellectual Capital (Innovation, Digital Transformation) and Natural Capital (Sustainability targets). This ensures focus on medium-to-long term stability.

Performance Measures and Risk Alignment

Incentive outcomes are assessed on a risk-adjusted basis using a balanced scorecard. Measures include financial performance, operational efficiency, sustainability and ESG indicators, people-related outcomes, and adherence to governance and ethical standards. This approach ensures rewards reflect sustainable performance rather than short-term results.

Impact on Key Capitals

Our remuneration framework acknowledges that value creation is multi-dimensional. We reward executives for the stewardship of all six capitals:



Governance, Transparency, and Accountability

The NRC, comprising Non-Executive Directors, oversees the design, review, and implementation of the remuneration policy. The Board approves the framework and ensures compliance with applicable regulations. Director fees and executive remuneration are disclosed in accordance with the Companies Act 1994 and BSEC guidelines, supporting transparency, accountability, and long-term sustainability.

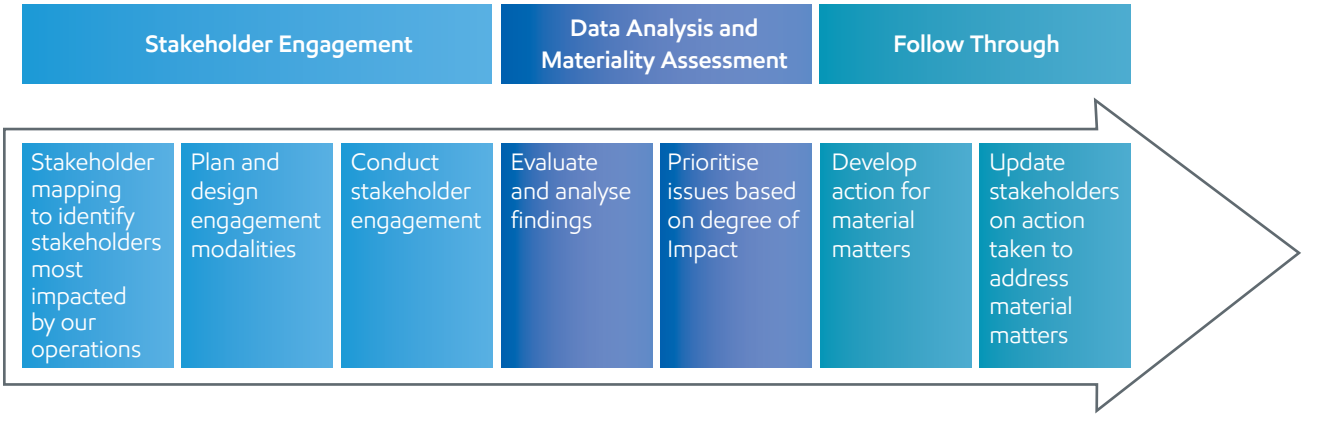
STAKEHOLDER IDENTIFICATION/ **RELATIONSHIPS**

GRI 2-29

Strong relationships with our stakeholders have always supported our position in Bangladesh's insurance sector. We take their material concerns seriously and stay proactive in understanding what matters to them. This approach helps us create value, respond to a fast-changing environment, and navigate challenges with consistency over the year.

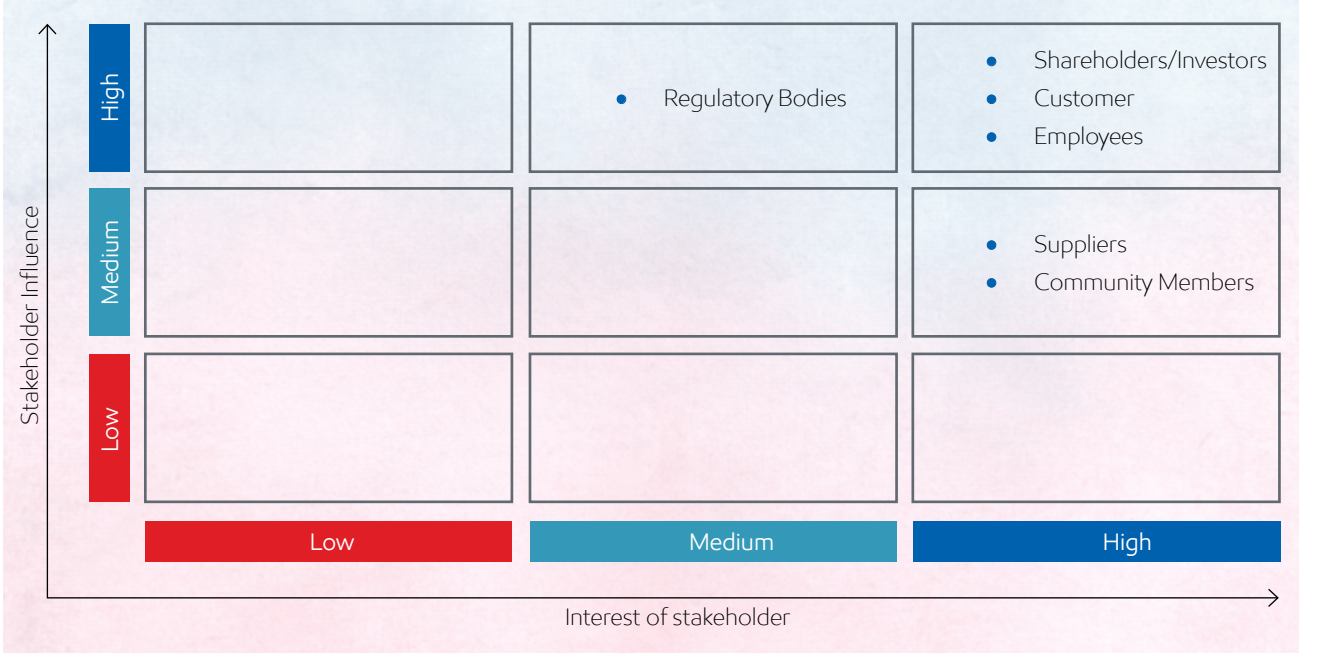
Stakeholder Engagement Process

We follow a structured seven-step engagement process that keeps our work transparent, accountable, and consistent from start to finish. As communication needs evolve, we regularly review and refine our methods to strengthen our connection with stakeholders.



Stakeholder Mapping

We begin by mapping stakeholders based on how our activities influence them. This assessment guides the depth of engagement and the methods we use, allowing us to tailor our approach to the needs and expectations of each stakeholder group.



STAKEHOLDERS' ENGAGEMENT

Below are the key stakeholder engagement channels, the issues they raised, and how we responded during 2025

Stakeholder Group	Engagement Mechanism	Key Issues/Material Matters of Stakeholders	Our Strategic Response
Customers	Our customers/ policyholders are core to our business. Being customer-centric means being responsive to their needs and expectations, delivering timely and sensitive claims settlement and improving the overall customer experience.	• Predictable claims settlement • Competitive pricing • Simplicity of clauses and T&Cs • Customers' Queries, Complaints and Suggestions • Faster Claims settlement	• Efficient execution leading to proper risk pricing • Maintained constructive and transparent engagements, understanding customer needs and meeting their expectations • Worked with customers on incorporating expectations into our product planning • Improved customer experience and offerings with enhanced digital applications
Employees	We value our employees as our greatest asset. Through a culture of well-being, open communication, and engagement, we empower them to drive performance and ensure ongoing success.	• Career progression • Recreation activities • Corporate communications • Performance appraisals • Training programs • Grievance redress • Employment safety • Employee well-being • Work-life Balance	• Fair remuneration on par with industry standards and market expectations • Employee engagement activities • Robust HR governance • Safe workplace and conducting awareness sessions • Opportunities for career growth • Whistleblower process • Programs to encourage DE&I
Community Members	By engaging regularly with our community partners, we collaboratively develop, implement, and evaluate impactful interventions and ensure effective resource allocation to maximize our positive impact	• CSR projects • Press releases • Public events • Community forums • Corporate website and social media	• Creating new job opportunities • Flagship CSR initiative • Adherence to ethical and business standards • Energy saving programs and proper waste management to encourage

GRI 2-7

Value Created	Relevant Capital	Relevant SDG	Impact on Stakeholders
Total Number of Customers: **36,800+** New Customers onboarded: **2,330** No. of Branches: **41** Claims settlement ratio: **57%**		3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	High
No. of employees: **345** Male – Female: **288 - 57** Payments to employees: **BDT 134.16 mn** Training hours per employee: **2.50**		1 NO POVERTY 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES	High
Investment in CSR: **BDT 1.34 mn** Number of Beneficiaries of CSR: **15,600++**		1 NO POVERTY 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES	High

Stakeholder Group	Engagement Mechanism	Key Issues/Material Matters of Stakeholders	Our Strategic Response
Shareholders/ Investors	Our commitment to proactive engagement and open communication with investors fosters long-term relationships, ensuring informed stakeholders, enhanced governance, and sustained success.	• Annual General Meeting • Extraordinary General Meeting • Annual report • Corporate website • Media releases/ publications • One-to-one meetings as required	• Sound financial stewardship • Commitment to a robust corporate governance system • Open and transparent investor communication • Focus on long-term sustainable value creation • Strengthen risk assessment and mitigation plans
Suppliers	Our commitment to a smooth and reliable value chain is supported by strategic partnerships with trustworthy suppliers and sound risk management through rigorous onboarding, due diligence, and continuous communication.	• Supplier relationship management • Maintain service level agreements • Strategic sourcing opportunities • Formal interactions	• Ongoing sustainable supplier relationships • Prompt payment settlement • Developed effective communication lines • Approachability • Fair and transparent
Regulatory Bodies	Engaging with governments and regulators presents opportunities to enhance our relationships, secure our operating license, advance mutually beneficial key commercial objectives and contribute to national policy formulation.	• Compliance with all relevant legislation • Occupational health and safety management • Responsible Tax contribution • Support national and local agendas, including employment	• Complied with applicable legislation, including environmental obligations • Consistent and timely Tax compliance • Exemplary corporate governance practices

Value Created	Relevant Capital	Relevant SDG	Impact on Stakeholders
*Cash Dividend (%): **10** Market Capitalization: **5,950.90 mn**		8 DECENT WORK AND ECONOMIC GROWTH	High
Enlisted Vendors: **27** Payment to Suppliers: **BDT 11.31 mn**		8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	High
Contribution to National Exchequer: **BDT 204.02 mn**		8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Medium

* Subject to Approval at 30th AGM

CAPITALS

We use the Six Capitals model to create balanced, actionable reports that align with our strategic pillars. This approach integrates financial, manufactured, intellectual, human, social, and natural capitals, addressing risks and mitigation strategies to enhance value creation. By linking each capital to relevant material aspects, we ensure a holistic understanding of our operations and their impact on stakeholders. This model enables us to foster long-term sustainability and deliver meaningful results across all areas of our business.



FINANCIAL CAPITAL

Page no. 63



HUMAN CAPITAL

Page no. 65



MANUFACTURED CAPITAL

Page no. 76

INTELLECTUAL CAPITAL

Page no. 79



SOCIAL & RELATIONSHIP CAPITAL

Page no. 82

NATURAL CAPITAL

Page no. 85



FINANCIAL CAPITAL

Our Financial Strength

GRI 3-3

In 2025, City Insurance PLC used its financial resources effectively, delivering solid returns for shareholders, stakeholders, and the wider economy. The year's key financial indicators show steady, sustained growth across the business.

Management Approach

Our approach to managing financial capital focuses on building the Company's resilience. We maintain sufficient liquidity to meet claims and regulatory requirements, while allocating resources in a way that sharpens our competitive position in Bangladesh's evolving general insurance market

KEY RISKS

- **Claims Volatility**
- **Regulatory Compliance**
- **Premium affordability**

KEY RISKS

- Premium Income
- Investment Income
- Shareholders' Equity

MATERIAL MATTERS

- Geopolitical Environment
- Shareholder's Rights & Return
- Regulatory Compliance
- Cost Optimization
- Capital Market Performance

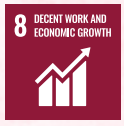
IMPACT ON THE VALUE CHAIN

- Delivering market-leading customer solution
- Facilitated effective risk transfer with prompt premium payments and collaborative financial planning.
- Strengthened financial reporting and transparency, upholding stakeholder trust.
- Improving economies of scale and driving efficient execution

CAPITAL OUTCOMES

- Net profit after tax: **BDT 231.76 mn**
- ROA: **9.44%**
- ROE: **14.63%**
- EPS Growth: **10.39%**
- Cash Dividend for 2025: **10% (Proposed)**
- Credit Rating: **AAA**

LINKAGE OF UN SDGS WITH CAPITAL OUTCOMES







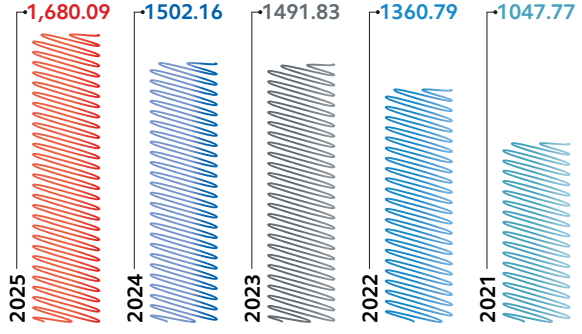


Management Approach

Underwriting Profit	EPS	Net Profit After Tax	Total Revenue
BDT 137.45 mn	BDT 3.40	BDT 231.76 mn	BDT 1,179.30 mn

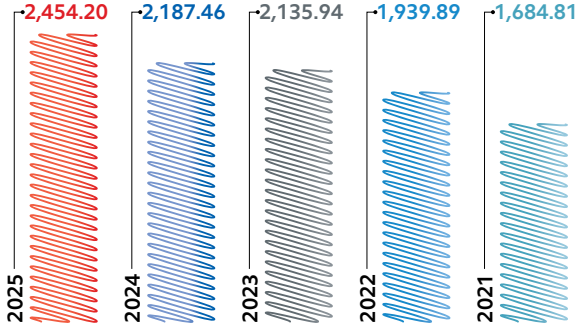
Total Investment (Share, BGTB & FDR)

BDT in mn



Total Assets

BDT in mn



Challenges in 2025

- Higher claim volumes put pressure on underwriting margins.
- Volatile investment markets affected returns.
- Rising operational costs reduced available surplus.
- Slower premium growth in some segments due to economic uncertainty.
- Tightened regulatory requirements increased compliance expenses.

Our Response

- Strengthened underwriting discipline to manage claim pressures.
- Shifted investments toward safer, more stable assets to protect returns.
- Streamlined operations to control costs without compromising service.
- Focused on high-performing segments to offset slower areas.
- Enhanced compliance processes and technology to meet regulatory demands efficiently.

LINKAGES TO OTHER CAPITAL

Human Capital	Manufactured Capital	Intellectual Capital	Social & Relationship Capital	Natural Capital
Consistent improvement in financial performance over time serves to enhance the company's credibility and reputation in the industry.	Expansion of branches	Investment to expand digital, AI & and cybersecurity	Considering social and community factors in investment decisions	Analyze the environmental impact

WAY FORWARD

- Strengthen the investment portfolio with a balanced risk–return strategy.
- Expand technology use to improve financial analysis and forecasting.
- Focus on higher-quality underwriting to protect profitability.
- Diversify revenue streams to reduce dependence on a few segments.
- Maintain strict cost discipline to support sustainable growth.

HUMAN CAPITAL

Our People and Culture

GRI 3-3

City Insurance PLC puts real energy and resources into building and keeping a strong workforce. The company focuses on safety, fair opportunities, career growth, and diversity. This approach has helped create a workplace where people feel valued, respected, and proud to be part of the team.

Management Approach

CIPLC's approach to Human Capital management centers on building a well-rounded Employee Value Proposition. The goal is to ensure that everyone in the organization benefits from fair compensation, continuous training, professional growth opportunities, a supportive workplace, and a culture of strong engagement all of which contribute to a fulfilling employee experience.

KEY RISKS

- **Human Resource Risk**
- **Reputation Risk**
- **ESG Risk**

KEY RISKS

- Trainings
- Compensation & Employee Benefits
- Diversity & Equity principles
- Recognition, rewards and incentives for performance
- Safe, healthy and equitable environment

MATERIAL MATTERS

- Employee Safety, Culture and Well-being
- Developing an Efficient Workforce
- Improve the Productivity of Employees.
- Initiatives for the Health, Safety & Well-being of Employees
- Learning & development programs, E-learning and E-training initiatives

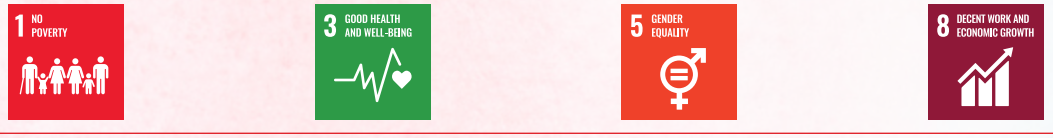
IMPACT ON THE VALUE CHAIN

- Recognize and reward to high achievers
- Provide relevant learning opportunities
- Fair Equitable Gender diversity in the workplace
- Talent acquisition and talent management approach
- Creating Employee employee-friendly equitable environment to ensure safe well-being

CAPITAL OUTCOMES

- No. of Employee: **345**
- Number of Employees Participated in Training: **850**
- Profit per Employee: BDT **0.67 mn**
- Fresh Employee Recruited: **30**
- Male & Female: **288 - 57**
- Retention Rate: **83%**
- Paid as Salary & Benefit: **BDT 134.16 mn**

LINKAGE OF UN SDGS WITH CAPITAL OUTCOMES



Key Performance Indicator for 2025

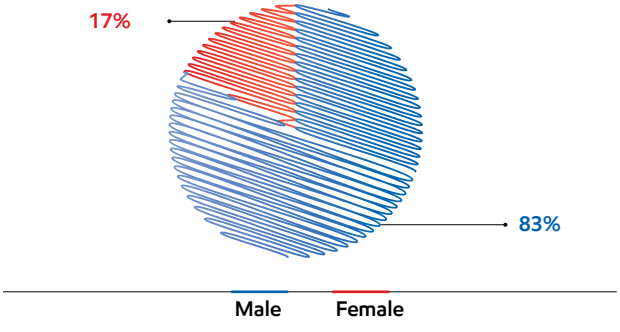
Investment in Training & Development	Total Training Hours	Operating Profit per Employee	Staff Promotion
BDT 0.28 mn	650 hours	BDT 0.40 mn	50 person

DIVERSITY, EQUITY & INCLUSION (DE&I)

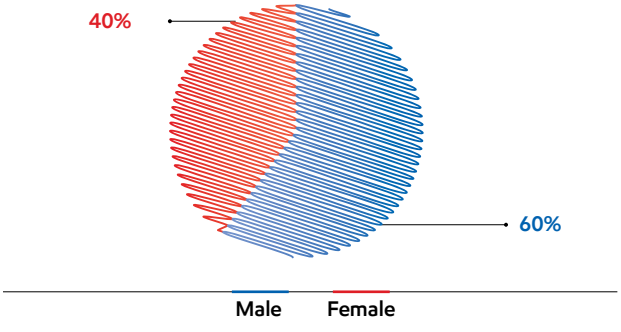
GRI 401-1

City Insurance PLC is committed to building a diverse and inclusive workplace where women are empowered and celebrated. By prioritizing gender equality, we create an environment where women can thrive and feel valued. Our management actively promotes equal participation, drives productivity, and envisions a future where everyone succeeds together.

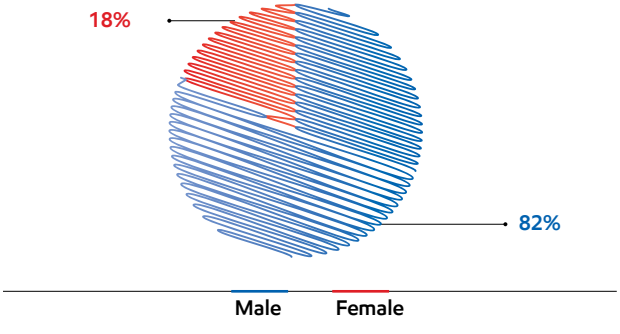
Workforce by Gender %



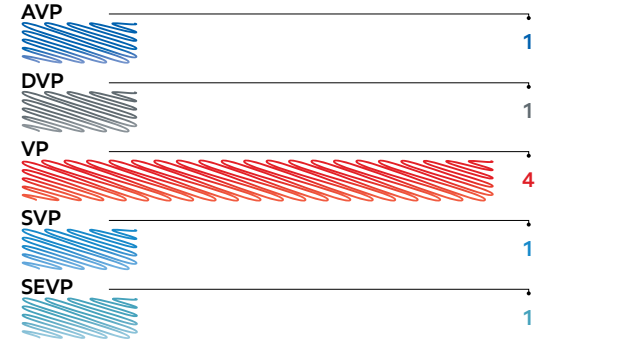
New Recruitment (Gender Wise) %



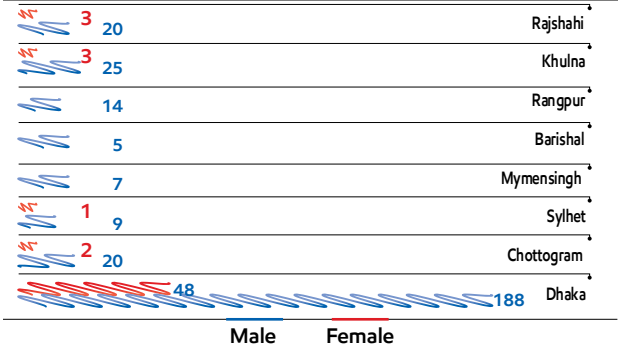
Promotion (Gender Wise) %



Women in Responsible Role



Division Wise Employee



Maternity Leave

90

Days Implemented

GRI 2-24

Our Gender Parity Policies

Creating an inclusive workplace without discrimination	**Diversity, Equity and Inclusion**	**Gender Pay Equity**	Guaranteeing equal remuneration and benefits for equal roles,responsibilities and functions
Eliminating sexual harassment in the workplace	**Zero Tolerance**	**Grievance Handling Process**	Addressing any issues arising out of breach of any of the policies

WAY FORWARD

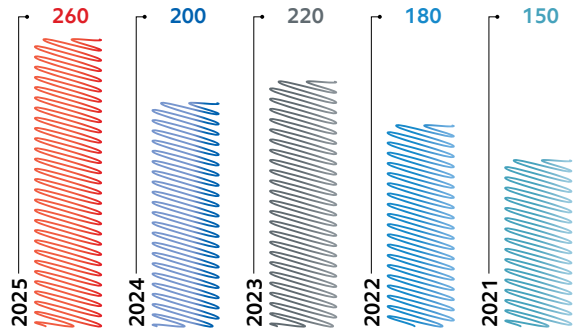
Category	Number of employees	Head Count Male	%	Head Count Female	%
Senior Employee	19	17	89%	02	11%
Upper Mid-Level Employee	36	29	81%	07	19%
Mid-Level Employee	109	89	82%	20	18%
Junior Employee	112	85	76%	27	24%
Support Team	69	68	99%	01	1%
Total	345	288	83%	57	17%

GRI 404-1 & 2

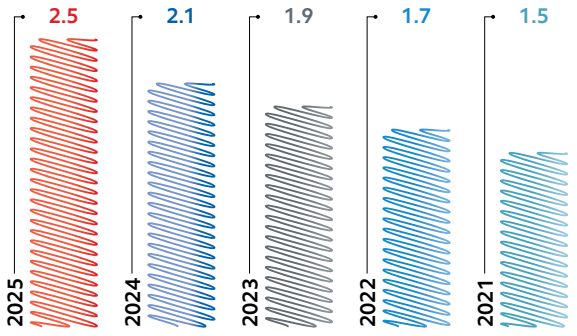
LEARNING & DEVELOPMENT ECOSYSTEM

BDT 2,80,000	150	300	200
INVESTMENT	HOURS SPENT ON TRAINING BY EXTERNAL SOURCE	HOURS SPENT ON TRAINING BY INTERNAL SOURCE	HOURS SPENT ON TRAINING BY ONLINE

Participants in Training



Average Training Hours per Employee



AML-CFT Training 1

GRI 404-1 & 2

Learning and Development Programs

We provide our employees with training through various internal and external methods, including workshops, seminars, online courses, certification programs, and industry-specific courses. Our Training Programs are implemented using a structured four-pillar approach.

Onboarding — Designed to familiarize new employees with the workplace culture and ethics.

Leadership and Management	Designed to strengthen leadership effectiveness and prepare future leaders by focusing on key areas such as conducting performance conversations, becoming effective leaders, mastering time management through the Work Smart program, and achieving personal and professional success.
Product & Technical	Product training and system usage are provided to achieve the desired outcomes in customer service and ensure the efficient utilization of systems and procedures.
Sales and Service Excellence	Primarily focused on developing soft skills, which are critically important for a customer-centric organization.
Systems, Operations and Compliance	Essential for ensuring compliance with legal and regulatory requirements, as well as adhering to the frameworks necessary for the organization to operate responsibly as a good corporate citizen.

Type of Training	No. of Participants	No. of Training Hours	Total Man-Days
Local Internal Source	80	513	65
Local External Source	30	150	20
Online	150	200	45
Total	**260**	**863**	**130**

GRI 205-2

Training on AML-CFT

City Insurance PLC regularly conducts Anti-Money Laundering and Counter Financing of Terrorism (AML-CFT) training for all employees. These sessions ensure that staff are well-equipped to identify suspicious activities, comply with regulatory requirements, and uphold the highest standards of financial integrity. By fostering awareness and vigilance across the organization, the company strengthens its risk management framework and contributes to a secure, transparent financial ecosystem.









AML-CFT Training

EMPLOYEE RECOGNITION

City Insurance maintains a strong performance culture through a structured management system. We assess employee performance regularly and pair it with individual development plans to keep everyone aligned with our goals and values. Merit-based rewards or targeted improvement plans follow these evaluations. High performers earn consistent recognition through financial and non-financial incentives, keeping motivation high and driving results throughout the year.

Remuneration and Benefits

GRI 2-19, 201-3 & 202-1

We provide fair and equitable remuneration and benefits that reflect our performance-based culture. Our compensation package includes a competitive base salary, performance-based bonuses, statutory payments, and a comprehensive range of benefits.

Remuneration and Benefits	PF Settlements	Total Payments
BDT 134.16 mn	BDT 2.83 mn	BDT 136.99 mn

LONG-TERM AS WELL AS RETIREMENT BENEFITS

- Contributory Provident Fund
- Gratuity
- Partial and full disability benefit (need-based)
- Death benefit to family members (differential options)

COMMUNITY WELFARE INITIATIVES

- Competitive compensation packages
- Company-provided car to top-level executives
- Car allowance to top-level executives
- Car loan facility
- House building loan facility
- Staff loan without interest
- Mobile phone allowance
- Travel allowance
- Festival bonus
- Incentive bonus
- Cash award for highest business achievement
- Cash award for the best employee
- Maternity leave

Performance Management

Our performance management system is built to motivate employees and keep their work aligned with our strategic goals. Everyone receives an annual performance and career development review, and we're continually refining the process to make it more effective. We've also strengthened the connection between individual results and overall productivity. To support this, we updated our reward approach using both financial and non-financial measures that better reflect performance.

NO OF EVALUATED EMPLOYEES



PROMOTED EMPLOYEES
50

PROMOTED
14.49%



PROMOTION (GENDER WISE)

MALE
82%

FEMALE
18%

NO OF EVALUATED
345

MALE EMPLOYEES
288

FEMALE EMPLOYEES
57

WORKFORCE BY GENDER

EMPLOYEE ENGAGEMENT

GRI 403-1

Throughout the year, we strengthened employee engagement through a range of internal activities. These initiatives help build a sense of belonging, improve teamwork, and develop leadership in an environment where people can showcase their soft skills. We also organized celebratory and fellowship-building events to deepen connection and engagement across the company.



New year celebration



New year celebration



29th Anniversary Celebration



Iftar celebration



Pohela Falgun Celebration



CEO Birthday Celebration







Managers Conference

Scan the QR code with your mobile device for more employee engagement related photos.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

GRI 403-1

At City Insurance, we are committed to providing a secure and comfortable work environment that fosters productivity, safety, and convenience for every employee. We maintain effective work floor structures with individual workstations, each outfitted with appropriate PC systems and essential corporate equipment. These workstations are carefully designed to ensure maximum comfort and efficiency, while upholding the highest safety standards.

Recognizing that employee well-being is a key factor in achieving success, we have partnered with Bangkok Dusit Medical Services to offer world-class healthcare services to our team. This partnership ensures that our employees have access to top-tier medical care, demonstrating our commitment to their health and well-being. By investing in healthcare beyond just insurance, we aim to enhance the overall quality of life for our employees, reinforcing the importance of a balanced and healthy workforce.

HR COMPLIANCES

GRI 403-9 & 408-1

Area

Compliance with labor laws, rules and regulations relating to compensation, dismissal, recruitment, promotion, working hours, other benefits, and welfare

Our Action

We comply with all labor laws, rules, and regulations enforced by the authorities of Bangladesh. No fines or sanctions were imposed in 2025 for any non-compliance.

Area

Prohibition of Child Labor and Forced Labor

Our Action

The company has clear policies to prevent the employment of underage workers and the use of forced labor. No such incidents were reported during the year.

Area

Non compliances relation to labor practices

Our Action

We remain committed to improving our labor practices and continuously monitor for any non-compliance.

Our policies are developed based on the best available practices.

Area

Compliance with labor law relating To Gratuity, Provident Fund

Our Action

Provident Fund: The company operates a recognized contributory provident fund scheme for its permanent employees. The Provident fund is administered by a Board of Trustees and is funded by contributions partly from the employees and partly from the Company at 10% of the basic salaries of the employees.

Gratuity: The Company operates a non-funded recognized gratuity scheme, a provision in respect of which is made annually covering all permanent eligible employees. Gratuity fund benefits are given to the staff of City Insurance in accordance with the Board of Trustees assigled rules and regulations

Area

Compliance with laws and regulations to provide safe work environment

Our Action

As a company, we are committed to creating a hassle-free and safe work environment for all our employees.

We ensure that comprehensive health and safety policies, protocols, and standards are in place to protect employees from any harm. No work-related fatalities, injuries, or hazardous incidents were reported during the year.

Area

Protecting human rights

Our Action

Our HR policy reflects the company's commitment to protecting human rights and safeguarding employee rights. No violations were reported in 2025.

No. of Professionals (FCS, CA, ABIA)

We have two esteemed professionals from prominent organizations: ICSB (Institute of Chartered Secretaries of Bangladesh), ICAB (Institute of Chartered Accountants of Bangladesh), and BIA (Bangladesh Insurance Academy).

Their diverse expertise and experience in corporate governance, accounting, and insurance significantly contribute to our organization's success and growth. With their exceptional skills, we continue to strengthen our operations and uphold the highest standards in business management and compliance.

Professionals

Fellow of the Institute of Chartered Secretaries (FCS)	Chartered Accountant (CA), Partly qualified	Associate of Bangladesh Insurance Academy (ABIA)
Page no. 116	**Page no. 116**	**Page no. 118**

Challenges in 2025

- Attracting skilled talent in a competitive market
- Retaining experienced employees amid rising industry turnover
- Keeping employees motivated during rapid regulatory and technological changes
- Closing skill gaps through effective training and development
- Managing workload balance to prevent burnout

Our Response

- Strengthened recruitment processes to draw in qualified talent
- Expanded training and development programs to reduce skill gaps
- Introduced retention initiatives focused on career growth and recognition
- Improved workload planning and employee support to ease burnout risks
- Enhanced communication and engagement to keep teams aligned and motivated

LINKAGES TO OTHER CAPITAL

Financial Capital	Manufactured Capital	Intellectual Capital	Social & Relationship Capital	Natural Capital
Contribution to the sustainable growth	Infrastructure development for in-house training facility	Talented and experienced recruitment	Support employee benefits, safety & well-being	Engaging employees actively towards the environmental cause

WAY FORWARD

- Invest in continuous learning and upskilling programs
- Strengthen talent acquisition strategies to attract top professionals
- Enhance employee engagement and retention initiatives
- Foster a culture of innovation and knowledge sharing
- Implement workforce planning for future business needs

HUMAN RESOURCE ACCOUNTING (HRA)

Overview

Human Resource Accounting (HRA) is an approach to understand and report the value of a company's workforce in financial terms. It involves systematically identifying and measuring crucial data related to employees. By providing these insights, HRA empowers City Insurance's Management to make well-informed decisions about its people.

Essentially, HRA helps us allocate, budget for, and track investments made in our employees, while simultaneously evaluating the impact of these investments on the company's growth, efficiency, and profitability.

KEY INITIATIVES TO STRENGTHEN HRA

Acquisition and Retention
Implementation of effective recruitment and retention strategies to attract and retain top industry talent.

Performance Management
Establishment of clear performance metrics and regular feedback mechanisms to enhance individual and organizational performance of employees.

People Engagement
Promotion of a positive work environment and employee engagement through open communication, recognition programs, and career growth opportunities.

Training and Development
Continuous investment in employee training and development to enhance employee skills and knowledge to keep pace with industry trends and practices.

Diversity and Inclusion
Initiatives to create an inclusive culture and diversity that leverages diverse perspectives and talents of our employees.

Monitoring human resource utilization
To track how effectively management is utilizing the workforce.

GRI 401-1, 2, 3, 103-2, 406-1, 408-1 & 409-1

Human Strength	KPI
Total workforce (Number)	345
Male - Female Representation (%)	83% - 17%
Recruitments for the year (Number)	30
Local hiring of senior managers (%)	0%
Attrition rate (%)	17%
Retention rate after maternal leave (%)	83%
Number of injuries	0
Total Training hours	863
Training hours per participant as an average (Hours)	2.5
Training hours per male as an average (Hours)	2.08
Training hours per female as an average (Hours)	0.42
Employee performance appraisal as a percentage of the total workforce (%) (345 People in appraisal)	100%
Employee grievances reported and resolved (Number)	0
Human rights violation	0

MANUFACTURED CAPITAL

GRI 3-3

Our Infrastructure

CIPLC's manufactured capital from physical assets to digital systems drives efficient service delivery. Smarter use of IT, equipment, and vehicles boosts flexibility and customer satisfaction, while a stronger digital backbone cuts resource use and frees employees for higher-value work. These investments improve products, strengthen operations, and create value for stakeholders.

Management Approach

CIPLC's approach to developing Manufactured Capital aims to reach and serve more customers across Bangladesh. To support this, the Company works to keep its physical and digital infrastructure performing at a high level, enabling better service delivery and stronger operational efficiency.

KEY RISKS

- **IT Risk**
- **Regulatory Risk**
- **Reputation Risk**

INPUTS

- Physical and Online services
- ICT infrastructures
- Office equipment and supplies

MATERIAL MATTERS

- Employee safety, culture and well-being
- Developing an efficient workforce
- Improve the productivity of employees.
- Initiatives for the health, safety & well-being of employees
- Learning & development programs, E-learning and E-training initiatives

IMPACT ON THE VALUE CHAIN

- Business process automation
- Upgrading technology
- Customer experience
- Enhanced operational efficiency with improved cost optimization

CAPITAL OUTCOMES

- Wide network of branches: 41
- District covered: 8

LINKAGE OF UN SDGS WITH CAPITAL OUTCOMES







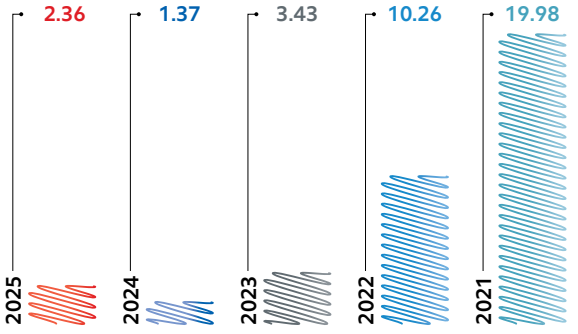


Key Performance Indicator for 2025:

Wide network of	IT system uptime	Digital Service Usage Rate	Vehicle and Equipment Utilization Rate
41 branches	99.5%	65%	70%

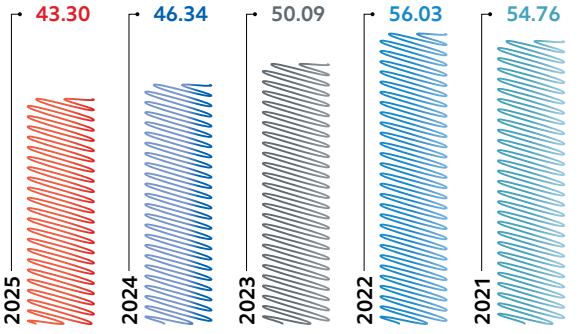
Capital Expenditure

BDT in mn



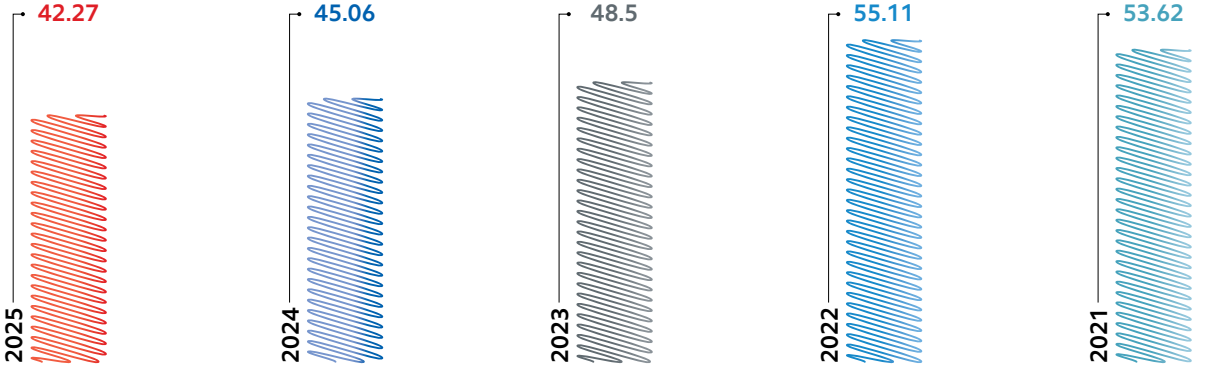
Fixed Assets

BDT in mn



Property, Plant and Equipment

BDT in mn





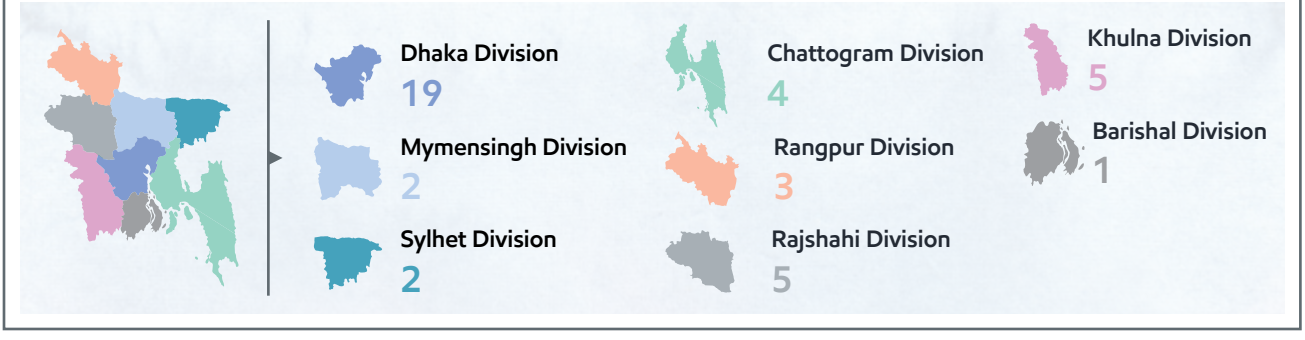
HOW WE PROSPER THROUGH MANUFACTURED CAPITAL INVESTMENT

- Creating of new employment opportunities opening up
- Enhanced customer experience
- Greater business agility and scalability
- Create a competitive advantage in the market
- Opportunity to learn new digital skills

Branch Network

City Insurance operates 41 strategically located branches across all 8 divisions of Bangladesh, ensuring accessibility and comprehensive non-life insurance solutions for diverse customer needs. Committed to security and customer satisfaction, we prioritize lasting relationships through quality service and extensive reach. Our branch network details are as follows:

41	1,500++	39,215	33	8
Branches	Monthly customers served at our branches, 2025	Total policies sold, 2025	Insurance products	Division Covered



For more details of our Geographical presence, please refer to page no. 45

Challenges in 2025

- Rising maintenance costs for physical assets
- Aging equipment affecting efficiency
- Increased downtime risk due to system load
- Gaps in IT security and infrastructure capacity
- Limited budget for major technology upgrades
- Higher fuel and operating costs for vehicles

Our Response

- Upgraded key IT systems to boost reliability
- Introduced automation to reduce manual workload
- Replaced or refurbished aging equipment
- Strengthened cybersecurity and infrastructure capacity
- Expanded digital service platforms to ease pressure on physical resources
- Optimized resource allocation to control operating costs

LINKAGES TO OTHER CAPITAL

Financial Capital	Human Capital	Intellectual Capital	Social & Relationship Capital	Natural Capital
Average cost reduction	Initiate new technology and processes	Solid brand value	Customer convenience infrastructure	Digital infrastructure minimizes paper use and supports sustainable operations

WAY FORWARD

- Invest in advanced digital infrastructure and automation
- Enhance IT security and system reliability
- Focus on further strengthening the presence social media platform.
- Optimize resource utilization for cost and operational efficiency
- Increase customer engagement through online and offline platform.

INTELLECTUAL CAPITAL

Our Brands, Knowledge and Skills

GRI 3-3

City Insurance PLC strengthens its intellectual capital by protecting brand value, improving customer service, and advancing its use of technology. We invest in training to deepen tacit knowledge and uphold a strong compliance culture. Our push for innovation keeps our products and services evolving so we can meet customer needs while safeguarding stakeholders.

Management Approach

CIPLC's approach to developing Manufactured Capital is designed to reach and serve more customers across Bangladesh. To achieve this, the Company works to ensure that its physical and digital infrastructure continue to perform at a high standard, supporting better service delivery and greater operational efficiency.

KEY RISKS

- **IT Risk**
- **Regulatory Risk**
- **Reputation Risk**
- **ESG Risk**

INPUTS

- Innovation in products and services
- Efficiency and expertise of employees
- Corporate brand image
- Process innovation
- In-house software development

MATERIAL MATTERS

- Innovative capacity
- Governance excellent
- Technological infrastructure
- Digital transformation
- Customer satisfaction

IMPACT ON THE VALUE CHAIN

- Strengthening the brand image
- Effective and efficient talent management
- Enhance technological capabilities to have ease of use for customers
- Increase productivity, employee morale and overall operational efficiency

CAPITAL OUTCOMES

- 30 years of glorious experience
- Strong position in terms of brand image, preference, and differentiation
- Skilled and experienced teams
- Nurtured a good corporate culture
- Zero instances of non-compliance with laws and regulations

LINKAGE OF UN SDGS WITH CAPITAL OUTCOMES









Key Performance Indicator for 2025

Glorious experience	Number of Independent Directors in Board	Total number of prestigious awards and accolades Received	Training hours on emerging technologies per employee
30 years	3	17	2.5 hours

STRENGTHENING CYBER SECURITY

City Insurance PLC is strengthening its information and cyber security capabilities as it accelerates the shift from traditional paper-based underwriting to fully digital operations. With the introduction of the Paperless Office and Online Approval System, the company now manages a complex digital environment that includes sensitive financial data, policyholder information, and bancassurance integrations. Protecting this ecosystem requires more than standard IT support—it demands strong governance aligned with IDRA guidelines and the Cyber Security Act 2023.

Defense Architecture

City Insurance PLC's security framework is built around the CIA triad: confidentiality, integrity, and availability.

A. Digital Asset Protection

The company's website, cityinsurance.com.bd, is a key customer-facing asset.

- **Encryption:** The portal uses SSL/TLS encryption to secure data in transit, protecting customer information such as online premium payments and bank details.
- **Identity Management:** Policyholders access the system through unique credentials. Accounts showing signs of impersonation or fraudulent use may be suspended as part of identity protection measures.

B. Third-Party Risk Management (TPRM)

Digital integrations require strong controls beyond the company's internal network:

- **Payment Gateways:** We implemented secure gateways such as SSL Commerz and banking portals reduce the need to store PCI-DSS data internally and lower compliance risks.
- **Bancassurance:** APIs connecting banks and City Insurance PLC operate with mutual authentication to prevent interception or manipulation of claim data.

Governance and Compliance Practices

- Periodic internal and external assessments are conducted to evaluate system security.
- A structured internal audit program and monthly check model support annual assessments as required by IDRA.
- Security performance and risks are monitored and reported to the Information Management Committee (IMC).
- The IMC, composed of senior management officers, submits quarterly reports to the Board's Risk Management Committee.

Threat Landscape

The insurance sector in Bangladesh faces several evolving cyber risks:

- **Social Engineering:** Hackers target employees through urgent, deceptive emails that mimic distressed clients.
- **Ransomware:** Attackers may attempt to encrypt claim databases, disrupting operations and damaging trust.
- **Insider Threats:** Role-Based Access Control (RBAC) limits employees to the files and data necessary for their assigned responsibilities.

Cyber Security and Privacy Training

City Insurance PLC invests in ongoing training to strengthen employee awareness and reduce human-related risks. Training and awareness efforts focus on:

- Cyber and privacy hygiene
- Identifying email and web-based attacks
- Understanding risk impacts
- Applying security controls effectively

Awareness Practices

- Cyber awareness messages are circulated to customers through email and social media channels such as Facebook, Instagram, Twitter, and LinkedIn.
- Monthly phishing simulation campaigns help employees recognize new cyber threat scenarios and practice safe email behavior.
- Cyber security training is included in employee induction programs, covering topics such as data leakage prevention, email security, reporting suspicious emails, and key policies and procedures.
- Mandatory annual cyber and privacy training ensures continued compliance; failure to complete the training may lead to disciplinary action.
- Regular awareness mailers explain policy requirements and reinforce best practices for passwords, email security, and threat recognition.
- Employees, partners, and vendors must sign the IT Usage Acceptance Policy and the Non-Disclosure and Confidentiality Agreement.

Challenges in 2025

- Gaps in data quality due to legacy records and inconsistent input practices.
- Rising cybersecurity threats requiring continuous upgrades and vigilance.
- Integration issues between new digital tools and existing core systems.

Our Response

- Implemented data cleansing initiatives and introduced stricter data-entry standards.
- Expanded automation projects to streamline underwriting, claims, and administrative workflows.
- Updated SOPs and launched structured knowledge-sharing sessions to preserve institutional knowledge.

LINKAGES TO OTHER CAPITAL

Financial Capital	Human Capital	Manufactured Capital	Social & Relationship Capital	Natural Capital
Market penetration through digitalization	Moving towards extensive learning and development programs	Investment in digital assets	Enhance customer fidelity through effective communication	Implemented paperless process through green insurance

WAY FORWARD

- Deepen digital transformation by expanding automation and enhancing core platforms.
- Strengthen data governance to ensure accuracy, consistency, and real-time reliability.
- Invest in advanced analytics and AI-driven tools to support smarter decision-making.
- Build stronger cybersecurity maturity with continuous monitoring and staff awareness programs.
- Increase employee upskilling on emerging technologies to sustain innovation capacity.

SOCIAL & RELATIONSHIP CAPITAL

GRI 3-3

Our Stakeholders

CIPLC builds strong, long-term relationships with its customers and communities through meaningful investments and engagement. These connections strengthen its social and relationship capital and help maintain the trust needed to operate effectively. By creating sustainable value, CIPLC plays an active role in supporting the socio-economic development of the communities it serves.

Management Approach

CIPLC's approach to developing Social and Relationship Capital focuses on creating meaningful experiences that earn and sustain the trust of key stakeholders.

KEY RISKS

- Underwriting Risk
- Reinsurance Risk
- IT Risk
- Reputation Risk
- ESG Risk

INPUTS

- Contribution to the national exchequer
- CSR contribution to society
- Quality of customer service
- Branding initiatives
- Stakeholder engagement
- Effective communication

MATERIAL MATTERS

- Sustainable business practices
- Financial inclusion
- Customer satisfaction
- Employee safety, culture and well-being
- Regulatory compliance

IMPACT ON THE VALUE CHAIN

- Delivering market leading customer solutions. Continuing disruptive market activities
- Strong brand image
- Deepening shared values and commitments reducing carbon footprint and optimize resource management
- Improving customer experience

CAPITAL OUTCOMES

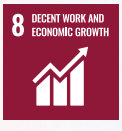
- Total number of customers: **36,800**
- New customer on boarded: **2,330+**
- CSR expenses: **BDT 1.34 mn**
- Offering innovative products & services
- Enhanced customer satisfaction

LINKAGE OF UN SDGS WITH CAPITAL OUTCOMES









Key Performance Indicator for 2025

Number of CSR Beneficiaries	Customer retention rate	Number of registered vendors	Customer satisfaction score
15,600++	97%	27	95%

Our Value Drivers

BDT 11.31 mn	BDT 0.11 mn	9	BDT 171.65 mn
Total payments made to local suppliers	CSR as a % of Revenue	Reinsurance Partners	Revenue from New Customers

Customer Engagement

We stay connected with our customers through continuous, open communication across multiple touchpoints. The idea is simple: when people can reach us easily, we can understand their needs sooner and respond more effectively. Our omni-channel approach brings everything together—social media, media advertising, physical and digital brochures, sponsored events, and product stalls at key gatherings. This helps us raise general insurance awareness while also showcasing products that fit real customer needs.

Interactive Social Media Engagement: Interactive engagement on social media lets us connect with customers in a more personal way. Through dynamic posts, conversations, and occasional competitions, we keep the dialogue active and meaningful.

Our Digital Presence:

Facebook | YouTube | Instagram | LinkedIn

Customer Forums: We also hosted exclusive customer forums with clients and partners. These sessions created a space for open discussion, strengthened relationships, and provided valuable insights that help us refine our services and offerings.



Product Portfolio

GRI 2-6

City Insurance PLC offers a diverse range of innovative products and services designed to meet the evolving needs of its customers. From comprehensive motor, fire, marine, property insurance and business coverage, each offering is tailored to provide financial protection, peace of mind, and value. The company continually reviews and updates its portfolio, introducing new solutions and enhancements that reflect market trends, customer feedback, and emerging risks, ensuring relevance and competitiveness in a dynamic insurance landscape. In reference **page no. 40**

Challenges in 2025	Our Response
• Growing customer expectations for faster, more personalized service. • Rising demand for stronger transparency and trust in insurance processes. • Increased competition affecting customer retention and brand loyalty. • Need for more consistent feedback channels across digital and physical touchpoints.	• Improved service delivery by strengthening customer support and speeding up turnaround times. • Increased transparency in policy terms, claim processes, and service commitments. • Launched targeted retention initiatives to reinforce loyalty in a competitive market. • Enhanced feedback systems across all channels to gather insights more consistently and act on them quickly

LINKAGES TO OTHER CAPITAL

Financial Capital	Human Capital	Manufactured Capital	Intellectual Capital	Natural Capital
Investing to attract customer service.	Training employees to retain the customer	Leveraging physical and digital infrastructure	Nurturing human capital	Balance growth in environment contribution

WAY FORWARD

- Expand digital engagement channels to reach more customers and improve accessibility.
- Strengthen customer feedback mechanisms for faster, actionable insights.
- Deepen community partnerships and CSR initiatives to reinforce social impact.
- Leverage technology to streamline service delivery and improve customer experience.
- Foster greater transparency and communication across all stakeholder interactions.

NATURAL CAPITAL

Our Environmental Initiatives

GRI 3-3

City Insurance PLC's natural capital covers the energy, water, and materials it uses, as well as the ecosystems influenced by its activities. Even with a relatively low environmental footprint, the company recognizes the importance of managing emissions and waste responsibly. CIPLC promotes environmental awareness through responsible investments and encourages customers and communities to adopt sustainable practices, supporting long-term value and ecological care.

Management Approach

Although CIPLC's environmental footprint is relatively small, the Company remains committed to building climate-resilient operations. ESG priorities are built into the annual planning cycle, ensuring key environmental factors are considered in strategic decisions.

KEY RISKS

- **Human Resource Risk**
- **Reputation Risk**
- **ESG Risk**

INPUTS

- Use of renewable energy
- Policy Incentives from the regulator
- Efficiency in consumption of Petrol, Oil and Lubricants
- Green Initiatives

MATERIAL MATTERS

- Customer Satisfaction
- Financial Inclusion
- Sustainable Business Practices
- Environmental awareness and CSR
- IFRS S1 and S2 disclosure

IMPACT ON THE VALUE CHAIN

- Delivering market-leading customer solutions
- Strong brand image
- Reducing carbon footprint and optimize resource management
- Improving economies of scale and driving efficient execution
- Continuing disruptive market activities

CAPITAL OUTCOMES

- Paperless office system
- Continuous improvement
- Sustainable business practice
- Online communications
- Employee encouragement
- Contribution to Sustainable Development Goals (SDGs)

LINKAGE OF UN SDGS WITH CAPITAL OUTCOMES









Key Performance Indicator for 2025:

Number of Trees Saplings planted	Percentage of digital documents vs physical documents	Waste reduction	Water consumption
1000+	75%	6.55%	15,000 Ltr

Our Value Drivers

Resource Consumption Per Employee

43.5 liter	97.1 kWh	46 liter	97.1 unit
Water Consumption	Electricity Consumption	Fuel Consumption	Paper Consumption

For more details of our Sustainability and Environmental related initiatives, please refer to **page no. 181, 190, 194 & 196**

Challenges in 2025

- Rising electricity and utility costs across branches
- Growing e-waste from system upgrades and digital transformation
- Challenges meeting environmental compliance and reporting expectations
- Limited awareness among employees about resource efficiency and sustainability

Our Response

- Introduced stricter monitoring of electricity, water, and resource consumption
- Rolled out awareness sessions on sustainability and efficient resource use
- Strengthened compliance reporting with clearer guidelines and periodic reviews
- Prioritized energy-efficient equipment during system upgrades

LINKAGES TO OTHER CAPITAL

Financial Capital	Human Capital	Manufactured Capital	Intellectual Capital	Social & Relationship Capital
Strong customer and stakeholder trust supports stable premium growth	Arrange awareness program for employee regarding climate vulnerable issue	Digital service channels improve accessibility and strengthen client experience	Digital and AI infrastructure development	Community engagement strengthens public trust

WAY FORWARD

- Expand digital processes to further reduce paper dependency
- Increase investment in energy-efficient equipment and lighting
- Promote branch-level sustainability targets and regular performance reviews
- Conduct more training to build awareness on resource efficiency
- Explore renewable energy options where feasible

BUSINESS MODEL

GRI 201-1

Stakeholders want to understand how the organization will navigate changes in the global business environment and leverage them as opportunities. The company's business model defines how it converts inputs into activities, outputs, and outcomes that support strategic objectives and generate value in the short, medium, and long term.

Capitals	Inputs	Value Chain Partners	Core Activities	Outputs
Financial Capital	• Premium income and investment returns • Prudent capital allocation	• Bancassurance partners (banks) • Reinsurers	• Product design and pricing • Underwriting and policy issuance • Investment management	• Sustainable financial performance • Stable underwriting results
Human Capital	• Skilled underwriting, sales, and claims teams • Training and leadership development • Ethical work culture	• Training institutes • HR service partners	• Employee development • Claims handling • Customer support	• Faster service • Improved claims quality
Manufactured Capital	• Branch network and call center • IT systems, vehicles, office infrastructure • Digital platforms	• IT vendors • Logistics partners • Service providers	• Customer service operations • System maintenance • Branch operations	• Smoother service delivery • Reduced processing time
Intellectual Capital	• Underwriting expertise • Policies, SOPs • Digital tools and data insights	• Consultants • Technology partners	• Risk assessment • Product innovation • Process improvement	• Better product design • Stronger risk management
Social & Relationship Capital	• Customer trust • Regulators • Bancassurance partners • Community engagement	• Regulators • Vendors • Community organizations	• Customer communication • Stakeholder engagement • Compliance	• Transparent service • Stronger partnerships
Natural Capital	• Energy, water, paper • E-waste and resource use	• Environmental vendors • E-waste recyclers	• Digital transformation • Efficient resource use • Responsible waste management • Paperless office	• Lower paper use • Reduced carbon footprint

VALUE CREATING BUSINESS MODEL

Our Input

Leveraging our resources and relationships

Financial (Refer Page no. 63)

- Shareholders' Equity of **BDT 1,583.98 mn**
- Total Assets **BDT 2,454.20 mn**
- Market Capital **BDT 5,950.90 mn**

Human (Refer Page no. 65)

- Full Time Employees: **345**
- Women in Workforce: **57**
- Salaries and Benefits: **BDT 134.16 mn**

Manufactured (Refer Page no. 76)

- No. of Branches **41**
- **33** Products
- Digital Infrastructure

Intellectual (Refer Page no. 79)

- Organizational Capability
- Brand Value
- Strong IT infrastructural systems and processes
- Paperless Office System

Social and Relationship (Refer Page no. 82)

- Customer base: **36,800**
- Investment in CSR: **BDT 1.34 mn**
- Reinsurance Partnerships
- Bancassurance Partnerships
- Strong relationship with clients

Natural (Refer Page no. 85)

- Consumption of Natural Energy
- Responsible, low-carbon operations
- Resource-efficient activities Cognizance of climate-related risks

Our Core Functions and Enables

Outlook **Page no. 43**

Strategy & Resource Allocation **Page no. 212**

Risk Management **Page no. 271**

Customer Service

Relationship Management

Product Development

CORE BUSINESS ACTIVITIES

Technology and Digital Capabilities

Faster Claims Settlement

Underwriting Process

Corporate Governance **Page no. 228**

Sustainability **Page no. 181**

Stakeholders Impacted **Page no. 57**

GRI 201-1

Our Outputs

To achieve outputs	And deliver purpose-led outcomes	Relevant Capital	Impact on Stakeholders
Improve financial stability and profitability • Shareholder Returns • Share Price Appreciation • Dividends • Solvency	**EPS (BDT) 3.40** **Market Price per Share (BDT) 87.30*** **Proposed Dividend per Share (BDT) 1.00** **ROE 14.63%**	**Financial:** 1. Shareholders/ Investors 2. Customers 3. Employees 4. Regulator	
Enhance employee retentionand attract new talent • Employee Motivation • Career Progression • Efficient Workforce	**Retention of New Recruits (%) 83** **Female/Male 288:57** **Revenue per Employee (BDT mn): 2.72** **Training per Employee (Hrs): 2.50**	**Human:** 1. Customers 2. Board & Management 3. Employees	
Increase monetization of manufactured capital • Customer reach • Omni channel experience	**ROA 9.44 %**	**Manufactured:** 1. Local Communities 2. Customers 3. Employees	
Increase innovation and digital adoption • Strong Brand Value • Digitized office systems	**IT Enabled branchs 41** **No. of Products 33** **Tech Spends BDT 4.25 mn** **17 Awards in last four years**	**Intellectual:** 1. Customers 2. Board &Management 3. Employees	
Increase quality of relationship with stakeholders • Supplier, agent, stakeholder relationships • Employee Benefit Scheme • CSR Initiatives	**Supplier Payments BDT 11.31 mn** **Policies Sold 39,215** **Investment in CSR BDT 1.34 mn**	**Social and Relationship:** 1. Local Communities 2. Customers 3. Government	
Reduce negative impact on environment • Reduction of Carbon Footprint • Efficient Disposal of Effluent and Waste	**Paper recycling (kg) 33,468** **Fuel (Liters) 15,870** **Electricity Comp. (Kw) 34,000** **Trees Planted (No.) 1,000+**	**Natural:** 1. Local Communities 2. Customers 3. Employees	

* As on December 31, 2025

HOW CIPLC CREATES VALUE THROUGH BUSINESS OPERATIONS

GRI 201-1

ENVIRONMENT

We actively promote eco-friendly initiatives, including tree plantation drives and energy-efficient operations, to reduce our environmental impact. Everyone in the company is aware of these environmental issues.

Trees planted
1,000+

COMMUNITY

Through CSR programs, we support education, healthcare, and disaster relief efforts, positively impacting thousands of lives. As a result, the company adds value to society both directly and indirectly.

CSR Expenses
BDT 1.34 mn

EMPLOYEES

CIPLC generates employment opportunities through its value-creation process. The company aims to attract, retain, and inspire top talent by providing a competitive remuneration package alongside a healthy, safe, and progressive work environment.

Total Salary & Benifit paid
BDT 134.16 mn

Total employee participation in training
260

SHAREHOLDERS

By maintaining profitability and transparency, we deliver consistent returns and long-term growth. Also providing a regular annual dividend and raising the share price over time, the value of the company has grown for its shareholders. The resources are managed in such a way that they ensure consistent annual returns to the shareholders as well as maximize their wealth.

Total Dividend Proposed
BDT 68.17 mn

Market Capitalizations
BDT 5,950.90 mn
As on December 31, 2025

REGULATORS

We uphold strict compliance with industry standards, fostering trust and ensuring smooth operations. As a result, the company's reputation and image have steadily improved, ultimately adding value to the institution.

Total Corporate Tax Paid
BDT 50.34 mn

Other Tax Paid (Withholding Tax, VAT & Excise Duty)
BDT 153.68 mn

CUSTOMERS

Our customer-focused approach ensures innovative insurance solutions, efficient claims processing, and exceptional service.

Net Claims Paid
BDT 99.13 mn

SERVICE PROVIDERS AND SUPPLIERS

The company diligently complies with all applicable laws and regulations governing its operations. It has established and implemented policies and procedures to promote a culture of compliance, ensuring strict adherence to these requirements. This commitment has steadily enhanced the company's reputation and image, contributing to its overall value.

Number of Enlisted Vendors
27

Procurement Expenses
BDT 11.31 mn

PERFORMANCE

GRI 201-1

Our strategic goal is to create value across all capitals, support sustainable growth, strengthen stakeholder relationships, and build long-term resilience. By assessing the impact on each capital, we take a balanced and holistic approach that keeps our strategy aligned with our purpose and supports lasting success.

Capitals	Impact	Description
Financial Capital	Positive	• Revenue grew to Tk. 2.18 crores, driven by strong underwriting performance. • Investment portfolio returns increased by 67.53%, reflecting prudent asset management. • Contribution to national exchequer through taxes Tk. 204.02 mn
Manufactured Capital	Positive	• Contribution to local employment through our office footprint • Contribution to local area development around which our offices are located
Intellectual Capital	Positive	• Contribution to the industry through knowledge sharing, etc. • Investing in our people by enhancing their skills to support career growth. • Contribution to the public through our existing products
Human Capital	Positive	• Employee engagement score improved to 11%, with training hours increasing by 5%. This resulted in higher productivity • Contribution to employment generation, specifically in local areas • Contribution to employees by providing a respectable employment opportunity
Social and Relationship Capital	Positive	• CSR initiatives positively impacted 15,600++ beneficiaries, fostering community trust and brand reputation. • Contribution to society through provision for employment • Contribution to the society through uplift and other citizenship activities
Natural Capital	Positive	• Carbon emissions reduced by 9% through energy efficiency projects • A 14% reduction in water usage achieved through process optimizations. • Contribution through fostering best practices in green workplace

Strategic Objectives and Key Achievements

In 2025, City Insurance PLC focused on strengthening its market position, advancing its sustainability efforts, and improving stakeholder satisfaction. The highlights below capture how the company performed against its strategic objectives.

Revenue Growth:
Gross premiums increased by **17.33%** to Tk. **13.86** crores, exceeding the target of Tk. **80.00** crores.

Operational Efficiency
Combined ratio improved to **18.43%**, reflecting better cost management.

Customer Satisfaction
Net Promoter Score (NPS) increased to **78**, up from 75 in 2024.

Quantitative Indicators: Targets, Risks, and Opportunities

Indicator	Target	2025 Performance	Significance	Risks and Opportunities
Gross Premium Growth	117.33% growth	17.33% growth	Revenue growth and competitive positioning	**Risk:** Economic downturn; **Opportunity:** Untapped markets
Combined Ratio	101.85%	86.81%	Operational efficiency	**Risk:** Rising claim costs; **Opportunity:** Advanced analytics
Carbon Emissions Reduction	10%	9% reduction	Sustainability commitment	**Risk:** Supply chain inefficiencies; **Opportunity:** Regulatory incentives

Meeting Legitimate Stakeholder Needs and Relationships

We focus on the genuine needs of our stakeholders and apply targeted actions to address their concerns. As a trusted insurer, we strengthen our reputation and create long-term value by responding to the priorities of each stakeholder group, building mutual trust and shared growth.

Policyholders

- Provide comprehensive insurance coverage that meets their needs and offers value for money
- Offer transparent and easy-to-understand policies, including clear explanations of coverage and terms and conditions.
- Ensure prompt and fair claims processing and settlement to provide financial protection when needed.

Employees

- Launched flexible work policies, including remote work options and flexible hours, improving work-life balance and boosting employee satisfaction.
- Implemented upskilling programs to support career advancement, empowering employees to grow professionally within the company.
- Increased employee engagement through wellness programs and team-building initiatives, leading to higher retention rates.

Regulators

- Successfully achieved full compliance with the latest solvency margin regulations, reinforcing the company's financial stability and ensuring its long-term operational continuity.
- Regularly engaged with regulatory bodies, maintaining a transparent and proactive approach to ensure adherence to evolving industry standards.

Shareholders

- Declared a dividend of Tk. 1.00 per share, reflecting the company's strong financial performance and maintaining investor confidence.
- Continued focus on profitability and growth, ensuring a positive return on investment and aligning with shareholder interests for long-term value creation.

Communities

- Support community development and well-being through social responsibility initiatives
- Promote environmental sustainability and responsible business practices
- Engage with local stakeholders to understand community needs and priorities and work to address them

Response to Needs

- Conducted quarterly customer feedback surveys, leading to tailored product offerings.
- Increased transparency through meeting investor expectations.

The connections between past and present performance

BDT in mn

Particulars	2025	2024	Growth (%)
Total assets	2,454.20	2,187.46	12.19
Investments (BGTB, Share & FDR)	1,680.09	1,502.16	11.84
Net turnover	607.48	583.93	4.03
Net profit after tax	231.76	209.68	10.53

Interconnectedness of Our Capitals and KPIs

At City Insurance PLC, our six capitals are deeply interconnected, driving sustainable growth and long-term success. The effective management of these capitals enhances our performance across key areas, which are measured through specific KPIs. Below is an overview of the interconnectedness, impact, and potential impact of our capitals:

Capitals	Impact	KPI	Description
Financial Capital	Provides the resources needed for investment in growth, innovation, and operational stability	• ROE 14.63% • Gross Profit Margin 14.64% • Solvency Ratio 3.42	• Revenue grew to Tk. 2.18 crores, driven by strong underwriting performance. • Investment portfolio returns increased by 67.53%, reflecting prudent asset management. • Contribution to national exchequer through taxes Tk. 204.02

Capitals	Impact	KPI	Description
Human Capital	Drives productivity, innovation, and customer satisfaction by developing skilled, engaged employees	• Employee Retention Rate 83% • Investment in Training BDT 0.28 mn • Employee Satisfaction Index 95	Enhances employee performance and ensures alignment with company goals.
Intellectual Capital	Builds a knowledge base that differentiates City Insurance PLC from competitors and fosters innovation	• Product Innovation Rate 6	Drives operational efficiencies, improves services, and supports market leadership.
Social and Relationship Capital	Strengthens relationships with policyholders, regulators, and communities, fostering trust and loyalty.	• Customer Satisfaction Index 95 • Stakeholder Engagement Score 9 • Brand Reputation Index 10	Builds trust, enhances reputation, and fosters long-term relationships with stakeholders.
Natural Capital	Supports sustainability efforts and reduces environmental footprint, contributing to corporate social responsibility (CSR) goals	• Investment in Sustainability Initiatives BDT 7,50,300	Improves sustainability, reduces operational costs, and strengthens brand image.
Manufactured Capital	Provides the physical infrastructure and technology necessary for efficient service delivery	• Asset Utilization Rate • Investment in Infrastructure	Enhances operational efficiency and ensures high-quality service delivery.

These capitals are interconnected, with each one contributing to the overall performance and strategic success of City Insurance PLC. By effectively managing and measuring these capitals, we drive value creation, strengthen stakeholder relationships, and ensure sustainable growth.

Regulatory Impact

Our business has faced no significant regulatory effects, censures, or impositions, allowing us to maintain our status as a going concern without disruptions or setbacks.



A STRONG COMMITMENT TO

FINANCIAL STABILITY AND GROWTH!

FDR IN 2025 STANDS AT

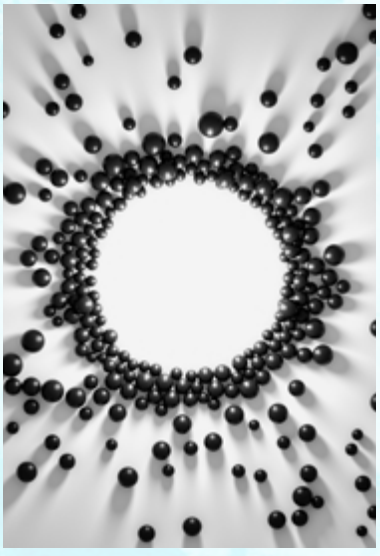
BDT 1,208.58 MN

BOARD OF DIRECTORS
AND MANAGEMENT



BOARD COMPOSITION

GRI 2-9



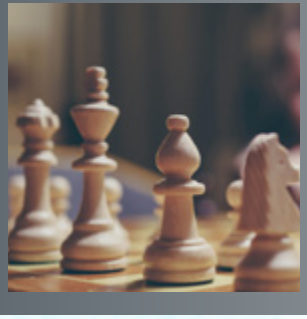
CHAIRMAN

Mr. Hossain Akhtar
Nominated by
Anwar Jute Spinning Mills Ltd.

VICE-CHAIRMAN

Mr. Mohd. Abu Taher
Representing Self Shareholding

DIRECTORS



Mrs. Bibi Amena
Representing Self Shareholding

Mr. Mohammad Amanullah
Nominated by Wazeefa Acrylic Spinning Mills Ltd.

Mr. Md. Harunoor Rashid
Nominated by Khaled Iron & Steel Mills Ltd.

Mrs. Hasina Parveen Manwar
Nominated by Mehmud Industries (Pvt.) Ltd.

Mrs. Hasina Begum
Nominated by Hossain Dyeing & Printing Mills Ltd.

Mr. Muhammad Nazirul Islam
Nominated by Anwar Landmark Ltd.

Faizah Mehmood
Nominated by Anwar Silk Mills Ltd.

Mrs. Selina Ahmed
Nominated by A-one Polymer Ltd.

Mr. Haji Md. Yousuf
Representing Self Shareholding

INDEPENDENT DIRECTORS

Mr. Mahabubul Haque

Mr. Tauhiduddin Md. Zahed

Barrister Miti Sanjana

CHIEF EXECUTIVE OFFICER (EX-OFFICIO)

Mr. Md. Shamim Hossain

COMMITTEES OF BOARD OF DIRECTORS

AUDIT COMMITTEE

CHAIRMAN

Mr. Mahabubul Haque

MEMBERS

Mr. Md. Harunoor Rashid
Mr. Muhammad Nazirul Islam



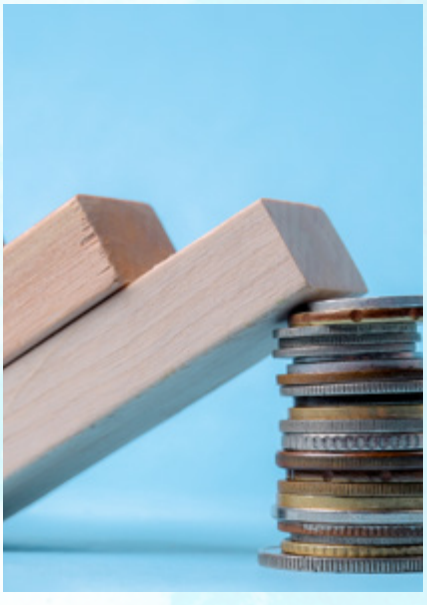
NOMINATION & REMUNERATION COMMITTEE (NRC)

CHAIRMAN

Mr. Tauhiduddin Md. Zahed

MEMBERS

Mr. Hossain Akhtar
Mr. Haji Md. Yousuf
Mr. Muhammad Nazirul Islam



INVESTMENT COMMITTEE (IC)

CHAIRMAN

Mr. Harunoor Rashid

MEMBERS

Mr. Hossain Akhtar
Faizah Mehmood
Mr. Mohammad Aman Ullah
Mr. Tauhiduddin Md. Zahed

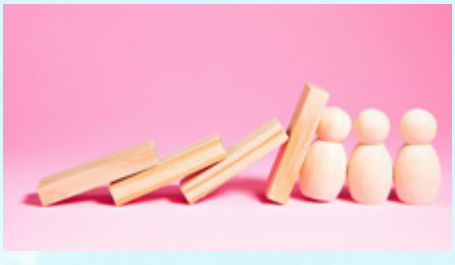
RISK MANAGEMENT COMMITTEE (RMC)

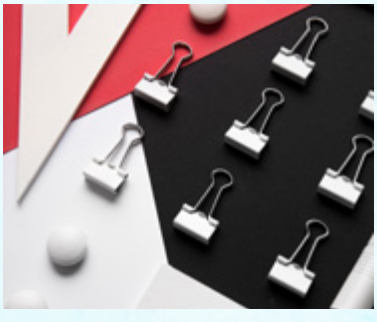
CHAIRMAN

Mr. Muhammad Nazirul Islam

MEMBERS

Faizah Mehmood
Mr. Tauhiduddin Md. Zahed





POLICYHOLDER PROTECTION & COMPLIANCE COMMITTEE (PP&CC)

CHAIRMAN

Mr. Muhammad Nazirul Islam

MEMBERS

Faizah Mehmood
Mr. Tauhiduddin Md. Zahed
Barrister Miti Sanjana

BOARD OF **DIRECTORS**



Mr. Hossain Akhtar	Mr. Mohd. Abu Taher	Mrs. Bibi Amena	Mr. Md. Harunoor Rashid
Chairman	Vice Chairman	Director	Director



Mrs. Hasina Begum	Faizah Mehmood	Mr. Haji Md. Yousuf	Mr. Mahabubul Haque
Director	Director	Director	Independent Director

GRI 2-9



Mrs. Hasina Parveen Manwar
Director

Mr. Muhammad Nazirul Islam
Director

Mrs. Selina Ahmed
Director

Mr. Mohammad Amanullah
Director



Mr. Tauhiduddin Md. Zahed
Independent Director

Barrister Miti Sanjana
Independent Director

Mr. Md. Shamim Hossain
Managing Director & CEO

PROFILE OF THE BOARD OF DIRECTORS AND **THEIR REPRESENTATION ON THE BOARD**

GRI 2-9



Hossain Akhtar
Chairman

Type of Director : Non-executive Director
: Representative of Anwar Jute Spinning Mills Ltd.
Committee Membership : Member NRC & Investment Committee
First Appointment Date : 18-03-1996
Last Re-Elected Date : 28-03-2024

Directorship and engagement, other than City Insurance PLC.

Group Executive Director, Anwar Group of Industries

Mr. Hossain Akhtar was born in a respectable Muslim family in Dhaka. He is an industrialist and an eminent business personality. He is the Group Executive Director of the prominent Anwar Group of Industries. Mr. Hossain completed his education from Dhaka Govt. College. He stood 8th in the merit list of SSC examination in 1970 from Dhaka Board. He was Director of Bangladesh Finance Limited and BD Finance Securities Ltd. Mr. Hossain was also the Sr. Vice President of Dhaka Chamber of Commerce & Industry. He is the President of Jamila Khatun Lalbagh Girls High School and patronizes many educational and social welfare institutions. He also contributes to cultural development activities of the country. Mr. Hossain is a life member of Bangladesh Red Crescent Society, Bangladesh Diabetic Society and Anjuman Mafidul Islam.



Mohd. Abu Taher
Vice Chairman

Type of Director : Non-executive Director
Committee Membership : N/A
First Appointment Date : 18-03-1996
Last Re-Elected Date : 30-03-2023

Directorship and engagement, other than City Insurance PLC.

Chairman, Taher & Company Limited
Chairman, Golden Iron Works Ltd.
Chairman, Golden Brick Works Ltd
Chairman, Eagle Star Textile Mills Ltd.
Chairman, Golden Steel Alloy Works Ltd.
Chairman, Al-Haj Mostafa Hakim Housing & Real Estate Ltd.
Chairman, Al-Haj Mostafa Hakim Cement Industries Ltd.
Chairman, Golden Oxygen Ltd.
Chairman, Golden LPG Ltd.

Mr. Mohd. Abu Taher traces his roots to a respectable Muslim family of Chottogram. He is an industrialist par excellence. He is the Chairman of Taher & Company Limited, Golden Iron Works Ltd., Golden Brick Works Ltd., Eagle Star Textile Mills Ltd., Golden Steel Alloy Works Ltd., Al-Haj Mostafa Hakim Housing & Real Estate Ltd., Al-Haj Mostafa Hakim Cement Industries Ltd., Golden Oxygen Ltd., Golden Bricks Works Ltd., Golden Ispat Ltd. and Golden LPG Ltd. He has made remarkable contributions to social and cultural activities of the country



Mrs. Bibi Amena
Director

Type of Director : Non-executive Director
Committee Membership : N/A
First Appointment Date : 04-01-1999
Last Re-Elected Date : 30-03-2023

Directorship and engagement, other than City Insurance PLC.

Director, Anwar Silk Mills Ltd.
Director, Hossain Dyeing & Printing Mills Ltd.
Director, Mehmud Industries (Pvt.) Ltd.
Director, Anwar Jute Spinning Mills Ltd.
Director, Anwar Cement Ltd.
Director, Anwar Landmark Ltd.

Mrs. Bibi Amena is one of the leading Industrialists and business women of Bangladesh. She is the Director of Anwar Silk Mills Ltd., Hossain Dyeing & Printing Mills Ltd., Mehmud Industries (Pvt.) Ltd., Anwar Jute Spinning Mills Ltd., Anwar Cement Ltd. and Anwar Landmark Ltd. She is involved with many voluntary, philanthropic and social organizations of the country.



Md. Harunoor Rashid
Director

Type of Director : Non-executive Director
: Representative of Khaled Iron & Steel Mills Ltd.
Committee Membership : Chairman Investment Committee
: Member, Audit Committee
First Appointment Date : 18-03-1996
Last Re-Elected Date : 28-03-2024

Directorship and engagement, other than City Insurance PLC.

Director, Al-Haj Textile Mills Ltd.
Chairman, MANSCO International Ltd.
Managing Director, Al-Haj Jute Mills Ltd.

Mr. Md. Harunoor Rashid is an eminent business personality in Bangladesh. He has been nominated on the Board by Khaled Iron & Steel Mills Ltd. He graduated from the University of Dhaka in 1981. He is the Managing Director of Al-Haj Jute Mills Ltd., Director of Al-Haj Textile Mills Ltd. and is the Chairman of Mansco International Ltd. He is associated with many social organizations around the country.



Mrs. Hasina Begum
Director

Type of Director : Non-executive Director
: Representative of Hossain Dyeing & Printing Mills Ltd.
Committee Membership : N/A
First Appointment Date : 04-01-1999
Last Re-Elected Date : 24-03-2025

Directorship and engagement, other than City Insurance PLC.

N/A

Mrs. Hasina Begum is a reputed business woman of the nation. She has been nominated on the Board by Hossain Dyeing & Printing Mills Ltd.



Faizah Mehmood
Director

Type of Director : Non-executive Director
: Representative of Anwar Silk Mills Ltd.
Committee Membership : Member Investment Committee, Risk Management Committee and Policyholder Protection & Compliance Committee
First Appointment Date : 11-02-2022
Last Re-Elected Date : 24-03-2025

Directorship and engagement, other than City Insurance PLC.

Deputy Managing Director, Anwar Group of Industries

Faizah Mehmood, the granddaughter of the esteemed business icon of Bangladesh, late Alhaj Anwar Hossain. She has been nominated on the Board by Anwar Silk Mills Ltd. She brings a legacy of business acumen and a commitment to excellence.

Holding an MSc in Data Analytics and Risk Management from John Hopkins University (2023) and a B.Com with a specialization in Strategic Management and a Minor in Economics from the University of Toronto, Rotman Commerce (2021), Ms. Mehmood combines academic prowess with practical experience.

Currently serving as the Deputy Managing Director of Anwar Group of Industries, she is at the forefront of business development, applying her strategic management skills and innovative thinking to drive initiatives forward.

Faizah Mehmood's professional journey reflects a diverse and enriching range of experiences. As a Consultant at Ernst and Young Global Consulting Services from April 2021 to October 2021, she made significant contributions by providing strategic insights to this global consulting powerhouse. Prior to this, as a Special Project Intern at edotco Group from March 2019 to August 2019, she actively engaged in specialized projects, enhancing her skill set and gaining valuable hands-on experience. Mehmood's financial expertise was further honed during her tenure as an International Finance Intern at Incepta Pharmaceuticals Ltd. from March 2017 to September 2017, where she expanded her knowledge within

the pharmaceutical sector. Her professional journey began with a Finance Internship at City Bank PlC from March 2016 to September 2016, during which she gained foundational insights into the dynamic fields of finance and banking. Collectively, these experiences showcase her versatility, strategic thinking, and dedication to continuous professional development.

Her dedication to social responsibility underscores her belief in giving back to society. With specializations in leadership, strategy, innovation, data analytics, and risk management, Faizah Mehmood stands as a symbol of holistic growth, embodying the values of her renowned grandfather and contributing significantly to the business landscape of Bangladesh.



Haji Md. Yousuf
Director

Type of Director : Non-executive Director
Committee Membership : Member, NRC
First Appointment Date : 18-03-1996
Last Re-Elected Date : 28-03-2025

Directorship and engagement, other than City Insurance PLC.

Proprietor, Moon Traders

Mr. Haji Md. Yousuf is a well-known business person. He is the Proprietor of Moon Traders. He is attached with many social organizations around the country.



Mohammad Amanullah
Director

Type of Director : Non-executive Director
: Representative of Wazeefa Acrylic Spinning Mills Ltd.
Committee Membership : Member Investment Committee
First Appointment Date : 14-05-2013
Last Re-Elected Date : 24-03-2025

Directorship and engagement, other than City Insurance PLC.

N/A

Mr. Mohammad Amanullah is a B.Com graduate. He has been nominated on the Board by Wazeefa Acrylic Spinning Mills Ltd. His involvement extends beyond business, as he is actively associated with various educational and social organizations, contributing significantly to societal welfare and development efforts.



Mrs. Hasina Parveen Manwar
Director

Type of Director : Non-executive Director
: Representative of Mehmud Industries (Pvt.) Ltd.
Committee Membership : N/A
First Appointment Date : 21-05-2009
Last Re-Elected Date : 24-03-2025

Directorship and engagement, other than City Insurance PLC.

Managing Director, Athena's Furniture & Home Décor

Mrs. Hasina Parveen Manwar traces her roots to a respectable Muslim family of Chattogram. She has been nominated on the Board by Mehmud Industries (Pvt.) Ltd. She graduated from Chittagong University in 1994. She is an accomplished woman entrepreneur of the country, leading the high-end furniture brand, Athena's Furniture & Home Décor as its Managing Director.



Muhammad Nazirul Islam
Director

Type of Director : Non-executive Director
: Representative of Anwar Landmark Ltd.
Committee Membership : Chairman, Policyholder Protection & Compliance Committee
: Member, Audit Committee, NRC & Risk Management Committee
First Appointment Date : 30-06-2021
Last Re-Elected Date : 30-03-2024

Directorship and engagement, other than City Insurance PLC.

N/A

Mr. Muhammad Nazirul Islam worked in the general insurance industry, both in the public and private sectors, for several decades. He was the Chief Executive Officer at Continental Insurance Ltd., City General Insurance Co. Ltd. and Asia Insurance Ltd. Before joining the private sector, he was Deputy General Manager (Re-Insurance) at Sadharan Bima Corporation.

Mr. Islam obtained his BSS (Hons) and MSS degree from Dhaka University. He completed his Professional Diploma in General Insurance (ABIA) from Bangladesh Insurance Academy.

Over the years, he has attended several professional training courses and workshops at home and abroad.



Mrs. Selina Ahmed
Director

Type of Director : Non-executive Director
: Representative of A-One Polymer Ltd.
Committee Membership : N/A
First Appointment Date : 05-04-2012
Last Re-Elected Date : 30-03-2023

Directorship and engagement, other than City Insurance PLC.

N/A

Mrs. Selina Ahmed holds a Master's degree (M.A.) from the University of Dhaka. She has been nominated by A-One Polymer Ltd., reflecting her professional expertise and contributions. In addition to her corporate involvement, Mrs. Ahmed is actively engaged in various social welfare activities, demonstrating her commitment to public service and community development.



Mahabubul Haque
Independent Director

Type of Director : Independent Director
Committee Membership : Chairman, Audit Committee
First Appointment Date : 26-10-2020
Last Re-Elected Date : 26-10-2023
AREAS OF EXPERTISE : Insurance, Accounting, Finance, Investment Management, Risk Management, Technology, Digital Transformation, Employee Engagement, Company Law and so on.

Directorship and engagement, other than City Insurance PLC.

N/A

Mr. Mahabubul Haque completed his M.A. from Chattogram University, LLB from Chottogram Law College, JAIBB at Institute of Bankers Bangladesh and also completed an Advance Certification Course on Human Resources Management from IBA, Dhaka University. He attended several professional courses, both at home and abroad, on Audit and Foreign Exchange Management. He has been exposed to international training in Delhi (India), Hyderabad (India), Frankfurt (Germany) and Paris (France).

Mr. Haque started his career in 1984. He was a Deputy General Manager (DGM) in Bangladesh Bank. He served at various departments across the bank, such as Audit Department, Inspection Department and Foreign Exchange Operation Department, Foreign Exchange Policy Department, International Department, Forex Reserve and Treasury Management Department and Human Resources Department.

He has attended various seminars and workshops on IAS, IFRS, and accounting and audit-related topics both locally and internationally. His extensive participation reflects a profound understanding of accounting principles and practices, showcasing a wealth of knowledge in the field.



Tauhiduddin Md. Zahed
Independent Director

Type of Director	: Independent Director
	: Representative of Mehmud Industries (Pvt.) Ltd.
Committee Membership	: Chairman, NRC
	: Member, Investment Committee and Policyholder Protection & Compliance Committee
First Appointment Date	: 01-03-2022
SECOND TERM EXTENSION DATE	: N/A
AREAS OF EXPERTISE	Insurance, Accounting, Finance, Investment Management, Risk Management, Technology, Digital Transformation, Employee Engagement, and Company Law.

Directorship and engagement, other than City Insurance PLC.

N/A

Mr. Tauhiduddin Md. Zahed completed his Masters degree from University of Dhaka in Economics. He is an Associate Member of Bangladesh Insurance Academy (ABIA) and awarded from Tyser & Co. London.

Mr. Tauhiduddin Md. Zahed joined in Sadharan Bima Corporation as Asst. Manager in November 1983 and served in different departments as leading position. Lastly he retired as General Manager from Sadharan Bima Corporation. He has more than 34 years working experience at Sadharan Bima Corporation, insurance companies and encompassing areas such as Engineering, Reinsurance, Claims, Underwriting, Audit, Law etc. Mr. Tauhiduddin Md. Zahed participated and successfully completed various types of trainings, workshop and seminars at home and abroad. He visited India, Pakistan, USA, Switzerland, Malayasia, Singapore, Thailand and Saudi Arabia.



Barrister Miti Sanjana
Independent Director

Type of Director	: Independent Director
Committee Membership	: Member Policyholder Protection & Compliance Committee
First Appointment Date	: 01-03-2025
Second Term Extension Date	: N/A
Areas of Expertise	: Business and Commercial Law, Contract Law, Construction Law, Corporate and Criminal Law, Family Law, Gender, Discrimination, Harassment and Human Rights Law, International Law and Conflict of Laws, Land Law, Negotiation, and Litigation.

Directorship and engagement, other than City Insurance PLC.

N/A

Barrister Miti Sanjana is an advocate of the Supreme Court of Bangladesh and is the partner of LEGAL COUNSEL an internationally proclaimed and well-reputed law firm. She was called to the bar of England and Wales by the Honourable Society of Lincoln's Inn, UK.

She is also a columnist and an eminent media personality. She is a soft-spoken admirable personality. She has come from a highly cultural oriented family and developed her personal values accordingly. She has been highly applauded by her clients for her timely legal services with excellence.

Prior to the formation of the partnership, she was running the Chambers as the sole proprietor. While her principal focus is on banking and property laws contracts, she has also been working very closely for furtherance and development of the socials causes gender equality women empowerment etc. She also practices on family law based on Muslim law and Hindu Law and deals with marriage divorce custody cross religious marriages etc.



Md. Shamim Hossain
Managing Director & CEO

Appointed on:	: 02-07-2019
Second Term Extension on	: 02-07-2022
Third Term Extension on	: 02-07-2025
Areas of Expertise:	Strategic Marketing & Business Development, Insurance Acts & Regulatory Compliance, Investment & Risk Management, Reinsurance & Claims Administration, Information Technology & Digital Transformation, Corporate Governance & Companies Law, Employee Engagement & Leadership Development, Innovation & Organizational Growth.

Directorship and engagement, other than City Insurance PLC.

N/A

Md. Shamim Hossain joined City Insurance PLC as General Manager in 2008 and has since become one of the driving forces behind the company's success. A dynamic and visionary sales leader, he brings extensive experience across both B2B and B2C markets, marked by creativity, strategic foresight, and an unwavering commitment to excellence.

Throughout his distinguished career, Mr. Hossain has consistently delivered strong business growth in highly competitive, target-driven environments. His leadership journey at City Insurance spans multiple key roles—culminating in his appointment as Acting Managing Director & CEO in 2018 and his confirmation as Managing Director & CEO in 2019. Under his guidance, the company has strengthened its core operations, enhanced service excellence, and expanded its market footprint across Bangladesh.

With nearly 24 years of diverse experience in the insurance industry, Mr. Hossain combines deep management insight with an innovative approach to organizational development. His expertise lies in building high-performance teams, driving strategic initiatives, and fostering sustainable growth.

Mr. Hossain holds a Master of Science in Chemistry from the National University, along with a Postgraduate Diploma in Computer Science and Engineering and an Oracle Certification. Before joining the insurance sector, he began his career in education and information technology, gaining valuable experience as a teacher and programmer.

A strong advocate of lifelong learning, he has participated in numerous training programs, seminars, and international symposiums on insurance and business leadership. Beyond his professional life, Mr. Hossain is deeply committed to community service. He has served as President of the Rotary Club of Shahbag (2018–2019), Assistant Governor (2021–2022), and Deputy Governor (2023–2024) of Rotary District 3281, Bangladesh, contributing meaningfully to social development and humanitarian causes.

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

Background and Purpose

The Code of Conduct (the "Code") has been formulated by the Board of Directors of City Insurance PLC to set forth principles and ethical standards for the Chairman| other Board Members and Chief Executive Officer in accordance with the Code No. 1(7)(a) of the Bangladesh Securities and Exchange Commission (BSEC) has issued a notification regarding Corporate Governance Guidelines [Notification No. BSEC/ CMRRCD/ 2006-158/207/Admin/80 dated 03 June 2018].

As one of the nation's leading non-life insurance companies| City Insurance PLC has always upheld the principles of good corporate citizenship and has worked hard to implement excellent corporate governance.

The spirit of Corporate Governance has prevailed in the Company and influenced its decisions and policies long before the guidelines became mandatory.

The Code of Conduct for the Chairman| other Board Members and Chief Executive Officer reflects the business practices and principles of behavior that support this commitment. Our Board of Directors set the standards of conduct contained in the Code and updates these standards as appropriate to reflect legal and regulatory developments. We expect every Board Member to read and understand this Code and its application to the performance of his or her responsibilities. We hold each of our Board Members accountable for adherence to this Code.

Code of Conduct:

1. The Chairman

- The Board Members shall elect a Chairman from amongst themselves for such a period as may be decided by the Board. If at any meeting of the Board| the Chairman be not present at the time appointed for holding the same| the Board Members shall choose another Director to preside over that meeting.
- The Chairman is expected to lead the Board of Directors with reasonable restraint and should at all times strive to build consensus on all contentious matters where there is divergence of opinion expressed in the course of performance of their jobs as such.
- The Chairman as the first among equals should act as an honest spokesperson of the Board and air only views already debated and decided upon by the Board. In other words| his/her personal opinions/ wish lists should be avoided in press conferences and meets. It would be proper to have certain key issues decided at the Board before they are made public.

2. General Duties

Fiduciary Duties

The duties imposed on Board Members are fiduciary duties| similar to those that the law imposes on those in similar positions of Trust: Agents and Trustees.

Powers vs Duties

The duties apply to each Board Member separately| while the powers apply to the Board jointly.

Contribution in Meetings/Debates

The Board Members are expected to contribute to the debates in the Board without any personal biases or other prejudices with the conviction and belief that the outcome of every debate would be towards the advancement of the company.

3. Proper purpose

- Board Members must exercise their powers for a proper purpose.

4. Unfettered discretion

- Board Members cannot| without the consent of the company| fetter their discretion in relation to the exercise of their powers| and cannot bind themselves to vote in a particular way at future board meetings.

5. Transactions with the company

- A Board Member shall not enter into a transaction with a company where there is a conflict between his interest and duty without the knowledge of the Board.
- It is a statutory duty of the director(s) to declare interests in relation to any transactions and to make proper disclosure thereof.

6. Use of corporate property| opportunity or information

- A Board Member must not without the informed consent of the company use company's assets opportunities or information for his/her own profit.

7. Competing with the company

- A Board Member must not compete directly with the company without a conflict of interest arising.
- A Board Member should not act as a director of any competing companies as his/her duties to each company would conflict with each other.

8. Confidentiality

- Each Board Member must use utmost care and discretion in the handling of confidential information and other information not normally available to the public generally coming to them by reason of their directorship office or employment. Such information shall subject to certain limited circumstances not be disclosed to third parties and shall not be used for personal benefit or for the benefit of family friends or associates.

9. Conflict of duty and interest

- As fiduciaries the Board Members must not put themselves in a position where their interests and duties conflict with the duties that they owe to the company.
- Each and every Board Member has an obligation of loyalty to the company and should subordinate his/her personal interest when they conflict with or threaten to conflict with the best interests of the company.
- Each and every Board Member shall declare all actual or potential material conflicts that may arise between their duty to the company and their personal obligations| other fiduciary duties or financial interests (direct or indirect) and these conflicts shall be reported to the Chair.
- A Board Member should not engage directly or indirectly as a director| officer| employee consultant| partner agent or major shareholder in any business or undertaking that competes with| does business with or seeks to do business with the company.
- With respect to restricted party transactions full disclosure of material transactions shall be recorded in the board's minutes and will be transacted in accordance with legislated restrictions.
- To avoid conflicts of interest the Board Members must do more than merely act within the law. They must conduct their affairs in such a manner that their performance will at all times bear public scrutiny. The appearance of conflict of interest as well as the conflict itself must be avoided.

10. Accepting Gifts

- No Board Member shall accept any gift hospitality or favour offered or tendered by virtue of the position with the company.
- When dealing with public officials whose responsibilities include the business of the company acts of hospitality should be of such a scale and nature so as to avoid compromising the integrity or reputation of either the public official or the company. Such acts of hospitality should be undertaken in the expectation that they could well become a matter of general knowledge and public record.

11. Reporting of Questionable or Fraudulent Actions

- The Board Members shall report to the Board or to the audit committee about their awareness of any situation which might adversely affect the reputation of the company. This would include any questionable fraudulent or illegal events or material actions in violation of company policy which comes to their attention.

12. Cooperation with Auditors

- Every Board Member is expected to comply promptly with any request from internal and/or external auditors for assistance and to provide full disclosure of any situation under investigation.

Acceptance of this Code

- All members of the Board of Directors shall sign this Code of Conduct including any new members who may assume office as from this date.
- These signed copies shall be held by the Company Secretary of the company.

Affirmation & Compliance of the Code

- All Board Members shall read this Code at least annually and shall certify in writing that they have done so and that they understand the Code.
- Annual compliance of the code by all Board Members shall be recorded in a meeting of the Board of Directors.



Hossain Akhtar
Chairman
City Insurance PLC.

MANAGEMENT **TEAM**



Mr. Md. Shamim Hossain
Managing Director & CEO

Mr. A.K.M Mohiuddin
Head of Business Development Department

Mr. Sheikh Azizul Haque, FCS
Chief Financial Officer



Mr. Subir Mistry, ABIA
Head of Underwriting and Chief Risk Officer (CRO)

Mr. Mohammad Zia Uddin Dewan
Head of Claims

GRI 2-9



Mrs. Beauty Paul Chowdhury
Head of Reinsurance

Mr. Md. Ibrahim Molla
Head of Internal Audit and Compliance (HIAC)

Farhana Haque
Head of HR & Admin



Mr. Mohammed Ashaduzzaman Sarkar
Company Secretary

Mr. Shakirul Arifin Tanim
Head of IT

COMMITTEES OF **MANAGEMENT**



BUSINESS DEVELOPMENT AND BRANCH MANAGEMENT COMMITTEE

CONVENOR	MEMBERS	MEMBER SECRETARY
A.K.M Mohiuddin	Sheikh Azizul Haque, FCS Md. Ibrahim Molla Subir Mistry, ABIA	Farhana Haque



EMPLOYEES CONTRIBUTORY PROVIDENT FUND TRUSTEE BOARD

CHAIRMAN	MEMBERS	MEMBER SECRETARY
Md. Shamim Hossain	Sheikh Azizul Haque, FCS Md. Ibrahim Molla Farhana Haque	Mohammed Ashaduzzaman Sarkar



EMPLOYEES' GRATUITY FUND TRUSTEE BOARD

CHAIRMAN	MEMBERS	MEMBER SECRETARY
Md. Shamim Hossain	Sheikh Azizul Haque, FCS Md. Ibrahim Molla Farhana Haque	Mohammed Ashaduzzaman Sarkar

PROFILE OF THE **MANAGEMENT TEAM**

GRI 2-9



MD. SHAMIM HOSSAIN
Managing Director & CEO

Expertise:

Strategic Marketing & Business Development, Insurance Acts & Regulatory Compliance, Investment & Risk Management, Reinsurance & Claims Administration, Information Technology & Digital Transformation, Corporate Governance & Companies Law, Employee Engagement & Leadership Development, Innovation & Organizational Growth.

Educational Background:

Master of Science in Chemistry.

Professional Qualifications:

- Postgraduate diploma course in Computer Science and Engineering
- ORACLE certification course

Years of Experience:

24



A.K.M MOHIUDDIN
Head of Business Development Department

Expertise:

Business Development, Sales & Marketing, Strategic Business Planning, Relationship Management, Team Development.

Educational Background:

Graduation from National University.

Years of Experience:

29



SHEIKH AZIZUL HAQUE

M.com, FCS, CGIA, VAT Agent

Chief Financial Officer & CAMLCO

Expertise:

Financial Planning, Controlling Budgeting, Profitability Analysis, Capital Adequacy and Solvency, Investment Compliance and Reporting, Financial Risk Management, Expense Management, Corporate & Financial Reporting and Tax & VAT.

Educational Background:

M.Com in Management, Jagannath University.

Professional Qualifications:

- Fellow member of the ICSB
- Chartered Global Investment Analyst (CGIA)
- VAT Agent of the National Board of Revenue (NBR)
- VAT Consultant of the National Board of Revenue (NBR)
- Partly qualified of CA Professional level from the ICAB

Memberships

- Institute of Internal Auditors Bangladesh (IIAB)
- Bangladesh VAT Professional Forum
- Bangladesh VAT Bar Association
- Dhaka Taxes Bar Association

Years of Experience:

27



BEAUTY PAUL CHOWDHURY

Head of Reinsurance Department

Expertise:

Reinsurance Strategy, Risk Assessment and Underwriting, Catastrophe Modeling, Reinsurance Structuring, Claims Management and Analysis.

Educational Background:

Master of Science in Botany and obtained 1st class (Thesis Group), University of Dhaka.

Years of Experience:

28



MD. IBRAHIM MOLLA

Head of Internal Audit
and Compliance (HIAC)

Expertise:

Risk Management and Control, Internal Audit Planning and Execution, Regulatory Compliance, Operational and Financial Audits, Policy and Process Improvement, Ethics and Conduct Oversight and Fraud Detection & Prevention.

Educational Background:

- Master of Commerce, Jagannath University
- Master of Business Administration in Finance, America Bangladesh University

Years of Experience:

26



FARHANA HAQUE

Head of HR, Admin & Law

Expertise:

Data-driven HR Analytics about Talents to advise top Management on Business Strategy, HR Business Partnering and Change Management, Talent Management i.e., Talent Planning & Budgeting, Talent Attraction, Talent Acquisition and On-boarding, Control & Compliance, Talent Development, Employee Engagement, Performance Management, Succession Planning and Attrition Management, Legal Compliance and Regulatory

Educational Background:

- Master of Science in Geography & Environment, Jaganath University.
- L.L.B, City Law College, Dhaka.

Years of Experience:

24



SUBIR MISTRY, ABIA

Head of Underwriting, Logistics & BCD, Chief Risk Officer (CRO) and Dy. CAMLCO

Expertise:

Digital Transformation in Underwriting, Risk Evaluation and Technical Pricing, Underwriting Policy Development and Governance, Product Innovation and Improvement Support, Crisis Management and Business Continuity, Reinsurance Strategy, Enterprise Risk Management, Strategic Planning and Execution, Training and Awareness, Communication and Coordination, Team Development and Leadership as well as Regulatory Compliance.

Educational Background:

Master of Business Administration, East West University

Professional Qualifications:

- Associate of Bangladesh Insurance Academy (ABIA)
- Master of Insurance and Risk Management (MIRM), University of Dhaka.

Membership

- Bangladesh Insurance Academy (BIA) – Associate Member (ABIA)
- Dhaka University Alumni Association of Banking and Insurance (DUAAB)

Years of Experience:

18



MOHAMMAD ZIA UDDIN DAWAN

Head of Claims

Expertise:

Claims Evaluation and Decision-Making, Loss Adjustment, Claims Process Optimization, Cost Control and Fraud Prevention, Customer-Centric Claims Handling, Compliance with Regulatory Standards and Risk Mitigation and Loss Prevention.

Educational Background:

Master of Commerce in Management, Dhaka College under the National University.

Years of Experience:

24



MOHAMMED ASHADUZZAMAN SARKAR
Company Secretary

Expertise:

Board Administration, Policy Development and Enforcement, Corporate Governance, Corporate matters, Compliance with Insurance and Corporate Laws, Reporting and Disclosures, Statutory Compliance, Shareholder Communication, Corporate Social Responsibility (CSR) Compliance, Advising on Strategic Decisions, Change Management and Policy Adaptation and Regulatory Liaison in Insurance Matters.

Educational Background:

- Pursued MA in English at Dhaka College under the National University.

Professional Qualifications:

- Pursuing Chartered Secretary Course from the Institute of Chartered Secretaries of Bangladesh (ICSB).

Years of Experience:

14



SHAKIRUL ARIFIN TANIM
Head of IT

Expertise:

Enterprise solution development, strategic technological planning and development, designing secure and scalable software architectures, implementing technology strategies, web application development, IoT solutions, website design, and AI application development.

Educational Background:

- BSc in Computer Science from the Institute of Science & Technology.
- Pursuing MSc in Computer Science from Jahangirnagar University.
- Advanced Certificate for Management Professionals (ACMP) 4.0 from the Institute of Business Administration (IBA)

Years of Experience:

8

SENIOR EXECUTIVES

SENIOR EXECUTIVES

Md. Sher Ali Khan DMD & Branch In-charge O.R. Nizam Road Branch, Chattogram.	**Chowdhury Md. Salehuddin** DMD & Branch In-charge Agrabad Branch, Chattogram.	**A. T. M Najmul Husain** Asst. Managing Director Kawran Bazar Branch, Dhaka.
Khandaker Mosabber Hossain Asst. Managing Director Local Office, Dhaka.	**Sabir Mohammad Azad** Sr. Ex. Vice President Kawran Bazar Branch, Dhaka.	**Md. Salim Hossain** SEVP & Branch In-charge Motijheel Branch, Dhaka.
Md. Shafiq Uddin EVP, Local Office, Dhaka.	**Md. Anowar Hossain** EVP & Branch In-charge Khulna Branch.	**Sk. Md. Aslam** EVP Motijheel Branch, Dhaka.
Md. A. A. Asiful Islam Chowdhury SVP & Branch In-charge Islampur Branch, Dhaka.	**Kazi Tanvir Eyear** SVP & Branch In-Charge Local Office, Dhaka.	**Md. Jamil Ahmed** VP & Branch In-charge Sunamganj Branch, Sunamganj.
Meer Walidur Rahim VP & Branch In-charge Uttara Branch, Dhaka.	**Mosammat Margena Khatun** VP & Branch In-charge Kushtia Branch, Kushtia.	**Md. Shahenur Hossain** VP & Branch In-charge Benapole Branch, Jashore.

DIRECTORS' REPORT



MESSAGE FROM **OUR CHAIRMAN**



"Reaffirming City Insurance's commitment to sustainable growth, strong governance, customer trust, and delivering long-term value in the evolving insurance landscape."

Hossain Akhtar
Chairman

Bismillahir Rahmanir Rahim

Dear Shareholders, Stakeholders, and Valued Partners,

As we conclude 2025, I am pleased to present the Annual Report and audited financial statements of City Insurance PLC (CIPLC) for the year ended 31 December 2025. On behalf of the Board of Directors, I share a brief reflection on the Company's performance and extend my sincere appreciation for your continued trust and support. Despite a year marked by both opportunities and challenges, CIPLC navigated the landscape with resilience, discipline, and strategic foresight.

I am pleased to note that, as we enter our 30th year of operation, City Insurance PLC reflects on a journey defined by trust, resilience, and steady progress. Over the past three decades, the Company has grown alongside the evolving insurance landscape of Bangladesh, guided by prudent risk management, strong governance, and a commitment to serving policyholders and shareholders. This milestone is not only a celebration of longevity, but also a reaffirmation of our responsibility to strengthen our foundations and pursue sustainable growth in the years ahead.

Global and Bangladesh Economic Context

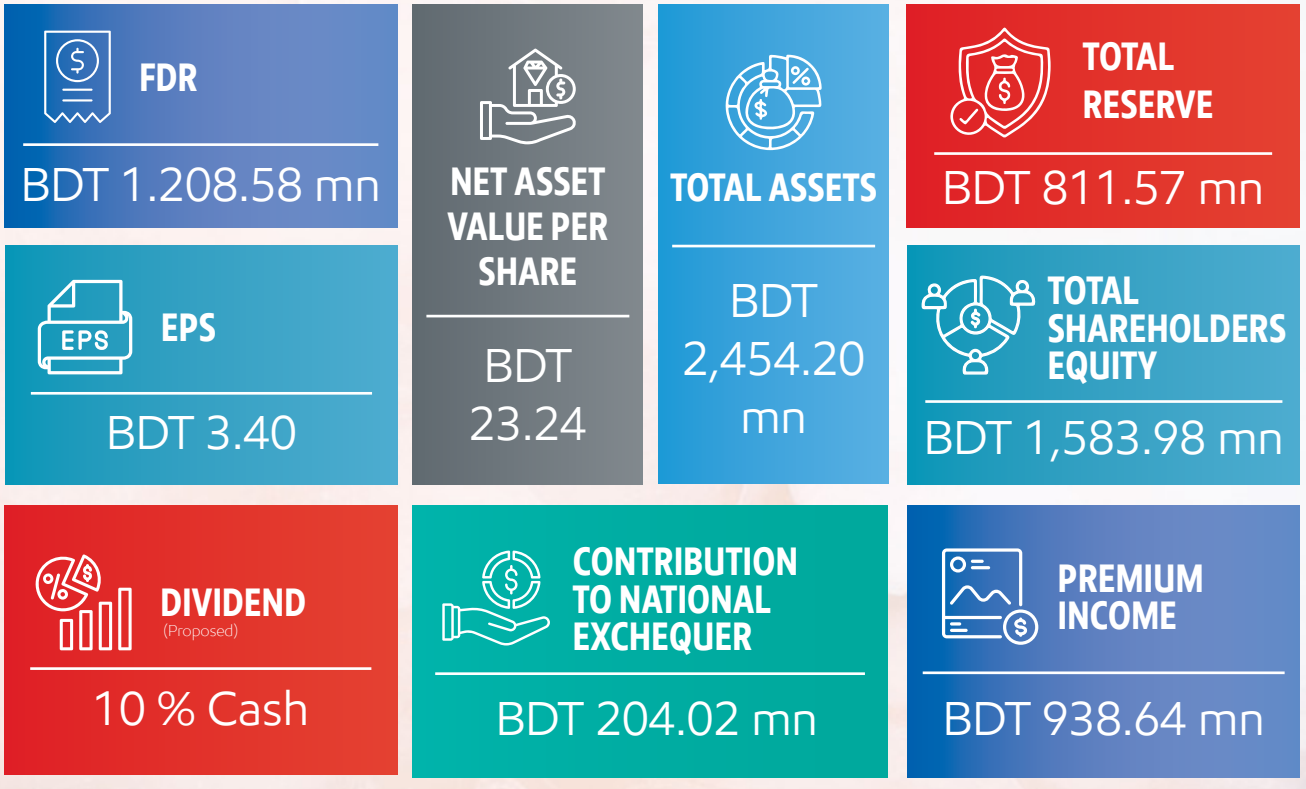
In 2025, the global economy moved through a phase of "tenuous resilience." While headline inflation began to stabilize, the landscape remained fraught with geopolitical fragmentation, trade barriers, and financial market volatility. These external pressures directly impacted the insurance sector through increased claims inflation and fluctuating investment yields.

Domestically, Bangladesh's economy demonstrated commendable stability despite structural shifts and global headwinds. With a projected GDP growth of approximately 3.9% for FY2025, the nation benefited from a cooling of food inflation and a surge in remittance inflows. For the insurance industry, this period was marked by rigorous regulatory reforms led by the Insurance Development & Regulatory Authority (IDRA) to enhance transparency and solvency. Despite challenges such as currency depreciation and high interest rates, the sector continues to offer significant potential. As a leader in this space, City Insurance PLC remains strategically positioned to leverage these domestic reforms while navigating global uncertainties with disciplined risk management.

Our Business Performance in 2025

For three decades, City Insurance has remained committed to its core mission: driving quality growth and creating long-term value for stakeholders, while delivering outstanding customer experiences and upholding sustainable business practices. Our steadfast focus on the principle of 'customer first' has allowed us to support clients through every challenge and achievement, reinforcing our reputation as one of Bangladesh's most trusted non-life insurance providers.

Amid global economic uncertainties, City Insurance PLC delivered strong financial performance in 2025. Key highlights include:



Rewarding Our Shareholders

Aligned with our commitment to creating shareholder value, the Board of Directors has recommended a 10% cash dividend for 2025, subject to approval at the 30th AGM. This approach balances rewarding our investors with retaining earnings to support future growth. Amid market volatility, it reinforces the Company's financial stability while enabling long-term expansion. Looking forward, we remain focused on driving sustainable growth and enhancing value for our shareholders and clients, whose trust and support form the foundation of our continued success.

Evaluation of Board and Sub-Committee Performance

The Board of Directors is accountable to shareholders, making regular performance evaluation essential. City Insurance assesses the Board, its sub-committees, and individual directors based on attendance, participation, and contribution to strategic oversight. The conduct of the Chairperson, Board Members, and committee members is guided by BSEC and IDRA governance guidelines, the Company's Articles of Association, and best practices. The Company continues to strengthen its performance evaluation framework to ensure effective governance, regulatory compliance, and alignment with long-term objectives.

Commitment to Strong Corporate Governance and ESG Excellence

The Board of City Insurance remains steadfast in upholding the highest standards of corporate governance, integrity, and ethical business conduct. Our governance framework is designed to protect the interests of customers, investors, and regulators, with sustainability embedded at the core of decision-making. Environmental, Social, and Governance (ESG) principles are fully integrated into our business model, enabling responsible operations while supporting financial inclusion.

ESG considerations play a meaningful role in risk assessment and opportunity identification, positioning City Insurance as a leader in sustainable insurance solutions. Transparency and accountability are maintained across all operations, supported by clearly defined roles and responsibilities between the Board and management. We place strong emphasis on full compliance with the requirements of the Insurance Development & Regulatory Authority, Bangladesh Securities and Exchange Commission, and other regulatory bodies. Through consistent adherence to best practices, we continue to set a strong governance benchmark for long-term growth and resilience.

Benchmarks of Excellence: Credit Rating and ISO Certification

I am pleased to report that our financial strength has once again been affirmed with a superior credit rating of AAA, assigned by Credit Rating Information Services Limited (CRISL). This rating reflects our strong claims-paying ability and reinforces our financial credibility in the market.

AAA
Credit Rating by CRISL

ISO 9001:2015
ISO Certification by ASCB

Furthermore, 2025 marked a significant milestone as we achieved **the ISO 9001:2015** certification. This recognition underscores our commitment to maintaining robust quality management systems, enhancing operational efficiency, and consistently delivering superior services to our clients. Attaining this certification reflects the dedication of our team, the effectiveness of our processes, and our ongoing focus on continuous improvement, positioning the Company for sustained excellence and long-term growth.

Driving Digital Leadership Through InsurTech

The acceleration of our InsurTech initiatives was one of City Insurance's defining achievements in 2025. We continued to use digital technologies to improve efficiency, customer experience, and access, with end-to-end digital solutions now covering everything from underwriting to claims. As a result, more than 60 percent of our transactions are conducted through digital platforms, confirming the strength of our technology investments.

Our digital journey began earlier. On July 1, 2022, City Insurance became the first insurer in Bangladesh to introduce a fully paperless office system. This milestone reflects our commitment to innovation, sustainability, and operational discipline. The shift reduced costs, improved turnaround time, and aligned us with global best practices while lowering our environmental footprint.

We also expanded distribution by partnering with leading banks, positioning Bancassurance as a powerful growth channel. At the same time, AI-driven underwriting and risk assessment enhanced pricing accuracy and fraud detection. Cyber insurance emerged as a key new product, underscoring our focus on digital risk in a rapidly evolving economy.

Strengthening Risk Management for a Climate-Resilient Future

Risk management remained a core priority for City Insurance, with increased focus on climate-related and emerging risks. We strengthened our risk assessment frameworks to better address natural disasters, extreme weather events, and environmental exposures. We actively monitor a spectrum of risks, including cyber threats, market volatility, regulatory changes, and climate risks. By integrating data-driven analysis and improved underwriting practices, we enhanced portfolio resilience and claims preparedness. At the same time, we promoted awareness and responsible risk coverage to support customers and communities facing climate uncertainty. These efforts reinforce our commitment to long-term stability, sustainable growth, and protecting stakeholders in an increasingly climate-vulnerable environment.

Awards and Accolades

City Insurance PLC received prestigious awards and recognitions in 2025 for excellence in corporate governance, operational performance, innovation, and sustainability. These achievements underscore our steadfast commitment to industry best practices and our dedication to maintaining the highest standards of transparency, efficiency, and customer service.

Among our most notable honors, City Insurance PLC was awarded the **ICSB Gold Award for Corporate Governance Excellence 2024** for the third consecutive year, as well as the **ICMAB Best Corporate Award 2024.** These distinctions reflect the strength of our governance framework, the integrity of our financial reporting, and our ability to navigate the evolving insurance landscape while upholding exemplary corporate ethics.

Outlook 2026

As we look ahead to 2026, City Insurance PLC remains cautiously optimistic about the opportunities and challenges in the evolving insurance landscape. The global economy is expected to continue experiencing volatility, while Bangladesh's economy shows steady growth supported by regulatory reforms, infrastructure development, and rising demand for risk protection.

Building on the strong foundation established in 2025, we will focus on strategic growth, digital transformation, product innovation, and customer-centric solutions. Strengthening risk management, enhancing operational efficiency, and maintaining robust corporate governance will remain central to our strategy. Our commitment is to create sustainable value for shareholders, serve our clients with excellence, and continue reinforcing our position as a trusted leader in the non-life insurance sector.

Acknowledgement

In conclusion, we sincerely thank our customers for their trust and support throughout 2025. We also extend our heartfelt appreciation to our shareholders and stakeholders for their guidance and commitment. Together, we remain dedicated to strengthening City Insurance PLC, driving sustainable growth, and creating lasting value, ensuring a prosperous and resilient future for the Company and all those we serve.

Thank you for your continued trust and belief in our potential.

Allah Hafez

With warmest regards



Hossain Akhtar
Chairman of the Board
City Insurance PLC.

MANAGING DIRECTOR & CEO'S **STATEMENT ON THE PERFORMANCE**



"City Insurance PLC not only navigated a rapidly evolving insurance and risk landscape but also emerged stronger and more resilient. Despite intense competition, regulatory change, and economic volatility, we remained focused on delivering consistent value to our stakeholders."

Md. Shamim Hossain
Managing Director & CEO

In the name of Allah, the Most Gracious, the Most Merciful.

Dear Ladies and Gentlemen,

It is with great pride and deep satisfaction that I report another successful year for City Insurance PLC in 2025. Operating in an environment shaped by geopolitical tension and economic turbulence, we addressed complex challenges with clarity, discipline, and resolve. Guided by focused strategies and our core values of integrity, innovation, and excellence, we sustained growth and delivered consistent value to our stakeholders, emerging stronger, more stable, and more resilient.

As we enter our 30th year of operation, City Insurance PLC reflects on a journey defined by trust, resilience, and steady progress. Over the past three decades, the Company has grown alongside Bangladesh's evolving insurance landscape, anchored by prudent risk management, strong corporate governance, and an unwavering commitment to our policyholders and shareholders— This enduring foundation positions City Insurance PLC to lead with confidence, create lasting value, and drive sustainable growth in the years ahead.

Bangladesh Non-Life Insurance Industry

In 2025, the Bangladesh non-life insurance industry demonstrated steady growth, supported by rising awareness of risk protection and increasing demand for diverse insurance products. Premium collection improved across key segments, reflecting both urban and rural market penetration, while competition encouraged innovation in underwriting and service delivery.

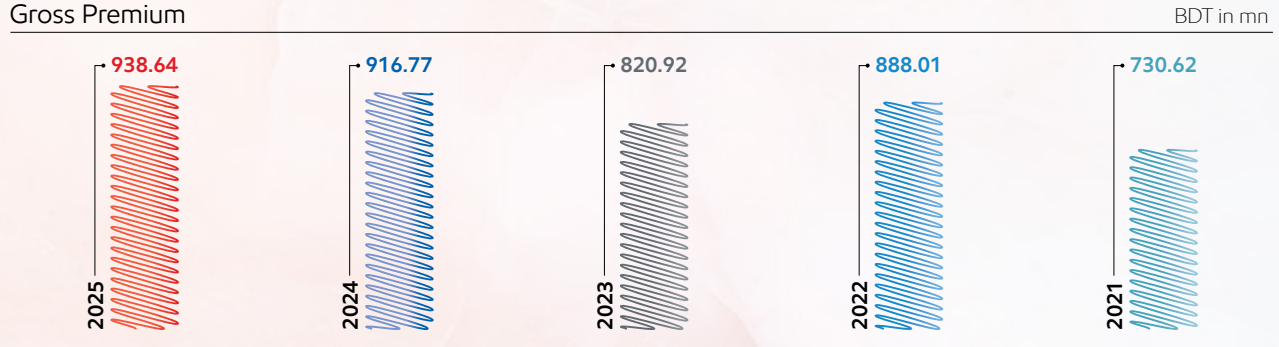
The Insurance Development & Regulatory Authority (IDRA) introduced regulatory reforms to enhance transparency, solvency, and governance, further strengthening industry resilience. Challenges such as claim inflation, natural disasters, and currency fluctuations persisted, requiring disciplined risk management and prudent financial planning.

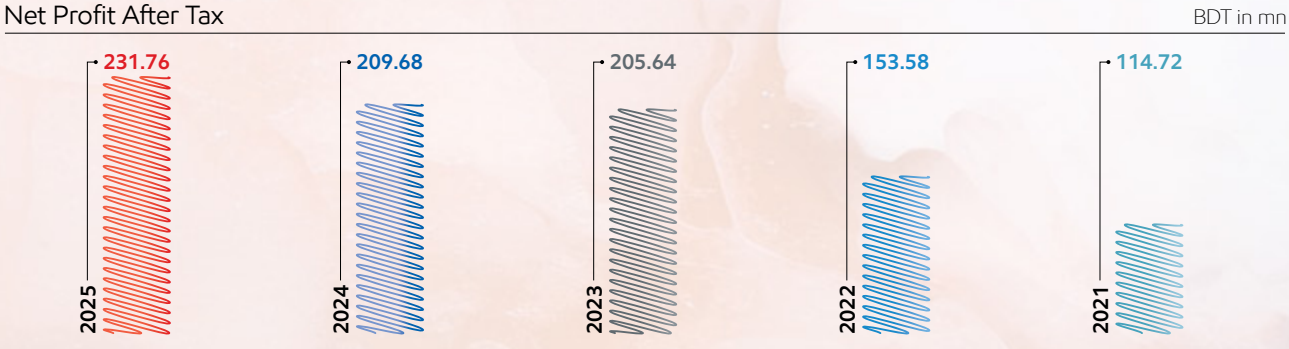
Following the successful launch of bancassurance (the sale of insurance products through banks), this channel gained significant momentum in 2025, enabling non-life insurers to reach both corporate and retail clients more efficiently.

Looking ahead, the industry is well-positioned to leverage opportunities in digitalization, product innovation, and untapped markets, driving sustainable growth and enhanced customer service in the coming years.

Our Resilient Performance and Progress

Having completed a landmark 30-year journey, City Insurance PLC remains steadfast in its mission to achieve sustainable growth, create long-term value for our stakeholders, and deliver unparalleled customer service. Built upon our core pillar of 'customer focus,' we have consistently stood by our clients through shifting economic tides, earning our reputation as one of the most reliable and resilient non-life insurance providers in Bangladesh.





In 2025, despite global economic uncertainties, City Insurance PLC demonstrated remarkable financial resilience and growth. Key performance highlights include:

GROSS PREMIUM
BDT 938.64 mn
2024- BDT 916.77 mn

NET TURNOVER
BDT 607.48 mn
2024
BDT 583.93 mn

PROFIT BEFORE TAX
BDT 366.42 mn
2024
BDT 295.11 mn

NET PROFIT AFTER TAX
BDT 231.76 mn
2024- BDT 209.68 mn

UNDERWRITING PROFIT
BDT 137.45 mn
2024- BDT 164.84 mn

FDR
BDT 1,208.58 mn
2024- BDT 1,010.01 mn

EPS
BDT 3.40
2024- BDT 3.08

NET OPERANING CASH FLOW PER SHARE
BDT 4.33
2024- BDT 2.44

TOTAL REVENUE
BDT 1,179.30 mn
2024- BDT 1,060.42 mn

By leveraging our three decades of experience, we have successfully optimized our claims settlement process and strengthened our solvency position, ensuring that we remain a bedrock of stability for our policyholders. This year's growth is a direct result of our ability to blend traditional values with modern efficiency, positioning us for continued success in an evolving market.

Credit Rating and ISO Certification

Our financial strength has once again been affirmed with a superior credit rating of AAA, assigned by Credit Rating Information Services Limited (CRISL). This rating reflects our strong claims-paying ability and reinforces our financial credibility in the market.

AAA
Credit Rating by CRISL

ISO 9001:2015
ISO Certification by ASCB

Furthermore, 2025 marked a significant milestone as we achieved the ISO 9001:2015 certification. This recognition underscores our commitment to maintaining robust quality management systems, enhancing operational efficiency, and consistently delivering superior services to our clients. Attaining this certification reflects the dedication of our team, the effectiveness of our processes, and our ongoing focus on continuous improvement, positioning the Company for sustained excellence and long-term growth.

Awards and Accolades

City Insurance PLC has been honored with numerous prestigious awards and recognitions over the past few years, celebrating our excellence in corporate governance, operational performance, innovation, and sustainability. These achievements strongly reflect our unwavering commitment to industry best practices and our dedication to upholding the highest standards of transparency, efficiency, and customer service.

Among our most distinguished accolades, City Insurance PLC has achieved the ICSB Gold Award for Corporate Governance Excellence for three consecutive years, alongside other eminent recognitions such as the ICMAB Best Corporate Award, SAFA Award, and ICAB Award, among others. These honors underscore the robustness of our governance framework, the integrity and reliability of our financial reporting, and our proven ability to successfully navigate the evolving insurance landscape while consistently maintaining exemplary standards of corporate ethics and professionalism.

Sustainability Stewardship

In 2025, City Insurance PLC advanced its sustainability agenda through targeted efforts to reduce waste and enhance resource efficiency. A key milestone was the optimization of our paper usage; following a comprehensive inventory audit, we determined that our current stock of correspondence sheets is sufficient for the next three years, significantly curbing future procurement waste. To foster a culture of reuse, we launched creative employee competitions to repurpose materials for corporate events.

Furthermore, we initiated a company-wide carbon footprint calculation project. We are currently finalizing the first phase, measuring Scope 1 and Scope 2 emissions. Future phases will integrate Scope 3 reporting and seek independent third-party assurance. These actions reflect our commitment to environmental responsibility and transparent, quantifiable disclosures in line with global standards.

Corporate Social Responsibility (CSR)

City Insurance has consistently prioritized social and public welfare over profit maximization. The company allocates a significant portion of its annual profits to Corporate Social Responsibility (CSR) activities in areas such as education, healthcare, disaster management, and the environment. In addition, the company provides laptops to deserving underprivileged students and financial assistance for medical operations, as well as other social initiatives for its employees. In 2025, the company incurred a CSR expense as follows:



Looking Ahead

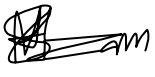
As we move into 2026, our strategic focus is anchored in sustainable growth, operational discipline, and long-term value creation. We will prioritize portfolio quality over volume, strengthen underwriting standards, and enhance risk selection to protect profitability. Digital transformation will remain a key driver, with targeted investments in core systems, data security, and customer-centric platforms to improve efficiency and service delivery. We will continue to deepen market presence through selective expansion, stronger distribution partnerships, and tailored insurance solutions. Equally important, we will invest in our people, governance, and compliance to ensure resilience, transparency, and trust as we build a stronger future for City Insurance PLC.

Appreciation

I extend my sincere appreciation to our colleagues for their outstanding performance, unwavering dedication, and remarkable collective efforts, which continue to drive our purpose, innovation, and results. Their teamwork, professionalism, and commitment have been instrumental in achieving our shared goals. I am equally grateful for the exceptional leadership, guidance, and strategic oversight provided by our esteemed Board of Directors, whose wisdom and active engagement have fostered a culture of thoughtful decision-making and strong corporate governance.

I would also like to express my heartfelt thanks to our shareholders for their continuous support and confidence, which have strengthened our foundation and enabled sustainable growth. My sincere appreciation goes to our valued clients for their enduring trust and support, as well as to our partners, stakeholders, and the regulator for their guidance and collaboration. Together, we move forward with confidence and optimism toward sustained success in 2026 and beyond.

With sincere gratitude,



Md. Shamim Hossain
Managing Director & CEO
City Insurance PLC.

WORLD ECONOMIC **OUTLOOK**

By the close of 2025, the global economy is characterized by cautious resilience rather than strong expansion. A synchronized global recession has been avoided, but growth has softened as economies adjust to tighter financial conditions and a more fragmented trade environment shaped by neo-protectionism. Global real GDP growth has settled in the range of 3.0% to 3.2%, marking a clear slowdown from the post-pandemic rebound. Inflation has eased materially, though the final stage of disinflation proved challenging due to persistent services inflation and tight labor markets. Headline inflation has stabilized near 3% across most G20 economies, enabling a clear shift in monetary policy. Major central banks, including the U.S. Federal Reserve and the Bank of England, have begun lowering policy rates toward a neutral range of approximately 3.50% to 3.75%, signaling the end of an exceptionally restrictive monetary cycle.

Global trade dynamics have been a major source of volatility throughout the year. Escalating tariff measures, particularly between the United States and China, triggered a period of front-loaded imports early in the year, temporarily inflating first-quarter trade figures. This was followed by a noticeable cooling of trade volumes in the second half of 2025. At the same time, supply chains have continued to diversify away from single-country dependence. "China Plus One" strategies have gained further traction, with Vietnam, Mexico, and India capturing a growing share of redirected manufacturing and trade flows as firms prioritize resilience over cost efficiency.

Regional Outlooks: A Divergent Recovery

Economic performance in 2025 has diverged sharply across regions. North America has recorded growth of around 2.0%, supported by robust consumer spending and resilient labor markets. However, elevated debt-servicing costs and tariff-driven price volatility have constrained investment and weighed on household balance sheets. Europe has experienced a slower recovery, with growth ranging between 0.8% and 1.4%. Weak industrial output, particularly in Germany, continues to drag on the region, while domestic consumption and services-led activity have provided partial support amid persistently high energy costs.

	2025 Est. Growth	Key Drivers & Challenges
 North America	~2.0%	Robust consumer spending; high debt-servicing costs; tariff-related price volatility.
 Asia-Pacific	~4.5%	Driven by India (6.6%) and China (4.5%); export-led growth facing protectionist headwinds.
 Europe	~4.5%	Weak industrial output in Germany; recovery led by domestic consumption; high energy costs.

	2025 Est. Growth	Key Drivers & Challenges
Emerging Markets	~4.0%	Strong resilience in India and Brazil; vulnerability to USD fluctuations and capital flight.
LDCs	~5.3%	High growth potential but offset by extreme debt distress and climate vulnerability.

Asia-Pacific remains the primary driver of global growth, with regional expansion estimated at approximately 4.5%. India stands out with growth near 6.6%, fueled by large-scale infrastructure investment and strong domestic demand. China has stabilized growth around 4.5% as it manages a difficult transition away from a property-led growth model. Targeted state support has helped cushion the adjustment, though export-oriented sectors face mounting pressure from trade restrictions and geopolitical tensions with Western economies.

Emerging markets as a group have grown by roughly 4.0%, reflecting strong performance in countries such as India and Brazil, alongside continued vulnerability in others. Exposure to U.S. dollar fluctuations, capital flow volatility, and elevated borrowing costs remains a key risk. Least-developed countries have posted higher headline growth of around 5.3%, driven by demographic momentum and infrastructure needs, but this potential is heavily offset by extreme debt distress and heightened exposure to climate-related shocks.

Structural Shifts and Policy Directions

Fiscal policy has entered a more constrained phase as the era of ultra-low borrowing costs has decisively ended. Governments face mounting pressure to rebuild fiscal buffers while managing rising debt-servicing costs. At the same time, public spending remains elevated due to the demands of what is increasingly referred to as the "triple transition": higher defense expenditure, investment in green energy, and accelerated digital and AI adoption. This has created a persistent tension between fiscal expansion and monetary restraint, complicating macroeconomic coordination.

Technological transformation has become a defining structural force in 2025, particularly through the commercialization of generative artificial intelligence. AI investment has shifted from experimentation to capital expenditure, with early productivity gains emerging in service-intensive sectors such as finance, legal services, and software development. However, the capital-intensive nature of AI infrastructure has reinforced higher long-term real interest rates, shaping investment decisions and financial conditions.

Energy markets have stabilized compared to recent years, but the transition toward cleaner energy remains uneven across regions. Climate-related disruptions, including extreme weather events, have increasingly moved from being considered low-probability risks to recurring operational costs. These disruptions are affecting agricultural output, insurance pricing, and supply chain reliability, reinforcing inflationary pressures in specific sectors.

Key Risks and Uncertainties

- Geopolitical Fragmentation: The shift toward a multipolar global order is reshaping trade and investment flows. Competing spheres of influence are increasing regulatory complexity, compliance costs, and operational risks for multinational businesses.
- Debt Sustainability: Elevated global interest rates have made debt servicing a major fiscal burden, particularly for emerging and least-developed economies. This raises the risk of constrained public spending, delayed development outcomes, and prolonged economic stagnation.
- Financial Market Volatility: The rapid growth of non-bank financial institutions and private credit markets remains a regulatory blind spot. Limited transparency and oversight increase the risk of sudden liquidity shortages and amplified market stress during periods of financial shock.

The global economic outlook for 2025 reflects guarded optimism rather than robust confidence. The normalization of interest rates provides investors with greater clarity for capital allocation, though expected returns are lower than during the post-pandemic surge. For policymakers, priorities are shifting away from emergency inflation control toward long-term structural reforms, particularly in labor mobility, productivity enhancement, and energy resilience.

BANGLADESH ECONOMIC OUTLOOK IN NON-LIFE INSURANCE SECTOR

In 2025, Bangladesh's macroeconomic environment reflected a stabilized recovery amid persistent pressures. GDP growth remained resilient at an estimated 5.8%–6.1%, supported by a rebound in the ready-made garment sector and continued infrastructure spending. However, high inflation, averaging 8.5%–9.5%, significantly increased claims costs for non-life insurers, particularly in motor, fire, and engineering lines, compressing underwriting margins. A restrictive monetary stance kept interest rates elevated, improving investment income from government securities but increasing financing costs for businesses and slowing new industrial insurance demand. Exchange rate depreciation further strained the sector by raising reinsurance costs denominated in foreign currency, reducing net retention capacity, especially for smaller insurers.

Sector-Specific Trends

The non-life insurance sector remains closely linked to industrial and trade activity. Demand in 2025 was supported by ongoing infrastructure development and the expansion of economic zones, driving growth in fire, marine, and engineering insurance. Despite this, insurance penetration remains below 0.5% of GDP, among the lowest in South Asia. Market growth continues to rely heavily on compulsory lines such as motor and marine insurance, while voluntary segments such as SME, crop, and liability insurance remain underdeveloped. Intense competition among a large number of non-life insurers has led to persistent price undercutting, while rising fraud and social inflation, particularly in motor claims, have further pressured profitability.

Regulatory Oversight and Governance

Regulatory oversight strengthened in 2025, with the Insurance Development and Regulatory Authority intensifying its focus on transparency, compliance, and governance. Mandatory implementation of electronic cover notes has improved premium traceability and reduced fake policies. Governance reforms, including stricter board participation requirements, signal a move toward more active oversight. Discussions around higher minimum paid-up capital indicate a regulatory push toward consolidation in an overcrowded market, aiming to improve solvency and operational discipline.

Key Risks and Challenges

The sector continues to face elevated risks, particularly from climate-related losses, as Bangladesh remains highly vulnerable to floods, cyclones, and extreme weather events. Scaling climate risk insurance remains difficult due to high loss ratios and repeat-loss exposure. Dependence on the state-owned reinsurer, Sadharan Bima Corporation, continues to pose liquidity and settlement risks for private insurers. Low public trust, driven by limited awareness and historical claim delays, remains a structural barrier to expanding voluntary insurance uptake.

Outlook and Strategic Priorities

The outlook for the non-life insurance sector is cautiously positive as the economy gradually stabilizes. Growth opportunities lie in parametric insurance for agriculture, bancassurance distribution, and alignment with green finance initiatives. To capitalize on these opportunities, insurers must prioritize digital transformation, strengthen underwriting discipline, and diversify beyond mandatory insurance lines. From a regulatory perspective, transitioning toward risk-based supervision and capital frameworks will be critical to ensuring long-term sector stability. Overall, 2025 marked a period of adjustment, with insurers that invest in governance, technology, and product innovation best positioned to benefit from Bangladesh's long-term economic growth.

MACRO-ECONOMIC OUTLOOK OF BANGLADESH

Bangladesh's macroeconomic outlook for 2025 appears to be one of slower near-term growth coupled with the ongoing challenge of elevated inflation. Various international financial institutions project a moderate slowdown due to both global headwinds and domestic constraints, though a rebound is anticipated in the medium term, contingent on successful structural reforms. Here is a breakdown of the key components of the 2025 outlook:

Economic Growth (GDP)

Forecasts for Bangladesh's GDP growth in the fiscal year (FY) 2025 (ending June 30, 2025) or the calendar year 2025 generally point to a moderation compared to recent historical trends.

	2025 Est. Growth	Key Drivers & Challenges
IMF	3.8% (Calendar Year 2025)	Reflects weaker domestic demand, high inflation, and global uncertainties.
World Bank	4.1% (Fiscal Year 2025)	The weakest pace since the pandemic, attributed to political turmoil and dampened investor confidence.
ADB	3.9% - 4.0% (Fiscal Year/Calendar Year 2025)	Slower growth reflects weaker domestic demand amid political transition, high inflation, and contractionary policies.

The slowdown is primarily driven by:

- **Contractionary Monetary and Fiscal Policies:** Efforts to curb inflation and stabilize the external sector are expected to dampen domestic demand.
- **Political Uncertainty and Low Investor Confidence:** Recent political instability has deterred investment.
- **Supply Constraints:** Ongoing energy shortages and import restrictions continue to weaken industrial activity.

IMF	Inflation Projection (Average Annual % for 2025)	Key Factors
	10.0% (Calendar Year 2025)	Persistent high prices due to global commodity costs and exchange rate depreciation.

ADB	Inflation Projection (Average Annual % for 2025)	Key Factors
	10.0% - 10.2% (Fiscal Year 2025)	Driven by stifled competition, supply chain constraints, and the depreciation of the Bangladeshi Taka.

Despite monetary tightening measures by the Bangladesh Bank (BB) aimed at reducing inflation, price pressures, particularly in food and non-food items, are expected to remain elevated in the first half of the year before potentially easing.

External Sector & Reserves

The external sector is showing mixed signals, with some easing of pressure anticipated:

- Current Account Deficit: Forecasted to shrink in FY2025 (e.g., to around 0.9% of GDP by ADB) as the trade deficit narrows and remittance inflows remain robust.
- Foreign Exchange Reserves: Reserves have been under pressure. The outlook anticipates a stable or slightly improved position, supported by remittances and inflows from international lenders like the IMF and World Bank.
- Exchange Rate: The depreciation of the Taka against the US Dollar is a continuing concern, contributing to higher import costs and domestic inflation.

Key Challenges and Risks

The following structural issues and external factors pose risks to the 2025 outlook:

1. **Financial Sector Vulnerabilities:** High levels of Non-Performing Loans (NPLs) and issues of governance within the banking sector continue to be a major domestic concern.
2. **Energy and Power Shortages:** Supply constraints, including energy shortages, hinder industrial production and add to business costs.
3. **LDC Graduation:** As Bangladesh prepares to graduate from Least Developed Country (LDC) status, it faces the challenge of adapting to a new global trade environment with fewer preferential benefits.
4. **Global Economic Uncertainty:** Slower growth in major global economies and potential adverse trade policy shifts (e.g., global tariffs) could negatively impact Bangladesh's crucial Ready-Made Garment (RMG) exports.
5. **Unemployment:** Youth unemployment remains a pressing social and economic issue, compounded by a mismatch between skills and job market demands.

Outlook on Reforms

The key to a stronger rebound in the subsequent years (FY2026 and beyond) lies in the effective implementation of structural reforms. International lenders stress the urgency of:

- Strengthening Financial Sector Governance: Addressing the NPL crisis and improving regulatory oversight.
- Enhancing Domestic Revenue Mobilization: Increasing the Tax-to-GDP ratio to create fiscal space for necessary investment.
- Diversifying the Economy: Reducing dependence on the RMG sector and fostering private sector development.
- Improving the Business Climate: Implementing reforms to attract Foreign Direct Investment (FDI).

REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah Wa Barakatuhu.

The Board of Directors of City Insurance PLC extends a warm welcome to all shareholders attending the 30th Annual General Meeting (AGM). We are pleased to present the Directors' Report and the Auditor's Report, along with the Audited Financial Statements for the year ended December 31, 2025, for your kind consideration, approval, and adoption. This report also provides an overview of the company's business and financial performance, highlighting the key factors that influenced the results during the year.

Performance of the company in 2025

You are aware that the insurance market in Bangladesh is highly competitive, and operating in such an environment remains challenging. Despite these challenges, our business performance in 2025 has been satisfactory.

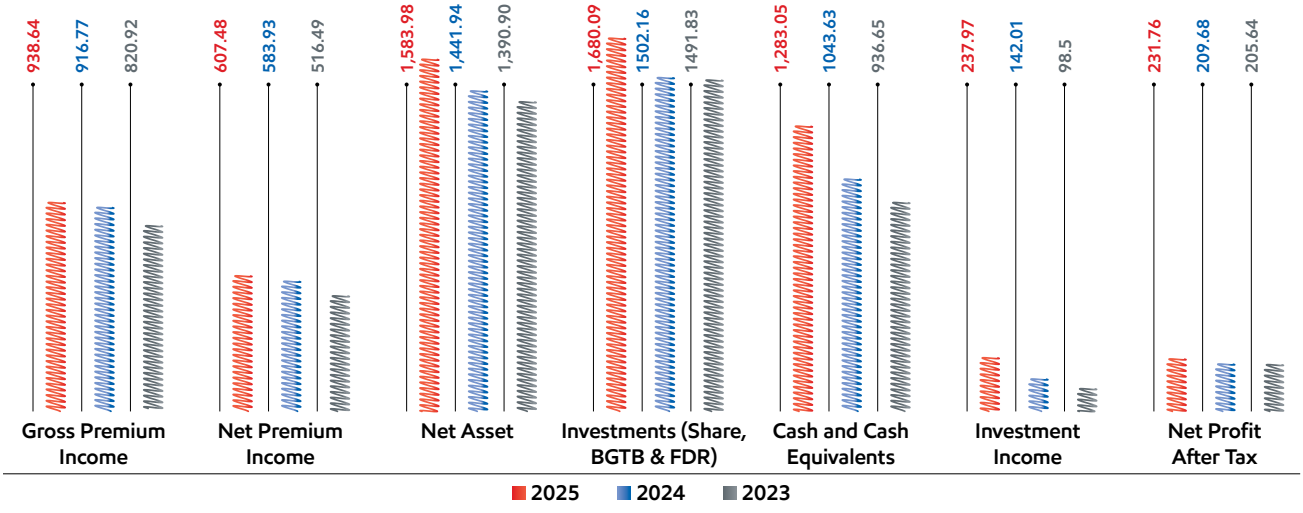
Honorable shareholders, as you know, the Department of Insurance has been transferred from the Ministry of Commerce to the Ministry of Finance. Following this, the Insurance Act 2010 and the Insurance Development and Regulatory Authority (IDRA) Act 2010 were enacted, and IDRA began its operations in January 2011. Their clear policies and strong regulatory oversight have brought noticeable improvements to the insurance industry.

However, public perception of the insurance sector still remains relatively low. The future growth of Bangladesh's insurance industry largely depends on how effectively we can enhance consumer confidence in insurance as a reliable and efficient means of risk protection. Achieving this will require continued efforts from both the industry and the regulator — by ensuring efficient service delivery, honoring claims promptly, developing innovative products, and maintaining fair and transparent pricing practices.

Now let me introduce you to the various performances, company profile and the overall activities of our company:

Business Performance

BDT in mn



Segment-Wise Performance

In line with the general practices, the underwriting business of the company covers Fire Insurance, Marine Insurance, Motor Insurance and Miscellaneous Insurance businesses. Over-all and segment-wise performance of your company is shown in tables below

Gross Premium Income

(BDT in mn)

Year	Gross Premium	Growth (%)
2025	938.64	2.39
2024	916.77	11.68
2023	820.92	(7.56%)
2022	888.01	21.54%
2021	730.62	66.72%

Business Segment-wise Gross Premium Income

(BDT in mn)

Business Segments	2025	2024	Growth (%)
Fire Insurance	312.36	285.30	11.94
Marine Insurance	546.82	549.32	(0.46)
Motor Insurance	20.24	20.79	(2.65)
Miscellaneous Insurance	59.22	61.35	(3.47)

Segregation of Net Premium

Business Segments	2025		2024		Growth (%)
	Amount (BDT in mn)	Business Mix of Net Premium (%)	Amount (BDT in mn)	% of Total Net Premium	
Fire Insurance	192.68	31.72	168.95	28.93	14.05
Marine Insurance	380.42	62.62	381.49	65.33	(0.28)
Motor Insurance	20.14	3.32	20.79	3.56	(3.13)
Miscellaneous Insurance	14.24	2.34	12.70	2.18	12.13
Total	**607.48**	**100%**	**583.93**	**100%**	

Claims

We are very prompt and sincere in respect of settlement of claims. We have been providing satisfactory customer services and continuously trying to improve it further. During the year 2025, the company has settled the claim of BDT 9,91,26,634 while BDT 2,69,03,320 is already provisioned for settlement of intimated claims at the earliest.

Net Claim:

Year	Net Claim for the year 2024 (BDT in mn)	Change (%)
2025	99.13	335.54
2024	22.76	(48.47)
2023	44.17	(16.68%)
2022	53.01	(54.21%)
2021	115.77	134.97%

Segregation of Net Claim:

Business Segments	2025		2024		Growth (%)
	Amount	Business Mix of Net Premium (%)	Amount (BDT in mn)	% of Total Net Premium	
Fire Insurance	61.42	61.97	19.93	87.57	208.18
Marine Insurance	18.49	18.65	15.26	67.04	21.17
Motor Insurance	2.52	2.54	1.83	8.04	37.70
Miscellaneous Insurance	16.69	16.84	(14.26)	(62.65)	217.04
Total	**99.12**	**100%**	**22.76**	**100%**	

FINANCIAL PERFORMANCE

Performance of the company in terms of key performance indicators has been shown in a separate statement under title "Financial Summary of the last Five (05) Years" Moreover, some highlights are given in items below:

Capital adequacy

The following table shows gradual increase in the shareholders equity.

Year	Shareholders' Equity (BDT in mn)	Change (%)
2025	1,583.98	9.85
2024	1,441.94	3.67%
2023	1,390.90	9.89%
2022	1,265.76	5.94%
2021	1,194.81	3.86%

Solvency margin

Solvency margin means the amount of assets which exceeds the insurer's liabilities & this will exhibit a part of the insurer's shareholders' funds. The valuation methods of assets and liabilities of an insurer will be prescribed in the insurance regulation. The regulation sets the minimum level of solvency margin without which an insurer cannot go on. The solvency of an insurance company exposes its assets to debts.

The following table shows that the solvency margin of the company is above the required level.

BDT in mn

Particulars	2025	2024	2023	2022	2021
Available Solvency (AS)	846.97	749.71	751.45	669.64	530.15
Required Solvency (RS)	248.01	243.24	111.84	121.74	104.35
Solvency Margin (AS/RS) (times)	3.42	3.08	6.72	5.50	5.08

Gross profit margin:

BDT in mn

Particulars	2025	2024	2023	2022	2021
Fire	(40.83)	44.97	25.39	17.40	(21.69)
Marine Cargo	179.10	128.15	191.16	129.02	93.59
Marine Hull	(5.27)	(7.33)	(2.01)	0.23	(2.00)
Motor	9.65	7.38	11.24	9.27	21.58
Miscellaneous	(5.20)	(8.33)	(9.33)	(10.46)	4.09

Re-insurance utilization and Risk retention ratio

The Company has 100% Re-insurance Treaty Agreement with Shadharan Bima Corporation (SBC). Facultative Overseas Reinsurer are The New India Assurance Company, Compagnie Commune De Reassurance (CICA-RE), Best Meridian International Insurance Company I.I., Chubb Underwriting (DIFC) Ltd., QBE Insurance Group Limited, Beazley Syndicate, PT Asuransi Umum Mega (Mega Insurance), AM First Specialty Insurance Company, Sentinel Underwriting Specialty Market and Worldwide Reinsurance Limited against all classes of general insurance business.

You may be aware that usually high-risk retention level signals inadequate reinsurance protection while low risk retention level hampers profitability. Segment-wise Risk Retention Ratios of the Company for the last few years are shown in the table below.

Particulars	Year-wise Retention Ratio (%)				
	2025	2024	2023	2022	2021
Fire	61.69	59.22	55.17	53.06	58.13
Marine Cargo	70.61	73.06	75.17	74.86	77.23
Marine Hull	31.52	1.20	14.81	27.73	48.76
Motor	99.50	100.00	99.49	96.15	95.29
Miscellaneous	24.05	20.70	15.21	9.27	10.92

Reserve adequacy

Year	Amount of Reserve (BDT in mn)	Change (%)
2025	811.57	21.21
2024	669.53	8.25
2023	618.49	25.37
2022	493.35	16.80
2021	422.40	11.73

Profitability

Since the source of revenue of the company is premium income from underwriting business under Fire Insurance, Marine Insurance, Motor Insurance and Miscellaneous Insurance businesses and other income like income from investments, its profitability depends upon these sources.

The following table shows the contributions of different business segments in the underwriting profit (loss) in last five years.

Business Segments	Contribution to Underwriting Profit (%)				
	2025	2024	2023	2022	2021
Fire Insurance	(29.70)	22.28	11.73	11.96	(22.69)
Marine Insurance	126.47	73.30	87.38	88.85	95.83
Motor Insurance	7.02	4.48	5.19	6.38	22.58
Miscellaneous Insurance	(3.79)	(5.06)	(4.30)	(7.19)	4.28
Total	**100**	**100**	**100**	**100**	**100**

Underwriting Performance/Quality

Underwriting remains a core strength of City Insurance, driving the company's quality growth. Our approach emphasizes careful evaluation, sound financial modeling, and precise risk pricing to protect shareholder interests and create value. While marine achieved solid underwriting profit growth, higher claims impacted fire and miscellaneous segments. We are taking necessary actions to strengthen underwriting performance across all business lines.

The following table shows the segment-wise underwriting performance of the company in the last five years.

Business Segments	Year-wise Underwriting performance (BDT in mn)				
	2025	2024	2023	2022	2021
Fire Insurance	(40.83)	44.97	25.39	17.40	(21.69)
Marine Insurance	173.83	120.82	189.14	129.25	91.59
Motor Insurance	9.65	7.38	11.24	9.27	21.58
Miscellaneous Insurance	(5.20)	(8.33)	(9.31)	(10.46)	4.09
Total	**137.45**	**164.84**	**216.46**	**145.46**	**95.57**

Investment Profile

The size of investment portfolio of City Insurance as on 31 December 2025 stood at BDT 1,680.09 mn. The investment portfolio comprises 10-years Bangladesh Government Treasury Bonds, Fixed Deposits & Shares with various commercial banks and financial institutions.

The following table shows the status of the investment portfolio of the company in the last year comparing with those of the previous year.

Components of Investment	2025		2024	
	Amount (BDT in mn)	% of Total Investment	Amount (BDT in mn)	% of Total Investment
Fixed Deposit	1,208.58	71.94	1,010.01	67.24
Investment in Shares	255.51	15.21	276.15	18.38
BGTB	216.00	12.85	216.00	14.38
Total	**1,680.09**	**100**	**1,502.16**	**100**

Segregation of Investment Income and Other Income

The following table shows the status of the contributions of different sources in the investment income and other income in the last year compared with those of the previous year.

Components of Investment	2025		2024	
	Amount (BDT in mn)	% of Total Investment Income & Other Income	Amount (BDT in mn)	% of Total Investment Income & Other Income
Interest Income on (FDR & BGTB)	227.28	94.49	100.35	69.86
Interest Income on STD A/C	0.28	0.12	0.15	0.11
Dividend Income	10.03	4.17	18.04	12.56
Profit on Sale of Shares	0.67	0.28	23.62	16.44
Other Income	1.61	0.67	0.95	0.66
Profit on Sale of Fixed Assets	0.66	0.27	0.53	0.37
Total	**240.53**	**100**	**143.64**	**100**

Risk and Concerns (Risk+Mitigation)

City Insurance leads in risk and resilience, advancing mitigation strategies for businesses, governments, and society. Committed to navigating a dynamic risk landscape, we continually invest in innovative solutions. Explore our comprehensive risk management framework on **page no. 271**

Gross Profit Margin and Net Profit Margin

In 2025 the Gross Profit Margin is 39.04% and the Net Profit Margin is 24.69%.

Extra-Ordinary Gain or Loss

During 2025, no event, either an extraordinary gain or loss occurred that might require an adjustment or disclosure in the financial statements.

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

City Insurance is not a manufacturing company. It is a non-life insurance company in Bangladesh. Cost of Goods Sold, Gross Profit Margin & Net Profit Margin are not considered to prepare financial statements. Therefore, comparative analysis of financial performance is elaborately discussed in the presentation on Financial Highlights on **page no. 18, 19 & 366**

Management Expenses

Management expenses amounted to Tk. 250.85 million in 2025. The expenses have been apportioned as undermentioned revenue accounts. We have successfully brought down the management expenses to an appreciable limit.

Fire	39%
Marine Cargo & Hull	51%
Motor	3%
Miscellaneous	7%

Related Party Transactions

The company in normal course of business has entered transactions with other entities that fall within the definition of related party as contained in IAS 24 "Related party disclosures" Total transactions are available in the reports under **Note no. 32** of the notes of the Financial Statements. The Audit Committee periodically carried out in-depth analysis of the transactions among the related parties.

Utilization of Proceeds Raised through IPO and Rights Issues and/or any other Instruments

Initial Public offering (IPO) and Rights issues of City Insurance PLC were made in 2007 and 2011 respectively and funds raised thereby have already been utilized and reported to the regulators. No further issues have been raised since then.

IPO of the Company

City Insurance PLC initially floated its ordinary shares through an IPO in 2007. The net proceeds from the IPO were utilized to support the company's operational activities.

Deterioration of Financial Results after IPO and Rights Issues

There are no financial results that deteriorate after the company goes for Initial Public Offering (IPO), Repeat public offering (RPO), Rights offer etc.

Variance between Quarterly Financial Performance and Annual Financial Statements

The Statement of Quarterly Financial Statements are given separately. There were some variances in the financial results from quarter to quarter. But they are not very significant or material in nature.

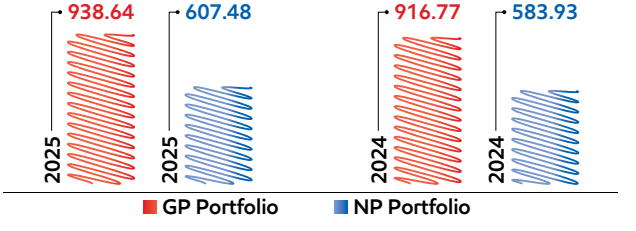
Remuneration of the Directors including Independent Director(s)

Non-executive Directors, including Independent Directors, receive a meeting attendance fee of BDT 8,000 (Eight thousand only) per meeting of the Board and its committees. In 2025, the Directors were collectively paid a total of BDT 7,84,000 as remuneration, meeting attendance fees, and travel expenses (where applicable).

Business Performance

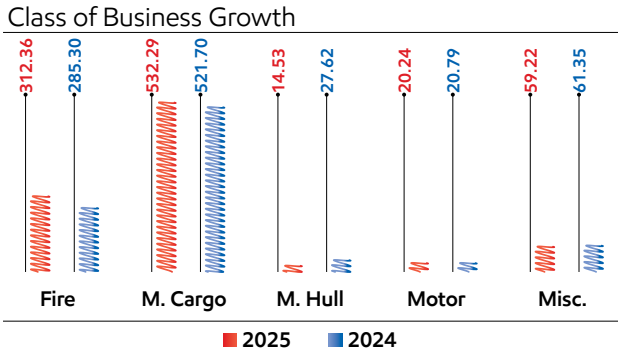
A pictorial presentation of the company's product-wise performance, along with comparable information from previous years, is provided below:

Product Wise Performance — BDT in mn



BDT in mn

Class	Gross Portfolio		Net Portfolio	
	2025	2024	2025	2024
Fire	312.36	285.30	192.68	168.95
Marine Cargo	532.29	521.71	375.84	381.16
Marine Hull	14.53	27.62	4.58	0.33
Motor	20.24	20.79	20.14	20.79
Miscellaneous	59.22	61.35	14.24	12.70
Total	**938.64**	**916.77**	**607.48**	**583.93**



Preparation and presentation of financial statements

The Directors of City Insurance, in conformance with the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 and under Section 184 of The Companies Act 1994, confirm compliance with the financial reporting framework for the following:

- The financial statements, prepared by the management of City Insurance make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure;
- Proper books and accounts of the Company have been maintained;
- Appropriate accounting policies, including International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS)/as applicable/adopted in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation has been adequately disclosed;
- Accounting estimates are based on reasonable and prudent judgment;
- Internal control processes have been properly designed and effectively implemented and monitored;
- Minority shareholders have been duly protected as have effective means of redress;
- No significant doubt exists upon the Company's ability to continue as a going concern;
- Comparative analysis of significant deviations has been highlighted and the reasons have been explained in the sections above.

Maintaining proper books of account

City Insurance PLC always maintains proper books of account for its financial transactions, including in 2025. The external auditor, M/s. Islam Quazi Shafique & Co. Chartered Accountants, has reviewed the books of account and provided an opinion that they have been maintained as required by law.

CEO And CFO's Declaration Certificate

As required by condition No. 1(5)(xxvi) of the guidelines, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have jointly certified to the Board that:

a) They have reviewed the financial statements of the company for the year ended 31 December 2025 and to the best of their knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. 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.

b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violation of the company's code of conduct.

The CEO and CFO's declaration to the Board is appended on **page no. 308** in Annexure-A.

Internal control and compliance

At present insurance has enlarged its purview worldwide. Due to high risk in the insurance functions strong and effective internal control systems really important to ensure good governance, transparency and accountability. The company's internal control principle surrounds not only regulatory and legal requirements but also various internal rules, policies, procedures and practices.

Major elements of the company's internal control are follows:

Regular Board Meeting with extensive agendas dealing with all major aspects of business.	Regular Board Committee Meeting to discuss issues as defined in their charter.	Regular Executive Committee Meeting with issues relating to operational activities of the company.	Delegation of authorities with job description for each department according to organogram.
Internal Audit Department directly reporting to the Board Audit Committee in compliance with procedure and limit of authority.	Comprehensive Annual Budget system with approval of the Board.	Comprehensive Financial reporting system including actual performance with budget.	Review and analysis of fund position on daily basis.

HR practices

At City Insurance our employees are our greatest asset. It is one of our utmost priorities that the employees are taken care of. We try to provide our people a congenial work environment, opportunity to hone their skills, and apt compensation and rewards that drive their motivation and work performance - one of the key reasons for our continued success.

The Company believes that its Human Resources (HR) gives it a significant competitive edge in terms of knowledge and experience. It has continued its policy of recruiting the best people and implementing programs to develop and retain high quality human resources in its various departments. In line with this policy, the need based internal and external training at home, is regularly and systematically arranged. The Company also ensures attractive remuneration packages and rewards including employee's safety and health including the family members to some extent to assure their retention and provide job satisfaction.

A separate report on Human Resources has been presented on page no. 65

IT Systems and Controls Including Data Privacy and Cyber Security

City Insurance places top priority on maintaining robust IT infrastructure and network security. Our systems are protected by advanced firewalls, encrypted data protocols, and regular IT audits to ensure compliance and resilience against cyber threats.

We apply strict access controls, including Role-Based Access Control (RBAC) and Multi-Factor Authentication (MFA), to restrict sensitive data access to authorized personnel only. Data privacy is maintained through policies aligned with global standards, including GDPR.

Our cybersecurity framework integrates incident response planning, regular drills, vendor risk assessments, and continuous employee awareness programs.

By embedding cybersecurity into business strategy, City Insurance ensures proactive, compliant, and resilient protection across all operations.

Statement of Directors' responsibility to establish an appropriate system of internal control

The Board of Directors recognizes their general responsibilities for the company's internal control system. They are aware of their duties to establish efficiency, effectiveness, reliability, timeliness, and compliance with relevant laws and regulations in all the company's operations. To ensure this, they have confirmed that a system of internal control is in place throughout the year, following best financial reporting practices.

A separate Statement of Directors' Responsibility to establish an appropriate system of Internal Control has been presented on page no. 268

Credit Rating

Entity Rating	Outlook	Date of Rating	Validity of Rating
AAA	Stable	29.07.2025	28.07.2026

Rated by Credit Rating Information and Services Limited (CRISL)

A certificate in this regard is given on **page no. 362**

Contribution to the National Economy

City Insurance primarily contributes to the national exchequer, finances profitable businesses, and consequently creates employment as a means of contributing to the economy of the country. Being a one of the largest insurance company in the nation's insurance sector, City Insurance has been contributing positively to the private sector for the past 29 years. In 2025, City Insurance made a direct contribution to the national economy by depositing BDT 204.02 million to the national exchequer in the major forms of Corporate Tax, Withholding Tax, Excise Duty, and VAT.

GRI 207-1, 2 & 3

CORPORATE TAX

BDT 50.34 mn
(2024- 97.63 mn)

WITHHOLDING TAX

BDT 49.34 mn
(2024- 34.80 mn)



TOTAL CONTRIBUTION

BDT 204.02 mn
(2024- 229.37 mn)

EXCISE DUTY & STAMP

BDT 16.28 mn
(2024- 15.04 mn)

VAT

BDT 88.06 mn
(2024- 81.90 mn)

A separate Statement of Contribution to the National Exchequer has been presented in page no. 368

Bancassurance

Bancassurance offers immense potential to transform the insurance sector and strengthen financial stability. Recent guidelines from Bangladesh Bank and IDRA provide a strong framework for effective collaboration between banks and insurers while protecting consumers. Banks act as corporate agents, expanding reach, tapping underserved markets, enabling cross-selling, and supporting innovative products. This model also promotes financial inclusion through established banking networks. At City Insurance, we focus on strategic bank partnerships, tailored products, digital integration, staff training, and market research to drive growth, efficiency, and innovation, delivering value to both customers and stakeholders.

City Insurance PLC, we have already signed a bancassurance agreement with 2 (two) prominent banks of Bangladesh:

- City Bank PLC.
- Eastern Bank PLC.

As per the Bangladesh Bank and IDRA Bancassurance guidelines, the next agreement with a bank is still in process.

Future Prospects / Outlook

City Insurance PLC is well-positioned to leverage opportunities in Bangladesh's evolving insurance market. With strong risk management, prudent underwriting, and a customer-focused approach, the company is set for sustainable growth.

The company plans to expand digital capabilities, streamline operations, and introduce innovative products to meet emerging individual and corporate risk needs. By embracing data-driven insights and technology, City Insurance aims to enhance efficiency and improve customer experience.

Compliance with the Insurance Act 2010 and IDRA regulations ensures transparency and reinforces trust among policyholders and investors. Strategic focus on microinsurance, corporate risk solutions, and untapped regional markets will drive long-term value creation.

While market competition and claims volatility remain, disciplined underwriting, portfolio diversification, and proactive risk management will support resilience and profitability.

With strong governance, an innovation-driven approach, and a clear growth vision, City Insurance is committed to remaining a trusted, leading insurer in Bangladesh, delivering value to all stakeholders.

Outlined below are the major steps that the company will take to manage upcoming challenges

To adapt to the changing environment and strengthen its market position, CIPLC is set to implement a range of strategic initiatives:

Strengthening Risk Management: Continuously enhancing risk assessment frameworks to identify, monitor, and mitigate emerging operational, financial, and market risks.

Digital Transformation: Expanding digital platforms and automation to improve efficiency, customer experience, and data-driven decision-making.

Regulatory Compliance: Ensuring strict adherence to evolving regulatory requirements, including updates from IDRA, BSEC, and other relevant authorities.

Talent Development: Investing in training and skill development programs to equip employees with the expertise needed to navigate a dynamic insurance landscape.

Product Innovation: Developing innovative insurance products and services to meet changing customer needs and maintain competitive advantage.

Sustainability Initiatives: Implementing environmentally and socially responsible practices to align with the company's long-term strategic objectives.

Financial Resilience: Maintaining prudent financial management and capital adequacy to safeguard the company against market uncertainties and operational challenges.

Responsibilities Towards Employees, Including Health & Safety

At City Insurance PLC, employees are our greatest asset, and their health, safety, and well-being are a top priority. We provide a safe and comfortable work environment and, through transparent management of employee benefits, foster a motivated, secure, and skilled workforce that drives the company's success. Examples include:

- CIIPLC firmly prohibits forced or compulsory labour and ensures that all employment is voluntary and free from any form of coercion.
- Prioritizes employee health, safety, and well-being through various measures.
- Provides maternity leave and medical allowances for female employees for their first two childbirths, in compliance with labor laws.
- Maintains a comfortable and safe work environment with modern amenities, including air conditioning, backup power, firefighting equipment, and emergency exits.
- Offers competitive compensation and benefits to attract, retain, and motivate talent.
- Provides long-term employee benefits such as Provident Fund, Gratuity Fund, and Incentive Bonuses.
- Tuition assistance for approved, job-related degree programs or certifications.
- Facilitates career growth and professional development through local and international training programs.
- Incentive bonuses are awarded based on company policies to recognize high performance.
- Provident and Gratuity Funds are managed by separate Boards of Trustees and are recognized by the National Board of Revenue; gratuity eligibility begins after five years of service.

Minority Shareholders

The Board of Directors is very concerned about the interests of the Stakeholders including the minority shareholders of City Insurance PLC. It has decided to ensure fair and equal treatment to every shareholder. To protect the investment of minority shareholders, the company undertook various measures to establish accountability and transparency. The company communicates all its strategic information as required in its operation under the regulatory directives without delay and tries to serve the minority shareholders better, the company disseminates all strategic decisions through popular newspapers, and website of the company to make them aware of the developments as well as activities of the company.

Report on Going Concern

After reviewing the company's present and potential business growth, annual budget, performance, liquidity position, and financing arrangements, the Directors are satisfied that the Company has adequate resources to continue to operate in the foreseeable future and confirm that there is no material issue threatening the company's going concern. For this reason, the Directors have continued to adopt the going concern basis in preparing these financial statements. There are no significant doubts about the company's ability to continue as a going concern. Details have been presented on **page no. 177**

Significant deviations from the last year's operating results of the company

1. **Significant Deviation in Earnings Per Share (EPS)**

   EPS has been increased in the current year ended on 31st December, 2025 with comparison to the previous year 2024 because the company's interest income of FDR, dividend & others income have been increased significantly.

2. **Significant Deviation in Net Operating Cash Flow Per Share (NOCFPS)**

   NOCFPS has been increased in the current year ended 31st December, 2025 with comparison to the previous year 2024 because the company's premium income and interest income of FDR & others income have been increased.

3. Significant Deviation in Net Assets Value Per share (NAV)

NAV has been increased in the current year ended 31st December, 2025 with comparison to the previous year 2024 because the company's cash & cash equivalents has been increased sharply.

Key operating and financial data of the preceding 5 (five) years

Key operating & financial data over the last five years as per the requirement of BSEC Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018, are presented on **page no. 366**

Dividend

Proposed Annual Dividend: During the year ended 31 December 2025, the Company has earned net profit after tax amounting to BDT 23.18 Crore. Considering the performance of the Company, the Board of Directors in its 221st Meeting held on February 09, 2026, has recommended 10% Cash dividend (i.e., BDT 1.00 Per Share) for Sponsors and General Shareholders respectively, which comes to total BDT 6.82 Crore subject to approval of the Shareholders in the 30th Annual General Meeting.

Interim Dividend: No Cash or Stock dividend was declared as an Interim Dividend during the year ended 31 December 2025.

Meetings Attendance & Remuneration

The Board of Directors of the Company has non-executive directors except the Managing Director. They don't get any incentive or bonus for the performance of the Board. The non-executive Directors get only meeting fees for attending the board and committee meetings at Tk. 8,000.00 re-fixed from 24th September 2019 according to the circular of the IDRA. Managing Director's Remuneration package is determined by the Board, which requires approval from the IDRA.

During the year 2025 a total of 05 (Five) Board Meetings, 04 (Four) Audit Committee meetings and 02 (Two) Nomination and Remuneration Committee Meeting, 01 (One) Investment Committee, meeting 01 One) Risk Management Committee and 01 (One) Policyholder Protection & Compliance Committee meeting were held. The detail of meeting attendance by the Directors along with remuneration paid to them are disclosed on **page no. 254**

Pattern of Shareholding

According to the CDBL report, there were 2,554 registered ordinary shareholders as on 31 December 2025. The shareholding pattern of the company as on 31 December 2025 is disclosed as per BSEC's Corporate Governance Code on **page no. 241**

Directors

Resume and line of expertise:

A brief resume of the Directors is provided on **page no. 102-109** under the section titled "Profile of the Board of Directors and their Representation on the Board," highlighting their qualifications and areas of expertise. Additionally, an analysis of the Directors' experience and expertise, along with its influence on the company's corporate governance, is included in **page no. 238**

Names of the companies in which the Directors hold directorship and membership of the committees of the Board:

The details of this Directorship have been presented in **page no. 102-109** under Section "Profile of the Board of Directors and their Representation on the Board."

Directors' Rotation and Re-Appointment

As per Article 112 of the Articles of Association of the Company, which comply with the pertinent company law of the country, one-third of the Board of Directors (Excluding the Managing Director and Independent Directors) shall retire by rotation. The following 02 (two) Directors will retire from the office by rotation at the 30th Annual General Meeting and being eligible as per Article 114 offer themselves for re-election.

A Group

Sl.	Name of the Director	Designation
1.	Mr. Mohd. Abu Taher	Director
2.	Mrs. Bibi Amena	Director

As per Article 112 of the Articles of Association of the Company following 1 (One) Director will also retire from the Board by rotation accordingly to the Insurance Act and Rules from the public shareholders.

B Group

Name of Director	Nominated By
Mrs. Selina Ahmed	Nominated by Mehmud Industries (Pvt.) Ltd. (Nominated by A-One Polymer Ltd.)

Brief Resume and other information of the Directors as per clause 1(5) (XXIV) of BSEC Corporate Governance Code on 03 June 2018 are delimitated under the section 'Profile of the Board of Directors and Their Representation on the Board,' on **page no. 102-109**

It is noteworthy that, all the reappointments of Directors will be placed in the 30th AGM for final approval from the shareholders.

As required by Insurance Rules, 1958, the election of Directors from public shareholders will be held in the said Annual General

Meeting. Necessary Notice related to the election of Directors from all shareholders has already been published on January 28, 2026 in the "Daily Niropekkho" and "The New Nation".

Appointment/Re-Appointment of Independent Director(S)

As per the Corporate Governance Guidelines issued by BSEC on June 3, 2018 and Insurer's Corporate Governance Guidelines issued by IDRA on October 19, 2023:

(i) at least one-fifth of the total members of the Board must be independent directors;

(ii) independent directors are to be appointed by the Board and approved by the shareholders at the Annual General Meeting (AGM); and

(iii) the tenure of an independent director is three years, extendable for one additional term only.

In compliance with these requirements, our Board currently includes three independent directors—**Mr. Mahabubul Haque, Mr. Tauhiduddin Md. Zahed,** and **Barrister Miti Sanjana**—out of a total of eleven members.

Up to the 30th AGM, there have been no pending matters relating to the proposal, approval, or re-appointment of independent directors.

The details of the director's status are presented under the section 'Profile of the Board of Directors and Their Representation on the Board,' on ***page no. 102-109***

Appointment/Re-Appointment Auditors

Statutory Auditor according to the list of IDRA, BSEC and FRC

As per BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, and the Dhaka Stock Exchange (Listing) Regulations, 2015 dated June 30, 2015, an auditor of a listed company may not serve more than three consecutive years. Accordingly, **M/s. Islam Quazi Shafique & Co., Chartered Accountants,** will retire at the 30th Annual General Meeting after completing three consecutive audits and submitting audit reports for 2023, 2024, and 2025. The firm is included in the auditor panel lists of the Insurance Development and Regulatory Authority (IDRA) on January 3, 2024, the Bangladesh Securities and Exchange Commission (BSEC) on May 30, 2023, and the Financial Reporting Council (FRC) enlistment for the Financial Year 2024–2025.

In line with the same regulatory panels, the Board of Directors, at its 221st meeting held on February 09, 2026, recommended the appointment of **M/s. K. M. Alam & Co., Chartered Accountants,** as the statutory auditor for 2026, subject to approval at the 30th Annual General Meeting. The Board further proposed that the auditor's remuneration be fixed by the shareholders in accordance with Section 210 of the Companies Act, 1994.

Corporate Governance Auditor (Issued by BSEC And IDRA):

As per the recommendation of the Audit Committee, the Board of Directors of the company has proposed appointing **MNA Associates Chartered Secretaries** in Practice, as the professional firm to certify compliance with the Corporate Governance Code issued by the BSEC Notification dated June 3, 2018, and the IDRA Corporate Governance Guidelines dated October 19, 2023, for the year 2026, subject to approval by the shareholders at the 30th AGM.

Short, Medium- & Long-Term Key Strategies of City Insurance and Process of Resource Allocation

City Insurance focuses on strategic priorities aligned with short-term, mid-term, and long-term goals to navigate the evolving financial market. The company emphasizes sustainable growth while safeguarding the interests of investors and all stakeholders.

Short, Medium- & Long-Term Key Strategies

Short-Term Goals

- Enhance digital platforms for policy issuance, claims processing, and customer engagement.
- Strengthen risk management and underwriting practices for immediate profitability.
- Expand marketing efforts to increase market share in core segments.
- Improve operational efficiency through process automation and staff training.
- Ensure strict compliance with regulatory requirements and corporate governance standards.

Medium-Term Goals

- Develop and launch innovative insurance products targeting emerging individual and corporate risks.
- Expand presence in untapped regional markets and underserved customer segments.
- Build strategic partnerships to diversify distribution channels and strengthen the brand.
- Invest in employee development programs to foster leadership and technical expertise.
- Leverage data analytics for predictive risk assessment and improved portfolio management.

Long-Term Goals

- Position City Insurance as a market leader in digital and innovative insurance solutions.
- Achieve sustainable and diversified growth while maintaining financial stability.
- Establish a strong presence in specialized insurance segments such as microinsurance and corporate risk solutions.
- Foster a culture of continuous innovation, resilience, and stakeholder trust.
- Contribute to the broader financial sector development in Bangladesh through best practices and responsible corporate citizenship.

Material for the appreciation of the state of the company's affairs

This is to declare that during the financial period of 2025, the company did not make any changes to the nature of its business or the classes of business in which it has an interest.

Status of compliance on Corporate Governance

The Board of Directors of City Insurance PLC firmly believes that practice of good Corporate Governance and transparency ensuring discipline are essential for a sustainable organization. The company designed the Corporate Governance systems and practices to ensure adequate internal control in operational process, transparency and accountability. Corporate Governance structure specifies the allocation of rights and responsibilities among the concerned executives and spells out the rules and procedures for making decisions on corporate affairs.

In this respect, we are pleased to confirm that the Company has complied with all necessary directives under BSEC CG Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 (Amended) dated October 16, 2023, and the IDRA Corporate Governance Guidelines 2023 dated October 19, 2023. The Compliance Report, along with the necessary remarks and disclosures, is included in this Annual Report for the year 2025. Furthermore, two Certificates of Compliance, as required under the BSEC CG codes and IDRA CG Guidelines, provided by MNA Associates, Chartered Secretaries, are also under the section 'Corporate Governance' on **page no. 309 & 327**

Management's Discussion and Analysis

Management's Discussion and Analysis signed by Managing Director & CEO in line with the Corporate Governance Code, presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements are stated under the section 'Management Discussion and Analysis,' on **page no. 152**

Insider Trading

The members of the Board of City Insurance PLC, its sub-committees, senior management, and their family members were not involved in any insider trading and did not violate any provisions related to insider trading.

Compliance with Laws and Regulations

The Company was not engaged in any activities contravening the laws and regulations. All those responsible for ensuring compliance in line with the provisions of various laws and regulations have discharged their responsibilities as per requirements.

Awards & Recognition

As a result of our responsible corporate stewardship, an exceptional focus on value creation, and a strong emphasis on governance and compliance in 2024, we were honored by reputable institutions with two prestigious awards and recognitions. The following accolades were conferred upon the Company in 2025:

- Gold Award for Corporate Governance Excellence 2024 by the Institute of Chartered Secretaries of Bangladesh (ICSB)
- Bronze Award for Best Corporate Award 2024 by The Institute of Cost and Management Accountants of Bangladesh (ICMAB)

The details of the awards we have received are briefly described under the section 'Awards & Recognitions,' on page no. 22

Corporate Social Responsibility

The Directors are sincere in discharging corporate responsibilities to society. As a part of discharging corporate social responsibilities, City Insurance has initiated various projects and programs. **Details has been presented on page no. 202**

Green Initiatives

In support of the 'Green Initiative', the Company has adopted electronic delivery for the Notice of AGM, Annual Report, and other shareholder communications. These are sent to Members whose email addresses are registered with their respective Depository Participants (DPs) and collected from the CDBL.

To strengthen this initiative, the Company continues to encourage shareholders to register their email addresses with their DPs to ensure timely and efficient communication.

The Company fully endorses the 'Green Initiative', recognizing that it not only conserves paper but also promotes faster communication, reduces the risk of delivery loss, and provides shareholders with easy access to reference materials.

Disclosure on Parent or Subsidiary or Associated Companies and other related parties

During the reporting period, City Insurance PLC had no parent company, subsidiary, associate, or other related party. All business operations were conducted directly by the Company. Accordingly, there were no entities under the Company's control or significant influence that would require consolidation or separate disclosure in accordance with applicable regulatory requirements and financial reporting standards in Bangladesh.

Disclosure of Un-Modified Opinion in Auditor's Report

In accordance with the audit conducted for the year ended December 31, 2025, the Auditor's Report does not contain any adverse remarks, qualified opinions, or emphasis of matters. The audit was performed in compliance with applicable auditing standards, and no material misstatements or significant/material uncertainties were identified that would necessitate a modification to the audit opinion.

For further details, please refer under the section titled "Independent Auditor's Report," on **page no. 386** of this Annual Report 2025. This section provides a comprehensive discussion of the audit findings and the basis for the unmodified opinion expressed by the auditors.

IFRS 17: Insurance Contracts

To enhance the credibility and transparency of financial statements, the Financial Reporting Council (FRC) has mandated the implementation of IFRS 17: Insurance Contracts, replacing IFRS 4, effective January 1, 2023, for insurers under Section 2(25) of the Insurance Act, 2010. IFRS 17 is regarded as one of the most complex accounting standards ever introduced.

Recognizing the challenges of implementation, the Institute of Chartered Accountants of Bangladesh (ICAB) conducted a training session on February 12, 2025, while the Insurance Development & Regulatory Authority (IDRA) held another on January 05, 2025, for all insurance companies to facilitate a smooth transition.

City Insurance PLC remains fully committed to implementing IFRS 17 in the preparation of its financial statements, subject to receiving clear application guidelines in future.

Vote of Thanks

On behalf of the Board of Directors, I sincerely appreciate the gracious cooperation extended by the insured, well-wishers, and patrons toward the activities of the company. I also express my gratitude to the Ministry of Finance, Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission (BSEC), Dhaka & Chittagong Stock Exchanges PLC., Registrar of Joint Stock Companies and Firms (RJSC), Central Rating Committee, Sadharan Bima Corporation, Bangladesh Bank, all scheduled commercial banks, and the Bangladesh Insurance Association (BIA) and other regulatry bodies for their sincere support and cooperation.

The directors also express deep appreciation for the services and loyalty of the executives, officers, and employees at all levels, without whom these results would not have been possible.

The directors would like to thank and express their gratitude to Managing Director and CEO Md. Shamim Hossain and his team for their hard work, commitment, and dedication to the company's development.

Finally, honorable shareholders, I kindly request your continued support, cooperation, and valuable advice in the future.

May Allah (SWT) continue to bless us with patience, strength, and commitment, enabling us to uphold the highest standards in leading the company for the enduring welfare of all stakeholders.

Thank you all.

On behalf of the Board of Directors,



Hossain Akhtar
Chairman
City Insurance PLC.

DIRECTORS' & AUDIORS' CERTIFICATE

Pursuant to Section 63(2) of the Insurance Act, 2010, we, the Directors of the City Insurance PLC., hereby certify that:

All expenses of management, whether directly or indirectly incurred, in respect of the business referred to this section has been fully debited in the revenue account (Fire, Marine, Motor, and Miscellaneous Insurance business) as expenses for the year ended 31 December 2025.

Md. Shamim Hossain
Chief Executive Officer

Mahabubul Haque
Independent Director

Muhammad Nazirul Islam
Director

Hossain Akhtar
Chairman

Quazi Shafiqul Islam FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka
Date: 09 February, 2026

MANAGEMENT REVIEW
AND ANALYSIS



CFO'S STATEMENT

GRI 201-1



"It is my privilege to present the financial performance of City Insurance PLC for the year ended December 31, 2025. During the year, the Company operated in a challenging environment shaped by macroeconomic uncertainty and evolving market conditions. Despite these challenges, City Insurance PLC remained focused on prudent financial management, regulatory compliance, and sustainable growth."

Sheikh Azizul Haque FCS
Chief Financial Officer
City Insurance PLC.

BDT 938.64 mn
Total premium

BDT 1,583.98 mn
Net-worth

In 2025, the Company recorded satisfactory financial performance, demonstrating operational resilience. Gross premium income increased by 2.39%, amounting to BDT 938,635,586 compared to BDT 916,765,696 in 2024. The increase was primarily attributable to disciplined underwriting practices, selective business acquisition, and diversification across product lines, while maintaining appropriate risk standards.

Net investment and other income for the year stood at BDT 240,661,398 reflecting an increase of 67.54% over the previous year. This improvement resulted from prudent asset allocation, conservative investment management, and effective monitoring of market conditions amid interest rate movements and capital market volatility.

BDT 231.76 mn
Net profit after tax

BDT 1,283.05 mn
Cash & cash equivalents

Net profit after tax increased by 10.53% to BDT 231,764,815 compared to BDT 209,684,103 in 2024. The improvement was supported by stable underwriting results, controlled claims experience, consistent investment income, and effective cost management.

The financial stability of City Insurance PLC remains sound. The Company maintained a solvency margin in excess of the minimum requirements prescribed by the Insurance Development and Regulatory Authority (IDRA). As at December 31, 2025, the solvency ratio stood at 3.42%, which is above the regulatory threshold. The Company's capital base and liquidity position remain adequate to meet policyholder obligations and support ongoing operations.

BDT 1,583.98 mn
Shareholders' fund

BDT 1,208.58 mn
FDR

Based on the financial results and considering regulatory requirements and future capital needs, the Board of Directors of City Insurance PLC has recommended a 10% cash dividend for shareholders, including sponsors, subject to approval at the 30th Annual General Meeting. The dividend recommendation reflects a balanced approach between providing reasonable returns to shareholders and retaining sufficient earnings to support capital adequacy and business sustainability.

Given the prevailing market conditions and potential volatility, the Board has placed emphasis on strengthening retained earnings to enhance the Company's financial resilience. The proposed dividend level has been determined after careful consideration of profitability, solvency, liquidity, and future growth requirements.

AAA
Credit Rating

BDT 3.40
Earnings per share (EPS)

In 2025, City Insurance PLC was awarded an AAA credit rating for the second consecutive year by Credit Rating Information Services Limited (CRISL). This rating reflects the Company's strong financial position, sound risk management framework, and capacity to meet its financial obligations, and supports continued stakeholder confidence.

Looking forward to 2026, the Company expects to operate in an environment characterized by economic uncertainty and regulatory developments. City Insurance PLC will continue to pursue sustainable growth through prudent underwriting, conservative investment management, and enhanced operational efficiency. Key areas of focus will include gradual digitalization of processes, strengthening risk management practices, and maintaining compliance with all applicable laws and regulatory requirements.

BDT 1,583.98 mn
Total capital employed

BDT 23.24
Net Assets Value per share (NAV)

The Company remains committed to transparency, financial discipline, and the protection of policyholder interests. With a stable financial foundation and continued oversight by the Board and management, City Insurance PLC is well positioned to maintain financial soundness and support long-term value creation.

Sheikh Azizul Haque FCS
Chief Financial Officer
City Insurance PLC.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

As per condition no. 1(5) (xxv) of the Corporate Governance Code 2018 issued by BSEC the Management Discussion and Analysis presenting of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:

1.5 (xxv) a. Accounting policies and estimation for preparation of financial statements:

Our accounting policies are applied consistently across all reporting periods. The preparation of the financial statements follows the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), ensuring that relevant transactions, events, and conditions are recognized and presented in line with applicable standards.

The disclosures and reporting practices required under the Insurance Act 2010 and the Companies Act 1994 have been fully complied with. In addition, we follow the Bangladesh Securities and Exchange Commission (BSEC) Rules 1987, along with the Listing Regulations 2015 of the Dhaka Stock Exchange PLC and the Chittagong Stock Exchange PLC.

Where a specific IFRS is not available for a particular transaction, event, or condition, professional judgment is exercised to establish an accounting policy that best reflects the substance of the transaction. Such policies are designed to ensure relevance to economic decision-making and reliability in presenting a true and fair view of our financial results and position.

1.5 (xxv) b. Changes in accounting policies and estimations:

We usually change an accounting policy when the change is required by International Financial Reporting Standard (IFRS) or results in the financial statements providing more reliable and relevant information about the effect of transactions, other events or conditions on the financial position, financial performance or cash flow.

1.5 (xxv) c. Comparative analysis of financial performance or results and financial position as well as cash flow for current financial year with immediate preceding five years:

The key operating and financial position for preceding 05 (Five) years and cash flows for 05 (Five) years are furnished below:

Financial performance

BDT in mn

Particulars	2025	Growth (%)	2024	Growth (%)	2023	Growth (%)	2022	Growth (%)	2021	Growth (%)
Gross Premium	938.64	2.39	916.77	11.68	820.92	(7.56)	888.01	21.54	730.62	66.72
Net Premium	607.48	4.03	583.93	13.06	516.49	(9.05)	567.91	17.48	483.41	47.21
Investment and Others Profit	240.66	67.53	143.65	44.63	99.32	22.04	81.38	(30.05)	116.34	29.83
Net Profit after Tax	231.76	10.53	209.68	1.97	205.64	33.90	153.58	33.88	114.72	(4.99)
EPS	3.40	10.39	3.08	1.99	3.02	34.22	2.25	33.93	1.68	(5.08)
Paid up Capital	681.66	0.00	681.66	-	561.66	-	681.66	-	681.66	-
Shareholder Equity	1,583.98	9.85	1,441.94	3.67	1,390.90	9.89	1,265.76	5.94	1,194.81	3.86
Total Assets	2,454.20	12.19	2,187.46	2.41	2,135.94	10.11	1,939.89	15.14	1,684.81	4.89
NAVPS	23.24	9.88	21.15	3.68	20.40	9.85	18.57	5.93	17.53	3.85

Cash flow Statement Analysis

BDT in mn

Particulars	2025	2024	2023	2022	2021
A) Net cash flows from/(used in) operating activities	295.14	166.39	172.46	381.13	187.30
B) Net cash flows from/(used in) investing activities	12.45	22.39	(20.44)	(109.67)	(78.24)
C) Net cash flows from/(used in) financing activities	(68.17)	(81.80)	(71.57)	(68.17)	(68.17)
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	239.42	106.98	80.43	203.29	40.89
E) Cash and cash equivalents at beginning of the year	1,043.63	936.65	856.21	652.92	612.03
F) Cash and cash equivalents at end of the year (D+E)	1,283.05	1,043.63	936.65	856.21	652.92

CASH FLOW FROM OPERATING ACTIVITIES

Net cash inflow from operating activities in 2025 was BDT 295.14 mn which was BDT 166.39 mn in the preceding year. Amid the slow business environment, disbursement continued to be high, which coupled with increase in business led to the rise. So, we could maintain a comfortable cash position.

CASH FLOW FROM INVESTING ACTIVITIES

The cash flow from investing activities moved to BDT 12.45 mn from BDT 22.39 mn, predominantly due to the investment in shares and BGTB.

CASH FLOW FROM FINANCING ACTIVITIES

During the year 2025, the City Insurance paid BDT 68.17 mn as dividend. Resultantly, net cash flow from financing activities reduced up to BDT 13.63 mn at the end of 2024 from BDT 81.80 mn in the previous year.

OVERALL SCENARIO

The cash and cash equivalent balance of City Insurance rose to BDT 1,283.05 mn in 2025 compared to BDT 1,043.63 mn in 2024. Consequently, the cash and cash equivalent balance of City Insurance remains robust, at 81.00% of the shareholders equity and 147.44% of total current liability, which will enable us to grow our loan book in the coming periods, as the economy recovers from the impact of the pandemic.

1.5 (xxv) d. Main areas of financial performance or result and financial position as well as cash flows with peer industry scenario for the year 2024 are furnished below:

BDT in mn

Particulars	City Insurance PLC.	Rupali Insurance Co. Ltd	Eastland Insurance Co. Ltd	Prime Insurance Co. Ltd	Centeral Insurance Co. Ltd.
Gross premium	916.77	673.17	940.71	1,536.77	379.91
Net premium	583.93	440.01	373.83	687.58	245.83
Underwriting profit	164.84	28.16	133.80	147.83	89.07
Investments & other income	143.65	186.71	13.35	51.99	77.78
Profit before tax	295.11	127.70	97.44	135.43	143.45
Net profit after tax	209.68	75.86	89.51	83.98	107.98
EPS	3.08	0.99	1.07	2.05	1.85
NOCPS	2.44	0.39	0.76	(1.28)	1.50
Paid-up capital	681.66	766.65	838.81	408.77	531.49
Shareholders' equity	1,441.94	1,807.12	1,771.38	890.65	2,666.28
Total Assets	2,187.46	2,653.83	2,836.00	2,067.80	3,793.35
NAVPS	21.15	20.41	21.12	21.79	50.17

Source: Published Annual Report 2024.

1.5 (xxv) e. Financial and economic scenario of the country and the global:

The global economy in 2025 is projected to face persistent headwinds, settling at a lower growth rate. The IMF forecasts world growth to slow slightly to around 3.2%, with advanced economies growing at about 1.6% and emerging market and developing economies above 4%. Downside risks include prolonged uncertainty, trade fragmentation, and elevated protectionism.

For Bangladesh (Calendar Year 2025), the scenario is marked by stabilization efforts amid lingering structural challenges.

GDP Growth: Projections for Bangladesh's GDP growth vary, with the IMF forecasting 3.8% and the ADB expecting 4.0%. This reflects ongoing efforts to stabilize the economy following previous disruptions.

Inflation: Inflation remains a significant concern. The IMF and ADB project the average overall inflation rate to be high, at approximately 10.0% for 2025.

External Sector: Foreign reserves continue to be a focus, with gross reserves estimated around $31.94 billion by June 2025, according to some reports. The external sector is showing mixed signals of resilience, with export earnings recovering sharply in certain months, but the current account remains under pressure.

The local outlook is tempered by sluggish private investment, high costs of doing business, and vulnerabilities in the financial sector, necessitating cautious and stabilization-focused policies.

Indicator	Bangladesh (Calendar/Fiscal Year 2025)	South Asia Region (2025)	Source
GDP Growth	3.8% (Calendar Year) / 4.9% (FY 2025-26)	6.0% - 6.1%	IMF (Oct 2025) / World Bank
Inflation (Avg. CPI)	10.00%	7.10%	IMF (Oct 2025)
Foreign Reserves (Gross)	Projected around $31.94 Billion (as of June 2025)	N/A	Multiple Sources
Current Account	Expected to remain in deficit due to high import costs.	-2.3% of GDP (World Bank)	World Bank

1.5 (xxv) f. Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company.

Within the context of changes in global economy and financial market including the expansion of emerging markets, the financial and economic practices have shifted in a radical pace. The risk and concerns issues related to City Insurance PLC financial statements are as follows:





The economy of Bangladesh is set to grow people led by strong domestic, demand, strengthening of exports, execution of large infrastructure projects setting up of special economic zone and energy sector. We hope that the company's operation, performance and financial position will also grow in line with the country's growth. On the other hand, the company's insurance business reflects the ability to exercise underwriting and pricing discipline and the risk management effectiveness managing its business growth in future as a third-generation insurer.

Our principal steps to mitigate Risks:

The company is exposed to several key risks related to its financial statements, including underwriting risk, credit risk, market risk, and liquidity risk. These risks can impact the company's operations and financial performance, requiring careful management and mitigation strategies to ensure stability and profitability.

The risk-mitigating steps are discussed on page no. 274

1.5 (xxv) g. Future plan or projection or forecast for company's operation, performance and financial position:

This document outlines the strategic plan and future projections for City Insurance PLC over the next five-year cycle (2026-2030). The plan is centered on a foundation of customer trust, technological transformation, operational efficiency, and sustained profitable growth to maximize value for all stakeholders.

1. Revenue Growth through Quality Service

Strategic Focus: To transition from premium volume-driven growth to value-driven growth, leveraging superior customer experience as the primary competitive advantage. By establishing City Insurance as the market leader in service quality, we aim to increase customer retention and referral rates, leading to more profitable new business acquisition.

Plan Highlights:

- **Personalization:** Implement AI-driven analytics to offer hyper-personalized policy bundles, increasing the Revenue Per Policyholder (RPP).
- **Digital Channels:** Over 70% of new policies to be issued through digital self-service channels by 2030, enhancing customer convenience and reducing acquisition costs.
- **Brand Advocacy:** Launch a robust referral program tied to high NPS scores to leverage existing customer satisfaction for organic growth.

2. Skills Development and Capacity Building

Strategic Focus: To future-proof the workforce by closing the digital skills gap and creating a culture of continuous learning focused on analytics, AI-enabled processes, and complex problem-solving. This shift will maximize the return on our human capital investment.

Plan Highlights:

- **Recruitment Shift:** Focus on recruiting and retaining professionals with expertise in data science and full-stack development.
- **Cross-Functional Mobility:** Institute a formal rotation program to develop future leaders with holistic knowledge across underwriting, claims, and finance.

3. Cost Optimization

Strategic Focus: To strategically optimize the cost base by leveraging technology to eliminate process waste, consolidate legacy IT systems, and re-allocate administrative savings toward profitable growth initiatives.

Plan Highlights:

- **System Consolidation:** Retire at least 50% of fragmented legacy applications, migrating core functions (policy admin, billing, claims) to a single cloud-native platform.
- **Process Automation:** Implement Robotic Process Automation (RPA) in high-volume, repetitive tasks like data entry, regulatory reporting, and policy verification.
- **Vendor Rationalization:** Optimize procurement and vendor contracts globally to achieve standardized volume discounts across all operational supplies and services.

4. Expanding Shareholder Value

Strategic Focus: To deliver superior financial returns by maintaining a low Combined Ratio (indicative of underwriting excellence) and ensuring disciplined capital allocation, translating operational success into predictable shareholder returns.

Plan Highlights:

- **Capital Management:** Maintain a prudent capital structure, using strong cash flow to fund organic growth and evaluating targeted share repurchase programs to optimize EPS.
- **Profitable Underwriting:** Strict adherence to underwriting guidelines informed by predictive analytics to ensure risk exposure is accurately priced, sustaining the Combined Ratio target below 100%.
- **Strategic M&A:** Opportunistically assess synergistic merger and acquisition targets to gain market share or acquire specialized technological capabilities that accelerate growth.

5. Corporate Governance Excellence

Strategic Focus: To reinforce public trust and investor confidence by adhering to the highest standards of ethical conduct, board effectiveness, and transparent risk management.

Plan Highlights:

- **ESG Integration:** Embed Environmental, Social, and Governance (ESG) criteria into investment, underwriting, and operational decision-making.
- **Enhanced Risk Reporting:** Implement a unified risk platform to provide the Board and management with a real-time, consolidated view of market, operational, and climate-related risks.
- **Succession Planning:** Formalize and regularly test executive and board succession plans to ensure continuous, high-quality leadership.

6. Quick Claims Settlement

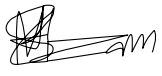
Strategic Focus: To transform the claims process from a transaction cost center into a moment of truth that builds unparalleled customer loyalty and reduces the Loss Adjustment Expense (LAE).

Plan Highlights:

- **AI Triage and Automation:** Deploy AI tools for First Notice of Loss (FNOL) processing, automatically classifying and triaging claims for fast-track settlement (straight-through processing).
- **Mobile-First Reporting:** Enhance the mobile application to allow customers to submit all documentation (photos, video, signatures) instantly, minimizing back-and-forth communication.
- **Proactive Communication:** Implement a system that proactively informs the customer of every claims milestone via SMS/app notification, setting clear expectations and reducing inbound service calls.

City Insurance PLC's five-year projection is built on the belief that superior service drives profitability. By focusing on quality-driven revenue, intelligent cost optimization, and leveraging the full capacity of a digitally skilled workforce, we are positioned to achieve a Combined Ratio of 95% and an ROE of 15% by 2029, thereby ensuring sustained expansion of shareholder value and a future defined by operational excellence.

Thank you,



Md. Shamim Hossain
Managing Director & CEO
City Insurance PLC.

REVIEW OF ASSET QUALITY

GRI 201-1

Superior asset quality is the company's top priority since it will maximize value, guarantee stakeholders an acceptable return, and promote sustainable development for City Insurance PLC. In order to accomplish these goals, the company has a programme in place for reviewing its assets on a frequent basis. As a result of ongoing asset quality development and monitoring, the company has seen significant growth in recent years. The following data, which displays the assets' growth over the last five years, may help explain how the company maintains the quality of its assets to raise their worth.

CIPLC ensures high degree of liquidity of its assets - more than 110.17% of its assets comprise of cash and quickly disposable shares and securities. Its share investment portfolio comprises of investments into companies with strong fundamentals. Though adverse situation of stock markets in Bangladesh during the year 2025, still CIPLC could earned steady investment income, which bear testimony to the prudent investment policies followed by the Company.

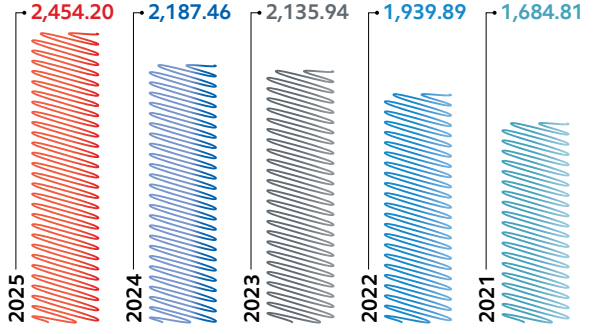
Position of total assets

BDT in mn

Year	Property, plant & equipment	Share & Debentures short & long Term	Cash, fixed deposit and bank balances	Other assets	Total
2025	42.27	471.51	1,283.05	657.31	2,454.20
2024	45.06	492.15	1,043.63	606.62	2,187.46
2023	50.09	570.56	936.65	578.63	2,135.94
2022	56.03	529.64	856.21	498.01	1,939.89
2021	54.76	407.37	652.92	569.75	1,684.81

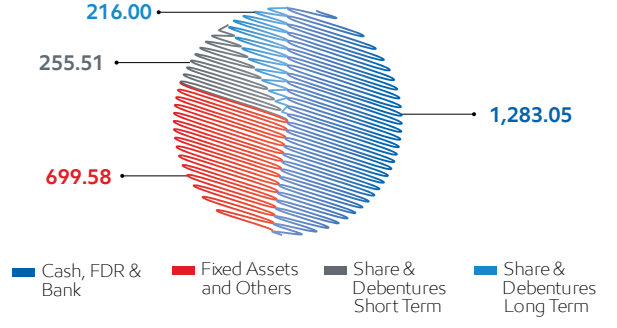
Total Assets

BDT in mn



Classifiaction of Assets 2025

%



Position in Investable Assets

BDT in mn

Particulars	2025	%	2024	%	2023	%	2022	%	2021	%
Share & Debentures										
Short term	255.51	10.41	276.15	12.62	354.57	16.60	329.64	16.99	321.37	19.07
Long term	216.00	8.80	216.00	9.87	216.00	10.11	200.00	10.31	86.00	5.10
A. Sub Total	**471.51**	**19.21**	**492.15**	**22.49**	**570.57**	**26.71**	**529.64**	**27.30**	**407.37**	**24.17**
Cash, FDR & Bank	1,283.05	52.28	1,043.63	47.71	936.65	43.85	856.21	44.14	652.92	38.75
Fixed Assets and Others	699.64	28.51	651.68	29.80	628.72	29.44	554.04	28.56	624.52	37.08
B. Sub Total	**1982.69**	**80.79**	**1695.31**	**77.51**	**1565.37**	**73.29**	**1410.25**	**72.70**	**1,277.44**	**75.83**
Total (A+B)	**2,454.20**	**100**	**2,187.46**	**100.00**	**2,135.94**	**100.00**	**1,939.89**	**100.00**	**1,684.81**	**100.00**

DISCLOSURES PERTAINING TO SOLVENCY MARGIN

GRI 201-1

Available, Required Solvency Margin and Solvency Ratio

Available solvency margin of City Insurance PLC is BDT 846.97 million against required solvency margin BDT 248.01 million and solvency ratio is 3.42 times.

BDT in mn

1.	**Assets after adjustment**		
	Total Assets		**2,454.20**
	Less:		
	Furniture & fixture	3.54	
	Intangible assets (Software)	1.02	
	Amount due from SBC	6.34	
		178.60	
			189.50
	Total		**2,264.70**
2	**Liabilities after adjustment**		
	Sundry creditors	104.36	
	Amount due to others (SBC)	32.80	
	Provision for current tax & deffered tax	145.01	
	Deposit premium	240.91	
	Lease liability	6.71	
	Estimate liabilities in respect of outstanding claim	54.57	
	Reserve for unexpired risk	284.75	
	Reserve for exceptional losses	547.50	
	Un-claim dividend	1.12	
	Total		**1417.73**
3	**Solvency margin available (1-2)**		**846.97**
4	**Solvency margin required (higher of RSM-1 or RSM-2)**		**248.01**
5	**Solvency ratio (times)**		**3.42**

a. Required Solvency Margin Based on Premium (RSM-1)

BDT in mn

Sl.	Class of Business	Gross Premium	Net Premium	Factor	GP after application of factor	40% of NP	25% of GPF	(NP & GPF which is higher)
1	Fire	312.36	192.68	0.70	218.65	77.07	54.66	77.07
2	Marine Cargo	532.29	375.84	0.60	319.37	150.34	79.84	150.34
3	Marine Hull	14.53	4.58	0.60	8.72	1.83	2.18	2.18
4	Motor	20.24	20.14	0.75	15.18	8.06	3.80	8.06
5	Misc.	59.22	14.24	0.70	41.45	5.70	10.36	10.36
	Total	**938.64**	**607.48**		**603.37**	**243.00**	**150.84**	**248.01**

b. Required Solvency Margin Based on Claim (RSM-2)

BDT in mn

Sl.	Class of Business	Gross Claim	Net Claim	Factor	GC after application of factor	50% of NC	35% of GCF	(NC & GCF which is higher)
1	Fire	85.31	61.42	0.80	68.24	30.71	23.88	30.71
2	Marine Cargo	18.41	18.31	0.70	12.89	9.16	4.51	9.16
3	Marine Hull	0.88	0.18	0.70	0.62	0.09	0.22	0.22
4	Motor	2.52	2.52	0.85	2.14	1.26	0.75	1.26
5	Misc.	18.58	16.69	0.70	13.00	8.35	4.55	8.35
	Total	**125.70**	**99.12**		**96.89**	**49.57**	**33.91**	**49.70**

- The required solvency margin and solvency ratio have been calculated as per Bangladesh Gazette Notification, Proggapon/ Probhidanmala, dated 18 September 2024, SRO No. 313-Act/2024 AD issued by the Insurance Development & Regulatory Authority (IDRA).

MANAGEMENT EFFICIENCY FOR SUSTAINABLE GROWTH

GRI 201-1

BDT in million/Ratio/BDT

Capitalization and Solvency	2025	2024	2023	2022	2021
Total Assets to Equity (Times)	1.55	1.52	1.54	1.53	1.41
Internal Capital Generation Ratio	0.21	0.16	0.12	0.07	0.06
Exceptional Loss Reserve to Net Premium	90.13	83.36	82.94	66.33	66.18
Capital & Fund to Total Assets	64.54	65.92	65.12	65.25	70.92
Excess Solvency	598.96	506.47	639.61	547.90	425.80
Technical					
Retention Ratio	70.59	67.49	60.22	53.40	40.58
Claim Ratio	16.32	3.90	8.55	9.33	23.95
Premium to Equity	0.38	0.40	0.37	0.45	0.40
Underwriting Profit to Gross Premium	0.15	0.18	0.26	0.16	0.13
Solvency Margin Ratio	3.42	3.08	6.72	5.01	5.08
Profitability					
Gross Premium Growth (%)	2.39	11.68	(7.56)	21.54	66.72
Net Premium Growth (%)	4.03	13.06	(9.05)	17.48	47.21
Size of FDR	1,208.58	1,010.01	921.26	831.15	640.40
Return on Average Assets (ROAA)	9.99	9.70	10.09	8.47	6.97
Return on Average Equity (ROAE)	15.32	14.80	15.48	12.48	9.78
EPS Growth (%)	10.39	1.99	34.22	33.93	(5.08)
Management Expense Ratio	41.89	42.00	42.09	41.57	41.94
Liquidity & Funding					
Current Ratio	2.22	2.21	2.03	2.01	2.50
Liquid Assets to Total Insurance Fund	81.00	72.38	67.34	67.64	54.65
Total Liquid Assets to Total Assets	52.28	47.71	43.85	44.14	38.75
Credit Rating (ECA)					
Credit Rating	AAA	AAA	AA+	AA+	AA
Performance with respect to shareholders					
Dividend yield	0.01	0.02	0.02	0.04	0.02
Capital Appreciation	(6.15)	(6.14)	(2.79)	(2.93)	(3.19)
NAV Growth (%)	9.88	3.68	9.85	5.93	3.85
P/E Ratio	25.68	14.48	16.42	11.51	25.54
Gender Diversity Ratio (Male:Female)	83:17	84:16	86:14	85:15	82:18
Profit per Employee	0.67	0.55	0.55	0.39	0.29
CSR to Net Income %	0.58	0.64	0.89	0.62	0.32
Contribution to National Exchequer	204.02	229.37	176.06	227.55	197.13

VALUE ADDED STATEMENT

GRI 2-22 & 201-1

The value-added statement for the Company shows how the value is created and distributed among different stakeholders of the Company.

Value Added Statement

for the year ended 31 December 2025

BDT in mn

PARTICULARS	2025	%	2024	%	2023	%	2022	%	2021	%
VALUE ADDED										
Gross Premium	938.64	118	916.77	135	820.92	137	888.01	145	730.62	144
VAT & Stamp Duty	104.33	13	95.63	14	92.48	15	165.85	27	115.52	23
Investment & Other Income	240.66	30	143.65	21	99.32	17	81.38	13	116.34	23
Net Claims Incurred	(99.13)	-13	(22.76)	-3	(44.17)	-7	(53.01)	-9	115.77)	-23
Net Re-insurance Cost	(259.53)	-33	(249.34)	-37	(246.32)	-41	(253.65)	-41	197.31)	-39
Management Expenses & Agent Commission	(405.77)	-51	(412.38)	-61	(352.96)	-59	411.05)	-67	(273.27)	-54
Un expired risk	273.16	34	208.77	31	229.46	38	195.88	32	131.40	26
TOTAL VALUE ADDED	**792.36**	**100**	**680.33**	**100**	**598.73**	**100**	**613.41**	**100**	**507.53**	**100**

Appropriation/ Distribution of Value Addition

BDT in mn

PARTICULARS	2025	%	2024	%	2023	%	2022	%	2021	%
To Government as Taxes										
VAT & Stamp Duty	104.34	13	95.63	14	92.48	15	165.85	27	115.52	23
Tax	99.68	12	94.55	14	52.99	9	36.86	6	67.75	13
To Employees										
as remuneration	134.15	17	120.84	18	168.83	28	193.89	32	133.57	26
To Shareholders										
as dividends	68.17	9	81.80	12	71.57	12	68.17	11	68.17	13
Retained by the entity										
Retained Earnings	318.13	40	221.91	33	153.63	26	86.83	14	69.87	14
Reserve for exceptional losses	60.75	8	58.46	8	51.66	9	56.79	9	48.34	10
To Customer, Supplier & Vendors										
Internet Bill, Stationary Exp., Printing Exp., Software Development Cost and others	7.14	1	7.20	1	7.57	1	5.02	1	4.31	1
	792.36	**100%**	**680.33**	**100%**	**598.73**	**100%**	**613.41**	**100%**	**507.53**	**100%**

ECONOMIC VALUE ADDED (EVA) STATEMENT

GRI 2-22 & 201-1

Economic Value Addition (EVA) indicates the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of the required minimum return for shareholders at comparable risks.

Economic Value-Added Statement

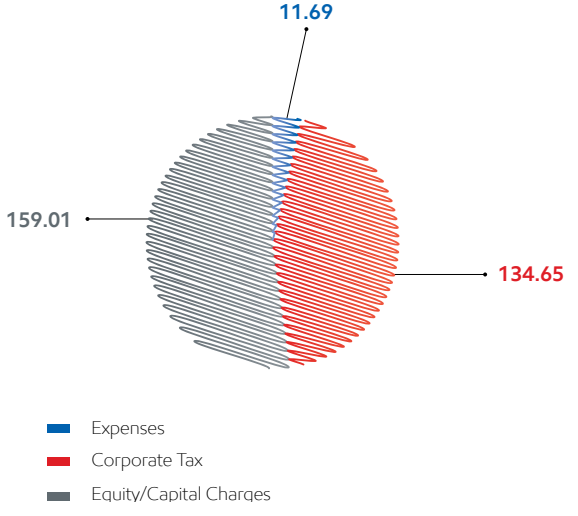
for the year ended 31 December 2025

BDT in mn

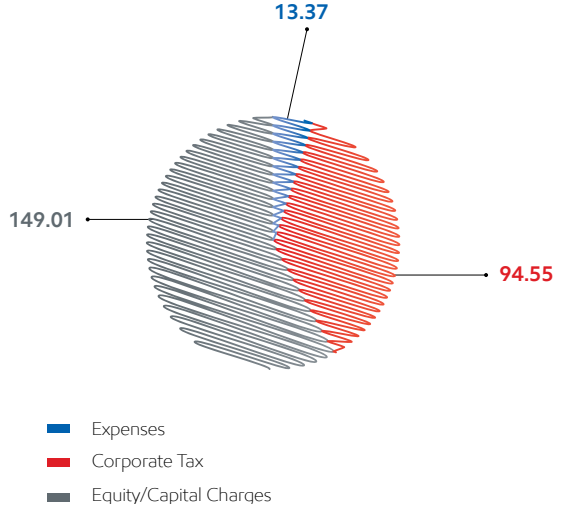
Particulars	2025	2024	2023	2022	2021
Average shareholders' equity at the end	1,512.96	1,416.42	1,328.33	1,230.285	1,172.635
*Cost of Equity (%)	10.51	10.52	9.52	8.12	8.02
Total Revenue (GP)	938.64	916.77	820.92	888.01	730.62
Expenses	11.69	13.37	15.35	14.23	16.19
Tax	134.65	94.55	52.99	59.03	47.89
Net Profit After Tax	231.76	209.68	205.64	153.58	114.72
Equity/Capital Charges	159.01	149.01	126.46	99.90	94.05
Economic Value Added	72.75	60.67	79.18	53.68	20.67

*Fair value adjustment of shares was not considered while computing average shareholders' equity. It is the opportunity cost i.e., the expected risk-free return on investments and a risk premium.

2025 (BDT mn)



2024 (BDT mn)



MARKET VALUE ADDED (MVA) STATEMENT

GRI 2-22 & 201-1

Market value added Statement reflects the company's performance evaluated by the market through the Share price of City Insurance PLC. This Statement shows the difference between the market value of the company and the capital contributed by investors.

Year	2025			2024		
Marker value added	No. of Shares	Value per Share Tk.	Total Value BDT in million	No. of Shares	Value per Share Tk.	Total value BDT in million
Market value share outstanding	68,166,122	* 87.30	5,950.90	6,81,66,122	** 44.60	3,040.21
Book Value of share outstanding	68,166,122	10.00	681.66	6,81,66,122	10.00	681.66
Market value added	68,166,122	77.30	5,269.24	6,81,66,122	34.60	2,358.55

* As on December 31, 2025
** As on December 31, 2024

Economic Value-Added Statement

Economic value added is a measure of a company's financial performance based on the residual wealth assessed by deducting its cost of capital from its operation profit adjusted for taxes on a cash basis. Economic value added generates from funds invested in it.

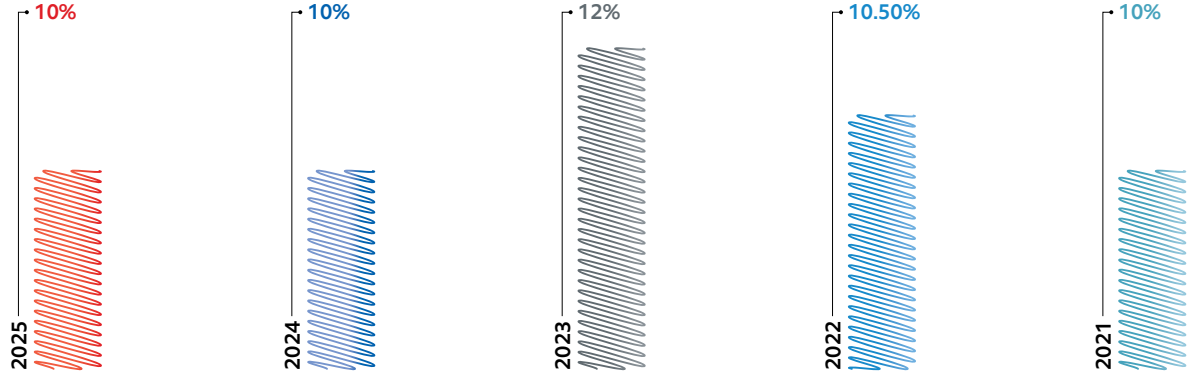
Particulars	2025 BDT in mn	2024 BDT in mn
Average shareholders' equity	1,512.96	1,416.41
Cost of equity (%)	10.51	10.52
Total revenue	938.64	916.77
Expenses	11.69	13.37
Corporate tax	134.65	94.55
Net profit after tax	231.76	209.68
Equity/capital charges	159.01	149.01
Economic value added	72.75	60.67

Shareholders as Dividend

Considering the overall performance of the company, Board of Directors are very much sincere to allot fair percentage of dividend for the shareholders. The Board of directors has recommended 10% Cash Dividend out of net profit for the year 2025 to all shareholders including sponsor shareholders.

Last 5 (Five) years of Cash Dividend distribution to all Shareholders are furnished below:-

Cash Dividend



Shareholder's Information

Shareholding Structure as on 31 December, 2025

Category of shareholders	No. of Shareholders	No. of Shares	Percentage
Director & sponsor	18	2,45,81,629	36.06%
Institute and all investors	101	2,37,55,086	34.85%
Non-Resident Bangladeshi (NRB)	14	9,159	0.01%
General public	2,421	1,98,20,248	29.08%
Total	**2,554**	**6,81,66,122**	**100%**

Prospective Investors:

Name of the Buyers	No. of Shares	Percentage of Total Shares
Exim Investment	997,609	1.46
Gobinda Chandra Saha	632,083	0.93
Bhulon Kumar Bhowmik	580,106	0.85
Bank Asia Securities Limited	398,634	0.58
Kingfisher Shipping Lines Ltd.	108,397	0.16
Shah Azizul Islam	107,200	0.16

Besides the above furnished Prospective Investors our other Prospective Investors are General Public, Govt. Institutions, Bank, Non-Banking Financial Institutions (NBFI) and other organizations.

Liquidity & Funding

BDT in mn

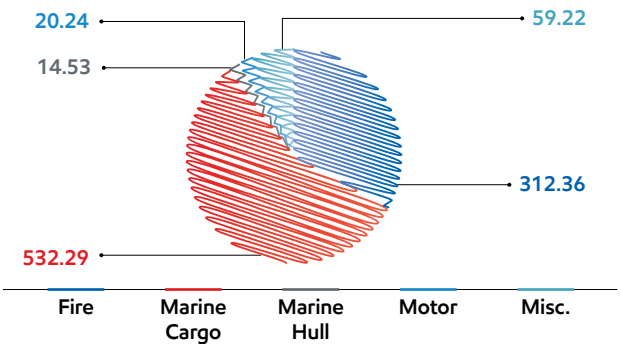
Particulars	2025	2024	2023	2022	2021
Total assets	2,454.20	2,187.46	2,135.94	1,939.89	1,684.81
Current ratio	2.22	2.21	2.03	2.01	2.50
Liquid assets to total insurance fund	81.00	72.38	67.34	67.64	54.65
Liquid assets to total assets	52.28	47.71	43.85	44.14	38.75

SEGMENT ANALYSIS

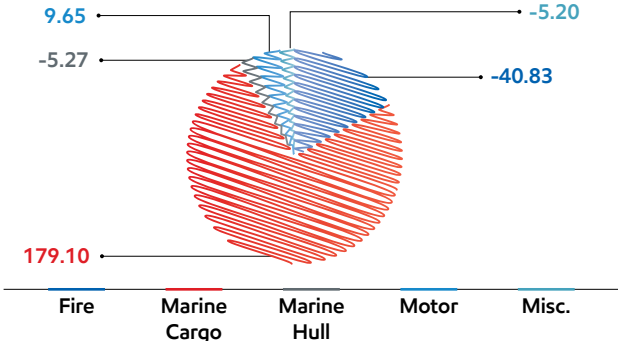
REVENUE AND PROFIT, ASSETS, LIABILITIES AND EQUITY

Overview of City Insurance PLC's revenue streams across diverse products and service segments, showcasing the company's broad portfolio and growth potential.

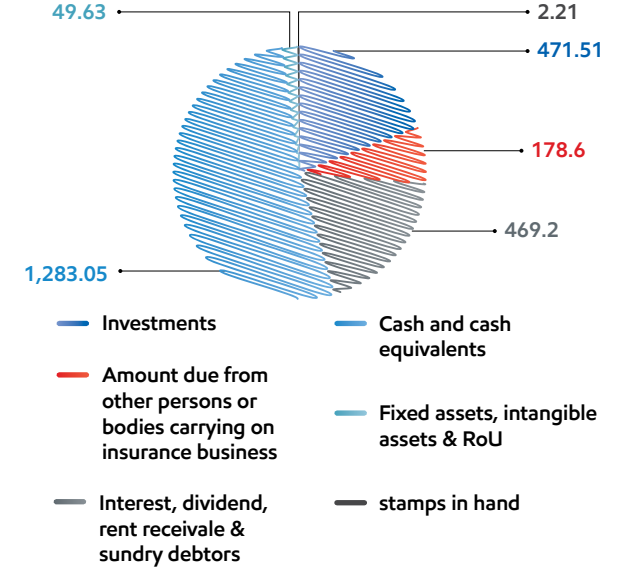
Segment Analysis – Gross Premium 2025 BDT in mn



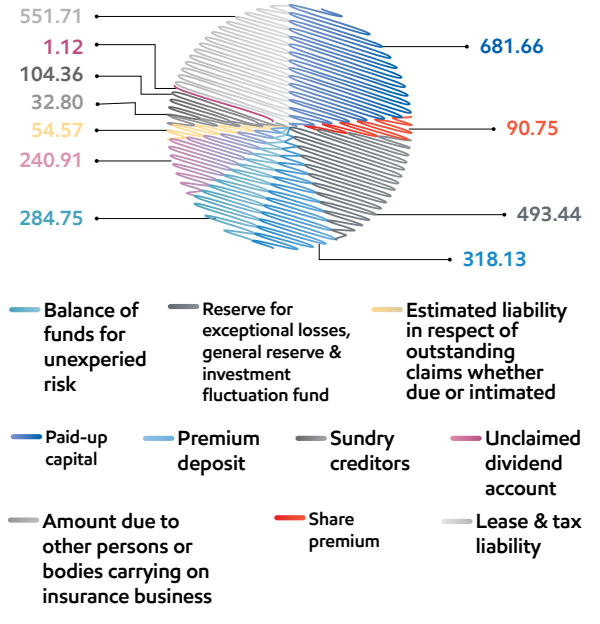
Segment Analysis - Operating Profit 2025 BDT in mn



Segment Analysis – Total Assets 2025 BDT in mn



Segment Analysis – Total Liabilities and Equity 2025 BDT in mn



HORIZONTAL & VERTICAL ANALYSIS

Horizontal Analysis

Financial Position

BDT in mn

Particulars	2025	%	2024	%	2023	%	2022	%	2021	%
Property, plant & equipment	42.27	(6.18)	45.06	(7.09)	48.50	(11.99)	55.11	2.78	53.62	32.23
Intangible assets	1.02	(20.20)	1.28	(20.00)	1.60	73.91	0.92	(19.30)	1.14	(20.28)
Rifgt-of-Use (ROU) assets	6.34	-	-	-	-	-	-	-	-	-
BD Govt. treasury bond	216.00	-	216.00	-	216.00	8.00	200.00	132.56	86.00	244.00
Investment in shares	255.51	(7.47)	276.15	(22.12)	354.57	7.56	329.64	2.57	321.37	31.14
A. Non-Current Assets	**521.15**	**(3.22)**	**538.49**	**(13.24)**	**620.67**	**5.98**	**585.67**	**26.73**	**462.13**	**48.10**
Stamps in hand	2.21	(33.56)	3.33	(29.75)	4.74	273.23	1.27	(69.10)	4.11	37.92
Interest, dividends and rent receivable	118.13	62.65	72.63	0.90	71.98	1.72	70.76	4.50	67.71	2.56
Amount due from other persons or bodies carrying on insurance business	178.60	(10.85)	200.34	(4.22)	209.16	(3.71)	217.21	(7.31)	234.34	-
Sundry debtors	351.06	10.18	318.63	8.84	292.76	40.22	208.78	(20.80)	263.60	(30.42)
Deferred tax assets	-	-	10.42		-	-	-	-	-	-
Cash in hand	0.25	48.31	0.17	(34.62)	0.26	8.33	0.24	(17.24)	0.29	(36.96)
Cash at bank	74.22	121.87	33.45	121.08	15.13	(39.04)	24.82	102.94	12.23	(58.39)
Fixed deposit receipt (FDR)	1,208.58	19.66	1,010.01	9.63	921.26	10.84	831.15	29.79	640.40	10.00
B. Current Assets	**1,933.05**	**17.23**	**1,648.98**	**8.82**	**1,515.29**	**11.89**	**1,354.23**	**10.76**	**1,222.68**	**(5.53)**
Total Assets(A+B)	**2,454.20**	**12.19**	**2,187.47**	**2.41**	**2,135.96**	**10.11**	**1,939.90**	**15.14**	**1,684.81**	**4.89**
Paid up share capital	681.66	0.00	681.66	-	681.66	-	681.66	-	681.66	-
Premium on rights share	90.75	-	90.75	-	90.75	-	90.75	-	90.75	-
Reserve for exceptional losses	547.50	12.48	486.75	13.63	428.36	13.71	376.71	17.75	319.91	17.80
General reserve	26.00	-	26.00	-	26.00	-	26.00	-	26.00	-
Investment fluctuation fund	(80.07)	22.93	(65.13)	(720.29)	10.50	175.59	3.81	(42.45)	6.62	(37.72)
Profit & loss appropriation account balance	318.13	43.36	221.91	44.44	153.63	76.93	86.83	24.27	69.87	0.04
A. Shareholders Fund/Equity	**1,583.98**	**9.85**	**1,441.94**	**3.67**	**1,390.90**	**9.89**	**1,265.76**	**5.94**	**1,194.81**	**3.86**
Balance of funds for unexperied risk	284.75	4.24	273.16	30.84	208.77	(9.02)	229.46	17.14	195.88	49.07
Premium deposits	240.91	12.89	213.40	22.01	174.91	18.33	147.82	587.53	21.50	(64.39)
Lease Liability	6.71	-	-	-	-	-	-	-	-	-
Estimated liabilities in respect of outstanding claims whether due or intimated	54.57	191.52	18.72	470.73	3.28	(54.57)	7.22	163.50	2.74	(18.21)
Amount due to other persons or bodies carrying on insurance business	32.80	(38.87)	53.65	(34.58)	82.01	(37.18)	130.55	1.34	128.82	13.53
Provision for CGIC foundation	-	-	-		-	-	-	-	1.97	-
Income tax liability	140.60	47.97	95.02	(45.98)	175.90	90.39	92.39	41.38	65.35	15.05
Sundry creditors	104.36	15.72	90.18	(2.11)	92.12	53.94	59.84	(12.32)	68.25	(14.24)
Deferred tax liability	4.41	-	-	-	5.82	21.00	4.81	23.97	3.88	(49.54)
Un-claimed dividend account	1.12	(20.62)	1.41	(36.77)	2.23	9.31	2.04	25.15	1.63	36.97
B. Current Liabilities	**870.22**	**16.72**	**745.53**	**0.07**	**745.04**	**10.52**	**674.13**	**37.57**	**490.02**	**7.50**
Total Shareholders' Equity and Liabilities(A+B)	**2,454.20**	**12.19**	**2,187.46**	**2.41**	**2,135.94**	**10.11**	**1,939.89**	**15.14**	**1,684.83**	**4.89**
Long term assets	521.15	(3.22)	538.48	(13.24)	620.66	5.97	585.67	26.73	462.14	48.11
Current assets	1,933.05	17.23	1,648.98	8.82	1,515.28	11.89	1,354.23	10.76	1,222.68	(5.53)
Total Assets	**2,454.20**	**12.19**	**2,187.46**	**2.41**	**2,135.94**	**10.11**	**1,939.90**	**15.14**	**1,684.82**	**4.89**
Current liabilities	870.22	16.73	745.53	0.07	745.04	10.52	674.14	37.58	490.01	7.50
Net current assets	1,062.83	17.64	903.45	17.29	770.24	13.26	680.09	(7.18)	732.67	(12.61)

* Horizontal Analysis of Financial Position refers to the analysis of growth of each component of Financial Position from the previous period.

Horizontal Analysis

Profit and Loss Accounts

(BDT in mn)

Particulars	2025	%	2024	%	2023	%	2022	%	2021	%
Interest income on FDR, BD G.T. Bond & STD account	227.56	126.43	100.50	33.77	75.13	40.56	53.45	17.89	45.34	3.54
Dividend income	10.03	(44.43)	18.04	(4.85)	18.96	42.34	13.32	(26.97)	18.24	422.64
Profit/(loss) on sale of share	0.67	(97.18)	23.62	434.39	4.42	(66.72)	13.28	(72.06)	47.53	15.20
Profit/(loss) on sale of fixed assets	0.66	24.49	0.53	5,400.00	(0.01)	(101.10)	0.91		-	(100.00)
Miscellaneous income	1.61	69.63	0.95	14.46	0.83	97.62	0.42	(91.97)	5.23	412.75
Deferred tax income	0.14	-	-	-	-	-	-	-	-	-
Fire revenue account	(40.83)	(190.80)	44.97	77.12	25.39	45.92	17.40	(180.22)	(21.69)	(283.35)
Marine cargo revenue account	179.10	39.76	128.15	(32.96)	191.16	48.16	129.02	37.86	93.59	68.75
Marine hull revenue account	(5.27)	(28.12)	(7.33)	264.68	(2.01)	(973.91)	0.23	(111.50)	(2.00)	545.16
Motor revenue account	9.65	30.81	7.38	(34.40)	11.25	21.36	9.27	(57.04)	21.58	39.14
Miscellaneous revenue account	(5.20)	(37.59)	(8.34)	(10.61)	(9.33)	(10.80)	(10.46)	(355.75)	4.09	101.48
Total Income/Total Revenue	**378.11**	**22.57**	**308.48**	**(2.31)**	**315.78**	**39.21**	**226.84**	**7.04**	**211.92**	**21.70**
Directors fee	1.00	6.57	0.94	4.44	0.90	13.92	0.79	12.86	0.70	2.94
Advertisement	1.32	(39.62)	2.19	(3.95)	2.28	(22.97)	2.96	(23.71)	3.88	280.39
Donation & subscription	0.18	(87.04)	1.35	101.49	0.67	21.82	0.55	48.65	0.37	(58.89)
Audit fee & legal expenses	1.29	72.35	0.75	(6.25)	0.80	45.45	0.55	41.03	0.39	(54.65)
Interest expenses	-	-	-	-	-	-	-	(100.00)	1.22	183.72
Registration & renewal	1.05	(7.52)	1.15	11.76	1.02	21.43	0.84	68.00	0.50	(1.96)
Fees & charges	1.04	1.94	1.02	27.50	0.80	(14.89)	0.94	2.17	0.92	(14.02)
Depreciation	4.80	(3.55)	4.98	(36.88)	7.89	19.55	6.60	(8.21)	7.19	28.39
Unrealised loss on share investment	-	-	-	-	-	-	-	(100.00)	33.12	-
Written off (GMG Airlines limited) & others	1.00	-	1.00	-	1.00	-	1.00	(1.96)	1.02	2.00
Total Expenses	**11.69**	**(12.57)**	**13.37**	**(12.96)**	**15.36**	**7.94**	**14.23**	**(71.14)**	**49.31**	**308.53**
Earnings Before Interest & Taxes	**366.42**	**24.16**	**295.11**	**(1.77)**	**300.42**	**41.30**	**212.61**	**30.75**	**162.61**	**0.34**
Interest Expenses	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	**366.42**	**24.16**	**295.11**	**(1.77)**	**300.42**	**41.30**	**212.61**	**30.75**	**162.61**	**0.34**
Deferred tax expenses	17.60	14,566.93	0.12	(53.85)	0.26	(79.03)	1.24	(55.87)	2.81	907.92
Provision for income tax	117.05	37.21	85.31	(9.74)	94.52	63.56	57.79	28.19	45.08	9.88
Net profit after tax transferred to statement of appropriation account	**231.76**	**10.53**	**209.68**	**1.97**	**205.64**	**33.90**	**153.58**	**33.88**	**114.72**	**(4.99)**
EPS	**3.40**	**10.39**	**3.08**	**1.99**	**3.02**	**34.22**	**2.25**	**33.93**	**1.68**	**(5.08)**

* Horizontal Analysis of Profit & Loss Account refers to the analysis of growth of each component of Profit & Loss Account from the previous period.

Vertical Analysis

Financial Position

BDT in mn

Particulars	2025	%	2024	%	2023	%	2022	%	2021	%
Property, plant & equipment	42.27	1.72	45.06	2.06	48.50	2.27	55.11	2.84	53.62	3.18
Intangible assets	1.02	0.04	1.28	0.06	1.60	0.08	0.92	0.05	1.14	0.07
Rifgt-of-Use (ROU) assets	6.34	0.26								
BD Govt. treasury bond	216.00	8.80	216.00	9.87	216.00	10.11	200.00	10.31	86.00	5.10
Investment in shares	255.51	10.41	276.15	12.62	354.57	16.60	329.64	16.99	321.37	19.07
A. Non-Current Assets	**521.15**	**21.23**	**538.49**	**24.62**	**620.66**	**29.06**	**585.67**	**30.19**	**462.14**	**27.43**
Stamps in hand	2.21	0.09	3.33	0.15	4.74	0.22	1.27	0.07	4.11	0.24
Interest, dividends and rent receivable	118.13	4.81	72.63	3.32	71.98	3.37	70.76	3.65	67.71	4.02
Amount due from other persons or bodies carrying on insurance business	178.60	7.28	200.34	9.16	209.16	9.79	217.21	11.19	234.34	13.91
Sundry debtors	351.06	14.30	318.63	14.57	292.76	13.71	208.78	10.76	263.60	15.65
Deferred tax assets	-	-	10.42	0.48	-	-	-	-	-	-
Cash in hand	0.25	0.01	0.17	0.01	0.26	0.01	0.24	0.01	0.29	0.02
Cash at bank	74.22	3.02	33.45	1.53	15.13	0.71	24.82	1.28	12.23	0.73
Fixed deposit receipt (FDR)	1,208.58	49.25	1,010.01	46.17	921.26	43.13	831.15	42.85	640.40	38.01
B. Current Assets	**1,933.05**	**78.77**	**1,648.98**	**75.38**	**1,515.28**	**70.94**	**1,354.23**	**69.81**	**1,222.68**	**72.57**
Total Assets(A+B)	**2,454.20**	**100.00**	**2,187.46**	**100.00**	**2,135.94**	**100.00**	**1,939.89**	**100.00**	**1,684.81**	**100.00**
Paid up share capital	681.66	27.78	681.66	31.16	681.66	31.91	681.66	35.14	681.66	40.46
Premium on rights share	90.75	3.70	90.75	4.15	90.75	4.25	90.75	4.68	90.75	5.39
Reserve for exceptional losses	547.50	22.31	486.75	22.25	428.36	20.05	376.71	19.42	319.91	18.99
General reserve	26.00	1.06	26.00	1.19	26.00	1.22	26.00	1.34	26.00	1.54
Investment fluctuation fund	(80.07)	-3.26	(65.13)	(2.98)	10.50	0.49	3.81	0.20	6.62	0.39
Profit & loss appropriation account balance	318.13	12.96	221.91	10.14	153.63	7.19	86.83	4.48	69.87	4.15
A. Shareholders Fund/ Equity	**1,583.98**	**64.54**	**1,441.94**	**65.92**	**1,390.90**	**65.12**	**1,265.76**	**65.25**	**1,194.81**	**70.92**
Balance of funds for unexperied risk	284.75	11.60	273.16	12.49	208.77	9.77	229.46	11.83	195.88	11.63
Premium deposits	240.91	9.82	213.40	9.76	174.91	8.19	147.82	7.62	21.50	1.28
Lease Liability	6.71	0.27								
Estimated liabilities in respect of outstanding claims whether due or intimated	54.57	2.22	18.72	0.86	3.28	0.15	7.22	0.37	2.74	0.16
Amount due to other persons or bodies carrying on insurance business	32.80	1.34	53.65	2.46	82.01	3.85	130.55	6.73	128.82	7.65
Provision for CGIC foundation	-	0.00	-	-	-	-	-	-	1.97	0.11
Income tax liability	140.60	5.73	95.02	4.34	175.90	8.24	92.39	4.76	65.35	3.88
Sundry creditors	104.36	4.25	90.18	4.12	92.12	4.31	59.84	3.08	68.25	4.05
Deferred tax liability	4.41	0.18	-	-	5.82	0.27	4.81	0.25	3.88	0.22
Un-claimed dividend account	1.12	0.05	1.41	0.06	2.23	0.11	2.04	0.10	1.63	0.10
B. Current Liabilities	**870.22**	**35.46**	**745.53**	**34.08**	**745.04**	**34.88**	**674.14**	**34.75**	**490.01**	**29.08**
Total Shareholders' Equity and Liabilities(A+B)	**2,454.20**	**100.00**	**2,187.46**	**100.00**	**2,135.94**	**100.00**	**1,939.89**	**100.00**	**1,684.81**	**100.00**

* Vertical Analysis of Financial Position refers to the components of Financial Position items as a % of total Assets over the periods which would be termed as common sizing of Financial Position.

Vertical Analysis

Profit and Loss Accounts

BDT in mn

Particulars	2025	%	2024	%	2023	%	2022	%	2021	%
Interest income on FDR, BD G.T. Bond & STD account	227.56	60.18	100.50	32.58	75.13	23.79	53.45	23.56	45.34	21.39
Dividend income	10.03	2.65	18.04	5.85	18.96	6.00	13.32	5.87	18.24	8.61
Profit/(loss) on sale of share	0.67	0.18	23.62	7.66	4.42	1.40	13.28	5.85	47.53	22.43
Profit/(loss) on sale of fixed assets	0.66	0.17	0.53	0.17	(0.01)	(0.01)	0.91	0.40	-	-
Miscellaneous income	1.61	0.43	0.95	0.31	0.83	0.26	0.42	0.19	5.23	2.47
Fire revenue account	0.14	0.04	44.97	14.58	25.39	8.04	17.40	7.67	(21.69)	(10.23)
Marine cargo revenue account	(40.83)	(10.80)	128.15	41.54	191.16	60.54	129.02	56.88	93.59	44.16
Marine hull revenue account	179.10	47.37	(7.33)	(2.38)	(2.01)	(0.64)	0.23	0.10	(2.00)	(0.94)
Motor revenue account	(5.27)	(1.39)	7.38	2.39	11.25	3.57	9.27	4.09	21.58	10.18
Miscellaneous revenue account	9.65	2.55	(8.34)	(2.70)	(9.33)	(2.95)	(10.46)	(4.61)	4.09	1.93
Deferred tax income	(5.20)	(1.38)								
Total Income/Total Revenue	**378.11**	**100.00**	**308.48**	**100.00**	**315.78**	**100.00**	**226.84**	**100.00**	**211.92**	**100.00**
Directors fee	1.00	0.26	0.94	0.30	0.90	0.28	0.79	0.35	0.70	0.33
Advertisement	1.32	0.35	2.19	0.71	2.28	0.72	2.96	1.31	3.88	1.83
Donation & subscription	0.18	0.05	1.35	0.44	0.67	0.21	0.55	0.24	0.37	0.17
Audit fee & legal expenses	1.29	0.34	0.75	0.24	0.80	0.25	0.55	0.24	0.39	0.18
Interest expenses	-	-	-	-	-	-	-	-	1.22	0.58
Registration & renewal	1.05	0.28	1.15	0.37	1.02	0.32	0.84	0.37	0.50	0.24
Fees & charges	1.04	0.28	1.02	0.33	0.80	0.25	0.94	0.41	0.92	0.44
Depreciation	4.80	1.27	4.98	1.61	7.89	2.50	6.60	2.91	7.19	3.39
Unrealised loss on share investment	-	-	-	-	-	-	-	-	33.12	15.63
Written off (GMG Airlines limited) & others	1.00	0.26	1.00	0.32	1.00	0.33	1.00	0.44	1.02	0.48
Total Expenses	**11.69**	**3.09**	**13.37**	**4.33**	**15.36**	**4.86**	**14.23**	**6.27**	**49.31**	**23.27**
Earnings Before Interest & Taxes	**366.42**	**96.91**	**295.10**	**95.67**	**300.42**	**95.14**	**212.61**	**93.73**	**162.61**	**76.73**
Interest Expenses	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	**366.42**	**96.91**	**295.10**	**95.67**	**300.42**	**95.14**	**212.61**	**93.73**	**162.61**	**76.73**
Deferred tax expenses	17.60	4.65	0.12	0.04	0.26	0.08	1.24	0.55	2.81	1.33
Provision for income tax	117.05	30.96	85.31	27.66	94.52	29.93	57.79	25.47	45.08	21.27
Net profit after tax transferred to statement of appropriation account	**231.76**	**61.30**	**209.68**	**67.97**	**205.64**	**65.12**	**153.58**	**67.70**	**114.72**	**54.13**
EPS	**3.40**	**0.90**	**3.08**	**1.00**	**3.02**	**0.96**	**2.25**	**0.99**	**1.68**	**0.79**

* Vertical Analysis of Profit & Loss Account refers to the components of Profit & Loss Account items as a % of total Income(Interest Income+Dividend income+Others Income+U/W income) over the periods which would be termed as common sizing of Profit & Loss Accounts.

SHARE PRICE SENSITIVITY ANALYSIS

For the year ended December 31, 2025, City Insurance PLC demonstrates a resilient financial structure with a Net Profit after Tax of BDT 231.76 Million and an EPS of BDT 3.40. To evaluate market risk, a sensitivity analysis was conducted on three key variables—Revenue, Investment Income, and Claims—using a 2% fluctuation margin and a tax rate of 37.50%.

The analysis reveals that Total Revenue is the most sensitive driver of shareholder value. A 2% increase in revenue generates an incremental after-tax income of BDT 14.74 Million, boosting the Revised EPS to 3.62 and improving the P/E ratio to 24.12. Conversely, a 2% drop in revenue increases the P/E ratio to 27.45, indicating higher valuation pressure.

Investment Income and Net Claims show comparatively lower volatility. A 2% shift in Investment Income moves the EPS by approximately 0.04 BDT, while a similar fluctuation in Claims impacts the P/E ratio by only 0.15 points. These results suggest that while core operational volume significantly dictates price sensitivity, the company maintains a stable buffer against investment and claim-related shocks.

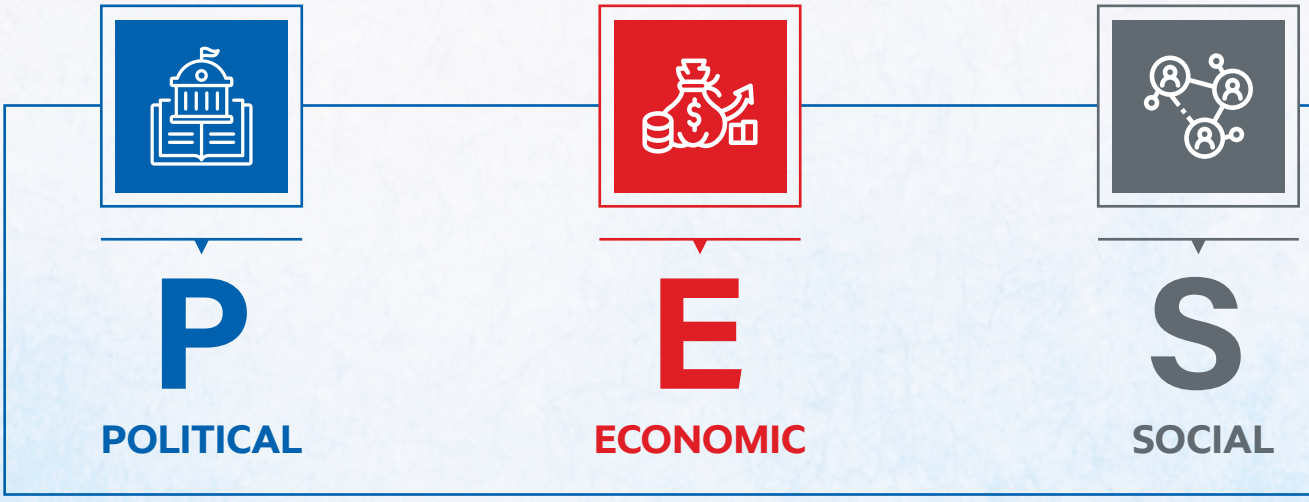
Current Financial Position (BDT in Million)	
Total Revenue	1,179.30
Total Assets	2,454.20
Total Liabilities	870.22
Shareholders' Equity	1,583.98
Shares Outstanding	6,81,66,122
Investment Income	237.58
Net Claim	99.13
Net Profit After Tax	231.76
Tax Rate	37.50
Market Price per Share (As on December 31, 2025)	87.30
EPS	3.40
P/E Ratio	25.68

Share Price Sensitivity Analysis using key variables

Scenario	After Tax Incremental Income (BDT Million)	Revised Net Profit after Tax (BDT Million)	Revised EPS (BDT)	Revised P/E Ratio
+2% Increase in Revenue	14.74	246.50	3.62	24.12
-2% Decrease in Revenue	-14.74	217.02	3.18	27.45
+2% Increase in Investment Income	2.97	234.73	3.44	25.38
-2% Decrease in Investment Income	-2.97	228.79	3.36	25.98
+2% Increase in Provision / Claims	-1.24	230.52	3.38	25.83
-2% Decrease in Provision / Claims	1.24	233.00	3.42	25.53

PESTEL ANALYSIS

MACROECONOMIC FACTORS AND THEIR IMPACTS





POLITICAL

Impact: High - Moderate - Low

Key Factors	Impact on Bangladesh`s Economy	Impact on the Insurance Sector
Regulatory Strength & Supervision	High	High
Persistent Political Uncertainty	High	High
Policyholder Protection & Political Pressure	High	High
Regional and Global warfare	High	High
International Relation & Trade war	High	High

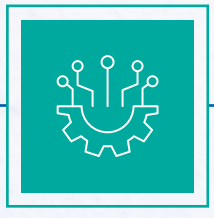
Risk Associated

- Strategic
- Investment
- Compliance
- Operational

How City Insurance Responds:

Our strategy adapts to the evolving political and regulatory landscape, enabling us to maintain strong performance and profitability despite challenges.

Further Discussion: Directors Report, Global Economy, Bangladesh Economy, Segmental Review



T

TECHNOLOGICAL



E

ENVIRONMENTAL



L

LEGAL



ECONOMIC

Impact: High - Moderate - Low

Key Factors	Impact on Bangladesh`s Economy	Impact on the Insurance Sector
GDP growth & Inflation Management	High	High
Insurance Penetration	High	High
Economic Volatility	High	High
Global Economic Trend	High	High
Macroeconomic Stability	High	High

Risk Associated

- Strategic
- Market
- Investment

How City Insurance Responds:

City Insurance responds to economic factors by adjusting premiums for inflation, offering affordable and flexible products, and expanding distribution to capture growing markets. It invests premium reserves strategically, maintains strong solvency margins, leverages digital platforms to ensure timely payments, and educates customers to increase insurance uptake and manage economic risks effectively.

Further Discussion: Management Review & Analysis, Global Economy, Bangladesh Economy, Segmental Review



SOCIAL

Impact: High - Moderate - Low

Key Factors	Impact on Bangladesh`s Economy	Impact on the Insurance Sector
Rapid Urbanization & Industrialization	High	High
Demographic Changes	High	High
Education and Literacy Levels	High	High
Community and CSR Expectations	High	High
Rising of Social Media platform	High	High

Risk Associated

- Social
- Market
- Reputation
- Strategic

How City Insurance Responds:

City Insurance responds to social factors by raising awareness through educational campaigns, offering affordable and tailored products, enhancing digital access, ensuring transparent claims processes, building trust, and engaging in community initiatives to strengthen reputation and meet evolving societal needs.

Further Discussion: Sustainability Report, ESG Report



ENVIRONMENTAL

Impact: High - Moderate - Low

Key Factors	Impact on Bangladesh`s Economy	Impact on the Insurance Sector
Climate change Impact	Moderate	Moderate
Sustainable Practices	Moderate	Moderate
Green Investments	Moderate	Moderate
ESG Impacts	High	High
Framework to achieve SDG	Moderate	Moderate

Risk Associated

- Climate
- Social
- Reputation
- Strategic

How City Insurance Responds:

City Insurance integrates sustainability by promoting paperless operations, supporting green initiatives, and ensuring compliance with environmental regulations. It manages climate-related risks in underwriting and investments, fostering eco-friendly practices while aligning business operations with environmental responsibility and long-term resilience.

Further Discussion: Sustainability Report, ESG Report, Directors Report

TECHNOLOGICAL

Impact: High - Moderate - Low

Key Factors	Impact on Bangladesh`s Economy	Impact on the Insurance Sector
Digital Transformation	High	High
Cybersecurity Threats	High	High
Insurtech Integration	High	High
Data Analytics	High	High

Risk Associated

- Cyber & data Risk
- Technology
- Operational
- Strategic

How City Insurance Responds:

City Insurance embraces digital platforms, AI, and data analytics to streamline operations, improve risk assessment, and enhance customer experience. Investments in cybersecurity, mobile services, and insurtech solutions ensure efficient, secure, and compliant insurance services, keeping pace with technological advancements.

Further Discussion: Directors Report, Chairman's Statement, MD's Review

LEGAL

Impact: High - Moderate - Low

Key Factors	Impact on Bangladesh`s Economy	Impact on the Insurance Sector
Regulatory Compliance	High	High
Labor Laws	High	High
Consumer Protection Laws	High	High
Insurance Act	High	High

Risk Associated

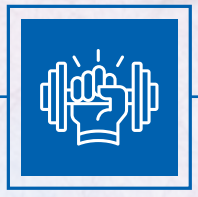
- Compliance
- Operational
- Reputation
- Strategic

How City Insurance Responds:

City Insurance ensures full compliance with insurance regulations, labor and tax laws requirements. It updates policies and procedures proactively, manages contracts and intellectual property carefully, and mitigates legal risks to safeguard stakeholders and maintain business integrity.

Further Discussion: Corporate Governance and Risk Management Report

SWOT ANALYSIS



S
STRENGTHS



W
WEAKNESSES

STRENGTHS

- **Trusted Insurance Provider with a Strong Market Presence**

  The company has established itself as a reliable name in the insurance industry, earning trust through consistent service delivery and a robust reputation in the market.

- **Large Customer Base**

  With a wide-reaching clientele, the organization enjoys a diversified and loyal customer portfolio, strengthening its market dominance and revenue streams.

- **Specialist Underwriting Expertise**

  Its proficiency in underwriting allows the company to accurately assess risks, design tailored insurance products, and ensure sustainable profitability.

- **Customer Retention Ability**

  A strong focus on maintaining long-term relationships and high levels of customer satisfaction enables the company to achieve impressive retention rates.

- **Brand Trust and Market Goodwill**

  Decades of dependable service have earned the company goodwill, enhancing its competitive edge and appeal among policyholders.

- **Seasoned Leadership Team**

  The organization benefits from a highly experienced and visionary leadership team, ensuring strategic direction and operational excellence.

WEAKNESSES

- **High Competition and Competitor Activity**

  The insurance industry is highly competitive, with aggressive strategies from competitors posing challenges to maintaining market share and pricing flexibility.

- **Low Awareness and Trust About Insurance**

  A general lack of understanding and skepticism about insurance among potential customers hinders the company's ability to expand its reach and drive new policy acquisitions.

- **Underdeveloped, Fragmented Market**

  Operating in a market with limited structure and uneven distribution makes scaling and optimizing operations more complex.

- **Lack of Trust by Customers**

  Despite efforts, lingering distrust among some segments of the customer base impacts the company's reputation and ability to retain certain clients.

- **Limited Penetration into Digital and Underserved Markets**

  The company has yet to fully leverage digital channels or address the needs of underserved regions, missing opportunities for growth in these promising areas.

- **Inconsistent Customer Service**

  Variability in the quality of customer service across different touchpoints affects customer satisfaction and overall experience, potentially leading to lower retention rates.



O

OPPORTUNITIES



T

THREATS

OPPORTUNITIES

- **Large Uninsured Population**

  A significant portion of the population remains uninsured, providing a vast untapped market for expanding coverage and introducing tailored insurance products.

- **Ultra-Low Insurance Density**

  The current low penetration of insurance services presents an immense growth opportunity to increase the adoption of policies and enhance market presence.

- **Government Thrust on Insurance**

  Government initiatives and policies aimed at promoting insurance awareness and inclusion create a favorable environment for business expansion and new product development.

- **Digital Transformation**

  The increasing adoption of digital technologies enables the company to modernize its operations, enhance customer engagement, and tap into online distribution channels for wider reach.

- **Regulatory Support from IDRA & BSEC**

  Supportive regulations and initiatives by the Insurance Development and Regulatory Authority (IDRA) and Bangladesh Securities Exchange & Commission (BSEC) encourage growth, innovation, and greater compliance in the insurance sector.

- **Bancassurance and Other Distribution Channels**

  Collaborating with banks and leveraging other alternative distribution channels offer a promising avenue to access new customer segments and diversify revenue streams.

THREATS

- **Significant Competition**

  The insurance industry faces intense rivalry from established players and new entrants, which can pressure pricing, reduce margins, and limit market share growth.

- **Economic Uncertainty with Subdued Environment**

  Economic instability, inflation, and reduced consumer spending can negatively impact demand for insurance products and increase policy lapses.

- **Abrupt Regulatory Changes**

  Sudden amendments in insurance regulations or compliance requirements can disrupt operations, increase costs, and affect long-term strategic planning.

- **Growing Frequency of Catastrophic Events**

  The rising occurrence of natural disasters and other catastrophic events can lead to increased claims, financial losses, and higher reinsurance costs, straining resources.

- **Intense Competition**

  The rapidly evolving competitive landscape, with aggressive pricing strategies and innovative offerings from competitors, challenges the company to maintain its edge and adapt quickly.

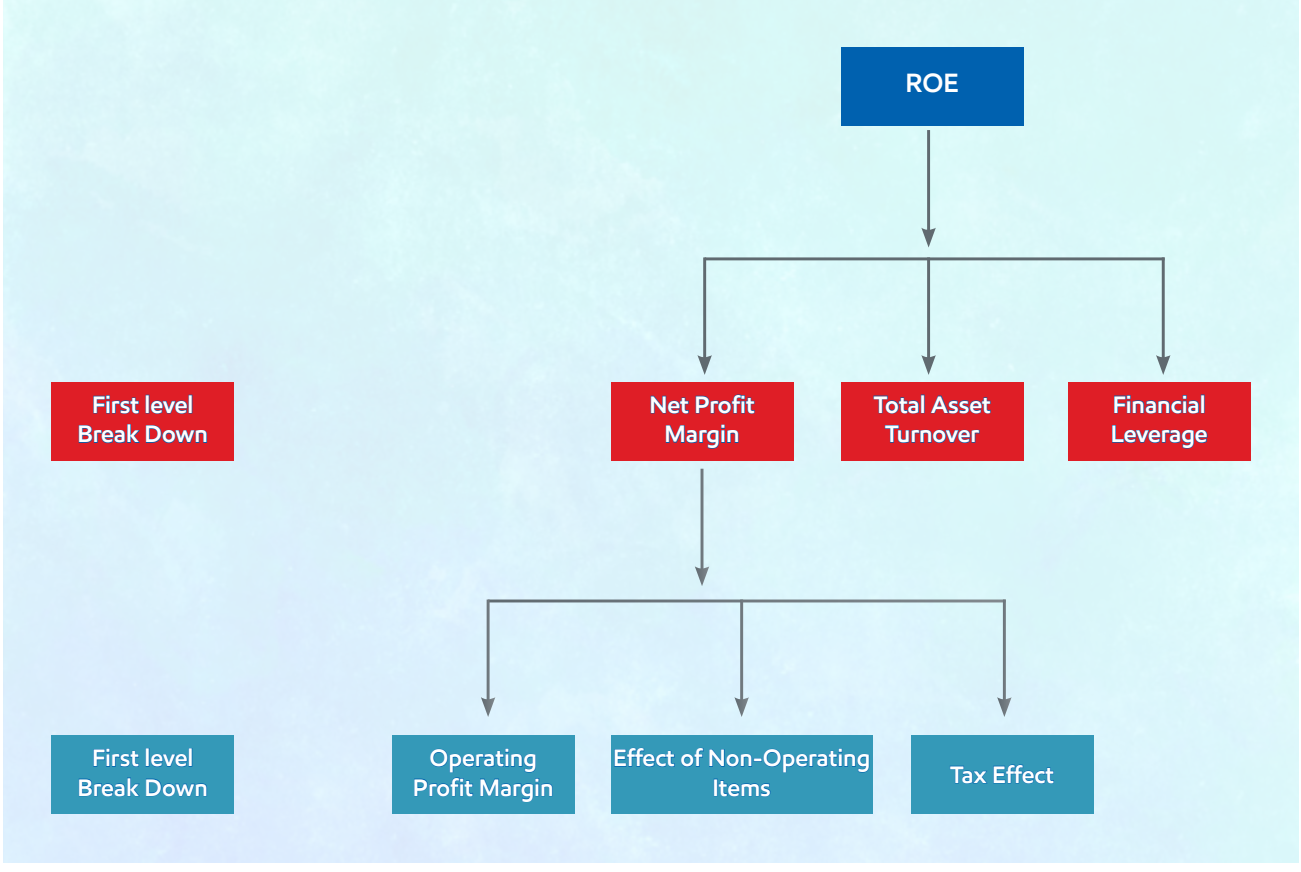
- **Cybersecurity Risks**

  Growing reliance on digital platforms increases vulnerability to cyber threats.

DUPONT ANALYSIS

5 Factors Model

DuPont analysis involves breaking down return on equity to gain a deeper understanding of the specific factors influencing the most significant contributions to ROE and those responsible for its fluctuations. To conduct a comprehensive analysis, a five-factor model is employed, encompassing net profit margin, total asset turnover, and financial leverage. The breakdown of net profit margin includes further examination of operating profit margin, the impact of non-operating items, and tax effects.



Liquidity & Funding

Particulars	2025	2024
ROE	14.63%	14.54%
Net Profit Margin	24.69%	22.87%
Total Asset Turnover	26.18%	27.01%
Financial Leverage	153.40%	152.62%
Operating Profit Margin	14.64%	17.98%
Effect of Non-operating Items	65.68%	48.68%
Tax Effect	36.75%	28.95%

REPORT ON GOING CONCERN

The concept of Going Concern is important to the process of compiling financial statements for every business. City Insurance PLC Board of Directors annually determines if there is any material uncertainty that could reasonably be expected to have a material adverse effect on the Company's ability to continue as a going concern. This evaluation entails asking the right questions, such as looking at the budget and the future outcome and the other inherent uncertainties there are. The Board of Directors has concluded that the following factors provide a high degree of confidence in the Company's ability to continue as a going concern for the foreseeable future.

Financial Performance Indications

Despite global challenges from the Russia-Ukraine conflict and escalating tensions in the Middle East, City Insurance excelled in 2025. The company achieved progress across most financial indicators, demonstrating strong operating performance and resilience.

Financial Indicators	2025
Net Profit After Tax growth	10.53%
Investment growth	11.84%
Total Assets growth	12.19%
ROA	9.44%
ROE	14.63%
EPS growth	32%

Cash Flow Analysis

The cash flow statement of the company lead the company to a sustainable future growth. The Operating Cash Flow generated before changes in operating assets and liabilities in 2025 was BDT 1,113.12 million and net Operating Cash Flow after changes in operating assets and liabilities shows inflow of BDT 295.14 million. The cash flow from operation of the company was impressive and this indicates the appropriateness of our going concern assumption.

Expansion of Business

City Insurance continues to expand its business geographically by opening new branches in different places. The management's initiatives to expand business indicate the appropriateness of going concern assumption.

Consistent Payment of Dividends

City Insurance has been paying consistent dividend to its shareholders over the years, which reflects the company's long term vision and firm commitment to its shareholders. In 2025 the company has proposed 10% cash dividend. The dividend payment reflects the company's long term operational viability. The payment of dividend for last six years is given below.

Year	Cash Dividend
2025	10% Cash
2024	10% Cash
2023	12% Cash
2022	10.50% Cash
2021	10% Cash

Risk Management

Effective risk management is of immense importance at City Insurance PLC. A robust approach to risk control enables the company to identify, assess and manage risks efficiently. The company's Board is ultimately responsible for setting and stewarding the company's risk strategy and framework. For ensuring effective risk governance the Board entrusts this responsibility through various committees within the company. The Board promotes a strong risk culture and expects every employee to adhere to these high standards to enable the company to eventually achieve the company's vision of being one of the best non-life insurance companies in Bangladesh.

Other Indications

Satisfactory Credit Rating

Credit Rating Information and Services Limited (CRISL) has upgraded the Credit Rating of the company in 2025 with "AAA" (Pronounced as Triple A) on the basis of audited financials information up to 31 December 2024 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The rating reflects the strengths of the company which is backed by a strong management team, significant growth in operating profit, adequate capital coverage, improved asset quality.

Strong Equity Base

As on 31 December 2025, total equity of City Insurance stood at BDT 1,583.98 million which was BDT 1,441.94 million in 31 December 2024, representing a growth of 9.85% over last year and reflects the company's long-term viability.

Changes in Government Policy

Management of City Insurance anticipates no significant changes in legislation or government policy, which may materially affect the business of the Company.

Based on the above-mentioned indications, Directors feel it is appropriate to adopt going concern assumptions. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing the financial statements

INDUSTRY ANALYSIS: NON-LIFE INSURANCE MARKET SHARE & CITY INSURANCE SHARE

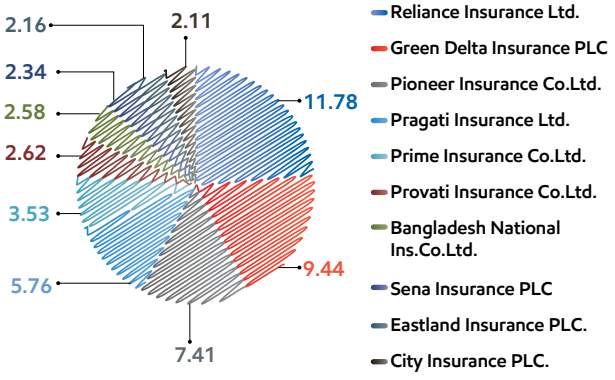
The Bangladesh non-life insurance sector is highly competitive, and City Insurance PLC. stands out as a significant force.

Reflecting its strong position in providing general insurance services, the company maintains a notable market share. Furthermore, City Insurance PLC adds depth to the overall market through its focused contribution to the city-wise insurance landscape.

With a nuanced understanding of regional dynamics and emerging urban centers, City Insurance plays a pivotal role in shaping this diverse and dynamic industry. Their commitment to excellence firmly positions them as a key influencer in the evolving non-life insurance market of Bangladesh.

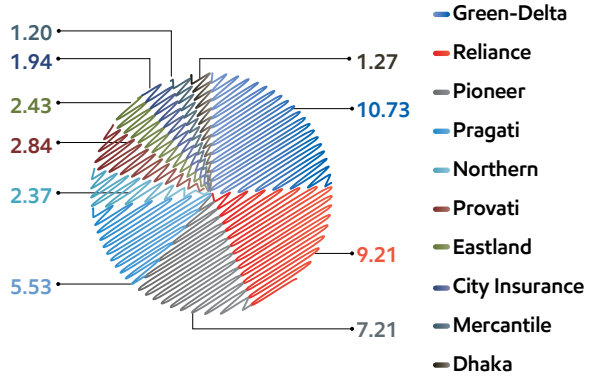
Together, the top 10 private sector insurers hold a combined market share of 49.73% in 2024.

Top 10 Non-life companies market share in 2024



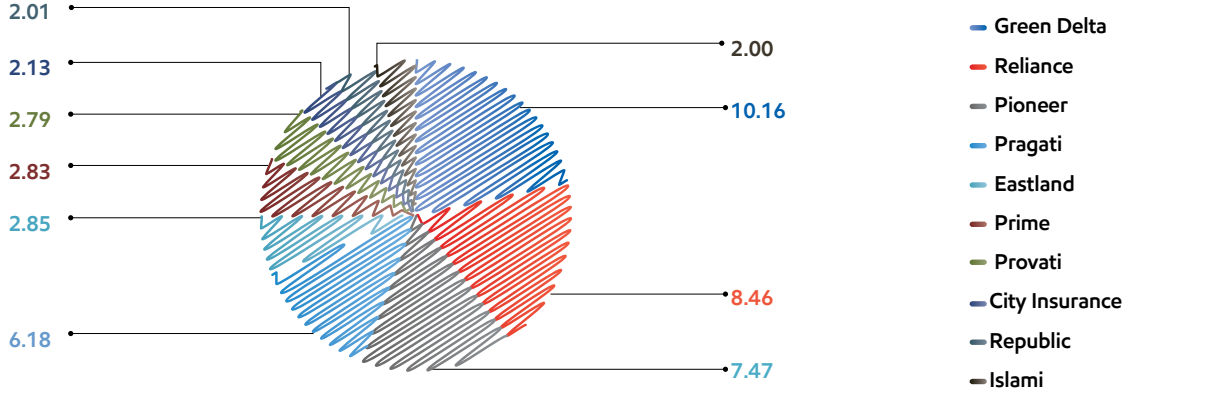
Together, the top 10 private sector insurers hold a combined market share of 44.73% in 2023.

Top 10 Non-life companies market share in 2023



Together, the top 10 private sector insurers hold a combined market share of 46.88% in 2022.

Top 10 Non-life companies market share in 2022



Source: Bangladesh Insurance Association (BIA)

SUSTAINABILITY REPORTING
AND CLIMATE-RELATED DISCLOSURE



SUSTAINABILITY REPORTING AND CLIMATE RELATED DISCLOSURE

The table below gives an overview of the locations of our Sustainability Reporting and Climate-Related Disclosure



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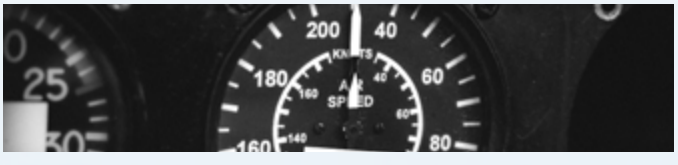
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212 Strategic Focus and Resource Allocation



SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL

Number of Trees planted
1,000+

SOCIAL

No. of branches	CSR donation	Beneficiaries through CSR Activities	Employee Support Fund provided (No. of Employees)	No. of female employees
41	BDT 1.34 mn	15,600++	26	57



GOVERNANCE

Contribution to National Economy	No major non-compliances	Recognition
BDT 204.02 mn	In Environmental & Quality Management System and Occupational Health & Safety.	Recognized by ICSB for Exemplary Corporate Governance Practices

DISCLOSURE OF CONSUMPTION

Electricity Consumption:	Toner Consumption:	Computer Paper Consumption:	Water Consumption:
33,500 kw	485 kg	Tk. 35,500 kg	15,000 liter
Fuel Consumption: 15,885 liter			

USE OF TECHNOLOGY

Number of followers of CIPLC official facebook	Total no. of online approval notes	Total email delivered
1,21,254	4,850	19,200



MESSAGE FROM THE MANAGING DIRECTOR & CEO ON SUSTAINABILITY

At City Insurance PLC, sustainability is not just a corporate responsibility—it is a strategic imperative that defines our purpose, guides our decisions, and shapes our future.

As we navigate an increasingly complex global landscape, we recognize the urgent need to align our business practices with the United Nations Sustainable Development Goals (SDGs). These goals provide a universal blueprint for peace, prosperity, and planetary health. We are proud to embed these principles into the very fabric of our operations, governance, and stakeholder engagement.

Our Operations with the Sustainable Development Goals (SDGs)

The SDGs provide a universal blueprint for peace and prosperity. At City Insurance PLC, we recognize that our business activities directly and indirectly impact every one of these goals. Our sustainability strategy is explicitly mapped to the SDGs, ensuring our efforts are holistic and globally aligned.

Poverty and Hunger



We contribute to the goal of "No Poverty" by creating employment opportunities and ensuring fair compensation and benefits for our employees. Our focus remains on generating stable jobs, improving pay structures, and enhancing overall employee welfare. Even during the pandemic, we retained our full workforce without any salary cuts or layoffs and continued to reward performance through bonuses. Beyond direct employment, **BDT 1.34 million** was donated through our CSR initiatives.

Health and Well-being



We place strong emphasis on the health and well-being of our employees. Our workplaces are maintained to the highest standards of cleanliness and hygiene. We have implemented employee wellness programs, provided medical support, and promoted mental health awareness across the organization.

Education



Invested **BDT 0.28 million** in employee training and development programs and distributed laptops to meritorious students.

Gender Equality



Focused on equal opportunities, maternity support, and a supportive work environment for women, **CIPLC employs 57 female** staff members, representing nearly **17%** of its total workforce. The company remains committed to achieving gender parity in leadership, ensuring equal pay, and nurturing an inclusive workplace culture.

Water and Sanitation



We promote resource efficiency across all our offices and actively collaborate with partners who share our commitment to environmental responsibility. Employees are encouraged to use water mindfully, and modern, user-friendly fixtures have been installed to minimize waste and support responsible consumption. A total of **BDT 4,25,306** was spent on purchasing mineral water for all branches and the Corporate Head Office combined.

Affordable Energy



We are increasing energy-efficient practices within our Head office and branches.

Decent Work and Economic Growth



City Insurance fosters a decent workplace by ensuring fair opportunities, employee well-being, and a supportive and inclusive environment. The **total workforce was 345** as of the end of December 2025. CIPLC contributed **BDT 204.02 million** to the National Ex-chequer.

Industry, Innovation, and Infrastructure



CIPLC operates 41 branches across Bangladesh, extending its reach to every district and serving a broad population base. The company creates local employment opportunities, contributing to regional development. With a portfolio of 33 products, CIPLC meets nearly all major demands in general insurance. Its customer base includes a wide range of retail clients and a substantial portfolio of enterprise customers across diverse industries and regions. The company has also pioneered the adoption of a paperless office system within the insurance industry.

Reduced Inequalities



CIPLC is ensuring inclusive practices, promoting diversity in the workplace, and supporting marginalized communities through corporate initiatives

Sustainable Cities & Communities



Supporting urban sustainability projects and contributing to local infrastructure improvements to enhance community well-being. Maximum 14 Branches located in Urban areas

Responsible Consumption and Production



We are focused on reducing waste, digitizing processes to save paper, and making responsible procurement decisions. The company has introduced paperless office systems, adopted double-sided printing practices, and reduced overall resource consumption. Through these initiatives, **CIPLC saved BDT 8,15,315,** reinforcing its commitment to responsible consumption.

Climate Action



As an insurer, we stand on the front lines of climate risk. We integrate climate considerations into our underwriting models and actively advocate for green policies. In 2025, more than 900 trees were planted, with a target to reach 25,000 by 2026, alongside ongoing efforts to reduce carbon emissions through sustainable practices.

Life Below Water & On Land





We commit to responsible investment screening to avoid financing projects that harm marine or terrestrial ecosystems.

Peace and Justice



Ensuring transparency, accountability, and integrity in governance, along with fair and unbiased remuneration policies.

Partnerships for the Goals



We actively collaborate with governments, NGOs, and the private sector to amplify our collective impact.

Integrating International Standards

Our sustainability commitment is also strengthened by adherence to other crucial international and industry standards, which govern how we assess, manage, and report on our non-financial performance:

- Task Force on Climate-related Financial Disclosures (TCFD): We are working to integrate TCFD recommendations into our governance, strategy, risk management, and metrics to ensure transparent reporting of climate-related financial risks and opportunities.
- Principles for Sustainable Insurance (PSI): We are embedding environmental, social, and governance (ESG) factors across our core business—from underwriting and investment to our enterprise risk management.
- Environmental, Social, and Governance (ESG) Criteria: ESG is now a fundamental filter for our investment portfolio. We systematically screen and manage risks related to climate change, human rights, labor practices, and board diversity in the companies we invest in.
- Global Reporting Initiative (GRI) Standards: We will utilize the GRI framework to ensure our sustainability reporting is comprehensive, comparable, and transparent, giving our stakeholders a clear view of our performance.

IFRS S1 and IFRS S2 Standards

City Insurance upholds strong principles of transparency and accountability, especially in managing Environmental, Social, and Governance (ESG) matters. To reinforce this commitment, the company is aligning its sustainability and reporting practices with IFRS S1 and IFRS S2 standards. These globally recognized frameworks help guide the identification, management, and disclosure of sustainability and climate-related financial risks—supporting informed decision-making and alignment with both national and international sustainability objectives.

1. IFRS S1 – General Sustainability-related Disclosures

IFRS S1 establishes the foundation for reporting material sustainability information across four key areas: governance, strategy, risk management, and performance metrics. For City Insurance, this involves evaluating how ESG factors affect financial outcomes and integrating those considerations into core business operations to ensure long-term value creation.

2. IFRS S2 – Climate-related Disclosures

IFRS S2 focuses specifically on climate-related risks and opportunities. It requires organizations to disclose how climate factors impact their strategy, governance, and risk management processes. City Insurance is committed to reporting transparently on its climate exposure and preparedness, demonstrating its role in supporting a resilient, low-carbon economy.

Our Forward Vision

Sustainability is not merely a compliance issue; it is a business imperative and a source of competitive advantage. By proactively managing ESG risks and capitalizing on green opportunities, we are ensuring the long-term stability and success of City Insurance PLC.

We look forward to this journey and encourage every stakeholder to join us in making City Insurance PLC a driving force for a more sustainable, equitable, and resilient world.



Md. Shamim Hossain
Managing Director & CEO
City Insurance PLC.

OUR SUSTAINABILITY REPORTING ROADMAP

Aligned with IFRS S1 & IFRS S2 Standards

In June 2023, the International Sustainability Standards Board (ISSB) issued its inaugural standards—IFRS S1 and IFRS S2. IFRS S1 sets out the general requirements for disclosing sustainability-related financial information, while IFRS S2 focuses on climate-specific disclosures. City Insurance PLC is committed to transparent, accountable, and decision-useful sustainability reporting. This roadmap outlines our plan to progressively align with IFRS S1 and IFRS S2 between 2026 and 2028, embedding sustainability into our strategic, financial, and operational decision-making.

2026 – Foundation & Readiness

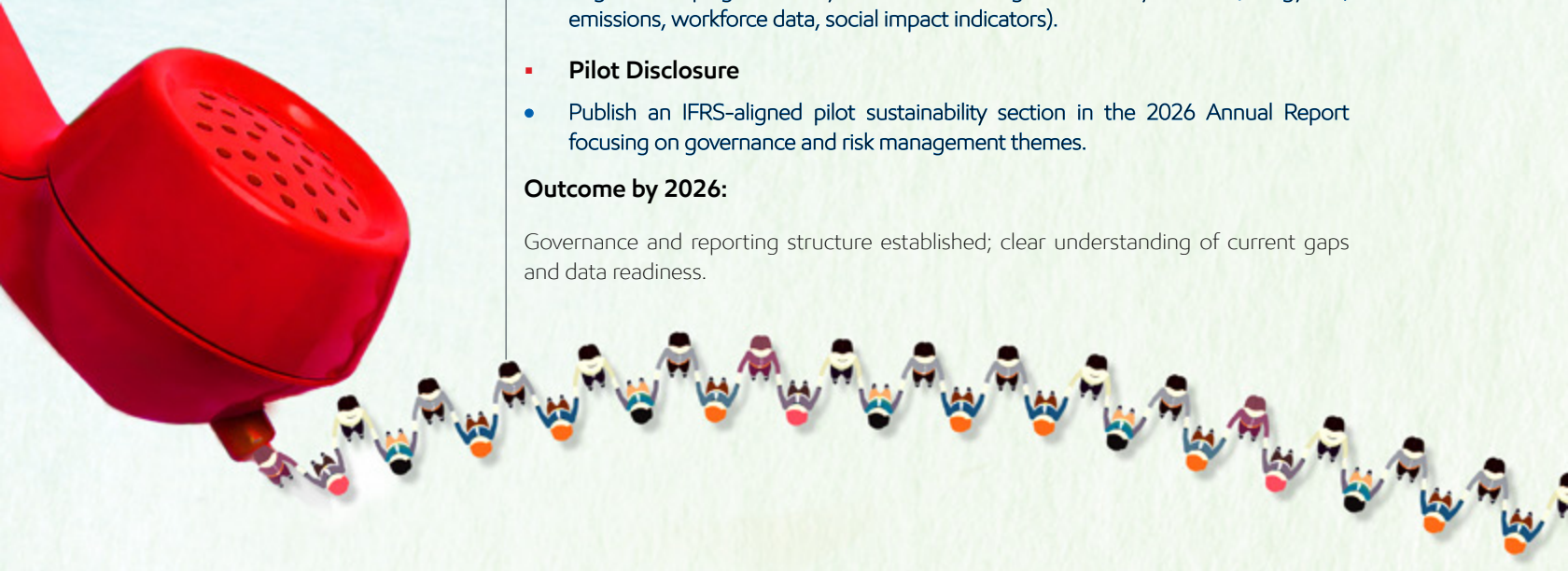
Objective: Build the foundation for IFRS-based sustainability reporting through capacity development, data readiness, and governance alignment.

Key Priorities:

- **Governance & Oversight**
  - Establish a Sustainability Governance Framework under the guidance of the Board of Directors.
  - Define roles for sustainability oversight across departments, including Risk Management, Finance, HR, and Operations.
- **Gap & Materiality Assessment**
  - Conduct a comprehensive gap analysis of existing ESG disclosures against IFRS S1 and S2 requirements.
  - Identify material sustainability and climate-related issues specific to the insurance sector — such as underwriting exposure, investment portfolio risk, and operational resilience.
- **Capacity Building**
  - Train internal teams on IFRS Sustainability Disclosure Standards and climate risk integration in financial reporting.
- **Data System Setup**
  - Begin developing internal systems for collecting sustainability metrics (energy use, emissions, workforce data, social impact indicators).
- **Pilot Disclosure**
  - Publish an IFRS-aligned pilot sustainability section in the 2026 Annual Report focusing on governance and risk management themes.

Outcome by 2026:

Governance and reporting structure established; clear understanding of current gaps and data readiness.



2027 – Integration & Implementation

Objective: Integrate sustainability into enterprise strategy, risk management, and reporting frameworks; enhance data credibility and coverage.

Key Priorities:

- **Strategic Integration**
- Embed climate and sustainability considerations into underwriting, investment, and reinsurance policies.
- Link sustainability objectives with the company's strategic goals and SDG commitments (e.g., decent work, climate action, industry innovation).
- **Data Quality & Verification**
- Develop a centralized Sustainability Data Management Platform for real-time tracking of KPIs.
- Begin third-party validation of Scope 1 and Scope 2 emissions data.
- **IFRS S2 Climate Disclosures**
- Disclose climate-related governance, strategy, risk management, and metrics per IFRS S2.
- Conduct a climate scenario analysis to assess resilience under different climate pathways.
- **IFRS S1 General Disclosures**
- Introduce sustainability-related performance indicators—human capital, responsible investments, and operational efficiency.
- **Stakeholder Engagement**
- Engage with investors, regulators, and rating agencies to validate disclosure practices and ensure alignment with market expectations.

2028 – Compliance & Assurance

Objective: Deliver fully IFRS-compliant, assured, and investor-relevant sustainability disclosures integrated with financial statements.

Key Priorities:

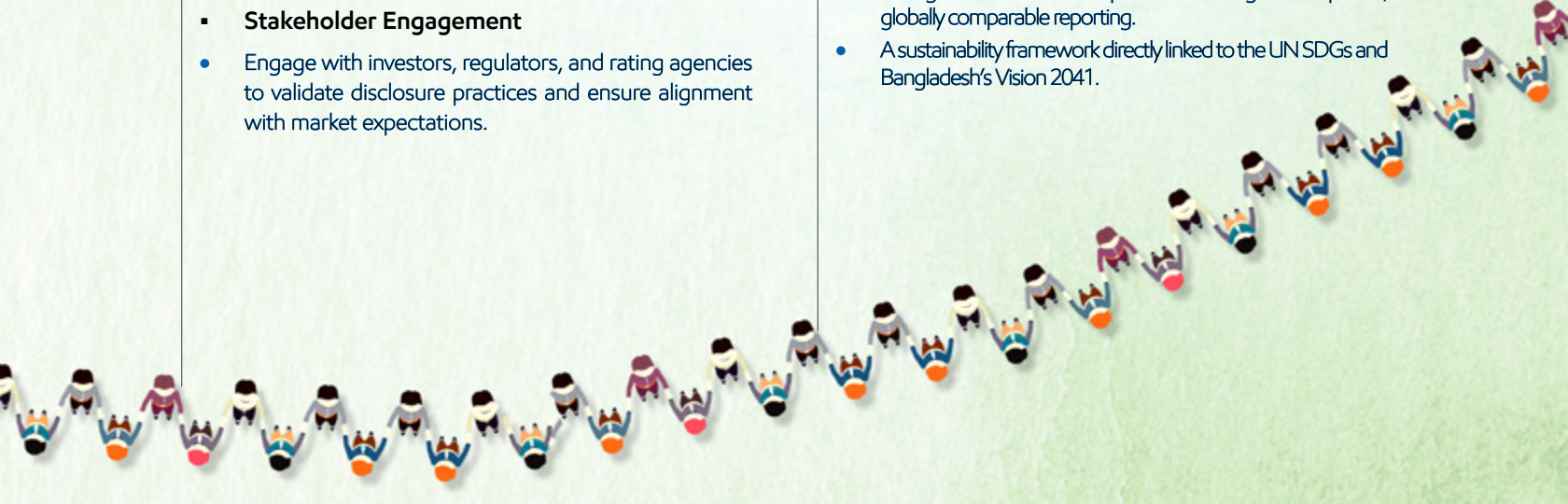
- **Full IFRS S1 and S2 Compliance**
- Publish City Insurance PLC's first IFRS S1/S2–compliant sustainability report as part of the Annual Report.
- Align disclosures with financial materiality principles and industry-specific climate exposure metrics.
- **Assurance & Transparency**
- Obtain limited external assurance on climate-related and key sustainability metrics.
- Include Scope 3 emissions (where material) and value chain-related impacts.
- **Continuous Improvement**
- Refine climate scenario modeling and integrate findings into risk pricing, product design, and investment strategy.
- Update governance frameworks to reflect board-level oversight and performance accountability.
- **Stakeholder Reporting**
- Publish a Sustainability Impact Summary communicating measurable progress toward SDGs and national sustainability goals.

Outcome by 2028:

City Insurance PLC achieves full IFRS S1 and S2 alignment, delivering credible, assured, and investor-relevant sustainability disclosures integrated within the financial reporting cycle.

By 2028, City Insurance PLC Will Have

- A fully operational sustainability reporting system aligned with IFRS S1 & S2.
- Board-level oversight of climate and sustainability risks.
- Verified data and measurable performance indicators.
- Strengthened market reputation through transparent, globally comparable reporting.
- A sustainability framework directly linked to the UN SDGs and Bangladesh's Vision 2041.



ESG REPORT

GRI 2-22

Aligned with the UN Sustainable Development Goals

ESG governance and strategy

Board and executive oversight - The Board of Directors provides active oversight of ESG strategy through a dedicated Board-level Sustainability & Risk Committee. - The Chief Risk Officer (CRO) reports to the CEO and has direct access to the Board Committee.

Policies and integration - ESG considerations are embedded in enterprise risk management, underwriting guidelines, procurement and claims handling. - Key policies include: Climate Policy, Responsible Investment & Treasury Policy, Human Rights & Labour Policy, Anti-Corruption Policy, Data Privacy Policy.

Stakeholder engagement - Regular engagement with regulators, rating agencies, employee groups, brokers, NGO partners and customers drives our materiality process and program design.

Resourcing - Dedicated sustainability team, cross-functional working groups (underwriting, claims, finance, HR, IT), and an annual budget for piloting inclusive insurance products.

Materiality assessment and SDG prioritization

We conducted a materiality assessment combining stakeholder interviews, internal workshops and market benchmarking. The process identified the following high-priority themes and their primary UN SDG alignments:

Top material issues





Environmental stewardship (E)

Management approach

City Insurance manages environmental impacts primarily through prudent underwriting, portfolio monitoring, risk-adjusted pricing, and engagement with clients and partners to encourage risk reduction and low-carbon transition.

Key focus areas and SDG alignment



TARGETS & KPIS (RECOMMENDED)

Underwriting emissions exposure	Net-zero finance target	Operational emissions	Paperless claims and digital processes
Baseline and annual 5% reduction in insured asset exposure to high-carbon industries (Target: 20% reduction by 2030 against a 2024 baseline).	Develop a roadmap for aligning investment book to net-zero by 2050, with interim 2030 milestones.	Reduce scope 1 & 2 GHG emissions 40% by 2030 (base year 2025); achieve energy efficiency improvements in offices.	Increase digital claim submissions to 45% by 2027.

PROGRAMS

Climate risk underwriting framework	Partnerships for resilience	Green procurement
Revised underwriting guidelines to include physical and transition risk screening for property and corporate portfolios.	Collaborations with local NGOs and microfinance institutions to offer weather-indexed microinsurance for smallholder farmers and coastal communities	Preference for energy-efficient office equipment and minimizing single-use plastics in operations.

Social responsibility (S)

Workforce and human capital

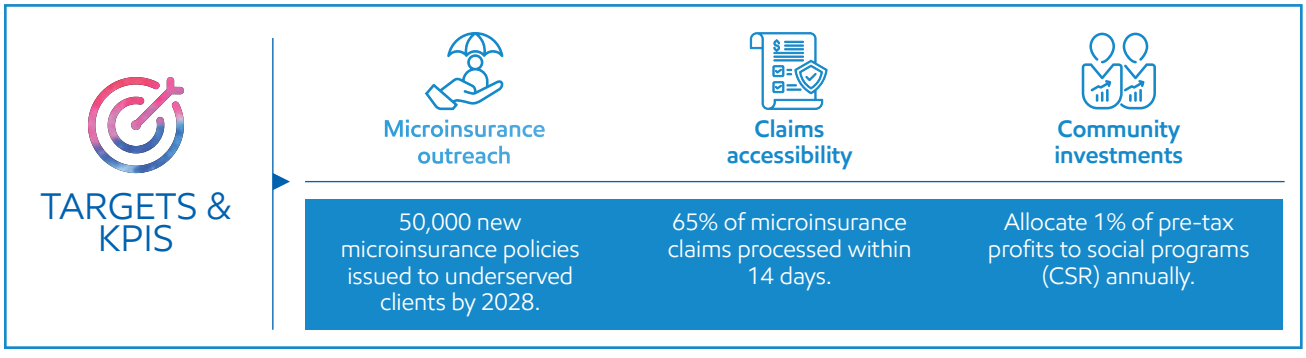
Approach: attract and retain talent through fair pay, career development, mental health support and inclusive policies.

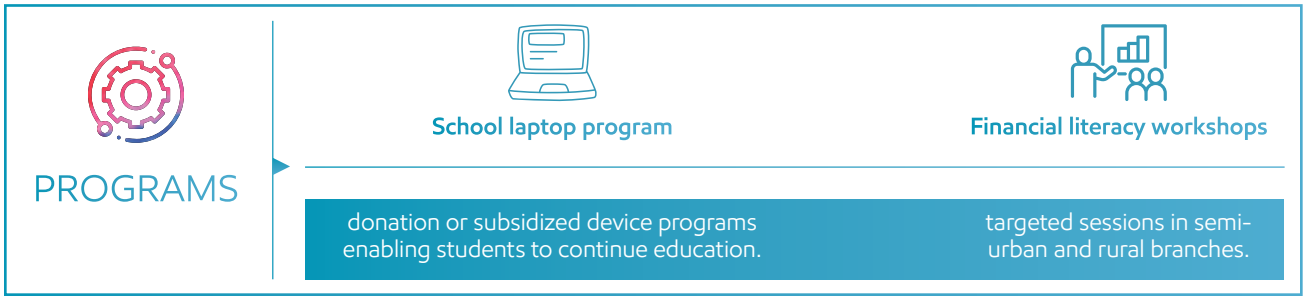
TARGETS & KPIS

Diversity	Training hours	Employee engagement
40% female representation in senior management by 2028; 50:50 hiring shortlists for managerial roles starting 2026.	Minimum 40 hours average training per employee per year.	Achieve an engagement score of 80% in annual surveys.

Community investment and financial inclusion

Approach: design inclusive insurance products and distribution channels to reach underserved groups; provide community education on risk management and financial literacy.





Customer protection and product responsibility

- Clear policy documentation in local languages, fair complaint handling, transparent pricing and suitability checks for vulnerable customers.
- KPIs: Complaint resolution rate 95% within 30 days; customer satisfaction NPS target of +40 for key product lines.

Governance (G)

Board composition and oversight

- Board skills matrix includes sustainability and climate expertise. Regular ESG training for Board members.

Risk management, ethics, and compliance

- Anti-corruption and whistleblower channels; AML/KYC compliance integrated with client onboarding.
- Supplier code of conduct embedded in procurement contracts.

Data privacy and cyber resilience

- ISO-aligned information security management, incident response plan and business continuity protocols.
- **KPIs:** Zero material data breaches; annual independent penetration testing; recovery time objectives (RTO) and recovery point objectives (RPO) aligned with business needs.

Targets & KPIs (Governance)

- **Ethics training:** 100% employee completion of annual anti-corruption and data privacy training.
- **Third-party due diligence:** 100% of strategic vendors screened for ESG risks by 2026.

Climate-related disclosures and scenario analysis

City Insurance recognizes climate as a financial risk and is developing disclosures aligned with best practice (e.g., TCFD-style) and emerging reporting standards.

Components

- Governance: Board oversight and management roles for climate.
- Strategy: Assessment of climate-related risks and opportunities across underwriting, investment and operations.
- Risk management: Integration of climate into ERM, stress testing and underwriting appetites.
- Metrics & targets: Emissions exposure, insured losses by climate hazard, insured value in high-risk zones.

Scenario analysis (summary)

- Run at least two scenarios (1.5–2°C transition pathway and a 3–4°C physical risk pathway) to quantify potential impact on claims frequency/severity, underwriting profitability and capital needs.

Performance data

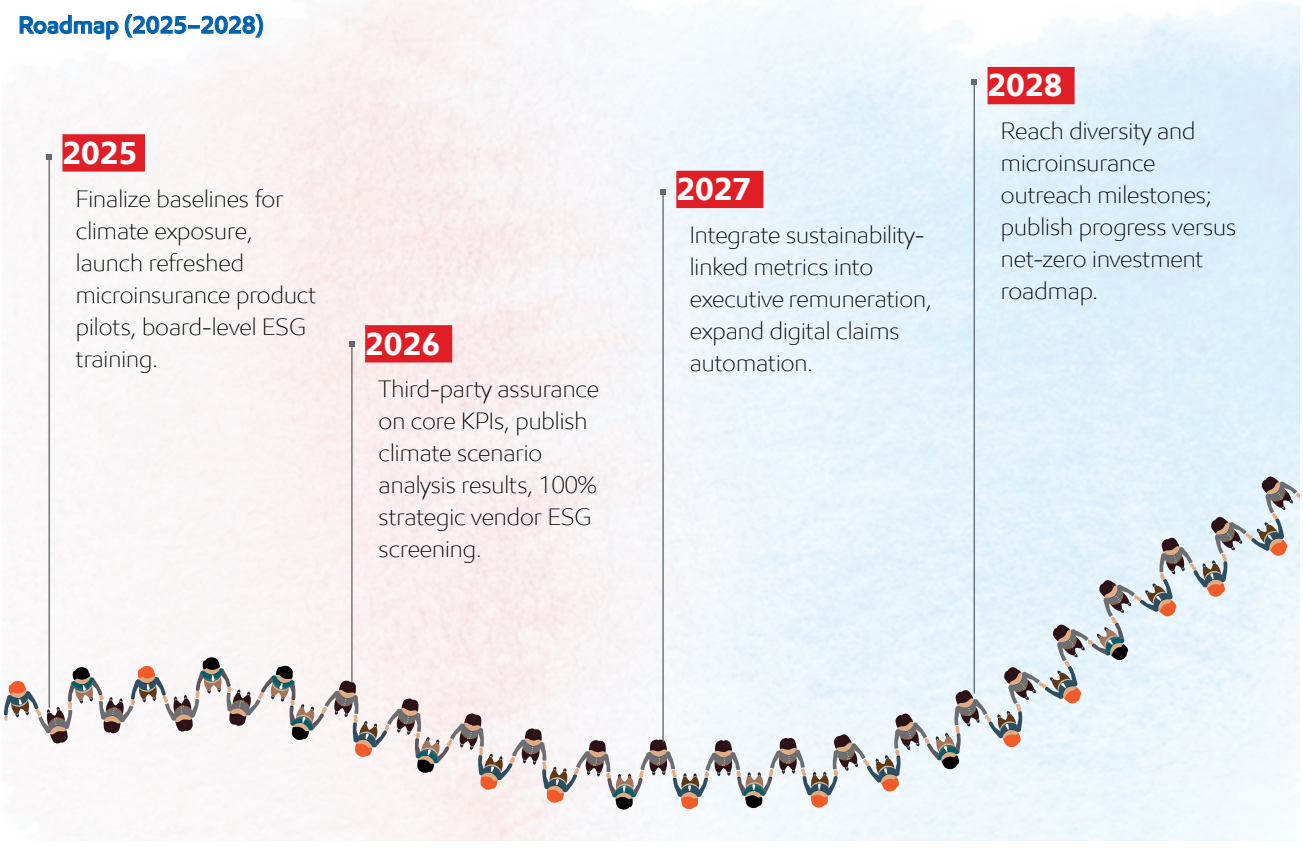
Indicator	Unit	Baseline (2025)	Latest (2026)	Target (2027)	Target (2028)
Total GHG emissions (Scope 1+2)	**tCO_2e**	200	350	720	850
% energy from renewable sources	**%**	5%	7%	11%	15%
Number of micro-insurance policies	**policies**	6,000	7,000	10,000	15,000
Female representation — senior management	**%**	16%	17%	25%	35%
Customer complaints resolved within 30 days	**%**	88%	92%	95%	100%
Underwriting exposure — high carbon sectors	**% of book**	14%	13%	11%	15%
Premiums from inclusive products	**BDT million**	150	210	500	600

Assurance, verification, and road map

Assurance: Commit to third-party limited assurance on key sustainability indicators by 2026 and reasonable assurance over time.

Reporting cadence: Annual ESG report with regular updates in the Annual Report; publish a standalone climate annex in FY2026.

Roadmap (2025–2028)



City Insurance will continue to translate commitments into measurable actions that protect policyholders, support communities and strengthen long-term business resilience. Achieving these ambitions requires cross-functional coordination, investment in systems and partnerships across the value chain. We invite stakeholders, regulators, brokers, customers and community partners to engage with us as we implement this plan and report progress transparently each year.

SUSTAINABILITY REPORTING

GRI 2-22

Aligned with IFRS S1 and IFRS S2

This Sustainability Report follows the requirements of IFRS S1 for sustainability-related disclosures and IFRS S2 for climate-related disclosures. The report covers the 2025 financial year and includes all operations of City Insurance PLC across Bangladesh. Information on climate-related exposures, governance, and risk processes is integrated into our core business narrative rather than treated as a standalone subject.

The report boundary reflects activities under our direct control and the critical parts of our value chain: agents, brokers, policyholders, suppliers, and investment partners.

Our Sustainability Approach

Our business depends on long-term trust, responsible risk management, and the ability to respond to environmental and social shifts. The goal is simple: build a resilient insurance company that contributes positively to society while delivering sustainable returns.

Three principles guide us:

- Focus on issues that influence long-term financial performance.
- Understand climate and sustainability risks using rigorous assessment tools.
- Strengthen transparency so stakeholders can make informed decisions.

Materiality Assessment (IFRS S1 Requirement)

In 2025, we conducted a structured materiality review to identify sustainability issues with the strongest financial relevance. The assessment considered stakeholder expectations, regulatory requirements, market trends, and internal risk analysis.

- Top-tier material topics
- Climate-related physical and transition risks
- Underwriting resilience
- Responsible investment practices
- Customer trust and claim service quality
- Employee wellbeing and development
- Operational energy use and resource efficiency
- Community safety and financial inclusion

Governance

(IFRS S1 and IFRS S2 Pillar 1)

Board Oversight

The Board oversees sustainability and climate-related matters as part of its risk and strategy responsibilities. The Risk Management Committee reviews climate risk assessments, exposure reports, and progress on sustainability targets at least twice a year.

Executive Management Responsibilities

The Managing Director leads the sustainability agenda with support from the Chief Risk Officer, Head of Underwriting, and Head of Human Resources. A cross-functional Sustainability Working Group coordinates data collection, implements climate-related initiatives, and monitors performance indicators.

Integration With Business Decisions

Sustainability risks influence underwriting, claims planning, pricing models, and investment management. Climate considerations are now included in product development and regional portfolio diversification.

Strategy

(IFRS S1 and IFRS S2 Pillar 2)

A) Sustainability Strategy (IFRS S1)

Our strategy combines commercial resilience with social responsibility:

Stronger People: We invest in employee wellbeing, skill development, gender inclusion, and a safe work environment.

Better Operations: We aim to reduce energy use, paper dependence, and unnecessary travel. Digitalization improves both efficiency and environmental footprint.

Trusted Service: Fair and fast claim settlement remains central to customer satisfaction. We continue to strengthen transparency, data privacy, and complaint resolution.

Responsible Investments: We gradually integrate sustainability considerations into investment decisions, especially where climate exposure is high.

B) Climate Strategy (IFRS S2)

Climate trends affect non-life insurance more directly than many industries. Our climate strategy focuses on:

Physical Risk Mitigation

- Assessing exposure to floods, cyclones, and extreme rainfall using historical loss patterns and hazard mapping.
- Adjusting underwriting guidelines for high-risk coastal and low-lying regions.
- Strengthening reinsurance cover to manage catastrophe volatility.

Transition Risk Readiness

- Monitoring regulatory developments related to emissions, building codes, and motor standards.
- Tracking how changes in economic activity or technology (such as electric vehicles) affect product design and pricing.

Long-term Strategic Actions

- Phasing in climate stress testing in pricing models.
- Developing climate-resilient insurance products for SMEs, agriculture value chains, and climate-prone households.
- Incorporating climate considerations into investment decisions, particularly in infrastructure and long-duration assets.

Risk Management

(IFRS S1 and IFRS S2 Pillar 3)

Sustainability Risk Process (IFRS S1)

Our system identifies sustainability risks across operations, people, governance, and environmental impact. Each risk is evaluated for likelihood, severity, and potential financial effect on underwriting, brand reputation, or operations.

Climate Risk Management (IFRS S2)

We categorize climate risks into:

Physical Risks: Damage to insured property, business interruption, livestock or agricultural losses, and rising claim costs due to extreme weather.

Transition Risks: Policy changes, technology shifts, and customer preference changes that may affect particular insurance lines or investment exposures.

Integration With ERM

Climate and sustainability risks are part of our enterprise-wide risk register. The Risk Management Committee evaluates mitigation plans and monitors risk indicators, including regional loss ratios, hazard severity trends, and changes in climate exposure across portfolios.

Metrics and Targets

(IFRS S1 and IFRS S2 Pillar 4)

Operational Performance KPIs (IFRS S1)

KPI	2024 Baseline	2025 Result	2026 Target	Status	Notes
Office energy use (kWh per employee)	1,250	1,180	1,200	✓ Ahead	Reduction due to digital ops and HVAC upgrades
Paper consumption (reams per month)	320	260	280	✓ Ahead	--
Digital policy issuance (%)	45%	58%	55%	✓ Ahead	Strong progress from branch automation
Branch waste recycling rate (%)	18%	22%	25%	✓ Slightly behind	Waste vendor transition in progress

People & Culture KPIs (IFRS S1)

KPI	2024 Baseline	2025 Result	2026 Target	Status	Notes
Employee training hours per employee	6 hours	8 hours	13 hours	✓ Ahead	New LMS introduced
Female representation in management	16%	16%	20%	✓ Ahead	Promotions + recruitment
Employee retention rate	86%	---%	≥90%	✓ Ahead	Retention stable across functions
Health & safety incidents	0	0	0	✓ Strong	Improved ergonomic setup

Customer & Service KPIs (IFRS S1)

KPI	2024 Baseline	2025 Result	2026 Target	Status	Notes
Average claim settlement time (days)	18	14	15	✓ Ahead	Faster motor claims processing
Customer satisfaction score (%)	78%	82%	80%	✓ Ahead	Improved after-call support
Complaint resolution within 7 days (%)	72%	89%	85%	✓ Ahead	Better tracking system

Community & Social Impact KPIs (IFRS S1)

KPI	2024 Baseline	2025 Result	2026 Target	Status	Notes
Financial inclusion programs conducted	12	16	15	✓ Ahead	SME clusters expanded
Road safety awareness campaigns	8	10	10	✓ On track	Focused on school zones
Community investment (BDT million)	0.75	0.55	1.5	✓ On track	Health and education focus

Climate-Related KPIs (IFRS S2)

a) Underwriting & Portfolio Exposure

KPI	2024 Baseline	2025 Result	2026 Target	Status	Notes
Exposure to climate-sensitive lines (% of GWP)	41%	44%	50%	Monitoring	Growth due to property and agri
Loss ratio in high-risk regions (%)	68%	73%	85%	▲ Upward	Driven by monsoon anomalies
Weather-related claims as % of total claims	23%	27%	35%	▲ Upward	More frequent rainfall events
Catastrophe reinsurance coverage adequacy	Adequate	Adequate	Adequate	✓ Stable	No major gaps identified

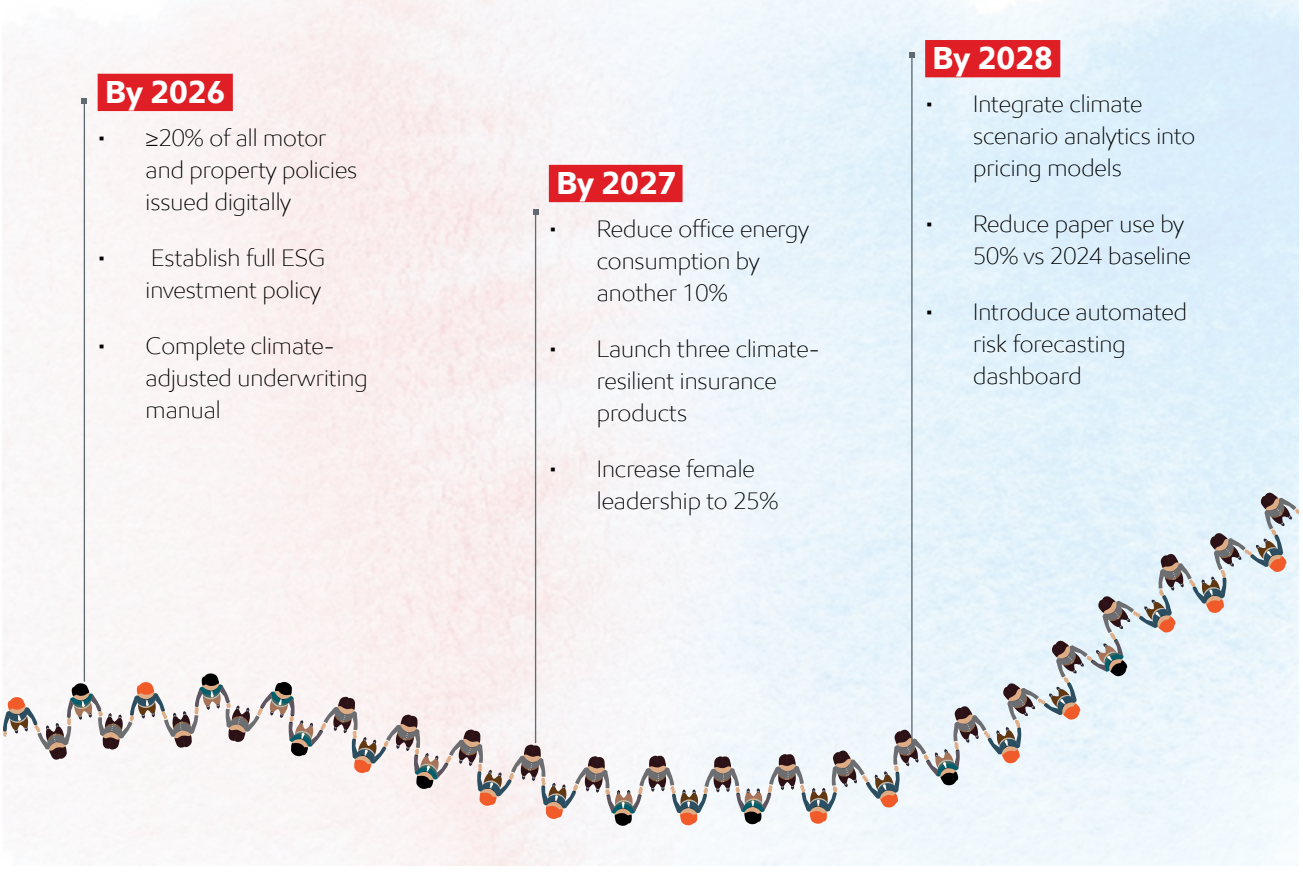
b) Investment Portfolio

KPI	2024 Baseline	2025 Result	2026 Target	Status	Notes
Portfolio carbon intensity (tCO_2e / BDT million invested)	—	Baseline set	Baseline establishment	New Indicator	Initial carbon screening completed
% Investment in climate-vulnerable sectors	15%	14%	↓ Trend	✓ Slightly reduced	Shift toward government securities
% Investment with ESG consideration	0%	8%	10%	△ Slightly behind	ESG framework under development

Operational Climate Footprint

KPI	2024 Baseline	2025 Result	2026 Target	Status	Notes
Scope 1 emissions (tCO_2e)	32	39	40	✓ Ahead	Reduced vehicle fuel use
Scope 2 emissions (tCO_2e)	158	152	155	✓ Ahead	Lower office electricity usage
Fleet fuel consumption (liters)	12,680	15,865	26,000	✓ Ahead	Lean routing for field officers

Forward-Looking KPI Targets (2026–2028)



SOCIAL RESPONSIBILITY INITIATIVES

Through social initiatives such as financial inclusion, employment generation, health, education etc.

Sustainability Initiatives at City Insurance

At City Insurance, sustainability is more than a policy—it's part of how we do business. We recognize our responsibility to create long-term value for our stakeholders while minimizing our environmental footprint and promoting social progress.

Our sustainability initiatives are built around three key pillars—



Environmental Stewardship

We are committed to reducing the environmental impact of our operations. This includes adopting energy-efficient practices in our offices, minimizing paper use through digital transformation, and promoting waste reduction and recycling. We also support green initiatives and awareness programs that encourage responsible resource use among employees and clients.



Social Responsibility

Employee are at the heart of our success. City Insurance invests in employee well-being, diversity, and professional development. Beyond our workplace, we contribute to the community through financial literacy programs, healthcare assistance, and support for education and disaster relief.



Good Governance

Integrity and transparency guide every decision we make. Our governance framework ensures compliance with regulations, ethical conduct, and accountability at every level. We align our reporting and disclosures with recognized sustainability standards, including the **IFRS S1 and S2** frameworks, to maintain stakeholder trust.

Through these initiatives, City Insurance continues to integrate sustainability into its core strategy—building a resilient, responsible, and future-ready organization.

Employee Welfare and Development at City Insurance

At City Insurance, our employees are the foundation of everything we achieve. We're deeply committed to their well-being, growth, and long-term success. Through a wide range of benefits covering health, financial security, and personal development, we strive to create a supportive and rewarding workplace. Competitive compensation, ongoing training, and meaningful career development opportunities help our employees grow both professionally and personally—promoting a healthy work-life balance and a culture where everyone can thrive.

The following employee benefits are part of the company's commitment to ensuring the well-being of its staff:

Medical Benefits: Employees of City Insurance are entitled to receive financial assistance from the company's foundation for medical expenses. Medical facilities are also available to their family members.

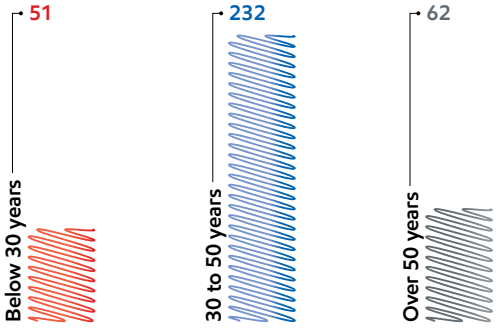
Work-Life Balance: The company strives to create a supportive work environment that promotes work-life balance. Policies such as flexible working hours, paid leave, and opportunities for personal and professional growth support the holistic development of employees.

Financial Benefits: City Insurance provides competitive salaries and performance bonuses to its employees. The company also offers loan facilities on favourable terms to support employees in achieving their personal financial goals.

Employee Welfare: City Insurance has a strong focus on employee welfare, offering transport allowances, subsidies for certain medical expenses, and support for employees facing unexpected hardship. These initiatives ensure that employees are supported through challenging times.

GRI 405-1

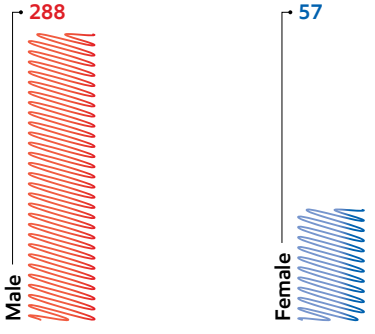
Attrition by Age



Diversity and Inclusion: At City Insurance, we are committed to fostering a culture of inclusion that celebrates diversity in all its forms—gender, age, background, and perspective. We believe that diverse teams drive innovation and better decision-making. Our recruitment and promotion practices are merit-based and free from bias, ensuring equal opportunity for all.

Women's Participation in Leadership Roles: We are committed to creating a supportive workplace for women, enabling them to advance their careers while acknowledging the unique challenges they encounter in a competitive industry. Currently, women make up [....]% of our workforce, and we are dedicated to making further efforts to increase this percentage in the future.

Total Employees



Other Amenities, Perks and Benefits for employees

- Attractive car scheme proposal for executive-level employees gives a new dimension to boost the morale of employees.
- Tuition assistance for approved, job-related degree programs or certifications.
- Monthly update meetings among Head of Department (HoD) brings more paces to draw the finish line of all activities.
- Annual salary increase considerations and bonus eligibility at all levels.
- Provident Fund contribution @10% for all regular employees.
- Employees are entitled to get a single gratuity benefit if he/she complete his/her five years tenure.
- Financial assistance is provided by City General Insurance Foundation for medical, education etc. to the employees.
- Re-allocation packages for employees who become displaced through reorganizations.
- A prevailing norm of considerate, respectful, cooperative, and friendly behavior among employees and management.

Financial Inclusion

City Insurance is committed to advancing financial inclusion by making insurance products and financial protection accessible to all segments of society. We recognize that equitable access to financial services is essential for building resilient communities and promoting sustainable economic growth.

Our approach focuses on inclusivity, awareness, and accessibility. We design affordable insurance solutions tailored to meet the needs of underserved populations, including low-income individuals, small businesses, and rural communities. Through simplified products, flexible payment options, and digital channels, we ensure that financial protection is within everyone's reach.

We also invest in financial literacy programs to help people better understand the value of insurance, savings, and long-term financial planning. By collaborating with community organizations, agents, and digital platforms, City Insurance bridges the gap between traditional financial services and those who have been historically excluded from them.

Through our financial inclusion initiatives, we aim to empower people to secure their livelihoods, protect their assets, and build a more financially resilient future—contributing to national development and the broader goal of inclusive growth.

ENVIRONMENT RELATED INITIATIVES

Through environmental initiatives like climate change, etc.

In a world increasingly affected by environmental challenges, adopting sustainable practices is no longer optional—it's essential. Our environment-related initiatives aim to create a lasting impact on the planet while fostering a culture of responsibility and awareness.

Renewable Energy Adoption

We are transitioning to renewable energy sources across all our operations. By investing in solar, wind, and hydropower, we aim to minimize our carbon footprint and support a clean energy future.

Green Office Practices

Our workplaces are designed to be environmentally friendly. Initiatives include:

- Reduced paper usage through digital processes.
- Waste segregation and recycling programs.
- Energy-efficient lighting and appliances.

Tree Plantation Drives

To combat deforestation and enhance biodiversity, we regularly organize tree plantation campaigns in urban and rural areas. This contributes to cleaner air and creates habitats for wildlife.

Community Engagement Programs

Education is key to sustainability. We conduct workshops and awareness campaigns to inspire communities to adopt eco-friendly practices, such as reducing single-use plastics and conserving water.

Sustainable Partnerships

Collaborating with NGOs, we support initiatives aimed at preserving natural ecosystems and promoting environmental conservation at a global scale.

Carbon Offset Programs

Our organization participates in carbon offset projects, including reforestation and clean energy development, to neutralize emissions caused by unavoidable activities.

Innovation in Sustainability

We continually explore and adopt innovative technologies that support environmental sustainability, including biodegradable materials and eco-friendly product designs.

Protecting our environment is a shared responsibility. Through our initiatives, we strive to inspire individuals, businesses, and governments to join us in creating a sustainable and harmonious relationship with nature. Together, we can ensure a healthier planet for generations to come.

Tree Plantation

At City Insurance PLC, our adaptation strategy emphasizes sustainable environmental stewardship through extensive tree plantation initiatives. We recognize that trees are vital in mitigating climate change, improving air quality, and fostering biodiversity. Key Aspects of Our Approach:

- **Massive Plantation Drives:** We organize regular tree plantation campaigns across urban and rural areas to combat deforestation and enhance greenery.
- **Community Engagement:** By involving local communities, schools, and organizations, we aim to foster a collective commitment to environmental preservation.
- Strategic Afforestation: We target areas most affected by soil erosion and ecological degradation to restore balance and ensure long-term sustainability.
- **Monitoring and Maintenance:** Our approach goes beyond planting by ensuring that trees are nurtured and maintained for healthy growth, contributing to resilient ecosystems.

In 2025, City Insurance led a successful tree plantation drive at Khidirpur Baitus Salam Jame Mosque, Khidirpur, Monohordi, Narsingdi. The initiative aimed to promote environmental sustainability by increasing green cover and raising awareness about the importance of tree planting for a healthier ecosystem.









Scan the QR code with your mobile device for tree plantation videos.

Follow Up of Tree Plantation Initiative – 2024

City Insurance PLC is pleased to report the successful completion of our Tree Plantation Initiative – 2024. As part of our expanding Environmental, Social, and Governance (ESG) framework, the Company planted a significant number of saplings at Amin Bazar, Savar, Dhaka.

This initiative was executed in strategic partnership with Switch Tahminabanu Biddaniketon and Switch Bangladesh Foundation, blending environmental restoration with community-based education.

Strategic Objectives and Impact

The 2024 initiative was designed to address critical environmental challenges while fostering a culture of conservation within the local community.

- **Environmental Restoration:** By selecting Amin Bazar for this project, City Insurance aims to contribute to local reforestation efforts, improve air quality, and mitigate the "urban heat island" effect prevalent in the Greater Dhaka area.
- **Community Empowerment:** Partnering with Switch Tahminabanu Biddaniketon allowed us to involve students and educators, turning the plantation drive into an educational platform for the next generation of environmental stewards.
- **Biodiversity & Soil Health:** The chosen species are suited to the local ecosystem, ensuring long-term survival rates and contributing to the stabilization of soil in the Savar region.









Alignment with Corporate Responsibility

This initiative is a tangible reflection of City Insurance PLC's commitment to Sustainability and Social Responsibility. We recognize that our duty as a leading insurer extends beyond financial protection to the protection of the environment in which we operate.

By integrating climate action into our corporate DNA, we align ourselves with global sustainability goals and reinforce our dedication to creating a greener, more resilient Bangladesh.

ADVANCED TECHNOLOGY, INNOVATIVE IDEAS AND OTHER ISSUES

Through use of advanced technology, innovative ideas etc.

To enhance efficiency and sustainability, we have implemented a **Paperless Office** and **Online Approval System** across all branches, setting a standard for eco-friendly and productive workplaces.

Paperless Office: Efficiency and Sustainability

By digitizing documents and workflows, the paperless office minimizes paper use, offering:

- **Improved Efficiency:** Faster storage, retrieval, and sharing of digital documents.
- **Cost Savings:** Reduced expenses on printing and storage.
- **Convenience:** Seamless collaboration within and outside the office.
- **Eco-Friendly Operations:** Lower environmental impact.

This system has streamlined workflows and boosted productivity, supporting a greener, more efficient future.

Online Approval System: Fast and Transparent

Replacing traditional approvals, the automated **Online Approval System** ensures:

- Speed: Faster routing of requests through automated workflows.
- Cost Efficiency: Reduced administrative expenses.
- Transparency: Real-time tracking and accountability.
- Streamlined Processes: Seamless transitions from requests to approvals.

For instance, purchase requests are routed to managers for approval and forwarded for further processing or rejection, ensuring smooth, error-free workflows.

These advanced technologies demonstrate our commitment to innovation, operational excellence, and sustainability, ensuring we remain ahead in an evolving business landscape.

Innovative Ideas

In 2025, the company saw a strong rise in policies issued through its digital platforms, proving that its investment in digital tools is paying off. Drawing on deep experience in general insurance, the company has continued to shape the market with new products and practical solutions that reflect what customers actually need. With a steady push for fresh ideas and smarter ways of working, the company is focused on growing the business, meeting its financial goals, and staying ahead of both today's and tomorrow's customer expectations.

Disclosure on Third-Party Assurance

Transparency is central to City Insurance's commitment to sustainable business practices. To uphold this, the company engages independent third-party assurance services to evaluate its environmental initiatives and impacts. These assurance reports provide detailed assessments of City Insurance's compliance with sustainability standards and regulations. The company also issues a Statement of Independence to ensure the impartiality and credibility of its assessors, reinforcing trust in its sustainability efforts and environmental disclosures.

Leading with Technology, Driven by Innovation

City Insurance stands at the forefront of transformation, setting new benchmarks through advanced technology and forward-thinking ideas. As a pioneer in the industry, the company continues to redefine how insurance services are delivered—making them faster, smarter, and more customer-focused.

By integrating modern digital platforms, automation, and data-driven decision-making, City Insurance ensures efficiency at every level. Clients benefit from seamless processes, real-time access, and enhanced transparency, all designed to build trust and long-term relationships.

Innovation is not just a strategy—it's part of the company's DNA. From developing tailored products to addressing emerging risks, City Insurance consistently adapts to changing market demands. The focus extends beyond technology to include sustainability, operational excellence, and responsible business practices.

What this really means is simple: City Insurance isn't just keeping up with the future—it's actively shaping it.

ISO Certification

City Insurance PLC has obtained ISO 9001:2015 certification, awarded by IRQAO, a reputable certification body accredited by ASCB. This internationally recognized standard confirms that the Company's quality management system meets global benchmarks for consistency, efficiency, and accountability.

ISO 9001:2015 emphasizes a structured approach to process control, risk management, and continuous improvement. Achieving this certification demonstrates City Insurance's ability to deliver reliable services, maintain clear operational controls, and consistently meet customer and regulatory expectations.

Enhanced Customer Satisfaction
Our processes are now more data-driven, allowing us to respond faster to client needs and anticipate market shifts.

Risk-Based Thinking
The 2015 standard emphasizes identifying and mitigating risks before they affect service delivery, ensuring business continuity for our stakeholders.

Unwavering Consistency
Every policy issued and claim processed meets a rigorous, standardized level of excellence.

This milestone reflects the Company's ongoing commitment to service quality, customer satisfaction, and disciplined governance. It reinforces City Insurance PLC's focus on operational excellence and its dedication to strengthening internal processes to support sustainable growth.



INFORMATION ON CONSUMPTION AND ITS MANAGEMENT

GRI 302-1, 303-5 & 306-2

Through information on consumption and management of materials, energy, water, emission and waste

Paper Consumption

City Insurance has been reducing paper consumption significantly. In the year 2025, minimum BDT. 0.91 million equivalent paper consumption was saved.

Particulars	Total number	Consumption Saved in BDT
Email Delivered	19,200	15,360
In-house online approval	4,850	3,880
On the basis of cost of per page of computer paper Tk.0.80		
Total Consumption Saved in 2025		19,240

Other Non-Renewable materials

City Insurance always encourages consumption of some non-renewable items, which are as follows:

Particulars	Year 2025	Year 2024
Calendar printed in PCs (Both wall & Desk)	23,000	28,000
Letter Head Pad (Per book)	500	270
Policy (Per pcs)	35,500	37,600
Cover Note (Per book)	12,000	900
MR (Per book)	350	250
Offset Envelope	10,000	8,000
Office File Cover	5,000	3,500

CIPLC's consumption of Policy, Cover Note, MR etc. is increasing due to the growth of its customer base and their demands. It's not waste or overconsumption in the true sense of the word. The growth of business naturally demands more use of papers like policy book, cover notes etc.

Energy savings

To achieve long-term sustainable development, City Insurance plays an active role in making 'low carbon economy'. Since 2018, City Insurance has worked toward more energy efficient operations throughout its network of drastically reducing its emissions, consumption, and waste in the process.

- More than 7% electricity is saved every year using the day light inside corporate office and branch offices
- Energy savings bulbs being used in the corporate office and branch offices
- E-mail has been focused of both internal and external communications with an aim to reduce the paper consumption thereby reducing deforestation
- For branding & marketing communication purpose, the Company is more focusing on Face book, LinkedIn, Websites & other online platforms.

Water usages

City Insurance is very much conscious about the efficient use of water. As a financial institution its use of water is already very much restricted. Major consumption of water is for drinking purposes. We are also uncompromising about ensuring pure and safe drinking water for its employees and visitors. But normal supply water in Bangladesh is not safe for drinking. Therefore, to overcome the situation, every branch and corporate office are supplied with especially Reverse osmosis purifier. The management team takes special care so that wastage of water is minimum.

Particulars	Amount In BDT	In Liter	Per Employee Water Consumption (In Liter)
Reverse osmosis purifier	1,11,300	2,650	**27.39**
Other than Reverse osmosis purifier/WASA bill	2,85,600	6,800	
Total Water Consumption	**3,96,900**	**9,450**	
*Assuming per 1000 liter is equal to BDT 42 as per WASA bill calculation			

Waste management

The process involved in dealing with the waste generated by day-to-day activities, food consumption, physical wear & tear of computer and office equipment, obsolete furniture & fixture and newspapers. Being a financial institution City Insurance does not deal with any hazardous waste.

- Both sides of papers are used and wasted papers are collected using bins after shredding
- Donate old equipment and furniture for charity or sold
- Food wastes are collected by community cleaners on daily basis
- Toner, cartridges and newspapers disposed of through community cleaners

GRI 102-4

Particular	Year 2025
Total company's paper & tissue consumption on average	2,500 kg

Particular	Year 2025
Total company's solid waste generated on average	8,855 kg

3R's Approach – Reduce, Reuse, and Recycle

Through the undermentioned focused initiatives, City Insurance is committed to reducing its ecological footprint and fostering an environmentally conscious corporate culture.



Reduce

- Adopted energy-efficient technologies and paperless workflows to minimize resource consumption.
- Implemented measures to reduce water wastage in our corporate head office and select branches.
- Promoting awareness among employees and stakeholders to reduce unnecessary waste.



Reuse

- Encouraging the reuse of office supplies, such as papers, folders and envelopes to extend their lifecycle.
- Repurposing materials and resources wherever possible to reduce the demand for new products.
- Utilizing recycled water for non-critical purposes through innovative recapture systems.



Recycle

- Partnered with authorized recyclers for the safe disposal of e-waste.
- Segregating dry and wet waste for effective recycling processes.
- Supporting recycling initiatives to minimize landfill contributions and encourage sustainable practices.

GreenHouse GAS EMISSION (GHG)

Saving CO_2 Emission

At City Insurance PLC, we recognize the urgent need to address climate change by reducing carbon emissions in our daily operations. To this end, we have implemented a range of innovative solutions aimed at saving CO2 emissions, while also enhancing efficiency and cutting costs.

Video Conferencing

We introduced a Video Conferencing System between the Head Office and branches to minimize travel, saving time, resources, and CO_2 emissions.

Virtual Training

Our HR department conducted employee training via platforms like ZOOM, Cisco Webex, and True Conf, reducing the need for travel and associated emissions.

Digital Governance

Board, Sub-Committee, and AGM meetings are held on digital platforms, cutting the environmental impact of physical gatherings.

Reduction of GHG

Energy consumption is closely monitored on an annual basis. This includes electricity usage, fuel consumption for office vehicles, toner and paper consumption, which are critical factors in the calculation of greenhouse gas (GHG) emissions within the organization. Energy conservation and the adoption of renewable energy sources are fundamental components of City Insurance's environmental footprint reduction strategy. Not only does it contribute to the organization's pledge to achieve carbon neutrality by 2030, but it also enhances cost effectiveness, diminishes reliance on nonrenewable energy sources, and fortifies business robustness. The process of determining energy consumption and emissions is delineated as follows:

Items	Consumption in 2025	CO2 Emission in Metric Ton
Electricity	33,500 kw	23.68
Fuel for Car (Office)	15,855 liter	42.48
Computer Paper	33,889 kg	33.90
Printer Ribbon/Toner	485 kg	0.49
Total CO2 Emission		**100.00 Metric Ton**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

City Insurance is deeply committed to Corporate Social Responsibility (CSR), focusing on initiatives that support environmental sustainability, community welfare, and education. Through various programs, including tree planting drives, education, health and partnerships with social organizations, the company strives to make a positive impact on society. City Insurance aims to contribute to a greener, healthier, and more prosperous future for all.

TOTAL LIVES IMPACTED	PROJECTS ENGAGEMENT	DISTRICT COVERED	NGO PARTNERS
2900++	35+	7	4

City Insurance prioritizes education, health, and community service as part of its Corporate Social Responsibility (CSR). In 2025, the company contributed to these sectors through financial donations and by encouraging employees to engage in community service with their time and resources.

41.20% of CSR on Education	32.96% of CSR on Healthcare	24.72% of CSR on Environment & Climate Change	1.12% of CSR for other purposes

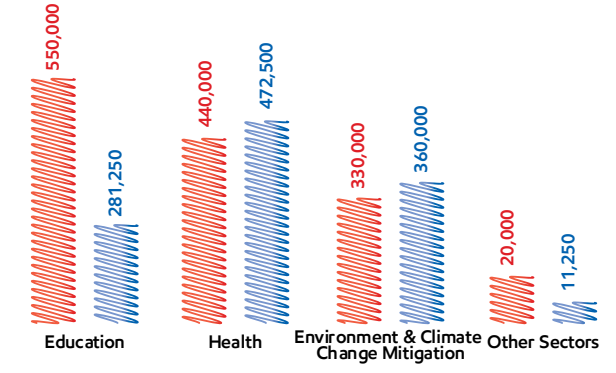
The CSR program addresses critical societal needs like health and education while emphasizing sustainability, compliance, and corporate citizenship, forming the foundation of City Insurance's corporate philosophy.

Sector-wise CSR allocation

City Insurance PLC's CSR Scenario in the last two consecutive years is as follows (amount in BDT):

Sectors	%	Year 2025	Year 2024
Education	41.20	5,50,000	2,81,250
Health	32.96	4,40,000	4,72,500
Environment & Climate Change Mitigation	24.72	3,30,000	3,60,000
Other Sectors	1.12	20,000	11,250
	100	**13,40,000**	**11,25,000**

CSR YoY Activities



CSR to Net Income

City Insurance PLC is dedicated to fostering social empowerment, promoting environmental sustainability, and enhancing financial inclusion. In 2025, we expanded microinsurance services for underserved communities and supported key healthcare and education initiatives. Our commitment to sustainability was strengthened through eco-friendly practices and climate resilience programs. By upholding responsible business practices, we aim to generate lasting societal impact while driving inclusive growth.

Particulars	2025	2024	2023	2022	2021
CSR to Net Income	0.58%	0.54%	0.48%	0.43%	0.38%

CITY GENERAL INSURANCE FOUNDATION

We have a Foundation under the name of "City General Insurance Foundation" which aims to offer support in the education & health sector of society as well as employees of the company by investing in a brighter future to ensure meaningful and lasting progress.

Nature
CSR Activities

Journey Started
February 19, 2012

Members of the Foundation
- **Mr. Hossain Akhtar** - Chairman
- **Mr. Hossain Mehmood** - Member
- **Mr. Md. Shamim Hossian** - Member
- **Mr. Sheikh Azizul Haque** - Member
- **Mr. Mohammed Ashaduzzaman Sarkar** – Member Secretary

Key Objectives

Provide financial support to underprivileged and disabled children for education and medical needs.

Assist individuals with vision impairment and help integrate them into society.

Offer scholarships, stipends, prizes, and other financial aid to students in educational, technical, and cultural institutions in Bangladesh and abroad.

Supply food, medicine, and general assistance to needy and deserving individuals.

Organize meetings, seminars, and awareness programs to promote humanitarian values and related services.

Support company employees and their immediate family members in cases of accidents, serious illnesses, or educational needs, subject to available funds.

Disclosure of CSR Activities in 2025

Education Support

Two meritorious students were falling behind simply because they lacked the essential digital tools needed for their studies.

The Foundation recognized how crucial uninterrupted access to education is and stepped in to help. By providing them with laptops, it removed a major barrier and gave them the means to continue learning without disruption. This support didn't just bridge the digital gap — it empowered them to move forward with confidence and stay focused on their academic goals.





Health

At City Insurance PLC, the well-being of our employees is a top priority. Recently, two of our staff members faced significant health challenges, and the company stepped in to provide necessary support. Through donations and assistance, we aimed to ease their burden and help them focus on recovery. This gesture reflects our commitment to caring for our team, fostering a compassionate workplace, and standing by our employees in times of need. It is a reminder that at City Insurance PLC, people come first, and every action is guided by empathy and support.





Environment & Climate Change Mitigation (Disaster Management)

City Insurance distributed a large number of blankets through grassroots organisations working in remote parts of the country. This approach helped the support reach people who were stranded, isolated, and hardest to reach during the winter. By working with teams already embedded in these communities, the company made sure the assistance arrived quickly and directly where it was needed most.





INITIATIVES ARE TAKEN FOR A POSITIVE IMPACT TOWARDS ENVIRONMENT AND SOCIETY

City Insurance PLC has always believed that true progress extends beyond business success, it is about uplifting the communities we serve. In line with this commitment, the company recently took a meaningful step to empower underprivileged women in society.

As part of its social responsibility initiatives, in the year 2025 City Insurance provided 10 sewing machines to ten women from economically disadvantaged backgrounds. This initiative is more than a donation; it is an investment in self-reliance and dignity. With these sewing machines, the women now have the tools to create their own livelihood, gain financial independence, and support their families.

The impact of this initiative goes beyond immediate economic relief. It fosters confidence, nurtures skills, and encourages entrepreneurial spirit among the beneficiaries. By enabling these women to stand on their own feet, City Insurance PLC is contributing to the broader goal of community development and sustainable growth.

This initiative reflects the company's unwavering commitment to social welfare, demonstrating that corporate responsibility and community empowerment can go hand in hand. Through small but significant actions like this, City Insurance PLC continues to make a lasting difference in the lives of those who need it most.



COMPETITIVE LANDSCAPE AND MARKET **POSITIONING OF CITY INSURANCE PLC.**

The insurance industry holds a dominant position in Bangladesh's sector; however, it faces many challenges, including exposure to both external and internal risks, some of which are beyond our control. With over 30 years of experience, City Insurance has weathered numerous industry cycles and economic fluctuations. As a result, it has developed and refined a risk identification and mitigation framework that protects the business from adverse conditions and enhances operational profitability, ensuring its long-term sustainability.

KEY FACTORS

- Insured Power
- Supplier Power
- Threat of Substitute
- Threat of New Entrants
- Competitive Rivalry

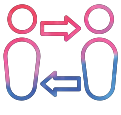
INSURED POWER

Driving Forces	CIPLC's Responses
With many insured in the market, customers have more choices and can easily switch, strengthening their ability to find the best fit.	Non-life insurance customers are price-sensitive and compare premiums and coverage for the best value. Insurers must offer competitive pricing while complying with regulations to attract and retain customers.
When non-life insurance products are similar, customers can easily compare policies. Insurers offering unique coverage gain more bargaining power.	Online platforms and comparison websites allow customers to easily compare non-life insurance policies, increasing buyer power by enabling quick switches to providers with better terms.
Lower policy costs for the same risks make switching insurers easier, boosting customer power when the process involves minimal financial or time costs.	To stay competitive, we must offer attractive policy costs and a seamless switching process, strengthening customer loyalty and reducing the chance of them switching insurers.
An agent's motivating factors, along with an insurer's claim-paying ability and history, can impact the decisions of insured or potential insured individuals when purchasing a policy.	Agent incentives and an insurer's claim-paying ability and history significantly influence policy purchase decisions.



SUPPLIER POWER

Driving Forces	CIPLC's Responses
Non-life insurers depend on reinsurers to manage risk, with reinsurer bargaining power affecting terms, conditions, and costs, ultimately impacting profitability.	Non-life insurers can reduce supplier power by transferring risks to strong reinsurers. Partnering with multiple reinsurers offers flexibility in negotiating terms and setting competitive premiums.
Non-life insurers rely on service providers, such as technology vendors, for software, data analytics, and support. Supplier bargaining power impacts efficiency, cost, and technological capabilities.	Strategic partnerships with second-tier reinsurers and tech-driven vendors can boost CIPLC's ability to manage larger risks efficiently and build trust with customers. Long-term relationships with reliable reinsurers may lead to better terms and collaboration on innovative products.
Suppliers of regulatory compliance, legal, and auditing services can impact non-life insurers' operations. Changes in regulations or compliance costs can affect supplier power.	CIPLC embraces evolving regulatory compliance and actively applies these changes in its operations.
Suppliers of data analytics, risk modeling, and actuarial services influence underwriting and pricing strategies. The quality and uniqueness of these services can impact insurers' competitiveness.	CIPLC maintains strong relationships with brokers and agents, providing support to ensure quality service for both current and potential customers.
Skilled professionals in underwriting, claims, and risk assessment are crucial to non-life insurers' success. The availability and expertise of this talent can impact supplier power, particularly in areas with a limited talent pool.	The availability of skilled professionals in key areas influences insurer success and supplier power, especially in regions with limited talent.
Non-life insurers depend on technology infrastructure, such as software and networking services. The bargaining power of tech suppliers affects insurers' efficiency, security, and innovation.	Our response could be: "Tech suppliers' bargaining power influences insurers' efficiency, security, and innovation."



THREAT OF SUBSTITUTE

Driving Forces	CIPLC's Responses
Businesses or individuals with substantial financial resources may opt for self-insurance instead of traditional policies, especially large corporations that can absorb certain losses.	Adopt insurtech solutions to improve customer experience, streamline operations, and offer personalized services. Digital platforms and mobile apps simplify policy access and management for customers.
Emerging peer-to-peer insurance models, where individuals or groups pool resources to cover risks, may serve as substitutes for traditional non-life insurance policies.	Non-life insurers can educate customers on the advantages of traditional policies over substitutes, emphasizing comprehensive coverage, claims processing, and long-term financial stability to highlight their value.
Some businesses create captives or risk retention groups to pool resources for self-insurance, offering more control over risk management as an alternative to commercial insurance.	Form strategic partnerships with other industries to offer bundled services, such as collaborating with risk mitigation providers or financial institutions, to enhance value and reduce the appeal of substitutes.



THREAT OF NEW ENTRANTS

Driving Forces	CIPLC's Responses
The Bangladeshi insurance market is small, yet oversaturated with insurers, exceeding the necessary number. New entrants, often influenced by political parties in power, have been granted licenses beyond market demand. While it's unlikely that new entrants will emerge soon, it's still possible under certain circumstances.	Enhance the brand and reputation through targeted marketing, exceptional customer service, and transparent communication. Building trust with policyholders can make it harder for new entrants to gain credibility.
Established non-life insurers have strong brand recognition and trust, making it difficult for new entrants to earn consumer confidence and compete with their reputations.	Introduce innovative, tailored insurance products to meet evolving customer needs. Unique coverage, customizable policies, or niche offerings can differentiate established insurers and block new entrants.
Large insurers benefit from economies of scale, spreading fixed costs across a large customer base. New entrants may struggle to match these cost efficiencies, making it harder to compete on price and profitability.	Large insurers' economies of scale give them cost advantages, making it difficult for new entrants to compete on price and profitability.
The non-life insurance industry requires expertise in risk assessment and underwriting. Established insurers leverage years of experience, data, and actuarial skills, giving them an edge in pricing and managing risks.	Established insurers have a competitive edge in pricing and risk management through their expertise, experience, and data.
Access to reinsurance helps non-life insurers manage large risks and capital exposure. Established insurers have strong reinsurance ties, while new entrants may struggle to secure favorable terms.	Established insurers have strong reinsurance ties, giving them an advantage in managing risks, while new entrants may struggle to secure favorable terms.



COMPETITIVE RIVALRY

Driving Forces	CIPLC's Responses
The number of non-life insurers affects competition, with more competitors intensifying the rivalry for market share and customers.	Create unique non-life insurance products with distinct coverage, features, or specialized policies to set your company apart.
The level of differentiation in non-life insurance products impacts competition, with insurers offering unique coverage or features gaining a competitive edge.	Implement strategic pricing that balances competitiveness and profitability, avoiding price wars by offering fair premiums and strong coverage.
Price competition is common in non-life insurance, with insurers engaging in price wars to attract customers through competitive premiums from overseas reinsurers.	Price competition is common in non-life insurance, with insurers intensifying rivalry by offering competitive premiums from overseas reinsurers to attract customers.
Efficient claims processing and high service quality are key to customer satisfaction and retention, giving insurers with exceptional service a competitive edge.	Form strategic partnerships with insurtech firms and industry stakeholders to leverage trends, enhance products, and expand distribution channels.

Position within the value chain

City Insurance was established as a public limited company on March 18, 1996, under the Companies Act 1994, specializing in non-life insurance. It began operations on March 25, 1996. Our performance across key financial indicators shows a steady focus on stability, growth, and long-term sustainability.

With one of the strongest capital bases in the industry, City Insurance is well positioned to support your long-term financial goals.

Below is the Company's position within the value chain, which showcases our stability and strong standing in the industry for the year ended 2024:

BDT in mn

Particulars	Company Position	Industry position	% of market position
Gross premium	916.77	10	2.11
Net premium	583.93	11	2.44
Underwriting profit	164.84	5	3.54
Profit before tax	295.11	5	2.75
Net Profit after tax	209.68	5	3.56
Investment (Including FDR)	1,502.16	8	2.68
Total Assets	2,187.86	16	1.84

Source: Bangladesh Insurance Association (BIA)

Key quantitative information

The corporate profile of City Insurance PLC highlights the company's key financial and non-financial features, showcasing its performance, values, and contributions to the insurance sector and broader economy.

Referred contents will be available at:

Profile of City Insurance Page no. 35 | Corporate Information Page no. 36 | Financial Summary Page no. 366 | Financial Statements Page no. 390

RISKS, OPPORTUNITIES AND **INTERNAL CONTROLS**

To secure long-term sustainability and profitability, City Insurance places strong emphasis on effective risk management. We identify both risks and opportunities, strengthen internal controls, and take proactive steps to reduce potential threats. This includes regular risk assessments, a structured risk management framework, digital transformation initiatives, market diversification, and strict compliance and audit practices.

Risk identification (The specific source of risks and opportunities)

Risk identification is a cornerstone of the strategic operations at City Insurance PLC. Recognizing the diverse nature of risks—internal, external, and often a mix of both—enables the company to implement effective mitigation strategies and ensure sustainable growth.



INTERNAL RISKS



Operational Challenges

Inefficient processes, outdated systems, and human errors can disrupt service delivery and increase costs.



Financial Instability

Poor investment decisions, inadequate reserves, or liquidity issues pose significant risks to financial performance.



Strategic Misalignment

Failure to adapt business strategies to changing market needs or trends can hinder competitiveness and growth.



Workforce Issues

Employee turnover, skill shortages, or low engagement can impact innovation and operational effectiveness.



EXTERNAL RISKS



Market Fluctuations

Economic downturns, inflation, and changing customer preferences may affect demand for insurance products.



Regulatory Changes

Compliance risks arise from evolving legal requirements and stricter oversight by regulatory bodies.



Technological Threats

Cybersecurity vulnerabilities and rapid technological advancements can challenge the company's adaptability and security.



Environmental Factors

Increased frequency of natural disasters and the impacts of climate change elevate claims and underwriting risks.



Competitive Pressures

Emerging insurtech firms and traditional competitors adopting innovative strategies may erode market share.



MIXED RISKS

Digital Transformation	Customer Retention	Product Innovation
Internal resistance to change, combined with external technological disruption, can delay modernization efforts.	Internal service quality gaps and external competitive pressures can result in reduced customer loyalty.	Internal inefficiencies in product development, coupled with external market demands for tailored solutions, may lead to missed opportunities.

Risk Opportunities: Assessment of Likelihood and Impact

City Insurance PLC evaluates risk opportunities by assessing their likelihood and potential impact, enabling informed decisions to mitigate threats, capitalize on opportunities, and ensure sustainable growth and resilience. Below is an overview of the risk opportunities, along with their likelihood and impact:

Risks	Likelihood	Impact	Explanation
Market Risk	High	High	Economic conditions and competition could significantly affect profitability and market share
Regulatory Risk	Moderate	High	Changes in regulations could result in fines or business disruptions
Operational Risk	Moderate	Moderate	Internal inefficiencies or system failures could disrupt operations and reduce customer satisfaction
Liquidity Risk	Low	High	Insufficient liquidity could threaten business continuity and claims payments.
Market Expansion Opportunity	High	High	Expanding into new markets could significantly increase revenue and market share
Digital Transformation Opportunity	High	High	Leveraging digital technologies can improve customer experience, reduce costs, and enhance operational efficiency
Product Diversification Opportunity	Moderate	High	Introducing new products can cater to broader customer needs and drive cross-selling opportunities

Risk mitigation

City Insurance PLC manages key risks by diversifying its investments, strengthening underwriting practices, and using advanced technologies to improve efficiency. Strong governance keeps the company aligned with regulatory requirements, while innovation and market expansion fuel value creation. Together, these measures help the company navigate challenges, capture new opportunities, and sustain growth in a competitive market.

Risk Management Framework	• Established a comprehensive Risk Management Framework (RMF) to identify, measure, manage, monitor, and report principal risks. For more information, refer **page no. 271** • Implementing risk policies, business standards, and frameworks to set the approach to risk management. • Defining risk appetites, preferences, tolerances, triggers, and limits to manage risk exposure.
Risk Management Review Process	• Conducting regular reviews of risk exposures within parameters set by the Board. • Utilizing methodologies, policies, and procedures to manage and review various risk exposures. • Aggregated risk reporting to ensure comprehensive oversight.
Reporting Structure	• Clear reporting lines and responsibilities for risk management. • Regular updates and reports to the Board of Directors on risk management activities. • Ensuring transparency and accountability in risk management practices.
Strategic Objectives	• Aligning risk management with the company's strategic objectives to ensure sustainable growth. • Focusing on long-term value creation and resilience.
Strategies	• Developing and implementing strategies to mitigate identified risks and capitalize on opportunities. • Continuous assessment and adjustment of strategies based on changing risk landscapes.
Policies	• Adopting policies that promote ethical conduct and compliance with regulatory requirements. • Ensuring policies are in place to manage specific risk categories effectively.
Targets and KPIs	• Setting clear targets and Key Performance Indicators (KPIs) to measure the effectiveness of risk management efforts. • Regularly monitoring and reporting on KPIs to track progress and make necessary adjustments.

Risk Management Report

For comprehensive details on our risk management approach—including risk types, mitigation strategies, and overall risk ratings—please see the Risk Management Report on **page no. 271-279** of this Annual Report.

STRATEGIC FOCUS AND **RESOURCE ALLOCATION**

GRI 2-22, 24 & 25

Strategic Focus Areas

In the swiftly evolving financial environment, City Insurance aligns its strategic priorities with short-term, mid-term, and long-term objectives. With a commitment to safeguarding the interests of investors and all stakeholders, CIPLC consistently endeavors to implement suitable strategies fostering sustainable business expansion.



Strategic Focus Areas



Short Term Goals

- Achieve quality investment growth.
- Establish a detailed data strategy.
- Set up the groundwork for paperless office
- Establish a more detailed community road map.
- Introduce more employee engagement initiatives.



Mid Term Goals

- Implement more sophisticated reporting tools.
- Adopt a digitalized distribution and operation network.
- Bring in further optimization of the CSR
- Bring in further optimization of the CSR
- Formalize a detailed career road map



Long Term Goals

- Enhance inclusive growth.
- Develop and enhance more elaborate, accurate, and meaningful MIS for decision support.
- Digitalized service in major areas of operations.
- Ascend to the position of premier General Insurance brand in Bangladesh.
- Become the number one employer of choice.

In accordance with the previously outlined objectives, CIPLC has identified three priority sets demanding attention for the Company's well-rounded growth moving forward:

Immediate priority

Continue to serve the clients of the Company with excellence, efficiency, and empathy. Engage with the resources and investments from the Company to help communities.

Medium-term priority

Harness digital technology and the expertise of our human resources to provide a unified and comprehensive range of products and services. Dedicate investments to continuously update our infrastructure and resources, ensuring relevance and competitiveness in the digital age.

Long-term priorities

Generate value for all stakeholders within the Company through the optimal utilization of available resources. Cultivate an appealing environment and establish an identity with a distinguished brand value, fostering a desire for association with the organization.

How CIPLC has positioned in the wider market

City Insurance PLC has established itself as a reliable, innovative, and customer-focused insurer, leveraging technology, expanding market presence, and fostering sustainability to deliver tailored solutions and maintain a competitive edge in the industry.

Aspect	Positioning Strategy
Reputation	Reliable and innovative insurer with a strong market presence.
Customer Focus	Tailored insurance solutions for individuals and businesses.

Aspect	Positioning Strategy
Technology Integration	Advanced digital platforms for enhanced service delivery and efficiency.
Market Expansion	Product diversification and entry into untapped markets.
Financial Stability	Robust operational and financial practices for long-term growth.
Sustainability	Commitment to sustainable practices and fostering industry collaborations.

This comprehensive positioning enables City Insurance PLC to remain competitive, adaptable, and aligned with stakeholder expectations in a dynamic insurance landscape.

Alignment of Long-Term Strategies with the Current Business Model

City Insurance PLC's long-term strategies are intricately aligned with its current business model, ensuring continuity, adaptability, and sustainable growth. The company's customer-centric approach underpins both its present operations and future vision, emphasizing innovation and service excellence to meet evolving needs.

The adoption of technology-driven processes within the existing model supports the company's strategic focus on digital transformation, enhancing operational efficiency and customer experience. Diversification of products and market expansion, central to long-term goals, build on the robust foundation of the current business framework, which already emphasizes flexibility and responsiveness.

Moreover, the company's commitment to governance, sustainability, and stakeholder value is reflected in its business model, creating a seamless transition from present operations to future objectives. This alignment ensures that City Insurance PLC remains competitive, resilient, and well-positioned to capitalize on emerging opportunities while maintaining its core values and service standards. For more information, refer to the Business Model on **page no. 87**

Strategic Priorities: The resource allocation plans it has to implement its strategy

City Insurance aims to synchronize its strategies with specified objectives and resource distribution in a uniform and logical method. Annually, adjustments are implemented to enhance institutional efficiency. This segment offers a thorough analysis of resource allocation strategies and their impact on capital and the business model. The Management Discussion and Analysis section furnishes a financial performance analysis, encapsulating the operational landscape. The capital-wise resource allocation strategy of City Insurance is outlined below:

Financial Capital

Strategic Priorities
- High quality asset growth
- Sustainable growth of income

Initiatives
- Streamlined investment
- operations and continuous follow up
- restructuring existing products

KPI's
- Cost to income ratio: **55.66%**
- Gross profit margin before tax: **BDT 366.42 mn**
- Profit after tax: **BDT 231.76 mn**
- Portfolio growth: **11.81%**
- No. of awards achieved for financial reporting: **4**

Human Capital

Strategic Priorities
- Create a performance driven Culture
- Develop a highly motivated, qualified and experienced
- Team-Provide safe and healthy work Environment

Initiatives
- Attract qualified employees and provide learning opportunities
- Recruit employees in line with growth of business
- Arrange effective and timely training programs

KPI's
- No. of employees promoted: **50**
- No. of new job opportunities created: **30**
- No. of Training program arranged: **26**
- Total training hours: **863**

Manufactured Capital

Strategic Priorities	Initiatives	KPI's
• Provide a superior customer experience • Deliver operational excellence by improving efficiency	• Relocation with modern layouts • Investment in IT infrastructure and digitalization	• Capital expenditure on IT infrastructure: **BDT 2.12 mn** • Automation of system, process.

Social and relationship Capital

Strategic Priorities	Initiatives	KPI's
• Experience superior customer service • Improve customer loyalty • Sustain investor confidence	• Continuous training on service excellence • Uninterrupted Customer support during pandemic • Engaging with the community	• Number of customer complaints: **04** • Customer retention ratio: **96** • Investment in community development projects: **BDT 1.34 mn**

Intellectual Capital

Strategic Priorities	Initiatives	KPI's
• Effective usages of social media • Improve service quality and data security • Enhance brand value and reputation	• Upgrade network infrastructure and communication platform • Advertising and promotions on brand building	• Investment in communication and public relation: **BDT 1.32 mn** • Increasing Brand image

Natural Capital

Strategic Priorities	Initiatives	KPI's
• Reduction of carbon footprint • Use of energy efficient technology and use of renewable energy	• Formulate strategies aligned with UN SDGs • Awareness programs on environment protection	• Carbon footprint • No. of trees planted: **1,000+** • No. of awareness programs conducted: **04**

Resource Allocation

City Insurance PLC's 2025 resource allocation focuses on boosting operational efficiency and improving customer experience. Investments are strategically made in digital transformation, employee development, and marketing initiatives. Resources also back compliance, risk management, and innovative product development, driving sustainable growth and delivering value to stakeholders throughout the year.

BDT in mn/BDT/ No./Ratio

Category	Figures	Per employee effects
Total assets	2,454.20	7.11
Total investment (BGTB, Share & FDR)	1,680.09	4.87
Net profit after tax	231.76	0.67
Earnings per share (EPS)	3.40	0.01
Net asset value (NAV)	23.24	0.07
Shareholder's equity	1,583.98	4.59
Cash & cash equivalents	1,283.05	3.72
Operating expenses	530.07	1.54
Dividend payout	29.41	0.09
Number of branches	41	0.12
Number of client	36,800	106.67
Number of employees	**345**	**-**

ORGANIZATIONAL **OUTLOOK**

As we move into 2026, City Insurance PLC is set for another year of steady growth, new ideas, and stronger customer satisfaction. With the groundwork already in place and the progress made over the past few years, we're ready to reinforce our position as a leading insurance provider in the industry.

Time frame	Aspect	Expectations
Short-Term (0-1 Year)	Market Dynamics	• Anticipated steady growth in demand for health and motor insurance products, driven by increasing awareness and regulatory enforcement. • Competitive pricing pressures due to the entry of new players and evolving customer expectations.
	Economic Conditions	• Stable economic recovery post-pandemic. • Inflationary trends increasing claim costs.
	Regulatory Environment	• Compliance with new IDRA guidelines on policyholder protection.
Medium-Term (1-3 Years)	Technological Transformation	• Greater adoption of digital channels. • Increased use of data analytics for risk assessment.
	Customer Behavior	• Shift towards comprehensive insurance solutions, with customers demanding more transparency and faster service. • Increasing preference for green and socially responsible insurance products.
	Market Growth	• Expansion into rural and semi-urban areas. • Growth in corporate insurance segments.
Long-Term (3+ Years)	Industry Evolution	• Consolidation within the insurance sector. • Climate change risks influencing underwriting.
	Regulatory Landscape	• Stricter ESG compliance requirements for insurers, encouraging sustainability-focused operations. • Potential introduction of innovative products such as cyber risk coverage, etc.
	Technological Advancements	• Transition to fully digital ecosystems, minimizing manual interventions.

For more details, please go through this Annual Report as follows:

"Capitals" Page No. 62

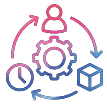
"Business Model " Page No. 87

"Performance" Page No. 92

"Overall Strategic Objective" Page No. 33

BASIS OF PREPARATION AND **PRESENTATION AN INTEGRATED REPORT**

City Insurance's Integrated Report 2025 aligns with the International Integrated Reporting Council (IIRC) framework, showcasing our commitment to transparency, value creation, and sustainable practices for stakeholders.



INTEGRATED REPORTING






Financial Reporting	Governance	Environment	Social

The involvement of those charged with governance and key personnel in identifying and prioritizing material matters.

The identification and prioritization of material matters at City Insurance involve both the Board and the Senior Management Team as key personnel. The Senior Management Team conducts a thorough analysis to prepare proposals, which are subsequently reviewed by the Board Committee. These reviewed proposals are then submitted to the Board of Directors for final approval. For more information, please refer to the Corporate Governance section in the report on **page no. 228**





Board of Directors	Board Committees	Senior Management
Approval of decisions on the basis of the information and analysis of the Committees and monitoring and oversight of decisions ▶	Analysis of proposals prior to submission to the Board, issuance of report and oversight of implementation of decisions ▶	Proposals with exhaustive, comprehensive, suitable and consistent information

Interaction

Summary of the significant frameworks, standards and principles used to evaluate City Insurance's material matters

City Insurance evaluates its material matters using a blend of globally recognized frameworks and industry standards. The process draws on the International Integrated Reporting Framework to understand how each issue affects value creation across all capitals. GRI Standards guide the identification, measurement, and disclosure of economic, environmental, and social impacts. IFRS principles ensure financial accuracy and transparency. Insurance-specific regulatory guidelines and national compliance requirements help validate risk, governance, and customer-related priorities. Together, these frameworks create a consistent, credible approach to determining what matters most for the company and its stakeholders. For more information, please refer to the **page no. 50**

RESPONSIBILITY FOR AN INTEGRATED REPORT

Acknowledgment of the responsibility over the integrity of the integrated report

The Board and management ensure that appropriate care has been taken in preparing and presenting this Annual Integrated Report. It addresses all material issues and provides a fair representation of the company's integrated performance and overall impact. Further details are provided on **page no. 09**

Acknowledgment to the preparation and presentation of the integrated report

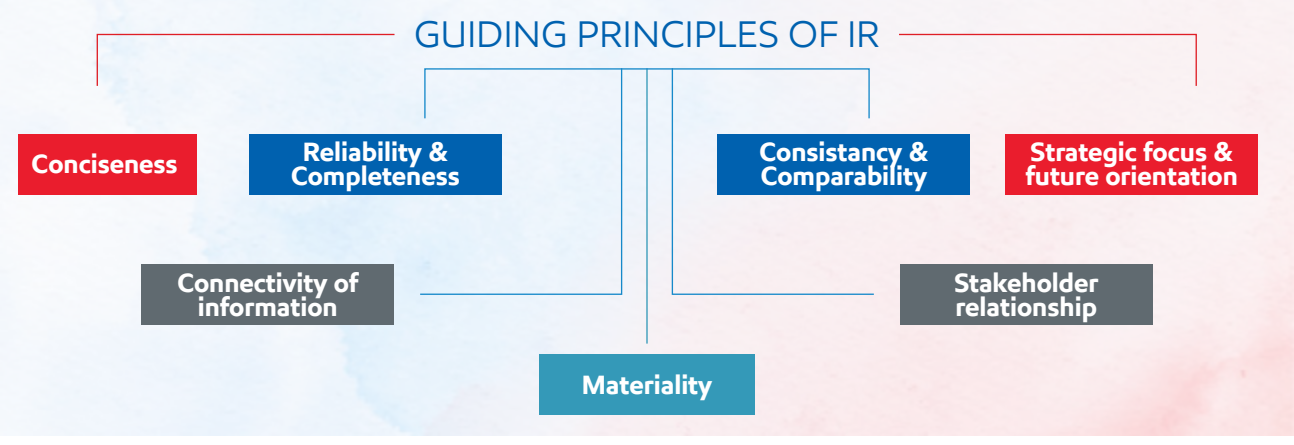
The Board and management also ensure that due care has been exercised in preparing and presenting this Integrated Annual Report. It addresses all material issues and fairly represents the company's integrated performance and overall impact. Additional details are available on **page no. 308** under the Responsibility Statement of the MD and CEO.

Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework

The Board and management ensure that the Annual Report is prepared in compliance with the checklist aligned with the International Framework of the International Integrated Reporting Council (IIRC). Additional details can be found on **page no. 08**

Other Qualitative Characteristics of Integrated Report

City Insurance's Integrated Report has been developed following the Guiding Principles outlined in the framework. Presented below is a summary of the key elements covered by CIPLC.



a) Conciseness

City Insurance has developed the Annual Report 2025 to be clear and focused, while still giving enough context to explain its strategy, governance, performance, and future outlook. The report keeps information relevant to the broader narrative, uses cross-references where helpful, and avoids unnecessary repetition. Additional detail and references are included only where they genuinely add clarity.

b) Reliability and completeness

City Insurance's integrated report covers all material matters, both internal and external, in a balanced manner and without significant error. The key material aspects of the six individual IR capitals are explained in their respective sections on **Page no. 62-86**

c) Consistency and comparability

Horizontal and vertical analysis: City Insurance has presented data and information in a manner that allows for comparison with other organizations, insofar as it is relevant to our ability to create value over time.

Horizontal Analysis: This analysis compares City Insurance's financial performance over multiple years. A five-year comparison is provided, with 2021 values as the base year. Details can be found on **page no. 165**

Vertical Analysis: This analysis expresses line items as percentage figures, using a specific item as the baseline for comparison. For the Profit & Loss analysis, total revenue is used as the base item, while for the Balance Sheet, total assets are considered the base item. Details can be found on **page no. 167**

Environmental Performance: This section outlines the environmentally sustainable initiatives implemented by City Insurance, including energy savings, waste management, and reducing the carbon footprint, among others. Further details can be found on **page no. 181 & 196**

d) Connectivity of Information

City Insurance ensures seamless connectivity of information within its Integrated Report, linking key elements such as strategy, governance, performance, and prospects. The report provides a clear, cohesive narrative that demonstrates how each aspect of the business contributes to the creation of value over time, fostering a comprehensive understanding of the organization's long-term goals and performance.

e) Materiality

City Insurance's integrated report provides information on matters that significantly impact our ability to create value in the short, medium, and long term.

MATERIAL ASPECTS AND BOUNDARIES

City Insurance PLC is committed to identifying, managing, and disclosing material aspects that significantly influence its business performance, stakeholder relationships, and sustainable growth. These aspects are carefully defined within the boundaries of our operations and across our value chain to ensure transparency and accountability.

Category	Details
Material Aspects	
Economic Performance	• Sustained profitability and financial stability. • Delivering value to shareholders and investors. • Enhancing operational efficiency and innovation in services.
Customer Satisfaction	• Providing tailored insurance solutions. • Ensuring prompt and fair claims settlement. • Regularly improving service quality and accessibility.
Regulatory Compliance	• Adhering to legal and industry standards. • Maintaining transparency in reporting and operations. • Strengthening governance and risk management practices.
Employee Well-Being	• Fostering a safe and inclusive workplace. • Offering professional development opportunities. • Supporting work-life balance initiatives.
Environmental Responsibility	• Minimizing the environmental footprint of our operations. • Promoting sustainable practices within the industry. • Engaging in community-focused environmental projects.
Social Contributions	• Supporting community development through CSR initiatives. • Promoting financial inclusion and awareness. • Partnering with stakeholders for social impact programs.
Boundaries	
Internal Boundaries	The identified material aspects cover all departments, branches, and operations of City Insurance PLC. This includes decision-making processes, employee engagement, and the direct impact of the company's activities.
External Boundaries	The material aspects extend to the company's interactions with stakeholders, including policyholders, regulatory bodies, suppliers, and the communities where we operate. Efforts are made to manage indirect impacts within the insurance value chain.
Monitoring and Evaluation	City Insurance PLC regularly reviews its material aspects and boundaries to align with evolving stakeholder expectations, industry dynamics, and global standards for sustainability and governance. This ensures continuous improvement in delivering value and fulfilling our responsibilities.

Assurance on the Report

City Insurance PLC ensures transparency through Combined Assurance, demonstrating its commitment to accountability. Comprehensive details can be found on **Page no. 08**

CORPORATE GOVERNANCE, INTERNAL CONTROL **AND RISK MANAGEMENT**



CORPORATE GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT

The table below gives an overview of the locations of our Corporate Governance statement, Internal Control and Risk Management Disclosures

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291 Communication to Shareholders and Stakeholders

298 Dividend Distribution Policy



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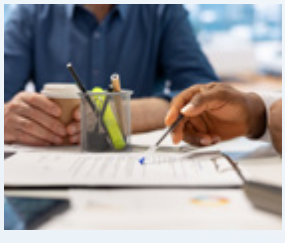
309 Annexure-B: Certificate on Compliance of BSEC Corporate Governance Code

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LETTER FROM THE BOARD OF DIRECTORS **EXHIBITED BY THE COMPANY SECRETARY**

Dear Esteemed Shareholders

We are pleased to present the Corporate Governance Report for the fiscal year ended December 31, 2025, on behalf of the Board of Directors. City Insurance PLC remains committed to the highest standards of corporate governance, guided by transparency, accountability, and ethical conduct. This report outlines the governance framework that underpins our operations and highlights the key initiatives undertaken over the year to further strengthen our practices. Our framework ensures compliance with all applicable laws, regulations, and guidelines, including those of BSEC, IDRA, and other relevant authorities. The Board and management work collaboratively to foster a culture of integrity, responsible decision-making, and sustainable management practices across the organization.

Governance Achievements and Company Milestones

We are proud to highlight several key achievements in 2025:



These milestones reflect not only our governance strength but also our enduring commitment to operational excellence and long-term sustainability.



Board Oversight and Compliance

The Board, supported by the Company Secretary, ensures robust oversight through structured committees, comprehensive risk management practices, and strong internal control systems. Our compliance framework guarantees that statutory and regulatory obligations are met consistently, safeguarding the interests of all stakeholders while promoting ethical and transparent operations.

Stakeholder Trust and Confidence

Sound corporate governance underpins the trust placed in City Insurance PLC. Our practices strengthen confidence among shareholders, policyholders, regulators, and employees, reinforcing our reputation as a responsible and reliable institution. By aligning governance with strategic objectives, we ensure sustainable growth and long-term value creation.

Future Governance Outlook

Looking ahead, City Insurance PLC is committed to continuously enhancing its governance framework. We will maintain focus on ethical business practices, transparency, and accountability, while leveraging our achievements and experience to uphold trust and set industry benchmarks for governance excellence.

Yours faithfully,

On behalf of the board,

Mohammed Ashaduzzaman Sarkar
Company Secretary
City Insurance PLC.

REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

For the year ended December 31, 2025

The Audit Committee of City Insurance PLC operates under the authority of the Board of Directors, ensuring strict adherence to the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) and Insurer's Corporate Governance Guidelines 2023 issued by Insurance Development and Regulatory Authority (IDRA). The Committee is dedicated to enhancing accountability, transparency, and robust governance practices within the organization.

The main objectives of the Audit Committee are

- Enhance good practices in financial reporting and risk management.
- Ensure the establishment of adequate internal controls and compliance with laws and regulations.
- Ensure that the preparation, presentation and submission of financial statements have been made in accordance with the prevailing laws, standards and regulations.
- Fulfillment, discharge and execute of other stated responsibilities

Composition of the competent Board Audit Committee

The Audit Committee of the Board of Directors of City Insurance PLC was formed during the 85th meeting of the Board on January 07, 2008, in accordance with Condition No. 03 of Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006, issued by the Bangladesh Securities and Exchange Commission.

The present Audit Committee of the Board is comprised of three Members of the Board of Directors including one Independent Director having one Independent Director as Chairman in accordance with the Notification on Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) on 3 June 2018 (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80) and Insurers Corporate Governance Code, 2023 dated 19 October 2023 by Insurance Development and regulatory Authority (IDRA).

The present Audit Committee was reconstituted by the Board in its 202nd meeting held on April 25, 2022 consisting of the following members:

Name of Directors	Status with the Board	Status with the Audit Committee
Mr. Mahabubul Haque	Independent Director	Chairman
Mr. Md. Harunoor Rashid	Director	Member
Mr. Muhammad Nazirul Islam	Director	Member

As required, all members of the Audit Committee are 'financially literate' and can analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee.

The Committee's secretary is the Company Secretary. Despite administratively belonging to the Head of Internal Audit & Compliance, answers directly to the Chairman of the Board's Audit Committee.

Terms of Reference (ToR)

In accordance with Bangladesh Securities and Exchange Commission's notification on the Corporate Governance Code, dated 3 June 2018, Insurance Development & Regulatory Authority's Corporate Governance Guideline 2023, and other best-practice corporate governance practice regulations and standards, the terms of reference (ToR) for the audit committee have been drafted which are reviewed from time to time.

Roles & Responsibility of Board Audit Committee

The roles and responsibilities of the Audit Committee have been delineated in accordance with the pertinent provisions outlined in the Corporate Governance Guidelines/Notification from both BSEC and IDRA, the two primary regulators for the Company, as well as incorporating other governance best practices. The subsequent functions represent recurrent and standard activities undertaken by the Company's Audit Committee in fulfilling its responsibilities, along with any additional responsibilities that may be delegated by the Board periodically:

a) Internal Control

- Evaluate whether the management is establishing an appropriate compliance culture by communicating the importance of internal control and the prudent management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;
- Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management;
- Consider reports relating to fraud, forgery and deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective and remedial measures have been embraced by the management;
- With governance and supervisory oversight from the Board of Directors, the Audit Committee will put in place policies and procedures to identify, measure, monitor and control risk;
- Review Management Letters issued by the Statutory Auditors.

b) Financial Reporting

- The Audit Committee checks whether the financial statements reflect complete and accurate information and determine whether the statements are prepared according to the existing rules and regulations and standards enforced in the country and as per the relevant financial reporting standards prescribed by Regulatory Authorities;
- Discuss with the management and external auditors to review the financial statements before finalization;
- Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval.
- Review statements of significant related party transactions submitted by the management.
- Review the management's discussion and analysis before disclosing in the annual report.
- Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.

c) Internal Audit

- Monitor/evaluate whether internal audit functions are truly independent.
- Review the activities and the organizational structure of the internal audit and ensure that no unjustified restriction or limitation hinders the internal audit process.
- Review and assess the annual internal audit plan.
- Review the efficiency and effectiveness of internal audit function.
- Review the efficiency and effectiveness of internal audit function.

d) External Audit

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, in relation to appointment, re-appointment and removal of the Company's external auditors.
- Oversee the relationship with the external auditors including:
  - Approval of their remuneration, i.e., fees for audit or non-audit services.
  - Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements.
  - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business).
- Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present; to discuss their views and any issues arising from the audit.
- Review the findings and recommendations made by the external auditors for removal of irregularities, if any, detected are duly acted upon by the management.
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.

e) Compliance with existing laws and regulations

Review whether the laws and regulations framed by the regulatory authorities (BSEC, DSE, CSE, IDRA and other bodies) and internal regulations approved by the Board have been complied with.

f) Other responsibilities

- Provide the Board with a detailed compliance report on a quarterly basis, addressing the rectification of omissions, fraud, forgeries, and other irregularities identified by both internal and external auditors, as well as inspectors from regulatory authorities;
- External and internal auditors shall submit their related assessment report, if the committee solicits;
- Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

Reporting of the Audit Committee

a) Reporting to the Board

The Audit Committee regularly reports its activities to the Board of Directors following each meeting. The Audit Committee report immediately to the Board of Directors in case of any of the following findings:

- Report on conflict of interests;
- Suspected or presumed fraud or irregularity or material defect in the Company's internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter which shall be disclosed to Board immediately.

The Audit Committee further ensures that, in compliance with condition no. 5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018 and amended up to, the CEO and CFO of the Company have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended December 31, 2025, and they state that:

- They have reviewed the financial statements for the year ended on December 31, 2025 and that to the best of their knowledge and belief;
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- 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 code of conduct of the Company's Board of Directors or its members.

Such joint certificate of the CEO and CFO is thoroughly reviewed by the Audit Committee before submission to the Board.

b) Reporting to the Authorities

The Audit Committee reports to the Board of Directors about anything which has a material impact on the financial condition and results of operation. The Committee also discusses with the Board of Directors and the management if any rectification is necessary. If the Audit Committee finds that such rectification has been unreasonably ignored, the Committee reports such findings to the Bangladesh Securities & Exchange Commission (BSEC) upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

c) Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition No. 5(6)(a)(i) of the BSEC Corporate Governance Code above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

Audit Committee meeting during the year- 2025

The Committee held 04 (Four) meetings during the financial year under review. Meeting details are as follows:

Meetings	Date of Meetings
65th Audit Committee Meeting	February 05, 2025
66th Audit Committee Meeting	May 12, 2025
67th Audit Committee Meeting	July 27, 2025
68th Audit Committee Meeting	October 27, 2025

Attendance of Audit Committee

The Audit Committee Members' positional status along with attendance at Committee meetings are set out in the following table:

Name of member	Status in the Board	Status in the Committee	Meeting Held	Meeting Attended
Mr. Mahabubul Haque	Independent Director	Chairman	4	4
Mr. Md. Harunoor Rashid	Director	Member	4	4
Mr. Muhammad Nazirul Islam	Director	Member	4	4

Quorum of the Audit Committee

Quorum of the Audit Committee is constituted in presence of either two members or two third of the members of the committee where presence of an independent director must require.

Major issues reviewed by the Audit Committee during 2025

Throughout 2025, the Audit Committee, in addition to its routine responsibilities such as assessing existing risks and their mitigation measures, evaluating the management's compliance culture, overseeing the internal audit function, and scrutinizing financial statements, placed particular emphasis on the prompt receipt, examination, and recommendations provided by external auditors. During the year 2025, the Audit Committee thoroughly examined and deliberated on various matters, including but not limited to:

Annual financial statements of the Company for the year ended 31 December 2025 as certified by the External Auditors before submission to the Board for consideration.

Recommended for appointment of external auditors for the year 2025.

Reviewed the quarterly, half-yearly and annual financial statements before their submission to the Board for final review and approval.

Reviewed the Summary Report on Audit Findings throughout the year and advised for strong monitoring.

Reviewed the External Auditor's Management Letter and management responses thereto.

Reviewed reports of related party transactions submitted by the management to find out any conflict of interest.

Observation and Recommendation:

The minutes of the Audit Committee meetings, containing various suggestions and recommendations to management, were duly presented to the Board for ratification.

Focus of Future Activities

At the beginning of each year, the Committee discusses its key priorities for the coming year. In 2026, the Committee will continue to prioritize internal controls, particularly those supporting regulatory reporting.

Salutation

The Audit Committee thanks the Board of Directors, management, and auditors for their sincere support and cooperation in fulfilling the Committee's duties and obligations.

On behalf of the Audit Committee,

Mahabubul Haque
Chairman, Audit Committee of the Board
City Insurance PLC.

NOMINATION & REMUNERATION COMMITTEE (NRC) REPORT

For the year ended December 31, 2025

The NRC guides the Management in identifying the Company's needs for personnel at all levels and in determining their selection, transfer or replacement and promotion criteria. This committee is based on the NRC Charter, which was developed primarily in compliance with the CG principles of BSEC and Insurer's Corporate Governance Guidelines, 2023 of IDRA while also incorporating other international best practices in human resources.

City Insurance PLC has always been very passionate about human capital management and takes responsibility for developing employee potential and leveraging employee skills in the organization. The Company guards with care the great resource of intelligent, experienced, disciplined, clear-thinking and energetic people who continuously drive growth and innovation, within clear risk boundaries. The Company continues to implement HR policies and practices that are aimed at growing and developing employees and ensuring their active contribution towards the achievement of corporate goals. The Company believes that the skills and enthusiasm of its employees are major forces that help it to achieve sustainable results.

The Composition of the Committee

The Board of Directors of City Insurance PLC has duly constituted a Nomination and Remuneration Committee, as per the requirements of the Bangladesh Securities and Exchange Commission through its Corporate Governance Code under notification no. BSEC/ CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 and Insurers Corporate Governance Code, 2023 dated 19 October 2023 by Insurance Development and regulatory Authority (IDRA). The Nomination & Remuneration Committee is a subcommittee of the Board and operates independently to ensure the rights and value of the Company's human resources. The NRC assists the Board in formulating the nomination criteria for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives as well as a policy for the formal process of considering the remuneration of directors and senior-level executives of the Company.

The Nomination and Remuneration Committee (NRC) of City Insurance PLC has been formed and 04 (Four) members were appointed by the Board of Directors of the company to adhere the directive as follows:

Name of Directors	Status with the Board	Status with the NRC Committee
Mr. Tauhiduddin Md. Zahed	Independent Director	Chairman
Mr. Hossain Akhtar	Director	Member
Mr. Haji Md. Yousuf	Director	Member
Mr. Muhammad Nazirul Islam	Director	Member

The current NRC was last constituted on December 26, 2023. The Committee's secretary is the Company Secretary.

Qualification of the Committee Members

The NRC members possess adequate knowledge on business management and corporate governance issues, financially literate able to analyze, understand and interpret corporate laws, finance and financial statements and have business insight.

Purpose and Authority of the Committee

The NRC also assists the Board in formulating policy for the formal and continued process of considering remuneration/ honorarium of Directors and top-level executives. The NRC has a guiding role to the management to identify the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria. This Report of Nomination and Remuneration Committee is prepared according to the requirements of the CG codes of BSEC & IDRA. It covers nomination and remuneration policies, evaluation criteria and activities of the NRC.

Terms of Reference (ToR)

The Nomination and Remuneration Committee has performed its duties as assigned to it by the Board of Directors which is based on the Charter of NRC formulated mainly in accordance with the CG guidelines of BSEC & IDRA as well as comprising other global best practices.

Roles and Responsibilities

The NRC was established with clearly defined Terms of Reference. In adherence to these terms, the company adheres to a nomination and remuneration policy. The framework of this policy is based on market-recognized standards, sufficient to address the present and future requirements of the company. The comprehensive criteria for Directors, top-level executives, and all other employees of the company are outlined as follows:

a) Nomination Criteria

- Following the Company policies as well as guidelines and applicable country regulations.
- Following a selection process that is transparent in all respects.
- Following a process that is compatible with international standards and local best practices.
- Recognize core competencies of the respective personnel for the different levels of management and employees of the Company.
- Follow diversity in age, maturity, qualification, expertise and gender disciplines.

b) Recruitment & selection guidelines

- **Non-Executive Director:** The NRC recommends candidate(s) for Non-Executive Director(s), based on nomination by the majority shareholders, the Government shareholders and other general shareholders. The Board of Directors appoints the Non-Executive Directors upon nomination and recommendation of the NRC.
- **Independent Director:** The Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make a meaningful contribution to the business. The Independent Director should have competence relevant to the sector in which the Company operates, and necessarily should have the qualifications as required by the regulations of BSEC. The Board of Directors appoints Independent Directors upon nomination and recommendation of the NRC, which is then approved by shareholders at the Annual General Meeting of the Company.
- **Top-level Executives:** The NRC identifies and recommends candidate(s) for top-level executives upon thorough scrutiny by the Managing Director, Executive Committee and Human Resources Department (HRD), considering relevant qualifications, experience, skills and leadership, as required for the respective positions based on the Company's internal selection process.

Explanation: Top-level executives of the Company include the Managing Director, the Chief Financial Officer, the Head of Human Resources, the Company Secretary, the Head of Internal Audit & Compliance, and same level/ranked/ salaried officials of the Company.

- **Other Employees:** The NRC sets a guideline to identify the Company's need for employees at different levels and empowers the relevant management of the Company's HRD for selection, transfer, replacement and promotion of respective employees based on the Company's internal processes.

c) Remuneration Criteria for Executives

The Remuneration criteria recommended by the NRC are as follows:-

- The structure, scale and composition of remuneration/ honorarium is reasonable and sufficient to attract, retain and motivate suitable Directors, top-level executives and other employees to run the Company efficiently and successfully. The context of packages, including remuneration/ benefits monthly, yearly and in the long run for all the employees are categorically laid down and meets the appropriate performance benchmarks;
- There is a clear balance in benefits between fixed and incentive pay of Executive Directors and senior management, reflecting short and long-term performance goals and objectives of the Company;
- The remuneration, including bonuses, compensation, benefits (or in whatever form) payable to the Executive Directors, top-level executives and other employees are determined by the NRC based on the respective Company policies and guidelines, which shall be ratified by the Board as and when required;
- The remuneration to be paid to the Executive Directors is in accordance with the Company's policies and guidelines; i.e., Increments (if any) to the existing structure of remuneration are determined by the NRC based on the Company's policies and guidelines, which are ratified by the Board as and when required;
- The NRC recommends the Board meeting attendance fees, honorarium, including incidental expenses, if any; and
- No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.

Meetings & Attendance

Members of the senior management of the Company were invited to participate at meetings as and when required. The proceedings of each meeting of the NRC are recorded in the minutes and such minutes are confirmed in the next meeting of the NRC. The proceedings of the NRC meetings are regularly reported to the Board of Directors. On the invitation of the Committee, Managing Director, Chief Financial Officer and Head of Human Resource attended all Committee meeting during the year.
The Committee held 02 (Two) meetings during the financial year 2025 under review. Meeting dates are as follows:

Sl.	Meetings	Date of Meetings
1	11th NRC Meeting	March 27, 2025
2	12th NRC Meeting	October 23, 2025

Attendance of NRC

Number of Nomination and Remuneration Committee (NRC) meeting attendances of members during the year 2025 are as follows:

Name of member	Status in the Board	Status in the NRC Committee	Meeting Held	Meeting Attended
Mr. Tauhiduddin Md. Zahed	Independent Director	Chairman	2	2
Mr. Hossain Akhtar	Chairman	Member		2
Mr. Haji Md. Yousuf	Director	Member		2
Mr. Muhammad Nazirul Islam	Director	Member		2

Quorum

- The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher,
- The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

Remuneration of Managing Director & CEO

The NRC is responsible for assisting the Board of Directors in specifying remuneration package for the Managing Director & CEO including any compensation & allowance payment. The followings are set forth as a guideline with the understanding that the NRC may supplement them as appropriate.

a. Provide independent oversight of and consult with the management regarding the Company's compensation, bonus, and other benefit plans, policies and practices applicable to the Company.

b. Develop guidelines for and annually review and approve the following matters:
   - Annual basic salary
   - Annual incentive and bonus
   - Equity compensation for the Managing Director & CEO
   - Employment agreements; and
   - Any other benefits, compensation or arrangements for the Managing Director & CEO

c. Prepare report on Managing Director & CEO's compensation annually for inclusion in the Company's financial statements as required under any Applicable Rules; and

d. Evaluate and recommend the form and amount of compensation to the director and make recommendations to the Board. If required, the NRC will take inputs from the outside consultants.

Remuneration of the Non-Executive Directors & Independent Directors

The company is being benefited from the expertise, experience, advice and inputs provided by the Independent Directors. The Independent Directors give their valuable advice, suggestion and guidance to the management of the Company. All the Non-Executive Directors and the Independent Directors have received remuneration from the company by way of only Board and committee meeting attendance fees during the financial year 2025. Details are given on **page no. 254**

Evaluation Criteria

a. Independent Director & Non-Executive Director

The evaluation of the performance of the Independent Directors (IDs) and Non-Executive Directors are carried out at least once a year by the Board of Directors, according to the following criteria:

- Attendance at the Board meetings and committee meetings
- Participation in the Board meetings and committee meetings
- Contribution to improving the corporate governance practices of the Company

b. Top-level Executives & other Employees

The respective line authority of top-level executives and other employees sets the performance measurement criteria based on the respective roles and responsibilities to achieve people and business objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document (half-year and year-end). The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria.

Activity Summary of NRC during the year 2025

The NRC periodically reviewed the background of the Independent Directors, the level of their independence, as well as performance attributes of Non-Executive Directors.

Reviewed the mix and composition of the Board and committees.

Reviewed and approved the remuneration 2025 for the Management.

Reviewed re-appointment of Managing Director of the Company;

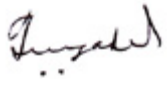
Reviewed the code of conduct for the Chairperson, other Board Members and Chief Executive Officer of the company;

Reviewed on Human Resources & Training Policy of the company;

Reviewed and evaluated the current human resources of the company

Acknowledgment

The Nomination & Remuneration Committee (NRC) expresses its sincere thanks to the members of the Board, Management and HR Department for their excellent support extended to the Committee. The Committee is also grateful to the Insurance Development & Regulatory Authority, Bangladesh Securities and Exchange Commission, Dhaka stock Exchange and Chittagong stock Exchange for the direction and guidance, which facilitated due discharge of its duties and responsibilities.



Tauhiduddin Md. Zahed
Chairman, Nomination and Remuneration Committee &
Independent Director
City Insurance PLC.

CORPORATE GOVERNANCE

GRI 2-9 & 14

City Insurance has upheld strong corporate governance from day one. Its approach goes beyond regulatory and legal requirements, drawing on internal rules, policies, and procedures shaped by the best practices of a leading non-life insurance company.

City Insurance PLC (CIPLC) has built a strong reputation for corporate governance, grounded in integrity, accountability, and long-term thinking. The company goes beyond basic compliance, relying on a clear governance framework that supports ethical conduct, transparent decision-making, and stakeholder trust.

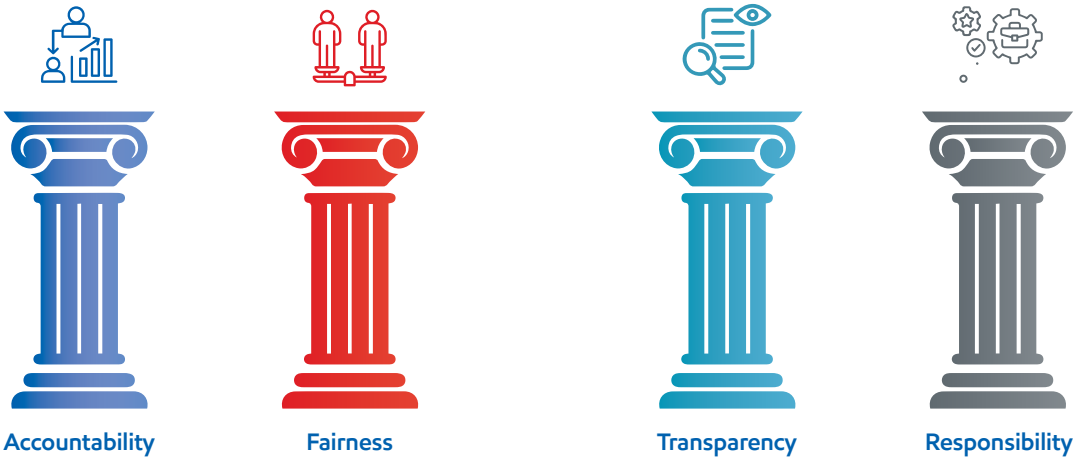
The Board ensures that administrative and managerial practices protect stakeholder interests, including minority shareholders, while promoting fairness and clarity. By following globally accepted standards, CIPLC shows that good governance strengthens both sustainability and profitability, reinforcing its standing as a responsible and dependable industry leader.

Philosophy of Governance

City Insurance PLC is committed to strong corporate governance rooted in its core values. Its framework promotes accountability and transparency, supported by solid risk management and internal controls that drive sustainable performance.

The Board emphasizes ethical leadership and professionalism, integrating social responsibility with strategic and national priorities. The company's culture is built on four pillars: accountability, fairness, transparency, and responsibility. As a listed company, City Insurance upholds global standards of integrity, ensuring fair, competent, and principled management that strengthens stakeholder trust.

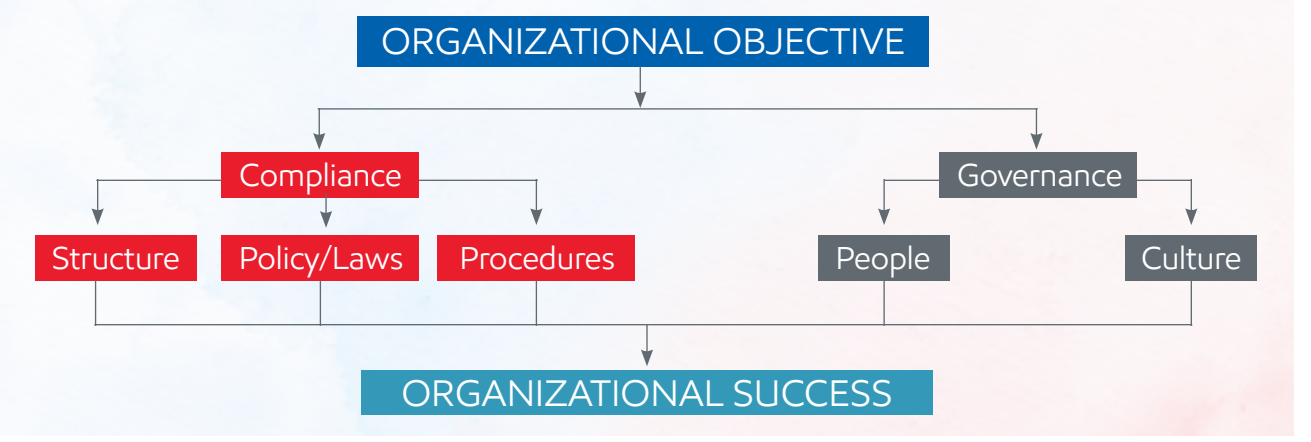
The four pillars of good corporate governance



City Insurance creates long-term value through a strong governance framework that aligns the Board, shareholders, employees, and other stakeholders. Its two-tier structure—Board and Committees at the top, Management at the operational level—keeps core governance principles firmly in place.

By adopting voluntary norms and global best practices, the company goes beyond compliance, promoting integrity, transparency, and accountability. This approach strengthens risk management, sharpens performance oversight, and supports effective leadership, making governance one of its key strengths.

Corporate Governance Driver



City Insurance prioritizes strong corporate governance, guided by its vision, mission, and values. The Board of Directors sets strategic goals, oversees management, and ensures accountability to shareholders.

Governance is a dynamic, daily process fostering transparency, accountability, and alignment with shareholder interests. Clear structures, policies, and processes support efficient management and long-term shareholder value within acceptable risk levels.

Our governance culture is built on:

- Expert leadership
- Robust risk management
- Effective internal controls
- Prudent financial practices
- Accountability to shareholders

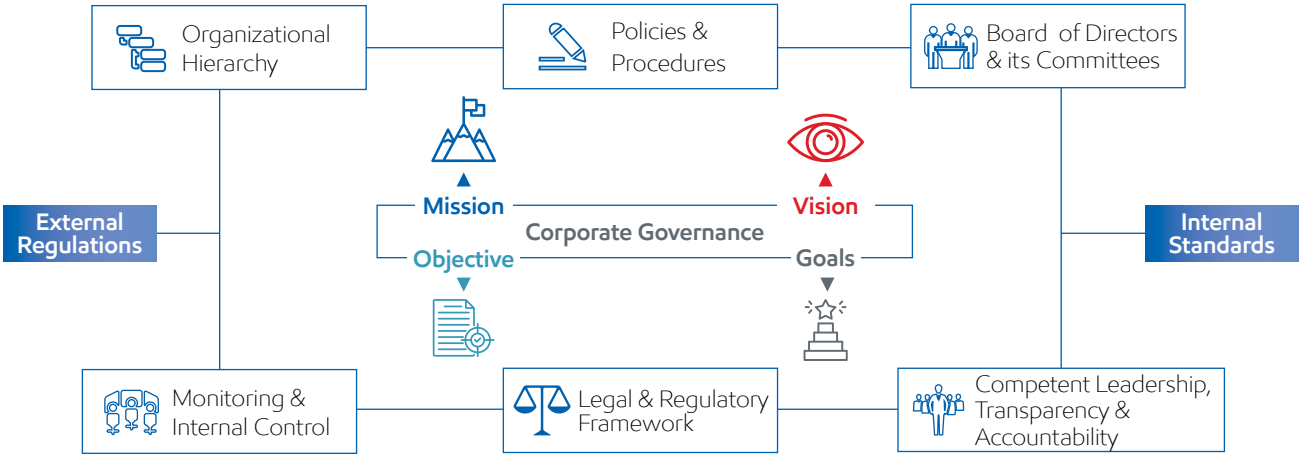
City Insurance regularly updates governance policies to maintain transparency, ethical standards, and stakeholder confidence, ensuring long-term performance and sustainability.

The Company integrates governance excellence across all operations, supported by an independent Board, a clear separation of Chairman and CEO roles, and strong committees, ensuring top-tier corporate governance.

Corporate Governance Practices in City Insurance

City Insurance is committed to maintaining the highest standards of corporate governance across all aspects of its business systems, procedures, and practices. The Board has implemented a clear and structured Corporate Governance framework to support its mission of creating long-term, sustainable value. Additionally, the company cultivates a culture grounded in integrity, ethical behavior, and respect, ensuring the protection of stakeholder and shareholder interests at all times. The company's long-term success relies on upholding exemplary governance standards, particularly within the highly regulated industry it operates.

Industry Best Practice + Stakeholder Engagement



To aid the Board in fulfilling its governance roles in an effective way, the Board Committees assist the Board with this process. City Insurance believes that governance as a whole has the greatest impact on the efficiency, effectiveness, as well as value-creation capability of deployed strategies and approaches. Therefore, the Company intends to make governance an integral part of the organizational culture, making it a part of the structure, policies, and processes of management.

Related Acts, Regulations and Guidelines:

City Insurance PLC has adopted all applicable laws, policies, rules and regulations in our Corporate Governance System and maintains a zero-tolerance policy in compliance. A list of such external and internal regulations/policies are outlined below:

External Framework

The Companies Act, 1994; (As amended 2020 and up to date)
Insurance Act, 2010, Insurance Act 1938, Insurance Rules, 1958 and amendments thereto
Securities & Exchange Ordinance-1969 and Securities & Exchange Rules- 2020 (As amended)
Corporate Governance Code/Guidelines issued by BSEC & IDRA;
Policies, Procedures, Directives of IDRA & BSEC;
Listing regulations 2015 of Stock Exchanges;
Bangladesh Secretarial Standards (BSS) published by the Institute of Chartered Secretaries of Bangladesh (ICSB)
Registrar of Joint Stock Companies And Firms (RJSC)
Income Tax Act 2023
Income Tax Rules, 2024
The Value Added Tax and Supplementary Duty Act, 2012
The Value Added Tax and Supplementary Duty Rules, 2016
Tax & VAT related SROs etc.

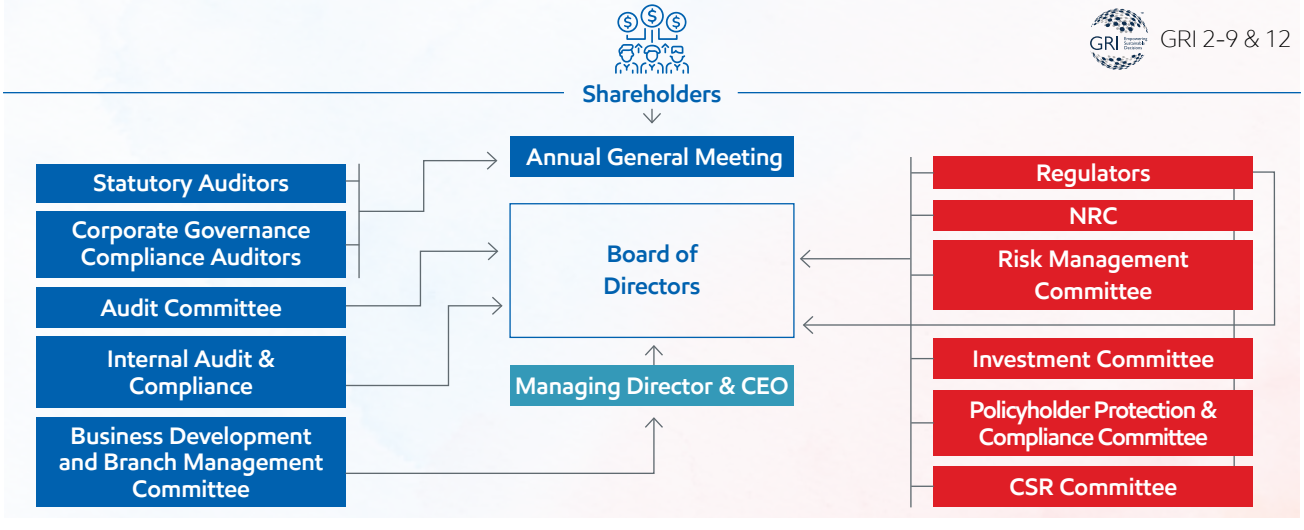
Internal Framework

Memorandum & Articles of Association of the Company;
Code of Conduct for the employees & the Board;
Board and Board Sub Committee Charters;
Vision, mission, strategic objectives and core values
Different approved Manuals / Guidelines of the Company

Governance structure of the Company

Corporate governance is the system of rules, regulations, practices, and processes by which the company is directed, operated, monitored, controlled and reviewed as part of the stakeholders' interest. Corporate governance involves balancing the interests of the company's stakeholders such as financiers, shareholders, debenture holders, sponsors, management, suppliers, consumers, lenders, borrowers, creditors, debtors, political activists, pressure groups, CSR, government and the local community. Our corporate governance also provides the framework for attaining the company's objectives. It contains practical action plans, risk assessment, monitoring and internal control and compliance for performance measurement and smooth functioning of corporate disclosure.

GRI 2-9 & 12



Value Creation by Corporate Governance

Corporate Governance lies at the heart of our Value Creation process, intricately linked to the organizational Capitals as illustrated below.



FINANCIAL CAPITAL

Prudent Financial Management practices ensure that value creation is maximised.

Refer page no. 63

HUMAN CAPITAL

Various HR related policies are in place to ensure fair and equitable treatment of all employees, thereby improving their well-being and skills.

Refer page no. 65

MANUFACTURED CAPITAL

Robust, new and forward-thinking infrastructure have enabled us to navigate any potential obstacles to a successful business operating model.

Refer page no. 76



INTELLECTUAL CAPITAL

Embracing technology paired with rigid employee coaching and empowerment, formed the cornerstone for adaptability and versatility within the Company.

Refer page no. 79

SOCIAL & RELATIONSHIP CAPITAL

Trust, transparency, and accountability are the foundations on which we build relationships with our customers, business partners and communities.

Refer page no. 82



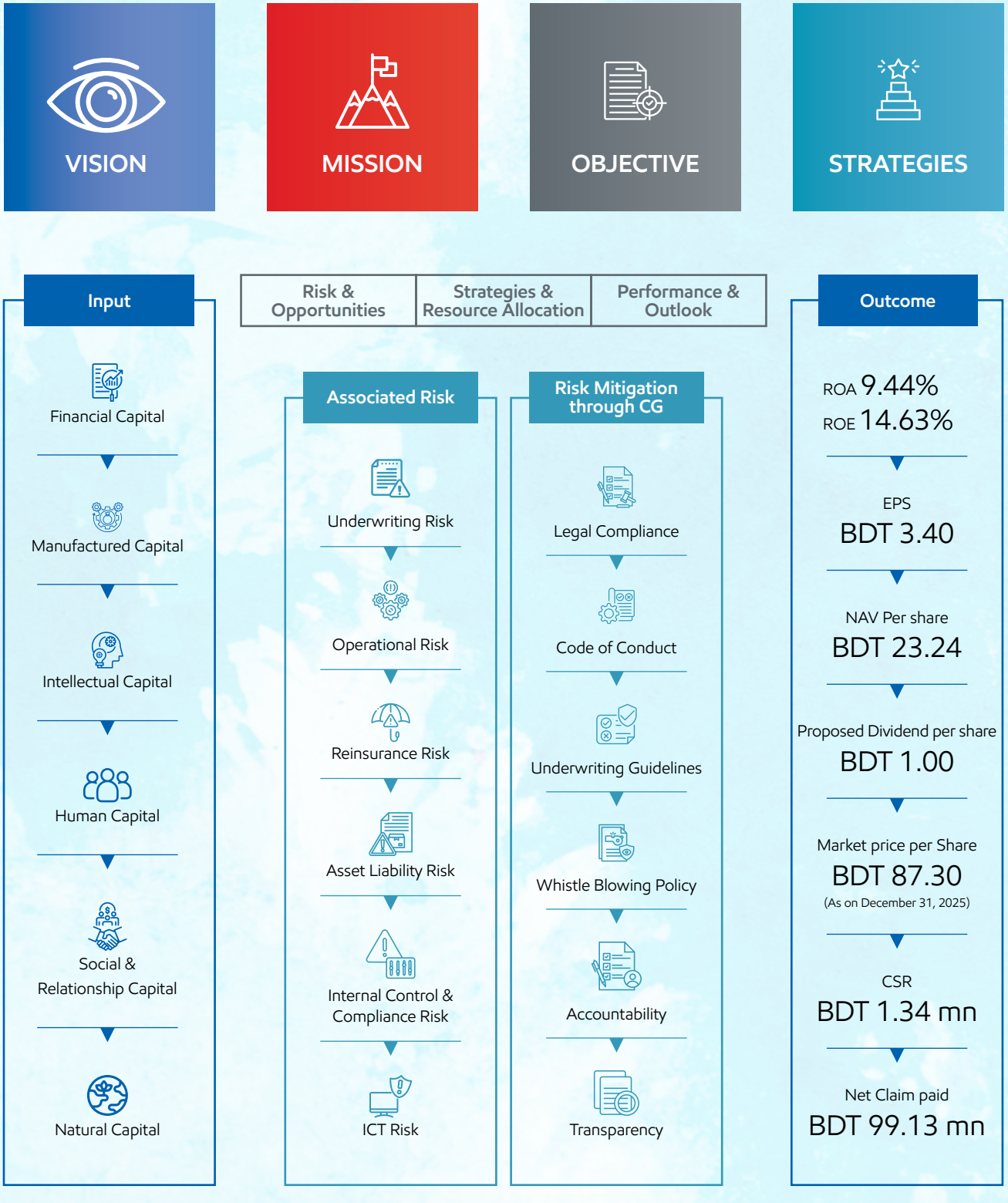
NATURAL CAPITAL

Employment of environmentally sound practices is prioritised in an effort to be ecological and energy conservative.

Refer page no. 85

Value Creation by Practicing Corporate Governance

Corporate governance practices and the value creation of a company such as CIPLC are inevitably linked. There is now widespread agreement that governance has a considerable impact on value creation. A good corporate governance system reduces risks, improves capital flow, boosts reputation, and facilitates improved decision-making, all of which contribute to the company's value. CIPLC's value creation through corporate governance is as follows:



1. BOARD OF DIRECTORS, CHAIRMAN & CEO

GRI 2-9

Board Size 14

A well-structured board should comply with regulatory requirements, promote open dialogue and accountability, and create space for thoughtful debate and diverse perspectives.

Gender Diversity

57% | 43%

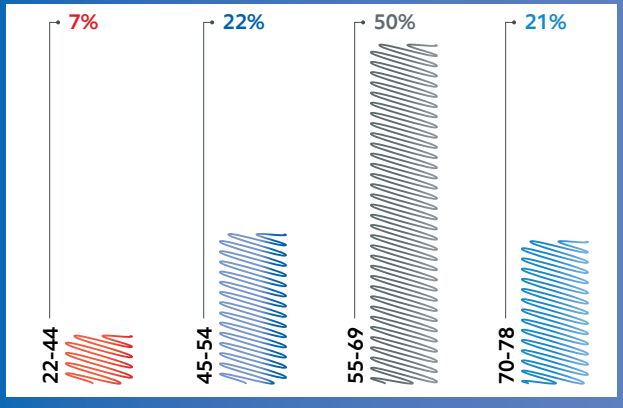
Board Composition
(Non-Executive Directors)

Chairman

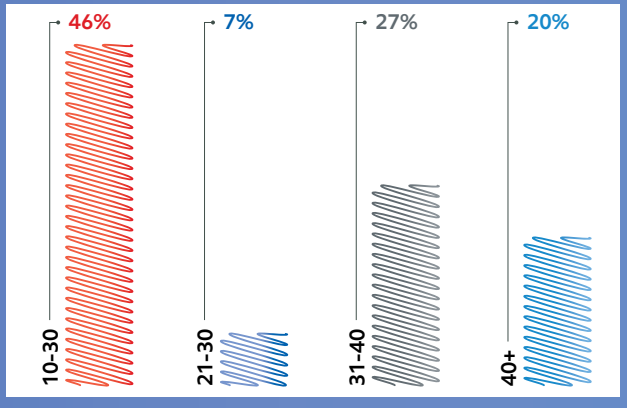
Sponsor, Nominated & Shareholding Directors

Independent Directors

Age Diversity



Length of Experience



Balance of Executive and Non-Executive Directors

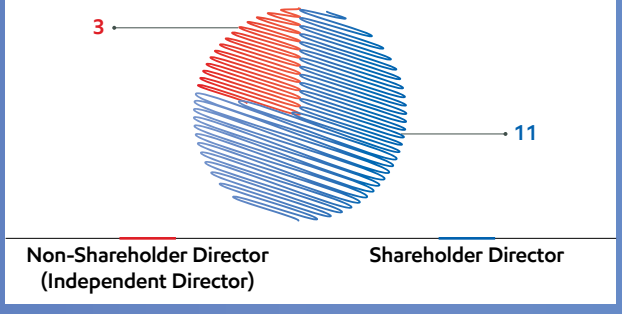
Managing Director & CEO
(Ex-Officio)

Non-Executive Directors

Independent Director
(Non-shareholding Director)

21% refers more than 1/5 ratio, 03 Independent Directors out of 11 Non-Executive Directors as per BSEC CG Code 2018.

Balance of Shareholding & Non-Shareholding Directors



GRI 2-11

The Board of Directors of City Insurance currently consists of 14 (Fourteen) Directors, all of whom are non-executive, including the Chairman. The existing Board of Directors of the Company includes three Independent Directors as prescribed in BSEC Corporate Governance Code 2018 (Amended up to 2023) Condition No. 1(2)(a).

1.1 Composition of Board and its Committees

Sl.	Name of Directors	Board	Audit Committee	Nomination and Remuneration Committee Meeting	Investment Committee	Risk Management Committee	Policyholder Protection & Compliance Committee
1	Mr. Hossain Akhtar	Chairman	-	Member	Member	-	-
2	Mr. Mohd. Abu Taher	Vice Chairman	-	-	-	-	-
3	Mrs. Bibi Amena	Director	-	-	-	-	-
4	Ms. Faizah Mehmood	Director	-	-	Member	Member	Member
5	Mr. Md. Harunoor Rashid	Director	Member	-	Chairman	-	-
6	Haji Md. Yousuf	Director	-	Member	-	-	-
7	Mrs. Hasina Begum	Director	-	-	-	-	-
8	Mr. Mohammad Aman Ullah	Director	-	-	Member	-	-
9	Mrs. Hasina Parveen Manwar	Director	-	-	-	-	-
10	Mr. Muhammad Nazirul Islam	Director	Member	Member	-	Chairman	Chairman
11	Mrs. Salina Ahmed	Director	-	-	-	-	
12	Mr. Mahabubul Haque	Independent Director	Chairman	-	-	-	-
13	Mr. Tauhiduddin Md. Zahed	Independent Director	-	Chairman	Member	Member	Member
14	*Barrister Miti Sanjana	Independent Director	-	-	-	-	Member
15	Md. Shamim Hossain	Managing Director & CEO (Ex-officio)	-	-	-	-	-

**Independent Director Mohammed Saif Noman Khan's first term ended on 28 February 2025. In line with BSEC Notification No. BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024, the Board appointed Barrister Miti Sanjana as the female Independent Director effective from 01 March 2025 after receiving consent from BSEC, and the appointment was subsequently approved at the 29th AGM held on 24 March 2025*

1.1.1 Roles, Meeting, Attendance, and Quorum

Information on the composition, roles, meetings, attendance and quorum of the Board and other board committees, such as the Audit Committee, NRC, Investment Committee, Risk Management Committee, and Policyholder Protection & Compliance Committee during the year 2025.

Particulars	Roles	Meetings held	Attendance	Quorum
Board	The Board comprises fourteen members serving in various capacities, such as Chairman, Independent Directors, and Members, in compliance with the directives of BSEC and IDRA.	Total 05 (five) meeting held Refer **page no. 248**	An average attendance rate of 98% has been maintained. Attendance refer **page no. 256 & 257**	As per the MoA and AoA of the company.
Audit Committee	The committee consists of three members serving in various roles, such as Chairman, Independent Director, and Members, in accordance with the directives of BSEC and IDRA.	Total 04 (four) meeting held Refer **page no. 265**	A 100% attendance rate has been maintained. Attendance refer **page no. 256 & 257**	BSEC-CG & IDRA: Audit Committee must comprise at least two members or two-thirds of its total members, including at least one independent director.
NRC	The board consists of four members, each serving in different capacities, such as Chairman, Independent Director, and Members, in accordance with the CG guidelines of IDRA.	Total 02 (two) meeting held Refer **page no. 286**	A 100% attendance rate has been maintained. Attendance refer **page no. 256 & 257**	BSEC-CG & IDRA: NRC must comprise at least two members or two-thirds of its total members, including at least one independent director.
Investment Committee	The board is comprised of five members, each serving in distinct roles, such as Chairman, Independent Director, and Members, in compliance with the CG guidelines of IDRA.	Total 01 (one) meeting held Refer **page no. 253**	A 100% attendance rate has been maintained. Attendance refer **page no. 256 & 257**	IDRA: Presence of three members is required, and the CEO will not have voting rights.
Risk Management Committee	The board consists of three members, each holding different roles such as Chairman, Independent Director, and Members, in accordance with the CG guidelines of IDRA.	Total 01 (one) meeting held Refer **page No. 255**	A 100% attendance rate has been maintained. Attendance refer **page no. 256 & 257**	IDRA: The presence of two members will constitute a quorum.
Policyholder protection & compliance committee	The board consists of four members, each holding different roles such as Chairman, Independent Director, and Members, in accordance with the CG guidelines of IDRA.	Total 01 (one) meeting held Refer **page no. 256**	A 100% attendance rate has been maintained. The detailed attendance Attendance refer **page no. 256 & 257**	IDRA: The presence of two members will constitute a quorum.

1.1.2 Roles & Responsibilities of the Board and Directors

GRI 2-12

Roles & Responsibilities of the Board

Strategic

- Strategy development & implementation
- Set direction, vision, and policies
- Talent development
- Succession planning

Framework

- Strategy development & implementation
- Set direction, vision, and policies
- Talent development
- Succession planning

Governance

- Strategy development & implementation
- Set direction, vision, and policies
- Talent development
- Succession planning

Board Function

- Directors' appointment
- Inspiration and mentorship
- Knowledge diversity
- Evaluate top executive performance

Roles & Responsibilities of the Board of Directors

Board Approaches

- Morals
- Integrity
- Rapport
- Personalities

Board Proficiencies

- Talent
- Aptitude
- Associates
- Knowledge

Board Structures

- Policies
- Process
- Procedures
- Board Committees

Policies & Strategic Formulation | Regulatory Compliance & Governance Review | Appointment of Senior Management | Business & Investment Decision

Review of Risk Management | Financial Statements | Shareholders/Stakeholders communication | Sustainable Growth & CSR

Roles & Responsibilities of the Board of Directors

1.1.3 Induction Policy of the Directors

GRI 2-10

Every newly appointed Director to the Board is extended a formal induction program, accompanied by a cordial welcome from the Board.	To acquaint the new Director with City Insurance's strategy and goals, ensuring a comprehensive understanding of the business lines, corporate functions, significant financial highlights, audit procedures, compliance protocols, risk management practices, and governance framework.

The Chairman, representing the Board, along with the MD & CEO, the Company Secretary, the Chief Financial Officer, and the Head of Internal Control and Compliance, furnish new Directors with an information package covering disclosure obligations, the Code of Ethics & Conduct, Articles & Memorandum of the Company, Terms of References for Board Committees, the Annual Report of the Company, and other relevant materials.

1.1.4 Policy on Removal of Directors

Except for independent directors, any director may be removed in accordance with the Company's Articles of Association. However, no such incident has occurred since the Company's establishment.

1.1.5 Transparency in Board Nomination and Election Process

The nomination and election of Directors, a crucial aspect of a well-functioning corporate governance system, must adhere to fairness and full compliance with the Companies Act 1994 and the Corporate Governance Code of BSEC. The Board, with the authority to appoint Nominated Directors (chosen by shareholding companies), Individual shareholding Directors, and Independent Directors (industry experts/professionals), seeks approval from regulatory bodies (BSEC). The final endorsement comes from shareholders during the Annual General Meeting (AGM). According to the company's Articles of Association (AoA), every year, one-third of the Directors (excluding Independent and Ex-Officio Directors) retire from office at the AGM. If eligible, they may seek re-election, subject to shareholders' approval in the AGM.

1.1.6 Retirement and Re-election of Directors

As per Article 112 of Articles of Association of the Company the following 02 (two) Non-Executive Directors will retire from the Board by rotation at 30th Annual General Meeting and being eligible as per Article 114 offer themselves for re-appointment.

Sl.	Name of the Director	Designation
1	Mr. Mohd. Abu Taher	Vice Chairman, Director
2	Mrs. Bibi Amena	Director

Brief Resume and other information of the Directors as per clause 1.5 (xxiv) of BSEC Corporate Governance Code on 03 June 2018 are delimitated in this Annual report at **page no. 102 & 103**

As per Article 112 of Articles of Association of the Company following 1 (One) Director will also retire from the Board by rotation accordingly to Insurance Act and Rules from public shareholder Director.

Name of the Director	Designation
Mrs. Selina Ahmed	Shareholder Director (Nominated by A-One Polymer Ltd.)

Brief Resume of the Directors as per clause 1.5 (xxiv) (a) of BSEC Corporate Governance Code on 03 June, 2018 (Amended up to 2023) including their expertise and Directorship/ Membership with other Companies/Committees are provided under "Profile of the Board of Directors" of this Annual Report 2025, **page no. 107**

1.1.7 Annual Appraisal of the Board's Performance and disclosure

The Board's performance is regularly evaluated through a structured and transparent process that ensures accountability and effective governance. Shareholders play a vital role in this process during the Annual General Meeting (AGM), where they review the company's financial position, overall performance, and the effectiveness of internal controls and governance mechanisms. The AGM provides shareholders the opportunity to raise questions directly to the Board, with the Chairman ensuring thorough discussion and clear responses.

Evaluation of the Board is based on key performance parameters, including shareholder return, share price movement, return on capital employed, earnings per share, and other relevant indicators. Each Board meeting highlights director attendance and active participation on agenda items, as well as reviews of the adequacy and effectiveness of the internal control system and governance framework.

The Board approves the annual budget and monitors quarterly financial variances to ensure that strategic targets are met. Achievement of these budgeted targets serves as a significant measure of Board performance. In addition, supporting committees present regular performance reports during Board meetings, which further contribute to evaluating the effectiveness and contribution of individual Board members.

GRI 2-9, 11, 12 & 405-1

This structured and continuous appraisal process underscores CIPLC's commitment to transparency, accountability, and the ongoing enhancement of its corporate governance practices.

1.2 Diversity of the Board

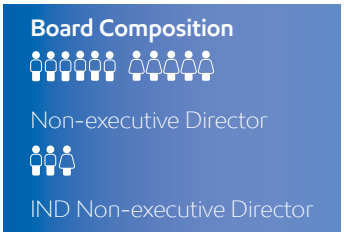
1.2.1 Professional Background

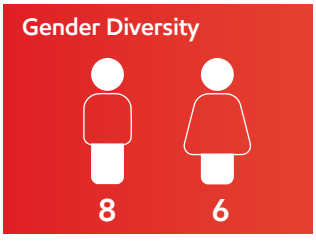
Our board comprises experts from diverse disciplines, providing the business with a well-rounded perspective that enhances effective strategic planning and execution. The table and illustrations below highlight the areas of expertise and tenure of our board members.

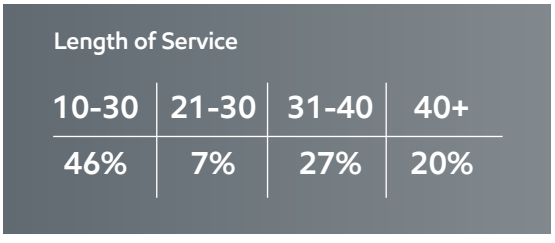
1.2.2 Years of Professional Expertise

All members of our Board are highly accomplished in their respective fields, bringing over 10 years of expertise to the table. The majority of our directors have 10 to 30 years or 31 to 40 years of experience, providing stakeholders with confidence in their decision-making and leadership capabilities.

1.2.3 Board Members Suitably Qualified and Experienced





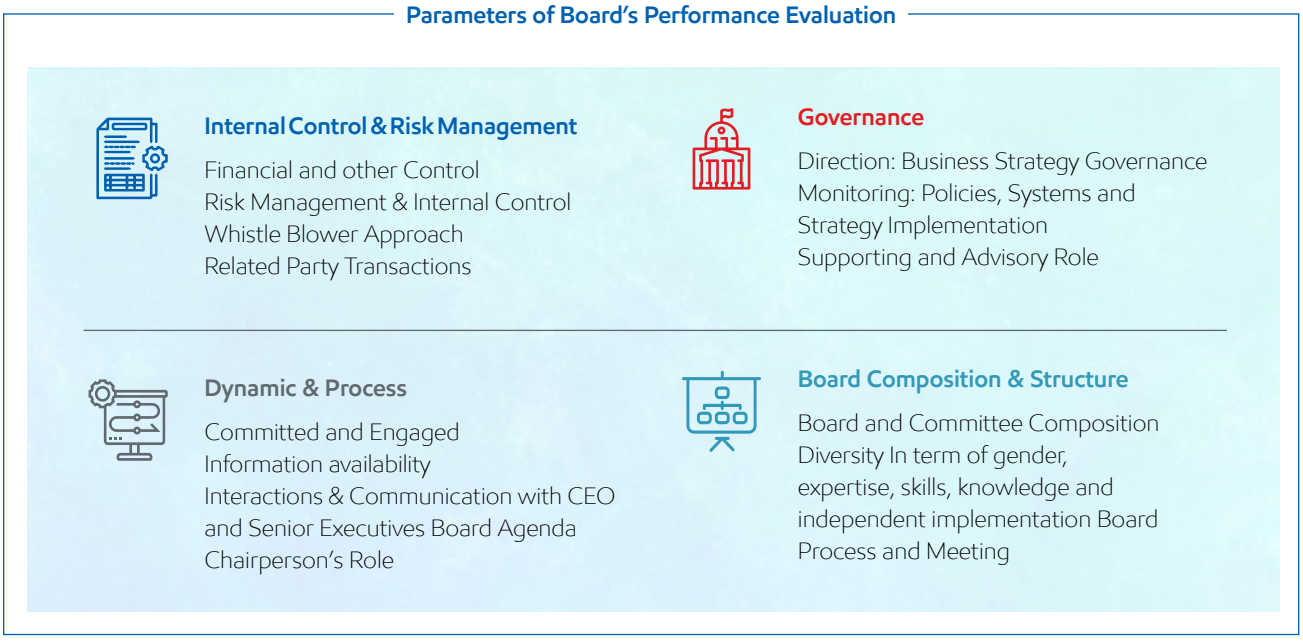


Professional Expertise of Board of Directors by Sectors:

Sl.	Name of Directors	Finance & Accounting	Legal & Regulatory	Non-life Insurance	Economics	Strategic Planning	Marketing	Information Technology	Risk Management
1	Mr. Hossain Akhtar	♂	♂	♂			♂		
2	Mr. Mohd. Abu Taher	♂					♂		
3	Mrs. Bibi Amena		♀			♀			
4	Ms. Faizah Mehmood		♀	♀		♀	♀	♀	♀
5	Mr. Md. Harunoor Rashid	♂	♂					♂	
6	Haji Md. Yousuf			♂		♂			
7	Mrs. Hasina Begum			♀		♀			
8	Mr. Mohammad Aman Ullah	♂	♂			♂	♂		
9	Mrs. Hasina Parveen Manwar	♀				♀	♀		
10	Mr. Muhammad Nazirul Islam	♂	♂	♂		♂	♂		♂
11	Mrs. Salina Ahmed			♀			♀		
12	Mr. Mahabubul Haque	♂	♂	♂	♂	♂			♂
13	Mr. Tauhiduddin Md. Zahed	♂	♂	♂	♂	♂			♂
14	Barrister Miti Sanjana		♀	♀		♀		♀	♀

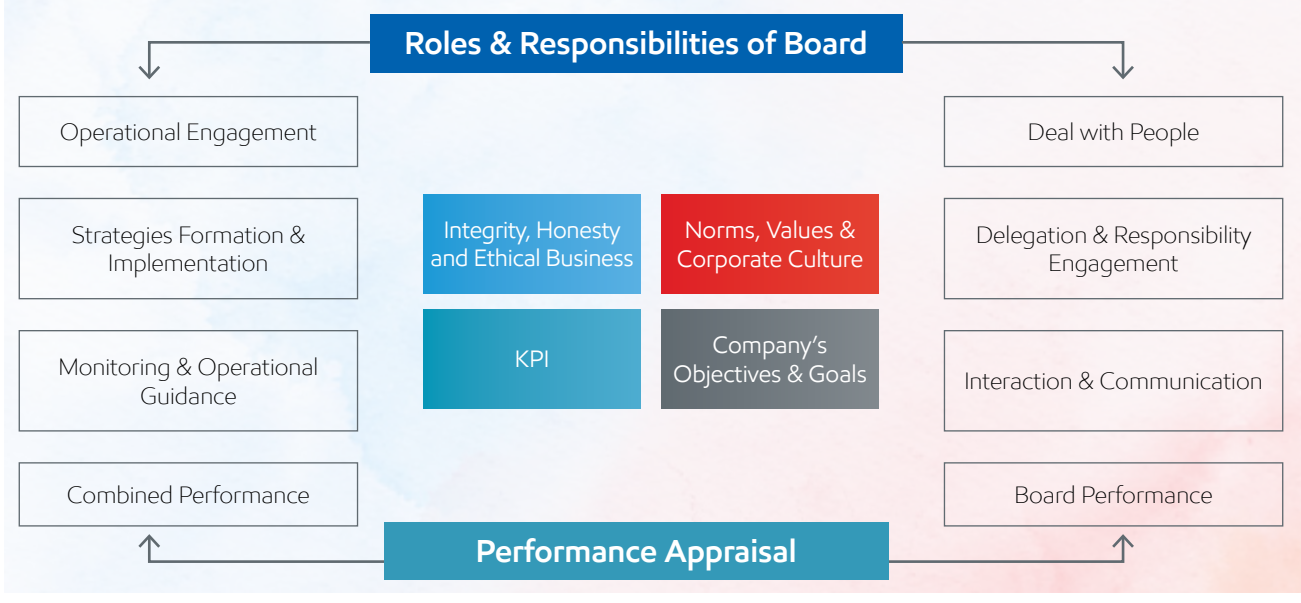
GRI 2-5

Parameters of Board's Performance Evaluation



The Board's performance is assessed using specific criteria such as shareholder return, share price, return on capital employed, earnings per share, and other relevant metrics. Each Board meeting emphasizes the attendance and active participation of directors, covering diverse agenda items and reviewing the adequacy and effectiveness of internal controls and governance mechanisms. The Board approves the annual budget, monitoring quarterly monetary variances to ensure target achievement, as its performance is closely tied to meeting budgeted goals.

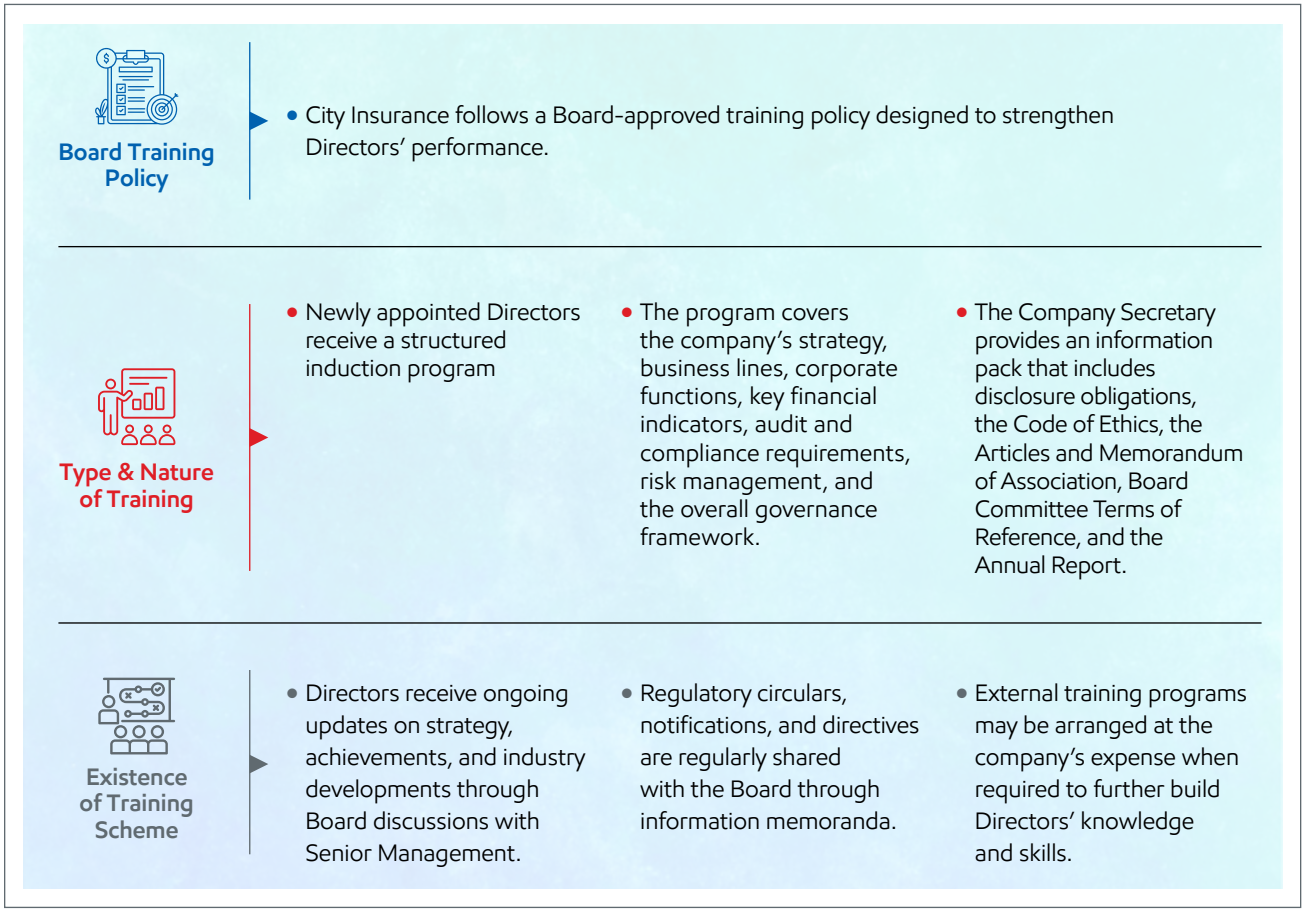
Performance Assessment Process



Regular performance reports from supporting committees are presented during Board meetings, offering insights for evaluation. The performance reports of these committees, which include assessments of Board members, contribute significantly to the ongoing evaluation of the Board's overall effectiveness.

GRI 2-17 & 18

1.2.4 Policy on Training for the Board of Directors



1.2.5 Key Activities performed by Board in 2025

During FY 2025, the Board met 05 (Five) times to deliberate and consider a variety of significant matters that required its guidance and approval. The Board also had separate sessions with the management to discuss the Company's strategies. Among the topics and strategies that were reviewed, deliberated and approved by the Board during FY 2025 were as follows:

Quarter-wise Overview of Main Recurring Board Activities of 2025

January – March

- Authorization of Financial Statements 2024 and Annual Report 2024
- Adoption of Directors' Report of 2024
- Dividend declaration for 2024
- Appointment of Statutory and Corporate Governance Auditors and determination of Audit Fees
- Holding Annual General Meeting
- Appointment of Independent Directors

April – June

- Endorsement of First Quarter Financial Statements 2025 (January – March)
- Approval of CEO 3rd term re-appointment
- Unclaimed Dividend transfer to CMSF
- Risk Management Committee & Policyholder Protection & Compliance Committee reconstituted

July – September

- Endorsement of Second Quarter Financial Statements 2025 (July – September)
- Approval of Incentive Bonus

October – December

- Endorsement of Third Quarter Financial Statements 2025 (July – September)
- Approval of Annual Salary/Remuneration Enhancement

1.2.6 The board carries out a robust assessment of the company's emerging and principal risks. Taking into account the company's current position and principal risks, the board explains in the annual report how it has assessed the prospects for the company

The initial assessment of the emerging and principal risks facing the company, along with its current position, has been thoroughly examined. This analysis is presented under the section titled "Risk Management Disclosure," on **page no. 171**

1.2.7 Directors Shareholding Status

Each sponsor, promoter, and director of the company is required to maintain a minimum ownership of 30% of the company's shares at all times. Additionally, every director, excluding independent directors, must hold at least 2% of the company's paid-up capital. All directors, except independent directors, of CIPLC have complied with BSEC Notification No. BSEC/CMRRCD/2009-193/119/Admin on Corporate Governance, dated November 22, 2011. The collective shareholding of Sponsors/Directors in City Insurance stands at **36.06%**. Detailed information on the directors' shareholdings as follows:

a) Parent/ Subsidiary/ Associated Companies

Sl. No.	Name	Board Status	No. of Securities Held at 31.12.2025	% of Total No. of Paid-up Securities at 31.12.2025	Remarks
	Nil	Nil			

b) Directors, Sponsors, CEO, Company Secretary, CFO, HIAC and their spouse and minor children

Sl. No.	Name	Board Status	No. of Securities Held at 31.12.2025	% of Total No. of Paid-up Securities at 31.12.2025	Remarks
01	Anwar Jute Spinning Mills Ltd.		26,02,704	3.82%	
	Mr. Hossain Akhtar (Nominated by Anwar Jute Spinning Mills Ltd.)	Chairman, Director	-	-	
02	**Mr. Md. Abu Taher**	Vice Chairman, Sponsor Director	20,65,639	3.03%	
03	**Mr. Hossain Mehmood**	Sponsor Shareholder	40,05,266	5.88%	
04	**Mrs. Bibi Amena**	Director	16,52,507	2.42%	
05	Anwar Silk Mills Ltd.		20,65,639	3.03%	
	Faizah Mehmood (Nominated by Anwar Silk Mills Ltd.)	Director	–	–	
06	Khaled Iron & Steel Mills Ltd.		18,59,074	2.73%	He holds 2,27,218 shares as Sponsor Shareholder in his name.
	Mr. Harunoor Rashid (Nominated by Khaled Iron & Steel Mills Ltd.)	Director	2,27,218	0.33%	
07	**Haji Md. Yousuf**	Sponsor Director	22,72,202	3.33%	
08	Hossain Dyeing & Printing Mills Ltd.		20,65,639	3.03%	She holds 4,29,424 shares in her name
	Mrs. Hasina Begum (Nominated by Hossain Dyeing & Printing Mills Ltd.)	Director	4,29,424	0.63%	
09	Wazeefa Acrylic Spinning Spinning Mills Ltd.		16,43,121	2.41%	
	Mr. Mohammad Amanullah (Nominated by Wazeefa Acrylic Spinning Spinning Mills Ltd.)	Director	–	–	
10	Nominated by Mehmud Industry Pvt. Ltd.		13,64,254	2.00%	She holds 5,51,522 shares in her name.
	Mrs. Hasina Parveen Manwar (Nominated by Mehmud Industry Pvt. Ltd.)	Director	5,51,522	0.81%	

Sl. No.	Name	Board Status	No. of Securities Held at 31.12.2025	% of Total No. of Paid-up Securities at 31.12.2025	Remarks
11	Anwar Landmark Ltd.		13,64,061	2.00%	
	Mr. Muhammad Nazirul Islam (Nominated by Anwar Landmark Ltd.)	Director	–	–	
12	A-One Polymer Ltd.		13,94,305	2.05%	She holds 4,13,125 shares in her name.
	Mrs. Salina Ahmed (Nominated by A-One Polymer Ltd.)	Director	4,13,125	0.61%	
13	**Mr. Mahabubul Haque**	Independent Director	-	-	
14	**Mr. Tauhiduddin Md. Zahed**	Independent Director	-	-	
15	**Barrister Miti Sanjana**	Independent Director	-	-	
Sub Total			**2,59,75,700**	**38.11%**	
Excluding personal shareholding of Nominated/ Representative Directors			13,94,071	2.05%	
Grand Total			**2,45,81,629**	**36.06%**	

c) Shareholding Position of MD/CEO, CFO, Company Secretary and HIAC & their Spouse

Sl. No.	Name	Status	No. of Securities Held at 31.12.2025	% of Total No. of Paid-up Securities at 31.12.2025	Remarks
1	Mr. Md. Shamim Hossain	Chief Executive Officer	-	-	
2	Mr. Sheikh Azizul Haque	Chief Financial Officer	-	-	
3	Mr. Mohammed Ashaduzzaman Sarkar	Company Secretary	-	-	
4	Mr. Md. Ibrahim Mollah	Head of Internal Audit & Compliance	-	-	

d) Shareholding by top 5 Salaried Executives

Sl. No.	Name	Status	No. of Securities Held at 31.12.2025	% of Total No. of Paid-up Securities at 31.12.2025	Remarks
1	Mr. Chowdhury Md. Salehuddin	Dy. Managing Director	-	-	
2	Mr. A.T.M Nazmul Hossain	Asst. Managing Director	-	-	
3	Mr. Khandker Mosabber Hossain	Asst. Managing Director	-	-	
4	Mr. Sabir Mohammed Azad	Sr. Executive Vice President	-	-	
5	Mr. Salim Hossain	Sr. Executive Vice President	-	-	

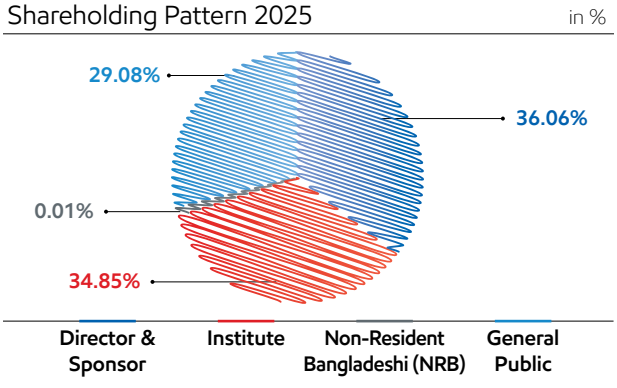
e) Shareholding of the Shareholders holding 10% or more Voting Rights

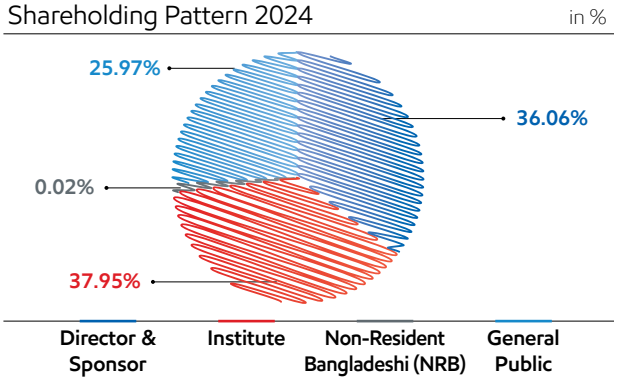
Sl. No.	Name	Status	No. of Securities Held at 31.12.2025	% of Total No. of Paid-up Securities at 31.12.2025	Remarks
1	Nil	-	-	-	-

e) Pattern of Shareholding

City Insurance PLC has an authorized capital of BDT 200 crore, divided into 20 crore ordinary shares of BDT 10 each. Its paid-up capital stands at BDT 681,661,222 represented by 6,81,66,122 ordinary shares of BDT 10 each. In line with Section 1(5)(xxiii) of BSEC Notification dated June 3, 2018, the Company's shareholding pattern is presented below:

Type of Owner	No. of shares held	% of holding	Value of shares BDT	% of holding
	2025		2024	
Director & sponsor	2,45,81,629	36.06	24,58,16,290	36.06
Institute	2,37,55,086	34.85	23,75,50,860	37.95
Non-Resident Bangladeshi (NRB)	9,159	0.01	91,590	0.02
General public	1,98,20,248	29.08	19,82,02,480	25.97
Total	**6,81,66,122**	**100**	**681,661,220**	**100%**





f) Shareholding concentration public

As per the shareholding report published on December 31, 2025, the shareholding concentration of the public is detailed on **page no.357**

1.3 Policy on appointment of Directors including Independent Directors

1.3.1 Criteria for Appointing Directors including Independent Directors

Provision of Companies Act 1994
Relevant guidelines, circulars of Insurance Development & Regulatory Authority (IDRA)
Corporate Governance Code & Notifications of BSEC
Insurer's Corporate Governance Guideline, 2023 of IDRA
Memorandum and Articles of Association

GRI 2-10

The appointment of new Directors by City Insurance PLC is based on a combination of knowledge, skills, experience, and perception, with shareholders participating in the election process during the Annual General Meeting. The Board of City Insurance is dedicated to promoting diversity and inclusivity in its structure and discussions, recognizing that a diverse Board can positively impact the Company's value and relevance. Diversity considerations encompass factors such as gender, age, cultural background, and educational qualifications.

City Insurance strictly follows all applicable rules and regulations concerning the nomination, removal, causal vacancy, and appointment of alternate directors. These processes are carried out in accordance with established laws and regulations. The non-executive directors maintain independence from the management and are not involved in the day-to-day operations of the Company. The Board of Directors holds the responsibility for both the Company's performance and governance, ensuring accountability to its shareholders.

City Insurance's Policy on appointment of Directors

- Examine the Board's size and composition to ensure a diverse blend of skills, expertise, and experiences, thereby enhancing overall Board performance.
- Identify the required competencies, potentially addressing them by appointing a nominated or independent director possessing the necessary skills and experiences.
- Obtain approval for Independent Non-executive Directors from the Bangladesh Securities and Exchange Commission (BSEC).
- Ultimately, directors are appointed during the Annual General Meeting (AGM) by shareholders; any unforeseen director vacancies may be filled by the Board, pending shareholder approval in the subsequent AGM.
- The appointment of the Managing Director & CEO is at the discretion of the Board, contingent upon approval from the Insurance Development and Regulatory Authority (IDRA).
- The Chairman is elected amongst the non-executive directors

Complied: In case of appointment of new Directors, the existing Board considers all the terms and conditions stated in the Provision of Companies Act 1994, Relevant guidelines, circulars of Insurance Development & Regulatory Authority (IDRA), Corporate Governance Code & Notifications of BSEC, Insurer's Corporate Governance Guideline, 2023 of IDRA and Memorandum and Articles of Association. The Board of City Insurance PLC comprises of members from diverse professional and educational backgrounds, having adequate knowledge and experiences in finance, accounting and business growth and administration. Currently, the Board has been formed with 14 (Fourteen) Non-Executive Directors. The Directors are:

a. 08 Nominated Directors who are directly nominated by the shareholding companies.

b. 02 Sponsor Directors

c. 01 Shareholding individual director

d. Three Independent Directors, including one female Independent Director (1/5 of the total Board size of 14), have been duly elected by the shareholders at the AGM.

The Board is chaired by **Mr. Hossain Akhtar.** He is an industrialist and eminent business personality.

1.3.2 Criteria for appointment of Independent Directors are compiled with

For Non-Executive Independent Directors, the NRC reviews recommendations of qualified professionals, verifies required documents, and evaluates candidates in line with the Corporate Governance Code and IDRA guidelines. After securing BSEC's consent, the Board appoints the selected candidate. Final approval is given by shareholders at the AGM, while any casual vacancy may be filled by the Board subject to confirmation at the next AGM.

The Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of the recommendation of the Nomination and Remuneration Committee (NRC) of the company;

If the office of a director is vacated for a period exceeding 90 (ninety) days, other Directors will proceed for appointment or take over his position as per the applicable provisions of the Laws & Regulations;

The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;

Provided that a former Independent Director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e., six years]; and

Provided further that the Independent Director shall not be subject to retirement by rotation as per the Companies Act, 1994.

GRI 2-10

Following criteria should be fulfilled to be an Independent Director

Who either does not hold any share of the company or holds less than one percent (1%) shares of the total paid-up shares of the company;
Who is not a sponsor of the company or is not connected with the company's any sponsor or Director or nominated Director or Shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company.
Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;
Who has not been an executive of the company in immediately preceding 2 (two) financial years;
Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;
Who is not a Shareholder, Director excepting an Independent Director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;
Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of BSEC Corporate Governance Code;
Who is not an Independent Director in more than 5 (five) listed companies;
Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and
Who has not been convicted for a criminal offence involving moral turpitude.

1.3.3 ROLE OF INDEPENDENT DIRECTORS

The company ensures independence by appointing directors who are not shareholders and have no family or other affiliations with the board, executives, or management. Along with their duties as board members, independent directors also carry out the following responsibilities:

- **Overseeing matters that may involve potential conflicts of interest.**
- **Reviewing, evaluating, and overseeing related-party transactions to ensure they are fair and in the best interests of CIPLC.**
- **Confirming that the organization maintains an effective and independent compliance function.**
- **Providing independent judgment that adds value to the board's decision-making.**

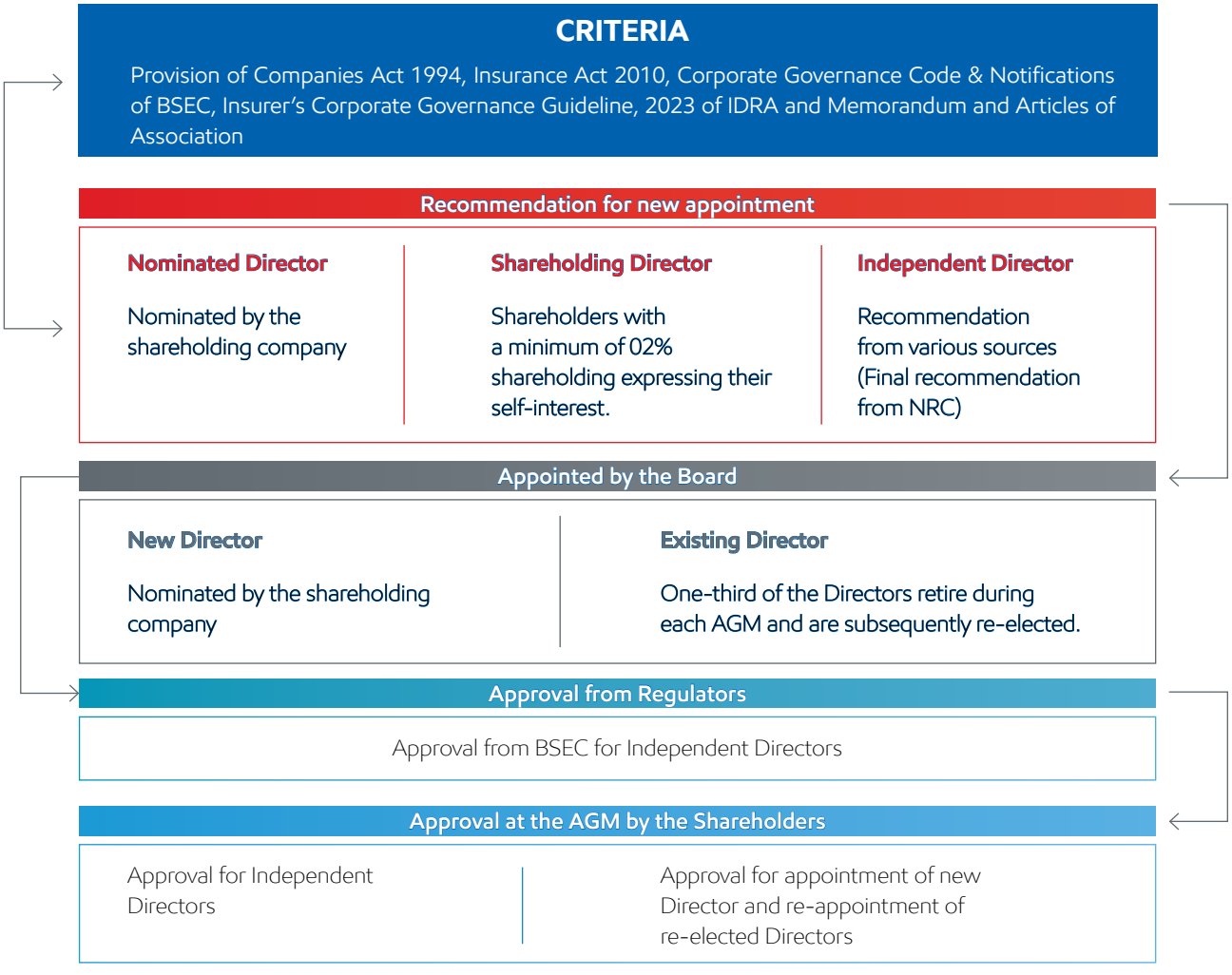
1.3.4 Qualification of Independent Directors

Independent Directors of City Insurance PLC shall be a knowledgeable individual with integrity who are able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business. He/She also has all required qualification as mentioned under section 1(3) of Corporate Governance Code as issued by BSEC.

1.3.5 Regulatory Disclosure of BSEC of Corporate Governance Code for Appointing/Re-appointing Independent Director

By recommendation of Nomination and Remuneration Committee (NRC) of the company appointing/reappointing Independent Director, a Regulatory Disclosure of BSEC Form of Corporate Governance Code [reference: provisions 6(1)-6(4), 6(5), 1(2)(a), 1(2)(b)(i), 1(2)(b)(ii), 1(2)(b)(iii), 1(2)(b)(iv), 1(2)(b)(v), 1(2)(b)(vi), 1(2)(b)(vii), 1(2) (b)(viii), 1(2)(b)(ix), 1(2)(b)(x), 1(2)(c), 1(2)(d), 1(2)(e), 1(3)(a), 1(3)(b)(i), 1(3)(b)(ii), 1(3)(b)(iii), 1(3)(b)(iv), 1(3)(b)(v), 1(3)(c)] for Independent Non-Executive Directors is duly signed and submitted to BSEC with necessary documents to get approval. Finally, the Board appoints the Independent Director upon getting consent from BSEC followed by approval by the shareholders in the subsequent AGM.

GRI 2-10



Disclosure of Appointing Independent Director (Illustrate: it should be highlighted)

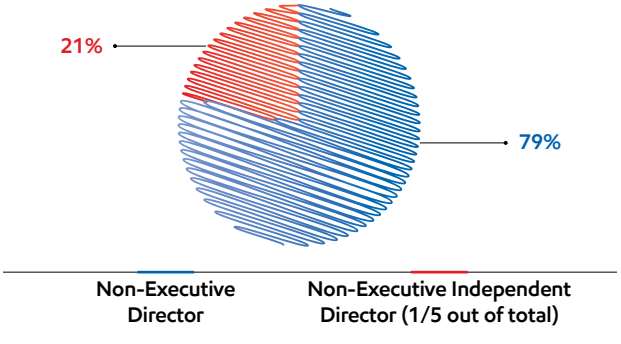
Independent Director Mohammed Saif Noman Khan's first term ended on 28 February 2025. In line with BSEC Notification No. BSEC/CMRRCD/2009-193/76/PRD/151 dated 04 April 2024, the Board appointed Barrister Miti Sanjana as the female Independent Director effective from 01 March 2025 after receiving consent from BSEC, and the appointment was subsequently approved at the 29th AGM held on 24 March 2025.

1.3.6 Adequate number of Independent Directors with expertise/professional knowledge

In adherence to the Corporate Governance Code, a minimum of one-fifth (1/5) of the total Board directors is required to be Independent Directors. Consequently, to comply with this guideline, three out of the total 14 Non-Executive Directors are Independent, namely, **Mr. Mahabubul Haque,** former Deputy General Manager (DGM) at Bangladesh Bank, **Mr. Tauhiduddin Md. Zahed,** former General Manager of Sadharan Bima Corporation, and **Barrister Miti Sanjana,** is an advocate of the Supreme Court of Bangladesh. It is noteworthy that they do not hold any shares of the company.

Adequate number of Independent Directors with expertise/professional knowledge

in %



GRI 2-19

1.3.7 Independence of Independent Directors

City Insurance adheres to all relevant regulations concerning the Board's independence, as stipulated by the laws, regulations, and the Corporate Governance Code of BSEC. The Independent Directors maintain independence from the management, abstain from involvement in the day-to-day operations of the organization, and ensure autonomy in decision-making and providing opinions.

1.3.8 Appropriate proportion of Independent Directors to total number of Directors

In compliance with the corporate governance guidelines set by BSEC and IDRA, the recommended proportion of independent directors is 1/5th, or 2 members, of the total board. Currently, City Insurance has 3 independent directors out of a total of 14 board members, reflecting the required proportion of independent representation. Additionally, as per BSEC's Notification No. BSEC/CMRRCD/2009-193/76/PRD/151 dated April 4, 2024, the appointment of a female Independent Director is subject to shareholder approval at the 29th AGM of the Company. Detailed profiles of the independent directors are available under the section titled "Profile of the Board of Directors and Their Representation on the Board." **page no. 102**

1.3.9 Remuneration of the Directors including Independent Director(s)

The directors, including independent directors, all of whom are non-executive directors, are given a meeting attendance fee of BDT 8,000 only (Excluded VAT & Tax) per meeting of the board and its committees. The details of Directors' Remuneration paid during the year are stated below:

Particulars	2025		2024	
	Total meetings held (Board & Committees)	Remuneration paid (BDT)	Total meetings held (Board & Committees)	Remuneration paid (BDT)
Non-Executive Directors remuneration	14	5,92,000	14	5,92,000
Non-Executive Independent Directors remuneration		1,92,000		1,76,000
Total		**7,84,000**		**7,68,000**

1.3.10 Adequate Representation of Non-Executive Directors

In accordance with the relevant guidelines from the Insurance Development and Regulatory Authority (IDRA) and the Bangladesh Securities and Exchange Commission (BSEC), City Insurance upholds a sufficient presence of non-executive Directors on the board. All the Directors are non-executive except the Managing Director & CEO.

1.3.11 Qualified Members of the Board of Directors with expert knowledge regarding Financials and Corporate regulatory rules, responsibilities and implications

As a diversified Board of City Insurance, the members of the Board are well qualified, comprising a number of seasoned government officials, industrialists, businessman and advocate who have expert knowledge regarding the Industry, Financials and Corporate regulatory rules, responsibilities and its implications in the company i.e. **Mr. Mahabubul Haque,** former Deputy General Manager (DGM), Bangladesh Bank, **Mr. Tauhiduddin Md. Zahed,** former General Manager of Sadharan Bima Corporation and **Barrister Miti Sanjana,** is an advocate of the Supreme Court of Bangladesh. In addition the detail profile of the Board of Directors are shown in **page no. 107 to 108** of this Annual Report 2025.

1.4 Code of Conduct for Directors

The Code of Conduct (CoC) has been articulated by the Board of Directors of City Insurance to set forth principles and ethical standards for the Chairman, other Board Members and Managing Director & CEO (Ex-officio) in accordance with the condition no. 1. (7) of the Corporate Governance Code-2018 of Bangladesh Securities and Exchange Commission (BSEC). It is also available on the website of the Company https://cityinsurance.com.bd. The Company has received confirmations from the Chairman as well as Senior Management Personnel regarding compliance of the Code during the year under review. Details Code of Conduct for Directors of the Company have been given on **page no. 110** of this annual report.

1.4.1 Code of Conduct for Senior Management

Senior management must demonstrate integrity, compliance, and professionalism, ensuring ethical conduct, legal adherence, and confidentiality. They promote respect, inclusivity, financial integrity, and responsible governance while prioritizing fairness in conflict resolution and social responsibility. Continuous learning and prompt reporting of violations are essential to fostering trust and sustainable growth. Details have been given on **page no. 32** of this annual report.

1.5 Disclosure of the qualification, experience, and remuneration of senior management

This annual report provides a detailed disclosure of the qualifications, experience, and remuneration of senior management. These comprehensive insights are meticulously outlined in Chapter 02, under the section titled "Profile of the Management Team," highlighting leadership transparency and expertise.

1.6 Report on compliance with best practices on corporate governance by the directors

The Directors of City Insurance PLC confirm that the Company has adhered to the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) and the Corporate Governance Guidelines of the Insurance Development and Regulatory Authority (IDRA) for the year 2025 under review.

The Board ensured that governance principles covering Board effectiveness, committee functions, financial reporting integrity, internal control, risk management, stakeholder communication, and ethical conduct were consistently applied across the Company. All required policies, procedures, and disclosures were maintained in line with the regulatory frameworks of BSEC and IDRA.

In accordance with regulatory requirements, this report has been reviewed by the external auditors. Their review included an assessment of the processes, documentation, and evidence supporting the Company's compliance status. The auditors have provided their assurance that the statements made in this report align with the governance practices observed during their audit.

Based on the Board's evaluation and the independent review by the external auditors, the Directors conclude that City Insurance PLC has complied with the prescribed Corporate Governance standards of both BSEC and IDRA and continues to strengthen its governance structure to uphold transparency, accountability, and sustainable value creation.

On behalf of the Board of Directors,



Hossain Akhtar
Chairman
City Insurance PLC.

1.7 Adequate information relating to financial transparency and disclosures

The annual report provides comprehensive coverage of financial transparency and disclosures. On **page no. 152** presents detailed descriptions, while **page no. 386** is dedicated entirely to financial transparency and disclosures, ensuring clarity and accountability across all relevant aspects of the organization's financial reporting.

1.8 Disclosures for Prospective Investors

Chapter [xxxx] of this annual report features a dedicated section titled "Investor Friendly Information," thoroughly covering investor-related initiatives and addressing their demands. This section also discusses matters concerning prospective investors, reflecting the company's commitment to transparency and investor engagement.

1.9 Directors' Report to the Shareholders

The directors' report to the shareholders of City Insurance PLC is duly presented of this Annual Report at **page no. 135**

1.10 Directors Report on Internal Control and Corporate Governance

A separate statement of the Directors' responsibility for internal control and corporate governance is given in this Annual Report at **page no. 268**

1.11 Board Meeting Attendance and Remuneration

The Board had 05 (Five) scheduled meetings for the financial year ended 31 December 2025. The following is a statement of board meetings held in 2025, as well as the attendance of directors from January 1, 2025, to December 31, 2025:

GRI GRI 2-10

Name	Position within the Company	Attended	Remuneration (Per Meeting)
Mr. Hossain Akhtar	Chairman	5/5	8,000
Mr. Md. Abu Taher	Vice-Chairman	5/5	8,000
Mrs. Bibi Amena	Director	5/4	8,000
Faizah Mehmood	Director	5/5	8,000
Mr. Harunoor Rashid	Director	5/4	8,000
Haji Md. Yousuf	Director	5/4	8,000
Mrs. Hasina Begum	Director	5/5	8,000
Mr. Mohammad Amanullah	Director	5/5	8,000
Mrs. Hasina Parveen Manwar	Director	5/4	8,000
Mr. Muhammad Nazirul Islam	Director	5/5	8,000
Mrs. Salina Ahmed	Director	5/5	8,000
Mr. Mahabubul Haque	Independent Director	5/5	8,000
Mr. Tauhiduddin Md. Zahed	Independent Director	5/5	8,000
Barrister Miti Sanjana	Independent Director	4/4	8,000
Md. Shamim Hossain	MD & CEO	5/5	--

GRI 2-10

1.11.1 The Gap between two Board Meetings

In compliance with the provision section 96 of the Companies Act, 1994, City Insurance PLC conducted Board of Directors meeting at least once in every three and at least 05 (Five) such meetings during the year 2025. Details of the Board of Directors' Meeting are as follows:

Number of Board Meeting	Meeting date	Attendance	Absent
216th	06/02/2025	14 of 14	--
217th	09/04/2025	10 of 14	Bibi Amena, Harunoor Rashid, Haji Md. Yousuf & Hasina Parveen Manwar
218th	13/05/2025	14 of 14	--
219th	28/07/2025	14 of 14	--
220th	28/10/2025	14 of 14	--

1.11.2 Notice & Agenda

Board meeting: City Insurance PLC provides notice of every meeting of the Board of Directors in writing to every Director for the time being in Bangladesh and at their addresses in Bangladesh as required by the Companies Act, 1994 and AoA of the company. During the period, notices along with meeting agenda have been sent to every Director at least 14 (Fourteen) days before the concerned meeting. Other related required records and documents have also been sent with the notice/agenda.

Committee Meeting: Notice of the Committees' meeting (Audit Committee, NRC Committee, Investment Committee, Risk Management Committee and Policyholder Protection & Compliance Committee) provide to every committee member in writing before 07 (Seven) days of the meeting date along with meeting agenda and required records/documents.

Annual General Meeting (AGM): City Insurance provides notice along with agenda & copy of annual report to shareholders for the Annual General Meeting (AGM) at least twenty-one (21) days before the AGM date.



1.11.3 Board meetings are conducted duly, minutes are kept and records are maintained as per Bangladesh Secretarial Standards (BSS) as adopted by ICSB:

Institute of Chartered Secretaries of Bangladesh has issued six secretarial standards to strengthen corporate governance. During the year ended December 31, 2025, the company complied with most of these standards. A summary of the compliance status is presented below:

BSS-1: Board Meeting		
Sl #	Particulars	Compliance Status
1.0	Convening of Meeting	Complied
2.0	Frequency of Meeting	Complied
3.0	Quorum	Complied
4.0	Attendance in Meeting	Complied

BSS-1: Board Meeting		
5.0	Chairman	Complied
6.0	Passing of Resolution by Circulation	Not Applicable
7.0	Minutes	Complied
8.0	Attendance in Meetings and their Recording in the Minutes	Complied
9.0	Preservation of Minutes and Supporting Papers	Complied
10.0	Disclosure	Complied
11.0	Effective Date	Complied

BSS-2: General Meeting		
Sl #	**Particulars**	**Compliance Status**
1.0	Convening of Meeting	Complied
2.0	Frequency of Meeting	Complied
3.0	Quorum	Complied
4.0	Presence of Directors and Auditors	Complied
5.0	Chairman	Complied
6.0	Voting	Complied
7.0	Proxies	Complied
8.0	Conduct of Poll	Not Applicable
9.0	Withdrawal of Resolutions	Not Applicable
10.0	Rescinding of Resolutions	Not Applicable
11.0	Modification to Resolutions	Not Applicable
12.0	Reading of Report / Certificate	Complied
13.0	Distribution of gift	Not Applicable
14.0	Adjournment of Meeting	Not Applicable
15.0	Minutes	Complied
16.0	Recording in the minutes	Complied

BSS-3: Minutes		
Sl #	**Particulars**	**Compliance Status**
1.0	Maintenance	Complied
2.0	Contents	Complied
3.0	Recording	Complied
4.0	Alteration/ Modification	Not Applicable
5.0	Finalization & Signing	Complied
6.0	Inspection	Complied
7.0	Preservation	Complied

BSS-4: Dividend		
Sl #	**Particulars**	**Compliance Status**
1.0	Declaration / Recommendation of Dividend	Complied
2.0	Dividend of Profit	Complied
3.0	Dividend Out of Reserve	Not Applicable
4.0	Entitlement to dividend	Complied
5.0	Payment of Dividend	Complied
6.0	Unpaid/ Unclaimed Dividend	Complied

BSS-5: Virtual & Hybrid Meeting		
Sl #	**Particulars**	**Compliance Status**
1.0	Convening a Meeting Through Electronic Modes	Not Applicable
2.0	Special Cares to be Taken for Conducting a Meeting Through Electronic Modes	Not Applicable
3.0	Conducting a Meeting Through Electronic Modes	Not Applicable
4.0	Minutes and Proceeding of a Meeting Through Electronic Modes	Not Applicable
Secretarial Standards for Members Meetings		
1.0	Guidance for General Meeting Through Electronic Modes	Not Applicable
2.0	Standards for Convening and Conducting of Members Meeting Through Electronic Modes	Not Applicable

BSS-6: Resolution by Circulation		
Sl #	**Particulars**	**Compliance Status**
1.0	Authority	Not Applicable
2.0	Procedure	Not Applicable
3.0	Approval	Not Applicable
4.0	Recording	Not Applicable
5.0	Validity	Not Applicable

1.11.4 The company's secretarial functions are carried out by qualified professionals recognized by ICSB.

City Insurance PLC's Company Secretary, **Mohammed Ashaduzzaman Sarkar,** has around 12 years of experience in corporate governance and secretarial practice and maintains ICSB's secretarial standards. He has participated in compliance-related training and seminars organized by BSEC, IDRA, DSE, ICSB, and others. He is currently pursuing the Chartered Secretaries Course at ICSB.

The Chief Financial Officer, **Sheikh Azizul Haque FCS,** is a fellow member of ICSB and provides proper guidance for corporate affairs. He has also participated in compliance-related training and seminars conducted by BSEC, IDRA, DSE, ICSB, and similar institutions.

1.11.5 Attendance of CEO, CFO, CS & HIAC in Board Meeting

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), and Head of Internal Audit & Compliance (HIAC) attend meetings of the Board of Directors to provide necessary information, support, and updates. However, they do not participate in discussions on agenda items that pertain to their personal matters.

Furthermore, attendance at Board meetings by these executives does not entitle them to any additional remuneration. Their presence is solely to facilitate the effective functioning and decision-making of the Board.

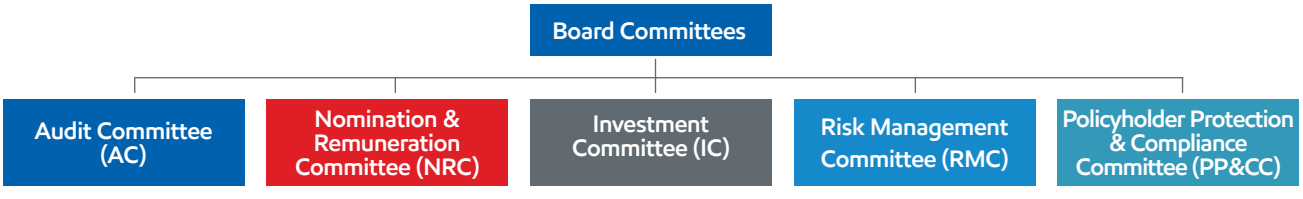
GRI 2-9, 12 &13

1.12 Board Committees, Attendance and their Responsibilities

In adherence to the BSEC Corporate Governance Code-2018, the formation of two mandatory committees is required: the Audit Committee and the Nomination & Remuneration Committee (NRC). To align with the regulatory guidelines of BSEC's Corporate Governance Code and ensure best practices within the organization, City Insurance has established two sub-committees of the Board, namely, the Audit Committee and the Nomination & Remuneration Committee (NRC).

Further, in accordance with the directives of the Insurance Development and Regulatory Authority (IDRA) regarding the "Insurer's Corporate Governance Guidelines, 2023," a total of five (5) Board committees are deemed mandatory. These committees play a crucial role in upholding corporate governance standards and overseeing various aspects of the insurance business.

As outlined in both the BSEC Corporate Governance Code-2018 and the IDRA's "Insurer's Corporate Governance Guidelines, 2023," the mandatory 05 (five) Board Committees are as follows:



GRI 2-9, 12 &13

1.12.1 Audit Committee (AC)

The Audit Committee of the Board of Directors of City Insurance PLC was established on January 7, 2008, in compliance with Condition No. 03 of Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006, issued by the Bangladesh Securities and Exchange Commission (BSEC). According to BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, and the "Insurers' Corporate Governance Guidelines, 2023" issued by the Insurance Development and Regulatory Authority (IDRA), the Audit Committee must comprise at least three members, including one Independent Director. All members must be Directors, and the Chairman must be an Independent Director.

City Insurance's Audit Committee consists of three members, all of whom are Non-Executive Directors, including one Independent Director. The Company Secretary serves as the Secretary of the Committee. Mr. Mahabubul Haque, the Chairman of the Audit Committee, is an Independent Director. All members possess extensive experience and expertise in the financial and insurance sectors. More details about the Audit Committee are provided on **page no. 222** of this Annual Report 2025.

1.12.2 Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee (NRC) of the Board of Directors of City Insurance PLC was established on December 18, 2018, in compliance with Condition No. 06 of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, issued by the Bangladesh Securities and Exchange Commission (BSEC). In accordance with this notification and the "Insurers' Corporate Governance Guidelines, 2023" issued by the Insurance Development and Regulatory Authority (IDRA), the NRC must consist of at least four members, including one Independent Director. All members must be Directors, and the Chairman must be an Independent Director.

City Insurance's Nomination & Remuneration Committee consists of four members, all of whom are Non-Executive Directors, including one Independent Director. The Company Secretary acts as the Secretary of the Committee. Mr. Tauhiduddin Md. Zahed, the Chairman of the NRC, is an Independent Director. More details about the Nomination & Remuneration Committee (NRC) are provided on **page no. 225** of this Annual Report 2025.

1.12.3 Investment Committee (IC)

As per the "Insurer's Corporate Governance Guidelines, 2023" by IDRA, City Insurance has formed the Investment Committee and designating it as a compulsory Board committee.

a) Purpose of Investment Committee

As a sub-committee of the board of directors, there will be an investment committee for the purpose of overseeing the investment portfolio of the company for the benefit of the insurance customers and shareholders.

b) Constitution of Investment Committee

- The Board of Directors will form an 'Investment Committee' consisting of a minimum of 5 (five) directors, including an independent director, and designate one committee member as the chairman.
- In the event of a committee meeting, a quorum will be constituted with the presence of 3 members. The Chief Executive Officer will serve as an ex-officio member but will not possess voting power during the meeting. Additionally, the committee has the authority to invite the Chief Financial Officer (CFO), Chief Investment Officer (CIO), and Chief Risk Officer (CRO) of the company to attend the meeting for collaborative purposes.
- The Company Secretary will carry out the secretarial responsibilities for the committee, and the decisions made during the meeting will be documented in the minutes.

c) Role of the Investment Committee

Recommending to the Board of Directors for approval of the preparation of an effective Investment Policy in due compliance with the investment-related provisions of the Insurance Act 2010;
The Investment Committee shall have access to all information, documents, reports, etc. relating to the investment of the company;
Monitoring and reviewing reports prepared by the Finance department regarding investment and investment income monthly and informing the Board of Directors if necessary;
Ensuring the appropriateness of the investment by considering the investment risk before investing;
Considering the company's liability, invest in the appropriate investment category and review the risk and result of the investment quarterly from the Finance department to ensure timely and proper payment.

GRI 2-9, 12 &13

Ensure necessary measures are taken to reduce investment risk.
The Committee may take appropriate expert advice if necessary;
Ensure necessary solvency preservation and advise the Board of Directors in this regard;
Ensuring that funds of the company are not invested for the benefit of any member of the Board of Directors;
Ensure that if there is a capital loss in the investment, it is properly accounted for in the financial statements.
Overseeing the use of fixed assets and accounting of rental income if rent is paid;
overseeing the protection of the company's assets;
Carrying out any other investment-related duties as assigned by the Board of Directors;

d) Meeting and attendance of Investment Committee

The following is a statement of Investment Committee (IC) meetings held in 2025, as well as the attendance of Directors from January 1, 2025, to December 31, 2025:

Name of member	Position in the Committee	Attended	Remuneration (Per meeting)
Mr. Harunoor Rashid, NED	Chairman	1/1	8,000
Mr. Hossain Akhtar, NED	Member	1/1	8,000
Faizah Mehmood, NED	Member	1/1	8,000
Mr. Mohammad Aman Ullah, NED	Member	1/1	8,000
Mr. Tauhiduddin Md. Zahed, IND	Member	1/1	8,000

NED=Non-Executive Director, IND=Independent Director

e) Roles and Responsibilities of Chief Investment Officer (CIO)

The Chief Investment Officer (CIO) is a key executive responsible for overseeing the organization's investment strategy and portfolio management. The Board appoints Mr. Tanvir Ahmed Mazumder as Chief Investment Officer (CIO). The Chief Investment Officer (CIO) position requires individuals with experience and expertise in the respective fields. The roles, responsibilities, and duties of CIO are clearly defined. The CIO plays a critical role in optimizing returns while managing risks.

1. Investment Strategy and Policy

- Develops and recommends investment strategies.
- Reviews and updates investment policies as needed.

2. Portfolio Management

- Oversees portfolio construction and management.
- Monitors allocation, diversification, and risk.
- Adjusts portfolio based on market conditions.

3. Due Diligence

- Conducts due diligence on investment opportunities.
- Evaluates financial health, risks, and returns.
- Ensures legal and regulatory compliance.

4. Risk Management

- Implements risk mitigation strategies.
- Tracks market and economic trends.

GRI 2-9, 12 &13

- Sets and maintains risk tolerance guidelines.

5. Performance Evaluation and Reporting

- Develops performance metrics.
- Reports regularly to management and the board.
- Conducts post-investment reviews.

6. Stakeholder Communication

- Communicates strategy, performance, and outlook.
- Responds to inquiries and provides market insights.

7. Compliance and Regulatory Oversight

- Stays updated on relevant regulations.
- Ensures full compliance across investment activities.

f) Investment Policy of City Insurance PLC

The Investment Committee has developed an investment policy with appropriate rules and regulations. The detailed policy can be found on the company's website at www.cityinsurance.com.bd, as well as on **page no. 300** of this Annual Report.

1.12.4 Risk Management Committee (RMC)

As per "Insurer's Corporate Governance Guidelines, 2023" by IDRA, City Insurance has formed the Risk Management Committee and designating it as a compulsory Board committee.

a) Purpose of Risk Management Committee

A sub-committee of the Board will be formed as a Risk Management Committee by the Board of Directors to effectively play a proactive and effective role in mitigating and managing skills and planning risks, and to fulfill the responsibility of the Board in this regard.

b) Constitution Risk Management Committee & meeting

- The Board of Directors will form a 'Risk Management Committee' consisting of a minimum of three directors, including at least one independent director, and appoint one independent director as the chairman of the committee. At least one member of the Risk Management Committee must be elected from among the members of the Audit Committee. In the absence of the chairman of the Risk Management Committee, the remaining members will collectively choose one from among themselves to act as the chairperson for the meeting. In such cases, the reason for the regular chairperson's absence must be appropriately documented in the minutes of the meeting.
- In the case of committee meetings, a quorum will be achieved with the presence of two members. The committee may invite the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Investment Officer (CIO), and Chief Risk Officer (CRO) of the company to join the meeting when required.
- Committee members must have vast knowledge of the insurance business, management, risks, and related matters, as well as their responsibilities and duties as committee members. Committee members may invite risk management specialists to committee meetings from time to time. However, in such cases, the specialists will not have voting rights.
- The Company Secretary will carry out the secretarial responsibilities for the committee, and the decisions made during the meeting will be documented in the minutes.

c) Role of the Risk Management Committee

- It is the responsibility of the Risk Management Committee to determine the risks of various activities of the organization and formulate appropriate strategies for its control and ensure proper implementation. Risk management committee to monitor the organization's risk management policies and procedures and take corrective measures if necessary. Risk Management Committee to verify existing risk management procedures to ensure effective prevention and control measures;
- Determining risk limits and reporting to the Board on cost-benefit comparative analysis and qualitative review of identified risk exposures.
- Overall supervision including determination of institutional risk for all risks like insurance risk, current context risk, liquidity risk, business risk, compliance risk, legal risk etc.
- Advising the Board on corporate strategy, mergers and acquisitions and business risk mitigation decisions.
- Monitoring and reviewing updated information on relevant issues in business continuity
- Adoption/preparation of appropriate action plans in existing risk mitigation systems.
- To review the solvency margin of the company and assist the company in meeting the required solvency margin given by the authority and to submit a report/report to the Board on the steps taken to mitigate the risks uncovered.

GRI 2-9, 12 &13

d) Meeting and attendance of Risk Management Committee

The following is a statement of Risk Management Committee (RMC) meetings held in 2025, as well as the attendance of Directors from January 1, 2025, to December 31, 2025:

Name of member	Position in the Committee	Attended	Remuneration (Per meeting)
Mr. Muhammad Nazirul Islam, NED	Chairman	1/1	8,000
Faizah Mehmood, NED	Member	1/1	8,000
Mr. Tauhiduddin Md. Zahed, IND	Member	1/1	8,000

NED=Non-Executive Director, IND=Independent Director. Risk Management Committee (RMC) was last reconstituted on 13 May 2025.

e) Roles and Responsibilities for Chief Risk Officer (CRO)

The Chief Risk Officer (CRO) plays a pivotal role in ensuring that the organization's risk management framework is robust, effective, and aligned with its strategic objectives. The Board appoints Mr. Subir Mistry as Chief Risk Officer (CRO). The CRO is responsible for identifying, assessing, and mitigating risks that may impact the organization's financial health, reputation, and overall success. This charter outlines the key duties and responsibilities of the Chief Risk Officer.

1. Risk Identification and Assessment

- Conducts regular risk assessments.
- Maintains a comprehensive risk register.
- Works with departments to identify emerging risks.

2. Risk Mitigation and Management

- Designs and implements mitigation strategies.
- Monitors and updates mitigation measures.
- Guides business units on risk management practices.

3. Compliance and Regulatory Oversight

- Tracks regulatory changes and ensures compliance.
- Works with legal and compliance teams.
- Sets processes for monitoring compliance risks.

4. Risk Reporting and Communication

- Prepares and presents regular risk reports.
- Communicates risk issues across the organization.
- Ensures clear and transparent reporting.

5. Crisis Management and Business Continuity

- Develops crisis management plans.
- Coordinates crisis response efforts.
- Maintains business continuity plans.

6. Risk Culture and Training

- Promotes a strong risk-aware culture.
- Provides risk management training.
- Encourages open reporting of risks.

7. KPIs and Metrics

- Defines and tracks KRIs.
- Sets and reviews KPIs for the risk function.

f) Risk Management Policy City Insurance PLC

The Risk Management Committee has established a Risk Management Policy with appropriate rules and regulations. This policy outlines the principles, procedures, and responsibilities for managing risk within the organization. The detailed policy is available on the company's website at www.cityinsurance.com.bd, as well as on **page no. 303** of this Annual Report.

1.12.5 Policyholder Protection & Compliance Committee (PP&CC)

As per the "Insurer's Corporate Governance Guidelines, 2023" by IDRA, City Insurance has formed the **Policyholder Protection & Compliance Committee** and designating it as a compulsory Board committee.

a) Purpose of Policyholder Protection & Compliance Committee:

As a sub-committee of the Board of Directors, there will be a Policyholder Protection & Compliance Committee to promptly address and safeguard the interests of insured and fulfill the responsibilities assigned by the Board in this regard.

b) Constitution of Policyholder Protection & Compliance Committee & meeting

- The Board of Directors will establish a 'Customer Protection and Complaints Committee' comprising a minimum of three directors, including at least one independent director, and appoint one director as the chairman of the committee.

GRI 2-9, 12 &13

- In the case of committee meetings, a quorum will be achieved with the presence of 2 members. In the absence of the committee chairperson, the remaining members may collectively elect one among themselves to act as the chairperson for the meeting. However, the reason for the regular chairperson's absence must be accurately documented in the minutes of the meeting.

The Company Secretary will carry out the secretarial responsibilities for the committee, and the decisions made during the meeting will be documented in the minutes.

c) Role of Policyholder Protection & Compliance Committee

To review the complaints of the customers and give recommendations to the Board of Directors for the formulation of policies for quick settlement of the complaints and to supervise the implementation of the complaint redressal activities as per the policy;
To submit regular reports to the Board of Directors about the number, nature, time of settlement and details of the complaints of the insurer;
Define standard operating procedures for clarifying pre-determined Service Level Agreement, Clear Claim Servicing Parameters etc.;
To take necessary measures to expedite the settlement of submitted insurance complaints, details of complaints including dues, matters to be taken in case of insurance claims, etc., to implement the laws, rules, and decisions of the authorities related to customer service and to ensure the commitments given by the company;
To oversee the implementation of various initiatives to inform customer awareness and insurance related knowledge taken by the Company.

d) Meeting and attendance of Policyholder Protection & Compliance Committee

The following is a statement of Policyholder Protection & Compliance Committee (PP&CC) meetings held in 2025, as well as the attendance of Directors from January 1, 2025, to December 31, 2025:

Name of member	Position in the Committee	Meeting Held	Attended	Remuneration (Per meeting)
Mr. Muhammad Nazirul Islam, NED	Chairman	1	1	8,000
Faizah Mehmood, NED	Member		1	8,000
Mr. Tauhiduddin Md. Zahed, IND	Member		1	8,000
Barrister Miti Sanjana, IND	Member		1	8,000

NED=Non-Executive Director, IND=Independent Director. Policyholder Protection & Compliance Committee (PP&CC) was last reconstituted on 13 May 2025.

1.12.5 Policyholder Protection & Compliance Committee Policy

The Policyholder Protection & Compliance Committee has developed a policy with appropriate rules and regulations. The detailed policy can be found on the company's website at www.cityinsurance.com.bd, as well as on **page no. 303** of this Annual Report.

1.12.6 Well Attended Board and Committee Meetings:

Meetings are usually held each month, with additional sessions arranged when necessary. Management makes sure every director receives all relevant information and materials ahead of time so they can prepare properly. The Company Secretary, following the Chairman's instructions, schedules these meetings across the year. A summary of director's attendance during the year 2025 is presented below:

Name	Board	%	AC	%	NRC	%	IC	%	RMC	%	PP&CC	%
Non-Executive Directors												
Mr. Hossain Akhtar	5/5	**100%**	N/A	-	2/2	**100%**	1/1	**100%**	N/A	-	N/A	-
Mr. Md. Abu Taher	5/5	**100%**	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-
Mrs. Bibi Amena	5/4	**80%**	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-
Faizah Mehmood	5/5	**100%**	N/A	-	N/A	-	1/1	**100%**	1/1	**100%**	1/1	**100%**
Mr. Harunoor Rashid	5/4	**80%**	4/4	**100%**	N/A	-	1/1	**100%**	N/A	-	N/A	-
Haji Md. Yousuf	5/4	**80%**	N/A	-	2/2	**100%**	N/A	-	N/A	-	N/A	-

Name	Board	%	AC	%	NRC	%	IC	%	RMC	%	PP&CC	%
Mrs. Hasina Begum	5/5	**100%**	N/A	-	N/A	**-**	N/A	**-**	N/A	**-**	N/A	**-**
Mr. Mohammad Amanullah	5/5	**100%**	N/A	-	N/A	**-**	1/1	**100%**	N/A	**-**	N/A	**-**
Mrs. Hasina Parveen Manwar	5/4	**80%**	N/A	-	N/A	**-**	N/A	**-**	N/A	**-**	N/A	**-**
Mr. Muhammad Nazirul Islam	5/5	**100%**	4/4	100%	**2/2**	**100%**	N/A	**-**	1/1	**100%**	1/1	**100%**
Mrs. Salina Ahmed	5/5	**100%**	N/A	-	N/A	**-**	N/A	**-**	N/A	**-**	N/A	**-**
Non-Executive Independent Directors												
Mr. Mahabubul Haque	5/5	**100%**	4/4	100%	N/A	**-**	N/A	**-**	N/A	**-**	N/A	**-**
Mr. Tauhiduddin Md. Zahed	5/5	**100%**	N/A	-	**2/2**	**100%**	1/1	**100%**	1/1	**100%**	1/1	**100%**
*Barrister Miti Sanjana	4/4	**100%**	N/A	-	N/A	**-**	N/A	**-**	N/A	**-**	1/1	**100%**

*Barrister Miti Sanjana appointed on March 01, 2025.

**AC = Audit Committee, NRC = Nomination & Remuneration Committee, IC = Investment Committee, RMC = Risk Management Committee and PP&CC = Policyholder Protection & Compliance Committee

GRI 2-11&12

1.13 Chairman to be Independent of CEO

In compliance with Clause 1(4) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018, The Board of City Insurance PLC ensures a clear separation of roles between the Chairman and the Managing Director & CEO, promoting effective governance and accountability. **Mr. Hossain Akhtar** serves as the Chairman, focusing on guiding corporate strategy, approving key investment proposals, and overseeing critical aspects such as financial performance, risk management, corporate governance, and procurement policy. He also plays a vital role in setting board meeting agendas.

Mr. Md. Shamim Hossain, the Managing Director and CEO, leads the management team and reports directly to the Board and its committees. His responsibilities include executing the company's operations in line with Board-approved policies and strategies while ensuring compliance with the regulations of IDRA, BSEC, and other relevant authorities. This governance structure strengthens the company's decision-making process, enhances operational efficiency, and upholds regulatory compliance, fostering sustainable growth and stakeholder trust.

1.13.1 Roles and Responsibilities of the Chairman of the Board

According to Corporate Governance Code issued by the BSEC on June 3, 2018, the Chairman of the Board of Directors has the following major roles and responsibilities:

Roles of the Chairman

Accepting the leadership of the Board in order to ensure proper decision making	Supporting the Managing Director and CEO of the Company	Acting as a link between the Board and the Management
Assisting in the agenda-setting for Board meetings along with the Managing Director and the Company Secretary	Ensuring the focus of the Board on key issues	Taking responsibility for the Board's composition and development

GRI 2-11&12

Responsibilities of the Chairman

Ensuring that the Board sets and implements the Company's direction and strategy effectively	Organizing the business of the Board, ensuring its effectiveness, and establishing its agenda	Ensuring effective operations of the Board and its committees in conformance with the highest standards of corporate governance
Ensuring that all key issues are discussed in a timely and constructive manner by the Board of Directors	Ensuring the non-intervention of any Director in the routine affairs of the Company	Signing the minutes of the Board meeting for formal confirmation

1.13.2 Independence of Non-Executive Directors

In City Insurance, Non-Executive Directors operate with full independence in performing their responsibilities, enjoying unrestricted access to information and the freedom to voice dissenting opinions. This fosters a culture of open dialogue and informed decision-making. Beyond attending board meetings, they actively participate in specialized committees, collaborate with management, and provide strategic guidance informed by their industry expertise. Their substantial contributions have been instrumental in shaping key strategic initiatives. Additionally, their strong commitment to confidentiality ensures the secure management of sensitive information, safeguarding the company's reputation and strengthening stakeholder trust.

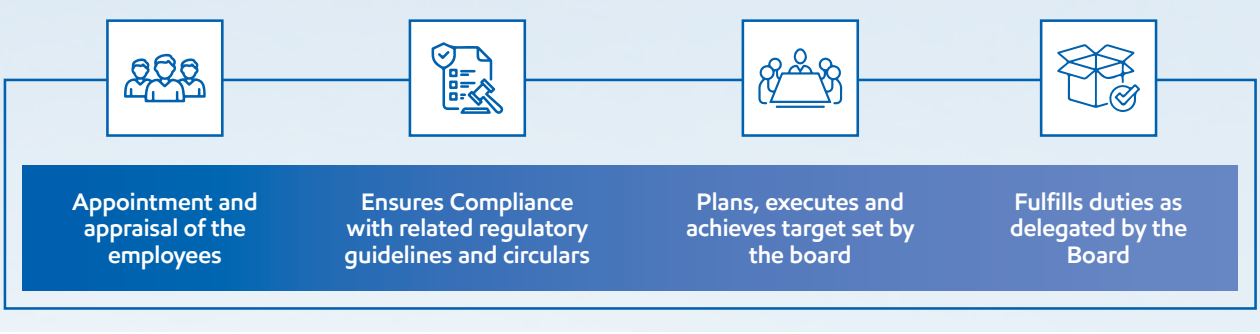
1.14 Managing Director & CEO

The Board of City Insurance appointed Mr. Md. Shamim Hossain as Managing Director & CEO. Before that he joined City Insurance PLC as a General Manager in 2008. In his journey, he has proven himself as a dynamic, creative and accomplished professional with extensive experience in Insurance sector. With a proven track record of generating new businesses, he has a strong working experience in a highly pressured target-based environment.

He has served this company in different positions and in 2018 he had taken the responsibility of current charge of Managing Director & CEO. From 2019 he has been serving this company as full placed Managing Director & CEO. Since then as a Managing Director he has held and led successfully all areas of the organization. He has around 23 years of experience in the insurance industry. He is a highly motivated and enthusiastic individual with expertise in management. He has strong leadership and communication, technical, marketing skills and innovative ideas. His profile is given in details in the Board of Directors profile at **page no 109** of this Annual Report.

1.14.1 Roles and Responsibilities of the Chief Executive Officer (CEO)

The CEO is appointed by the Board, subject to the approval of the Insurance Development & Regulatory Authority (IDRA) and the consent of shareholders at the Annual General Meeting. The CEO does not hold the same position in any other listed company.



GRI 2-11, 12 & 19

1.14.2 Managing Director and CEO does not hold the same position in another company

Mr. Md. Shamim Hossain assumed the role of CEO at City Insurance PLC in 2018. He does not hold the same position in another company. The profile of the Managing Director and CEO of City Insurance is given in detail in the Management Board of Directors profile of this report on **page no. 109**

1.14.3 Annual Performance Evaluation of the Chief Executive Officer by the Board

The Board of Directors evaluates the Managing Director & CEO's performance based on the goals set for him, considering the company's vision and mission at the beginning of each year. The annual financial budget and other job objectives are discussed, reviewed and finalized by the Board at the start of the financial year. The Board considers financial and non-financial goals during the appraisal.

Evaluation based on financial performance

At the end of each quarter, the Managing Director & CEO is evaluated based on the financial targets. The evaluation is done based on both:

- Achievement of targets against budget;
- Achievement of targets against the achievement of those targets in the previous year.

Evaluation based on non-financial goals

The Managing Director & CEO is also evaluated based on non-financial goals in an ongoing basis. The non-financial criteria include, but are not constricted to things such as:

- The confidence of the shareholders in the CEO, as reflected in the stock price of the company;
- The relationship of the company with the regulators;
- Customer satisfaction;
- Corporate relationship;
- Brand image;
- Employee satisfaction etc.

The typical Annual Performance Evaluation parameters of CEO

- Compliance status of various assignments given by the Board
- Variance analysis of Budget vs. Actual result and steps taken
- Growth of Business & Capital to risk Weighted Assets
- Cost to Income Ratio & Shareholders' Return
- Achievement of Targets

1.14.4 Remuneration & Benefits Provided to Managing Director & CEO

The Managing Director & CEO receives salaries and allowances in accordance with the recommendations from the Board of Directors, which are subsequently approved by the Insurance Development and Regulatory Authority (IDRA) City Insurance adheres to the Board resolution and follows IDRA Guidelines to ensure that the benefits for the Managing Director & CEO align with established practices.

1.14.5 Rules and Regulations for Appointing CEO

The Board is responsible for appointing a Chief Executive Officer/Managing Director in accordance with the Insurance Company (Chief Executive Officer Appointment & Removal) Rules 2012 of the Insurance Development & Regulatory Authority (IDRA) and BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018. The appointment of the Chief Executive Officer (CEO) is finalized only after obtaining consent from the Insurance Development & Regulatory Authority (IDRA). The following factors are considered before appointing a CEO:



Moral In tegrity

Verify that the individual has never been convicted by any court of law or penalized for violating any regulations.



Experience and Suitability

Confirm that the candidate has at least 12 years of active experience in the insurance sector, including a minimum of 3 years in a role directly reporting to the Chief Executive Officer.



Transparency and Financial Integrity

Ensure that the individual has not engaged in any unlawful activities while performing their duties and has no record of loan default or insolvency.

Educational qualification

The candidate must hold a minimum three-year bachelor's degree and a one-year master's degree from a recognized university, or a four-year bachelor's (Honours) degree, or an equivalent qualification.

Age Limit

The candidate must be at least 40 years old. Anyone above 67 years of age cannot serve as the Chief Executive Officer of an insurance company.

Appointment/Term of Appointment

The Chief Executive Officer is generally appointed for a 3-year term

1.15 Appointment of Chief Financial Officer (CFO), Company Secretary (CS), and Head of Internal Audit and Compliance (HIAC)

The Board of City Insurance has appointed a Chief Financial Officer (CFO), a Company Secretary (CS), and a Head of Internal Audit and Compliance (HIAC) in line with its internal policies and all applicable laws and regulations. Each of these professionals is well-qualified in their respective fields, covering financial management, regulatory compliance, and corporate governance.

Their roles, responsibilities, and reporting lines are clearly defined and formally approved by the Board, ensuring that they can perform their duties with clarity, authority, and accountability.

1.15.1 Background and Roles of Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit and Compliance (HIAC)

Background



Sheikh Azizul Haque, FCS
Chief Financial Officer

Years of Experience
27 years

Educational Background
M.Com in Management, Jagannath University.

Professional Qualifications and Memberships
Fellow member of the ICSB
Chartered Global Investment Analyst (CGIA)
VAT Agent of the National Board of Revenue (NBR)
VAT Consultant of the National Board of Revenue (NBR)
Member of Dhaka Taxes Bar Association (DTBA)
Member of Bangladesh VAT Professional Forum (BVPF)
Member of Bangladesh VAT Bar Association (BVBA)
Partly qualified of CA Professional level from the ICAB

Expertise:

Financial Planning, Controlling Budgeting, Profitability Analysis, Capital Adequacy and Solvency, Investment Compliance and Reporting, Financial Risk Management, Expense Management, Corporate & Financial Reporting and Tax & VAT.



Mohammed Ashaduzzaman Sarkar
Company Secretary

Years of Experience
14 years

Educational Background
Pursued MA in English at Dhaka College under the National University.

Professional Qualifications
Pursuing Chartered Secretary Course from the Institute of Chartered Secretaries of Bangladesh (ICSB).

Expertise
Board Administration, Policy Development and Enforcement, Corporate Governance, Corporate matters, Compliance with Insurance and Corporate Laws, Reporting and Disclosures, Statutory Compliance, Shareholder Communication, Corporate Social Responsibility (CSR) Compliance, Advising on Strategic Decisions, Change Management and Policy Adaptation and Regulatory Liaison in Insurance Matters.



Md. Ibrahim Molla
Head of Internal Audit & Compliance

Years of Experience
26 years

Educational Background
Master of Commerce, Jagannath University

Master of Business Administration in Finance, America Bangladesh University

Expertise
Risk Management and Control, Internal Audit Planning and Execution, Regulatory Compliance, Operational and Financial Audits, Policy and Process Improvement, Ethics and Conduct Oversight and Fraud Detection & Prevention.

1.15.2 Roles and Responsibilities

Sheikh Azizul Haque Chief Financial Officer	Mohammed Ashaduzzaman Sarkar Company Secretary	Md. Ibrahim Molla Head of Internal Audit & Compliance
Roles and Responsibilities	**Roles and Responsibilities**	**Roles and Responsibilities**
Responsible for overall financial management	Ensures compliance & manages the corporate governance framework	Ensure proper internal control system
Regulates, supervises and implements accounting & audit requirements	Oversees and conducts induction training for newly elected directors.	Check compliance to internal and external regulation
Ensures overall accuracy of budgetary & financial control system	To keep liaison with external regulators such as lawyers	Coordinate analysis of risk in different areas of operations
Alerts of any irregularity concerning the financial system	Conscience of the company	Prepare annual audit plans based on the result of the risk analysis
Ensures proper Tax & VAT management and compliance system	Liaison with outside Stakeholders for company affairs	Prepare audit programs and approaches that meet the objective of the audit
Liaison with external auditors & oversee the audit program	Manages and administers board meetings	Prepare draft audit report and conduct exit meeting
Prepares and circulates statutory annual reports to stakeholders	Ensures compliance with legal requirements	Prepare final audit reports and circulate the reports
Prepare in corporate tax planning & ensures effective tax management	Mediator between board and management	Conduct a special investigation on the megaton of fraud
To develop and maintain tools and systems to provide critical financial and operational information and make actionable recommendations.	Work as the chief compliance officer of the company.	Works on special projects as assigned by the CEO and Audit Committee

1.15.3 Company Secretary as the bridge between board and management

The Company Secretary (CS) serves as the primary liaison between the Board and management, ensuring the Company upholds strong governance practices. The CS is responsible for organizing board meetings and facilitating effective board operations. Additionally, the CS offers guidance on board procedures and clarifies applicable laws and regulations for Board members when needed. The role encompasses diverse responsibilities, including providing mediation and strategic advice on matters related to social and economic sustainability, demonstrating a pivotal influence on the Company's governance framework and long-term success.

2. VISION/MISSION AND STRATEGY

2.1 Vision/Mission Statements of CIPLC.

The Board-approved Vision, Mission and strategic objectives statements of the company are presented in this Annual Report on **page no. 30 & 33**. These statements reflect the company's core values, purpose, and long-term aspirations. For broader accessibility, they are also available on the company's official website and featured in other relevant publications. Additionally, this Annual Report highlights key strategic initiatives guided by the Board, demonstrating the company's commitment to sustainable growth, innovation, and governance excellence. These initiatives serve as a roadmap for achieving organizational objectives and enhancing stakeholder value through prudent decision-making and forward-thinking leadership.



2.2 Business Objectives and Areas of Business Focus

The company's business objectives, key areas of business focus, and strategies for achieving these objectives have been thoroughly updated and incorporated into the Integrated Reporting chapter of this Annual Report. These components reflect the organization's forward-looking approach to sustainable growth, operational excellence, and value creation for stakeholders. A detailed breakdown of the Business Objectives and Areas of Business Focus, along with insights into the strategic focus and resource allocation, is provided on **page no. 212**. This comprehensive section underscores the alignment of our strategic initiatives with long-term business goals and market dynamics.

2.3 General description of Strategies to achieve the company's business objectives

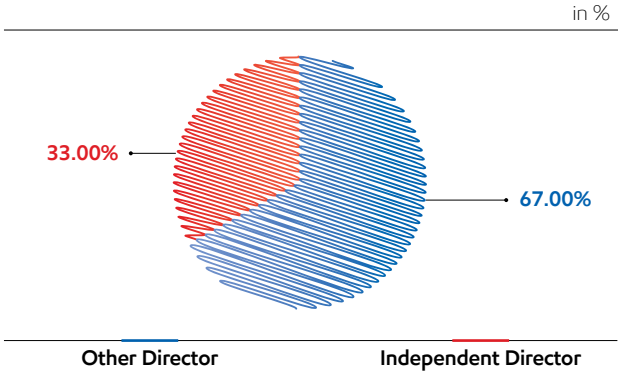
At the beginning of each year, City Insurance PLC (CIPLC) formulates strategies and action plans aligned with its mission, vision, and business objectives. These strategies are designed to drive sustainable growth, enhance operational efficiency, and strengthen market leadership. The strategic priorities set by the Board, as directed periodically, are outlined in this Annual Report. For a comprehensive overview, the "Our Strategy" section on **page no. 13** provides an in-depth analysis of sector-specific objectives, key initiatives, strategic priorities, and future business outlooks, reflecting the company's commitment to innovation, governance excellence, and long-term value creation.

3. AUDIT COMMITTEE

The Audit Committee (AC) operates as a subcommittee of the Board of Directors. Its responsibilities are defined by the Terms of Reference (ToR), which are approved by the Board. The AC is directly accountable to the Board of Directors. During AC meetings, at least one independent director must be present to meet the quorum requirement. The Company Secretary acts as the secretary of the committee.

3.1 Appointment and Composition

The Board periodically revises the composition of the Audit Committee in line with BSEC's Corporate Governance Code dated June 3, 2018. The committee is tasked with reviewing and supervising the company's financial reporting, non-financial corporate disclosures, internal control systems, and compliance with relevant laws and regulations, among other responsibilities.



3.1.1 Chairman of the Audit Committee as an Independent & Non-Executive Director and his qualification

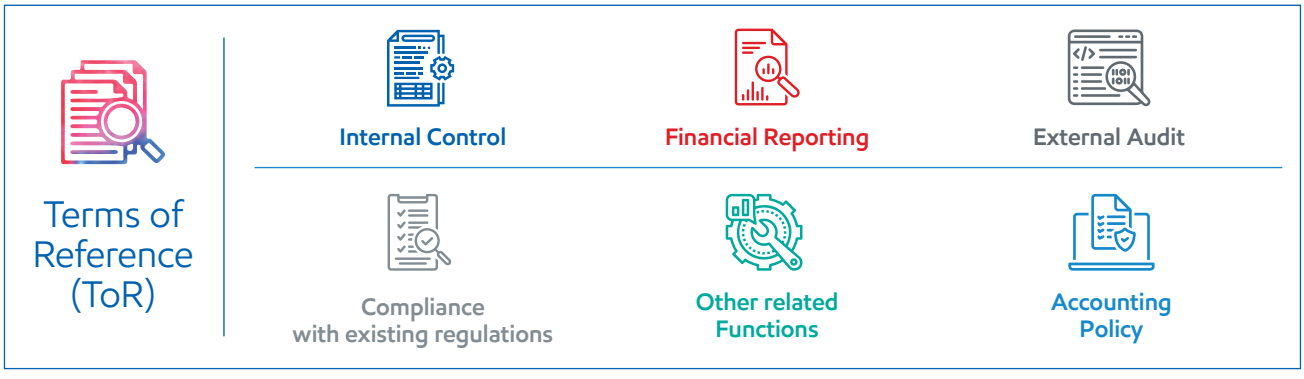
Mr. Mahabubul Hoque, an Independent Director, serves as the Chairman of City Insurance's Audit Committee. Despite his notable background as a former banker at Bangladesh Bank, he refrains from participating in the day-to-day operations of the Company. His competence for chairing the Audit Committee is underscored by his educational background, having graduated from the University of Chittagong. **Mr. Mahabubul Hoque** has played a substantial role in contributing to the banking sector and the overall economy of Bangladesh. More information about him is available in the Director's Profile **page no. 107** In Annual Report 2025.

Attendance of AGM

The Chairman of the Audit Committee is present at the Annual General Meeting (AGM) to address shareholder queries, provide insights on the Committee's activities, and discuss key matters related to financial reporting, internal controls, risk management, and compliance. This presence reinforces transparency, accountability, and the company's commitment to sound corporate governance practices.

3.1.2 Terms of Reference of Audit Committee

The Audit Committee holds the responsibility of supervising and managing diverse risks linked to the company's operations. To uphold disciplined operations within the company, the committee strengthens the internal control system and acts as a central point for both internal and external auditors.



3.1.3 Major responsibilities of Audit Committee as per Terms of Reference

The Audit Committee aids the Board of Directors in meeting its corporate governance obligations and oversight responsibilities concerning the Company's financial reporting, internal control, risk management, and internal and external audit functions. Its primary function is to offer advice and recommendations to the board within the confines of its terms of reference. The Terms of Reference for the Audit Committee are detailed as follows:

Oversee the financial reporting process	Keep an eye on the accounting policies and principles that are being	Monitor Internal Audit & Compliance process	Oversee the hiring and performance of external auditors
Hold meetings with external auditors, whenever required	Review the quarterly and annual Financial Statements	Review the adequacy of the internal audit function;	Review the Management's Discussion and Analysis before disclosing in the Annual Report;
Examine all related party transaction statements;	Review Management Letters issued by statutory auditors;	Oversee the determination of audit fees and evaluate the performance of external auditors;	Be accountable to the Board of Directors for all responsibilities as mentioned above

The Independent Director leading the Board's Audit Committee exercises full discretion in performing his duties. Additionally, the Company Secretary of the Company acts as the secretary for the Audit Committee.

3.1.4 Composition of Audit Committee consisting of an Independent Director and Non-Executive Directors

City Insurance's Audit Committee comprises three members, with one Independent Director included. All members of CIPLC's Audit Committee are Non-Executive Directors. No executive within the company is eligible to serve as a member of the Audit Committee, and the Company Secretary functions as the committee's secretary.

3.1.5 All members of the Audit Committee are suitably qualified and Financial expert in the Audit Committee

The members of the Audit committee bring a wealth of experience and expertise, with diverse professional backgrounds in finance, accounting, and administration. Their collective knowledge and strategic insight ensure sound decision-making and effective oversight, contributing significantly to the company's governance framework. Each member's specialized skills enhance the committee's ability to manage financial reporting, compliance, and risk assessment efficiently.

For a detailed overview of the qualifications, competencies, and professional achievements of the committee members, please refer to the section titled "Profile of the Board of Directors and Their Representation on the Board, **page No 102"**

3.1.6 Sufficient number of Independent Directors in the Audit Committee

The Committee comprises three esteemed non-executive members of the Board, with an independent director serving as Chairman, in full compliance with the Corporate Governance Code/Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) and the Insurance Development & Regulatory Authority (IDRA). The presence of the independent director is essential for quorum, reinforcing transparency and accountability in the committee's proceedings.

3.1.7 HIAC has access to the Audit Committee and Reports to the Audit Committee

Mr. Md. Ibrahim Molla, the Head of Internal Audit and Compliance (HIAC) have direct access to the Audit Committee and the HIAC operationally reports to the Audit Committee of the Board.

3.1.8 Audit Committee meeting, attendance and remuneration

The Audit Committee conducted 4 (Four) meetings during the Year 2025. The following is the Statement of Audit Committee Meetings, Attendance, and Remuneration for the period January 1, 2025 to December 31, 2025:

Name of Directors	Position	Attended	Remuneration (Per meeting)
Mr. Mahbubul Haque, IND	Chairman	4/4	8,000
Mr. Md. Harunoor Rashid, NED	Member	4/4	8,000
Mr. Muhammad Nazirul Islam, NED	Member	4/4	8,000

NED=Non-Executive Director, IND=Independent Director.

3.1.9 Quorum of the Audit Committee Meetings

The quorum for the meeting of the Audit Committee shall be composed of either two members or two-thirds of the members of the Audit Committee, whichever is greater, with the presence of an Independent Director being required. The Company Secretary shall serve as the secretary of the Committee.

3.1.10 Presence of the Chairman of the Audit Committee in the AGM

The Chairman of the Audit Committee attends every Annual General Meeting of City Insurance to ensure transparency and accountability. In the absence of chairman, the audit committee will designate another member to attend the Annual General Meeting (AGM). A photograph has been placed on the **page no. 293** of this Annual Report regarding the presennce of the audit committee Chairman at the last 29th AGM.

3.1.11 Reporting of the Audit Committee to the Board of Directors

The Audit Committee is tasked with presenting a report on its activities to the Board. In the event of any of the following discoveries, the Audit Committee is obligated to promptly communicate them to the Board:

- Conflicts of interest;
- Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- Suspected violation of laws, regulatory compliance including securities-related laws, rules, and regulations; and
- Any other matter deemed necessary by the Audit Committee that must be immediately disclosed to the Board.

However, no such incidents occurred at City Insurance during the year 2025.

3.1.12 Reporting to the Authorities

If the Audit Committee informs the Board about any issue significantly affecting the financial condition and operational results, discusses the need for rectification with the Board and management, and observes that such rectification has been unreasonably neglected, the Audit Committee is required to report this finding to the BSEC. This reporting to the BSEC should happen either after reporting such matters to the Board three times or upon the completion of a six-month period from the date of the initial report to the Board, whichever comes first. In the year 2025, no such incidents occurred at City Insurance.

3.1.13 Reporting to the Shareholders and General Investors

The report detailing the activities conducted by the Audit Committee, including any reports submitted to the Board under condition No. 5(6)(a)(ii) of the BSEC Corporate Governance Code dated June 3, 2018, is properly signed by the Chairperson of the Audit Committee and disclosed in the Company's Annual Report. However, it's important to note that no report to the Board under condition No. 5(6)(a)(ii) of the BSEC Corporate Governance Code dated June 3, 2018 was necessary during the year 2025.

3.2 Objective and Activities of Audit Committee

The Audit Committee consistently assesses the internal control systems of the Company. Additionally, they collaborate with the management to review the Company's quarterly, semiannual, and annual financial statements before presenting them to the Board for evaluation. The goals and undertakings of the Audit Committee are outlined in the "Report on the Activities of the Audit Committee" on **page no. 224** of this Annual Report.

3.2.1 Internal controls are well conceived, properly administered and satisfactorily monitored

The Audit Committee continuously reviews the effectiveness of internal controls to ensure they function efficiently. It regularly evaluates the adequacy of these systems by assessing actions taken on lapses or deficiencies identified in reports from the Internal Control and Compliance Department (ICCD). Additionally, the Committee reviews ICCD's recommendations and management's responses to ensure timely and appropriate corrective actions. This proactive approach strengthens the company's internal control framework, reinforcing its commitment to transparency, risk management, and regulatory compliance. This is discussed in detail on **page no. 222** of this Annual Report in the Report on the Activities of the Audit Committee.

3.2.2 Internal Auditor reports to the Board Audit Committee

On any matter within the Committee's Charter, Mr. Md. Ibrahim Molla, Head of Internal Audit & Compliance (HIAC) has direct access to the Board Audit Committee.

3.2.3 Internal Audit reports submitted to the Audit Committee

The Head of Internal Audit & Compliance (HIAC) submits comprehensive Internal Audit reports to the Audit Committee for review and oversight.

3.2.4 Role to ensure compliance with laws and regulations

The Audit Committee oversees the company's compliance with applicable laws and regulations. It also reviews the effectiveness of the company's internal control system on an ongoing basis to ensure that it is working properly. Additionally, the Committee reviews the actions taken to address any lapses identified in the internal control and compliance reports.

3.2.5 Audit Committee's role in ensuring timely settlement of statutory dues

The Audit Committee noted the timeliness of settling all statutory dues. In this context, the committee directs the Internal Control and Compliance Division to assess the payment status of all statutory dues and provide a report to the committee.

3.2.6 Audit Committee involvement in the review of the external audit function

Based on the proposal of the Audit Committee, the board recommended appointing M/s. Islam Quazi Shafique & Co., Chartered Accountants, as statutory auditors of the Company for 2025 to the shareholders at the 29th AGM held on March 24, 2025. Accordingly, the shareholders have approved their appointment. In compliance with the BSEC corporate governance code, the external auditors will not provide any other services other than the statutory audit. During their tenure, the Internal Control and Compliance Department (IC&CD) has coordinated and reviewed its functions and reported to the Audit Committee. The Audit Committee reviewed the activities of the external auditors and discussed the requisite issues with them; both the committee and the auditors expressed their satisfactions and presented the financial statements to the board.

Key Functions of Audit Committee relating to the review of the external audit function:

The key functions of the Audit Committee relating to the review of the external audit function are to

- Ensure effective coordination of external audit function;
- Ensure the independence of external auditors;
- Review the external auditor's findings to ensure appropriate actions are taken;
- Ensure that the external auditor has not been assigned any non-audit work;
- Review the appointment/reappointment of the external auditor;
- Ensure that the independence of the external auditor is not compromised.

Services not provided by External Auditors

In compliance to Provision 7 outlined in BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, M/s. Islam Quazi Shafique & Co., Chartered Accountants, conducted the statutory audit for the Company. During the year 2025, M/s. Islam Quazi Shafique & Co., Chartered Accountants, did not render any of the following services:

- Appraisal or valuation services or fairness opinions;
- Financial information systems design and implementation;
- Book-keeping or other services related to the accounting records or financial statements;
- Broker-dealer services;
- Actuarial services;
- Internal audit services or special audit services;
- Any service that the Audit Committee determines;
- Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and
- Any other service that creates conflict of interest.
- No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; provided that spouse, son, daughters, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;
- Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.

3.2.7 Statutory Auditor according to the list of IDRA, BSEC and FRC

As per BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, and the Dhaka Stock Exchange (Listing) Regulations, 2015 dated June 30, 2015, an auditor of a listed company may not serve more than three consecutive years. Accordingly, M/s. Islam Quazi Shafique & Co., Chartered Accountants, will retire at the 30th Annual General Meeting after completing three consecutive audits and submitting audit reports for 2023, 2024, and 2025. The firm is included in the auditor panel lists of the Insurance Development and Regulatory Authority (IDRA) on January 3, 2024, the Bangladesh Securities and Exchange Commission (BSEC) on May 30, 2023, and the Financial Reporting Council (FRC) enlistment for the Financial Year 2024–2025.

In line with the same regulatory panels, the Board of Directors, at its 221st meeting held on February 09, 2026, recommended the appointment of M/s. K. M. Alam & Co., Chartered Accountants, as the statutory auditor for 2026, subject to approval at the 30th Annual General Meeting. The Board further proposed that the auditor's remuneration be fixed by the shareholders in accordance with Section 210 of the Companies Act, 1994.

3.2.8 Selection of appropriate accounting policies

While reviewing the 2025 financial statements, the Audit Committee confirmed that the statements were prepared in accordance with appropriate accounting policies aligned with the applicable accounting standards set by the Institute of Chartered Accountants of Bangladesh (ICAB). This compliance was also verified by the statutory auditors and documented in their report on **page no. 386** of this annual report.

3.2.9 Review and recommend of annual and interim financial statements before presenting to the board for authentication

In compliance with BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, the Audit Committee, along with management, reviewed and recommended on the quarterly, half-yearly, and annual financial statements before submission to the Board for approval.

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3.2.10 The Audit committee reports conflicts of interest to the Board

The board audit committee regularly reviews all financial matters and directly reports to the board of directors if there are any conflicts of interest found/produced.

3.2.11 Review of reliability of the management information used for such computation

Audit Committee expressed its satisfaction to the Board on the reliability of management information used for preparation of Financial Statements. Based on the Internal Audit Function and Statutory Auditor Observation Audit Committee review the reliability of information used for preparing such computation.

4. INTERNAL CONTROL & **RISK MANAGEMENT**

A. Internal Systems and Controls

4.1 Statement of Board of Directors on the Responsibility to establish Appropriate System of Internal Control

The Board of Directors of City Insurance PLC acknowledges its overarching responsibility to establish and maintain an effective system of internal control. This responsibility is integral to the company's commitment to good governance, safeguarding shareholder value, and ensuring the integrity of its financial reporting.

We affirm that the internal control system in place is designed to provide reasonable assurance regarding the achievement of the following objectives:

Operational Efficiency: Ensuring the effective and efficient use of company resources.

Financial Reporting Integrity: Guaranteeing the reliability and accuracy of financial and management information.

Compliance with Laws and Regulations: Adhering to all applicable legal, regulatory, and statutory requirements.

To this end, the Board oversees the establishment of robust policies and procedures to mitigate risks that may hinder the achievement of corporate objectives. The internal control framework is aligned with globally accepted standards and periodically reviewed to adapt to changing business dynamics and regulatory environments.

Key Actions Undertaken in 2025:

- Strengthening the role of the Audit Committee to independently review and monitor control mechanisms.
- Enhancing risk management protocols to identify, assess, and respond to evolving risks.
- Upgrading technological systems to support real-time monitoring and secure data management.
- Conducting regular training for staff and management to foster a culture of accountability and compliance.

The effectiveness of the internal control system is assessed annually through internal audits and reviews conducted by the company's Internal Audit Department, which operates independently. Findings and recommendations from these audits are reported to the Board and acted upon promptly.

The Board remains committed to ensuring that any deficiencies identified in the system are addressed without delay. We are confident that the measures implemented throughout the year 2025 have reinforced our internal control framework and contributed to the company's long-term sustainability and growth.

This statement reflects our commitment to transparency, accountability, and the continuous improvement of our internal control processes to meet the challenges and opportunities presented in the ever-evolving landscape of the insurance industry.
On behalf of the Board of Directors,



Hossain Akhtar
Chairman
City Insurance PLC.

4.1.1 Statement of Board of Directors on Adequacy of Internal Control System

The Board of Directors of City Insurance PLC is committed to maintaining a robust and comprehensive internal control system that underpins the company's operations, financial reporting, and compliance framework. We take responsibility for ensuring that the internal control system remains effective, efficient, and adequate to address the challenges of a dynamic business environment.

The internal control system of City Insurance PLC is designed to provide reasonable assurance regarding the achievement of the following objectives:

- **Operational Effectiveness:** Facilitating the efficient use of resources to achieve the company's strategic goals.
- **Financial Reporting Accuracy:** Ensuring the reliability and integrity of financial and management information.
- **Compliance with Regulations:** Meeting all applicable legal and regulatory requirements.

Assessment of Adequacy in 2025

In 2025, the Board, in collaboration with the Audit Committee and the Internal Audit Division, conducted a thorough assessment of the adequacy of the internal control system. The following key aspects were reviewed:

- **Risk Management:** The company's risk management framework was found to effectively identify, evaluate, and mitigate key risks that could impact operations or financial performance.

- **Control Activities:** Policies, procedures, and processes were deemed sufficient to ensure the prevention and detection of irregularities.
- **Monitoring Mechanisms:** Ongoing reviews by the Internal Audit Division and management ensured continuous oversight and prompt remediation of identified issues.
- **Technology and Security:** Investments in technology upgrades enhanced system reliability and protected sensitive data from potential threats.

Based on the assessments and reports received during the fiscal year, the Board is satisfied that the internal control system of City Insurance PLC is adequate and operates effectively. While no internal control system can guarantee absolute assurance against material misstatements or losses, we are confident that the framework in place is aligned with industry best practices and sufficiently supports the company's operational and strategic objectives.

The Board remains committed to continuously improving the internal control system to adapt to evolving risks, regulatory requirements, and business complexities. This commitment reflects our dedication to safeguarding shareholder value and upholding the trust of all stakeholders.

On behalf of the Board of Directors,



Hossain Akhtar
Chairman
City Insurance PLC.

4.1.2 Key features of Internal Control system and monitoring technique

The Company's Board ensures the upkeep of a robust internal control system to protect the company's assets. Annually, the Board, with the assistance of its Audit Committee, conducts a comprehensive review to assess the efficacy of the company's internal control system. The key features of this internal control system include:



Control environment

The Company's Board ensures the establishment of an appropriate control environment by emphasizing integrity, ethical values, management philosophy, operating style, and the delineation of authority and responsibility.



Control environment

The control activities within the Company encompass the policies and procedures implemented to ensure the effective operation of the organization. These activities involve top-level reviews and the segregation of duties, aiming to enhance accountability and mitigate the risk of errors or fraud. The internal control system is organized to encourage the distribution of responsibilities and transactions among staff, preventing any single individual from exerting excessive control over a specific process or decision.



Risk assessment

The Company's Board implemented a procedure for assessing and managing risks. The internal control system is designed to identify and analyze these risks to proactively prevent any adverse events.



Information and communication

Smooth communication within the Company is ensured through transparent channels that facilitate the flow of information from management to employees and vice versa. This setup empowers each team member to effectively fulfill their responsibilities.



Monitoring

Monitoring involves evaluating the efficiency of internal controls. The board consistently assesses management and supervisory activities, the budget, and all financial documents. These evaluations contribute to ensuring the organization's effective and efficient operation, along with the proper implementation and maintenance of internal controls.

4.1.3 Information on Internal Controls of City Insurance

At City Insurance, we maintain a strong commitment to integrity and accountability through a well-structured internal control system. This system underpins our operations by ensuring transparency, operational efficiency, and compliance with all applicable laws and regulations. Continuous monitoring of business processes and regular evaluation of control effectiveness help mitigate risks, protect the reliability of financial reporting, and ensure timely and accurate disclosure of information to stakeholders.

Compliance as a Foundation for Sustainable Growth

Compliance is not viewed merely as a regulatory obligation, but as a core element of CIPLC's long-term sustainability. In an increasingly regulated and transparent business environment, ethical conduct and regulatory adherence are essential to maintaining stakeholder trust. CIPLC is committed to consistent compliance across all operations, recognizing its direct contribution to strengthening social and relationship capital.

Investment in Compliance: A Long-Term View

Establishing and maintaining a robust compliance framework requires meaningful investment in systems, processes, and people. While such investments may have short-term financial and operational impacts, CIPLC believes the long-term benefits far outweigh the costs. Proactive compliance enhances human and intellectual capital, reduces risk exposure, and improves overall operational efficiency, leading to sustained value creation.

Role of Internal Audit

- Acts as a key pillar of CIPLC's overall governance framework
- Provides independent and objective assurance to the Board of Directors, Audit Committee, and senior management
- Evaluates the effectiveness of risk management, internal control, and governance processes
- Supports informed decision-making through clear and reliable audit insights
- Promotes a strong culture of risk awareness, compliance, and accountability across the organization

Internal Audit Activities at City Insurance

City Insurance PLC has established a robust Internal Audit & Compliance (IAC) Department to ensure the smooth and effective functioning of its internal audit and control systems. This dedicated department plays a critical role in maintaining operational efficiency, promoting sound governance, and ensuring compliance with regulatory and internal standards across all divisions and branches of the company.

The IAC Department is headed by Mr. Md. Ibrahim Molla, whose leadership and expertise drive the team's commitment to high standards of accountability and transparency.

The IAC Department operates independently, providing objective assurance and advisory services aimed at enhancing the organization's risk management, governance processes, and control systems. It reports directly to the Audit Committee, reinforcing its independence and effectiveness in fulfilling its mandate.

Key Responsibilities and Activities

The IAC team at CIPLC is committed to a year-round program of comprehensive audits and reviews to assess and improve internal controls and compliance with the directives of the Insurance Development and Regulatory Authority (IDRA), as well as other regulatory authorities and CIPLC's own policies, plans, and procedures.

Key activities performed by the IAC team include:

- Conducting branch audits: 41 branch audits completed to evaluate adherence to company policies and financial integrity.
- Performing department audits: 9 departmental audits carried out to ensure proper internal controls and operational efficiency.
- Surprise inspections: Several unannounced inspections conducted to detect and mitigate potential risks and irregularities.
- Follow-up audits: Subsequent reviews performed to ensure recommendations and corrective actions are implemented.
- Special audits: In-depth investigations addressing specific areas of concern.
- Spot rectifications: Immediate corrections made on-site to rectify issues and ensure compliance with standards.
- AML/CFT Compliance: The team proactively identifies, monitors, and evaluates AML/CFT risks in line with BFIU guidelines, insurance sector circulars, and IDRA checklists.

Through its proactive approach, City Insurance PLC's Internal Audit & Compliance Department significantly contributes to the company's long-term success, safeguarding its reputation and enhancing stakeholder confidence.

4.1.4 Information on the Internal Control Structure Components

The Internal Audit and Compliance (IAC) team functions as an independent department, maintaining a direct reporting line to the Audit Committee of the Board of Directors. To ensure comprehensive oversight and operational effectiveness, the Internal Control and Compliance Department is structured into the following three specialized units:

	Audit and Inspection Unit	Monitoring & Compliance Unit	Infomation System (IS) Audit Unit
Function of Audit & Inspections Unit	Execute the audit as per plan	Communicate the findings	Follow Up & Comply the findings
Function of Monitoring and Compliance Unit	Reviews business and operational activities	Collect & Analyze data to reduce Risk	Make sure to comply with laws
Function of Infomation System (IS) Audit Unit	Making paperless work environment	Increase efficiency by introducing Automation	Ensure information Security

4.1.5 Management and Audit Committee Assurance on Internal Controls

Management's Responsibility for Internal Controls

Management of City Insurance affirms that the Company maintains a sound and effective system of internal control designed to safeguard assets, ensure the accuracy and reliability of financial reporting, promote operational efficiency, and ensure compliance with applicable laws, regulations, and regulatory guidelines of BSEC, IDRA and other relevant authorities.

Alignment of Internal Control Framework with Business and Risk Profile

The internal control framework is aligned with the Company's risk profile and business operations. Management regularly reviews and updates control policies and procedures to address emerging risks, changes in regulations, and operational developments. Any identified control gaps are promptly addressed through corrective actions and continuous monitoring.

Oversight by the Audit Committee of the Board

The Audit Committee of the Board exercises oversight over the effectiveness of internal controls, financial reporting, and compliance processes. The Committee reviews reports submitted by Internal Audit, management responses, and the status of corrective actions, and provides guidance where necessary to strengthen the control environment.

Role of the Internal Audit Function

The Internal Audit function operates independently and conducts risk-based audits to assess the adequacy and effectiveness of internal controls across key operational and financial areas. Significant observations and recommendations are reported to the Audit Committee for review and follow-up.

External Auditors' Review and Assurance

The External Auditors, in the course of their statutory audit, have reviewed relevant internal control systems relating to financial reporting. Based on their audit procedures and findings, no material weaknesses in internal controls were reported that would adversely affect the fair presentation of the Company's financial statements.

Overall Assessment by the Board and Management

Overall, the Board and Management are satisfied that the internal control system of City Insurance remained adequate and effective during the year under review and continues to support the Company's objectives, governance standards, and regulatory compliance.

Financial Reporting

City Insurance is committed to the highest standards of ethical conduct, transparency, and regulatory compliance in financial reporting. The Company prepares its financial statements in full compliance with applicable laws, regulations, and accounting standards, ensuring accurate, reliable, and comprehensive disclosure of financial information.

The Company follows a prudent and conservative approach in financial reporting and provides detailed explanations, notes, and disclosures where necessary to enhance clarity and support informed interpretation of financial results. This approach strengthens stakeholder confidence and reinforces trust in the Company's financial information.

Internal Audit Reporting & Committee Oversight:

The Audit Committee of the Board regularly reviews internal audit reports and evaluates the effectiveness of the Company's internal control and compliance frameworks. These reviews provide valuable insights into the adequacy of control systems and risk management practices.

Based on the review of Internal Audit activities conducted during 2025, the Audit Committee concluded that the internal controls of the Company are appropriately designed, effectively implemented, and adequately monitored. The Board of Directors further confirms that internal audit reports are consistently placed before the Audit Committee for review, ensuring continuous oversight and the ongoing effectiveness of the internal control system.

B. Risk Management Framework

City Insurance understands and accepts that risk is inherent to doing business and that the controlled acceptance of risk is critical to the creation of shareholder value. Thus, the level of risk undertaken by the company is determined by the rate of return on risk-adjusted capital, solvency and how well

it advances the company's strategic purpose of insurance involvement and broader corporate goals. The company may choose to surrender or hedge a risk it has assumed if doing so is economically feasible. Therefore, the purpose of the company's internal control processes and systems is risk control and not risk prevention. However, there are occasions when there are threats beyond the company's tolerance threshold and in this scenario it attempts to fully mitigate or cede the risk

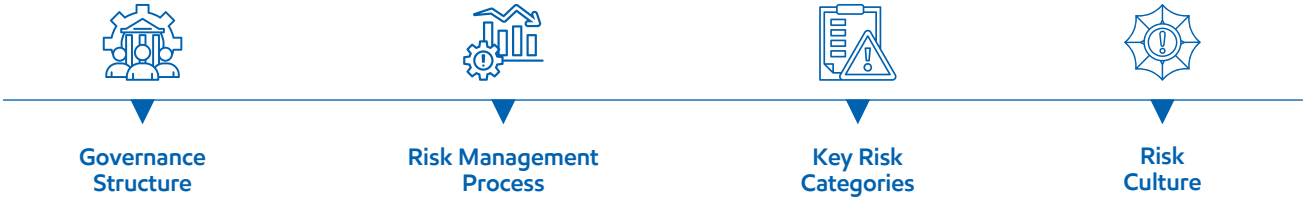
4.2 Our Risk Strategy: A Top-Down Approach



4.2.1 Our Risk Management Framework

The Risk Management Framework (RMF) of City Insurance PLC defines the policies, processes, and governance structures used to identify, assess, manage, and mitigate risks that may affect the Company's ability to achieve its strategic objectives.

The framework ensures a consistent and structured approach to risk management across all business functions. The Board of CIPLC, through its Risk Management Committee (RMC), oversees the Risk Management Framework, approves the related strategy and policies, and provides supervisory oversight of risk-taking activities across the organization.



Objectives of Risk Management	• Safeguard assets. • Ensure regulatory compliance. • Enhance operational continuity. • Maintain stakeholder confidence. • Support strategic goal achievement.
Governance Structure	• **Board of Directors:** Oversees risk management and framework approval. • **Risk Management Committee:** Implements and monitors risk policies. • **Chief Risk Officer (CRO):** Aligns risk management with corporate strategy. • **Internal Audit:** Provides independent assurance. • **Risk Owners:** Manage risks within their responsibilities.
Risk Management Process	**Risk Identification:** Identify risks (financial, operational, legal, etc.). **Risk Assessment:** Use a risk rating matrix for prioritization. **Risk Mitigation Strategies:** • Avoidance • Reduction • Transfer • Acceptance Risk Monitoring and Reporting: Track risks and report to management.

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Key Risk Categories	• Insurance Risk: Underwriting and claims management risks. • Financial Risk: Investment and liquidity risks. • Operational Risk: Process failures, cybersecurity threats. • Regulatory and Compliance Risk. • Reputational Risk.
Risk Culture	Promotes risk-aware culture by: • Encouraging proactive risk identification. • Providing regular training. • Integrating risk management into decision-making.
Review and Continuous Improvement	The framework is reviewed annually to incorporate lessons learned and address new risks.

The risk management framework will be reviewed annually or as needed to ensure it remains effective and aligned with evolving business needs, regulatory requirements, and industry best practices. Adjustments will be made to incorporate lessons learned and address emerging risks.

Setting and Monitoring Risk Appetite



Board Sub-Committee Alignment with Strategy and Capital

Board Sub-Committee	Link to Strategy	Link to Capitals
Board Audit Committee	Business Focus, Customer Solutions	
Risk Management Committee	All Strategic Priorities	
Investment Committee	Growth, Portfolio Optimization, Long-Term Value Creation	
Policyholder Protection & Compliance Committee	Customer Trust, Regulatory Compliance, Service Quality	
Nomination & Remuneration Committee	Leadership Continuity, Talent Development, Governance Effectiveness	

4.2.2 City Insurance PLC employs the Three Lines of Defense (LoD) model for robust risk management:

Notably, CIPLC's risk governance structure is bolstered by its three lines of defense model that provides an additional level of safeguards and helps the company manage risks in a prudent, cautious and comprehensive way. The key responsibilities of each line of defense are laid out are:

First line of defense

- Business functions that manage risk
- Responsible for identifying risks and maintaining effective internal controls and systems
- Executing risk and control procedures on a day-to-day basis

Second line of defense

- Risk management function that facilitates and monitors the implementation of effective risk management practices by business teams or divisions
- Defining target risk exposure and reporting adequate risk-related information throughout the organization

Third line of defense

- Internal and external audit provides the Board with comprehensive assurance based on independence and objectivity
- To assure adequacy of risk controls and appropriate risk governance

4.2.3 Information on Principal Risks and Uncertainties faced by the Organization

In the non-life insurance sector, success hinges on balancing risk and return. Insurance operations inherently face diverse risks, from operational to market and regulatory uncertainties. For long-term sustainability, creating value remains a core requirement. Recognizing the inevitability of uncertainty, City Insurance PLC has implemented a robust Risk Management Framework (RMF) to manage material risks effectively. By focusing on proactive identification, precise measurement, strategic mitigation, continuous monitoring, and strong governance, we safeguard our business model and enhance resilience. This dynamic approach positions us to achieve organizational goals while protecting policyholders and maximizing shareholder value.

KEY RISK	RISK DESCRIPTION	MITIGATION APPROACH
CATASTROPHIC EVENTS	Exposure to natural disasters, such as earthquakes or floods that could impact the financial stability of the company. This risk is also about the impact of climate-related risks on the business model.	We are focused on diversifying the geographical exposure of our insurance portfolio to mitigate the impact of catastrophic events in specific regions. Further, we have the necessary redundancy, infrastructure and business continuity plans to ensure operational sustenance even amidst natural events.
CYBERSECURITY	Increasing cyberthreats leading to potential data breaches, financial losses and damage to the company's reputation.	The digital age underscores the importance of cybersecurity for insurance companies. We recognize the need to invest in robust cybersecurity measures to safeguard sensitive customer data and maintain trust in an era where digital threats are prevalent. We have thus put in place robust cybersecurity measures, including regular audits, employee training and investment in advanced security technologies.

KEY RISK	RISK DESCRIPTION	MITIGATION APPROACH
REGULATORY	Evolving regulatory landscape poses risks of compliance challenges and the need for adaptations to new laws and regulations.	We have a well-defined regulatory compliance strategy. We always monitor changes in regulations and ensure proactive adaptation to compliance. This not only enables responsible and secure organizational stewardship, but also helps boost our goodwill and market reputation.
UNDERWRITING	Inaccurate risk assessment and underwriting leading to potential losses, especially in the face of unforeseen circumstances.	We invest in modern data analytics and modelling for more accurate risk assessment and continuous refinement and augmentation of our underwriting processes.
REINSURANCE RISKS	Reinsurance Risks involve delayed receivables, potential financial instability, and risk accumulation without adequate reinsurance coverage, increasing exposure to catastrophic losses.	• Frequent review of reinsurance receivables • Close professional relationships with reinsurers • Premium reinsured with Sadharan Bima Corporation and overseas reinsurers to reduce single • loss impact and enhanced capacity
CLAIMS FRAUD	Risks associated with fraudulent claims that may impact the company's profitability and reputation.	We have implemented advanced fraud detection systems and processes to identify and mitigate fraudulent claims. Besides, we have robust claims appraisal processes that help prevent claims fraud.
ECONOMIC DOWNTURN	Adverse economic conditions affecting premium payments, investment returns and our overall financial performance.	Bangladesh is one of the fast-growing developing economies of the world. Hence, any economic slowdown is only transient in nature. Furthermore, there is significant insurance under-penetration and hence there exists a natural growth opportunity here. Furthermore, we have financial resilience and operational continuity plans to navigate economic challenges, including stress-testing and maintaining contingency funds.
COMPETITION AND PRICING	Intense competition and pricing pressures in the market may affect the company's ability to maintain profitable premium levels.	We conduct regular market assessments to adjust our pricing strategies that are always led by our focus on affordability and accessibility. Furthermore, we always try to differentiate our products through features and personalization that enable us to effectively thwart competition and build on our market share. Besides, we invest in product innovation to differentiate our offerings and meet changing customer preferences and requirements.
INVESTMENT MARKET VOLATILITY	Fluctuations in the investment market may impact returns on the company's investment portfolio.	We have put in place risk-adjusted investment strategies that enable us to navigate market volatility and optimize investment returns. Besides, we engage in thorough multilevel scrutiny before committing to any market investment and are always guided by our philosophy of safety and caution in our investment decisions.
MONEY LAUNDERING RISK	Money Laundering Risk involves inadequate due diligence, leading to financial crimes, reputational damage, and regulatory non-compliance in transactions.	• Customer due diligence (KYC) • Regular training on money laundering prevention • Regular branch communication on AML compliance • Integrated customer information software • Compliance with regulatory instructions

KEY RISK	RISK DESCRIPTION	MITIGATION APPROACH
OPERATIONAL DISRUPTIONS	Operational disruptions, such as system failures or supply chain issues, leading to service interruptions and potential financial losses.	We develop and regularly test our operational continuity plans to ensure minimal disruption in the event of any operational challenges. This has gone a long way in enabling us to prevent any operational disruptions.
HUMAN RESOURCES RISK	Human Resources Risk involves employee turnover, skill gaps, lack of training, and leadership issues, affecting organizational performance and productivity.	• Employee motivation and training • Counseling and exit interviews • Induction programs • Staff turnover analysis
BUSINESS RESILIENCE RISK	This risk presents a heightened threat to the business due to a combination of internal weaknesses and external pressures, with its severity increasing compared to the previous year.	The Company mitigates this risk by strengthening internal controls, addressing identified vulnerabilities, and enhancing governance and oversight. Regular risk assessments, management reviews, and targeted corrective actions are implemented to reduce exposure, while ongoing monitoring of external developments ensures timely and appropriate responses.
CLIMATE RISK	This escalating risk threatens business continuity, with climate change impacts intensifying significantly compared to the previous year.	The Company addresses this risk through proactive monitoring of climate-related exposures, integration of climate considerations into risk assessments and underwriting decisions, and continuous review of business continuity and disaster recovery plans. Management also strengthens operational resilience, enhances data-driven risk analysis, and ensures regulatory alignment to minimize potential disruptions and long-term impacts.

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4.2.4 Information on Risk Mitigation Strategies

At City Insurance PLC, we recognize that effectively managing risks is critical to ensuring the company's continued growth, financial stability, and reputation. A proactive and structured approach to risk management enables us to prevent potential risks from escalating into major problems. Our risk mitigation strategies are designed to not only protect the organization but also to enhance our ability to adapt to changing circumstances in an increasingly complex business environment.

Risk Identification and Assessment

The first step in our risk mitigation strategy is identifying potential risks that may affect our operations. This process involves the thorough assessment of both internal and external factors, ranging from economic shifts, regulatory changes, and market competition, to technological advancements and natural disasters. We conduct regular risk audits and evaluations across various departments to ensure that emerging risks are promptly identified.

Once risks are identified, they are categorized based on their potential impact and likelihood. This allows us to prioritize which risks require immediate attention and allocate resources accordingly. By maintaining a detailed and updated risk register, we ensure that the organization stays aware of all potential threats and opportunities.

Preventive Measures

Our risk mitigation strategy is heavily focused on prevention. We implement a series of preventive measures that are aimed at minimizing the probability of risks occurring. This includes the development and implementation of robust internal controls, adherence to industry regulations, and frequent reviews of our operational procedures.

In terms of cybersecurity, for instance, we adopt best practices to protect sensitive data and ensure the integrity of our systems. Regular security audits, software updates, and employee awareness programs help safeguard the organization from cyberattacks and data breaches.

Training and Awareness

A key component of our risk mitigation strategy is ensuring that employees at all levels are equipped to handle potential risks. We invest in training programs to enhance employees' awareness of various risks associated with their roles. This includes specialized training in areas such as risk management, compliance, and financial reporting.

By fostering a culture of risk awareness, City Insurance PLC ensures that all staff members understand their responsibility in managing risks and are well-prepared to respond effectively when issues arise.

Diversification and Portfolio Management:

To mitigate financial risks, City Insurance PLC employs diversification strategies in its investment and product portfolios. We maintain a diversified portfolio that spans various asset classes, industries, and geographical regions to reduce exposure to market fluctuations. Our portfolio management team continuously monitors the performance of investments and adjusts strategies based on market conditions, ensuring long-term financial stability.

In addition, we regularly review our insurance products to ensure they meet the needs of our clients and are aligned with current market trends. This proactive approach to product and service diversification helps reduce the risks associated with over-reliance on any single revenue stream.

Crisis Management and Contingency Plans

Even with the best preventive measures in place, some risks may still materialize. In such cases, it is vital to have a well-prepared response plan. City Insurance PLC has established comprehensive crisis management and contingency plans that outline specific steps to take in the event of a crisis, such as a natural disaster, economic downturn, or operational failure.

These plans are designed to ensure business continuity and minimize the impact of disruptive events. We regularly test and refine our crisis response strategies through simulations and scenario-based training, ensuring that the organization can act swiftly and decisively when required.

Continuous Monitoring and Review

Risk management is an ongoing process, and City Insurance PLC remains committed to continuously monitoring, reviewing, and updating its risk mitigation strategies. We use advanced tools and systems to track key risk indicators and identify any early warning signs of potential issues. By maintaining an agile approach, we are able to quickly adjust our strategies in response to changing circumstances or new information.

Regular reviews of risk management practices help us stay ahead of emerging risks, ensuring that our risk mitigation strategies remain effective and relevant.

Through the implementation of a comprehensive risk mitigation strategy, City Insurance PLC works to protect the interests of its stakeholders and ensure business resilience in a rapidly changing world. By identifying risks early, employing preventive measures, investing in employee training, diversifying portfolios, planning for crises, and monitoring performance continuously, we are able to prevent risks from turning into significant problems. Our approach to risk mitigation reflects our commitment to maintaining a secure and prosperous future for the organization and its stakeholders.

4.2.5 Disclosure of Risk Reporting

City Insurance PLC maintains informative, transparent and consistent risk reporting for its valued clients, stakeholders and the industry itself. It has been internationally accepted that substantial narrative reporting, including the disclosure of risk, is important to promote investor protection.

The Standard disclosure of risk reporting may include the followings:

- Clear, balanced and understandable.
- Includes all the insurer's key activities and risks
- Presents relevant information
- Comparable among insurers
- Provided on a timely basis

It is important for standard setters and policymakers to consider the reporting and disclosure in the context of investor experiences and other matters which include the following.

- Emerging trends in technology and connectivity
- The inability of the existing model to provide investors with sufficient decision-useful information in a new economy, and
- The lack of a measurement framework that can inform the disclosures necessary to make such measurements meaningful.

Disclosure Process

- Company ensures proper disclosure by clearing terms and conditions of each new policy.
- CIPLC uses surveyor reports for new and valued clients.

Principle of Utmost Good Faith

- Both insurer and potential insured must disclose material facts to each other.
- Any excess/deductible for a policy should be disclosed to the insured.
- Potential insured provides material facts about property before underwriting, including ownership, position, and value.

Risk Reporting and Governance

- Growing consensus for better risk reporting among users, producers, and advisers.
- Generic risk report benefits both shareholders and stakeholders.
- Lack of authentic guidance on risk reporting due to global terrorist activities.

Anti-Money Laundering and Combating Terrorism:

- Significant role of insurance in global risk allocation.
- AML and CFT regimes essential for market integrity and global financial framework.
- Bangladesh Bank and IDRA prioritize AML and CFT issues.
- CIPLC reports suspicious transactions to Bangladesh Financial Intelligence Unit (BFIU) on prescribed STR format.

4.2.6 Disclosure of the identification of risk the company is exposed to both internally and externally

City Insurance PLC (CIPLC) recognizes the critical importance of identifying and managing both internal and external risks to ensure sustainable growth, financial stability, and operational efficiency. The company adopts a proactive and systematic approach to risk management, integrating it into core business processes to align with the risk appetite set by the Board's Risk Management Committee (RMC).

INTERNAL RISKS

Risk Category	Description	Mitigation Strategy
Operational Risks	Arise from process inefficiencies, system failures, or human error, potentially impacting service delivery or claims processing.	Employ robust internal controls, automated systems, and continuous staff training to improve reliability.
Financial Risks	Include investment volatility, liquidity challenges, and credit risks in premium collections or reinsurance recoverables.	The Finance Department, in coordination with the Internal Audit & Compliance (IAC) team, ensures effective financial control mechanisms, timely audits, and adherence to investment policies.
Compliance and Regulatory	Stem from non-compliance with insurance laws or evolving standards.	A dedicated compliance framework monitors changes and conducts training.
Underwriting and Claims	Inaccurate risk assessment or mismanagement could cause financial or reputational harm.	Apply rigorous guidelines, risk-scoring models, and comprehensive audits.
Technological Risks	Dependence on digital systems creates exposure to cybersecurity threats.	Invest in cybersecurity infrastructure, conduct penetration tests, and use data backups.

EXTERNAL RISKS

Risk Category	Description	Mitigation Strategy
Market and Economic Risks	Economic fluctuations may affect premium pricing and demand.	Use dynamic market analysis, diversified investments, and pricing flexibility.
Political and Regulatory	Changes in policies or international regulations could impact operations.	Monitor regulatory shifts and engage with policymakers.
Reinsurance Risks	Dependence on reinsurers and natural disasters poses financial risks.	Partner with reputable reinsurers and apply advanced catastrophe models.
Climate Risks	Climate change leads to increased claims for weather incidents.	Use sustainability initiatives and weather risk assessments.

4.2.7 Disclosure of the strategies adopted to manage and mitigate the risks

City Insurance PLC employs a comprehensive approach to manage and mitigate risks, ensuring sustainable operations and financial stability. The company's strategy encompasses four key components:

Risk Identification

Proactively recognizing internal and external risks that may impact business performance, including operational inefficiencies, financial fluctuations, and regulatory changes.

Risk Measurement

Assessing the potential impact and likelihood of identified risks using advanced models and analytical tools to prioritize mitigation efforts effectively.

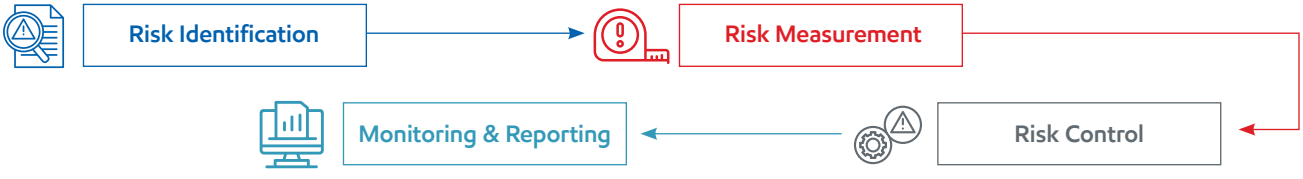
Risk Control

Implementing robust control mechanisms, including strict underwriting guidelines, financial controls, and cybersecurity measures, to prevent and reduce the impact of risks.

Monitoring and Reporting

Continuously tracking risk management effectiveness and providing regular reports to the Risk Management Committee to ensure alignment with organizational objectives and regulatory requirements.

By integrating these strategies into core business processes, City Insurance PLC strengthens its resilience and enhances long-term growth.



5. ETHICS AND **COMPLIANCE**

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To foster trust among various stakeholders, City Insurance considers corporate integrity, ethical conduct, and accountability as essential pillars. The corporate culture of City Insurance is ingrained in its dedication to adhering to the utmost standards of corporate governance, integrity, and ethical conduct, constituting an integral aspect of the Company's corporate governance practices.

Ethics and Compliance in City Insurance

Code of Conduct for	Objective
Client	Ensuring the protection of customers' interests and ensuring fair treatment in all interactions with the Company.
Shareholders	Ensuring equitable treatment for all shareholders while safeguarding their assets.
Employees	Ensuring equitable treatment for every employee and expecting integrity in return.

5.1 Disclosure of statement of Ethics and values

The Company has a separate "Code of Conduct" for the Board of Directors and employees of the Company. The "Code of Conduct" is based on the premise that every employee must put the Company's interests ahead of his or her own. All employees of the Company are committed to complying with the Code, which is fully supported by the Board and Senior Management. The complete Code of Conduct is available on **page no. 32 & 110** of the Annual Report 2025. It is designed to ensure that the Company maintains high standards of corporate governance, integrity, and ethical conduct, which are integral to its corporate governance practices.

5.2 Dissemination of the statement of ethics and Business Practice

City Insurance sets out clearly the code of ethics and conduct for its employees. The code stipulates the sound principles that will guide all employees in discharging their duties. It sets out the standards of good insurance practice. For any new conduct related issues, Human Resources Division time to time circulate it to the employees of City Insurance.

5.3 Board's commitment to establishing high level of ethics and compliance

The Board of Directors at City Insurance is consistently dedicated to instilling a heightened level of ethics and compliance throughout the company's workforce. The board consistently promotes management efforts to uphold elevated ethical standards among all employees. City Insurance's board also recognizes its responsibility in ensuring that the company's business activities adhere to the utmost standards of ethics and compliance.

5.4 Business Ethics and Practices for Employees

City Insurance's employees have always been committed to uphold the highest standard of ethics and compliance according to the Company's policy.

5.5 Conflict of Interest

In business, a conflict of interest commonly arises when a board member's personal interests come into conflict with the professional interests of the company. Board members are obligated to prioritize the company's interests above their personal interests, carrying out their duties objectively and effectively. If a board member anticipates that a transaction or relationship might pose a conflict of interest with the company, they must openly disclose it to the entire board and obtain authorization before proceeding with such transactions or relationships.

5.6 Insider Trading

Insider trading involves the buying or selling of a company's stock by directors or executives who have access to material, non-public information about the company. Board members are strictly forbidden from engaging in insider trading concerning the company's securities. They must abstain from trading securities when in possession of such information, whether it pertains to City Insurance or any other entity. Additionally, board members are prohibited from sharing confidential information with anyone who might use it to trade securities. This restriction on insider trading is essential to prevent unfair competitive advantages, uphold fiduciary responsibilities, and avoid artificial manipulation of the company's stock value.

5.7 Confidential Information

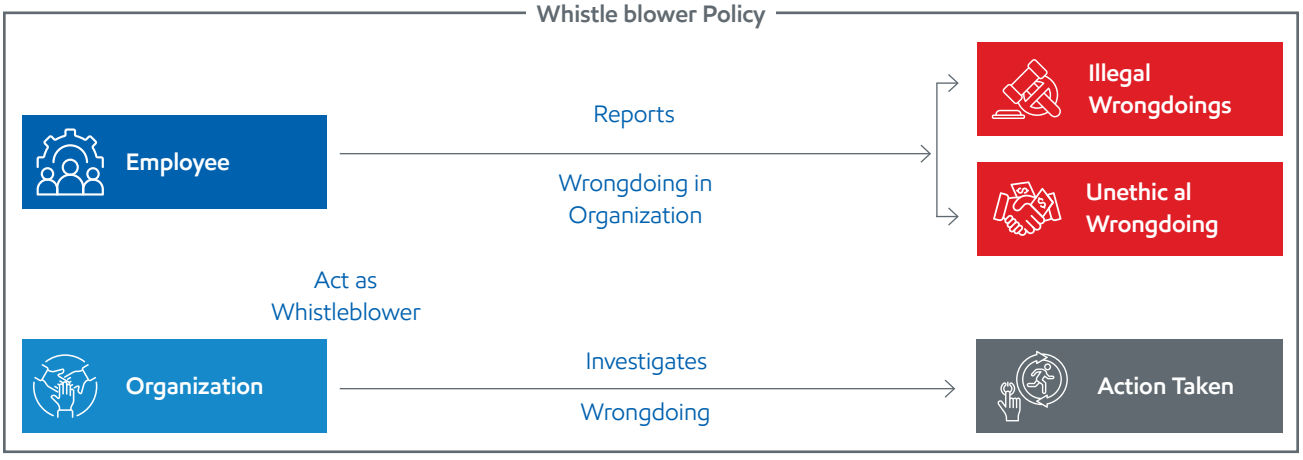
City Insurance is dedicated to providing the public with information about its operations. However, certain information related to the Company's operations is price-sensitive. Until an official announcement concerning such information is issued, directors and all employees are obligated to maintain strict confidentiality.

5.8 Establishment of effective anti-fraud program and controls

The anti-fraud program assists City Insurance in upholding its dedication to safeguarding revenue, reputation, and other assets. City Insurance has implemented a comprehensive anti-fraud/anti-corruption program for all employees through various training sessions.

5.9 Whistleblower Policy

City Insurance has a Speak up/Whistle-blowing policy to uphold the code's commitment and maintain a culture of strong ethics. Any misconduct or misappropriation shall be reported to the appropriate authority. We are very keen to maintain an open environment where the staff is confident in raising concerns about any misconduct and are free from the fear of victimization. Detail Whistle Blower Policy is available on **page no. 303 & 304** of the Annual Report 2025.



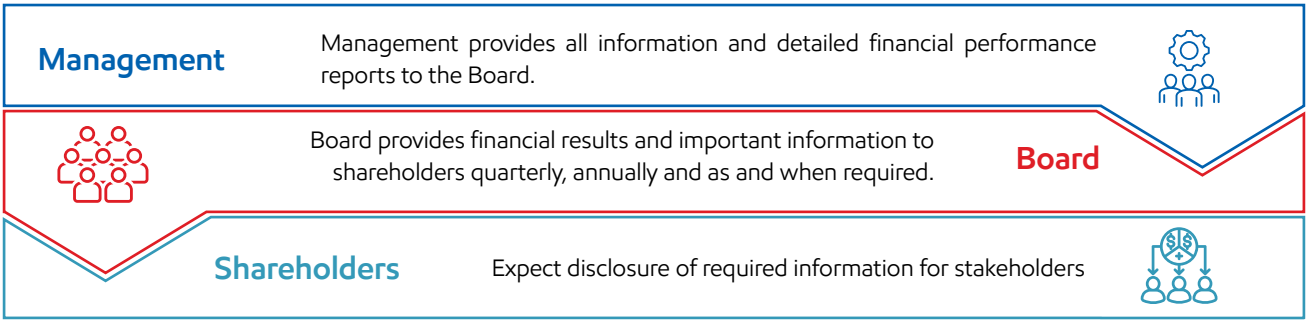
Disclosure: During the year 2025, no whistleblower issues were reported or arose. This reflects the company's continued dedication to fostering an ethical and compliant corporate culture.

5.10 Maintaining Confidentiality of Information

The company is committed to maintaining the privacy and confidentiality of all information acquired during the course of its professional activities. This includes information about the company's customers and their affairs, as well as confidential financial and business information. The company will not disclose this information unless required to do so by law. Additionally, the company is committed to refraining from using inside information, including customer data and product manuals, for personal gain or for the benefit of others, either directly or indirectly. This commitment to confidentiality and ethical conduct helps ensure the trust and loyalty of the company's customers.

5.11 Accountability

The company has instituted a control system designed to ensure the accountability of both management and the board of directors. Within this framework, management is answerable to the board, and the board is accountable to both shareholders and stakeholders. This system plays a crucial role in promoting transparency in the company's decision-making and operations, with a focus on considering the interests of all stakeholders. By establishing distinct lines of accountability, the company is able to uphold robust governance practices and foster trust among its customers and other stakeholders.



5.12 Related Party Transactions disclosed in the Annual Report

The company in normal course of business has entered transactions with other entities that fall within the definition of related party as contained in IFRS "Related party disclosures". Total transactions are available under the section 'Independent Auditor's Report' at **Note No. 22, Page No. 433**. The Audit Committee periodically carried out in-depth analysis of the transactions among the related parties.

5.13 Statement of Compliance with IFRS/BFRS

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants (ICAB) and the rules and regulations issued by Insurance Development and Regulatory Authority (IDRA) time-to-time, the Companies Act 1994 and BSEC rules 2020.

5.14 No adverse remarks in the Auditor's Report

No adverse remarks were found in the Auditor's Report. The details are discussed in Financial Statements Chapter under the section "Independent Auditor's Report," on page 386.

5.15 Board's Policy on IT Governance

Our organization adheres to a robust IT governance framework that defines clear roles, responsibilities, and reporting structures to manage technology effectively. We prioritize IT security by implementing well-structured policies, procedures, and controls to safeguard the integrity, confidentiality, and availability of our systems, data, and networks.

Our comprehensive IT governance policy aligns with industry best practices and regulatory requirements, enhancing operational efficiency, minimizing risks, and ensuring compliance. This structured approach empowers us to drive innovation, support sustainable business growth, and maintain continuity in an evolving digital landscape. Through proactive governance, we continuously improve IT performance and resilience, positioning technology as a strategic enabler of long-term success.

5.16 Policy to encourage employee's participation in Management

City Insurance PLC has demonstrated a steadfast commitment to fulfilling its responsibilities towards its staff, focusing on fostering a culture of employee participation in management decisions. Through a range of innovative policies and initiatives, the company stands as a beacon for responsible corporate practices in the insurance industry.



Transparent Communication

- Regular meetings provide a platform for open and transparent communication.
- An open-door policy encourages employees to voice their concerns and ideas, fostering a culture of inclusivity.



Professional Development Initiatives

- Regular meetings provide a platform for open and transparent communication.
- An open-door policy encourages employees to voice their concerns and ideas, fostering a culture of inclusivity.



Recognition and Rewards

- Implementation of innovative employee recognition programs for outstanding contributions.
- Recognition initiatives not only boost morale but also create a positive and motivating work environment.



Employee Forums and Committees

- Establishment of structured platforms for employees to actively participate in decision-making processes.
- Forums and committees provide avenues for sharing insights on strategic decisions and organizational policies.



Inclusive Organizational Culture:

- Promotion of an inclusive work culture where every employee feels valued and empowered.
- A cohesive and motivated work environment is fostered, contributing to the overall success of City Insurance PLC.

City Insurance PLC's proactive approach to employee welfare and involvement in management decisions not only aligns with responsible corporate practices but also positions the company as a leader in fostering a culture of engagement and responsibility within the insurance sector.

5.17 Payment to vendors on time

To ensure the quality and dependability of the products and services it utilizes, CIPLC has engaged vendors who have received approval from the company's competent authority. The company has implemented policies and procedures for processing vendor payments, ensuring timely compliance with these protocols. This practice ensures that vendors align with the company's standards and requirements, fostering robust relationships between the company and its suppliers.

5.18 Payment of Taxes to the Government Authorities on time

As a responsible corporate citizen, City Insurance continues to remain transparent in adherence with the local direct and indirect tax requirements and has contributed BDT 204.02 million to the national exchequer as Value Added Tax (VAT), Supplementary Duty (SD) & Income Tax. Also, City Insurance maintains timely submission of VAT return, withholding tax return, income tax return & related all others required return in due time. Details has been given on **page no. 370** of this annual report.

5.19 Dispute/ Default in Respect of Payment of Govt. Taxes

City Insurance has no dispute in respect of payment of Govt. Taxes. The report of dispute/default in respect of payment of Govt. taxes has been shown under the heading of Contribution to the National Exchequer on **page no. 370** of this annual report.

5.20 Code of Conduct for Employees

City Insurance fosters a collaborative workplace where employees grow together and stay focused on delivering exceptional customer service. This culture is built on camaraderie, strong ethics, and a firm commitment to compliance. The company expects all employees to uphold the highest standards of conduct in their interactions with customers and stakeholders. The full Employee Code of Conduct is detailed on **page no. 32** of the Annual Report 2025.

5.21 Policy on Supply Chain management

The Procurement Committee oversees CIPLC's supply chain, while the Procurement Division manages day-to-day purchasing to keep operations running without interruption. The Committee provides the required approvals for goods and services, ensuring a smooth, reliable, and well-controlled procurement process. With this structure, the company minimizes risk and secures the timely delivery of the resources it needs to operate effectively.

5.22 Anti-Money Laundering Compliance

In order to ensure the proper execution of Anti- Money Laundering compliance, we have a Central Compliance Unit (CCU) and nominated officers in each Branch for analysis and control purpose. Central Compliance Unit (CCU) works directly under the Chief Executing Officer (CEO) of the Organization. CCU issues the instructions to be followed by the branches. These instructions are prepared combining the issues related to monitoring of transactions, internal control, self-assessment report, policies and procedures from the point of preventing money laundering and terrorist financing. As per the instructions of Bangladesh Financial Intelligence Unit (BFIU), the Central Compliance Unit (CCU) of City Insurance comprised of the following Personnel:

- Sheikh Azizul Haque–Chief Anti Money Laundering Compliance Officer (CAMLCO) and Chief of CCU
- Subir Mistry – Deputy Anti Money Laundering Compliance Officer & Head of Underwriting Department

Sheikh Azizul Haque, Chief Financial Officer act as a Chief Anti Money Laundering Compliance Officer (CAMLCO) in our company. CCU addresses the prevention of money laundering & terrorist financing activities under the Money Laundering Prevention Act-2012 and the Anti-Terrorism Act-2013 (Amended). This includes an AML/ CFT risk assessment and practices, procedures and controls for establishing business relationship, KYC procedures and ongoing transaction monitoring for detecting suspicious transactions/policy activity, regularly monitors and ensures reporting to BFIU. CCU has to prepare Self-Assessment Report semiannually on the basis of BFIU's Master Circular 16 section 8.1. CCU organizes quarterly meeting and training for all the employees on AML and CFT.

5.22.1 Anti-Money Laundering (AML) Department

The Anti-Money Laundering (AML) Department has been established within the company to manage and monitor all aspects related to Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT). A key responsibility of the AML department is to ensure that all employees undergo anti-money laundering training at least once a year. This training is vital for raising awareness, ensuring compliance, and strengthening the organization's efforts to prevent money laundering and combat terrorism financing. The AML department plays a critical role in fostering a culture of vigilance and adherence to regulatory standards within the organization.

5.23 Compliance of Meeting & Remuneration

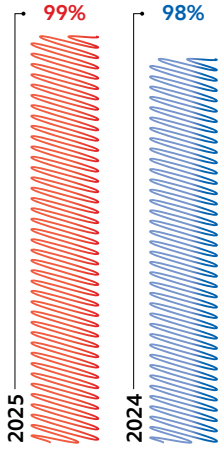
The company's Board Secretariat plays a crucial role in facilitating effective communication with Board members. Typically, formal notices are issued to members, usually 14 days before a meeting, with periodic reminders. For matters like accounts adoption, regulatory bodies (BSEC, DSE & CSE)

are properly informed as per the prescribed format. Detailed memoranda are distributed to Board members well in advance of each meeting. All decisions/observations are meticulously recorded in the minutes and submitted to regulatory bodies following the provided guidelines. Directors' remuneration adheres to the rates specified by the Insurance Development and Regulatory Authority (IDRA).

In the year 2025, five Board Meetings, four Board Audit Committee meetings, two NRC Committee meetings, one Investment Committee meeting, one Risk Management Committee meeting, and one Policyholder Protection & Compliance Committee meeting were held. The details of these meetings and the directors' remuneration are outlined in the annexure of the directors' report.

Types of Meeting	Year	No. of Directors	Meetings	Average Quorum
Board	2024	14	5	89%
	2025	14	5	89%
AC	2024	3	4	100%
	2025	3	4	100%
NRC	2024	4	2	100%
	2025	4	2	100%
IC	2024	5	1	100%
	2025	5	1	100%
RMC	2024	4	1	100%
	2025	3	1	100%
PP&CC	2024	4	1	100%
	2025	4	1	100%

*AC = Audit Committee, NRC = Nomination & Remuneration Committee, IC = Investment Committee, RMC = Risk Management Committee and PP&CC = Policyholder Protection & Compliance Committee



5.24 Disclosure of directors' interest in significant contracts and arrangements of the Company

In the normal course of business, the Company has engaged in insurance business with certain entities or individuals classified as 'Related Party' exposure, where its directors have an interest. Significant contracts and arrangements involving the directors' interests have been separately disclosed in the notes to the financial statements. Details of these interests are provided in **Note No. 32** of the financial statements.

5.25 Board's review on the Company's business continuity plan/disaster recovery plan

The Board of Directors periodically reviews the Company's Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to ensure operational resilience. This includes assessing risk scenarios, response strategies, and recovery capabilities. During the year, the Board evaluated the effectiveness of the BCP and DRP through simulations and compliance checks, ensuring alignment with regulatory standards and industry best practices. The Company remains committed to continuous improvements, enhancing preparedness for potential disruptions, and safeguarding stakeholder interests through proactive risk management and resilience-building measures.

5.26 Board Statement on Commitment to Ethics and Compliance

The Board of Directors of City Insurance PLC is firmly committed to upholding the highest standards of ethics and compliance across the organization. We expect every employee, officer, and representative to act with integrity, follow all applicable laws and regulations, and adhere to our internal policies without exception.

We foster a culture where ethical conduct is the foundation of every decision, and where transparency, accountability, and responsible behavior guide our work. The Board regularly reviews the Company's compliance framework, strengthens controls, and ensures that systems are in place to detect, prevent, and address any form of misconduct.

Our commitment is simple: City Insurance PLC will operate with honesty, fairness, and respect for all stakeholders, and we will continue to build an organization where ethical behavior is the standard, not the aspiration.

On behalf of the Board

Hossain Akhtar
Chairman, City Insurance PLC.

6. NOMINATION & REMUNERATION COMMITTEE (NRC)

6.1 Charter of Remuneration Committee

In accordance with Clause 6(2)(a) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 on the Corporate Governance Code dated June 3, 2018, the Committee shall consist of at least three members, including an independent director. Additionally, as per Clause 8(Kha)(2) of IDRA Letter No. 53.03.0000.075.22.025.2020.230, dated October 19, 2023, regarding the "Insurer's Corporate Governance Guidelines, 2023," the Committee shall comprise of at least four members, including an independent director. Contrary to both guidelines, City Insurance's NRC currently comprises four members, including one independent director.

- All members of the Committee shall be non-executive directors;
- Members of the Committee shall be nominated and appointed by the Board;
- The Board shall have authority to remove and appoint any member of the Committee;
- In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;
- The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;
- The company secretary shall act as the secretary of the Committee;

6.1.1 Role of NRC

NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
formulating the criteria for evaluation of performance of independent directors and the Board;
identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
developing, recommending and reviewing annually the company's human resources and training policies;

The Committee shall report to the Board and disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

6.2 Composition of Remuneration Committee

At the management level, the Managing Director, Head of Human Resources, and Chief Financial Officer oversee compensation and remuneration governance. They usually draft remuneration policies, which are reviewed and validated by a dedicated policy committee before receiving final approval from the Board.

The key responsibilities include:

- Propose remuneration structures, management compensation packages, incentive programs, and retirement benefits to the Board.
- Ensure fair, performance-based compensation aligned with the company's strategic objectives.
- Develop and maintain consistent remuneration policies, procedures, and practices across all employee levels.

GRI 2-19

When required, the Managing Director, Senior Management, Head of HR, and CFO meet to review and oversee the Company's remuneration policies. Further details are provided under "Report on the Activities of NRC" on **page no. 225** of the Annual Report 2025.

6.3 Key policies with regard to the remuneration of directors, senior management and employees

In line with the BSEC Corporate Governance Code (2018) and IDRA Corporate Governance Code (2023), the Nomination and Remuneration Committee (NRC) of City Insurance upholds fair, transparent, and performance-driven remuneration policies.

Remuneration of Directors:

As per the IDRA Circular, directors, including Independent Directors, are entitled to an honorarium of Tk 8,000 per meeting for attending Board and subcommittee sessions. This applies to meetings of the Board, Audit Committee, Nomination & Remuneration Committee, Investment Committee, Risk Management Committee, and Policyholder Protection & Compliance Committee.

Remuneration of Senior Management:

- Salaries and benefits are structured in line with the company's financial health, industry benchmarks, and long-term sustainability.
- Incentives and bonuses are tied to performance, effective risk management, and adherence to regulatory requirements.

Employee Compensation Policies

- Salaries are competitive to attract, retain, and motivate employees.
- Performance-based bonuses and benefits reward efficiency and alignment with company goals.
- Retirement and welfare benefits are designed in accordance with labor laws and industry best practices.

The Remuneration Committee evaluates and recommends policies to the Board, ensuring that compensation structures are fair, compliant, and aligned with corporate governance standards.

6.4 Meeting and attendance NRC Committee

The Nomination and Remuneration Committee (NRC) conducted 2 (Two) meetings during the Year 2025. The following is the Statement of Nomination and Remuneration Committee (NRC) Meetings, Attendance, and Remuneration for the period January 1, 2025 to December 31, 2025:

Sl.	Name of Directors	Position	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Mr. Tauhiduddin Md. Zahed, IND	Chairman	2	2	8,000
2	Mr. Hossain Akhtar, NED	Member		2	8,000
3	Haji Md. Yousuf, NED	Member		2	8,000
4	Mr. Muhammad Nazirul Islam, NED	Member		2	8,000

NED=Non-Executive Director, IND=Independent Director

i) Frequency of Meetings

- In accordance with "Insurer's Corporate Governance Guidelines, 2023," by IDRA the NRC shall conduct at least two meeting in a financial year;
- The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;

ii) Quorum

- The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher,
- The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

6.5 Remuneration of Directors, Chairman, Chief Executive Officer and Senior Executives

The remuneration of the Board and senior management is structured to ensure fairness, transparency, and alignment with regulatory guidelines, industry standards, and the company's strategic objectives.

Chairman and Directors

In 2025, expenditures for Directors' honorarium amounted to BDT 7,84,000 . Further details are provided on **page No. 247 & 256.**

Chief Executive Officer

The Chief Executive Officer's remuneration is proposed by the Board of Directors and approved by IDRA at the time of appointment or re-appointment. The total remuneration paid to the CEO during 2025 was BDT 1,04,83,510.

Remuneration of Senior Executives

City Insurance regularly reviews and updates its remuneration policy to stay aligned with industry standards. The company provides competitive, market-based compensation for senior executives to attract, motivate, and retain skilled professionals.

7. HUMAN CAPITAL

GRI 405-1

City Insurance PLC is committed to excellence in the insurance sector, driven by professionalism and sustainable growth. The HR function plays a central role, fostering employee well-being, continuous learning, and innovation.

Aligned with the Company's mission and vision, HR focuses on attracting and developing talented professionals, creating a dynamic environment that drives improvement and supports corporate objectives. By enhancing employee capabilities through training, policy updates, and performance evaluation, HR transforms talent into strategic human capital, promoting engagement, commitment, and long-term organizational success.

7.1 HR Policies & Practices with respect to Human Resource Development and Management

City Insurance is actively implementing a comprehensive set of Human Resources policies and guidelines that encompass all facets of Human Resources Management. This initiative is designed to establish a consistent and unique HR Management practice across the entire organization. The Company's Human Resources policies cover a broad spectrum, including talent acquisition, HR development, performance management, remuneration and allowances, disciplinary and grievance management, sexual harassment eradication, NIS, KYE, Employee Background Screening, Employee House Building & Car Policy, Internship policy, and more.

These HR policies serve as a roadmap for day-to-day HR operations and provide guidance for decision-making, effectively streamlining internal processes within the organization.

7.1.1 HR Retention Program

Bangladesh's non-life insurance sector includes a significant number of companies, creating frequent opportunities for experienced professionals to move across organizations. Recognizing the resulting challenge of talent retention, the Company continuously formulates new HR policies and regularly reviews and updates existing ones. It evaluates and revises employee benefits and compensation packages, implements structured career development programs, and offers rewards and incentives to high-performing employees.

These employee retention practices have been effective in maintaining the Company's staff turnover at a satisfactory level, consistent with the prevailing industry average.

7.1.2 Talent Management

City Insurance follows a balanced hiring strategy that ensures a steady intake of fresh graduates through a rigorous and transparent recruitment process. The Company believes that an effective mix of experienced professionals and fresh officers in operational roles is both practical and value-adding, as junior employees can be trained and developed more efficiently within this structure.

Talent acquisition is treated as a long-term and continuous HR priority, focused on identifying capable individuals and providing the necessary programs and support to help them apply their skills and potential toward the sustainable growth of the Company. Fresh graduates are recruited through competitive written examinations and viva voce. Alongside this, the Company appoints experienced insurance professionals with strong technical knowledge and proven industry experience.

To ensure early productivity, City Insurance conducts structured orientation and development programs immediately after joining, enabling new recruits to contribute meaningfully to the Company's operations and overall progress.

7.1.3 Workplace Diversity & Culture (Gender/ Race/ Faith diversity)

City Insurance believes workplace diversity drives organizational synergy and long-term success. By bringing together people with diverse backgrounds, skills, and experiences, the Company creates sustainable value and strengthens its ability to serve clients and achieve strategic goals.

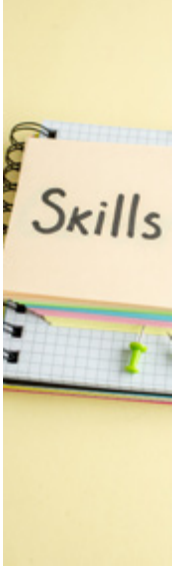
The Company promotes diversity in thought, culture, religion, and gender, maintains an appropriate gender balance, and ensures equal employment opportunities for all. At present, 17% of officials are female, many holding key positions at branch level and at the Corporate Head Office.

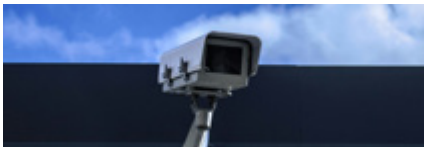
Particulars	No. of employees									
	2025		2024		2023		2022		2021	
Male	288	83%	320	86%	319	86%	339	86%	341	86%
Female	57	17%	61	14%	53	14%	56	14%	55	14%
Total	**345**	**100%**	**381**	**100%**	**372**	**100%**	**395**	**100%**	**396**	**100%**

7.1.4 Succession Planning

City Insurance PLC's succession planning framework assesses current leadership skills and identifies potential successors from within and outside the company. Internal candidates receive targeted training to ensure they are prepared for future roles. Recognizing that succession planning is an ongoing process, HR regularly updates the succession database to maintain a robust, long-term strategy. Starting with global best practices in hiring, we select candidates with the right capabilities and provide leadership training, cross-training, and departmental shadowing to develop well-rounded, business-savvy leaders.

Simplifying a complex process, we have identified several advantages of a formalized succession plan for both employers and employees:

- Identified key leadership, managerial, and role-critical positions at branch and Corporate Head Office levels.
- Defined competency requirements, experience, and skill sets for each critical role.
- 

- Assessed internal talent through regular performance appraisals and potential evaluations.
- Created a pool of high-potential employees as identified successors for key positions.
- Implemented targeted development plans, including on-the-job training, job rotation, and mentoring.
- Provided structured learning programs to strengthen technical, managerial, and regulatory capabilities.
- Ensured knowledge transfer through shadowing and gradual delegation of responsibilities.
- Reviewed succession readiness periodically to address gaps and changing business needs.
- Maintained oversight through the Board and relevant committees to align the succession plan with strategic and regulatory requirements
- 

7.1.5 Merit based recruitment

'Selection on merit' comprises a process that determines which job-seeker has the skills, abilities and knowledge deemed to be most suitable for the job. Across our merit-based recruitment system, applicants effectively compete for a job.

In our recruitment and selection process, the Company places importance on equal employment opportunity for all applicants, irrespective of race, religion, ethnicity, gender, sexual orientation, veteran status, age, disability or political affiliation/influence. The recruitment and selection process are consistently applied, is nondiscriminatory and promotes fairness, diversity and integrity, in compliance with the State's labor laws. In order to maintain safety protocols during the pandemic, we have shifted our recruitment process online.

7.1.6 Annual Performance Appraisal (APA)

City Insurance PLC Annual Performance Appraisal comprises a systematic framework in which weightage is assigned in three areas namely Operational, Individual Development and Values. Employees' KPIs or Key Performance Indicators are evaluated with respect to their assigned projects and also their overall contribution to the organization as a team player. This appraisal system helps our managers/supervisors to place the right employees in the right jobs depending on their skills, additionally allowing us to identify any skill gap and subsequent training development plan where applicable. Our annual performance appraisal (APA) process is provided below:

CIPLC APA Process – Step-by-Step Action for KPI Locking

Step 1: Plan (Set KPIs)	▪ Align KPIs with the strategic goals of City Insurance PLC. ▪ Collaborate with department heads to identify relevant, measurable, and achievable KPIs for each employee. ▪ Clearly communicate KPI targets, criteria, and performance measurement timelines to all employees.

Step 2: Perform (Monitor Progress)	▪ Track employee performance continuously through predefined metrics. ▪ Use performance management tools to gather data and provide real-time feedback. ▪ Conduct regular check-ins to discuss progress, challenges, and support needed.
Step 3: Analyze (Review and Evaluate)	▪ Hold mid-term and annual performance review meetings to assess results against KPIs. ▪ Compare actual performance with set targets and identify variances. ▪ Discuss factors contributing to successes or gaps with employees.
Step 4: Action (Lock KPIs and Implement Adjustments)	▪ Lock finalized KPI results based on performance evaluations. ▪ Recognize high performers and reward them according to company policy. ▪ Implement development plans or corrective actions for underperforming areas. ▪ Document performance outcomes for future reference.
Step 5: Feedback and Continuous Improvement	▪ Gather employee feedback on the KPI process to improve fairness and transparency. ▪ Refine KPIs for relevance and adaptability based on market and organizational changes. ▪ Use insights gained to enhance the next cycle of performance planning for continuous growth.

7.1.7 Promotion, Reward and Motivation

At City Insurance we believe that when an organization is armed with the right information and proper operating techniques, seeking to increase employee motivation and productivity via rewards may not be daunting. We ensure that our officers and employees are trained in the fine art of motivation through following a fair system that offers financial rewards and non-monetary rewards and recognition. Some of the key practices through which we ensure a fair reward system include:

- Employees are actively involved in developing, implementing, and revising rewards programs to ensure engagement and acceptance.
- Rewards are designed to be meaningful, with managers considering employee input to maintain motivation.
- Clear communication ensures employees understand expectations and how to achieve rewards.
- Performance standards are transparent and attainable, supported by real-time tracking via HRM software.
- Reward decisions are based on objective metrics, reinforcing fairness and clarity of expectations.
- Pre-determined policies prevent favoritism and uphold ethical practices.



- Rewards are linked to specific performance outcomes to strengthen motivation.
- Both small and large achievements are acknowledged, reinforcing desired behaviors.
- Team-based incentives promote cooperation, cohesiveness, and overall performance.
- Rewards are provided promptly to sustain enthusiasm and build trust.
- Employees may choose their own rewards within set guidelines to encourage commitment and goal achievement.

7.1.8 Training and Development

At City Insurance, our training and development programs equip employees with job-specific skills to enhance performance while fostering growth for future roles. We believe a strong training plan helps retain top performers, benefiting both employees and the Company. By encouraging healthy competition, we create an innovative, inspiring workplace.

Our selective hiring process prioritizes passionate, adaptable, and goal-driven individuals, ensuring we invest in the right talent. Offering a robust platform for career growth, we align all training efforts with our strategic business goals to cultivate a competitive culture and drive organizational success.

a) Training by External Source

Sl. No.	Course Type	Training Institute	No. of Course	No. of Participants
1.	Corporate Governance	Institute of Chartered Secretaries of Bangladesh (ICSB)	1	3
2.	ABIA	Bangladesh Insurance Academy (BIA)	1	2
3.	Corporate Governance	Dhaka Stock Exchange PLC	1	3

b) Training by Internal Source

Sl. No.	Training Type	Training provided by	No. of Course	No. of Participants
1.	Marine Insurance	Head of Underwriting	14	452
2.	Fire Insurance		14	510
3.	Finance & Accounts	Chief Financial Officer	20	344
4.	IT	Head of IT	12	444

Details have been provided in Human Capital, page no. 65.

7.1.9 Employee Code of Conduct and Ethics

City Insurance follows a set of approved Codes of Conduct that clearly define the standards of behavior expected from all employees. These policies cover key areas including workplace conduct, dress code, conflicts of interest, confidentiality, and the proper use of Company resources. The guidelines are aligned with the Company's mission, vision, and values, and clearly communicate expectations regarding professional conduct and interactions with both internal and external stakeholders.

All employees are required to formally acknowledge and sign the Code of Conduct. The Training Academy regularly conducts awareness and training programs to reinforce its principles. In addition, the HR Policy Guidelines provide detailed coverage of ethical standards and conduct-related matters. The Human Resources Department closely monitors compliance and takes corrective actions whenever necessary.

7.1.10 Grievance Management and Counseling

Workplace grievances can arise from conflicts, unclear job responsibilities, or perceptions of unfair treatment. If not addressed promptly and fairly, such grievances can negatively impact employee morale and engagement. The HR Department manages all workplace grievances through a formal process, ensuring timely resolution and acting as an advocate for employees.

City Insurance's grievance management practices encourage employees to raise concerns freely. The grievance management team ensures that all issues are handled fairly, impartially, and consistently. HR also takes proactive steps to ensure employees are aware of relevant laws, Company policies, rules, Code of Conduct, and disciplinary measures, helping prevent repeated non-compliance and reinforcing accountability.

7.1.11 Organizational Chart

The organizational chart of City Insurance is a diagram that illustrates the relationships between different officials and departments within the Company. It is used to show the structure of the organization as a whole, as well as how the Company is divided into divisions and departments. This chart is useful for understanding the overall structure of CIPLC. It can be found on **page no. 44** of this annual report.

7.1.12 Human Resource Accounting

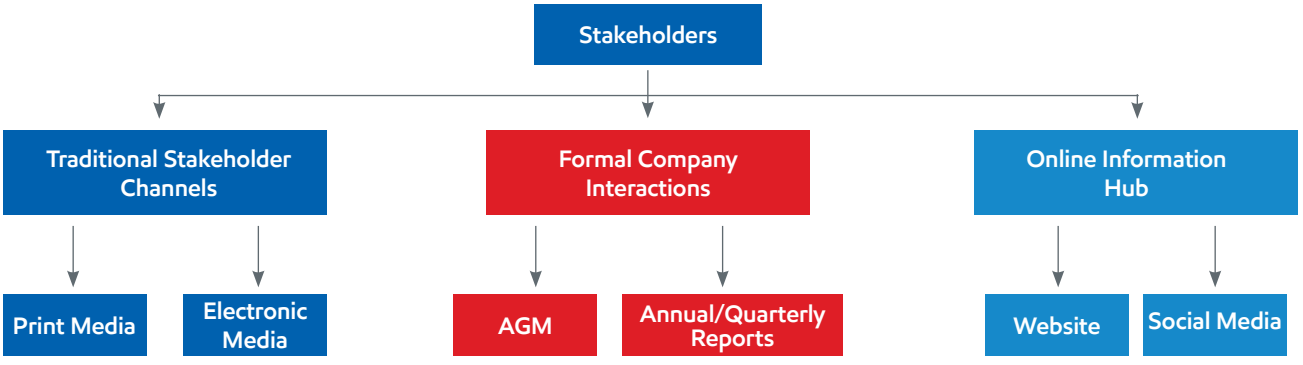
Human Resource Accounting is presented in the section titled Human Capital, on **page no. 75.**

A brief overview of Human Resources and its practices at City Insurance is provided in the section titled Human Capital, page no. 65, highlighting key strategies and initiatives for workforce management and development.

8. COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

8.1 Policy/strategy to facilitate effective communication with Shareholders and other stakeholders

City Insurance is committed to managing a diverse array of stakeholders with responsiveness and care. We carefully identify and assess stakeholders based on their relationship with us, whether as influencers (e.g., management), claimants (e.g., shareholders), or a combination (e.g., government/ regulators). Once identified, we actively engage with them through various events and communication channels to foster meaningful interactions and collaboration.



Creating Value For stakeholders

Stakeholders: Clients	Nationwide network	Service Innovation	Faster service/ Claim settlement	Dedicated Agents	Email Services	Excellent relationship team

Innovative Solutions and Services

Quick Response

Faster Claim Settlement

Value for Money Insurance Service

Stakeholders: Employee	Training Programs	Service Innovation	Faster service	Dedicated Agents	Email Services	Excellent relationship team

Effective Integration of Employees Modern Skill Sets

Financial Secure and Healthy Employees

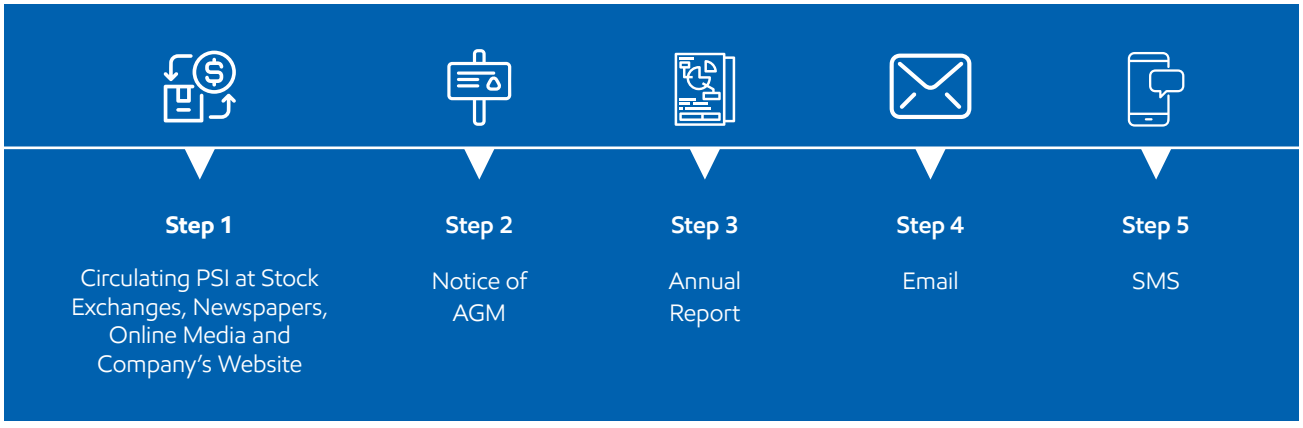
Excellent in Client Service

Opportunities to Establish an Extensive Network

Stakeholders: Shareholders	Quarterly & Annual Reports	Telephone/ Physical	AGM	Website	SMS	Email

8.1.1 Policy on ensuring participation of shareholders in the AGM

To ensure maximum level of shareholder participation in the Annual General Meeting (AGM), the following procedures are upheld:



The following steps are taken to ensure effective shareholder participation in the AGM:

- CIPLC issues the AGM notice at least 21 days in advance, allowing shareholders adequate time to receive, review, and confirm their attendance.
- Annual Reports are circulated in compliance with the Companies Act 1994 and relevant notifications issued by the Bangladesh Securities and Exchange Commission (BSEC), enabling shareholders to review the information in advance and provide informed comments and suggestions at the AGM.
- Shareholders are given the opportunity to speak freely at the AGM and share their views and recommendations, which are duly noted for future consideration and compliance.

8.1.2 Engagement through quarterly/annual report

The Annual Report of CIPLC provides detailed information for stakeholders, while quarterly and half-yearly reports are published to keep shareholders regularly updated on the company's performance and developments.

8.1.3 Engagement through Print & Online Media

CIPLC engages shareholders through print and online media, sharing price-sensitive information, marketing campaigns, award ceremonies, and other updates. The company also ensures compliance by providing necessary information to regulatory bodies, including the Bangladesh Securities and Exchange Commission (BSEC), Insurance Development & Regulatory Authority (IDRA), Dhaka Stock Exchange (DSE), and Chittagong Stock Exchange (CSE).

8.1.4 Shareholders' Satisfaction and Confidence in the Company

The Annual General Meeting (AGM) serves as a pivotal evaluation day for shareholders to assess an organization's activities from the preceding year. During the AGM, shareholders of City Insurance have the liberty to voice their opinions, express satisfaction, or convey dissatisfaction. The Board secretariat diligently records these expressions, considering them for future compliance. The election of the CIPLC's Board of Directors is contingent upon obtaining shareholder approval at the AGM. Additionally, shareholders manifest their contentment and confidence in the company, which is often reflected in the share price.

8.1.5 Investor/Shareholder's Grievance Policy

If complaints received at the AGM or during the year regarding share transfers, transmission, non-receipt of Annual Reports, delayed dividends, or other share-related matters are promptly and lawfully resolved. The Company Secretary of CIPLC oversees addressing these shareholder concerns. Details of investor complaints are available on **page no. 363** of this report.

8.1.6 Disclosure of shares held by 10% or more voting interests in the Company

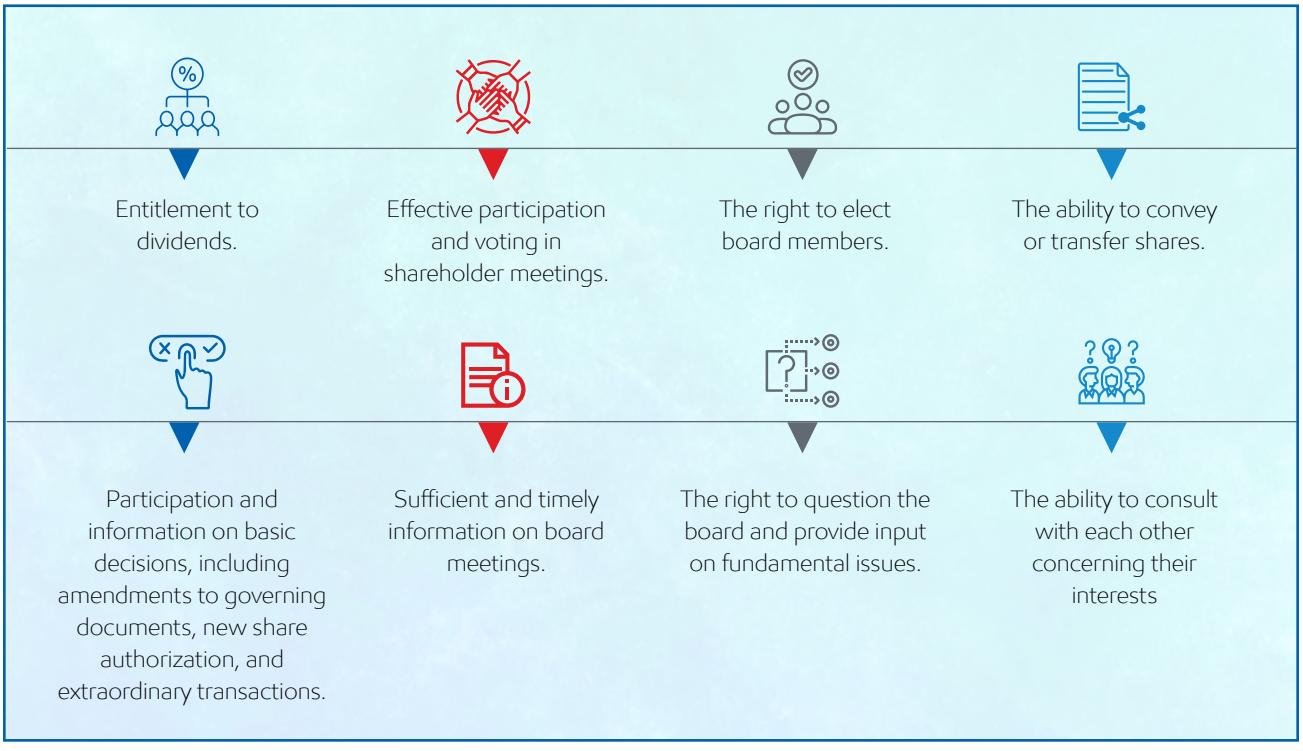
At City Insurance, there is no shareholder who solely holds 10% or more shares.

8.1.7 Maintaining the Website of the Company (Detail disclosures as per listing rules)

City Insurance boasts a thoughtfully crafted, user-friendly website (www.cityinsurance.com.bd), seamlessly connected to the websites of stock exchanges, BSEC, and IDRA. Shareholders and stakeholders have the convenience of visiting the website at any time to access information and request a callback. In compliance with Listing Regulations-2015, section: 44, City Insurance ensures that all pertinent and updated information for investors and depositors is readily accessible on its website: www.cityinsurance.com.bd, specifically under the Finance column.

8.1.8 Redress Investors' Complaints through the Investor Relations Department

City Insurance highly prioritizes the interests of its esteemed investors and customers. Any complaints or queries raised by investors or customers receive prompt attention. The Board & Share Department at City Insurance operates a dedicated desk to handle these matters with competence and due care. Complaints or comments can be communicated via telephone, by depositing letters into the comment box, or by submitting messages online on the City Insurance website: www.cityinsurance.com.bd.



8.1.10 Annual General Meeting (AGM)

The company convened its 29th Annual General Meeting on March 24, 2025, at 3.00 PM through a Hybrid System, with physical presence at BCIC Auditorium, 30-31, Dilkusha C/A, Dhaka, and virtual participation, in strict compliance with BSEC notifications. The voting platform was accessible 24 hours prior to the meeting, and all agenda items were duly approved by shareholders, with the majority vote results thoroughly examined by an Independent Scrutinizer.



At the 29th AGM, the following directors and others were present:

Tauhiduddin Md. Zahed
Independent Director & Chairman, NRC. Member IC, RMC & PP&CC

Mahabubul Haque
Independent Director and Chairman, Audit Committee

Muhammad Nazirul Islam
Director & Member Audit Committee. Chairman RMC and PP&CC

Faizah Mehmood
Director & Member IC, RMC and PP&CC

Hossain Akhtar
Chairman of the Board. Member NRC & IC

Md. Shamim Hossain
MD & CEO

Sheikh Azizul Haque
EVP & CFO

Mohammed Ashaduzzaman Sarkar
Company Secretary

8.1.11 Summary of AGM

Particulars	2025	2024	2023	2022	2021	2020
AGM No.	29th	28th	27th	26th	25th	24th
Date of the AGM	24 March	28 March	30 March	25 April	30 June	16 Sept
Conduct By	Hybrid	Hybrid	Virtually	Virtually	Virtually	Virtually
Ordinary Business Agenda	6	7	5	6	6	5
Special Business Agenda	--	1	--	--	--	--

8.1.12 Policy on Ensuring Participation of Shareholders at AGM

The following steps are taken to ensure shareholder participation in the AGM:

Step 1: CIPLC sends out the notice at least 21 days before the AGM, allowing shareholders ample time to receive and review the notice and reply with their attendance.

Step 2: Annual Reports are circulated in accordance with the provisions of the Companies Act 1994 and related notifications issued by the Bangladesh Securities and Exchange Commission (BSEC), giving shareholders sufficient time to review the report and freely provide their valuable comments and suggestions at the AGM.

Step 3: Shareholders are allowed to speak/comments freely at the AGM to offer their valuable suggestions. These suggestions are noted for future compliance.

8.1.13 Independent Scrutinizer and Authenticated Report regarding due process of meeting and voting result

Appointment: As per BSEC Directives Ref No. BSEC/CMRRCD/2009-193/08 dated 10 March 2021, an Independent Scrutinizer were duly appointed for the 28th AGM of the company to authenticate the due process of meeting and the voting result of the meeting. MNA Associates, Tropical Molla Tower (L-3), Sha-15/1-4 Pragati Sarani, Middle Badda, Dhaka were duly appointed by the Board.

Report of Independent Scrutinizer: The Independent scrutinizer provided a report regarding the process of the meeting, voting system & result which is forwarded duly to the commission within 48 hours of the conclusion of the meeting by complying with the pertinent notifications of BSEC.

8.1.14 Timeliness in issuing Financial Statements and holding AGMs

City Insurance PLC holds a General Meeting of members once a year and the meeting is being held within 6 (six) months of completion of the respective financial year, as per the guidelines of BSEC as well as the permitted time limit of the Companies Act- 1994. The Company ensures effective interaction with the members at the Annual General Meeting. The Directors pay special attention in answering the various queries raised by the members at the Annual General Meeting.

All AGM such as Convening of a Meeting, Frequency of a Meetings, Quorum, Entitlement of Others to Attend the Meeting, Chairman, Voting, Proxies, Withdrawal/Rescinding of or Modifications to Resolutions, Reading of Report or Certificate, Adjournment/Resolution of Meetings, Minutes, Distribution of Gifts (etc.), and Disclosure are being maintained properly in line with the required under Bangladesh Secretarial Standards 1 (BSS-1) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB).

8.2 Dividend

8.2.1 Dividend Distribution Policy

City Insurance is devoted to driving superior value creation for all its stakeholders through an appropriate capital strategy, the focus will continue to be on sustainable returns for long term value creation ensuring the immediate, as well as long term needs of the business.

Accordingly, we have formulated a dividend distribution policy in line with the Directive on Dividend Distribution and management of Bangladesh Securities and Exchange Commission (BSEC), no BSEC/CMMRRCD/2021-386/03, dated on January 14, 2021. This policy seeks to lay down a broad framework for the distribution of dividend by the Company to its shareholders. The details dividend distribution policy of the Company is available in the Company's website and also has been given in the **page no. 298** of the report.

8.2.2 Reminders to Shareholders for Encashment of Dividends

According to CIPLC's dividend distribution policy, cash dividends are generally paid through bank transfer and the BEFTN system. When shareholders cannot be reached through these channels, dividend warrants are sent by mail. Stock dividends (bonus shares) are credited directly to shareholders' BO accounts within 30 days of approval, subject to clearance from the stock exchanges and CDBL. CIPLC's Share Division issues reminders to facilitate dividend encashment, monitors post-AGM encashment status, and informs shareholders of their entitlement to unclaimed dividends. Further details of the Company's dividend distribution policy are provided on **page no. 298** of this annual report.

8.2.3 Dividend Payment Compliance Report

As per the prescribed format of BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the dividend payment compliance report was prepared and forwarded to the commission and exchanges duly which is readily available on the company's website under the column of "Investor".

8.2.4 Settlement of Unclaimed Dividends and Non-refunded Public Subscription Money and transfer to Capital Market Stabilization Fund (CMSF)

A separate statement regarding unclaimed dividends is provided on **page no. 299**, detailing the status and actions taken in relation to such dividends.

8.2.5 List of Unclaimed dividends published in the website

Pursuant to BSEC Directive No. BSEC/CMMRCD/2021-386/03 and subsequently CMSF Rules 2021 (Clause 09), we have uploaded a list of Unclaimed Dividend and Non-refunded Public Subscription Money to the official website (Link: www.cityinsurance.com.bd).

8.2.6 Status of compliance of recent circulars of regulatory bodies

During the year 2025, all the circulars, guidelines and notifications related to governance which are issued by Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges and by the authority of the Govt. are duly complied with.

8.2.7. Status and Certificate of Compliance of Corporate Governance

In accordance with the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) through Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, the subsequent amendment vide Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated October 16, 2023, and the Insurer Corporate Governance Guidelines 2023 issued by IDRA, MNA Associates assessed City Insurance's compliance with the applicable corporate governance requirements. Based on their certification, City Insurance fully complies with all corporate governance provisions under the CG Code 2018.

Certificate of Compliance: MNA Associates certified City Insurance's compliance status as "Satisfactory." Copies of the compliance certification are presented in Annexure-B **(page no. 309)** and Annexure-D **(page no. 327)** of this report.

Report of Compliance: The detailed Checklist/Report prepared under Condition No. 9 of the BSEC Corporate Governance Code 2018 is presented in Annexure-C **(page no. 310)**, and the compliance report under the Insurer Corporate Governance Guidelines 2023 issued by IDRA is presented in Annexure-F **(page no. 329)** of this report.

9. ENVIRONMENT AND SOCIAL OBLIGATION

GRI 102-20

9.1 Board's oversight/Company's policies and practices relating to environment, society and jurisdiction it operates

As a conscientious contributor to society, CIPLC has been actively engaging in environmental and social development issues, encompassing sustainable insurance practices and contributing to the community through Corporate Social Responsibility (CSR) initiatives. Recognizing the significance of sustainable development, we consider it a crucial element in creating value for our customers, employees, and the broader society. We are consistently striving to integrate sustainability seamlessly into our overall business strategy.

9.1.1 Practices relating to Social Responsibility of City Insurance

The importance of doing things for the betterment of society has always been one of the foundations of what we do as responsible corporate citizens. City Insurance places a high priority on social values that will benefit the citizens of the country in the long run. As part of the program, it supports healthcare, education for disadvantaged segments of the population.



9.1.2 CIPLC's disclosure of the specific actions carried out by the entity in line with these policies and practices

City Insurance, as a socially responsible organization, has undertaken various initiatives focused on social and environmental responsibilities. The company actively contributes to building a sustainable and green economy. Details of these initiatives are outlined on **page no. 202** of this Annual Report 2025.

9.1.3 Activities taken on Environmental Responsibility

In recent years, the company has focused on enhancing energy efficiency across its branch network, resulting in cost savings along with reductions in emissions, consumption, and waste. These efforts are detailed on **page no. 196** of this Annual Report 2025.

9.1.4 Participation in national programs and assistance to disadvantaged groups

- **Health care sector:** During the year, the company spent BDT 4,40,000 on the health care of the people in the community where it operates.
- **Education:** The company expensed BDT 5,50,000 for scholarships to poor meritorious students and infrastructural development of educational institutions.
- **Other sectors:** An amount of BDT 3,45,000 million was expended for other sectors by CIPLC on different humanitarian ground.

9.1.5 Particulars of the Forestation and Plantation of Trees

At City Insurance, we have been relentlessly promoting green insurance for such businesses. As a prudent, forward-

looking practice, we take up only those projects that are environmentally-compliant and sustainable. We are also pursuing paper-less operations, even as we firmly believe that saving on and optimizing the use of resources is a key towards achieving a sustainable environment, both internally and externally. This is also why we promote the use of emails, meetings through videoconferencing and the intranet for internal communication.

Tree Plantation: An amount of Tk. 3,30,000 expended for tree plantation in different areas of Bangladesh.

9.1.6 Policy to Prevent Employment of Child Labour in Company

City Insurance strictly prohibits the employment of child labor and has always ensured compliance with all applicable labor laws and regulations in this regard. The Company maintains clear policies and internal controls to prevent the appointment of child employees at any level of its operations. Details have been presented under Human Capital on the **page no. 73** of this annual report.

9.1.7 Employees and their Immediate Family Members take part in the Community Welfare Initiative of the Company

At City Insurance PLC, we believe in giving back to the community. Our employees, along with their immediate family members, actively participate in our Community Welfare Initiative, contributing time, effort, and resources to create a positive impact. From organizing charitable events to supporting educational programs and environmental sustainability projects, their dedication reflects our core values of compassion and social responsibility. Together, we are making a meaningful difference, fostering a spirit of togetherness and building a brighter, more inclusive future for everyone we serve.

9.1.8 Certificates and checklists reference

Sl.	Report Name	Page No.
1.	Declaration by CEO and CFO	308
2.	Compliance Certificate on BSEC Corporate Governance Code	309
3.	Compliance Status of BSEC Notification	310
4.	Compliance Certificate on IDRA Corporate Governance Code	327
5.	Insurer's Corporate Governance Guidelines, 2023 by IDRA	329

DIVIDEND DISTRIBUTION POLICY

This Policy is formulated in compliance with the Directive No. BSEC/CMRRCD/2021-386/3- dated, 14 January 2021 of Bangladesh Securities and Exchange Commission. This policy is effective from 31 March 2021 being the date of its approval by the Board of Directors of the Company. The Policy is aimed to lay down the criteria and parameters that are to be considered by the Company while declaration and distribution of the dividend.

This policy is for payment of dividend to shareholders of City Insurance PLC.

1. The company will pay the annual dividend to the entitled shareholders those whose Names are available on record date within 30 (thirty) days from the date of Annual General Meeting.
2. Cash dividend will be distributed in the following manner:
    i. The company will pay cash dividend directly to the Bank accounts of the entitled shareholders, as available in the BO account maintained with the Depository participant through Bangladesh Electronic Funds Transfer Network (BEFTN), provided that the company may pay off such cash dividend through Bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
    ii. The company, upon receiving the claim on cash dividend from a Stock Broker or a Merchant Banker or a Portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of Stock Broker or Merchant Banker or Portfolio manager, pay off such cash dividend to the Consolidated Customers' Bank Account of the Stock Broker or to the separate bank account of the Merchant through BEFTN.
    iii. The company, in case of non-availability of Bank account Information or not possible to distribute cash dividend through BEFTN or any electronic payment system, issue cash dividend warrant and send it by post to the shareholders.
    iv. The company will pay cash dividend to Non-resident, Sponsor, Director, Shareholder, or foreign portfolio investor through the security custodian in compliance with the rules or regulations in this regard.
    v. The company, immediately after disbursement of cash dividend and issuance of a certificate of tax deducted at source, if applicable, intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder.
    vi. The company shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number wise or name wise of the shareholder.
    vii. Provided that the company shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:
    viii. Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate Bank account of the company as maintained for this purpose, within 1 (one) year from the date of approval or record date, as the case may be.
3. The company shall credit stock dividend directly to the BO account of the shareholders within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the Bangladesh Securities and Exchange Commission (BSEC) and the Central Depository Bangladesh Limited (CDBL);
4. The company shall submit a compliance report to the Bangladesh Securities and Exchange Commission (BSEC) in a specific format, within 7 (seven) working days of completion of dividend distribution: Provided that the company will also publish the compliance report in its website.
5. The company shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.



Hossain Akhtar
Chairman, City Insurance PLC.

The Dividend Distribution Policy can also be found on the company's website: www.cityinsurance.com.bd

UNCLAIMED DIVIDEND

Settlement of Unclaimed Dividends and Non-refunded Public Subscription Money and transfer to Capital Market Stabilization Fund (CMSF)

As per BSEC Capital Market Stabilization Fund (CMSF) Rules – 2021 (Gazetted) dated 27 June 2021, along with subsequent notification No. BSEC/CMRRCD/2021-391/20/Admin/121 dated 01 June 2021, it has been stated that - whereas cash or stock dividend or right shares are lying unclaimed/ undistributed/un-allotted with the issuer of listed securities for a period of 03 (three) years or more; And whereas public offering subscription money are lying non-refunded with the issuer of listed securities for a period of 03 (three) years or more; And whereas it is expedient to stabilize the capital/ securities market ensuring liquidity to the market by way of buying and selling of listed securities, lending and borrowing of listed securities and providing Short term loan to the capital market intermediaries.

In this connection, pursuant to BSEC Directive No. BSEC/ CMMRCD/2021-386/03 and subsequently CMSF Rules 2021 (Clause 09), we have uploaded a list of Unclaimed Dividend and Non-refunded Public Subscription Money to the official website and published the link by a notice in 02 (Two) national dailies along with an online news portal on August 10, 2023 duly. From the published list some claims have been placed by the shareholders and we have settled all those claims upon verifying the necessary documents.

Details of unclaimed/undistributed Dividend transferred to CMSF Fund till 31.12.2025

SN	Dividend Type	Particulars	Amount (Tk.)	Share(s)
1.	10% Cash	Unclaimed Dividend for the year 2016	1,96,272.85	
2.	Stock	Suspense BO Account No. 1301000015309757 to Capital Market Stabilization Fund (CMSF) BO Account No. 1201530074571230 (2007 to 2015 and 2017)	--	11,633
3.	10% Cash	Unclaimed Dividend for the year 2018	1,75,011.09	
4.	5% Cash	Unclaimed Dividend for the year 2019	3,27,158.66	
5.	Various	Un-identified dividend amount for the years 2016, 2018 & 2019	4,15,222.07	
6.	10% Cash	Unclaimed Dividend for the year 2020	7,13,417.20	
7.	10% Cash	Unclaimed Dividend for the year 2021	5,26,391.80	
		Total	**23,53,473.67**	**11,633**

Summary of Unclaimed Dividend as of 31 December 2025

Sl.	Year	Dividend	Unclaimed Amount (BDT)
1	2024	10% Cash	2,13,404,30
2	2023	12% Cash	3,62,228.76
3	2022	10.50% Cash	5,15,078.88
		Total	**10,90,711.94**

IMPORTANT POLICIES AND PRACTICES OF CITY INSURANCE PLC

At City Insurance, a strong framework of policies and practices drives ethical operations, legal compliance, and a safe, inclusive workplace. These guidelines uphold organizational integrity and culture while ensuring smooth, well-governed business management. Below, we highlight key policies and practices that support the seamless and responsible functioning of our company.

A) INVESTMENT POLICY

I. Introduction

City Insurance PLC recognizes the significance of sound investment management in achieving its financial objectives and ensuring the long-term financial health of the company. This Investment Policy outlines the guiding principles, objectives, and strategies that will govern the company's investment activities.

II. Objectives of the Investment Policy

The primary objectives of City Insurance's investment activities are:

a. **Preservation of Capital:** Ensure the safety and security of invested capital, prioritizing the protection of shareholders/policyholders funds.

b. **Optimal Risk-Return Profile:** Seek a balance between risk and return to maximize investment income within an acceptable level of risk.

c. **Liquidity Management:** Maintain sufficient liquidity to meet shareholders/policyholders obligations and other financial commitments.

d. **Diversification:** Implement a diversified investment strategy to mitigate risks and enhance the stability of the investment portfolio.

e. **Compliance:** Adhere to all relevant regulatory requirements and guidelines set forth by the regulatory authorities.

III. Investment Principles

The following principles guide the investment decisions of City Insurance:

a. The investment portfolio of City Insurance shall be managed in accordance with the Insurance Act 2010, and the Insurance Development and Regulatory Authority (IDRA) guidelines, and other applicable laws and regulations.

a. The investment portfolio of City Insurance shall be subject to regular review and monitoring by the Board of Directors, the Investment Committee, the Chief Executive Officer, the Chief Financial Officer (CFO) and Chief Investment Officer (CIO).

a. The investment portfolio of City Insurance shall be diversified across various asset classes, such as fixed income, equity, capital market, Govt. Treasury Bond, FDR and alternative investments, subject to the limits and restrictions specified by the IDRA and the Board of Directors.

a. The investment portfolio of City Insurance shall be aligned with the duration and liability profile of the insurance contracts, and shall maintain adequate liquidity to meet the claims and operational expenses of the company.

IV. Investment Amount and Permitted Limits

City Insurance PLC's investment amount and permitted limit, as outlined in the Insurance Development and Regulatory Authority's Non-Life Insurers' Asset Investment and Preservation Regulations, 2019, (নন-লাইফ বীমাকারীর সম্পদ বিনিয়োগ ও সংরক্ষণ প্রবিধানমালা, ২০১৯) are as follows:

	Investment sectors		Permitted Limit on investable assets (%)
1.	**Government Securities**		7.5%
2.	**Sectors other than the Government Securities sector:**		
	a)	Bonds Issued for Physical Infrastructure Development and Other Projects Guaranteed by the Government of Bangladesh	15%
	b)	**Debenture and Securities:**	
		i) Debentures or other securities issued by a City Corporation with government approval	5%
		ii) Debentures approved by the Bangladesh Securities and Exchange Commission	15%

Investment sectors			Permitted Limit on investable assets (%)
	c)	Preference or common shares of any company approved by the Bangladesh Securities and Exchange Commission and listed on a stock exchange.	25%
	d)	**Fixed Assets:**	
		i) Undistributed fixed assets located within a city corporation area or a municipality.	20%
		ii) Mortgaged fixed assets or leased property used for residential, office, or commercial purposes.	20%
	e)	Deposits in scheduled banks rated 'A' or equivalent, or higher, by an approved rating agency in Bangladesh.	80%
	f)	Mutual Fund & Unit Fund	20%
	g)	Fixed deposits in financial institutions.	10%
	h)	Investment in subsidiary companies	20%
	i)	Investment in other types of assets	5%

V. Asset Allocation

City Insurance PLC will determine its asset allocation based on a comprehensive assessment of its risk tolerance, investment horizon, and market conditions. The asset mix may include, but is not limited to:

a. **Cash and Cash Equivalents:** Maintain sufficient liquidity through investments in capital market instruments and short-term deposits.

a. **Others:** Subject to the approval of the Board of Directors, the company can invest in any profitable business.

VI. Due Diligence

Prior to making any investment, the company will conduct thorough due diligence on potential investment opportunities. This will include an assessment of the financial soundness, creditworthiness, and alignment with the company's overall investment objectives.

VII. Reporting and Compliance

The company will maintain comprehensive records of its investment activities and regularly report the performance and risk metrics of the investment portfolio to the Board of Directors. Compliance with regulatory requirements and guidelines will be a top priority.

VIII. Review and Amendment

This Investment Policy will be subject to periodic review to ensure its continued relevance and effectiveness. Any necessary amendments will be made in accordance with regulatory requirements and approved by the Board of Directors.

By adhering to this Investment Policy, City Insurance PLC aims to optimize returns, manage risks prudently, and fulfill its fiduciary responsibilities to shareholders/policyholders and stakeholders.



Hossain Akhtar
Chairman, City Insurance PLC.

The Dividend Distribution Policy can also be found on the company's website: www.cityinsurance.com.bd

B) RISK MANAGEMENT POLICY

City Insurance PLC is committed to ensuring a robust risk management framework that safeguards the interests of our policyholders, shareholders, and other stakeholders. This Risk Management Policy outlines the principles, procedures, and responsibilities governing risk management within the organization.

Objective:

The objective of the Risk Management Policy is to establish a comprehensive framework that effectively identifies, assesses, monitors, and manages risks to ensure the company's financial stability, regulatory compliance, and long-term sustainability. The policy aims to achieve the following objectives:

1. Risk Identification:

Identify and categorize potential risks that the company may face, including but not limited to underwriting risks, operational risks, market risks, credit risks, and regulatory risks.

2. Risk Assessment:

- Evaluate the potential impact and likelihood of occurrence for each identified risk.
- Prioritize risks based on their significance and potential impact on the company's financial health and operational efficiency.

3. Risk Mitigation:

- Develop and implement strategies to mitigate or control identified risks.
- Establish risk tolerance levels and limits to guide risk-taking activities.

4. Underwriting Guidelines:

- Define prudent underwriting policies and guidelines to ensure that the company writes business that aligns with its risk appetite.
- Regularly review and update underwriting practices to adapt to changing market conditions.

5. Operational Risk Management:

- Implement robust operational processes and controls to minimize the likelihood of errors, fraud, and other operational risks.
- Develop contingency plans to ensure business continuity in the face of unforeseen events.

6. Investment Risk Management:

- Implementation of company risk management policy is associated with the company's investment portfolio.
- Diverse investments to reduce concentration risk and optimize returns within acceptable risk parameters.

7. Compliance and Regulatory Risk:

- Stay abreast of regulatory changes and ensure compliance with relevant laws and regulations.
- Establish a system for ongoing monitoring and reporting of regulatory compliance.

8. Reinsurance Strategy:

- Through the reinsurance strategy of the company risk is transferred and managed effectively.
- Evaluate and select reinsurance partners based on their financial strength and alignment with the company's risk management objectives.

9. Risk Monitoring and Reporting:

- Implement a robust risk monitoring system to track and report on key risk indicators.
- Regularly communicate risk assessments and mitigation strategies to stakeholders, including the board of directors, management, and regulatory authorities.

10. Continuous Improvement:

- Foster a culture of continuous improvement in risk management practices.
- Regularly review and update the risk management policy to adapt to changing business environments and emerging risks.

11. Risk Governance Structure:

City General Insurance will establish a Risk Governance Structure comprising:

- Risk Management Committee: Responsible for overseeing the implementation and effectiveness of the risk management framework.
- Chief Risk Officer (CRO): Appointed to lead the risk management function, ensuring alignment with organizational objectives.

12. Training and Awareness:

Regular training programs will be conducted to enhance the risk management knowledge and awareness of employees. This will foster a risk-aware culture throughout the organization.

13. Review and Amendment:

This Risk Management Policy will be subject to periodic review to ensure its continued relevance and effectiveness. Any necessary amendments will be made in accordance with regulatory requirements and approved by the Board of Directors.



Hossain Akhtar
Chairman, City Insurance PLC.

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C) POLICYHOLDER PROTECTION & COMPLIANCE POLICY

1. Objective

The objective of the Policyholder Protection & Compliance Committee (PP&CC) is to ensure the quick settlement of complaints, supervise the implementation of complaint redressal activities, and expedite the settlement of submitted insurance complaints.

2. Complaint Redressal

The PP&CC will oversee the process of complaint redressal, ensuring that all complaints are addressed promptly and effectively. This includes tracking the details of complaints, including dues, and taking necessary measures to expedite the settlement process.

3. Insurance Claims

In case of insurance claims, the PP&CC will ensure that all matters are handled in accordance with the company's policies and procedures. This includes reviewing the claim, assessing its validity, and ensuring that the claimant is compensated fairly and promptly.

4. Compliance with Laws and Regulations

The PP&CC is responsible for implementing the laws, rules, and decisions of the authorities related to customer service. This includes ensuring that the company fulfills its commitments and adheres to all relevant regulations.

5. Customer Awareness and Education

The PP&CC will oversee the implementation of various initiatives aimed at increasing customer awareness and knowledge about insurance. This includes providing information about the company's products and services, educating customers about their rights and responsibilities, and promoting the importance of insurance in financial planning.

6. Review and Amendment

This Policyholder Protection & Compliance Committee Policy will be subject to periodic review to ensure its continued relevance and effectiveness. Any necessary amendments will be made in accordance with regulatory requirements and approved by the Board of Directors.

This policy is designed to ensure that City Insurance PLC remains committed to providing excellent customer service, maintaining compliance with all relevant laws and regulations, and promoting the importance of insurance to its customers. The PP&CC plays a crucial role in achieving these objectives.



Hossain Akhtar
Chairman, City Insurance PLC.

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D) WHISTLEBLOWER POLICY

Introduction

Whistleblowing is the act of reporting wrongdoing within an organization. It involves informing the relevant authorities or the public about immoral or illegal activities within the workplace. At City Insurance PLC, any employee who suspects wrongdoing is strongly encouraged to raise their concerns confidentially through the whistleblowing procedure. This action, referred to as "making a disclosure" or "blowing the whistle," typically pertains to issues the employee has witnessed at work.

Code of Practice

City Insurance PLC recognizes the importance of encouraging whistleblowing to manage organizational risks and uphold ethical standards. We are committed to fostering a safe and supportive environment for raising concerns and ensuring such reports are handled appropriately. Best practices include:

- Maintaining a clear and accessible whistleblowing policy.
- Promoting awareness of the policy through staff engagement, internal communications, and other channels.
- Providing training on how to raise and handle disclosures.
- Ensuring managers are trained to handle disclosures effectively.
- Cultivating a supportive corporate culture where whistleblowing is encouraged.
- Prohibiting restrictive clauses in agreements that prevent public interest disclosures.
- Offering multiple channels for employees to report concerns, including alternatives to their departmental heads.
- Guaranteeing protection from retaliation for whistleblowers.
- Committing to fair, consistent, and professional handling of all reports.
- Ensuring the confidentiality of whistleblowers unless legally required to disclose their identity.
- Providing feedback on the outcome and next steps where appropriate.

Policy and Procedure

1. **Protection Against Reprisal:** Employees raising genuine concerns in good faith, even if mistaken, will not face retaliation or disciplinary action.
2. **Prohibition of Harassment:** Any harassment or victimization of whistleblowers will be treated as a serious breach of conduct.
3. **False Allegations:** Malicious or false allegations will be regarded as misconduct and addressed under the Disciplinary Procedure.

Examples of Wrongdoing Examples of issues to be reported include, but are not limited to:

- Criminal offenses such as fraud, money laundering, bribery, or corruption.
- Breaches of legal obligations.
- Actions endangering health, safety, or the environment.
- Human rights violations.
- Accounting malpractices or document falsification.
- Breaches of the Standards of Business Conduct or other company policies.
- Miscarriages of justice.
- Concealment of any wrongdoing.

This procedure is not intended for personal employment grievances, which should follow the Company's Grievance Procedures.

Reporting Process

- Concerns should first be raised with the employee's departmental head, who will refer the matter to a Designated Officer while maintaining confidentiality.
- If an employee is uncomfortable reporting to their departmental head, they may report directly to a Designated Officer or inform the HR Department, which will refer the case appropriately.

Designated Officers

1. Managing Director
2. Chief Financial Officer
3. Company Secretary

Confidentiality and Feedback

Reports will be fully investigated, and the identity of the whistleblower will remain confidential unless disclosure is required by law. The whistleblower will be informed of the investigation outcome where possible. Anonymous disclosures are permitted but may limit the scope of investigation and feedback.

Implementation and Oversight

The whistleblowing policy and procedure operate under the authority of the Audit Committee of City Insurance PLC, ensuring that disclosures are managed with integrity and fairness.



Hossain Akhtar
Chairman, City Insurance PLC.

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E) PRICE SENSITIVE INFORMATION (PSI) POLICY

INTRODUCTION OF THE COMPANY

City Insurance PLC is a second-generation Non-life Insurance Company in Bangladesh, established in 1996 under the purview of Companies Act-1994 and listed with Dhaka and Chittagong Stock Exchanges Limited In 2007. The Company is one of the leading Non-life Insurance companies in the country with specialized and significant expertise in Non-life insurance business. City Insurance PLC always works hard for its clients to deliver new products and services while maintaining a commitment to safety, security and sustainability.

1.0 PREFACE:

City Insurance PLC (City Insurance) provides all relevant information about its business and financial results in a timely, systematic, consistent, and balanced manner in accordance with legal and regulatory requirements.

According to City Insurance, accountability and transparency are essential to realizing its vision and boosting public confidence in its stakeholders. This Principle reflects and reaffirms City Insurance's dedication to good governance and transparency.

In a similar vein, City Insurance agrees to abide by all applicable securities laws and regulations to fairly disclose material information to the public market while also making a commitment to keep any information pertaining to the business or affairs of its customer's secret.

This Principle has been framed in compliance with the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022. **"বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরন) বিধিমালা, ২০২২"** dated 28 December 2022.

This Principle shall be called "Principles on Disclosure of Material Information and Price Sensitive Information" (hereinafter referred to as "the Principles").

This Principle will address all disclosures that may be made by City Insurance, whether it relates to information of City Insurance itself or its customers.

2.0 OBJECTIVES

The objective of the Principles is:

The objective of the Principles is to determine/define nature of Price Sensitive and Material Information, which City Insurance will disclose/disseminate to the Regulators/investors through approved methods of disclosures, as required under BSEC Rules, thus providing equal access to important information and disclosures to all interested parties.

3.0 DEFINITIONS

All words/terms in the principles shall have the same meaning as assigned to them under the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 ("the Rules"). **"বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরন) বিধিমালা, ২০২২"**

4.0 PRICE SENSITIVE INFORMATION (PSI)

4.1 Determination of Price Sensitive Information (PSI):

1. Information related to the financial report, financial results and other basic information related to the financial performance;
    a. Changes in the financial statement such as significant increase or decrease in income, expense, cash flow, receivable, payable, or assets;
    b. Following information regarding the financial statement-
        i. Earnings Per Share (EPS)
        ii. Net Operating Cash Flow per Share (NOCFPS)
        iii. Net Asset Value per Share (NAV)

2. Information related to dividend and corporate declarations;
    a. Any decision regarding dividends;
    b. Any decision regarding the issue of rights, bonuses, or similar benefits to the security holders;

3. Information related to the change of corporate structure
    a. Merger with another company or acquisition of substantial shares of another company, etc.
    b. A takeover proposal or proposal of acquisition of the internal service of any company;

4. Information related to the change of capital structure;
    a. Any decision regarding changes in the capital structure of the company or any decision relating to its private offer or public offer or rights offer of the securities;
    b. Any decision regarding consolidation of shares, exchange of shares, conversion of any security into equity security, or conversion of debentures into share, etc.;

5. Information related to the business extension, change, etc.;
    a. Development or significant change in the technology, production, and buildings of the company;
    b. Significant new contracts on products, patents, services, or business changes;
    c. Delisting of security from the stock exchanges or changes the status of shares from one category to another category;

6. Information related to the Company's fund management and structural change of the fund;

7. Any other information as defined by the BSEC as PSI through various rules, regulations, circulars and directives; and

8. Any information published by the BSEC in the official gazette defining as PSI.

4.2 Procedure for Dissemination/Disclose of Price Sensitive Information:

City Insurance will follow the procedure for dissemination/ disclosure of Price Sensitive Information as prescribed under rule 6 of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022.

4.3 Prohibition on Dissemination/Disclosure of Price Sensitive Information:

City Insurance will follow the prohibition(s) on dissemination/ disclosure of Price Sensitive Information as prescribed under rule 4 of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022.

4.4 Archiving of Price Sensitive Information:

As prescribed under rule 3(4) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules,

2022 City Insurance will make available more than 3 (three) preceding years of all published Price Sensitive Information on the Company's website.

5.0 MATERIAL INFORMATION (MI)

5.1 Determination of Material Information/Event

City Insurance will deem material information/event as prescribed under "Schedule – Ka" rule no. 3 (2) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022.

5.2 Procedure for Dissemination/Disclose of Material Information/Event:

City Insurance as an issuer company will publish all information (Material Information) except for the Price Sensitive Information, on its official website as prescribed under "Schedule – Ka" rule no. 3 (2) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022.

5.3 Archiving of Material Information:

As prescribed under rule 3(4) of the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Regulations, 2022 City Insurance will make available more than 3 (three) years of all published Material Information/ Events on the Company's website.

AMENDMENTS TO THE PRINCIPLES:

The principles may be modified as may, in the opinion of the Board, be deemed necessary with the assistance of KMP ("Key Managerial Personnel" means the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), and such other officer/s as may be prescribed by the Board of Directors and subsequently to be updated to the website.

DISCLOSURES ON THE WEBSITE

The company shall disclose on its website all such events/ information which has been disseminated to the BSEC and Stock Exchange(s) under this Principles and such disclosures shall be posted on the website of the company for a minimum period of three years.



Hossain Akhtar

Chairman, City Insurance PLC.

The Dividend Distribution Policy can also be found on the company's website: www.cityinsurance.com.bd

F) CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Preamble:

City Insurance PLC recognizes the importance of contributing to the well-being of society and the environment in which we operate. As a responsible corporate entity, we are committed to integrating social and environmental concerns into our business operations and ensuring sustainable development. This Corporate Social Responsibility (CSR) Policy outlines our commitment to making a positive impact on society and the environment.

2. Objectives:

The primary objectives of our CSR initiatives are:

a. **Community Development:** Contribute to the development and well-being of the communities in which we operate, focusing on areas such as education, healthcare, and infrastructure.

b. **Environmental Sustainability:** Implement measures to reduce our environmental footprint and promote sustainable practices within our organization.

c. **Employee Engagement:** Encourage and support employees' involvement in social and community activities, fostering a culture of social responsibility.

3. Focus Areas:

a) Education:

- Support educational initiatives, including scholarships, infrastructure development, and skill-building programs.
- Collaborate with educational institutions to enhance the quality of education.

b) Healthcare:

- Contribute to healthcare projects, focusing on preventive healthcare, medical facilities, and community health programs.

c) Community Development:

- Invest in infrastructure projects that benefit local communities, such as roads, water supply, and sanitation facilities.

d) Environment:

- Implement environmentally sustainable practices within our business operations.

- Support initiatives aimed at conservation, reforestation, and waste management.

4. Implementation:

a. **Budget Allocation:** Allocate a percentage of our profits annually for CSR activities, in accordance with applicable laws and regulations.

b. **Project Identification:** Identify and prioritize projects in consultation with relevant stakeholders, ensuring alignment with community needs.

c. **Partnerships:** Collaborate with reputable NGOs, government agencies, and other stakeholders to maximize the impact of our CSR initiatives.

d. **Monitoring and Evaluation:** Establish a robust monitoring and evaluation framework to assess the effectiveness of CSR projects and make necessary adjustments for continuous improvement.

5. Employee Involvement:

Encourage employees to actively participate in CSR activities by providing opportunities for volunteering, skill-based contributions, and awareness campaigns.

6. Reporting:

Prepare and publish an annual CSR report, detailing the initiatives undertaken, funds allocated, and outcomes achieved. This report will be made available to all stakeholders and submitted to the appropriate regulatory authorities as required.

7. Review and Amendments:

Regularly review the CSR policy to ensure its continued relevance and effectiveness. Amendments may be made as necessary, with approval from the Board of Directors.

This CSR policy reflects City Insurance PLC's commitment to contributing positively to society and the environment while upholding the highest standards of corporate responsibility.



Hossain Akhtar

Chairman, City Insurance PLC.
The Dividend Distribution Policy can also be found on the company's website: www.cityinsurance.com.bd

DECLARATION BY THE CEO AND CFO TO THE BOARD

Annexure-A

February 05, 2026
The Board of Directors
City Insurance PLC.
27, Dilkusha C/A, Dhaka-1000.

Subject: Declaration on Financial Statements for the year ended on December 31, 2025.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03.06.2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of **City Insurance PLC** for the year ended on December 31, 2025 have been prepared in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

(i) We have reviewed the financial statements for the year ended on December 31, 2025 and that to the best of our knowledge and belief:

   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sheikh Azizul Haque FCS
Chief Financial Officer
City Insurance PLC.

Md. Shamim Hossain
Managing Director & CEO
City Insurance PLC.

CERTIFICATE ON COMPLIANCE OF BSEC **CORPORATE GOVERNANCE CODE**

Annexure-B

MNA ASSOCIATES
Chartered Secretaries

ANNEXURE-B
[(Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of City Insurance PLC. on Compliance to the Corporate Governance Code 2018;

We have examined the compliance status to the Corporate Governance Code by City Insurance PLC. for the year ended on 31st December 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006 -158/207/ Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any conditions of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except those mentioned in the statement of compliance status;

b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the Securities Laws and other relevant laws; and

d) The governance of the company is satisfactory.

MNA Associates
Chartered Secretaries

M Nurul Alam FCS
Chief Executive Officer
Enrollment No. 015

Place: Dhaka
Dated: February 18, 2026

MNA ASSOCIATES

MNA Associates
Tropical Molla Tower 3rd Floor| Sha-15/1-4 Pragati Sarani (Gulshan Link Road Badda end) | Middle Badda, Dhaka-1212
Mob: +880 1880887760 | Email: info@mnaassociates.org | Website: http://mnaassociates.org

COMPLIANCE STATUS ON BSEC NOTIFICATION ON CORPORATE GOVERNANCE CODE

Annexure-C

The Bangladesh Securities and Exchange Commission (BSEC) introduced a Corporate Governance Code in 2018, which the company is currently adhering to on a 'Comply' basis. The compliance status of City Insurance PLC with the aforementioned Corporate Governance code, issued by BSEC through Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, and its amendment through Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated October 16, 2023, under Section 2CC of the Securities and Exchange Ordinance, 1969, is as follows:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
1	BOARD OF DIRECTORS			
1(1)	**Size of the Board of Directors**			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		Number of Board members of CIPLC is 14 (fourteen) including 3 (three) Independent Directors. (Page 98)
1(2)	**Independent Directors**			
1(2) (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company;	√		There are three Independent Directors in the CIPLC Board, namely: Mr. Mahabubul Haque, Mr. Tauhiduddin Md. Zahed and Barrister Miti Sanjana (Page 98) The Board has appointed Barrister Miti Sanjana as an Independent Director, and approved at the 29th AGM. (Page 234)
1(2) (b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director–			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		None of the Independent Directors hold any share of the company

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		The Independent Directors have declared their compliance.
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		The Independent Directors have declared their compliance.
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		The Independent Directors have declared their compliance.
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		The Independent Directors have declared their compliance.
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		The Independent Directors have declared their compliance.
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		The Independent Directors have declared their compliance.
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	√		The Independent Directors have declared their compliance.
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	√		The Independent Directors have declared their compliance.
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		The Independent Directors have declared their compliance.
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		Followed
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		No vacancy occurred

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানি আইন,১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন) (Companies Act, 1994) Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	√		Followed
1(3)	**Qualification of Independent Director**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		The qualification and background of IDs justify their abilities as such. (Page 107-108)
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having a minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			Not applicable
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or			Not applicable
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	√		Mr. Tauhiduddin Md. Zahed is a former government official with over 32 years of experience, and Mr. Mahabubul Haque is also a former government official with over 33 years of experience. (Page 107-108)
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		N/A

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		Barrister Miti Sanjana has such qualification (Page 108-109)
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		Existing Independent Directors are former Govt. Officials, and Barrister practicing at the High Court Division of Bangladesh Supreme Court with more than 20 to 40 years of experience. (Page 107-109)
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	√		Not applicable
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		Chairman of the Board and Managing Director are the different individuals. (Page 98)
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		The Managing Director does not hold the same position in any other listed company. (Page 259)
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		The chairperson is elected from amongst the non-executive directors. (Page 98 & 244)
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		The roles and responsibilities of the Chairperson and Managing Director are clearly defined. (Page 257-259)
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		No such event arose

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
1(5)	**The Directors' Report to Shareholders**			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		The Directors' report complies with the guideline. (Page 132)
1(5)(ii)	The segment-wise or product-wise performance;	√		The Directors' report complies with the guideline. (Page 135-138)
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		Discussed at Risk and Concerns. (Page 139)
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		The Directors' report complies with the guideline. (Page 139)
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		No such gain/loss. (Page 139)
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		Discussed at 'Directors' Report' (Page 139) and subsequently elaborated in the note no. 32 of Audited Financial Statements
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		Mentioned at 'Directors Report'. (Page 139)
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	√		No such event arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		No such event arose
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		Mentioned at 'Directors' Report' (Page 139) and also mentioned in Corporate Governance Report (Page 248 & 256)
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		Mentioned to the Directors' Report (Page 140)
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		Mentioned to the Directors' Report (Page 140)
1(5)(xiii)	A statement that 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;	√		Mentioned to the Directors' Report and Auditors Report (Page 140)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
1(5)(xiv)	A statement that 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;	√		Mentioned to the Directors' Report and Auditors Report (Page 140)
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		Mentioned to the Directors' Report (Page 140)
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		Mentioned to the Directors' Report (Page 140 & 143)
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		Mentioned to the Directors' Report (Page 140)
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		Mentioned to the Directors' Report (Page 143-144)
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		Mentioned in Stakeholders' Information & Performance Analysis section (Page 366)
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		The Company has declared 10% Cash dividend.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		Mentioned to the Directors' Report (Page 144)
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		The Board of Directors met 5 (five) times during the year 2025. Mentioned in Corporate Governance Report (Page 248)
1(5)(xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-**			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		Mentioned to the Corporate Governance Report (Page 241)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		Mentioned on Corporate Governance Report (Page 241-242)
1(5)(xxiii)(c)	Executives; (Top five salaried employees of the company other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit)	√		Mentioned on Corporate Governance Report (Page 241-242)
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		Mentioned on Corporate Governance Report (Page 243)
1(5)(xxiv)	**In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: -**			
1(5)(xxiv)(a)	A brief resume of the director;	√		As stated in the profile of Directors (Page 102-109)
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	√		As stated in the profile of Directors (Page 102-109)
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		As stated in the profile of Directors (Page 102-109)
1(5)(xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		Mentioned to the 'Management Discussion and Analysis'. (Page 152)
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		Mentioned to the 'Management Discussion and Analysis'. (Page 152)
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		Mentioned to the 'Management Discussion and Analysis'. (Page 152)
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		Mentioned to the 'Management Discussion and Analysis'. (Page 153)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		Mentioned to the 'Management Discussion and Analysis'. (Page 154)
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		Mentioned to the 'Management Discussion and Analysis'. (Page 154)
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		Mentioned to the 'Management Discussion and Analysis'. (Page 155)
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		Mentioned to the CEO and CFO's Declaration to the Board. (Page 308)
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		Mentioned at page 309 & 310
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		Followed
1(6)	**Meetings of the Board of Directors :** The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		Followed (Page 249-251)
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		Followed (Page 110)
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentially; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		The code of conduct as determined by the NRC is posted on the website. (Page 247)
2	**GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			There is no subsidiary company of City Insurance PLC.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3	**MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS)**			
3(1)	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		The Company has appointed MD, CFO, CS and HIAC. (Page 258-260)
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		The MD, CFO, CS and HIAC are four different individuals. (Page 258-260)
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		In Practice
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		The roles, responsibilities and duties of MD, CFO, CS and HIAC are clearly defined (Page 258-262)
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		No such event arose

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
3(2)	**Requirement to attend Board of Directors' Meetings :** The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	√		In Practice
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) :**			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		Mentioned to the CEO and CFO's Declaration to the Board. (Page 308)
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		Mentioned to the CEO and CFO's Declaration to the Board. (Page 308)
3(3)(a)(ii)	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;	√		Mentioned to the CEO and CFO's Declaration to the Board. (Page 308)
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		Mentioned to the CEO and CFO's Declaration to the Board. (Page 308)
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		Disclosed in the Annual Report Annexure-A. (Page 308)
4	**BOARD OF DIRECTORS' COMMITTEE**			
4(i)	Audit Committee; and	√		(Page 99)
4(ii)	Nomination and Remuneration Committee.	√		Already in place. (Page 99)
5	**AUDIT COMMITTEE**			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		(Page 99 & 264)
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		The Audit Committee duly discharged its responsibilities. (Page 264)
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		In practice. (Page 264)
5(2)	**Constitution of the Audit Committee**			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		The Audit Committee is comprised of 3 (Three) members. (Page 99 & 265)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		The members of the Audit Committee are appointed by the Board who are Non-Executive Directors and which includes one Independent Director. (Page 99 & 264)
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		Based on the academic qualifications and professional experiences, the Board reviewed and considered that all the existing members of the Audit Committee are 'financially literate' and they have 'related financial management experience' as per codes of BSEC. (Page 265)
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		In Practice
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		In Practice (Page 222)
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		In Practice (Page 266)
5(3)	**Chairperson of the Audit Committee**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		Mr. Mahabubul Haque has been appointed as Chairman of Audit Committee who is an Independent Director. (Page 98 & 265)
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		In Practice

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√		Chairperson of the Audit Committee was present at 29th AGM. Reference to AGM photo. (Page 293)
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		During the year 4 (Four) Audit Committee meetings were held. (Page 265)
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		In Practice (Page 266)
5(5)	**Role of Audit Committee**			
5(5)(a)	Oversee the financial reporting process;	√		In Practice (Page 223)
5(5)(b)	Monitor choice of accounting policies and principles;	√		In Practice (Page 223)
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		In Practice (Page 223)
5(5)(d)	Oversee hiring and performance of external auditors;	√		In Practice (Page 223)
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		In Practice (Page 223)
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		In Practice (Page 223)
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		In Practice (Page 223)
5(5)(h)	Review the adequacy of internal audit function;	√		In Practice (Page 223)
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		In Practice (Page 223)
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		In Practice (Page 223)
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		In Practice (Page 223)
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		In Practice (Page 223)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	√		There was no IPO/ RPO/Rights Issue in 2025 or in recent past.
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		In Practice (Page 223 & 266)
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:	√		
5(6)(a)(ii)(a)	Report on conflicts of interests;	√		No such Incidence arose
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		No such Incidence arose
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	√		No such Incidence arose
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		No such Incidence arose
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	√		No such Incidence arose
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		In practice (Page 266)
6	**NOMINATION AND REMUNERATION COMMITTEE (NRC)**			
6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		(Page 99)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		The NRC duly discharged its responsibilities. (Page 285)
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		In practice. (Page 225)
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		The Committee is comprised of 4 (Four) members including an Independent Director. (Page 255)
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		In practice (Page 286)
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		The NRC members are appointed by the Board. (Page 285)
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		In practice (Page 285)
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		No such event arose
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		No such event arose
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		In practice (Page 285)
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		In practice (Page 286)
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		In practice (Page 286)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		The Chairman of NRC is Mr. Tauhiduddin Md. Zahed who has been appointed as Chairman of NRC is an Independent Director. (Page 99 & 225)
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		In practice (Page 286)
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; provided that in absence of Chairperson of the NRC, any other matters from the NRC shall be selected to be present in the Annual General Meeting (AGM) for answering the shareholders queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM;	√		Chairperson of the NRC was present at 29th AGM. Reference to AGM photo. (Page 293-294)
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		In practice (Page 286)
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		To be complied if necessary
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		In practice (Page 286)
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		In practice (Page 226)
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		In practice (Page 285)
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		In practice (Page 285)
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		In practice (Page 285)
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		In practice (Page 285)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		In practice (Page 285)
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		In practice (Page 285)
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		In practice (Page 285)
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		No such list as yet
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		In practice (Page 285)
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		In practice (Page 285)
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		In practice (Page 285)
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		The criteria, policy and activities of NRC are disclosed in the Annual Report. (Page 225-227)
7	**EXTERNAL OR STATUTORY AUDITORS**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	√		As declared by the auditor
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		In Practice
7(1)(ii)	Financial information systems design and implementation;	√		In Practice
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		In Practice
7(1)(iv)	Broker-dealer services;	√		In Practice
7(1)(v)	Actuarial services;	√		In Practice
7(1)(vi)	Internal audit services or special audit services;	√		In Practice
7(1)(vii)	Any service that the Audit Committee determines;	√		In Practice
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		In Practice
7(1)(ix)	Any other service that creates conflict of interest.	√		In Practice
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; provided that spouse, son, daughters, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	√		In Practice

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remark (if any)
		Complied	Not complied	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		In Practice
8	**MAINTAINING A WEBSITE BY THE COMPANY**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		Website (www.cityinsurance.com.bd) which is linked with the stock exchanges.
8(2)	The company shall keep the website functional from the date of listing.	√		In practice
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		In practice
9	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	√		The company obtained the certificate from MNA Associates Associates Chartered Secretaries disclosed in the Annual Report. (Page 309)
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		The agenda will be placed in the 29th Annual General Meeting. Refer to the notice of the AGM.
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		Followed (Page 310)

CERTIFICATE ON COMPLIANCE OF CORPORATE **GOVERNANCE GUIDELINE OF IDRA**

Annexure-D

MNA ASSOCIATES

Chartered Secretary in Practice - ICSB enrollment # 015

Certificate of Compliance with the Insurers' Corporate Governance Guidelines - 2023 issued to City Insurance PLC for the year ended 31 December 2025;

We have examined the Corporate Governance Compliance status of City Insurance PLC with the conditions of the Insurers' Corporate Governance Guideline 2023 which is a requirement under condition 19(2) of the Guideline issued by the Insurance Development and Regulatory Authority (IDRA) Circular No. 53.03.000.075.22.025.2020.230 dated 19 October 2023 for the year ended on 31st December 2025.

Such compliance with the Corporate Governance Guidelines 2023 issued by IDRA is the responsibility of the Company management. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the requirements of the Corporate Governance Guidelines 2023 condition 19(2). This is a scrutiny and verification and an independent audit on compliance required as per Corporate Governance Guidelines 2023.

We state that we have obtained all the information and explanations, which we have required and the company management confirmed regarding the compliance with the Insurer's Corporate Governance Guidelines 2023 in a detail check list, after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has recognized the Insurers' Corporate Governance Guidelines 2023 issued by IDRA and appointed independent corporate governance compliance auditor on 3rd April 2024 as stipulated in the conditions of the above-mentioned Guidelines.

(b) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws & regulations. and

(c) The Corporate Governance Compliance status of the company is satisfactory.

Signed with date
MNA Associates, Chartered Secretary;

M Nurul Alam FCS, CCEP-I
Chief Executive Officer
Dated February 18, 2026

MNA ASSOCIATES

MNA Associates
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CEO'S CERTIFICATE FOR COMPLIANCE OF THE **CORPORATE GOVERNANCE GUIDELINES OF IDRA**

Annexure-E

[As per serial No. 12.1(7) of IDRA's CG Guidelines]

Declaration by CEO

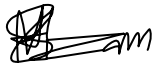
CEO'S CERTIFICATE FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES OF IDRA

As per Serial No. 12.1(7) of Insurance Development & Regulatory Authority (IDRA)'s Corporate Governance Guidelines, I, Md. Shamim Hossain, Managing Director & CEO of City Insurance PLC., hereby certify, to the best of my ability, knowledge, and belief, that:

- No transactions have been made during the year 2025 by City Insurance PLC that are fraudulent, illegal, or in violation of the Company's code of conduct.

This declaration is made to ensure full compliance with the regulatory requirements set forth by the Insurance Development & Regulatory Authority (IDRA).

Sincerely, yours



Dated: 05 February 2026

Md. Shamim Hossain
Managing Director & CEO
City Insurance PLC.

REPORT ON INSURER'S CORPORATE GOVERNANCE GUIDELINE ISSUED BY IDRA

Annexure-F

Status of compliance in accordance with the Insurers' Corporate Governance Guidelines-2023 (CGG-2023) issued by the Insurance Development and Regulatory Authority (IDRA) Circular No.53.03.000.075.22.025.2020.230 dated 19 October 2023 for the year ended 31st December 2025

(Report under Serial No. 19 of IDRA's CGG)

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6.	**Board of Directors:**			
6.1	**Formation of Board of Directors:** The maximum number of Directors of that company shall, notwithstanding anything contained in the memorandum of association or articles of association of the company, not exceed 20 (twenty) and in that case 12 (twelve) shall be sponsor Directors, 6(six) shall be Directors holding public share and 2 (two) shall be independent Directors.	√		Board comprises 14 Members including 3 Independent Directors
6.2	Board of Directors: The Company shall have procedures for the appointment and re-appointment of directors.	√		This procedure is mentioned in the Articles of Association of the Company.
6.2.(a)	**Qualifications of Directors: A Director,**			
6.2(a)(1)	who has not been declared insolvent by a competent court and has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan advance to a bank or financial institution in Bangladesh or elsewhere.	√		No such event occurred
6.2(a)(1)(2)	who has not been convicted in any criminal offence or involved in any fraud, financial crime or any other illegal activity.	√		No such event occurred
6.2(a)(1)(3)	who has not been found guilty of violating the rules, regulations or discipline of any regulatory body in Bangladesh or elsewhere.	√		No such event occurred
6.2(a)(1)(4)	who has not been found guilty on any legal proceedings.	√		No such event occurred
6.2(a)(1)(5)	who has not been found as insurance agent, intermediary, salaried agent, auditor, consultant or actuary in Bangladesh or elsewhere.	√		No such event occurred
6(2)(b)(1)	The Chairman and the Vice-Chairman of the Board or Directors of the Company shall be elected by following clause no. 79 of Insurance Act-2010.	√		Followed
6(2)(b)(2)	In absence of Chairman, Vice Chairman will be the Chairman.	√		No such event occurred

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(b)(3)	In case of absence of both Chairman and Vice-Chairman in the meeting, the Board of Directors shall elect one Non-Executive Director who will act as the Chairman.	√		No such event occurred
6(2)(b)(4)	The absenteeism of both Chairman and Vice-Chairman for the case of serial no. (2) & (3), must be mentioned in the minutes of the meeting.	√		No such event occurred
6(3)	**Independent Directors:**			
6(3)(a)	**Independent Director is a Director,**			
6(3)(a)(1)	who is not holding any share of the Company;	√		Followed
6(3)(a)(2)	who or whose family members are not sponsors or directors or nominee directors or shareholders of the Insurer.	√		No such event occurred
6(3)(a)(3)	who or whose family members are not sponsors, Directors, Shareholder Director or Nominated Director of any Associate, Sister Concern Institute, Subsidiary Institute or Parent Company of Insurer.	√		No such event occurred
6(3)(a)(4)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder director of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who does not hold any share of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company.	√		No such event occurred
6(3)(a)(5)	who has not been an executive or advisor of the Insurer in immediately preceding 2 (two) financial years.	√		No such event occurred
6(3)(a)(6)	who does not have any financial or other relationship, whether pecuniary or otherwise, with the Insurance company or its subsidiary or associated companies.	√		No such event occurred
6(3)(a)(7)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years as an Independent Director of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit.	√		No such event occurred
6(3)(a)(8)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		No such event occurred
6(3)(a)(9)	who has not been convicted for a criminal offence involving moral turpitude;	√		No such event occurred
6 (3)(b)(1)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		The appointment of Mr. Tauhiduddin Md. Zahed for a second term and Barrister Miti Sanjana for a first term duly approved at the 29th AGM.

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(b)(2)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		No such event occurred
6(3)(b)(3)	The tenure of office of an independent director shall befor a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Company's act, 1994 (18 no act of the year of 1994), Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	√		Mr. Tauhiduddin Md. Zahed has been re-appointed by the Board as well as has been given consent by BSEC
6(3)(c)	**Qualification of Independent Director:** Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business. Qualifications and experience in the following matters will be considered as the qualifications of an Independent director-			
6(3)(c)(1)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale-2015, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		Mr. Tauhiduddin Md. Zahed is a former government official with over 32 years of experience, and Mr. Mahabubul Haque is also a former government official with over 33 years of experience.
6(3)(c)(2)	University Teacher who has at least educational background of bachelor degree in economics or commerce or business or Law; or			N/A
6(3)(c)(3)	Professional who is- • At least an advocate practicing in the High Court Division of the Supreme Court of Bangladesh • Chartered Accountant or Certified Public Accountant (CA/CPA) • Cost and Management Accountant or Chartered Management Accountant (ICMAB or CMA/ • CIMA) • Chartered Financial Analyst (CFA Chartered) • Actuary • Chartered Secretary or equivalent qualification • Insurance Professional Accreditation (E.g. FCII, ACII, FLMIL, ABIA) • Any other professional qualification prescribed by the authority; or	√		The Board has appointed Barrister Miti Sanjana as an Independent Director duly approved at the 29th AGM.

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(c)(4)	Actuarial science or finance and accounts or management or economics or Authority prescribed any other educational qualification.; [(Explanation: Must have at least 10 (ten) years of experience in any of the above (2) and (3) and (4) series) or]			N/A
6(3)(c)(5)	Any officer holding a senior business position in a private or multinational company with at least 15 (Fifteen) years of experience, subject to the prior approval of the authorities; or	√		No such event occurred
6(3)(c)(6)	who has been working as a Chief Executive Officer or Managing Director of an authorized bank or insurance or financial institution and at least 3 (three) years have elapsed since his retirement or resignation from the said post.	√		No such event occurred
6(4)	**Role of the Board of Directors:** • Formulating and implementing institutional business material direction, policies, strategies and risk management policies; • Taking action accordingly considering capital requirements, income and expenditure, insurer and shareholder expectations and potential profit and loss; • To confirm that all circulars, policies and acts should be followed strictly; • Formulating and controlling various structures to identify the problem and take the necessary action for solving; • Encouraging employees to report any violation of circular, policy or law by implementing whistle blowing policy and various other policies; • Identifying, monitoring and resolving conflicts of interest of directors, employees and shareholders; • Related party transaction and any other transaction should be monitored and controlled; • Ethics and good governance practices should be encouraged and related issues should be identified and addressed.	√		Implementing and following
6(5)	**Code of Conduct of Board of Directors:**			
6(5)(a)	The Board of Directors shall formulate a code of conduct for all officers/employees including the Chairman of the Board, members of the Board, Chief Executive Officer of the Company on the recommendation of the 'Nomination and Remuneration Committee' (NRC). Code of conduct includes issues that contribute to ensuring good governance, prudent conduct, confidentiality, conflict of interest; Compliance with laws and regulations; This will include working environment, relations with employees, insurers and stakeholders etc.	√		Formulated

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)	All board members and senior executives must ensure compliance with the Code of Conduct on an annual basis by providing a signed declaration. All board members should maintain standards of ethics and business conduct and impose an obligation on all officers/employees employed by the company to uphold those standards.	√		Ensured and imposed
7	**Board of Directors' Committees:**			
7(1)	For ensuring good governance in the company, the Board shall have at least following sub-committees: 1. Audit Committee; 2. NRC; 3. Investment Committee; 4. Risk Management Committee; 5. Policyholder protection & Compliance Committee.	√		Formulated
7(2)	**Audit Committee:**			
7(2)(a)	The company shall have an Audit Committee as a subcommittee of the Board and it shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		Formulated
7(2)(b)	**Constitution of the Audit Committee:**			
7(2)(b)(1)	The Audit Committee shall be composed of at least 3 (three)members;	√		Composed
7(2)(b)(2)	The Board shall appoint members of the Audit Committee who shall be non- executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		Followed
7(2)(b)(3)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background with 10 (ten) years of such experience;	√		Followed
7(2)(b)(4)	If any member of the Committee is unable to hold office for any reasonable reason before the expiration or expiration of the term, the vacant office shall be filled within 1 (one) month from the date of vacancy;	√		No such event occurred
7(2)(b)(5)	The company secretary shall act as the secretary of the Committee.	√		Followed
7(2)(c)	**Chairperson of the Audit Committee:**			
7(2)(c)(1)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		Followed
7(2)(c)(2)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. There should be at least one Independent Director present in the meeting;	√		Followed

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(2)(c)(3)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM); Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		Followed
7(2)(d)	**Meeting of the Audit Committee:**			
7(2)(d)(1)	The Audit Committee shall conduct at least its four meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		Followed
7(2)(d)(2)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		Followed
7(2)(e)	**Role of the Audit Committee:**			
7(2)(e)(1)	Ensuring appropriate internal control over financial reporting, including evaluating the insurer's accounting policy, practices and reviewing financial reporting and disclosures therein.	√		Followed
7(2)(e)(2)	The audit committee shall examine whether the financial statements reflect complete and accurate information and determine whether the statements have been prepared in accordance with the laws, regulations and rules and accounting standards prevailing in the country;	√		Followed
7(2)(e)(3)	recommending the appointment of the external auditor after ascertaining his competence and availability;	√		Followed
7(2)(e)(4)	Determine the audit fee based on the audit plan, scope and scope of work, efficiency and time required for an effective audit	√		Followed
7(2)(e)(5)	Review the results of external audits and evaluate the impact of audits on financial reporting and internal controls, take necessary corrective actions and review the performance of external auditors;	√		Followed
7(2)(e)(6)	evaluating the efficiency and effectiveness of the internal audit structure and reviewing the internal audit plan report prepared by the internal audit and taking necessary corrective action;	√		Followed
7(2)(e)(7)	To check whether the findings and recommendations of internal audit are properly considered by the management;	√		Followed
7(2)(e)(8)	Evaluate of internal control, risk management, employee awareness of responsibility, regular communication and assess if the complaint is addressed or not;	√		Followed

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(2)(e)(9)	To review and present to the Board the necessary actions taken/to be taken by the management in consideration of reports relating to fraud, deficiencies in internal control or problems identified by the internal and external auditors and inspector(s) of the regulatory authority;	√		Followed
7(2)(e)(10)	To review compliance with laws, regulations and directives made by authorities and other bodies and internal rules and policies approved by the Board;	√		Followed
7(2)(e)(11)	Carry out the objectives and functions set by the Board of Directors and evaluate the committee's own performance regularly.	√		Followed
7(2)(f)	**Rights of Audit Committee:** The Audit Committee shall have unfettered access to all relevant data, reports, documents and information along with the Chief Executive, Internal Audit Committee / Head of Structure, Actuary and all concerned officers.	√		Followed
7(2)(g)	**Reporting of the Audit Committee:**			
7(2)(g)(1)	The Audit Committee shall report on its activities to the Board.	√		Followed
7(2)(g)(2)	The Audit Committee shall immediately report to the Board of Directors, if the situation is- • report on conflicts of interests; • suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; • suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations or business losses ; • any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	√		Followed
7(2)(g)(3)	**Reporting to the Authorities:** If the Audit Committee has reported to the Board and the Management about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for two times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	√		No such event occurred
7(2)(g)(4)	**Reporting to Shareholders and General Investors:** Report on activities carried out by the Audit Committee, including any report of the Audit Committee submitted to the Board of Directors to be published in the annual report of the said financial year.	√		Followed

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8	**Nomination & Remuneration Committee (NRC):**			
8(a)	As a sub-committee of the Board of Directors, the Nomination and Remuneration Committee (NRC) shall provide necessary assistance to the Board of Directors in determining the qualifications, skills, experience, personality of all officers including senior management and formulating standards/policies for their remuneration/ honorium/salary (where applicable) will provide.	√		Followed
8(b)	Constitution of the NRC:			
8(b)(1)	Members of the Committee shall be nominated and appointed by the Board;	√		Followed
8(b)(2)	The Committee shall comprise of at least four members including an independent director. All members shall be non-executive directors;	√		Followed
8(b)(3)	The Chairperson of the Board of Directors may be included in this committee. but shall not hold the office of Chairperson of this Committee;	√		Followed
8(b)(4)	The Board of Directors shall have power to appoint and remove any member from the Committee. However, the reason for removal shall be clearly recorded in the minutes of the meeting of the Board of Directors;			Followed
8(b)(5)	In case of death, resignation, disqualification or removal of any member of the Committee or in case of any vacancy, the Board of Directors shall fill up the vacancy within 180 (one hundred and eighty) days from the date of vacancy of the Committee.	√		No such event occurred
8(b)(6)	The company secretary shall act as the secretary of the Committee;	√		Followed
8(b)(7)	The chairperson of the committee may appoint or co-opt as advisors among the external experts and/or staff members who are not affiliated with the said company or cannot vote on the committee, as necessary or in the evaluation of personnel or relevant matters.	√		Followed
8(c)	**Chairperson of the NRC:**			
8(c)(1)	The Board shall elect a Director as Chairperson of the Committee;	√		Followed
8(c)(2)	In the absence of the Chairperson, the remaining members shall elect one person from among themselves as Chairperson for that meeting. However, the reason for the absence of the regular Chairperson shall be duly recorded in the minutes;	√		Followed
8(c)(3)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		Followed

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8(d)	**Meeting of the NRC:**			
8(d)(1)	The NRC shall conduct at least two meetings in a financial year;	√		2 (Two) meetings were conducted in 2025
8(d)(2)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		Followed
8(d)(3)	The quorum of the meeting shall be the presence of two members of the committee or two thirds of the members, whichever is higher. Provided that the said meeting must be attended by an independent director;	√		Followed
8(d)(4)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;	√		Followed
8(d)(5)	NRC members shall not directly or indirectly receive any honorarium/remuneration other than director's fee or honorarium from the Company except in an advisory or consulting role.	√		Followed
8(e)	**Role of the NRC:**			
8(e)(1)	The NRC shall perform its duties in accordance with the terms of reference prescribed by the Board of Directors. NRC is accountable to the Board of Directors and shareholders;	√		Followed
8(e)(2)	**The NRC shall monitor the following matters and submit a report/ recommendation to the Board of Directors:**			
8(e)(2)(a)	To propose to the Board of Directors a policy regarding the remuneration/remuneration of Directors, Senior Management considering the following matters:			
8(e)(2)(a)(1)	The remuneration/remuneration structure should be reasonable which will help in recruiting and retaining competent employees in the company;	√		Followed
8(e)(2)(a)(2)	The Remuneration policy will be transparent and it will be sufficient to increase the performance of the employees;	√		Followed
8(e)(2)(a)(3)	The structure of remuneration will be uncomplicated and the rationale and administration of the structure will be straightforward;	√		Followed
8(e)(2)(a)(4)	Determinants of rewards, potential value of rewards and identification and elimination of risks, identification of efficient officers and employees in the success of the company and strategy of awarding etc. should be clearly mentioned in the policy.	√		Followed
8(e)(2)(b)	To recommend to the Board of Directors by identifying those who are eligible to be appointed in the top executive positions according to the prescribed criteria;	√		Followed
8(e)(2)(c)	Formulation the criteria for evaluating of performance of independent directors and board of directors;	√		Followed
8(e)(2)(d)	Identifying the needs of the company and determining the criteria for selection, transfer, replacement and promotion of employees in various departments; and	√		Followed

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8(e)(2)(e)	Annual review of the company's human resources and training policies, including recommendations for improvement;	√		Followed
8(e)(3)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		Followed
9	**Investment Committee:**			
9(a)	There will be an Investment Committee as a sub-committee of the Board of Directors for supervision of the Company's investment portfolio in the interest of customers, shareholders and stakeholders.	√		Followed
9(b)	**Constitution of the Investment Committee and its meetings:**			
9(b)(1)	Board of Directors consisting of at least 5 (five) members of Investment Committee and the committee members shall appoint one director as chairman;	√		Followed
9(b)(2)	The quorum of the meeting of the Committee shall be constituted in presence of three members. The Chief Executive Officer will be an ex-officio member of the Committee. However, he shall have no voting power at the meeting. The committee may invite the chief financial officer, chief investment officer and chief risk officer of the insurance company to attend the meeting for cooperation;	√		Followed
9(b)(3)	The company secretary shall act as the secretary of the Committee and the proceedings of each meeting of the Committee shall duly be recorded in the minutes.	√		Followed
9(c)	**Role of Investment Committee:**			
9(c)(1)	Prepare an effective investment policy in due compliance with the investment related provisions of the Insurance Act, 2010 and recommend to the Board of Directors for its approval;	√		Followed
9(c)(2)	The Investment Committee shall have access to all information, documents, reports etc. relating to the investment of the insurance company;	√		Followed
9(c)(3)	The committee will monitor and review the investment and investment related income on monthly basis and will inform it to the Board of Directors;	√		Followed
9(c)(4)	Before investing, considering the investment risk will ensure the suitability of the investment;	√		Followed
9(c)(5)	Ensure investment with a view to timely and properly repayment to the insurer and review the investment related risk and performance on a quarterly basis,	√		Followed
9(c)(6)	Ensure that necessary measures shall be taken to reduce the investment risks;	√		Followed
9(c)(7)	The Committee may, if necessary, take the advice of suitable experts;	√		No such event occurred
9(c)(8)	Ensure maintenance of necessary solvency and advise the Board of Directors in this regard;	√		Followed

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
9(c)(9)	Ensure that funds of the insurer shall not invest for the benefit of any member of the Board of Directors,	√		Followed
9(c)(10)	Ensure that capital losses on investments shall disclose in the financial statements.	√		Followed
9(c)(11)	Oversee the use of fixed assets and the accounting of rental income if any;	√		Followed
9(c)(12)	Supervise the protection of assets of the insurer;	√		Followed
9(c)(13)	Perform any other investment related duties as may be assigned by the Board of Directors.	√		Followed
10	**Risk Management Committee:**			
10(a)	The Risk Management Committee shall be a sub-committee of the Board of Directors to play an effective role in implementing the strategies and action plans formulated by the Board of Directors to mitigate the cited and potential risks and to properly discharge the responsibilities of the Board of Directors in this regard.	√		Followed
10(b)	**Constitution of the Risk Management Committee and its meetings:**			
10(b)(1)	The Board of Directors shall consist of 3 (three) directors including at least 1 independent director. The members of the Committee shall appoint 1 Director as Chairman. At least 1 (one) member of the Risk Management Committee shall be selected from among the members of the Audit Committee. In the absence of the Chairperson of the Risk Management Committee, the remaining members may elect one person from among themselves as the Chairperson of the meeting. But in that case, the reason of the absence of the regular Chairperson shall be duly recorded in the minutes of the meeting;	√		Followed
10(b)(2)	The quorum of the meeting of the Committee shall be constituted in presence of two members. However, the Committee may call upon the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and Chief Risk Officer to assist the Committee;	√		Followed
10(b)(3)	The Company Secretary shall act as the secretary of the Committee;	√		Followed
10(b)(4)	The members of the committee shall have proper understanding and knowledge about the insurer's business, management, risks and related matters and responsibilities and duties as the committee members. The Committee members may invite risk management experts to Committee meetings from time to time. However, in that case, the experts shall not have voting rights.	√		Followed

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		Complied	Not Complied	
10(c)	**Role of the Risk Management Committee:**			
10(c)(1)	It is the responsibility of the Risk Management Committee to determine the risks of various activities of the organization and to formulate and ensure proper implementation of appropriate strategies for controlling them. The risk management committee will review the risk management policies and procedures of the organization and take measures to revise them if necessary. The Risk Management Committee shall take the effective prevention and control risk management procedure. **Risk management policies and procedures:** There should be a clear and well-documented policy for risk management. The definition and classification of the risks to which the company is exposed and the procedure for determining the risk limits for each risk shall be included in the insurer's written policy. Processes should be in place for risk identification, assessment, monitoring and reporting including internal models.	√		Followed
10(c)(2)	Determining risk thresholds and evaluating cost-benefit comparisons and qualitative reviews of identified risks and reporting to the Board.	√		Followed
10(c)(3)	Conducting overall supervision including determination of institutional risk for all risks such as insurance risk, current context risk, liquidity risk, business risk, compliance risk, legal risk etc.	√		Followed
10(c)(4)	To provide necessary advice to the Board on corporate strategy, mergers and acquisitions and business risk mitigation decisions.	√		Followed
10(c)(5)	Monitoring and reviewing updated information on relevant matters including business continuity.	√		Followed
10(c)(6)	Adoption/preparation of appropriate action plans in existing systems to mitigate risks.	√		Followed
10(c)(7)	Assisting the company in doing the required solvency margin provided by the authorities by reviewing the solvency margin of the company and knowing how to resolve the same with details of the risks identified and submitting reports to the Board.	√		Followed
11	**Policyholder Protection & Compliance Committee:**			
11(a)	There shall be a Policyholder Protection & Compliance Committee as a sub-committee of the Board of Directors to review the grievances of the Insurers for quick settlement and protection of interests and to carry out the duties assigned by the Board of Directors in this regard.	√		Followed
11(b)	**Constitution of Policyholder Protection & Compliance Committee and its meetings:**			
11(b)(1)	The Committee shall consist of 3 (three) directors including at least 1 independent director and the committee members will appoint 1 director as Chairman.	√		Followed

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
11(b)(2)	The quorum of the meeting of the Committee shall be constituted in presence of two members. In the absence of the chairperson of the committee, the remaining members may elect one person from among themselves as the chairperson of the meeting. However, in that case the reason for the absence of the regular Chairperson shall be duly recorded in the minutes of the meeting;	√		Followed
11(b)(3)	The Company Secretary shall act as the secretary of the Committee;	√		Followed
11(c)	**Role of the Policyholder Protection & Compliance Committee:**			
11(c)(1)	To review customer complaints and providing recommendations to the Board of Directors for the purpose of speedy resolution of complaints and overseeing the implementation of complaint resolution activities in accordance with the policy;	√		Followed
11(c)(2)	To submit regular reports to the Board of Directors regarding the number, nature, time of settlement and details of the complaints of the insured;	√		Followed
11(c)(3)	Defining service level agreements, clear claim servicing parameters, standard operating procedures etc;	√		Followed
11(c)(4)	Procedures for expediting settlement of filed insurance complaints, details of complaints including outstanding, matters to be done in relation to insurance claims, etc. including customer service related laws, regulations and decisions of authorities and necessary measures to ensure the company's commitments. to accept;	√		Followed
11(c)(5)	To oversee the implementation of various initiatives undertaken by the company to inform customer awareness and insurance related knowledge.	√		Followed
12	**Senior Management and key personnel:**			
12(a)	The Board of Directors should have a policy of recruiting qualified and competent senior management/key personnel for the day-to-day management of the insurance company and retaining them in the company;	√		Followed
12(b)	**Recruitment of Senior Management and Key Personnel:**			
12(b)(1)	The company will have senior management/key personnel positions such as: Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Head of Internal Audit and Compliance (HIAC) etc. ;	√		Followed
12(b)(2)	Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO) and Head of Internal Audit and Compliance (HIAC) – these posts shall be filled by different qualified persons;	√		Followed

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
12(b)(3)	Board of Directors shall determine the roles, responsibilities and duties of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Head of Internal Audit and Compliance (HIAC) etc;	√		Followed
12(b)(4)	The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO) and Head of Internal Audit and Compliance (HIAC) will not hold executive positions in any other company at the same time.	√		Followed
12(c)	**Necessity to attend the Board of Directors Meetings:** The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS) of the Company shall attend the Board meetings; Provided that the Head of Internal Audit and Compliance (HIAC), Chief Investment Officer (CIO) and Chief Risk Officer (CRO) will attend the meeting if any matter related to their activities is included in the agenda or agenda of the meeting. Provided further that the concerned officer shall not attend the said board meeting if there is an agenda or agenda related to his personal matter of any of the said officers.	√		Followed
12.1	**Managing Director/Chief Executive Officer (CEO):**			
12(1)(a)	The Board of directors shall appoint the Chief Executive Officer of the insurer in accordance with the "Insurance Companies (Appointment and Removal of Chief Executive Officers) Rules, 2012;	√		Followed
12(1)(b)	The Chief Executive Officer shall regularly provide reports to the Board of Directors containing clear, understandable, accurate, timely and relevant information. In cases where the consideration, decision or approval of the Board of Directors comes to the notice of the Chief Executive Officer, he shall inform the Board of Directors as soon as possible;	√		Followed
12(1)(c)	The Chief Executive Officer shall be accountable to the Board of Directors for his performance and his direction, management and performance of the Company;	√		Followed
12(1)(d)	In addition to the above, the following matters shall be included in the role and responsibilities of the Chief Executive Officer-			
12(1)(d)(1)	To assist the Board of Directors in formulating and promoting a clear vision and direction of the Company.	√		Followed
12(1)(d)(2)	To provide leadership in achieving the vision and goals set by the Board of Directors,	√		Followed
12(1)(d)(3)	To ensure compliance with legal and regulatory frameworks to the day-to-day professional and administrative activities of the insurer in addition to the framework set by the Board of Directors;	√		Followed

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
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12(1)(d)(4)	To ensure development and implementation of all functions and strategies including risk management and internal controls;	√		Followed
12(1)(d)(5)	To assist the Board of Directors in developing policies, procedures and governance to ensure effective implementation of the Company's strategy;	√		Followed
12(1)(d)(6)	To evaluate the performance of other executive leadership including different department heads of the company;	√		Followed
12(1)(d)(7)	The Chief Executive Officer shall certify that, to the best of his ability, knowledge and belief that no transactions have been made during the year by the Company which are fraudulent, illegal or in violation of the company's code of conduct and this certification will be disclosed in the annual report.	√		Disclosed in the Annual Report
12(2)	**Responsibilities of Senior Management and Key Personnel:** The Board of Directors shall determine and ensure adherence to the Charter of Duties for each position, clarifying and defining the roles, responsibilities and duties of the Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Chief Investment Officer (CIO), Chief Risk Officer CRO), Head of Internal Audit and Compliance (HIAC) and Senior Management & Key Personnel.	√		Followed
12(3)	**Appointed Actuaries:**			
12(3)(a)	Actuaries shall be conducted in accordance with the Insurance Act, 2010 and the rules relating thereto;	√		N/A
12(3)(b)	Actuarial valuation of the financial matters arising from the insurance scheme in accordance with the applicable rules and regulations of the competent authority;	√		N/A
12(3)(c)	The appointed actuary should not hold any position within or outside the insurer which may create a conflict of interest or compromise professional impartiality;	√		N/A
12(3)(d)	If the appointed Actuary is not a salaried employee of the company, the Board must determine whether there is a potential conflict of interest from the outside actuary (such as whether the employing firm provides audits or other services to the insurer). If any potential conflict of interest exists, Board should take appropriate measures to control it;	√		N/A
12(3)(e)	The appointed actuary should be able to report to the external auditor on important matters;	√		N/A
12(3)(f)	**The role and responsibilities of the appointed actuary should include the following:**			
12(3)(f)(1)	Determining or relating to proper actuarial valuation and appropriate technical provisions and providing feedback;	√		N/A

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
12(3)(f)(2)	To provide professional advice or certification to the Board on the following matters: • To measure whether technical provisions are in compliance with valuation framework or not. • To identify and quantify the organizational risks and taking appropriate risk mitigation measures. • To check the financial position. • Required Solvency Margin. • Accuracy of Premium and surrender Values. • Management of Participating Funds including impact analysis of conditions arising from strategies and policies. • Other regulations related to product development/ innovation, reinsurance including risk mitigation and risk management.	√		N/A
13.	**Other Committees of Insurance Companies:** To achieve the objectives and requirements of the insurance company, the Company may constitute the following committees and the Board of Directors shall clearly define the responsibilities of the committees. • Corporate Social Responsibility (CSR) Committee • ESG (Environmental, Social, and Governance) Committee • Integrity and Ethics Committee • Reinsurance and Retrocession Committee • Asset Liability Management (ALM) Committee	√		Followed
14	**Disclosure of information regarding Board of Directors and Committee Meetings:**			
14(1)	**Meeting of the Board of Directors:** The company shall record, preserve and disclose the minutes of its meetings where applicable;	√		Followed
14(2)	The Code of Conduct of all Employees including Chairman of the Board, Members of the Board and Chief Executive Officer will be disclosed on the Company's website.	√		Followed
14(3)	**The Board of Directors/Board shall disclose the following matters in conducting their meetings:**			
14(3)(a)	Number of meetings of the Board of Directors and Committees in a financial year;	√		Disclosed in the Annual Report
14(3)(b)	Details of the composition of the Board of Directors and the names of the mandatory committees, qualifications, competencies and areas of specialization (if any), status of directors etc.	√		Disclosed in the Annual Report
14(3)(c)	Particulars of remuneration paid to all directors (including independent directors), if any;	√		Disclosed in the Annual Report
14(3)(d)	Other relevant information.	√		Disclosed in the Annual Report

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
15	**Related party transactions:**			
15(a)	To ensure proper management of insurers and protection of interests of insurers and stakeholders, to approve and conduct related party transactions in a specified manner, to identify related party transactions and to formulate necessary policies on the following matters:			
15(a)(1)	Definition of transactions and specific procedures for transactions in insurance business;	√		Followed
15(a)(2)	Method of pricing;	√		Followed
15(a)(3)	List of matters requiring approval from the Authority, any other policy-making body (where applicable), the insurer's audit committee, board/board of directors, shareholders;			N/A
15(a)(4)	Related party transactions related matters;	√		Followed
15(b)	Avoid related party transactions as far as possible;			Followed
15(c)	If it is not possible to avoid related party transactions, the management authority should ensure that the transaction is an arm's length transaction and the documents related to the transaction must be recorded;	√		Followed
15(d)	The Board of Directors shall review the related party transactions to ensure that no irregularities are committed or any stakeholder is harmed by the related party transactions;	√		Followed
15(e)	In the case of transactions involving assets, services, transfers, etc among related party transitions, the financial statements must disclose the nature of the relationship, the details of the transactions (dues, matters specified in the contract, etc)	√		Followed
15(f)	In the case of related party transactions, the authorities can verify the same and provide necessary instructions in applicable cases with the aim of controlling misuse, fraud and prevention of financial losses.	√		No such event occurred
15(g)	Group companies shall ensure overall review, compliance and proper safeguarding of insurance cover provided by the insurance company, financial disclosures payable to the group of insurers from policyholders' funds and related party transactions.	√		N/A
16	**Corporate Social Responsibility (CSR):** All insurance companies shall ensure corporate social responsibility in order to comply with the laws and regulations of the authorities. The insurer's annual report shall compulsorily disclose the extent of corporate social responsibility along with the audited financial statements.	√		Followed
17	**Insurer's Policies:** Apart from the aforementioned policies, formulation and implementation of the following policies by the insurer will be helpful for corporate governance:			

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
17(1)	**Whistle Blowing Policy:** Insurers should formulate a Whistle Blowing Policy so that any officer-employees, their representatives, external stakeholders, internal stakeholders can report to the Board about inappropriate behavior/activities, it may include the following methods:	√		Formulated
17(1)(1)	The Board should delegate responsibility for the implementation and review of whistle-blowing practices to one of the Board's companies with clear allocations.	√		Followed
17(1)(2)	The Board should establish an internal unit, provide regular training to those responsible for overseeing whistle-blowing reports, including any appeals filed by persons involved in the investigation of complaints.	√		Followed
17(1)(3)	The committee responsible for whistle-blowing matters should ensure that the officers and employees are aware of the report/submission of the report and the procedure for disposal of the report submitted by them.	√		Followed
17(1)(4)	The whistleblowing structure should empower appointed actuary and external auditor to carry out key responsibilities. If the insurer fails to take appropriate action in matters related to the interests of the insured and suffers financial loss, it may submit a timely report to the Board of Directors and authorities.	√		Followed
17(2)(a)	**Other Policies:**The following policies may be formulated and implemented in support of good governance under this paragraph- Asset and Liability Management Policies, Underwriting Policy, Reinsurance Policy, Insurance Claims Payment Related Policy, Employee's Conduct of Conduct, Corporate Social Responsibility (CSR) Policy, Integrity Strategy, Gender Equality Policy, Human Resource Management Policy, Accounting Policies, Anti-Corruption Policy, Anti-Discrimination Policy, Information Technology Policy.	√		Followed
17(2)(b)	In addition, the Company may formulate such other policies as may be deemed necessary to be conducive to corporate governance.	√		Formulated
18	**Insurer's Disclose able Information Procedures: Website Maintenance by the Company:**			
18(a)	The company should have an official linked website with the authority;	√		Followed
18(b)	The Company shall disclose necessary information on its website and keep it updated. The following content shall be regularly updated and uploaded on the Insurer's website for the benefit of the insurance customers:			
18(b)(1)	Insurer's annual report including audited financial statements and actuarial valuation;	√		Updated
18(b)(2)	details of the insurance plan including benefits	√		Updated
18(b)(3)	Chairman of the insurer, chairman of all sub-committees of the board of directors, directors, chief executive officer, advisers, consultants, list of all officers of the head office and branch (including mobile number & department); and	√		Updated

Serial No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
18(b)(4)	Any other information prescribed by the Authority from time to time for disclosure.	√		Updated
19	**Annual Review Report on Corporate Governance:**			
19(1)	A self-assessment report prepared on an annual basis by the management regarding compliance with the corporate governance described in this guideline shall be submitted to the authority within 31st January of the following year and the main points of this report shall be included in the annual report of the company.	√		Followed
19(2)	A certificate of compliance by the insurer with the terms of the Corporate Governance Guidelines shall be obtained on an annual basis from a chartered accountant or Cost management accountant or chartered secretary other than the insurer's external or statutory auditor or audit firm and shall publish the same in the annual report.	√		Disclosed in the Annual Report
19(3)	The issuer of the certificate of compliance with the conditions of corporate governance mentioned in Serial-19(2) shall be appointed at the Annual General Meeting of the shareholders.	√		Appointed
20	**Authority's Power to Issue Directions and Enforcement Thereof:** The Authority may issue necessary directions to the Insurer regarding compliance with these guidelines for ensuring corporate governance and the Insurer shall comply with such directions.	√		Complied

STATEMENT OF DIRECTOR'S RESPONSIBILITY FOR **INTERNAL CONTROL AND CORPORATE GOVERNANCE**

The Board of Directors serves as the overseer of an organization, shouldering significant responsibility for offering proper direction and guidance to achieve organizational objectives. The Director's Responsibility concerning Internal Control & Financial Reporting is mandated by laws such as the Companies Act 1994, Insurance Act 2010, and the Code of Corporate Governance by BSEC.

A concise overview of directors' contributions is presented in the Directors' Responsibility Report. In accordance with Section 2CC of the Securities and Exchange Ordinance 1969, the Board of Directors is obligated to ensure the following disclosures, along with any additional statements or disclosures under Section 184 of the Companies Act, 1994 (Act No. XVII of 1994).

A. THE STATE OF THE COMPANY'S AFFAIRS:

The review of the company's performance has been presented in the financial report, directors report, and MD & CFO's review section in the annual report.

B. ANY RECOMMENDED RESERVE IN THE FINANCIAL STATEMENTS:

No such reserve has been recommended.

C. DIVIDEND RECOMMENDED BY THE BOARD:

The Board has recommended 10% cash dividend for the year 2025.

D. MATERIAL CHANGES AND COMMITMENTS AND OPERATIONS:

No major changes in strategy and actions in the company.

E. IN ACCORDANCE WITH THE CORPORATE GOVERNANCE CODE NO. BSEC/CMRRCD/2006-158/207/ADMIN/80 DATED: 3 JUNE 2018. THE DIRECTORS' REPORT TO SHAREHOLDERS SHALL INCLUDE THE FOLLOWING.

1. Industry outlook and possible future developments in the industry:

A compact review of the industry development has been presented in the Directors' Report section. **Page no. 43,130**

2. Segment-wise or product-wise performance:

Segment-wise or product-wise performance have been presented on the industry of the financial institution section of the Director's Report. **Page no. 135.**

3. Risks and concerns, including internal and external risk factors:

A detailed discussion regarding the issues have been presented in the World economy and Bangladesh's economic overview. **Page no. 125, 131, 154 & 268.**

4. Financial Performance Review:

The detailed review of the financial performance of City Insurance is presented in the Financial highlights section and in detail in the Financial Statements chapter of this report. **Page no. 135, 152 & 366.**

5. Discussion on Operating performance:

A brief description has been presented in the 'Financial Highlights' portion of this report. **Page no. 135 & 366.**

6. Continuity of Any Extraordinary Activities:

No such event occured during the year 2025.

7. Basis for related party transactions and a statement of all related party transactions:

The basis for related party transactions has been stated in the Management Discussion and Analysis segment of the annual report. Further Disclosure has been furnished in the Financial Statements **note no. 32.**

8. Utilization of proceeds raised through public issues, rights issues, and/or any other instruments:

No major changes in public issues, rights issues, and/or any other instruments.

9. Explanation of the financial results deteriorates:

In 2025, no financial deterioration have been occurred.

10. Explanation of any significant variance in Financial performances:

No major variances have occurred between quarterly and annual performance.

11. A statement of remuneration paid to the directors, including independent directors:

This are mentioned in the Compliance of the Meeting and Remuneration section of this report. **Page no. 247.**

12. A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows, and changes in equity:

The financial statement prepared by the management for the year-end of December 31, 2025 is presented fairly, and it complements the result of its operations, cash flows and changes in equity. And the external auditor, Islam Quazi Shafique & Co. Chartered Accountants have provided a financial reports stated unqualified. **Page no. 386.**

13. Proper maintenance of books of account:

Books of account is maintained appropriately by City Insurance PLC. This matter is also stated in the external auditor's report, Islam Quazi Shafique & Co. Chartered Accountants. **Page no. 389.**

14. Ensuring consistent application of appropriate accounting policies:

Appropriate accounting policies have been applied consistently with reasonable and prudent judgment in preparing the financial statements. **Page no. 386 & 389.**

15. Compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS):

The financial statements of the company have been consolidated in accordance with International Financial Reporting Standard (IFRS). Details are provided in notes **no. 2.1** Basis of operations of the financial statement. **Page no. 386**

16. Efficiency and soundness of internal control:

Related discussions are presented in the Internal Control Section under corporate governance chapter. **Page no. 220 & 388.**

17. Protection of the interest of minority shareholders:

The corporate governance practices of City Insurance ensure the rights of minority and public shareholders in which discloser are presented in the Directors Report section of the annual report, and any claim or complaint by shareholders have been lawfully resolved.

18. Statement of clearance no significant doubt upon the continuation as a going concern:

No such concern regarding the continuation of the corporation exists. **Page no. 143 & 177.**

19. Explanation of significant deviations of operating results:

Significant deviations of operating results from the previous year have been discussed at **page no. 143-144.**

20. Key operating and financial data of at least 5 (Five) years:

Key operating & financial data over the last five years as per the requirement of BSEC are mentioned details in which discussed under the section of Key Operating and Financial Highlights under Director's Report. **Page no. 366.**

21. The reasons for the inability to declare dividends (cash or stock) for the year:

10% cash dividend have been declared for the year 2025.

22. Declaration of bonus share or stock dividend has been or shall be declared as interim dividend:

No interim dividend has been declared.

23. The total number of Board meetings held during the year and attendance by each director:

Discloser of Board meetings held during the year and attendance by each director have presented in the Directors Report, **Page no. 256-257.**

24. The pattern of shareholding:

The pattern of shareholding is disclosed at **page no. 243** and provided with analysis from multiple angles.

25. Disclosure information about the appointment or reappointment of a director:

The directors' brief profile is presented in the Board of Directors profile at **page no. 102-109** of this report.

26. Management's discussion and analysis signed by CEO or MD:

Discussions and analysis by CEO are presented in the Managing Director and CEO's Review at **page no. 152-156** of this report.

27. The CEO and the CFO's declaration or certification:

The declaration by the CEO & CFO is disclosed as Annexure-A in the corporate governance report at **page no. 308** of this report.

28. Certificate regarding compliance of corporate governance:

Certificate is issued by MNA Associates Chartered Secretaries, and presented in the annual report, Under corporate governance report at Annexure-B, **page no. 309.**

City Insurance PLC adheres to regulatory requirements mandating corporate governance compliance, ensuring that the administration facilitates the organization in achieving its objective of fostering a transparent and resilient culture of growth and enrichment.

The Board of Directors hereby affirms that all sections of the 2025 annual report, including the Director's Report and Financial Statements, have been meticulously prepared to the best of our knowledge. We have diligently followed the regulations set forth by the Insurance Development & Regulatory Authority (IDRA) and Bangladesh Securities Exchange Commission (BSEC) in the preparation of the annual report, including compliance with laws, rules, and regulations established by other regulatory bodies.

On behalf of the Board of Directors,



Hossain Akhtar
Chairman
City Insurance PLC.

BAPLC CERTIFICATE **OF MEMORANDUM**



BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Renewed Certificate

This is to certify that

CITY INSURANCE PLC.

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December, 2025.

Ref. No: CM-2025/010

Date of issue : January 14, 2025

BAPLC

Secretary General

STAKEHOLDERS' INFORMATION
AND PERFORMANCE ANALYSIS



STAKEHOLDERS' INFORMATION & PERFORMANCE ANALYSIS

The table below provides an overview of the locations of our stakeholders' information and performance analysis.

353 Investor Relations

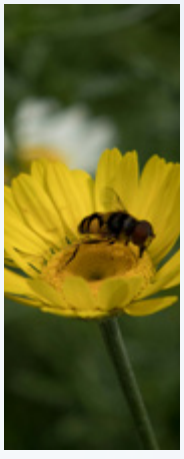


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360 Quantitative Information for Stakeholders

361 Credit Rating Report





367 Financial and Non-Financial Ratios

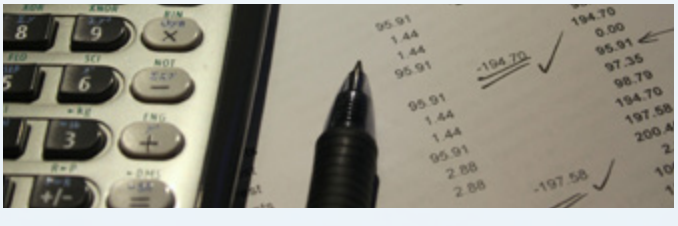
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366 Five Years Financial Summary

368 Graphical Data Presentation



365 Evaluation of Quarterly Financials by the Audit Committee and Board



INVESTOR RELATIONS REVIEW

Our business relies significantly on investors as pivotal stakeholders. Their dedication, confidence, and financial contributions propel the continuous growth and advancement of the company. Over the past 30 years, we have consistently nurtured an open and dynamic rapport with our stakeholders. Regular information disclosures are made through various media channels and stock exchanges, underscoring our commitment to transparency.

Investor-Centric Principles	Transparency & Disclosure	Grievance Redressal	Relationship & Trust
• Protection of investors' interests • Fair treatment for all investors • Equal opportunity across investor categories	• Timely financial reporting • Regulatory compliance • Clear communication with stakeholders	• Prompt resolution of complaints • Investors informed of outcomes • Dedicated communication channels	• Professional and friendly engagement • Long-term value creation • Commitment to good governance

Throughout the year, we are actively striving to enhance engagement with our stakeholders. In this section, we will elucidate the mechanism behind value creation and share the dynamic communication content that facilitates transparency with our shareholders. This proactive approach ensures that we maintain clear and comprehensible communication channels, reinforcing our dedication to keeping our investors well-informed and involved in our journey.

Investor Relations Department, Website and Contact

City Insurance designates the Board and Share Department to fulfill the role of the Investor Relations Department. We prioritize communication with investors and stakeholders, reaching out through email and SMS on various occasions. Adhering to the Listing Regulations of 2015 stipulated by stock exchanges, particularly under section 44, all pertinent information is promptly updated and accessible on the company's website (www.cityinsurance.com.bd) under the 'Investors' tab. Our commitment to transparency is further emphasized by the availability of up-to-date data.

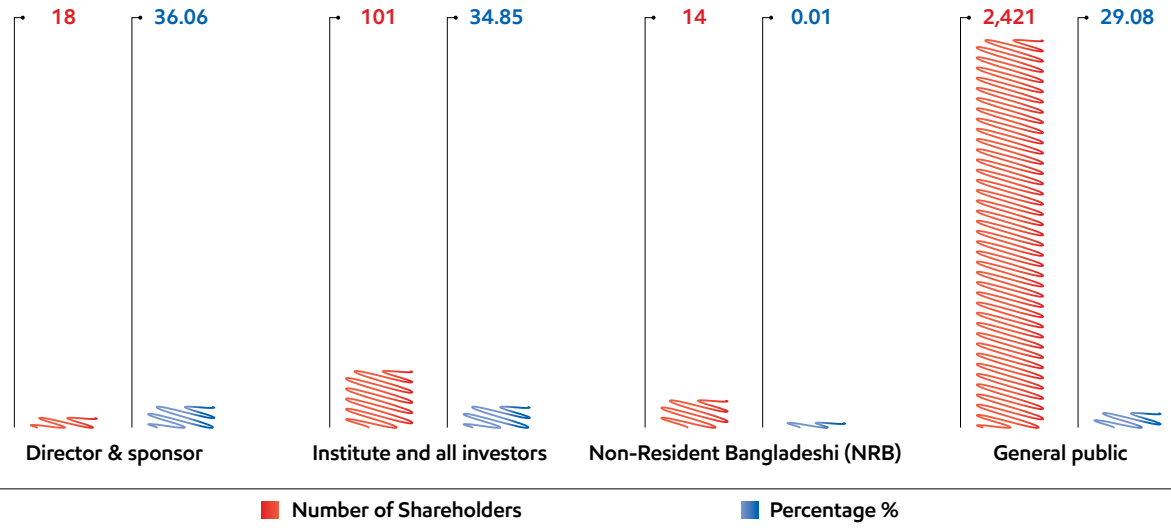
We encourage easy and direct communication with us, whether in person or through telephone/email. This accessibility ensures that anyone seeking information or wishing to engage with City Insurance can do so effortlessly.

Investor Relation Contact
Board Secretariat
City Insurance PLC.
Baitul Hossain Building (4th Floor)
27, Dilkusha C/A, Dhaka-1000
Phone: 0222-3387296, 0222-3387281, 0222-3387278
Email: share@cityinsurance.com.bd

Shareholding Structure

As on 31 December 2025

SL. No.	Composition	Number of Shareholders	No. of shares	Value of shares BDT	% of holding
1	Director & sponsor	18	2,45,81,629	24,58,16,290	36.06
2	Institute and all investors	101	2,37,55,086	23,75,50,860	34.85
3	Non-Resident Bangladeshi (NRB)	14	9,159	91,590	0.01
4	General public	2,421	1,98,20,248	1,98,202,480	29.08
	Total	**2,554**	**6,81,66,122**	**68,16,61,220**	**100**



Shareholders' Information

Distribution of Shareholders in Terms of Number

Share Holding Range	Distribution of Shareholders: 31.12.2025			Distribution of Shareholders: 31.12.2024		
	No of Shareholder	No of Share	%	No of Shareholder	No of Share	%
1- 500	1,490	1,51,372	0.22	1,624	1,83,367	0.27
501-5000	699	12,92,890	1.90	921	17,56,168	2.58
5001-10000	113	8,60,867	1.26	139	10,65,701	1.56
10001-20000	77	10,76,423	1.58	83	11,97,836	1.76
20001-30000	38	9,25,808	1.36	30	7,38,127	1.08
30001-40000	23	7,99,307	1.17	9	3,23,711	0.47
40001-50000	14	6,12,954	0.90	10	4,47,128	0.66
50001-100000	38	28,46,458	4.18	22	16,05,624	2.36
100001-1000000	42	1,55,26,681	22.78	27	1,03,31,458	15.16
1000001-9999999	20	4,40,73,362	64.66	20	5,05,17,002	74.11
Total	**2,554**	**6,81,66,122**	**100.00**	**2,885**	**6,81,66,122**	**100.00**

Shareholding By Directors

Name of Directors and Sponsor Shareholder and their shareholdings as at December 31, 2025

Sl. No.	Name	Position in the Board	No of Shares	Amount Taka	% of Share	Remarks
01	Anwar Jute Spinning Mills Ltd.		26,02,704	2,60,27,040	3.82	
	Hossain Akhtar (Nominated by Anwar Jute Spinning Mills Ltd.)	Chairman, Director				
02	**Md. Abu Taher**	Vice Chairman Sponsor Director	20,65,639	2,06,56,390	3.03	
03	**Hossain Mehmood**	Sponsor Shareholder	40,05,266	4,00,52,660	5.88	
04	**Mrs. Bibi Amena**	Director	16,52,507	1,65,25,070	2.42	
05	Anwar Silk Mills Ltd.		20,65,639	2,06,56,390	3.03	
	Faizah Mehmood (Nominated by Anwar Silk Mills Ltd.)	Director				

Sl. No.	Name	Position in the Board	No of Shares	Amount Taka	% of Share	Remarks
	Khaled Iron & Steel Mills Ltd.		18,59,074	1,85,90,740	2.73	
06	**Harunoor Rashid** (Nominated by Khaled Iron & Steel Mills Ltd.)	Director	2,27,218	22,72,180	0.33	He holds 2,27,218 shares as Sponsor Shareholder in his name.
07	**Haji Md. Yousuf**	Sponsor Director	22,72,202	2,27,22,020	3.33	
	Hossain Dyeing & Printing Mills Ltd.		20,65,639	2,06,56,390	3.03	.
08	**Mrs. Hasina Begum** (Nominated by Hossain Dyeing & Printing Mills Ltd.)	Director	4,29,424	42,94,240	0.63	She holds 4,29,424 shares in her name
	Wazeefa Acrylic Spinning Spinning Mills Ltd.		16,43,121	1,64,31,210	2.41	
09	**Mohammad Amanullah** (Nominated by Wazeefa Acrylic Spinning Spinning Mills Ltd.)	Director				
	Nominated by Mehmud Industry Pvt. Ltd.		13,64,254	1,36,42,540	2.00	
10	**Mrs. Hasina Parveen** Manwar (Nominated by Mehmud Industry Pvt. Ltd.)	Director	5,51,522	55,15,220	0.81	She holds 5,51,522 shares in her name.
	Anwar Landmark Ltd.		13,64,061	1,36,40,610	2.00	
11	**Muhammad Nazirul Islam** (Nominated by Anwar Landmark Ltd.)	Director				
	A-One Polymer Ltd.		13,94,305	1,39,43,050	2.05	
12	**Mrs. Salina Ahmed** (Nominated by A-One Polymer Ltd.)	Director	4,13,125	41,31,250	0.61	She holds 4,13,125 shares in her name.
13	**Mahabubul Haque**	Independent Director (Non-Shareholding)	Nil	---	---	
14	**Tauhiduddin Md. Zahed**	Independent Director (Non-Shareholding)	Nil	---	---	
15	**Barrister Miti Sanjana**	Independent Director (Non-Shareholding)	Nil	---	---	
Sub Total			**2,59,75,700**	**25,97,57,000**	**38.11**	
Excluding personal shareholding of Nominated/ Representative Directors			**13,94,071**	**1,39,40,710**	**2.05**	
Grand Total			**2,45,81,629**	**24,58,16,290**	**36.06**	

Financial Calendar 2025-2026

Events for the year 2025

Publication of 1st Quarter Financial Statements
13 May 2025

Publication of 2nd Quarter Financial Statements
28 July 2025

Publication of 3rd Quarter Financial Statements
28 October 2025

Annual Financial statements approved by the Board (For the year ended 31 December 2025)
09 February 2026

Date of Record
04 March 2026

30th Annual General Meeting
30 March 2026





Events for the year 2024

Publication of 1st Quarter Financial Statements
30 April 2024

Publication of 2nd Quarter Financial Statements
25 July 2024

Publication of 3rd Quarter Financial Statements
23 October 2024

Annual Financial statements approved by the Board (For the year ended 31 December 2024)
06 February 2025

Date of Record
27 February 2025

29th Annual General Meeting
24 March 2025

Distribution of Dividend for the year 2024

Dividend rate
10% Cash

Recommended of dividend by the Board
06 February 2025

Record Date
27 February 2025

Date of AGM
24 March 2025

Dividend distribution for the year 2024
22 April 2025



Comparative Shareholding Structure

As on 31st December 2025 and 2024

Type of Shareholders	2025		2024	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Director & sponsor	2,45,81,629	36.06	2,45,81,629	36.06
Institute and all investors	2,37,55,086	34.85	2,58,70,162	37.95
Non-Resident Bangladeshi (NRB)	9,159	0.01	14,348	0.02
General public	1,98,20,248	29.08	1,76,99,983	25.97
Total shares held	**6,81,66,122**	**100**	**6,81,66,122**	**100**

Equity Statistics of CIPLC Important to the Stakeholders

Particulars	2025	2024	2023	2022	2021
Number of shares in issue (No.)	6,81,66,122	6,81,66,122	6,81,66,122	6,81,66,122	6,81,66,122
Net asset value per share (BDT)	23.24	21.15	20.40	18.57	17.53
Market Capitalization (BDT Mn)	5,950.90	3,040.21	3,387.86	1,785.95	3,006.13
Market value addition per share (BDT)	77.30	34.60	39.70	16.20	34.10
Shareholders' equity (BDT Mn)	1,583.98	1,441.94	1,390.90	1,265.76	1,194.81

Market Value

Description	2025	2024	2023	2022	2021
Highest	87.70	44.60	49.70	26.20	44.10
Lowest	82.70	43.00	48.50	25.50	42.60

Dividend & AGM History

Year	AGM Held on	Cash Dividend	Stock Dividend	Dividend Credited on
2007	25/03/2008	--	--	--
2008	21/05/2009	--	10%	26-05-2009
2009	17/06/2010	--	10%	06-07-2010
2010	23/06/2011	--	12%	14-07-2011
2011	05/06/2012	--	10%	17-06-2012
2012	18/06/2013	--	10%	26-06-2013
2013	24/06/2014	--	10%	07-07-2014
2014	15/06/2015	--	10%	22-06-2015
2015	22/06/2016	--	10%	29-06-2016
2016	15/06/2017	10%	--	11-07-2017
2017	10/06/2018	--	10%	28-06-2018
2018	30/06/2019	5%	--	23-07-2019
2019	16/09/2020	5%	--	11-10-2020
2020	30/06/2021	10%	--	19-07-2021
2021	25/04/2022	10%	--	22-05-2022
2022	30/03/2023	10.50%	--	24-04-2023
2023	28/03/2024	12.00%	--	23-04-2024
2024	24/03/2025	10%	--	22-04-2025
*2025	30/03/2026	10%	--	--

*Subject to approval of the shareholders in the 30th AGM.

Share Capital

The primary goal of City Insurance PLC is to ensure a consistently favorable return for its shareholders. The dividend and capital-raising track record is detailed below. Since its establishment, the company has consistently upheld a stable and appealing dividend policy, aligning with robust underwriting and investment outcomes. Furthermore, the company adheres to a policy of promptly preparing its accounts and conducting Annual General Meetings (AGM), as evidenced by the financial calendar provided below:

Years	AGM No.	Date of AGM	Date of Board Meeting	Record Date	Particulars of Dividend	Dividend Credited on	Number of shares increase	Value in Taka	Cummulative Paid-up capital in Tk.
1996	--		As per MOA & AOA	--	As per MOA & AOA	--	6,000,000	60,000,000	60,000,000
2007	12th	25-03-2008	14-02-2008	02-03-2008	IPO	--	9,000,000	90,000,000	150,000,000
2008	13th	21-05-2009	18-02-2009	11-03-2009	10% Stock	26-05-2009	-	-	150,000,000
2009	14th	17-06-2010	15-04-2010	27-04-2010	10% Stock	06-07-2010	1,500,000	15,000,000	165,000,000
2010	15th	23-06-2011	21-04-2011	04-05-2011	12% Stock	14-07-2011	1,650,000	16,500,000	181,500,000
*2011	16th	05-06-2012	05-04-2012	17-04-2012	10% Stock+100% Rights	17-06-2012	20,328,000	203,280,000	384,780,000
2012	17th	18-06-2013	17-04-2013	29-04-2013	10% Stock	26-06-2013	3,847,800	38,478,000	423,258,000
2013	18th	24-06-2014	17-04-2014	29-04-2014	10% Stock	07-07-2014	4,232,580	42,325,800	465,583,800
2014	19th	15-06-2015	09-04-2015	22-04-2015	10% Stock	22-06-2015	4,655,838	46,558,380	512,142,180
2015	20th	22-06-2016	21-04-2016	15-05-2016	10% Stock	29-06-2016	5,121,420	51,214,218	563,356,398
2016	21st	15-06-2017	13-04-2017	07-05-2017	10% Cash	11-07-2017	5,633,564	56,335,622	619,692,020
2017	22nd	10-06-2018	05-04-2018	26-04-2018	10% Stock	28-06-2018	--	--	619,692,020
2018	23rd	30-06-2019	29-04-2019	21-05-2019	5% Cash	23-07-2019	6,196,920	61,969,202	681,661,222
2019	24th	16-09-2020	15-07-2020	06-08-2020	5% Cash	11-10-2020	--	--	681,661,222
2020	25th	30-06-2021	29-04-2021	24-05-2021	10% Cash	19-07-2021	--	--	681,661,222
2021	26th	25-04-2022	28-02-2022	22-03-2022	10% Cash	22-05-2022	--	--	681,661,222
2022	27th	30-03-2023	13-02-2023	07-03-2023	10.5% Cash	24-04-2023	--	--	681,661,222
2023	28th	28-03-2024	18-02-2024	12-03-2024	12% Cash	23-04-2024	--	--	681,661,222
2024	29th	24-03-2025	06-02-2025	27-02-2025	10% Cash	22-04-2025	--	--	681,661,222
**2025	30th	30-03-2026	09-02-2026	03-03-2026					
					Total Share		68,166,122		

*100% Rights share credited on 2011
**Subject to approve of the shareholders in the 30th AGM.

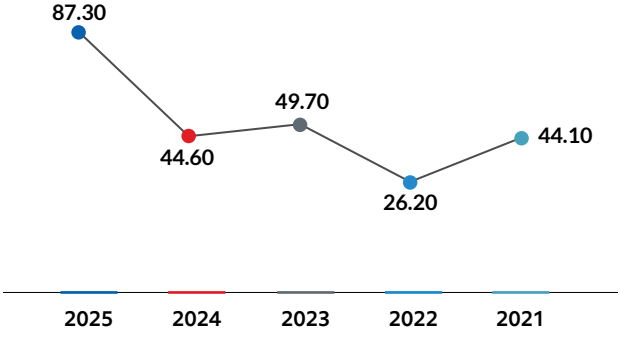
Rights Share

Year	Board Meeting held on	Record Date for Rights Share Entitlement	No. of Shareholders on Record Date	Subscription open for Right shares	Subscription closed for Rights Share	Ratio of Rights Share	Face value + Premium	Rights shares credited to Shareholders BO AC on	
2011	24-03-2011	19-04-2011	5508	24/05/2011	20/06/2011	1:1	Tk. 10.00 + 5.00 (pre) = Tk. 15.00	12/07/2011 to 4,951 shareholders	

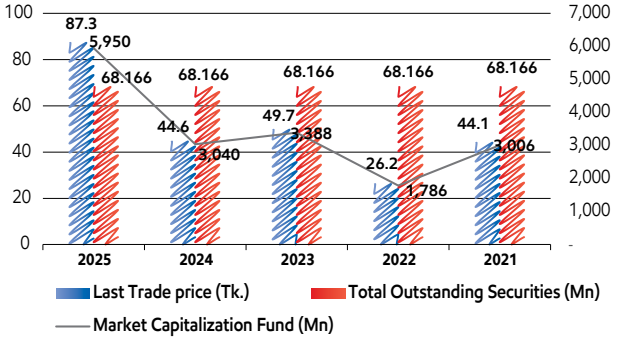
Market Share Information of City Insurance

Year	Last Trade price as of December (Tk.)	Total Outstanding Securities as of December (Mn)	Market Capitalization Fund (B*C) [Mn]
A	B	C	D
2025	87.30	68.166	5,950
2024	44.60	68.166	3,040
2023	49.70	68.166	3,388
2022	26.20	68.166	1,786
2021	44.10	68.166	3,006

Last Trade Price



Market Capitalization Fund



Disclosure for Present and Prospective Investors

Value Creation of Shareholders

Shareholders Value Addition					
Description	2025	2024	2023	2022	2021
EPS	3.40	3.08	3.02	2.25	1.68
P/E Ratio	25.68	14.31	16.42	11.51	25.54
NAV per share	23.24	21.15	20.40	18.57	17.53
Dividend Payout Ratio	29.41	32.47	39.74	46.67	59.52
Dividend Yield Ratio	1.15	0.02	0.02	0.04	0.02

Credit Rating				
2025	2024	2023	2022	2021
AAA	AAA	AA+	AA+	AA

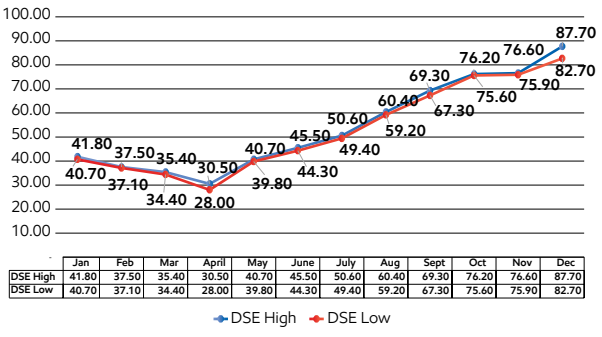
Stock Performance

The following table lists the trade prices for City Insurance PLC shares during 2025 on the Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC:

Month	DSE			CSE			Total volume on DSE & CSE
	High Tk.	Low Tk.	Volume	High Tk.	Low Tk.	Volume	
January	41.80	40.70	**79,469**	42	41	**500**	**1,58,938**
February	37.50	37.10	**2,00,249**	40.8	37	**400**	**4,00,498**
March	35.40	34.40	**52,170**	37.1	35.1	**500**	**1,04,340**
April	30.50	28.00	**2,40,161**	33.2	30	**1,000**	**4,80,322**

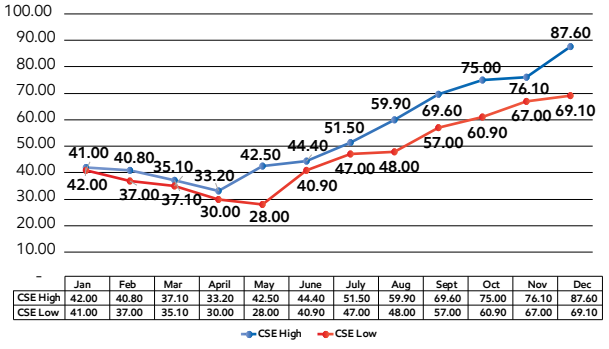
Month	DSE			CSE			Total volume on DSE & CSE
	High Tk.	Low Tk.	Volume	High Tk.	Low Tk.	Volume	
May	40.70	39.80	**1,04,920**	42.5	28	**300**	**2,09,840**
June	45.50	44.30	**2,60,359**	44.4	40.9	**1,800**	**5,20,718**
July	50.60	49.40	**1,80,496**	51.5	47	**6,000**	**3,60,992**
August	60.40	59.20	**2,91,009**	59.9	48	**10,000**	**5,82,018**
September	69.30	67.30	**4,27,298**	69.6	57	**725**	**8,54,596**
October	76.20	75.60	**4,45,619**	75	60.9	**50,000**	**8,91,238**
November	76.60	75.90	**1,87,618**	76.1	67	**60,050**	**3,75,236**
December	87.70	82.70	**3,56,180**	87.6	69.1	**28,400**	**7,12,360**

DSE Market Price 2025



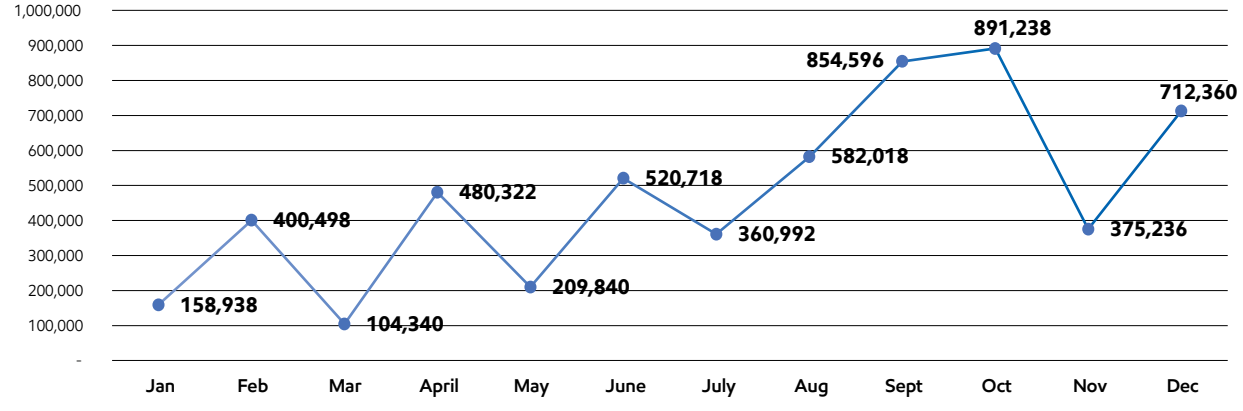
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
DSE High	41.80	37.50	35.40	30.50	40.70	45.50	50.60	60.40	69.30	76.20	76.60	87.70
DSE Low	40.70	37.10	34.40	28.00	39.80	44.30	49.40	59.20	67.30	75.60	75.90	82.70

CSE Market Price 2025



	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
CSE High	42.00	40.80	37.10	33.20	42.50	44.40	51.50	59.90	69.60	75.00	76.10	87.60
CSE Low	41.00	37.00	35.10	30.00	28.00	40.90	47.00	48.00	57.00	60.90	67.00	69.10

Total Volume on DSE & CSE -2025



Quantitative Information for Stakeholders

Particulars	2025	2024	2023	2022	2021
Profitability Performance (%)					
Net Underwriting Margin	22.63	28.73	71.91	25.61	19.77
Return on Average Assets (ROAA)	9.99	9.70	10.09	8.47	6.97
Return on Average Equity (ROAE)	15.32	14.80	15.48	12.48	9.78
Capital Strength & Solvency					
Solvency Margin	3.42	3.08	6.72	5.01	5.08
Net Worth to Total Assets (%)	64.54	65.92	65.12	65.24	70.92
Technical /Operating Performance (%)					
Claim /loss Ratio	16.32	3.90	8.55	9.33	23.95
Expense Ratio	41.89	42.00	42.09	41.57	41.94
Liquidity					
Size of FDR (Taka in Crore)	120.86	1,01.01	921.26	831.15	640.40
Liquid asset to total Assets (%)	52.28	0.48	0.44	0.44	0.39

CREDIT RATING REPORT

Credit Rating Information and Services Limited (CRISL) has been rated City Insurance PLC on the basis of audited financials up to 31 December 2024 also unaudited financials up to 31 March 2025 and other relevant quantitative and qualitative information. Details of the ratings are as follows:

Long Term	Outlook	Date of Rating	Validity of Rating
AAA	Stable	29.07.2025	28.07.2026

Year – wise Credit Rating Report

Year	Rating Agency	Outlook	Long Term Claim Paying Ability (CPA) Rating
2025	CRISL	Stable	AAA
2024	CRISL	Stable	AAA
2023	CRISL	Stable	AA+
2022	CRISL	Stable	AA+
2021	CRISL	Stable	AA
2020	CRISL	Stable	AA-
2019	CRISL	Stable	AA-
2018	CRISL	Stable	A+
2017	CRISL	Stable	A+

CRISL
Credit Rating Information and Services Limited
Nakshi Homes (1st, 4th & 5th Floor), 6/1/A, Segun Bagicha, Dhaka-1000, Bangladesh
Tel : 88-02-953 0991-3,Fax : 88-02-953 0995,E-mail : info@crisibd.com,Web : www.crisibd.com

First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

Setting global standard at national level

July 29, 2025 CRISL/Com/ 3789 /25

Managing Director
City Insurance PLC
Baitul Hossain Building (4th floor), 27 Dilkusha C/A
Dhaka-1000, Bangladesh
Email: asad@cityinsurance.com.bd

Sub: Announcement of Credit Rating for Public Listed Companies

Sir,
Pursuant to the Credit Rating Companies Rules, 2022, this is to inform you that the Rating Committee of Credit Rating Information and Services Limited (CRISL) has assigned the following rating to **"City Insurance PLC"** on 29.07.2025 in consideration of its audited financials up to 31st December, 2024 also unaudited financials up to 31st March, 2025 and other relevant quantitative as well as qualitative information up to the date of rating declaration:

Entity Rating	Outlook	Rating Date	Rating Validity
AAA	Stable	29.07.2025	28.07.2026

The above is reported as price sensitive information as per guidance in clause 8 A (b) of chapter III of Credit Rating Companies Rules 2022 by BSEC.

Thanking you,

With best regards

Md. Asaduzzaman Khan
Chief Executive Officer

GRIEVANCE REDRESSAL MECHANISMS FOR INVESTORS AND CUSTOMERS

City Insurance is committed to fostering a harmonious and collaborative relationship with its stakeholders. We actively implement a high-quality stakeholder redressal policy to address grievances and complaints effectively and fairly. Our strong belief in providing equitable treatment to every shareholder guides our approach. We prioritize the resolution of any shareholder's complaint and are dedicated to utilizing the appropriate mechanisms to address grievances within the timeframe specified by City Insurance.

A. GRIEVANCE REDRESSAL MECHANISMS FOR INVESTORS

- Investor or shareholder complaints should be addressed with courtesy and in a prompt manner.
- Complaints are handled efficiently and resolved fairly.
- Shareholders are notified for the retrieval of dividend warrants that have been refunded due to non-delivery by the courier.
- Dividend warrants are revalidated upon request.
- Corrections to bank account information are accommodated when sending dividends through the BEFTN system.
- In cases where dividend delivery through the BEFTN system fails, reissuance of dividend warrants is initiated.
- Shareholding certificates and dividend certificates are issued as and when required.
- Written complaints from investors should be acknowledged through email or letter.
- A request is made for the submission of e-TIN numbers in the case of cash dividends.

Communication to Shareholders

Throughout the year we communicate with Shareholders in the following ways:

- By Publishing Price Sensitive Information (PSI) in National dailies and in Online News Portal;
- By releasing PSI via website of DSE, CSE and in company's website: https://cityinsurance.com.bd;
- By publishing Press Release about company's important events in the newspapers;
- By issuing notices to the Shareholders for holding Annual General Meeting every year and Extra-Ordinary General Meeting (as and when necessary);
- By sending the Annual Reports of the company every year;
- By publishing Financial Statements in the newspapers;
- By holding General Meetings of Shareholders;
- Electronic and other means of communications with Shareholders

Redressal statistics for the year ended December 31, 2025

Requests received from shareholders	Ways of addressing mentioned requests
Re-issue of 12 dividend warrants (which were date expired)	12 dividend warrants issued
25 Unclaimed Dividend claim	Settle 25 unclaimed Dividend claim
Issuance of 272 shareholdings certificate for income tax purpose	272 shareholdings certificate were issued

We maintained consistent communication with shareholders by providing regular performance updates and, whenever deemed beneficial for the shareholders' overall interest, at any given time.

Process ▪ Redressal

Queries/complaints/grievance lodged by shareholder	Review all logs objectively and fairly and give solution within a short time frame	Send information to concerned shareholder after redressal by share department

Checklist	Yes	No
Shareholders are properly communicated for collection warrants which have been refunded for non-delivery by the courier	√	
Dividend warrants revalidate the upon demand	√	
Bank account information is corrected while sending dividend through BEFTN system	√	
Dividend warrants are reissued in case of failure to send dividends through BEFTN system	√	
Issue shareholding certificate, dividend certificate as and when required	√	
e-TIN number is collected in case of cash dividend	√	

B. GRIEVANCE REDRESSAL MECHANISMS FOR CUSTOMERS

City Insurance PLC is committed to providing exceptional service and ensuring customer satisfaction through a transparent and efficient grievance redressal process. The following outlines the key components of our complaint management system:

A. Complaint Disclosure

- Opening Balance of Complaints: The number of complaints pending resolution at the beginning of the reporting period.
- New Complaints Received: The total number of complaints received from customers during the period.
- Complaints Resolved: The number of complaints successfully resolved within the period.
- Closing Balance of Complaints: The number of complaints still pending resolution at the end of the reporting period.

B. Nature of Complaints

City Insurance categorizes customer complaints to identify recurring issues and improve service delivery. Common categories include:

- Delays in claim processing
- Disputes over claim settlements
- Issues related to policy issuance or renewals
- Premium payment discrepancies
- Service-related grievances

C. Grievance Redressal Process

- **Step 1: Complaint Registration**

Customers can lodge complaints through multiple channels, including the customer service desk, phone, email, or online portals.

- **Step 2: Acknowledgment**

Complaints are acknowledged within a specific timeframe, providing a reference number for tracking.

- **Step 3: Investigation and Resolution**

A thorough investigation is conducted, followed by resolution efforts. Customers are kept informed throughout the process.

- **Step 4: Escalation Mechanism**

If a complaint is not resolved satisfactorily, customers can escalate the issue to higher management or the designated grievance officer.

D. Time Taken to Resolve Complaints

- Average Resolution Time: We strive to resolve complaints promptly, with a standard resolution time depending on the complexity of the issue.
- Priority Handling: Critical complaints are prioritized for faster resolution.

Below is a breakdown of the nature of interactions, time taken for resolution, and the status of pending complaints:

Particulars	Count	%	Ave. time of resolution
Marine Insurance	5	100	4 hrs
Fire Insurance	9	100	3 hrs
Motor Insurance	35	100	5 hrs
Miscellaneous	19	100	25 mins

Escalation Point:
Company Secretary
City Insurance PLC.
Baitul Hossain Building (4th Floor)
27, Dilkusha C/A, Dhaka-1000
Phone: 0222-3387296, 0222-3387281, 0222-3387278
Email: cs@cityinsurance.com.bd
Web: https://cityinsurance.com.bd

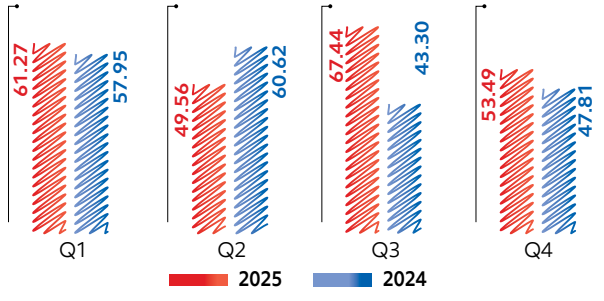
EVALUATION OF QUARTERLY FINANCIALS BY THE AUDIT COMMITTEE AND BOARD

Every listed company must prepare and publish quarterly financial statements for the first quarter (Q1), half-year (Q2), and third quarter (Q3) in line with the requirements of the Bangladesh Securities and Exchange Commission (BSEC). Accordingly, CIPLC prepares and publishes its quarterly financial statements in compliance with BSEC regulations and in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. Key highlights of the interim results of the company are stated below:

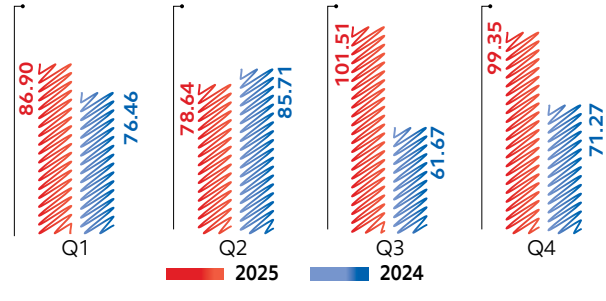
BDT in MN

Particulars	2025					2024				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Gross Premium income	290.17	232.39	204.95	211.12	**938.64**	228.30	230.61	220.89	236.97	**916.77**
Net premium income	210.10	110.16	132.11	155.11	**607.48**	145.73	143.67	150.67	143.86	**583.93**
Re-insurance Commission	15.82	31.36	12.99	11.45	**71.62**	14.66	29.27	13.97	25.60	**83.50**
Investment & others income	14.96	50.13	75.32	100.25	**240.66**	33.91	37.25	28.43	44.05	**143.65**
Management expenses(allocable)	71.33	77.50	53.93	51.70	**254.47**	56.90	72.67	57.96	57.74	**245.27**
Claims	15.35	38.82	46.15	25.37	**125.70**	16.15	13.70	25.34	8.41	**63.60**
Agency commission	35.98	40.18	26.32	38.13	**140.62**	35.66	42.29	52.64	24.16	**154.74**
Management expenses(un-allocable)	2.80	1.67	1.66	4.57	**10.69**	3.71	2.18	2.04	4.44	**12.37**
Total expenses	125.47	158.17	128.06	119.77	**531.47**	112.42	130.84	137.98	94.75	**475.98**
Net profit before tax	86.90	78.64	101.51	99.35	**366.42**	76.46	85.71	61.67	71.27	**295.11**
Tax expenses	25.63	29.08	34.08	45.86	**134.65**	18.51	25.09	18.37	23.46	**85.43**
Net profit after tax	61.27	49.56	67.44	53.49	**231.76**	57.95	60.62	43.30	47.81	**209.68**
EPS	0.90	0.73	0.99	0.78	**3.40**	0.85	0.89	0.64	0.70	**3.08**

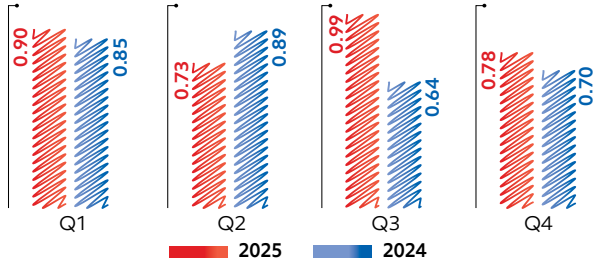
Net profit after tax — BDT in mn



Net profit before tax — BDT in mn



EPS — BDT in mn



The Audit Committee of the Board reviews the interim results before publication and subsequently submits them to the Board of Directors for approval. Once approved, the interim financial statements are sent to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), and Chittagong Stock Exchange (CSE). The approved statements are then published in both Bangla and English daily newspapers, as well as online news portals. Additionally, the report is accessible on the Company's official website at www.cityinsurance.bd.

FIVE YEARS
FINANCIAL SUMMARY

BDT in MN / BDT / Ratio / Times

SL No	Particulars	Terms	2025	2024	2023	2022	2021
	Financial position						
6	Total assets	Taka	2,454.20	2,187.46	2,135.94	1,939.89	1,684.81
7	Investments	Taka	471.51	492.15	570.57	529.64	407.37
8	Current assets	Taka	1,933.05	1,648.98	1,515.28	1,354.23	1,222.68
9	Net current assets	Taka	1,062.83	903.45	770.24	680.09	732.67
10	Fixed deposit with banks & NBFI	Taka	1,208.58	1,010.01	921.26	831.15	640.40
11	Cash & cash equivalents	Taka	1,283.05	1,043.63	936.65	856.21	652.92
12	Net assets	Taka	1,583.98	1,441.94	1,390.90	1,265.76	1,194.81
13	Current liabilities	Taka	870.22	745.53	745.04	674.14	490.01
14	Total reserve	Taka	811.57	669.53	618.49	493.35	422.40
	Operational results						
15	Gross premium	Taka	938.64	916.77	820.92	888.01	730.62
16	Net premium	Taka	607.48	583.93	516.49	567.91	483.41
17	Net claims	Taka	99.13	22.76	44.17	53.01	115.77
18	Underwriting profit	Taka	137.45	164.84	216.46	145.46	95.58
19	Profit before interest, depreciation & tax	Taka	371.22	300.09	308.31	219.22	169.80
20	Profit before tax	Taka	366.42	295.11	300.42	212.61	162.61
21	Net profit after tax	Taka	231.76	209.68	205.64	153.58	114.72
22	Income from investments	Taka	237.97	142.01	98.49	80.05	111.11
23	Investments & other income	Taka	240.66	143.65	99.32	81.38	116.34
24	Cash flow from operating activities	Taka	295.14	166.39	172.46	381.13	187.30
25	Net operating cash flow per share	Taka	4.33	2.44	2.53	5.59	2.75
	Financial ratio						
26	Dividend Paid	Taka	68.17	68.17	81.80	71.57	68.17
27	Dividend per share (cash)	Taka	1.00	1.00	1.20	1.05	1.00
28	Earnings per share	Taka	3.40	3.08	3.02	2.25	1.68
29	Cash ratio	Times	1.47	1.40	1.26	1.27	1.33
30	Quick ratio	Times	2.22	2.21	2.03	2.01	2.49
31	Debt equity ratio	Ratio	N/A	N/A	N/A	N/A	N/A
32	Leverage ratio	Times	N/A	N/A	N/A	N/A	N/A
33	Debt service coverage ratio	Times	N/A	N/A	N/A	N/A	N/A
34	Return on investment	Ratio	14.16	9.45	6.60	5.88	10.60
35	Return on equity	Ratio	14.63	14.54	14.78	12.13	9.60
36	Return on capital employed	Ratio	23.13	20.47	21.60	16.80	13.61
37	Return on average assets	Ratio	9.99	9.70	10.09	8.47	6.97
38	Claim ratio	Ratio	16.32	3.90	8.55	9.33	23.95
39	Combined ratio	Ratio	71.32	60.22	65.63	70.51	70.05
40	Price earnings ratio	Times	25.68	14.48	16.42	11.51	25.54
41	Solvency ratio	Times	3.42	3.08	6.72	5.01	5.08
42	Current ratio	Times	2.22	2.21	2.03	2.01	2.50
43	Underwriting profit ratio	Ratio	22.63	28.23	41.91	25.61	19.77
44	Dividend payout ratio	Ratio	29.41	32.47	39.74	46.67	59.52
45	Dividend yield	Times	1.15	2.24	2.42	4.05	2.33
46	Return on Assets	Ratio	9.44	9.59	9.63	7.92	6.81
47	Gross Profit Margin	Ratio	39.04	32.19	36.60	23.94	22.26
48	Net Profit Margin	Ratio	24.69	22.87	25.05	17.30	15.70
49	EBITDA	Ratio	39.55	32.73	37.56	24.69	23.41
	Equity statistics						
50	Paid-up capital	Taka	681.66	681.66	681.66	681.66	681.66
51	Shareholders' equity	Taka	1,583.98	1,441.94	1,390.90	1,265.76	1,194.81
52	Market value per share*	Taka	87.30	44.60	49.60	25.90	42.90
53	Net assets value per share (NAV)	Taka	23.24	21.15	20.40	18.57	17.53

* As on December 31, 2025

FINANCIAL AND NON-FINANCIAL RATIOS

Profitability Ratio

Particulars	2025	2024	2023	2022	2021
Return on Assets (ROA)	9.44	9.59	9.63	7.92	6.81
Gross Profit Ratio	39.04	32.19	36.60	23.94	22.26
Net Profir Ratio	24.69	22.87	25.05	17.30	15.70
EBITDA	39.55	32.73	37.56	24.69	23.41
Return on Capital Employed	8.68	11.43	15.56	11.49	8.00
Return on Investment	14.16	9.45	6.60	5.88	10.60

Liquidity Ratio

Particulars	2025	2024	2023	2022	2021
Current Ratio	2.22	2.21	2.03	2.01	2.50
Quick Ratio	2.22	2.21	2.03	2.01	2.49
Liqudity Assets to Total Insurance Fund	81.00	72.38	67.34	67.64	54.65
Total Liquid Assets to Total Assets	52.28	47.71	43.85	44.14	38.75
FDR	1,208.58	1,010.01	921.26	831.15	640.40
Investment	471.51	492.15	570.57	529.64	407.37

Leverage Ratios

Particulars	2025	2024	2023	2022	2021
Debt to Equity Ratio	N/A	N/A	N/A	N/A	N/A
Debt Ratio= Total Debt/Total Assets	N/A	N/A	N/A	N/A	N/A
Interest Coverage Ratio	N/A	N/A	N/A	0.20	0.26

Market Ratio

Particulars	2025	2024	2023	2022	2021
Dividend Yield	1.15	2.24	2.42	4.05	2.33
Price Earnings Ratio	25.68	14.48	16.42	11.51	25.54
Dividend payout ratio	29.41	32.47	39.74	46.67	59.52

Retention Ratio

Particulars	2025	2024	2023	2022	2021
Customer Retention Ratio	96.00	95.00	90.00	88.00	86.00
Employee Productivity Rate	95.00	94.00	85.00	82.00	80.00
Internal Promotion Ratio	12%	10%	8%	7%	5%

Activity Ratio

Particulars	2025	2024	2023	2022	2021
Trade Payables Trunover	1.06	0.99	0.61	0.93	0.92
Trade Receivables Turnover	1.32	1.28	1.24	0.75	20.00

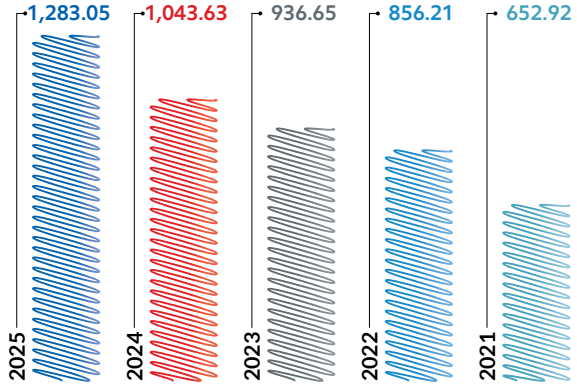
Learning & Growth

Particulars	2025	2024	2023	2022	2021
Turnover Rate for highest performers	38.26	24.71	90.00	88.00	86.00
Internal Promotion Rate	12%	9%	8%	0.07%	0.05%
Trading Expenses per Employee	95.66	93.93	95.14	126.16	339.45

GRAPHICAL DATA **PRESENTATION**

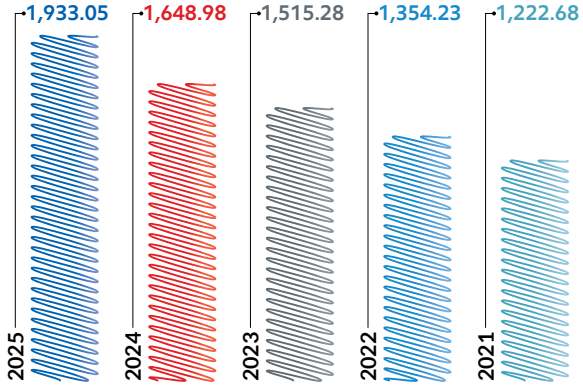
Cash & Cash Equivalents

BDT in mn



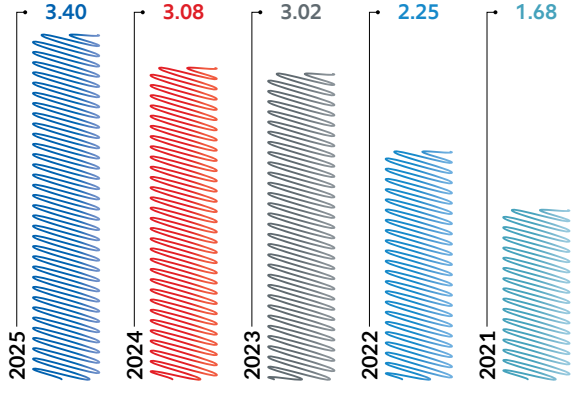
Current Assets

BDT in mn



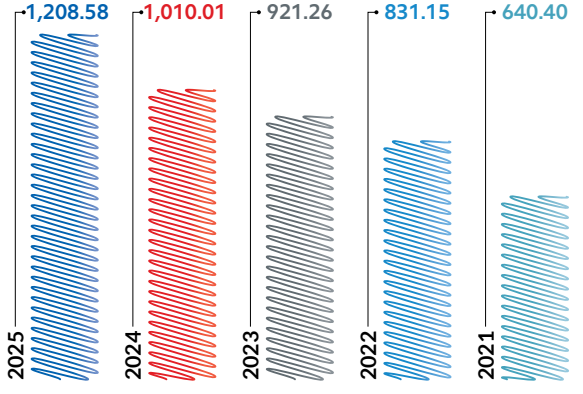
Earnings per share

BDT in mn



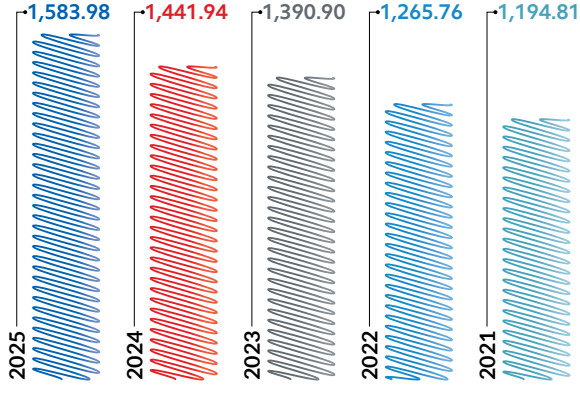
FDR

BDT in mn



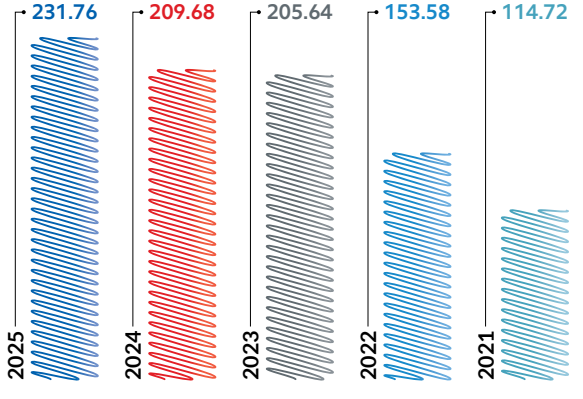
Net Assets

BDT in mn



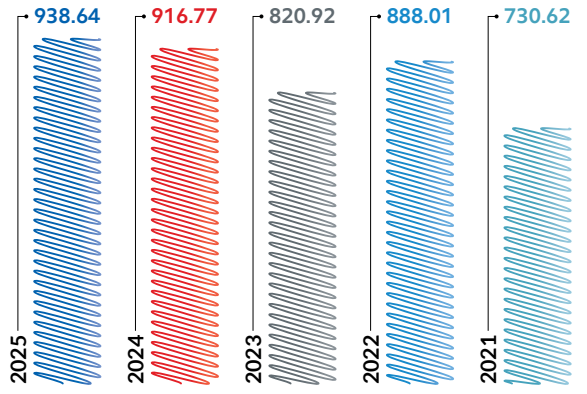
Net profit after tax

BDT in mn



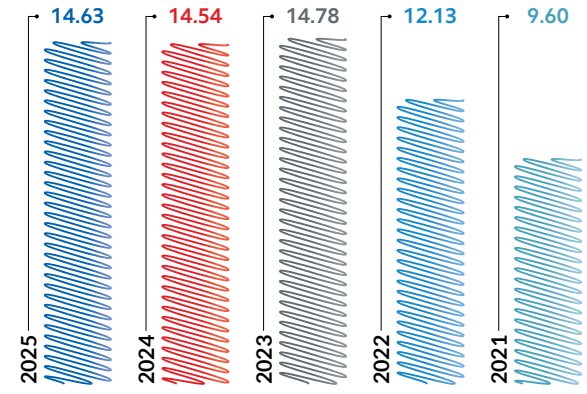
Gross Premium

BDT in mn



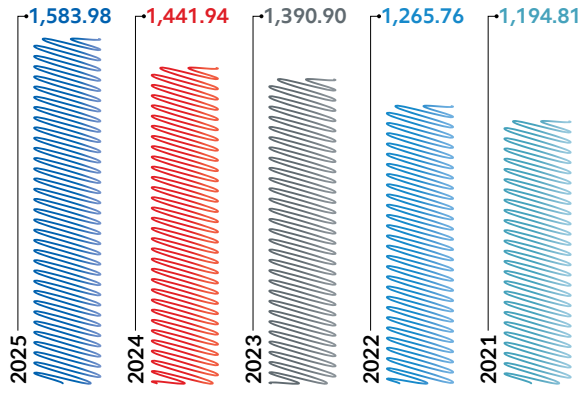
Return on Equity/Fund

BDT in mn



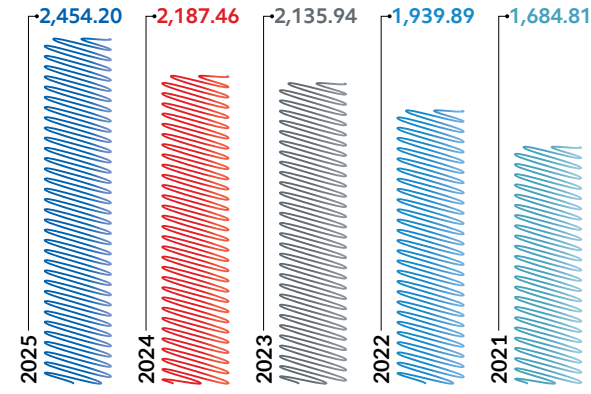
Shareholders' Equity/Fund

BDT in mn



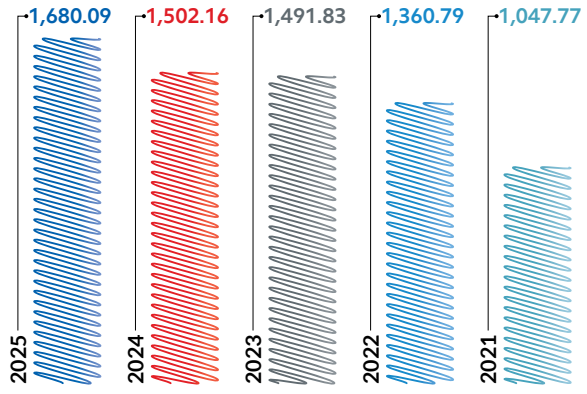
Total Assets

BDT in mn



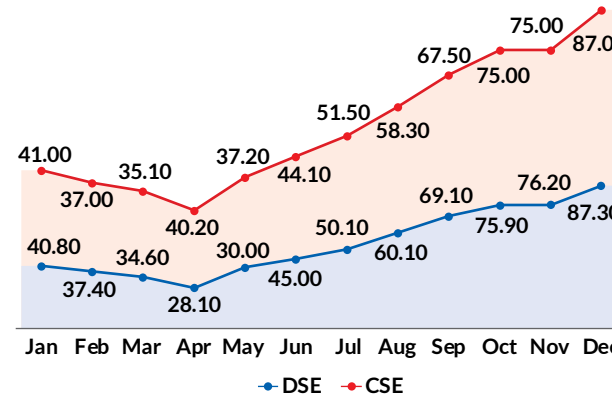
Total Investments (Share, BGTB & FDR)

BDT in mn



Stock Performance 2025

BDT



NATIONAL EXCHEQUER CONTRIBUTION

GRI 207-1 & 2

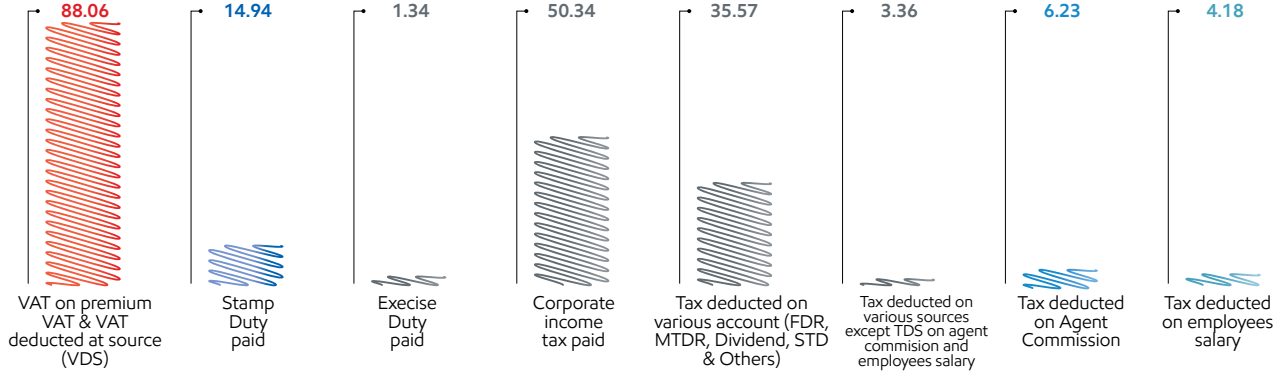
We recognize that City Insurance PLC has certain corporate responsibilities to the society for their development and the development of the nation as a whole. The company made significant contribution to the Government each year.

Particulars	Amount in BDT mn			
	2025	2024	Increased/ (decreased) 2025	Increased/ decreased % 2024
VAT on premium VAT & VAT deducted at source (VDS)	88.06	81.90	6.16	7.52
Stamp Duty paid	14.94	13.73	1.21	8.80
Excise Duty paid	1.34	1.31	0.03	2.33
Corporate income tax paid	50.34	97.63	(47.26)	-48.41
Tax deducted on various account (FDR, Dividend, STD & Others)	35.57	21.38	14.19	66.37
Tax deducted on various sources except TDS on agent commision and employees salary	3.36	2.72	0.65	23.84
Tax deducted on Agent Commission	6.23	8.00	(1.77)	-22.14
Tax deducted on employees salary	4.18	2.70	1.48	55.01
Total amount paid	**204.02**	**229.37**	**(25.35)**	

Contribution to the National Exchequer is shown in Graphs for the year 2025 and 2024 as below:

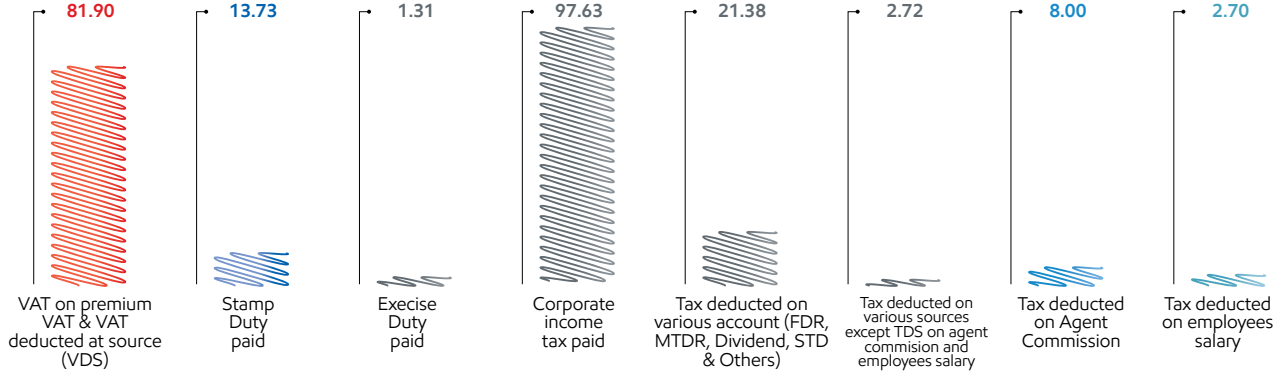
Contribution to National Exchequer 2025

BDT in mn



Contribution to National Exchequer 2024

BDT in mn



SPECIAL CRITERIA FOR **INSURANCE SECTOR**



SPECIAL CRITERIA FOR INSURANCE

The table below provides an overview of the Special Criteria for Insurance

373 Revenue, Claims, Re-Insurance, and Solvency Overview

373 Highlights of segment revenue account

373 Estimated liability in respect of outstanding claims including their aging

374 Disclosures of re-insurance ceded premium & claim recovered

373 Outstanding Premium/ Unearned Premium

373 Claims under different categories of policies including average claim settlement period



374 Disclosures of Unexpired Risk (Class Wise)

374 Disclosure of the extent of risk retained and re-insured

375 Disclosures pertaining to solvency margin



375 Disclosure of encumbrances on assets

375 Valuation & Impairment of Investment as per regulatory requirements

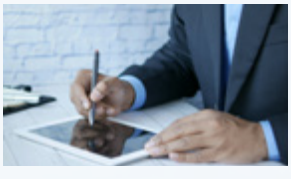
375 Statement of age-wise analysis of unclaimed amount of Policyholders

375 Review of Asset Quality

376 Ratios pertaining to insurance sector

378 Industry landscape and Market Share

377 Management Report



379 Claims Management

379 Claims management and details of outstanding claims (IBNR & IBNER) with ageing thereof

380 Satisfactory Record of Claim Settlement

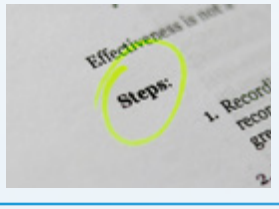
381 Outstanding Claim Position

381 Litigation Arisen Out of Outstanding Claims

381 Visualizing Success: City Insurance's Streamlined Claim Payment Process

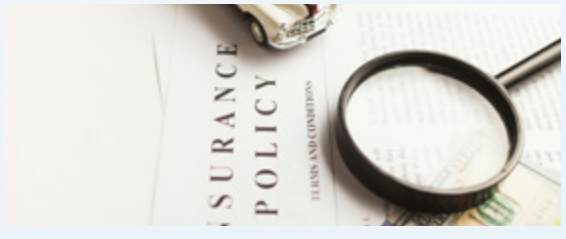
382 Reinsurance & underwriting

382 Reinsurance arrangement with local and reputed foreign companies



382 Treaty Limits

383 Underwriting Guideline



REVENUE, CLAIMS, RE-INSURANCE AND SOLVENCY OVERVIEW

Highlights of segment revenue account

The segment revenue accounts highlight the income generated from various insurance products and services offered by the company. These segments typically include premiums collected from policyholders for different types of coverage such as Fire, Marine, Motor, and Miscellaneous. Additionally, revenue can be derived from investment income and reinsurance arrangements. The accounts also reflect any adjustments for claims, commissions, and operational costs associated with providing insurance coverage. The performance of each segment is analyzed to assess profitability and financial stability. Here are some key highlights and important aspects related to segment revenue accounts in 2025:

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Particulars	Gross Premium	Net Premium	Operating Profit
Fire	312.36	192.68	(40.83)
Marine	546.82	380.42	173.83
Motor	20.24	20.14	9.65
Miscellaneous	59.22	14.24	(5.20)
Total	**938.64**	**607.48**	**137.45**

Estimated liability in respect of outstanding claims including their aging

Discloser of our estimated liability for outstanding claims, including their ageing, in compliance with industry standards. This information provides stakeholders with insights into our financial commitments related to pending claims. The disclosure details the estimated amounts reserved for claims, categorized by their ageing, ensuring clarity on our financial obligations.

Figures in BDT

Particulars	2025	2024	2023	2022	2021
Fire	50,282,711	1,433,848	2,981,505	1,692,240	2,738,526
Marine Cargo	4,290,092	343,882	33,682	4,795,653	-
Marine Hull	-	-	-	-	-
Motor	-	1,135,508	68,697	732,692	-
Miscellaneous	-	15,804,276	200,000	-	-
Total	**54,572,803**	**18,717,514**	**3,283,866**	**7,220,585**	**2,738,526**

Outstanding Premium/Unearned Premium

The policies or cover notes issued against Bank Guarantee on the closing date of the accounting period becomes outstanding and this is presented in the Statement of Financial Position (Balance Sheet) under **note no. 22** Advance, deposits and prepayments with a sub head of Collection control.

Claims under different categories of policies including average claim settlement period

Claims under different categories of policies refer to the amounts an insurance company is required to pay to policyholders for covered losses, categorized based on the type of insurance. These categories typically include Fire, Marine, Motor and Miscellaneous non-life insurance policies.

Particulars	Fire	Marine		Motor	Misc.	Total
		Cargo	Hull			
Net claims under different categories of policies (%)	29.57	3.64	-	13.12	106.49	14.49

Average claim settlement period

The average claim settlement period refers to the average time taken by the company to process and settle claims from the date of filing to the payment. A shorter settlement period indicates efficient processing, while a longer period may suggest delays or complexities in handling claims.

Description	Average days of Claim Settlement	
	2025	2024
Fire	6	6
Marine	5	5
Motor	4	8
Miscellaneous	11	7
Total days	**26**	**26**

Disclosures of re-insurance ceded premium & claim recovered

Disclosures of reinsurance ceded premium and claims recovered for City Insurance provide details about the company's reinsurance arrangements. The ceded premium represents the portion of the premium that City Insurance pays to reinsurers to transfer some of its risks. Claims recovered indicate the amounts City Insurance receives from reinsurers for claims it has paid to policyholders. These disclosures offer insight into the company's risk management strategy, its reliance on reinsurance, and the financial impact of these transactions on its overall performance.

Amount in BDT

Particulars	As on 31st December 2025		As on 31st December 2024	
	Re-insurance Ceded Premium	Claims recovered	Re-insurance Ceded Premium	Claims recovered
Fire	119,678,770	23,888,207	116,351,855	255,842
Marine	156,450,034	102,734	140,544,388	513,725
Marine Hull	9,949,071	692,203	27,287,595	4,466,646
Motor	101,038	-	-	-
Misc.	44,975,241	1,885,673	48,649,946	35,599,698
Total	**931,154,154**	**26,568,817**	**332,833,784**	**40,835,911**

Disclosures of Unexpired Risk (Class Wise)

City Insurance PLC maintains insurance accounts as reserves for unexpired risks, calculated based on specific percentages of premium income, excluding premiums from public sector business. These reserves are set aside to cover potential future claims for policies that are still active but have not yet expired. The percentages applied vary according to the type of insurance, ensuring that the company has adequate funds to fulfill its obligations for claims that may arise after the policy period ends.

Amount in BDT

Particulars	Net premium excepts PSB	%	Unexpired risks
Fire	191,466,895	40	76,586,758
Marine cargo	371,482,592	50	185,741,296
Marine hull	4,528,145	100	4,528,145
Motor	18,393,093	40	7,357,237
Miscellaneous	12,091,312	50	6,045,656
Total	**597,962,037**		**280,259,092**

Disclosure of the extent of risk retained and re-insured

City Insurance PLC provides disclosure on the extent of risk retained and reinsured, outlining how much of its risk is covered internally and how much is transferred to reinsurers. The company retains a portion of the risk by covering claims directly, while it cedes the remaining risk to reinsurers in exchange for a premium. This disclosure helps stakeholders understand the company's risk management strategy, the balance between retained and transferred risk, and the financial implications of these reinsurance arrangements.

Amount in BDT

Particulars	Gross premium	Retain Premium	%
Fire	312,356,047	192,677,277	62.11
Marine cargo	532,291,912	375,841,878	41.63
Marine hull	14,529,076	458,005	217.23
Motor	20,243,043	20,142,005	150.00
Miscellaneous	59,215,507	14,240,266	315.83
Total	**938,635,586**	**607,481,432**	**54.51**

Disclosures pertaining to solvency margin

The solvency margin represents the excess of an insurer's assets over its liabilities and forms part of shareholders' funds. Insurance regulations prescribe the methods for valuing both assets and liabilities and also set the minimum solvency margin that insurers must maintain at all times. Solvency reflects an insurer's ability to meet claim obligations and indicates its overall financial strength. This strength depends largely on the adequacy of technical reserves for liabilities and the availability of sufficient capital as a financial buffer. The solvency margin serves as a critical safeguard, particularly against risks arising from investment activities. At City Insurance, management remains firmly focused on maintaining solvency at an optimal level. The solvency ratio measures an insurer's capital in relation to the risks it has assumed. In Bangladesh, the Insurance Development & Regulatory Authority (IDRA) has prescribed the mandatory solvency margin for insurers effective from 2025.

Disclosure of encumbrances on assets

Disclosure of encumbrances on assets refers to the information provided by a company about any claims, liens, or legal restrictions attached to its assets. These encumbrances can include mortgages, pledges, or other forms of security interests that may restrict the company's ability to freely use, transfer, or dispose of its assets. Such disclosures are crucial for ensuring transparency regarding the company's financial and legal position, allowing stakeholders to better understand the risks associated with its asset base. For City Insurance PLC, no encumbrances on assets occurred during the year, indicating that the company's assets remained free of any such claims or legal restrictions.

Statement of age-wise analysis of unclaimed amount of Policyholders

City Insurance PLC, a non-life insurance company, operates on a reimbursement basis for covering specific financial losses. We do not refund premium amounts upon policy maturity. Instead, the sum insured in each policy represents the maximum claimable amount during the policy period, ensuring that all valid claims are processed within policy terms without accumulating unclaimed funds.

Given our business model, age-specific policies are limited and focus primarily on health and occupational insurance, such as the Overseas Mediclaim Policy (OMP) and Workmen's Compensation Policy (WCP). The age-wise distribution of insurance products sold in 2024 is as follows:



Overseas Mediclaim Policy (OMP)

160+ policies issued.



Workmen's Compensation Policy (WCP):

350+ policies issued

This structured approach to policy issuance and claim settlement ensures effective financial management and compliance with policyholder obligations, eliminating unclaimed balances.

Valuation & Impairment of Investment as per regulatory requirements

Valuation and impairment of investments at City Insurance are conducted in accordance with regulatory requirements to ensure financial transparency and compliance. Investments are regularly assessed for their fair value, with adjustments made to reflect any significant changes in market conditions. If the carrying value of an investment exceeds its recoverable amount, an impairment loss is recognized to align with the investment's fair value. The process includes periodic reviews of all assets, including stocks, bonds, and real estate, to identify any potential risks or declines in value. These measures help safeguard the financial stability of City Insurance and protect stakeholder interests.

Review of Asset Quality

The review of asset quality at City Insurance evaluates the performance, risk levels, and reliability of the company's investment portfolio and other assets. It emphasizes managing non-performing assets, enhancing risk mitigation strategies, and ensuring a stable financial position to support long-term growth and policyholder confidence.

BDT in mn

Assets	2025	2024	2023	2022	2021
Investment	471.51	492.15	570.57	529.64	407.37
Cash and Cash Equivalent	1,283.05	1,043.63	936.65	856.21	652.92
Fixed Assets	43.30	46.34	50.09	65.03	54.76
Other Assets	656.34	605.34	578.63	498.01	569.76
Total	**2,454.20**	**2,187.46**	**2,135.94**	**1,939.89**	**1,684.81**

RATIOS PERTAINING TO **INSURANCE SECTOR**

Particulars	2025	2024	2023	2022	2021
Financial ratio					
Reinsurance premium ceded as % of gross premium	35.28	36.31	37.08	36.05	33.84
Reinsurance premium ceded as % of net premium	54.51	57.00	58.94	56.36	51.14
Commission paid as % of gross premium	14.98	16.88	14.76	18.21	7.58
Net Reinsurance commission earned as % of gross premium	7.35	9.11	7.08	7.48	6.83
Net Reinsurance commission earned as % of net premium	11.36	14.30	11.25	11.70	10.33
Reinsurance claim recovery percentage	26.80	179.41	65.66	9.92	3.46
Management expenses (Revenue a/c) as % of gross premium	27.11	26.75	26.48	26.59	27.75
Management expenses (Revenue a/c) as % of net premium	41.89	42.00	42.09	41.57	41.94
Net claims incurred as % of gross premium	10.56	2.48	5.38	5.97	15.85
Net claims incurred as % of net premium	16.32	3.90	8.55	9.33	23.95
Claim settlement ratio	57.00	57.87	73.33	93.08	99.46
CSR to net income (as %)	0.58	0.64	0.89	0.62	0.32
Underwriting result as % of gross premium	14.64	17.98	26.37	16.38	13.08
Underwriting result as % of net premium	22.63	28.23	41.91	25.61	19.77
Net profit margin on net premium	38.15	35.91	39.81	27.04	23.73
External liability ratio	23.68	21.59	24.83	22.67	17.23
Internal capital generation ratio	20.08	15.39	11.05	6.86	5.85
Exceptional loss reserve to net premium	90.13	83.36	82.94	66.33	66.18
Capital & fund to total assets	64.54	65.92	65.12	65.25	70.92
Operational Cash Flow to Sales (OCFS)	31.44	18.15	21.01	42.92	25.64
Liquid asset to total assets (%)	52.28	47.71	43.85	44.14	38.75
Net worth to total assets (%)	64.54	65.92	65.12	65.25	70.92
Retention ratio	70.59	67.49	60.22	53.40	40.58
Premium to equity	38.35	40.50	37.13	44.87	40.46
Return on Average Assets(ROAA)	9.99	9.70	10.09	8.47	6.97
Return on Average Equity(ROAE)	15.32	14.80	15.48	12.48	9.78
Liquid asset to total insurance fund	81.00	72.38	67.34	67.64	54.65
Total liquid asset to total asset	52.28	47.71	43.85	44.14	38.75
Premium growth ratio	2.39	11.68	(7.56)	21.54	66.72
Persistency ratio	92.88	97.69	90.00	88.00	85.00
Operating profit ratio	14.64	17.98	26.37	16.38	13.08
NPA ratio	8.27	9.18	10.08	10.96	10.78

MANAGEMENT REPORT

Executive Summary: This management report provides a comprehensive analysis of City Insurance PLC's current performance, strategic initiatives, operational challenges, and recommendations for future improvements. The report highlights key financial indicators, operational efficiency metrics, market position, and customer satisfaction levels to guide management decisions.

1. Introduction: City Insurance PLC has established itself as a prominent player in the non-life insurance sector, offering a range of products including fire, marine, motor, miscellaneous insurance and others. This report evaluates the company's performance for the past fiscal year and identifies opportunities for growth and areas of concern.

2. Financial Performance

2.1 Revenue and Profitability

- Total revenue for the fiscal year amounted to Tk. BDT 1,179.30 mn, reflecting a year-over-year increase of 11.21%.
- Net profit stood at Tk. BDT 231.76 mn, showing a 10.53% growth compared to the previous year.

2.2 Expense Management

- Operating expenses increased by 4.66%, primarily driven by investments in technology and marketing initiatives.
- Net Claims payouts totaled BDT 99.13 mn, representing 8.41% of total revenue, which is within the industry benchmark.

2.3 Investment Performance

- The investment portfolio achieved a 14.32% return, contributing Tk. BDT 240.66 mn to overall profits.

3. Operational Efficiency

3.1 Claims Processing

- The average claims processing time improved to 24 days, down from 26 days in the previous year, demonstrating enhanced efficiency.

3.2 Customer Service

- Customer satisfaction surveys indicate an 89% satisfaction rate, up from 87%, with significant improvements in responsiveness and policyholder support.

4. Market Position and Competition: City Insurance PLC holds *2.11% market share in the domestic insurance sector. The company's diversified product offerings and digital service channels have strengthened its competitive advantage.

* Source: Bangladesh Insurance Association (BIA), year 2024.

5. Strategic Initiatives

5.1 Digital Transformation

- A paperless office system was launched, enhancing service availability and efficiency.
- Planning mobile application upgrades to offer seamless policy management and claims submission.

5.2 Expansion of Product Portfolio

- Planning new microinsurance products targeting low-income segments.

6. Challenges and Risks

6.1 Regulatory Compliance

- Adapting to new regulatory requirements on solvency margins and capital adequacy.

6.2 Market Volatility

- Exposure to fluctuating interest rates affecting investment returns.

7. Recommendations

7.1 Enhancing Digital Capabilities

- Invest further in automation for underwriting and fraud detection to improve operational efficiency.

7.2 Strengthening Risk Management

- Develop advanced risk assessment models to better predict claims trends and reduce unexpected liabilities.

7.3 Employee Training

- Implement continuous professional development programs to enhance employee expertise in emerging insurance technologies and customer engagement strategies.

City Insurance PLC has demonstrated strong financial performance and operational improvements while navigating a competitive and evolving market. By implementing strategic enhancements and addressing identified risks, the company is well-positioned for sustainable growth.

8. Action Plan

Action Item	Responsible Department	Timeline
Expand automation in operations	IT and Operations	Ongoing
Launch new microinsurance products	Underwriting	Q3 2026
Conduct employee training sessions	Human Resources	Ongoing
Strengthen regulatory compliance	Board & Secretariat	Ongoing

INDUSTRY LANDSCAPE AND MARKET SHARE

City Insurance at a Glance

- Leading market player with strong distribution and innovative products
- Customer-focused solutions for individuals, SMEs, and corporates
- Trusted for financial stability and reliability

Performance Highlights

- Strong underwriting, stable premium growth, efficient claims settlement
- Outperforming peers in profitability and service quality
- High client retention and expanding market presence

Key Achievements

- Innovative products addressing emerging risks
- Expanded branch network and enhanced digital platforms
- Recognized for service excellence, financial strength, and ethical practices

For more details refer to "Non-Life Insurance Market Share & City Insurance Share" on **page no. 178.**

CLAIMS MANAGEMENT

Claims Management and Details of Outstanding Claims (IBNR & IBNER) With Ageing Thereof

Excellence in claims handling is the vital competitive edge for an insurance company and it is a service that clients greatly value. Payment of legitimate insurance claims for losses that the insured have reasonably suffered is the primary reason for buying insurance. Claims management is one of the most crucial functions of an insurance company as it is the ultimate test of a responsible and efficient insurer. A client obtains an insurance policy by paying premium reposing the trust that upon occurrence of any incident caused by named perils to the subject matter of insurance, the financial losses so arisen thereto would be indemnified by the insurer. Hence, by entering into any insurance contract, the client has the following expectations from the insurer:

a. Adequate insurance coverage, which does not leave him high and dry in time of need, with right pricing.

b. Timely delivery of defect-free policy documents with relevant guidelines endorsements/ warranties/ conditions.

c. Should a claim happen, quick settlement to the insured's satisfaction.

The Claims Management

Claims Management comprises of services and/or advisory support in respect of claims for compensation, restitution, repayment or any other remedy for loss or damage. Underwriting and claims settlement are the two vital aspects of operation of an insurance company. The basis of insurance is risk pooling, which carries the obligation of paying losses.

City Insurance PLC has its corporate philosophy on claims management setting out broad approaches aimed at providing high quality service and expeditious settlement of claims. It specifies the nature of claims service and also the IT enabled interactive process to monitor the status of the claim.

City Insurance prefers rather to manage the claims than merely handling them. The claim handling process starts with the notification of loss to City Insurance and the company appoints a licensed loss adjuster immediately upon receipt of the intimation. In order to ensure speedy disposal of claims, the insured and/or their agent are always requested to submit all available supporting documents without delay.

A list of minimum requirements of supporting documents/ papers for claims arising under each class of business is maintained at the Head Office. City Insurance undertakes all necessary steps expeditiously in an orderly sequence: contact the insured, arrange to inspect the loss through a loss adjuster, ascertain quantum of loss and company's liability etc. City Insurance also suggests their clients the preventive measures to be adopted to avert/minimize the loss and to take steps to protect the salvage.

As soon as CIPLC receives all necessary papers along with survey report from the loss adjuster, the company quickly scrutinizes all documents against its check list of requirements, verifies the loss adjustment made by the surveyor and if in order, proceeds with the settlement of claim without any loss of time. Besides settlement of claims that are possible to dispose off during the accounting period, adequate provision for outstanding claims, if any, are also maintained against unsettled claims.

In recognition to the claims services, City Insurance has been awarded a Credit Rating of AAA in claims pay ability by the Credit Rating Information and Services Limited (CRISL).

Outstanding Claims (IBNR and IBNER) with ageing thereof:

In addition to claims settled within an accounting period, there may be outstanding liabilities for insurance claims that have been reported but remain unresolved (IBNER) or claims that have been incurred but not yet reported (IBNR).

Delays in claim settlements can occur for various reasons, primarily:

i. a delay in reporting, which refers to the time lag between the occurrence of the claim and its notification to the insurance company by the insured; and

ii. a delay in settlement, often resulting from the time required to fully assess the extent of the claim, especially in cases involving complex or large claims. The duration between the occurrence and final settlement of claims may range from a few days (common in property insurance) to several years (typical in liability insurance).

To ensure that the insurer can meet all outstanding claim obligations arising from covered perils, provisions are created by allocating a portion of the net premium. This reserve helps secure future payments. The provision for outstanding claims is generally calculated using the following formula:

Total IBNR = "Pure IBNR" + "IBNER"

To ensure proper accounting practices, reserves for each outstanding claim are maintained for the respective financial years. The terms Reserve for Claims Incurred But Not Reported (IBNR) and Reserve for Claims Incurred But Not Enough Reported (IBNER) are often considered to have similar meanings.

In certain areas of work, particularly in reinsurance and within the London market, IBNR provisions may encompass IBNER provisions as well. At times, the provision for claims incurred on or before the valuation date is referred to as the True IBNR or pure IBNR.

The liability for outstanding claims on the balance sheet of a non-life insurance company includes provisions for both IBNR and IBNER. In practice, this involves creating a reserve to cover future liabilities arising from claims that have occurred but have yet to be settled.

Incurred but not reported (IBNR) losses reserve

IBNR refers to losses that have not been reported to the insurer or reinsurer until years after the insurance policy was issued. It is a reserve set aside for claims related to events that occurred before the accounting date but have not yet been reported to the insurer by that date. In the case of a reinsurer, the reserve must also account for claims that, although known to the cedant, have not yet been reported to the reinsurer as potentially involving their liability.

IBNR reflects the total amount owed by the insurer to valid claimants who have experienced a covered loss but have not yet reported it. Since the insurer is unaware of the frequency or severity of these unreported losses, IBNR is necessarily an estimate. The accuracy of this estimate is often used to assess the financial accounting capabilities of an insurer. Insurers track IBNR by policy periods (based on when they were issued) and other relevant categorizations.

Given its nature, IBNR functions more as a reserve or provision for unreported losses, offering a better estimate of the insurer's profits for the current business period.

Incurred but not enough reported (IBNER) loss reserve

IBNER refers to a reserve that accounts for expected changes (both increases and decreases) in the estimates for claims that have already been reported. It is sometimes referred to as "incurred but not enough reserved."

Some liability claims may be filed long after the event that caused the injury or financial loss. For example, diseases related to asbestos may not become apparent until decades after exposure. Directors' and Officers' Liability claims may arise even after the policy period has expired if a court finds the individuals liable for compensation. In the case of marine cargo or hull losses, General Average claims may be assessed long after the incident. Adequate reserves must be created for such outstanding claims, reflecting IBNER losses. IBNER also refers to estimates for claims that have already been reported but where the full extent of the injury or loss is not yet clear. This is common in cases like workmen's compensation, where the impact of a worker's injury on their earning potential unfolds over time. City Insurance regularly adjusts its reserves for such claims as new information becomes available.

According to the current directives from the Insurance Development and Regulatory Authority (IDRA) of Bangladesh, it is mandatory to report all outstanding claims quarterly, including their aging and specific reasons for any delays in settlement. City Insurance ensures that adequate provisions are maintained for each outstanding claim, along with the respective aging details.

Disclosure on Certificate of Actuary

At present, the issuance of a Certificate of Actuary is not applicable for City Insurance PLC, as it is not a mandatory requirement under the Insurance Act 2010. While actuarial certification is not legally required, the company continues to adopt rigorous internal methodologies and prudent assumptions to evaluate policy liabilities and maintain financial stability. These measures ensure that all obligations toward policyholders are recognized and managed effectively, consistent with industry best practices and regulatory expectations.

Satisfactory Record of Claim Settlement

City Insurance PLC prioritizes the swift and efficient settlement of insurance claims to build trust within the insuring community. For 30 years, we have consistently focused on timely claims resolution, ensuring our clients receive the support they deserve during unfortunate events.

Upon receiving a claim, our dedicated officers, along with trusted surveyors, promptly visit the loss location. In exceptional cases, senior executives personally visit the site to offer further assistance and reassurance, even for significant losses. City Insurance remains committed to providing exceptional client service, fostering lasting relationships, and ensuring peace of mind for our valued clients.

The net claims position for the last five years is outlined below:

Amount in BDT

Particular	2025	2024	2023	2022	2021
Fire	61,418,497	19,926,870	18,692,675	27,985,154	80,737,065
Marine Cargo	183,092,266	15,222,397	22,530,964	20,723,023	31,342,236
Marine Hull	183,011	38,209	184,599	44	-
Motor	2,525,456	1,830,468	2,348,839	4,270,958	3,637,234
Miscellaneous	16,691,314	(14,256,643)	413,182	33,587	53,670
Total	**99,126,634**	**22,761,301**	**44,170,259**	**53,012,766**	**115,770,205**

Outstanding Claim Position

To offer exceptional claims service, insurance companies must focus on reducing process friction, increasing efficiency, and improving both indemnity and expense outcomes, all while enhancing the client experience. At City Insurance, our outstanding claim position is strong, demonstrating our commitment to delivering seamless service. We continuously work to streamline our claims processes, lower costs, and maintain high satisfaction levels for our clients.

Currently, the number of outstanding claims in each class is being actively monitored and managed, ensuring that we address each claim promptly and fairly. Our team remains dedicated to maintaining a low level of outstanding claims, further reinforcing our position as a reliable and customer-centric insurer.

Particulars	Fire	Marine	Marine Hull	Motor	Miscellaneous	Total
Outstanding claims as at 31 Dec. 2025	15	70	-	1	5	91

Litigation Arisen Out of Outstanding Claims

City Insurance PLC has consistently upheld its reputation as the leading non-life insurance company in the industry since 1996. From its inception, the company has prioritized prompt and responsible claim settlements, adhering strictly to government regulations. This commitment has earned City Insurance an impeccable track record, with no history of litigation related to claims.

The Legal and Underwriting Department plays a pivotal role in safeguarding the company's interests. It gathers necessary documentation from clients for any litigation process, including the Certificate of Corporation, Memorandum of Association, Trade License, regulatory authority certificates, and case-specific documents. Any unsuitable or unfeasible document is promptly reported to the concerned department for swift action.

In collaboration with the negotiation team, the Legal and Underwriting Department ensures thorough guidance is sought before drafting client-related documents. All contracts are closely monitored, stored securely, and retained per record-keeping standards to maintain confidentiality and fulfill obligations efficiently.

Visualizing Success: City Insurance's Streamlined Claim Payment Process

City Insurance leads the industry with swift, transparent claim settlements, prioritizing customer satisfaction. Streamlined processes ensure efficient resolutions, earning widespread acclaim and trust. Innovative approaches set new standards, reinforcing its reputation as a customer-centric and reliable insurance provider.

During the year 2025, City Insurance paid almost BDT 99.13 mn, in settlement net claims for Fire, Marine Cargo, Motor, and Miscellaneous Insurance. Some snapshots are provided below:



Md. Shamim Hossain, Chief Executive Officer (First from the left) of City Insurance PLC., is seen presenting the Motor Insurance Claim cheque to the client.



Md. A. A. Asiful Islam Chowdhury (second from left), SVP & Branch In-charge, Islampur Branch, Dhaka, City Insurance PLC, hands over the Fire (IAR) Insurance Claim Cheque to Md. Masheur Rahman Shawon, Executive Director, Noman Group.



Mr. Mohammad Zia Uddin Dawan (On right), Head of Claims of City Insurance PLC and Mr. Subir Mistry (On left), Head of Underwriting, Risk & BCD handing over Fire Insurance Claim Cheque to our valued client.

Scan the QR code with your mobile device for more claims settlement photos.

REINSURANCE & **UNDERWRITING**

Reinsurance Arrangement With Local and Reputed Foreign Companies

City Insurance PLC has established a robust risk management framework through strategic partnerships in the form of a reinsurance treaty with a state-owned organization, namely Sadharan Bima Corporation. Additionally, the company has entered into facultative reinsurance arrangements with esteemed foreign reinsurers. This collaborative approach not only enhances the company's capacity to manage and mitigate risks effectively but also underscores its commitment to ensuring financial stability and security for its policyholders. The foreign reinsurers enlisted in our facultative reinsurance arrangements bring a wealth of expertise and global perspectives, further fortifying our position in the insurance landscape.

Local Reinsurer

- Shadharan Bima Corporation (SBC)

Foreign Reinsurer

- The New India Assurance Company.
- Compagnie Commune De Reassurance (CICA-RE).
- Best Meridian International Insurance Company I.I.
- Chubb Underwriting (DIFC) Ltd.
- QBE Insurance Group Limited.
- Beazley Syndicate.
- PT Asuransi Umum Mega (Mega Insurance).
- AM First Specialty Insurance Company.
- Sentinel Underwriting Specialty Market.
- Worldwide Reinsurance Limited.

Treaty Limits

The treaty limit in reinsurance arrangements is a key parameter defining the maximum liability the reinsurer agrees to assume under the treaty. This limit varies based on the treaty type:

Proportional Treaties: The limit is typically expressed as a percentage of premiums or losses shared between the insurer and reinsurer.

Non-Proportional Treaties (e.g., Excess of Loss): The limit is stated as a monetary threshold, with the reinsurer covering losses that exceed this specified amount.

Underwriting Guideline

For 30 years, our company has demonstrated unwavering commitment to Bangladesh's general insurance sector, navigating tough markets with resilience and leveraging our intellectual capital for effective strategies. Underwriting is a pivotal risk mitigation tool, shaping our decisions to protect against risks and losses, directly influencing our income. Our expertise in refining underwriting decisions, assessing probable maximum loss, and securing reinsurance arrangements, including with Sadharan Bima Corporation and overseas reinsurer, demonstrates our commitment to robust risk management. We prioritize thorough risk assessment through pre-inspections by appointed government licensed surveyors, and our proposed premium rates that are not mentioned in tariff are prepared through extensive data analysis, are often adopted by the Rating Committee. Beyond underwriting, we engage in market initiatives, customer retention efforts, and embrace digital advancements, attesting to our continuous commitment to excellence in the evolving insurance landscape.

At City Insurance PLC, our underwriting guidelines serve as the bedrock for sound risk management, ensuring that we provide comprehensive coverage to our clients while maintaining the financial stability of our company. These guidelines are designed to be dynamic, reflecting the evolving landscape of the insurance industry and aligning with our commitment to excellence.

1. Risk Assessment and Probable Maximum Loss (PML)

- Conduct a thorough risk assessment for each insurance coverage, evaluating the nature of the risk, potential exposures, and loss history.
- Determine the Probable Maximum Loss (PML) to quantify the potential maximum loss associated with a specific risk.

2. Underwriting Profitability

- Assess the expected underwriting profit for each policy, considering factors such as premium adequacy and loss ratios.
- Maintain a balanced portfolio to ensure sustained profitability over the long term.

3. Reinsurance Strategy

- Establish clear reinsurance arrangements, both domestically and internationally, to mitigate large exposures and protect against catastrophic losses.
- Regularly review and update reinsurance agreements to align with changing risk profiles.

4. Solvency Protection

- Evaluate the length of time reserves must be held to cover potential claims and ensure adequate capital is in place to protect solvency.
- Regularly assess capital adequacy in accordance with regulatory requirements.

5. Premium Rates

- The premium rates that are not mentioned in tariff are prepared based on a comprehensive analysis of data obtained from Central Rating Committee (CRC) and market conditions.
- Submit proposed rates to the Rating Committee, emphasizing our commitment to setting industry standards.

6. Pre-Inspection and Surveyors

- Prioritize risk prevention through pre-inspections conducted by appointed govt. licensed surveyors before undertaking a new large sum-insured risk.
- Collaborate with surveyors to enhance risk evaluation and loss prevention strategies.

7. Compliance and Regulatory Adherence

- Ensure compliance with regulatory requirements and adhere to industry standards and best practices.
- Regularly update underwriting practices to align with changes in regulations and legal frameworks.

8. Market Initiatives and Customer Retention

- Explore new business opportunities and markets to diversify the portfolio.
- Prioritize customer retention through proactive engagement, diversified services, and continuous communication.

9. Digital Adoption

- Embrace digital insurance initiatives to enhance efficiency, customer experience, and adaptability to changing market dynamics.
- Invest in technology for streamlined underwriting processes and improved data analytics.

10. Continuous Training and Development

- Provide ongoing training programs both internal and external for underwriting officers to ensure they stay abreast of industry advancements and possess advanced knowledge of insurance practices.

These underwriting guidelines are integral to our commitment to excellence, fostering a culture of risk awareness, innovation, and adaptability. Regular reviews and updates will be conducted to ensure their relevance and effectiveness in an ever-changing insurance landscape.



REFLECTING STRONG PROFITABILITY AND

SHAREHOLDER VALUE!

IN 2025, EPS (EARNINGS PER SHARE) REACHES

BDT 3.40

FINANCIAL
STATEMENTS



Independent Auditor's Report To the shareholders of

City Insurance PLC.

Report on the Audit of Financial Statements

We have audited the financial statements of City Insurance PLC (the Company), which comprise the Statement of Financial Position as at 31 December 2025, the Statement of Profit and Loss and Other Comprehensive Income, Statement of Appropriation Account, Statement of Consolidated Revenue Accounts, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 2020 and other applicable laws and regulation.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters were identified in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public limited entities, our results from those procedures.

Risk	Our response to the risk
Premium Income	
Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period. Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.	With respect to Premium income in respect of various types of insurance we carried out the following procedures: • The design and operating effectiveness of key controls around premium income recognition process. • Carried out analytical procedures and recalculated premium income for the period. • Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. • On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register. • Ensured on a sample basis that the premium income was being deposited in the designated bank account. • Tested on as sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan. • For a sample insurance contracts tested to see if appropriate level of reinsurance was done and whether that re-insurance premium was deducted from the gross premium. • Applying specialist judgment ensured if there is any impairment of the reinsurer. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

Risk	Our response to the risk
Investment Fluctuation Fund	
The company made a number of investments in the listed and unlisted capital market with required regulatory permission. Income generated from the investments (realized gain and dividend received) is credited to the Profit & Loss Account. Unrealized capital gain or loss if any is transferred to the Investment Fluctuation Fund subsequently or as per the policy of the company. This item has significant impact on the earnings performance of the company and return to the shareholders and might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.	We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following: • Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report. • Ascertained the valuation of the holding as per IFRS13. • Reviewed and challenged the assumptions used for the valuation models for any unquoted securities. • Recalculated unrealized gain or loss at the year end. • Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period. • Obtained the CDBL report and share portfolio and cross checked against each other to confirm unrealized gain or loss • Check the subsequent positioning of this unrealized amount after the year-end. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
Estimated liability in respect of outstanding claims whether due or intimated and claim payment	
This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company.	We tested the design and operating effectiveness of controls around the due and intimated claim recording process We additionally carried out the following substantive testings around the item: • Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis. • Obtained a sample of claimed policy copy and cross check it with claim. • Obtained a sample of survey reports and cross checked those against respective ledger balances and in case of discrepancy carried out further investigation. • Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. • Reviewed the claim committee meeting minutes about decision about impending claims. • Tested a sample of claims payments with intimation letter, survey report, bank statements, claim payment register and general ledger. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
Sundry Creditors	
This account represents the Sundry Creditors Tk. 104,355,315.00 balance payable to third parties throughout the next fiscal year. Some creditors, such as banks and other lenders, have lent to the company. The rest are accounted for as vendors/suppliers and accrued liabilities. Other creditors include the company's employees, regulatory bodies, and customers. There are secured creditors who have a registered lien on some of the company's assets. Please see Note No. 13.00	We have tested the design and operating effectiveness of controls around the due and payable recording process. We carried out the following audit procedures: • Obtained the creditors register and tested for completeness of credits recorded in the register on a sample basis. • Obtained a sample of bill payable recording process and cross check it with ledger. • Obtained a sample of provision create process and cross checked those against respective ledger balances and in case of discrepancy carried out further investigation. • Obtained and discussed with management about their basis for provision and challenged their provision creation where appropriate. • Reviewed on a sample basis payment calculation owed to regulatory bodies. • Tested a sample of lease payable with intimation letter, report, bank statement, register and general ledger. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.

Risk	Our response to the risk
Sundry Debtors	
The company has reported an amount of **Tk. 351,056,722.00** as **Sundry Debtors.** This line item is the accumulation of various items including office rent, security deposits, co-insurance commission, tax and collection control accounts and agents Balance Please see Note No. 22.00	• We tested the design and operating effectiveness of key controls around reporting, updating and adjusting of advance deposit held by the company. Additionally, we performed the following audit procedures: • Obtained office rental agreement and scrutinized the terms and conditions of the agreement and tallied against the advance reported. • Recalculated tax deduction and obtained sample of treasury challan pertaining to rent. • Obtained and reviewed documentations related to letter of credit, invoices. • Obtained documentation related to co-insurance and re-calculated commission and corresponding premium on a sample basis. • Obtained and confirmed the list of agents and verified their balances against their enlistment. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 2020 and other applicable Laws and Regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doings would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 2020 and the other applicable Laws and Regulations, we also report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of those books;

c) The Company's management has followed relevant provisions of laws and rules in managing the affairs of the company and proper books of accounts records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us;

d) As per section 63(2) of the Insurance Act, 2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been fully charged to the related Revenue Account and the statement of profit and loss & other comprehensive income of the company; and

e) As per section 54(5) of Insurance Act 2010 as amended, we report that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission is any form outside Bangladesh in respect of any of its business re-insured abroad;

f) The Company's Statement of Financial Position, Statement of Profit & Loss and Other Comprehensive Income, Statement of, Related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the Annexed Notes dealt with by the report agree with the books of accounts and returns; and

g) The expenditure incurred was for the purpose of the Company's business.



Quazi Shafiqul Islam FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Place: Dhaka
Date: 09 February, 2026
DVC: 2602090165AS337953

City Insurance PLC.

Statement of Financial Position

As at 31 December 2025

Amount in Taka

Particulars	Notes	2025	2024
Shareholders' equity & liabilities			
Authorized capital : 20,00,00,000 Ordinary	04.00 (A)	**2,000,000,0000**	**2,000,000,000**
Shares of Tk. 10.00 each.			
Share Capital		**772,411,222**	**772,411,222**
Paid up share capital	04.00 (B)	681,661,222	681,661,222
Premium on rights share		90,750,000	90,750,000
Reserve and Surplus		**811,565,266**	**669,525,899**
Reserve for exceptional losses	05.00	547,496,445	486,748,302
General reserve		26,000,000	26,000,000
Investment fluctuation fund	06.00	(80,065,674)	(65,130,562)
Profit & loss appropriation account balance/Retained earnings	07.00	318,134,495	221,908,159
Total Shareholders' Equity		**1,583,976,488**	**1,441,937,121**
Liabilities and Provisions		**870,222,990**	**745,526,778**
Balance of funds for unexperied risk	08.00	284,748,790	273,157,591
Premium deposits	09.00	240,910,448	213,398,286
Lease liability	09.01	6,711,100	-
Estimated liabilities in respect of outstanding claims whether due or intimated	10.00	54,572,803	18,717,514
Amount due to other persons or bodies carrying on insurance business	11.00	32,798,642	53,651,558
Income tax liability	12.00	140,601,088	95,015,143
Sundry creditors	13.00	104,355,315	90,175,214
Deferred tax liability	14.00	4,405,528	-
Un-claimed dividend account	15.00	1,119,276	1,411,472
Total Shareholders' Equity and Liabilities		**2,454,199,478**	**2,187,463,899**
Net Assets Value Per Share (NAV)	16.00	**23.24**	**21.15**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Statement of Financial Position

As at 31 December 2025

Amount in Taka

Particulars	Notes	2025	2024
Assets			
Non-Current Assets		**521,147,260**	**538,488,473**
Property, plant & equipment (Tangible assets)	17.00	42,274,678	45,059,670
Intangible assets	17.01	1,021,460	1,276,825
Right-of-use (ROU) assets	17.02	6,339,970	-
Investment		**471,511,152**	**492,151,978**
BD Govt. treasury bond	18.01	216,000,000	216,000,000
Investment in shares	18.02(i+ii)	255,511,152	276,151,978
Current Assets		**1,933,052,218**	**1,648,975,426**
Stamps in hand	19.00	2,212,577	3,332,655
Interest and dividend receivable	20.00	118,131,359	72,628,497
Amount due from other persons or bodies carrying on insurance business	21.00	178,600,425	200,335,204
Sundry debtors	22.00	351,056,722	318,629,119
Deferred tax assets	14.00	-	10,419,866
Cash & Cash Equivalents		**1,283,051,135**	**1,043,630,085**
Cash in hand		252,129	165,208
Cash at bank	23.01	74,216,956	33,452,898
Fixed deposit receipt (FDR)	23.02	1,208,582,050	1,010,011,979
Total Assets		**2,454,199,478**	**2,187,463,899**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2025

Amount in Taka

Particulars	2025	2024
Management Expenses (not applicable to any particular fund of accounts) :	**10,689,248**	**12,370,108**
Directors fee	1,001,779	938,670
Advertisement	1,322,263	2,188,563
Donation & subscription	175,000	1,349,952
Audit fee & legal expenses	1,292,656	754,143
Registration & renewal	1,054,281	1,146,208
Fees & charges	1,039,812	1,015,512
Depreciation	4,803,457	4,977,060
Written off (GMG airlines limited)- (Note: 18.03)	1,000,000	1,000,000
Profit before tax	**366,418,114**	**295,113,725**
Less: Deferred tax expenses (Note: 24)	17,600,321	117,602
Less: Provision for income tax (Note: 25)	117,052,978	85,312,020
Net profit after tax transferred to statement of appropriation account	**231,764,815**	**209,684,103**
Total	**378,107,362**	**308,483,833**

Statement of Appropriation Account

For the Year Ended 31 December 2025

Amount in Taka

Particulars	2025	2024
Reserve for exceptional losses	60,748,143	58,393,191
Cash dividend paid	5,260,891	20,107,484
Amount to be distributed as dividend (Note:35)	69,529,445	62,905,231
Balance transferred to financial position	318,134,495	221,908,159
Total	**453,672,974**	**363,314,065**
Earnings per share (EPS) (Note:29)	**3.40**	**3.08**
Total number of outstanding shares	**68,166,122**	**68,166,122**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2025

Amount in Taka

Particulars	2025	2024
Income from interest, dividend & others (Not applicable to any particular fund or account) :	**240,661,328**	**143,647,106**
Interest income on FDR, BD G.T. Bond & STD account (Notes-26)	227,558,383	100,500,068
Dividend income	10,025,656	18,042,537
Profit/(loss) on sale of share	666,886	23,620,121
Profit/(loss) on sale of fixed assets	659,787	531,905
Miscellaneous income	1,611,442	952,476
Deferred tax income	139,174	-
Profit/(loss) transferred from revenue account :	**137,446,034**	**164,836,727**
Fire revenue account	(40,830,747)	44,970,065
Marine cargo revenue account	179,096,312	128,150,971
Marine hull revenue account	(5,268,872)	(7,330,658)
Motor revenue account	9,654,037	7,381,407
Miscellaneous revenue account	(5,204,696)	(8,335,057)
Total	**378,107,362**	**308,483,833**

Statement of Appropriation Account

For the Year Ended 31 December 2025

Amount in Taka

Particulars	2025	2024
Balance brought forward from previous year	221,908,159	153,629,962
Net profit after tax for the year transferred from profit and loss and other comprehensive income	231,764,815	209,684,103
Total	**453,672,974**	**363,314,065**

Other Comprehensive Income

For the year ended December 31, 2025

Amount in Taka

Particulars	2025	2024
Net profit after tax	**231,764,815**	**209,684,103**
Other comprehensive income		
Changes in fair value with investment fluctuation fund and deferred tax adjustment -Note: 18.04	(14,935,112)	(75,634,396)
Total Comprehensive income for the year	**216,829,703**	**134,049,707**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Consolidated Revenue Account

For the year ended 31 December 2025

Amount in Taka

Particulars	Notes	2025	2024
		530,066,359	**438,201,055**
Claims under policies, less re-insurance	27.00	134,981,923	38,194,949
Agency commission		140,617,754	154,739,674
Management expenses		250,848,345	239,672,706
Insurance stamp expenses		3,618,337	5,593,726
Profit/(loss) transferred to statement of profit and loss and other comprehensive income		137,446,034	164,836,727
Closing balance of fund for unexpired risks : Reserve for unexpired risks being 40% of fire & motor, 50% of marine cargo & miscellaneous, 100% of marine hull on premium income of the year		284,748,790	273,157,591
Total		**952,261,183**	**876,195,375**
Opening balance of fund for unexpired risks		**273,157,591**	**208,765,814**
Gross premium		938,635,586	916,765,696
Less: Re-insurance premium ceded		(331,154,154)	(332,833,785)
Premium less re-insurance (Net premium)	28.00	**607,481,432**	**583,931,912**
Commission earned/accepted on re-insurance ceded		62,795,137	58,971,353
Profit commission		8,827,023	24,526,297
Total		**952,261,183**	**876,195,375**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Islam Quazi Shafique & Co. Dhaka

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Fire Insurance Revenue Account

For the year ended 31 December 2025

Amount in Taka

Particulars	Notes	2025	2024
		253,575,446	**160,891,866**
Claims under policies less re-insurance	27.00	110,267,360	18,379,213
Agency commission		42,136,500	50,499,102
Management expenses		97,582,489	86,458,355
Insurance stamp expenses		3,589,097	5,555,196
Profit/(loss) transferred to statement of profit and loss and other comprehensive income		(40,830,747)	44,970,065
Closing balance of fund for unexpired risks: Reserve for unexpired risks being 40% of premium income of the year		77,070,911	67,580,121
Total		**289,815,610**	**273,442,052**
Opening balance of fund for unexpired risks		**67,580,121**	**59,189,679**
Gross premium		312,356,047	285,302,158
Less: Re-insurance premium ceded		(119,678,770)	(116,351,855)
Premium less re-insurance (Net premium)	28.00	**192,677,277**	**168,950,303**
Commission earned on re-insurance ceded		20,823,525	20,805,064
Profit commission		8,734,687	24,497,006
Total		**289,815,610**	**273,442,052**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Marine Cargo Insurance Revenue Account

For the year ended 31 December 2025

Amount in Taka

Particulars	Notes	2025	2024
		236,950,639	**228,992,066**
Claims under policies less re-insurance	27.00	22,255,476	15,532,597
Agency commission		90,525,797	93,071,708
Management expenses		124,169,366	120,387,761
Profit/(loss) transferred to statement of profit and loss and other comprehensive income		179,096,312	128,150,971
Closing balance of fund for unexpired risks: Reserve for unexpired risks being 50% of premium income of the year		187,920,939	190,579,112
Total		**603,967,890**	**547,722,150**
Opening balance of fund for unexpired risks		**190,579,112**	**133,726,896**
Gross premium		532,291,912	521,702,615
Less: Re-insurance premium ceded		(156,450,034)	(140,544,388)
Premium less re-insurance (Net premium)	28.00	**375,841,878**	**381,158,227**
Commission earned on re-insurance ceded		37,546,901	32,837,027
Total		**603,967,890**	**547,722,150**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Islam Quazi Shafique & Co. Dhaka Chartered Accountants

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Marine Hull Insurance Revenue Account

For the year ended 31 December 2025

Amount in Taka

Particulars	Notes	2025	2024
		6,030,266	**11,549,965**
Claims under policies less re-insurance	27.00	183,011	38,209
Agency commission		2,458,013	5,138,333
Management expenses		3,389,242	6,373,423
Profit/(loss) transferred to statement of profit and loss and other comprehensive income		(5,268,872)	(7,330,658)
Closing balance of fund for unexpired risks: Reserve for unexpired risks being 100% of premium income of the year		4,580,005	331,751
Total		**5,341,399**	**4,551,058**
Opening balance of fund for unexpired risks		**331,751**	**3,614,294**
Gross premium		14,529,076	27,619,346
Less: Re-insurance premium ceded		(9,949,071)	(27,287,595)
Premium less re-insurance (Net premium)	28.00	**4,580,005**	**331,751**
Commission earned on re-insurance ceded		429,642	605,013
Total		**5,341,399**	**4,551,058**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Motor Insurance Revenue Account

For the year ended 31 December 2025

Amount in Taka

Particulars	Notes	2025	2024
		10,747,997	**13,533,928**
Claims under policies less re-insurance	27.00	1,389,038	2,897,297
Agency commission		2,802,272	3,930,923
Management expenses		6,537,230	6,680,793
Insurance stamp expenses		19,457	24,915
Profit/(loss) transferred to statement of profit and loss and other comprehensive income		9,654,037	7,381,407
Closing balance of fund for unexpired risks: Reserve for unexpired risks being 40% of premium income of the year		8,056,802	8,316,831
Total		**28,458,836**	**29,232,166**
Opening balance of fund for unexpired risks		**8,316,831**	**8,440,088**
Gross premium		20,243,043	20,792,078
Less: Re-insurance premium ceded		(101,038)	-
Premium less re-insurance (Net premium)	28.00	**20,142,005**	**20,792,078**
Total		**28,458,836**	**29,232,166**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Miscellaneous Insurance Revenue Account

For the year ended 31 December 2025

Amount in Taka

Particulars	Notes	2025	2024
		22,762,011	**23,233,230**
Claims under policies less re-insurance	27.00	887,038	1,347,633
Agency commission		2,695,172	2,099,608
Management expenses		19,170,018	19,772,374
Insurance stamp expenses		9,783	13,615
Profit/(loss) transferred to statement of profit and loss and other comprehensive income		(5,204,696)	(8,335,057)
Closing balance of fund for unexpired risks: Reserve for unexpired risks being 50% of premium income of the year		7,120,133	6,349,776
Total		**24,677,448**	**21,247,950**
Opening balance of fund for Unexpired risks		**6,349,776**	**3,794,857**
Gross premium		59,215,507	61,349,499
Less: Re-insurance premium ceded		(44,975,241)	(48,649,946)
Premium less re-insurance (Net premium)	28.00	**14,240,266**	**12,699,553**
Commission earned on re-insurance ceded		3,995,070	4,724,250
Profit commission		92,336	29,290
Total		**24,677,448**	**21,247,950**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Statement of Changes in Equity

As at 31 December 2025

Amount in Taka

Particulars	Share Capital (Paid-up)	Share Premium	Reserve for Exceptional Losses	General Reserve & Others	Investment Fluctuation Fund	Retained Earnings	Total
Balance as at 1st January 2025	681,661,222	90,750,000	486,748,302	26,000,000	(65,130,562)	221,908,159	1,441,937,121
Cash dividend paid during the year	-	-	-	-	-	(5,260,891)	(5,260,891)
Profit after tax during the year	-	-	-	-	-	231,764,815	231,764,815
Amount to be distributed as dividend (Note:35)	-	-	-	-	-	(69,529,445)	(69,529,445)
Appropriation made during the year	-	-	60,748,143	-	40,669,669	(60,748,143)	40,669,669
Adjustment of changes in fair value of share investment					(55,604,781)	-	(55,604,781)
Balance as at 31 December 2025	**681,661,222**	**90,750,000**	**547,496,445**	**26,000,000**	**(80,065,674)**	**318,134,495**	**1,583,976,488**

Statement of Changes in Equity

As at 31 December 2024

Amount in Taka

Particulars	Share Capital (Paid-up)	Share Premium	Reserve for Exceptional Losses	General Reserve & Others	Investment Fluctuation Fund	Retained Earnings	Total
Balance as at 1st January 2024	681,661,222	90,750,000	428,355,111	26,000,000	10,503,834	153,629,962	1,390,900,129
Cash dividend paid during the year	-	-	-	-	-	(20,107,484)	(20,107,484)
Profit after tax during the year	-	-	-	-	-	209,684,103	209,684,103
Amount to be distributed as dividend (Note:35)	-	-	-	-	-	(62,905,231)	(62,905,231)
Appropriation made during the year	-	-	58,393,191	-	16,412,207	(58,393,191)	16,412,207
Adjustment of changes in fair value of share investment					(92,046,603)	-	(92,046,603)
Balance as at 31 December 2024	**681,661,222**	**90,750,000**	**486,748,302**	**26,000,000**	**(65,130,562)**	**221,908,159**	**1,441,937,121**

Chief Financial Officer	Company Secretary	Chief Executive Officer	Director	Director	Chairman

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Islam Quazi Shafique & Co. Dhaka Chartered Accountants

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Statement of Cash Flows

For the year ended 31 December 2025

Amount in Taka

	Particulars	2025	2024
A.	**Cash flow from operating activities:**		
	Cash receipts from premium and others income	1,113,116,918	985,362,283
	Cash payment for management exp., re-insurance, claim & other exp.	(767,634,112)	(721,344,957)
	Income tax paid	(50,343,053)	(97,629,347)
	Net cash generated from operating activities	**295,139,753**	**166,387,979**
B.	**Cash flow from investing activities:**		
	Acquisition of fixed assets	(2,363,313)	(1,366,129)
	Disposal of fixed assets	1,000,000	580,211
	(Increased)/ decreased investment in shares & BGTB	5,834,831	22,800,000
	Dividend income	7,975,901	377,239
	Net cash generated from investing activities	**12,447,419**	**22,391,321**
C.	**Cash flow from financing activities:**		
	Dividend paid	(68,166,122)	(81,799,346)
	Net cash used in financing activities	**(68,166,122)**	**(81,799,346)**
D.	**Net cash inflows/(out flows) for the year (A+B+C)**	**239,421,050**	**106,979,954**
E.	**Opening cash and cash equivalents**	**1,043,630,085**	**936,650,131**
F.	**Closing cash and cash equivalents**	**1,283,051,135**	**1,043,630,085**
	Net operating cash flow per share (NOCFPS) (Note:30)	**4.33**	**2.44**

* The accounting policies and other notes from 1 to 36 form an integral part of the financial statements.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

Form-"AA"

Classified Summary of Assets

As at 31 December 2025

SL. No.	Particulars	Amount in Taka		Remarks
		2025	2024	
A	**Non-current assets**	**521,147,260**	**538,488,473**	
	Property, plant & equipment (Tangible assets)	42,274,678	45,059,670	Written down value
	Intangible asset	1,021,460	1,276,825	
	Right of use assets (ROU)	6,339,970	-	
	Investment	**471,511,152**	**492,151,978**	
	BD Govt. treasury bond	216,000,000	216,000,000	Not quoted in market
	Investment in shares	255,511,152	276,151,978	Quoted at market value
B	**Current Assets**	**1,933,052,218**	**1,648,975,426**	
	Stamps in hand	2,212,577	3,332,655	Realizable value
	Interest and dividend receivable	118,131,359	72,628,497	Realizable value
	Amount due from other persons or bodies carrying on insurance business	178,600,425	200,335,204	Realizable value
	Deffered tax assets	-	10,419,866	
	Sundry debtors	351,056,722	318,629,119	Realizable value
	Cash & cash equivalents	**1,283,051,135**	**1,043,630,085**	
	Cash in hand	252,129	165,208	Realizable value
	Cash at bank	74,216,956	33,452,898	Realizable value
	Fixed deposit receipt (FDR)	1,208,582,050	1,010,011,979	Realizable value
	Total assets (A+B)	**2,454,199,478**	**2,187,463,899**	

Certificate under regulation 7 (a) & (b) of Part 1 of the first Schedule of the Insurance Act 2010.

Certified that the values of all assets have been reviewed, that the said assets except the shares in listed companies, have been set forth in financial position at amounts not exceeding their realizable of market value, and that the investments in shares have been valued at fair value.

Chief Financial Officer | **Company Secretary** | **Chief Executive Officer**

Director | **Director** | **Chairman**

Auditor's report to the shareholders
This is the financial position referred to in our report annexed

Dated: Dhaka, 09 February, 2026
DVC: 2602090165AS337953

Quazi Shafiqul Islam, FCA
Enrolment No 0165
Islam Quazi Shafique & Co.
Chartered Accountants

City Insurance PLC.

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City Insurance PLC.

Notes to the Financial Statements

As at and for the year ended 31 December 2025

1.0 Legal Status and Nature of The Company

1.1 Legal Status and Country of Operation

The Company was incorporated on March 18, 1996 and obtained the certificate for commencement of business on March 25, 1996 from the Registrar of Joint Stock Companies and Firms and the License for Insurance Business from the Chief Controller of Insurance, Government of the People's Republic of Bangladesh on March 31, 1996. With the permission of Securities and Exchange Commission the company issued 900,000 ordinary shares at Tk.100 each to public in 2007 and 2008 was listed with Dhaka and Chittagong Stock Exchanges.

The registered office of the Company is located at Baitul Hossain Building (3rd floor), 27, Dilkusha C/A, Dhaka-1000, Bangladesh. The operation of the company is being carried out through its 41 branches located in different division in Bangladesh.

1.2 Nature of Business

The principal activities of the company are to offer general insurance products like as fire, marine cargo, and marine hull, motor, engineering and miscellaneous insurance. These products offer protection to policyholder's assets. Revenue under above activities is derived primarily from insurance premiums. There were no significant changes in the nature of the principal activities of the company during the year 2025 under review.

2.A Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements2) from 1st January 2023. The amendments require the disclosure of 'materials', rather than 'significant', accounting policies although the amendments did not result in any changes to the accounting policies themselves.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements. Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

- Current versus non-current classification
- Property, plant and equipment
- Financial instruments
- Materiality and aggregation
- Impairment
- Dividends and capital management
- Inventories
- Contingencies
- Employee benefits
- Provisions
- Earnings per share (EPS)
- Income tax expense
- Finance income and expenses
- Foreign currency transactions
- Revenue from contracts with customers
- Statement of cash flows
- Lease
- Share capital
- Events after the reporting period

2.1 Basis of Preparation of the Financial Statements

The financial statements of the company has been prepared in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Financial Reporting Council (FRC) under the Financial Reporting Act (FRA), 2015 and in addition the company also complied with the requirements of the following laws and regulations from various Government bodies:

i) The Insurance Act 1938 as amended 2010 & Insurance Rules 1958;

ii) The Companies Act 1994 (as amended 2020 and up to date);

iii) Circulars, Rules and Regulations issued by the Insurance Development and Regulatory Authority (IDRA) time to time;

iv) The accompanying financial statements have been prepared on a going concern basis under Generally Accepted Accounting Principles according to the historical cost convention, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business;

v) International Accounting Standards (IASs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) and International Financial Reporting Standards (IFRSs) and as are applicable in case of insurance business have been adopted by the company;

vi) The Income Tax Act 2023;

vii) Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Rules, 2020; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments thereon;

viii) Dhaka Stock Exchange PLC (DSE), Chittagong Stock Exchange PLC (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;

ix) The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;

x) Financial Reporting Act, 2015, and;

xi) Other applicable laws and regulations.

In case any requirement of the Insurance Act, 2010 and Insurance Rules 1958, Insurance Act, 1938 (as amended up to date) and provisions and circulars issued by the Insurance Development and Regulatory Authority (IDRA) differ with those of IFRSs as adopted, the requirements of Insurance Act, 2010 and Insurance Rules 1958, Insurance Act, 1938 (as amended up to date) and provisions and circulars issued by the Insurance Development and Regulatory Authority (IDRA) shall prevail.

As such the company has departed from those which are the requirements of IFRSs and IASs in order to comply with the rules and regulations of the Insurance Development and Regulatory Authority (IDRA) are disclosed below:

2.2 Presentation of Financial Statements

a) IFRS/IAS: As per IAS 1: Presentation of Financial Statements, a complete set of financial statements comprises a statement of financial position, a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non- current classification separately in its statement of financial position.

Insurance Development and Regulatory Authority (IDRA): A format of financial statements (i.e., balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) is prescribed in the the section 27 of the Insurance Act 2010 and regulation contained in part II of The First Schedule, Form "A" & part II of The Second Schedule, Form "B" & "C" & part II of The Third Schedule as per Form "F" in the Insurance Act 1938 and Insurance Rules 1958.

b) Name of the Financial Statements

IFRS/IAS: As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit and loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes comprising a summary of significant accounting policies and other explanatory information.

Insurance Development and Regulatory Authority (IDRA): The forms of financial statements preparation thereof are guided by the section 27 of Insurance Act 2010 and regulation contained in part II of The First Schedule, Form "A" & part II of The Second Schedule, Form "B" & "C" & part II of The Third Schedule as per Form "F" in the Insurance Act 1938 and Insurance Rules 1958 states the statement of financial position as balance sheet and statement of profit and loss and other comprehensive income as profit and loss account.

c) Investments in Shares and Securities

IFRS/IAS: As per requirements of IFRS 9: Financial Instruments, classification and measurement of investments in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Insurance Development and Regulatory Authority (IDRA): As per section 41 in the Insurance Act 2010 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investments.

d) Revaluation Gains/Losses on Government Securities

IFRS/IAS: As per requirement of IFRS 9, where securities will fall under the category of fair value through profit or loss account and any change in fair value of the asset is recognized through profit and loss account. Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Insurance Development and Regulatory Authority (IDRA): As per section 23 of the Insurance Act 2010 the market value on the day of deposit of securities deposited in pursuance of any of the provisions of this Act with the Bangladesh Bank shall be determined by the Bangladesh Bank whose decision shall be final. HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. HFT securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

e) Provision on Investments and Off-balance Sheet Items

IFRS/IAS: As per IFRS 9, an entity shall recognize an impairment allowance on investments (loans) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investments (loans) at an amount equal to the lifetime expected credit losses if the credit risk on these investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those investments (loans) for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 months' expected credit losses that may result from default events on investments that are possible within 12 months after reporting date.

Insurance Development and Regulatory Authority (IDRA): In these circumstances the Company follows section 41 of the Insurance Act, 2010

f) Disclosure of Appropriation of Profit

IFRS/IAS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Insurance Development and Regulatory Authority (IDRA): In these circumstances the Company follows the instructions as per The Second Schedule Part-I Regulations Form B & C of the insurance Act Insurance Act 1938 and Insurance Rules 1958.

g) Presentation of Intangible Assets

IFRS/IAS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Insurance Development and Regulatory Authority (IDRA: In this regards the Company follows the First Schedule- Forms AA as per Insurance Act 1938 and Insurance Rules 1958.

h) Other Comprehensive Income

IFRS/IAS: As per IAS 1, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Insurance Development and Regulatory Authority (IDRA): Other comprehensive income is presented according to the section 27 of the insurance Act 2010 and regulations contained in the part II of the Second Schedule Form B as per Insurance Act 1938 and Insurance Rules 1958.

i) Financial Instruments-Presentation and Disclosure

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-derivative financial instruments comprise deposits, sundry debtors, cash and cash equivalents, sundry creditors, intercompany payables, share capital and interest-bearing borrowings.

In several cases, Insurance Development and Regulatory Authority (IDRA) guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 cannot be made in the financial statements.

Financial Assets

The company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The company's financial assets comprise cash and cash equivalents, sundry debtors, deposits and advances and prepayments.

Investment Asset

Investment in Government securities (Treasury bills):

Investment in government securities shall be classified as financial assets measured at amortized cost, fair value through other comprehensive income and fair value through profit and loss on the basis of both:

a) The entity's business model for managing the financial assets; and

b) The contractual cash flow characteristics of the financial assets.

Amortized Cost: A financial shall be measured at amortized cost if both of the following conditions are met:

a) The financial assets is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value Through Other Comprehensive Income: A financial assets shall be measured at fair value through other comprehensive income if both of the following conditions are met:

a) The financial assets is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value Through Profit and Loss: A financial assets shall be measured at the fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Financial Liabilities

The Company initially recognizes financial liabilities in its statement of financial position when the Company becomes a party to the contractual provisions of the liability. The Company recognizes such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The company's financial liabilities comprise sundry creditors.

Statement of Liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per following basis:

- Investments in shares and securities are on the basis of their residual maturity term.
- Fixed assets are on the basis of their useful life.

- Other assets are on the basis of their adjustment.
- Other long-term liabilities are on the basis of their maturity term. Provisions and other liabilities are on the basis of their expected settlement.

Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 and the cash flow from the operating activities has been presented under direct method as prescribed by the Securities and Exchange Rules 2020.

Assets Quality

All investment in shares of the company are initially recognized at cost, being the fair value of the consideration given which include transaction cost and these are classified into the following categories:

- Held to Maturity
- Held for Trading
- Available for Sale

a) Held to Maturity

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost.

b) Held for Trading

These financial assets are acquired principally for the purpose of generating profit from short- term fluctuation in prices.

c) Available for Sale

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity is classified as available for sale. The company follows trade date accounting for 'regular purchase and sales' of investments.

Summary of cost value & fair value of share investments are given below:

SL. No	Years	Cost Value Amount (Tk.)	Market Value Amount (Tk.)
1	2025	416,286,081	156,311,152
2	2024	419,355,223	276,151,978
3	2023	415,900,336	354,567,916
4	2022	388,289,961	329,637,653
5	2021	376,907,486	321,371,729
6	2020	256,840,155	245,050,605
7	2019	191,637,979	169,234,101

Deposits

Deposits are measured at payment value which are expected to be recovered after completion a certain period or purpose.

Advances and Prepayments

After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment or inventory etc. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges for the period.

Offsetting a Financial Asset and a Financial Liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.3 Components of Financial Statements

The presentations of financial statements are prepared in accordance with the guidelines provided by the IDRA and as per requirement of Insurance Act 1938 (as amanded), Insurance Rules 1958 (as amanded) and Insurance Act 2010 and IAS 1: "Presentation of Financial Statement". A complete set of financial statements comprising of the following:

i) Statement of financial position as at December 31, 2025;

ii) Statement of profit and loss and other comprehensive income for the year ended December 31, 2025;

iii) Statement of appropriation account for the year ended December 31, 2025;
iv) Statement of changes in equity as at December 31, 2025;
v) Statement of cash flows for the year ended December 31, 2025;
vi) Consolidated revenue account for the year ended December 31, 2025;
vii) Fire insurance revenue account for the year ended December 31, 2025;
viii) Marine cargo insurance revenue account for the year ended December 31, 2025;
ix) Marine hull insurance revenue account for the year ended December 31, 2025;
x) Motor insurance revenue account for the year ended December 31, 2025;
xi) Miscellaneous insurance revenue account for the year ended December 31, 2025;
xii) Notes comprising a summary of material accounting policies and other explanatory information to the financial statements for the year ended December 31, 2025.

2.4 Revenue Recognition

Revenue is recognized in accordance with International Accounting Standard (IAS-18). Revenue from contracts with customers, unless otherwise mentioned or otherwise guided by the separate IAS/IFRS or by directives of the regulatory authority.

2.4.1 a) Gross Premium

Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period. They are recognized in the year on which the policy issued. Re-insurance premium are deducted from the gross premium to present the net premium income from insurance business. Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated as required by the Insurance Act 2010. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

b) Cover Notes Converted into Policy (CCP)

Amounts received against issue of cover notes that have not been converted into policy are not recognized as income. The cover notes which were previously issued are converted into insurance policy at the expiry of nine months from the date of issue of such cover notes as per circular of the then Insurance Development & Regulatory Authority (IDRA).

c) Public Sector Business (PSB)

As per government decision effective from April 1990, 100% Public Sector Insurance Business (PSB) is being underwritten by Sadharan Bima Corporation (SBC), 50% premium being retained by SBC and the remaining balance is equally distributed among 45 private sector insurance companies. Company's share of Public Sector Business (PSB) is accounted for in the year, in which the statement of accounts from the Sadharan Bima Corporation (SBC) is received up to 30 June, 2025. Statements of accounts for the period from 1st July 2024 to 30th June 2025 have been received from the Sadharan Bima Corporation and accordingly, the company's share of public sector business for that period has been accounted for in the accompanying accounts. This practice is being followed consistently.

d) Investment Income

(i) Income on Investments in Securities

Interest on FDRs, 5-years, 10- years, 15- years & 20- years Bangladesh Government Treasury Bond (BGTB) are recognized on accrual basis. Interest Income is recognized in the profit or loss account as it accrues and is calculated using the effective interest rate method. Fees and commission that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

(ii) Dividend Income on Shares

Dividend income on investment in shares are recognized when the company is entitled to dividend from the investee and shown in the statement of profit or loss and other comprehensive income. For stock dividend, the number of related shares of investee increases effecting decrease in average cost of investment.

e) Sale of Fixed Assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant & equipment is determined as the difference between sales proceeds and carrying amount of the assets and is recognized in profit or loss account as per provision IAS-16.

f) Re-Insurance Commission

Re-insurance commissions are recognized as revenue over the period in which the related services are performed.

2.4.2 Classification of Current Versus Non-current

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period;
- All other liabilities are classified as non-current;
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.4.3 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.4.4 Dividends and Capital Management

Final dividend distribution to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are declared and paid. The Company may issue bonus share as a part of stock dividend in any financial year, subject to approval from the board and Company's shareholders at the Annual General Meeting.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximize the shareholder value and to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

2.4.5 Operating Segments

A business segment is a distinguishable component of the company that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The company accounts for segment reporting of operating result using the classes of business. The performance of segments is evaluated on the basis of underwriting results of each segment. The company has four primary business segments for reporting purposes namely fire, marine, motor & miscellaneous.

2.4.6 Other Operating Income

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated as required by the Insurance Act 1938 as amended in 2010. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums. Re-insurance commissions are recognized as revenue over the period in which the related services are performed.

2.4.7 Finance Income and Costs

Finance income comprised profit earned on outstanding financial assets and finance costs comprises profit expense arises on outstanding financial liabilities.

2.4.8 Other Liabilities

Other liabilities comprise items such as provision for general investments, provision for investments in shares and securities, provision for taxation, profit payable, profit suspense, accrued expenses, obligation under finance lease, etc.

As per IAS 37: Provisions, Contingent Liabilities and Contingent Assets, the company recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

2.4.9 Stamps in Hand

Stocks of stamps have been valued at historical cost.

2.4.10 Taxation

(i) Provision for income tax

Provision for income tax has been made at best estimate keeping in view of the provisions of Income Tax Act 2023 & Income Tax paripatra 2025-2026. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. Income tax expense comprises current and deferred tax. It is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(ii) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any. Current tax assets/liabilities are offset if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for the Company is currently 37.5%.

(iii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- Temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improve.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.4.11 Contingent Liabilities as Income Tax Assessment

The status of Income Tax Assessment of the company is summarized in the table below:

Amount in Taka

SL. no	Income Year	Status of the disputed tax liabilities	Disputed Tax Liability	Remarks
1.	2006	Applied in the High Court via application no. 384/2010	2,664,828	
2.	2007	Applied in the High Court via application no. 642/2019	2,530,480	
3.	2008	Applied in the High Court via application no. 643/2019	6,803,967	
4.	2009	Applied in the High Court via application no. 644/2019	89,66,030	
5.	2010	Applied in the High Court via application no. 232/2020	8,935,394	
6.	2011	Applied in the High Court via application no. 233/2020	21,147,485	
7.	2012	Applied in the High Court via application no. 234/2020	21,062,377	
8.	2013	Applied in the High Court via application no. 916/2019	20,863,242	
9.	2014	Assessment completed and received income tax certificate		Settled
10.	2015	Assessment completed and received income tax certificate		Settled
11.	2016	Assessment completed and received income tax certificate		Settled
12.	2017	Assessment completed and received income tax certificate		Settled
13.	2018	Assessment completed and received income tax certificate		Settled
14.	2019	Assessment completed and received income tax certificate		Settled
15.	2020	Assessment completed and received income tax certificate		Settled
16	2021	Return submitted on 01.09.2022		Settled
17	2022	Return submitted on 12.09.2023		Settled
18	2023	Return submitted on 12.09.2024		Settled
19	2024	Return submitted on 10.09.2025		Yet to settled
		Total:	**92,973,803**	

2.4.12 Property, Plant & Equipment

a) Recognition & Measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16: Property, Plant and Equipment is measured at cost.

The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the IFRS.

The cost of an item of Property, Plant & Equipment is recognised as an asset if-

- it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.
- The cost of an item of Property, Plant & Equipment comprises:
- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period.

b) Depreciation

Depreciation on newly acquired assets are calculated on the basis of assets when it is available for use as on IAS-16 and no depreciation is charged for the year in which the assets are disposed of. Depreciation on all fixed asset are computed using the reducing balance method in amounts sufficient to write off depreciable assets over their estimated useful life

The annual depreciation rates applicable to the principal categories are	Percantage
Office and electrical equipment's	10%
Furniture and fixture	10%
Motor vehicles	10%
Office decoration	10%
Air conditioner	10%
Books	25%
Telephone	10%
Software	20%

c) Sale of Fixed Assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying amount of the asset and is recognized in Profit or Loss account as per provision of IAS 16.

d) Intangible Assets

Intangible assets that are acquired by the company and have finite useful lives are initially measured at their cost of acquisition and subsequently stated at their cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38, Intangible assets are met. The cost of intangible assets comprises purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use

e) Impairment of Assets

As per IAS 36, if the assets recoverable amount is lower than it's carrying amount, the carrying amount of the assets is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss on non-revalued assets is recognized in profit or loss. However, an impairment loss on a revalued asset is recognized in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduced the revaluation surplus for that asset.

f) Fair Value Measurement of Assets and Liabilities

IFRS 13 refers fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

2.4.13 Basis of Measurement

These financial statements have been prepared based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.4.14 Valuation of Assets

The value of all assets at December 31, 2025 as shown in the financial position have been reviewed and the said assets have been set forth in the financial position on amounts at their respective book value which in the aggregate do not exceed their aggregate market value.

2.4.15 Inventories

Inventory is the accounting of items, component parts and raw materials that a company either uses in production or sells. Inventories are measured at the lower of cost and net realizable value.

2.4.16 Trade & Other Receivables

Trade & other receivables are amounts accrued by an organization when it delivers goods or renders services to its customers in the ordinary course of business.

2.4.17 Write-Off

Write-off describes a reduction in recognized value. It refers to the recognition of the reduced or zero value of an asset. Generally, it refers to an investment for which a return on the investment is now impossible or unlikely. The item's potential return is thus canceled and removed from ("written-off") the company's financial position. Recovery against debts written-off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against are considered recoverable.

2.4.18 Collection Control Account

Collection control account is the outstanding premium for both policy and cover note in respect fire, marine and miscellaneous classes of business as at reporting date under bank guarantee which will be subsequently received and adjusted.

2.4.19 Trade Payables

Trade payables are any expenses incurred from vendors, suppliers or other third parties for goods or services provided in bringing the products to the customer.

2.4.20 Amount Due to Other Persons or Bodies Carrying on Insurance Business

Any amount is payable to foreign re-insurers, Sadharan Bima Corporation and other private sector insurance companies in respect of reinsurance arrangement with them. It also comprises includes all the amount payable to local insurance companies under co insurance premium.

2.4.21 Amount Due from Other Persons or Bodies Carrying on Insurance Business

Any amount is receivable from Sadharan Bima Corporation and other private sector insurance companies in respect of reinsurance arrangement with them.

2.4.22 Cash and Cash Equivalents

According to IAS 7 "Statement of Cash Flows" comprises cash in hand and demand deposits and cash equivalents are short term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value. IAS I "Presentation of Financial Statements "provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS 7 and IAS I, cash in hand, bank balances and FDR have been considered as cash and cash equivalents.

2.4.23 Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit of the year after tax has been considered as fully attributable to the ordinary shareholders.

2.4.24 Earnings Per Share (EPS)

The company calculates Earnings Per Share (EPS) in accordance with IAS 33 which has been shown on the face of statement of profit or loss and other comprehensive income. (Note: 29)

2.4.25 Diluted Earnings Per Share

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the company against such issue. There was no such commitment during the year and accordingly no dilution is required in the year 2025.

2.4.26 Benefits, Claims and Expenses Recognition

a) Gross Benefits and Claims

All insurance claims were occurring during the year and related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

b) Re-insurance Ceded

Necessary adjustment in respect of re-insurance ceded and accepted in Bangladesh has duly been made in respective revenue account as per treaty between the company and Sadharan Bima Corporation (SBC) and foreign re-insurances.

c) Re-insurance with Foreign Re-insurer

Fifty percent (50%) of the re-insurable non-life insurance business shall be re-insured with Shadharan Bima Corporation and the remaining fifty percent (50%) of such business may be re-insured either with the SBC or with any other insurer whether in or out of Bangladesh.

d) Claims

An insurance claim is a formal request to an insurance company asking for a payment based on the terms of the insurance policy. The company reviews the claim for its validity and then pays out to the insured or requesting party (on behalf of the insured) once approved.

The non-life insurance industry is witnessing shifting trends across policy administration, and claims—the two core functions in insurance.

The claims process is the defining moment in a non-life insurance customer relationship. To retain and grow market share and improve customer acquisition and retention rates, insurers are focused on enhancing customers' claims experience.

In a highly competitive insurance market, differentiation through new and more effective claims management practices is one of the most important and effective ways to maintain market share and profitability.

In particular, the company transforms the claims processing by leveraging modern claims systems that are integrated with robust business intelligence, document and content management systems. This will enhance claims processing efficiency and effectiveness. It can benefit the insurers both operationally and strategically by enabling them to reduce claims costs to improve their combined ratio, improve claims processing efficiency, and drive customer retention and acquisition. Now a days the company claim process is built on the followings:

- Claim document & content management tool
- Mobile based & smart phone-based technology solutions the key
- Straight-through processing (STP) to minimize delay
- Modern claim processing platform which is seamless & robust

(i) Normal Claim Process Followed by the Company:

All claim settlement activity is handled by City Insurance PLC in accordance with Section 72(1) of the Insurance Act 2010.

- If a loss arises from an insurance contract, the insured or the claimant must notify the City Insurance PLC as quickly as possible or within any prolonged period which the company may allow.
- The Claim Department of City Insurance PLC will reply right away upon receiving such a message and would clearly advise the insured of the steps that he or she needs to do. If a survey is required to evaluate a claim or loss, it ought to be completed as soon as the information is received.
- In case that the insured fails to provide the surveyor with all the necessary information, or if the insured does not cooperate fully, either the surveyor or the insurer, depending on which is applicable, will notify to the claim Department of City Insurance PLC in writing of the potential delay in the claim's evaluation.
- The surveyor will evaluate the loss in accordance with the authority's code of conduct and report his findings to concern department within 30 days of his appointment. If the insured requests it, a copy of the report will be provided. If the surveyor request for an extension from us for the filing of his report due to unusual or complex case circumstances, he must notify City Insurance PLC in advance.
- City Insurance PLC provide to the insured with a settlement offer for the claim within 90 days after receiving of the survey report or the supplemental survey report or claim documents (which one is last). If the claim department of City Insurance PLC decides to reject any claim under any policy, it must notify the insured in writing and do so no later than 90 days after receiving the survey report or extra survey report or claim documents (which one is applicable/last)
- City Insurance PLC will pay the debt as quickly as possible after the insured accepts the settlement offer.
- In accordance with IDRA Circular No. Non-Life 85/2021, two surveyors will be assigned to carry out the survey and evaluate the damage if the loss surpasses 40 lacs in the event of fire insurance and 20 lacs in the case of a marine hull (Inland) and other policies.

(ii) Claims of Workmen Compensation

Workmen Compensation is a form of employer insurance coverage that pays benefits to workers who are injured or become disabled as a result of their job. This insurance is basically for worker. Employer's liability for worker can transfer by doing this insurance policy to insurer. According to the Labor Act 2006 (as amended up to date) of Bangladesh insurer (City Insurance PLC) provide compensation to workers suffering employment injuries or to their dependents in case of work-related deaths. Compensation for death resulting from injuries, and for permanent disability, is fixed at the amounts prescribed in the Labor Act-2006 and its amendents-2018 (as amended up to date). In the case of deaths resulting from injuries, the amount is BDT 200,000, while for permanent total disability it is BDT 250,000. For partial permanent disability, the amount is a percentage of the permanent total benefit, depending on the nature of injury. Percentages are specified in the Act for more than 50 different injuries.

e) Re-insurance Claims

Re-insurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

f) Borrowing Costs

In accordance with International Accounting Standard (IAS-23)- borrowing costs include interest on bank overdraft and borrowings, finance charges on finance leases and exchange differences on foreign currency borrowings where they are regarded as an adjustment to interest costs.

g) Provision for Outstanding Claims

For general insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date.

2.4.27 Employee Benefits

City Insurance PLC offers a number of retirement benefit plans for all permanent employees of the company which include contributory provident fund and gratuity fund which have been accounted for in accordance with the provision of International Accounting Standard (IAS)-19, "Employee's Retirement Benefit"

(i) Provident Fund (Defined Contribution Plan)

A "Defined Contribution Plan" is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. The company has a contributory provident fund for its eligible employees. The eligible employees will contribute @ 10% of their basic salary and the company will make a matching contribution. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees.

(ii) Gratuity Fund (Defined Benefit Plan)

The company also operates a funded gratuity scheme for all eligible employees who complete minimum 5 years of confirmed service with the company in accordance with the provisions specified in IAS 19. Required amount of gratuity is calculated on the basis of last basic pay depending on the length for service for every completed year as well as proportionate to the fraction period of service as of respective financial year. This scheme is approved by the National Board of Revenue (NBR) and administered by an independent Board of Trustees.

Other Employee Benefits

Incentive Bonus

The company has a policy namely incentive bonus scheme for its employees who meets certain criteria based on their annual performance bonus is ascertained on net profit with approval in the Board Meeting and the expense is accounted for the year to which same relates.

2.4.28 Provisions

"A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted." For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date.

2.4.29 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Financial Reporting Act (FRA), 2015 was enacted in 2015. Under the FRA of the Financial Reporting Council (FRC), it is to issue financial reporting standards for public interest entities. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRSs) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the company continue to be prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and the Insurance Act 1938 as amended 2010 and up to date & Insurance Rules 1958, the Companies Act 1994 (as amended 2020 and up to date). Material deviations from the requirements of IFRSs and IASs are mentioned below;

Name of Adopted IAS	IAS No.	Status of application
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash flow	7	Applied
Accounting Policies, Changes in Accounting estimates and errors	8	Applied
Event after the Reporting Period	10	Applied
Construction Contacts	11	N/A
Income Taxes	12	Applied
Property, Plant & Equipment's	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants and Discloser of Govt. Assistants	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyper Inflationary Economies	29	N/A
Financial Instruments: Presentation	32	Applied
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition & Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No.	Status of application
First Adoption of IFRSs	1	N/A
Share Based Payment	2	N/A
Business Combination	3	N/A
Non- Current Assets Held for Sales and Discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments Disclosure	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidate Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferred Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied
Lease	16	Applied
Insurance Contracts	17	Not Applied

City Insurance PLC. Management has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline.

* Subject to departure in note no. 2.1

Standard issued but not yet effective

The following new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted, but the Company has not early adopted. However, none of these new and amended standards are expected to have a significant impact on the Company's financial statements.

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Lease liability in a Sale and Leaseback (Amendments to IFRS 16).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Lack of Exchangeability (Amendments to IAS 21)

2.4.30 Branch Accounting

The company has 41 branch offices with no overseas branch as on December 31, 2025. Accounts of the branches are maintained at the head offices which are included in the accompanying financial statements.

2.4.31 Contribution to Worker's Profit Participation Fund

A Workers Profit Participation Fund (WPPF) had provisioned in 2018 for meeting up its obligation in accordance with Bangladesh Labor Law 2006 as amended 2018 (and upto date). Total sum of Taka. 7,070,768 had provided in the financial statements in earlier years under the head "Provision for WPPF Fund". Required provision has not been made during the year due to non-insertion of any clause in regard to WPPF in Insurance Act 2010. Similarly, Bangladesh Insurance Association has corresponded with Financial Ministry on this matter requesting for clarification on the applicability of WPPF on Insurance Companies. As no decision has been yet concluded on such communications, CIPLC are yet to provide for the said provision. This is as per the direction of Bangladesh Insurance Association.

2.4.32 Lease Liabilities

City Insurance PLC has applied IFRS 16: "Lease" from 1 January 2025 using modified retrospective approach where the Company measured the lease liability at the present value of the remaining lease payments and recognized a Right-of-Use Asset at the date of 1 January 2025 on a lease by lease basis.

According to IFRS 16 Lease, a contract is, or contains, a lease if it conveys the right to control the use of an identified assets for a period of time in exchange for consideration

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from the use.

An asset is typically identified by being explicitly specified in contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

RIGHT-OF-USE ASSET:

IFRS 16: Lease has introduced a single on balance sheet lease accounting model for leases and replaces the previously adopted IAS 17: Lease. The standard requires that an asset acquired under a lease be recognized as Right of Use Asset and the corresponding liability as lease liability. The Lease shall measure the lease liability at the present value of future lease payment discounted using the interest rate implicit in the lease. The asset shall be depreciated over the lease period and the interest on the lease shall be charged as finance expense.

The company has been consistently recording its underlying assets acquired under lease as Right-of-Use Assets and the corresponding obligation as Lease Liabilities in the financial statements. The company has reclassified the assets acquired under the lease into Right-of-Use Assets are charged to the profit or loss account.

Depreciation on Right of Use Assets

Depreciation on Right of Use Assets (Financial Lease) is computed using the straight line method so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS 16 Property, Plant and Equipment the annual depreciation rates applied under this is considered reasonable by the management. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other liabilities.

2.4.33 Financial Instruments-Presentation and Disclosure

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-derivative financial instruments comprise deposits, sundry debtors, cash and cash equivalents, sundry creditors, inter company payables, share capital and interest-bearing borrowings.

In several cases, Insurance Development and Regulatory Authority (IDRA) guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 cannot be made in the financial statements.

2.4.34 Financial Instruments like Investments, Loans etc.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

a) Classification and Measurement of Financial Assets

IFRS 9: Financial Instruments- largely retains the existing requirements in IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 has not had a significant effect on RIL accounting policies related to financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value; the approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. Gains and losses on those financial assets classified as measured at fair value are either recognised in profit or loss or in other comprehensive income.

All equity instruments are measured at FVTPL unless they are not held for trading and an entity has elected to measure them at FVTOCI, in profit or loss except where an entity has elected to recognize gains and losses on an equity investment in other comprehensive income.

b) Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Unrealized gain and losses are recognized in OCI and are never reclassified to profit or loss.

2.4.35 Sundry Creditors

Sundry creditors are current liabilities and provisions that the company has to pay in due course. It also includes Company's liability for current tax which is calculated using tax rates that have been enacted at the balance sheet date.

2.4.36 Sundry Debtors

Sundry debtors consist of unpaid bills receivable from insured and other parties. Sundry debtors are recognized initially at original invoice amount and subsequently measured at the remaining amount less expected credit loss at the year end, which is made at the discretion of the management.

2.4.37 Accounting for Changes in Accounting Estimates

IAS-8 states that the effect of a change in an accounting estimate is to be applied prospectively/retrospectively by inclusion in the current accounting period and if relevant, in future accounting period. The carrying amount of assets, liabilities or equity may be changed following a change in accounting estimates in the period of the change

2.4.38 Foreign Currency

All foreign exchange transactions are converted to Bangladesh; taka, at the exchange rate prevailing on the date of transactions in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rate". Foreign currency balance has been translated into taka at prevailing rate of cutoff date and the difference between translation value or realization value and initial recognition is recognized in the face in statement of profit or loss and comprehensive income. Insurance contracts which were underwritten in foreign currency are converted to Bangladeshi taka at the rate of exchange prevailing at the time of underwriting and revenue is recognized accordingly.

2.4.39 Consistency of Presentation

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, City Insurance PLC applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, we have applied the same accounting and valuation principles in 2025 in the financial statements.

2.4.40 Basis of Consolidation

The consolidated Financial Statements will be prepared in accordance with IFRS 10: We City Insurance PLC prepared our financial statements as solo basis because we have no subsidiary. We have prepared Consolidated Revenue Account of Fire, Marine Cargo, Marine Hull, Motor & Miscellaneous Insurance.

3.00 Additional Information on Financial Statements / Other Relevant Policies

3.01 The Company's Compliance with Related Pronouncement of Insurance Development and Regulatory Authority (IDRA)

a) Risk Management Committee (RMC)

As per the guidelines outlined in the letter Ref. No. 53.03.0000.075.22.025.2020.230 from the Insurance Development and Regulatory Authority (IDRA), dated October 19, 2023, regarding the "Insurer's Corporate Governance Guidelines, 2023," City Insurance has formed the Risk Management Committee consists of 04 (four) members during its 210th Board of Directors meeting held on December 26, 2023, designating it as a compulsory Board committee.

Role of the Risk Management Committee

- It is the responsibility of the Risk Management Committee to determine the risks of various activities of the organization and formulate appropriate strategies for its control and ensure proper implementation. Risk management committee to monitor the organization's risk management policies and procedures and take corrective measures if necessary. Risk Management Committee to verify existing risk management procedures to ensure effective prevention and control measures;
- Determining risk limits and reporting to the Board on cost-benefit comparative analysis and qualitative review of identified risk exposures.
- Overall supervision including determination of institutional risk for all risks like insurance risk, current context risk, liquidity risk, business risk, compliance risk, legal risk etc.
- Advising the Board on corporate strategy, mergers and acquisitions and business risk mitigation decisions.
- Monitoring and reviewing updated information on relevant issues in business continuity.
- Adoption/preparation of appropriate action plans in existing risk mitigation systems.
- To review the solvency margin of the company and assist the company in meeting the required solvency margin given by the authority and to submit a report/report to the Board on the steps taken to mitigate the risks uncovered.

b) Investment Committee (IC)

As per the guidelines outlined in the letter Ref. No. 53.03.0000.075.22.025.2020.230 from the Insurance Development and Regulatory Authority (IDRA), dated October 19, 2023, regarding the "Insurer's Corporate Governance Guidelines, 2023," City Insurance has formed the Investment Committee consists of 05 (five) members during its 210th Board of Directors meeting on December 26, 2023, designating it as a compulsory Board committee.

Role of the Investment Committee

- Recommending to the Board of Directors for approval of the preparation of an effective Investment Policy in due compliance with the investment-related provisions of the Insurance Act 2010;
- The Investment Committee shall have access to all information, documents, reports, etc. relating to the investment of the company;
- Monitoring and reviewing reports prepared by the Finance department regarding investment and investment income monthly and informing the Board of Directors if necessary;
- Ensuring the appropriateness of the investment by considering the investment risk before investing;
- Considering the company's liability, invest in the appropriate investment category and review the risk and result of the investment quarterly from the Finance department to ensure timely and proper payment.
- Ensure necessary measures are taken to reduce investment risk.
- The Committee may take appropriate expert advice if necessary;
- Ensure necessary solvency preservation and advise the Board of Directors in this regard;
- Ensuring that funds of the company are not invested for the benefit of any member of the Board of Directors;
- Ensure that if there is a capital loss in the investment, it is properly accounted for in the financial statements.
- Overseeing the use of fixed assets and accounting of rental income if rent is paid;
- Overseeing the protection of the company's assets;
- Carrying out any other investment-related duties as assigned by the Board of Directors;

c) Policyholder Protection & Compliance Committee (PP&CC)

As per the guidelines outlined in the letter Ref. No. 53.03.0000.075.22.025.2020.230 from the Insurance Development and Regulatory Authority (IDRA), dated October 19, 2023, regarding the "Insurer's Corporate Governance Guidelines, 2023," City Insurance has formed the Policyholder Protection & Compliance Committee consists of 04 (four) members during its 210th Board of Directors meeting on December 26, 2023, designating it as a compulsory Board committee.

Role of the Investment Committee

- To review the complaints of the customers and give recommendations to the Board of Directors for the formulation of policies for quick settlement of the complaints and to supervise the implementation of the complaint redressal activities as per the policy;
- To submit regular reports to the Board of Directors about the number, nature, time of settlement and details of the complaints of the insurer;
- Define standard operating procedures for clarifying pre-determined Service Level Agreement, Clear Claim Servicing Parameters etc.;

- To take necessary measures to expedite the settlement of submitted insurance complaints, details of complaints including dues, matters to be taken in case of insurance claims, etc., to implement the laws, rules, and decisions of the authorities related to customer service and to ensure the commitments given by the company;
- To oversee the implementation of various initiatives to inform customer awareness and insurance related knowledge taken by the Company.

3.02 Disclosures of all Contingencies and Commitments

A. Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity.

The claim of tax liability by the Taxes Appellate Tribunal for the financial years sum up to BDT. 92,973,803. The company has disclaimed the liability and is defending the action by making writ petition with the High Court Division against the tribunal order. Legal advice obtained indicates that it is likely that the tax liability can be avoided.

Contingent Assets/Encumbrances on Assets

Contingent asset is a possible asset that arises from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognized. Only when the realization of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

B. Reserve or Contingencies

i) Balance of Funds for Unexperied Risk

These have been arrived at after making provision for unexpired risks @ 40% of Fire & Motor, 50% of Marine Cargo & Misc., Marine Hull insurance where provision has been made at 100% on net premium income.

As per Bangladesh gazette, Insurance Development and Regulatory Authority (IDRA), S.R.O No- 313/Act/2024 (Insurance Act 2010), Section 43 & 148 City insurance PLC created a fund for un- expired risk @ 40% of net premium income on fire & motor, 50% of net premium income on marine cargo and miscellaneous business and 100% on marine hull business in respect of future claims and expenses which may arise after closing of books.

ii) Amount to be Distributed as Dividend

According to addition of new section 16 (G) in the paripatra#01 (income tax) income year 2019-2020 and Income Tax Act 2023 (section-22) listed company in the capital market shall retain at least 30% as named "Amount to be distributed as dividend" from net profit after tax in the financial statements and the amount will be (231,764,815*30%)=BDT 69,529,445

iii) Reserves for Exceptional Losses

As per Income Tax Act -2023 Para-6 of the 4th schedule, to meet the exceptional losses, company sets aside 10% of the net premium income of the year which it is set aside from the balance of the profit to the reserve for exceptional losses.

iv. Foreign Currency Fluctuation Fund

The Company maintains a foreign currency account for the overseas transactions and recognize foreign currency gain / (loss) due to change in foreign currency translation rate.

v. Investment Fluctuation Fund

The company made investment in the capital market having large portfolio and income generated from the investment is credited to profit or loss account as realized basis. The company has created an investment fluctuation fund out of un-realized gain from capital market. As capital market of Bangladesh is volatile and market price of the stock and shares are changed very frequently.

vi. General Reserve

The company created a general reserve to avoid future contingency.

3.03 Comprehensive Related Party Disclosures Including Such Transactions Which Could have Potential Conflict with Interest of Company at Large

As per IAS 24 Related Party Disclosures, parties are considered to be related if one of the party has the ability to 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 have been given in Note: 32

3.04 Events After the Financial Position Date

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

The Company has adequate resources to continue in operation for the foreseeable future. For this reason management continues to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business.

3.05 Management Responsibilities on Financial Statements

The management of the company are responsible to reporting and preparation of financial statements true and fair view of the company's affairs in compliance with International Accounting Standards (IASs) and existing accounting standards and applicable laws.

3.06 Director's Responsibilities on Financial Statements

The Board of Directors are also responsible for the preparation and presentation of financial statements under section 183 of the Companies Act 1994 (as amended 2020 and up to date), Bangladesh Securities and Exchange Rules, 2020; listing regulations of Dhaka Stock Exchange PLC (DSE) & Chittagong Stock Exchange PLC (CSE) and as per the provision of "The International Accounting Standards Committee" (IASC). According to the "International Accounting Standards (IASs)-1" and in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) Presentation of Financial Statements" the complete set of Financial Statements includes the following components;

i) Statement of financial position (Balance Sheet).
ii) Statement of profit & loss and other comprehensive income (Profit & Loss Account).
iii) Statement of profit and loss appropriation account.
iv) Statement of changes in equity.
v) Statement of cash flows.
vi) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements.

The Board of Directors accepts their responsibility for the preparation and fair presentation of these financial statements.

3.07 Risk and Uncertainties for Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with the International Accounting Standards (IAS) requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the affect financial statements and revenue and expenses during the year reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as long- term contracts, provision for doubtful accounts, depreciation and amortization, employees benefit plans, taxes, reserves and contingencies.

3.08 Reporting Period

Financial statements of the company cover on calendar year from 1st January, 2025 to 31st December, 2025 (12 Months).

3.09 Segment Reporting

Segment reporting is the disclosure of financial detail of key units of our company business such as fire, marine, motor & miscellaneous insurance that is based on certain regulatory requirements. Such segment wise reporting helps the company's stake holder understands revenue expense and other ratios for each business unit and can decide about their investment accordingly.

3.10 Related Party Disclosures

A party is related to the company, if:

i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
ii) the party is an associate;

iii) the party is a joint venture;

iv) the party is a member of the key management personnel of the Company or its parent;

v) the party is a close member of the family of any individual referred to in (i) or (iv);

vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

3.11 Related Party Transactions

As per International Accounting Standards (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to 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 transactions have been given in (Note: 32.00)

3.12 Money Laundering Risk Management

The Company is taking preventive measures against money laundering and terrorist financing and proliferation financing in line with the Money Laundering Prevention Act, 2012 (amended 2015), Anti- Terrorism Act, 2009 (amended 2012 & 2013) and guidelines issued by the Bangladesh Financial Intelligence Unit (BFIU) from time to time. The Company applies risk sensitive customer due diligence measures, monitors business relationship and keeps records in line with regulations. The Company regularly collects the accurate and complete documentation of Know Your Customer (KYC) which enables the prudential prevention of money laundering. The Company has formed Central Compliance unit (CCU) headed by the Senior Executive Vice President (SEVP) & CFO as Chief Anti- Money Laundering Compliance Officer (CAMLCO) and the committee regularly monitors and ensures the compliance of issues relating to money laundering and terrorist financing and proliferation financing through the trained personnel of Head Office and Branches.

3.13 Corporate Governance

The Company has given the priority to the compliance of the rules, regulations and guidelines of Insurance Development and Regulatory Authority (IDRA), National Board of Revenue and Bangladesh Securities & Exchange Commission (BSEC). The Company has also complied with all related International Financial Reporting Standards (IFRSs).

3.14 Significant Deviation in Earnings Per Share (EPS)

EPS has been increased in the current year ended on 31st December, 2025 with comparison to the previous year 2024 because the company's interest income of FDR, dividend & others income have been increased significantly.

3.15 Significant Deviation in Net Operating Cash Flow Per Share (NOCFPS)

NOCFPS has been increased in the current year ended 31st December, 2025 with comparison to the previous year 2024 because the company's premium income and interest income of FDR & others income have been increased.

3.16 Significant Deviation in Net Assets Value Per share (NAV)

NAV has been increased in the current year ended 31st December, 2025 with comparison to the previous year 2024 because the company's cash & cash equivalents has been increased sharply.

3.17 Materiality and Aggregation

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the CIPLC has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards

3.18 Reporting Currency and Level of Precision

These financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), which is both functional and presentational currency of the Company. The amounts in these financial statements have been rounded off to the nearest BDT unless otherwise indicated. Because of these rounding off, in some instance the total may not match the sum of individual balances.

3.19 Summary of Significant Accounting Judgments, Estimates and Assumption

a) Application of Judgments, Estimates & Assumptions

According to IFRS confirmation the preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

b) Judgments

In the process of applying the accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

c) Estimates & Assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Key estimates and assumptions used in preparation of these financial statements are:

i) Applicable tax rate for Income Year 2024 has been calculated by the management @ 37.50%.

ii) Key measurements about the likelihood and magnitude of outflow of the resources have been used to recognize and measure provisions and contingencies.

In particular, information about significant areas of estimates and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in these financial statements are stated in the following notes:

- Note 17 : Property, plant and equipment
- Note 19 : Stamps in hand
- Note 22 : Sundry debtors
- Note 14 : Deferred tax (assets)/ liabilities
- Note 12 : Income tax liability

3.20 Going Concern

The Financial Statements have been prepared on a going concern principle which is the assumption that an entity will remain in business for the foreseeable future. Conversely, the Company has neither any intention nor any legal or regulatory compulsion to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices. Key financial parameters (including liquidity, profitability, asset quality, provision sufficiency, capital adequacy and credit rating) of the Company continued to demonstrate a healthy trend for a couple of years. The management is not aware of any material uncertainties that may cause to believe that significant doubt upon the Company's ability to continue as a going concern.

3.21 Risk Disclosures

Financial Risk Management

The Company has exposures to the following risks from its use of financial instruments:

i. Credit risk

ii. Liquidity risk

iii. Market risk

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company.

i. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

ii. Liquidity Risk

"Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company

has short term credit facilities with bank to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with bank are negotiated accordingly."

iii. Market Risk

Market risk is the risk that any changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

a. Currency Risk/Foreign Exchange Rate Risk

The Company is exposed to currency risk on purchases with foreign suppliers and borrowings. The Company's foreign currency transactions are denominated in United State Dollar (USD). But the Company had no foreign currency denominated assets/liabilities as at reporting date.

b. Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The Company is not significantly exposed to fluctuation in interest rates as it had neither floating interest rate bearing foreign currency financial liabilities nor had it entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date

3.22 Comparative Information

Comparative information has been disclosed in respect of the year 2025 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements. Figure of the year 2024 have been rearranged whenever considered necessary to ensure comparability with the current year.

3.23 Operating Environment

The Company operating environment during the year ended 2025 were impacted by a number of major global events such as ongoing Russia-Ukraine conflict, increase in fuel and commodity prices, strengthening of US Dollars, etc. Most of these events also had significant impact on the local economic environment affecting the business operations. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events. Management on regular basis review and monitor the global and country specific macro-economic situation and consider these issues into the decision making process.

3.24 Discontinued Operations

Discontinued operations is a term used in accounting to refer to the parts of a company's business that have been terminated and no longer operational. In accounting, discontinued operations are listed separately from continuing operations on financial statements so that external users of the statements do not become confused and inappropriately evaluate the profitability of the company.

3.25 Regulatory Compliances

As required, City Insurance PLC complied with following major legal provision in addition to the Companies Act, 1994 (as amended 2020 and up to date) and other applicable laws and regulations:

The Income Tax Act 2023 The Income Tax Rules & SRO

The Value Added Tax and Supplementary Duty Act, 2012 The Value Added Tax and Supplementary Rules, 2016 & SRO Securities & Exchange Commission Rules, 2020

Insurance Act, 1938 (as amended)

Insurance Rules, 1958 (as amended)

Insurance Act, 2010

Guide Line Issued by the IDRA

International Accounting Standards (IASs) International Financial Reporting Standards (IFRSs)

Rules and Regulations issued by the Insurance Development & Regulatory Authority (IDRA)

3.26 Authorization Date for Issuing Financial Statements

The financial statements were authorized by the Board of Directors in their 221st meeting held on 09th February, 2026.

3.27 General:

i) Figures appearing in these financial statements have been rounded off to the nearest Taka.

ii) Figures of previous year have been rearranged wherever necessary to conform to current year's presentation.

Amount in Taka

Notes	Particulars	31 December 2025	31 December 2024
04.00	**SHARE CAPITAL:**		
	A. AUTHORISED CAPITAL: 2,000,000,000		
	Authorized capital 200,000,000 ordinary shares of Tk.10 each	2,000,000,000	2,000,000,000
	B. ISSUED,SUBSCRIBED AND PAID UP CAPITAL: Tk. 681,661,222		
	Opening balance 68,166,122 ordinary shares of Tk. 10 each	681,661,222	681,661,222
	Balance as on December 31, 2025	**681,661,222**	**681,661,222**

The percentage of shareholding as on December 31, 2025 is as follows:

Group Name	No. of Shareholders	No. of Shares	Percentage (%)
Director & Sponsors	18	24,581,629	36.06
General Public	2,421	19,820,248	29.08
All Institute & Investors Account	101	23,755,086	34.85
Non-Resident Bangladeshi (NRB)	14	9,159	0.01
Total	**2,554**	**68,166,122**	**100.00**

Distribution schedule of each class of equity security setting out the number of share holders and percentage :

Share Holding Range	No. of Shareholders	No. of Shares	Percentage
1-500	1,490	151,372	0.22
501-5000	699	1,292,890	1.90
5001-10000	113	860,867	1.26
10001-20000	77	1,076,423	1.58
20001-30000	38	925,808	1.36
30001-40000	23	799,307	1.17
40001-50000	14	612,954	0.90
50001-100000	38	2,846,458	4.17
100001-1000000	42	15,526,681	22.78
1000001-9999999	20	44,073,362	64.66
Total	**2,554**	**68,166,122**	**100.00**

Amount in Taka

	Particulars	31 December 2025	31 December 2024
05.00	**RESERVE FOR EXCEPTIONAL LOSSES: TK. 547,496,445**		
	Balance as on January 01, 2025	486,748,302	428,355,111
	Add : Provision for during the year 2025	60,748,143	58,393,191
	Balance as on December 31, 2025	**547,496,445**	**486,748,302**
06.00	**INVESTMENT FLUCTUATION FUND TK. (80,065,674)**		
	Balance as on January 01, 2025	(65,130,562)	10,503,834
	Add : Provision for during the year 2025	38,033,915	52,708
	Add : Deferred tax on unrealized loss on share investment (Note no: 14-iv.)	2,635,753	16,359,499
	Sub-Total	**(24,460,894)**	**26,916,041**
	Less: Adjustment during the year 2025	(55,604,780)	(92,046,603)
	Balance as on December 31, 2025	**(80,065,674)**	**(65,130,562)**

Amount in Taka

Notes	Particulars	31 December 2025	31 December 2024
07.00	**Profit & Loss Appropriation Account Balance/Retained Earnings: TK. 318,134,495**		
	Balance as on January 01, 2025	221,908,159	153,629,962
	Cash dividend paid during the year 2025	(5,260,891)	(20,107,484)
	Profit after tax during the year 2025	231,764,815	209,684,103
	Amount to be distributed as dividend during the year 2025 (Note:35)	(69,529,445)	(62,905,231)
	Provision for reserve for exceptional losses during the year 2025 (Note no: 05)	(60,748,143)	(58,393,191)
	Balance as at 31 December 2025	**318,134,495**	**221,908,159**

08.00 BALANCE OF FUNDS FOR UNEXPERIED RISK: TK. 284,748,790

The above balance of funds for unexperied risk and accounts comprises of the followings:

1.	Fire insurance business (Net premium*40%) (Note: 28)	77,070,911	67,580,121
2.	Marine cargo insurance business (Net premium*50%) (Note: 28)	187,920,939	190,579,112
3.	Marine hull insurance business (Net premium*100%) (Note: 28)	4,580,005	331,751
4.	Motor insurance business (Net premium*40%) (Note: 28)	8,056,802	8,316,831
5.	Miscellaneous insurance business (Net premium*50%) (Note: 28)	7,120,133	6,349,776
Balance as on December 31, 2025		**284,748,790**	**273,157,591**

The statement of accounts in details are shown in class wise revenue account.Balance of funds unexperied risk have been calculated as per Bangladesh Gazette Notification, Proggapon/Probhidanmala,dated 18 September 2024,SRO No.313-Act/2024 AD issued by the Insurance Development & Regulatory Authority (IDRA).

09.00 PREMIUM DEPOSITS: TK. 240,910,448

This represents the amount of premium collected excluding VAT against cover notes for which no policy has been issued up to December 31, 2025. The breakup is as under:

1.	Marine cargo insurance business	240,907,284	213,398,286
2.	Misc. insurance business	3,164	-
Balance as on December 31, 2025		**240,910,448**	**213,398,286**

09.01 Lease Liability: Tk. 6,711,100

Short Time Lease Liability	3,560,759.00	-
Long Term Lease Liability	3,150,341	-
Balance as on December 31, 2025	**6,711,100**	**-**

City Insurance PLC has applied IFRS 16: "Lease" from 1 January 2025 using modified retrospective approach where the Company measured the lease liability at the present value of the remaining lease payments and recognized a Right-of-Use Asset at the date of 01st January 2025 on a lease by lease basis.

10.00 ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CALIMS WHETHER DUE OR INTIMATED: TK. 54,572,803

This amount consists of as follows:

1.	Fire insurance business	50,282,711	1,433,848
2.	Marine cargo insurance business	4,290,092	343,882
3.	Motor insurance business	-	1,135,508
4.	Misc. insurance business	-	15,804,276
Balance as on December 31, 2025		**54,572,803**	**18,717,514**

11.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: TK. 32,798,642

This balance is due to SBC on account of re-insurance business agreement up to 3rd quarter statement of 2025 submitted to the company and the amount payable to others overseas re-insurers. Breakup is as under:

Balance as on January 01, 2025	53,651,558	82,012,410
Add : Payable during the year 2025	134,312,191	112,659,050
Sub-Total	**187,963,749**	**194,671,460**
Less: Adjustment during the year 2025	(155,165,107)	(141,019,902)
Balance as on December 31, 2025	**32,798,642**	**53,651,558**

Amount in Taka

Notes	Particulars	31 December 2025	31 December 2024
12.00	**INCOME TAX LIABILITY : TK. 140,601,088**		
	Break up is as under:		
	Balance as on January 01, 2025	95,015,143	175,899,514
	Add : Provision for the year 2025 (Note: 25)	117,052,978	85,312,020
	Sub-Total	**212,068,121**	**261,211,534**
	Less: Adjustment during the year 2025	(71,467,033)	(166,196,391)
	Balance as on December 31, 2025	**140,601,088**	**95,015,143**
13.00	**SUNDRY CREDITORS: TK. 104,355,315**		
1	Audit fees payable	400,116	358,116
2	VAT payable	11,608,218	7,802,296
3	Provision for workers P.P.F.	7,070,768	7,070,768
4	Amount to be distributed as dividend payable	69,529,445	62,905,231
5	Insurance stamps on deposit premium	8,164,170	4,832,506
6	Co insurance premium payable	356,797	906,409
7	TDS payable	1,742,319	713,521
8	VDS payable	640,542	528,792
9	Fund allocation for motor car	4,480,000	4,792,899
10	Fund allocation for motor cycle	324,484	264,676
11	Refund premium payable	38,456	-
Balance as on December 31, 2025		**104,355,315**	**90,175,214**
14.00	**DEFERRED TAX (ASSETS)/LIABILITY: TK. 4,405,528**		
	Balance as on January 01, 2025	(10,419,866)	5,822,031
	Add : Provision for the year 2025 (note:14-iv)	(2,635,753)	(16,359,499)
	Add : Deferred tax expense for the year 2025 (note:24)	17,600,321	117,602
	Add: Deffered tax (income)/expenses on lease liability (note:14-iii)	(139,174)	-
	Balance as on December 31, 2025	**4,405,528**	**(10,419,866)**
	Calculation of deferred tax items wise		
i.	Fixed assets carrying amount (annexure-A)	43,296,138	46,336,495
	Less: tax base [IAS-12 (7)] (annexure-B)	(40,084,152)	(42,221,551)
	Deductible temporary differences	3,211,986	4,114,944
	Effective tax rate	37.50%	37.50%
	Closing deferred tax liability	1,204,495	1,543,104
	Opening deferred tax liability	1,543,104	1,682,459
	Deferred tax expense/(income)	**(338,609)**	**(139,355)**
ii.	Interest receivable	69,987,476	22,150,331
	Less: tax base	-	-
		69,987,476	22,150,331
	Effective tax rate	37.50%	37.50%
	Closing deferred tax liability/ (asset)	26,245,304	8,306,374
	Opening deferred tax liability	8,306,374	8,049,417
	Deferred tax expense/(income)	**17,938,930**	**256,957**
iii.	Carring amount of right of use assets (RoU)	6,339,970	-
	Less: closing balance of lease liability as on December 31, 2025	(6,711,100)	-
	Temporary difference	(371,130)	-
	Tax base	-	-
		(371,130)	-
	Effective tax rate-37.5%	37.50%	37.50%
	Deffered tax (income)/expenses	**(139,174)**	**-**

Amount in Taka

Notes	Particulars		31 December 2025	31 December 2024
	iv.	Fair value of the investment	156,311,152	175,951,978
		Less: cost price of investment	317,086,082	319,155,223
		Accounting base	(160,774,930)	(143,203,245)
		Less: tax base	-	-
		Effective tax rate	15%	15%
		Closing deferred tax liability/ (asset)	(24,116,240)	(21,480,487)
		Opening deferred tax liability	(21,480,487)	(5,120,988)
		Deferred tax expense/(income)	**(2,635,753)**	**(16,359,499)**

15.00 UN-CLAIMED DIVIDEND ACCOUNT Tk. 1,119,276

Closing balance of un-claimed dividend & dividend account	**1,119,276**	**1,411,472**
Less: Interest income payable on un-claimed dividend accounts	(28,879)	(1,386)
Balance as per cash dividend warrant summary including suspense account	**1,090,397**	**1,410,086**

Breakup is furnished below

Cash disbursement year	Un-distributed Dividend with suspense a/c	Un-distributed Dividend with suspense a/c
Cash disburseement year 2021 but not transferred to CMSF	-	526,392
Cash disburseement year 2022 but not transferred to CMSF	515,079	518,069
Cash disburseement year 2023 but not transferred to CMSF	362,229	365,625
Cash disburseement year 2024 but not transferred to CMSF	213,404	-
Grand Total	**1,090,712**	**1,410,086**

16.00 NET ASSET VALUE: TK. 1,583,976,488

The offer price of the common stock of City Insurance PLC. has been determine on the basis of net asset value. The break up is given below:

Investment	471,511,152	492,151,978
Interest, dividend and rent receivable	118,131,359	72,628,497
Amount due from other persons or bodies carrying on insurance business	178,600,425	200,335,204
Sundry debtors	351,056,722	318,629,119
Cash & cash equivalents	1,283,051,135	1,043,630,085
Deffered tax assets	-	10,419,866
Property, plant & equipment & Intangible assets	43,296,138	46,336,495
Right of use assets(RoU)	6,339,970	-
Stamp in hand	2,212,577	3,332,655
Total assets (A)	**2,454,199,478**	**2,187,463,899**
Balance of funds for unexpaired risk	284,748,790	273,157,591
Premium deposits	240,910,448	213,398,286
Lease Liability	6,711,100	-
Estimated liabilities in respect of outstanding claims whether due or intimated	54,572,803	18,717,514
Amount due to other persons or bodies carrying on insurance business	32,798,642	53,651,558
Sundry creditors	104,355,315	90,175,214
Income tax liability	140,601,088	95,015,143
Deffered tax liability	4,405,528	-
Un-claimed dividend account	1,119,276	1,411,472
Total liabilities (B)	**870,222,990**	**745,526,778**
Net assets (A-B)	**1,583,976,488**	**1,441,937,121**
Number of shares (C)	**68,166,122**	**68,166,122**
Net assets value per share {(A-B)/C}	**23.24**	**21.15**

Amount in Taka

Notes	Particulars	31 December 2025	31 December 2024
17.00	**PROPERTY, PLANT AND EQUIPMENT (TANGIBLE ASSETS): TK. 42,274,678**		
	Details of the above have been shown in Annexure-A. Depreciation has been charged on all fixed assets at reducing balance method.		
	Cost of Property, Plant & Equipment as on January 01, 2025	**144,931,551**	**144,852,626**
	Add: Addition during the year 2025	2,363,313	1,366,129
	Less:Disposal during the year 2025	(4,550,000)	(1,287,204)
	Cost of Property, Plant & Equipment as on December 31, 2025 (A)	**142,744,864**	**144,931,551**
	Accumulated depreciation as on January 01,2025	99,871,881	96,356,960
	Add:Depreciation during the year 2025	4,548,092	4,657,854
	Less: Disposal of accumulated depreciation during the year 2025	(3,949,787)	(1,142,933)
	Balance of Accumulated depreciation as on December 31, 2025 (B)	**100,470,186**	**99,871,881**
	Written Down Value as on 31 December 2025 (A-B)	**42,274,678**	**45,059,670**
17.01	**INTANGIBLE ASSETS: TK. 1,021,460**		
	Details of the above have been shown in Annexure-A1. Depreciation has been charged on all fixed assets at reducing balance method.		
	Cost of Intangible Assets as on January 01, 2025	**3,437,931**	**3,437,931**
	Add: Addition during the year 2025	-	-
	Cost of Intangible Assets as on December 31, 2025 (A)	**3,437,931**	**3,437,931**
	Accumulated depreciation as on January 01,2025	2,161,106	1,841,900
	Add: Depreciation during the year 2025	255,365	319,206
	Balance of Accumulated depreciation as on December 31, 2025(B)	**2,416,471**	**2,161,106**
	Written Down Value as on 31 December 2025 (A-B)	**1,021,460**	**1,276,825**
17.02	**RIGHT - OF-USE ASSETS: Tk. 6,339,970**		
	Details of the above have been shown in Annexure-A2. Depreciation has been charged on all fixed assets at straight-line method.		
	Cost of Right -of-Use Assets: as on January 01, 2025	**-**	**-**
	Add: Addition during the year 2025	**9,957,560**	**-**
	Cost of Right -of-Use Assets: as on December 31, 2025 (A)	**9,957,560**	**-**
	Accumulated depreciation as on January 01,2025	**-**	**-**
	Add: Depreciation during the year 2025	**3,617,590**	**-**
	Balance of Accumulated depreciation as on December 31, 2025(B)	**3,617,590**	**-**
	Written Down Value as on 31 December 2025 (A-B)	**6,339,970**	**-**
18.00	**INVESTMENTS: Tk. 216,000,000**		

18.01 BD Govt. Treasury Bond:

Amount in Taka

SL. NO	Particulars of Investment	31 December 2025	31 December 2024
1	BD Govt. Treasury Bond (deposit with National Bank Ltd.)	216,000,000	216,000,000
Sub-Total		**216,000,000**	**216,000,000**

A sum of Tk. 21,60,00,000 was invested in Bangladesh Govt. Treasury Bond at cost kept with National Bank Ltd. as statutory deposit as required under section 23 and 24 of the Insurance Act, 2010 (The First schedule item 2(B). The above investment consisting eight Bangladesh Govt. Treasure Bond. The details of the each investment is mention below:

Sl. No.	Particulars of Investment					
Nature of Security	ISIN No.	Interest Rate	Issue date	Maturity date	Amount (in Taka) 31 December 2025	Amount (in Taka) 31 December 2024
15Y BGTB	BD0931401154	7.79%	27.04.2016	27.04.2031	9,000,000	9,000,000
05Y BGTB	BD0926321052	4.25%	18.03.2021	18.03.2026	10,000,000	10,000,000
10Y BGTB	BD0931401105	5.80%	19.05.2021	19.05.2031	15,000,000	15,000,000
20Y BGTB	BD0941451207	6.07%	30.06.2021	30.06.2041	14,000,000	14,000,000
10Y BGTB	BD0931561106	6.08%	19.10.2021	19.10.2031	22,000,000	22,000,000
10Y BGTB	BD0932111109	8.10%	21.09.2022	21.09.2032	24,000,000	24,000,000

Sl. No.	Particulars of Investment					
Nature of Security	ISIN No.	Interest Rate	Issue date	Maturity date	Amount (in Taka) 31 December 2025	Amount (in Taka) 31 December 2024
15Y BGTB	BD0937821157	7.98%	27.04.2022	27.04.2037	106,000,000	106,000,000
05Y BGTB	BD0928461054	8.75%	14.06.2023	14.06.2028	16,000,000	16,000,000
Grand Total					**216,000,000**	**216,000,000**

Accrued interest on such Bond up to December 31, 2025 has been accounted for.

18.02 (i) SHARES OF LISTED COMPANIES:

Investment has been recorded at cost . Market value of securities has been determined on the basis of the value of securities of last trading day of the year as follows-

SL. NO	Name of the Company	No. of Share	Cost Value (Tk.)	Market Value (Tk.) 2025	Market Value (Tk.) 2024
1	City Bank Limited	-	-	-	4,928,000
2	Intraco Refueling Station PLC	125,000	5,239,427.50	2,537,500	2,525,000
3	BXPHARMA	20,300	2,633,113.00	2,072,630	-
4	MJLBD	101,750	10,292,119.31	9,208,375	-
5	BATBC	1,600	921,840.00	397,760	588,160
6	BEXIMCO	39,900	4,701,417.00	4,392,990	4,392,990
7	GENEXIL	106,080	11,923,392.00	2,853,552	3,086,928
8	BRACBANK	-	-	-	368,039
9	ANWARGALV	-	-	-	2,068,271
10	Rangpur Dairy & Food Products Ltd.	3,000	74,849.40	58,800	-
11	PRIMETEX	21,000	867,300.00	285,600	252,000
12	LHB	2,460,419	236,658,354.02	114,901,567	132,616,584
13	Bangladesh Finance Limited	213,020	9,611,217.47	2,854,468	2,513,636
14	Runner Auto	65,000	3,431,437.20	2,385,500	1,696,500
15	Bangladesh Shipping Corp.	32,100	4,173,984.00	3,566,310	3,039,870
16	Bashundhra Paper Mills Limited	256,000	19,587,635.20	6,425,600	7,552,000
17	Power Grid Company of BD. Ltd	85,000	3,724,016.09	2,269,500	3,553,000
18	Summit Alliance Port.Ltd.	-	-	-	4,340,000
19	Unique Hotel & Resorts PLC	55,000	3,245,978.95	2,101,000	2,431,000
Sub-Total			**317,086,081**	**156,311,152**	**175,951,978**

The company made investment in the capital market having large portfolio as stated above. It is the companies policy to account for any losses or gain in the profit and loss account on realization basis. Since Bangladesh capital market is very volatile and market price of securities is changed frequently, the securities are valued at fair value according to the IAS 39 & IFRS 13. In this regard the company has created a investment fluctuation fund from un-realized share profit for the year 2025.

18.02 (ii) SHARES OF NON- LISTED COMPANIES:

Amount in Taka

SL. No	Particulars Of Investment	No. of Shares	31 December 2025	31 December 2024
1	GMG Airlines Ltd. (Note-18.03)	220,000	3,000,000	4,000,000
2	Bangladesh Finance Securities Limited	9,327,500	91,000,000	91,000,000
3	Al Faruqe Bags Ltd.	500,000	5,000,000	5,000,000
4	Classic Foils Ltd.	22,400	200,000	200,000
Sub-Total			**99,200,000**	**100,200,000**
Balance as on December 31, 2025 [18.02(i)+18.02(ii)]			**255,511,152**	**276,151,978**

Amount in Taka

Notes	Particulars	31 December 2025	31 December 2024
	18.03 GMG AIRLINES LIMITED		
	Balance as on January 01, 2025	4,000,000	5,000,000
	Less: Written off during the year 2025	(1,000,000)	(1,000,000)
	Balance as on December 31, 2025	**3,000,000**	**4,000,000**

As per decision of the 195th Board Meeting held on 24th February 2021, the total investment in GMG Airlines amounting of TK.1,00,00,000 shall be written off in equal amounts over 10 years starting from 2019. Accordingly an amount of TK.10,00,000 has been written off in financial year 2025.

18.04 CHANGES IN FAIR VALUE WITH INVESTMENT FLUCTUATION FUND AND DEFERRED TAX ADJUSTMENT

Closing Investment Fluctuation Fund December 31, 2025	(80,065,674)	(65,130,562)
Opening Investment Fluctuation Fund January 01,2025	(65,130,562)	10,503,834
Changes in fair Value with deferred tax adjustment	**(14,935,112)**	**(75,634,396)**

19.00 STAMPS IN HAND TK. 2,212,577

Balance as on January 01,2025	3,332,655	4,735,355
Add: Purchase during the year 2025	8,000,000	8,000,000
Sub Total	**11,332,655**	**12,735,355**
Less: Recovery of value on use during the year 2025	(9,120,078)	(9,402,700)
Balance as on December 31, 2025	**2,212,577**	**3,332,655**

20.00 INTEREST AND DIVIDEND RECEIVABLE : Tk. 118,131,359

This represents accrued interest on FDR and investment in BD Govt. Treasury Bond made by the company.

Receivable as on January 01,2025	**72,628,497**	**71,975,789**
Add: Interest accrued as on December 31, 2025	146,390,603	22,150,331
Receivable as on December 31, 2025	**219,019,100**	**94,126,120**
Less: Interest received during the year 2025	(100,887,741)	(21,497,623)
Balance as on December 31, 2025	**118,131,359**	**72,628,497**

21.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: TK. 178,600,425

This balance represents the balance receivable from Sadharan Bima Corporation (SBC) and other insurance companies on account of public sector business transacted up to 3rd quarter stantment of 2025, Break up is as under:

Balance as on January 01, 2025	200,335,204	209,159,574
Add: Receivable from SBC and others during the year 2025	11,080,638	11,239,155
	211,415,842	**220,398,729**
Less: Received from SBC and others during the year 2025	(32,815,417)	(20,063,525)
Balance as on December 31, 2025	**178,600,425**	**200,335,204**

22.00 SUNDRY DEBTORS: TK. 351,056,722

This consists of the followings:

1	Receivable from IBBL PLC, (SND-17716 H/O Comp. Br.)	-	450,000
2	Advance against VAT (Note-22.01)	7,819,052	7,819,052
3	Advance against salary (Note-22.02)	5,425,473	3,163,444
4	Advance income tax payment (Note-22.03)	119,734,697	105,308,091
5	Advance against office rent (Note-22.04)	3,049,001	2,273,952
6	Security deposit with CDBL	300,000	300,000
7	Receivable from Bangladesh Finance Securities Limited	11,019	19,299
8	Receivable from Bangladesh Finance Capital Holding Limited	2,000	2,000
9	Advance T.A/D.A Bill	24,000	-
10	Advance to different parites	2,556,626	3,396,448
11	Advance to Staff	230,885	148,438

Amount in Taka

Notes	Particulars		31 December 2025	31 December 2024
	12	Collection control accounts	211,798,405	192,427,640
	13	Receivable from City brokerage Ltd.	3,564	87,980
	14	Receivable from Bank Asia Security Ltd.	-	3,030,775
	15	Security deposit on office rent Gulshan branch	-	100,000
	16	Security deposit on office rent Motijheel branch	100,000	100,000
	17	Security deposit on Garage rent	2,000	2,000
	Balance as on December 31, 2025		**351,056,722**	**318,629,119**

22.01 ADVANCE AGAINST VAT: TK. 7,819,052

Break up of advance against VAT is as under:

Balance as on January 01, 2025	7,819,052	7,819,052
Add : Advance paid during the year 2025	-	-
Sub Total	**7,819,052**	**7,819,052**
Less: Adjustment during the year 2025	-	-
Balance as on December 31, 2025	**7,819,052**	**7,819,052**

The amount is paid to government on account of VAT which is being carried forward since 2001. The company filed a writ petition vide petition no. 7425/2003 against Custom Excise & VAT Department and no verdict has yet been received.

22.02 ADVANCE AGAINST SALARY: TK. 5,425,473

Balance as on January 01, 2025	3,163,444	3,950,537
Add : Advance paid during the year 2025	3,903,246	11,135,000
Sub Total	**7,066,690**	**15,085,537**
Less: Adjustment during the year 2025	(1,641,217)	(11,922,093)
Balance as on December 31, 2025	**5,425,473**	**3,163,444**

22.03 ADVANCE INCOME TAX PAYMENT: TK. 119,734,697

Break up is as under:

Balance as on January 01, 2025	105,308,091	152,506,377
Add : Advance income tax paid during the year 2025	70,101,573	64,588,245
Sub Total	**175,409,664**	**217,094,622**
Less: Adjustment during the year 2025	(55,674,967)	(111,786,531)
Balance as on December 31, 2025	**119,734,697**	**105,308,091**

22.04 ADVANCE AGAINST OFFICE RENT: TK. 3,049,001

Break up is as under:

Balance as on January 01, 2025	2,273,952	2,854,044
Add : Advance paid during the year 2025	2,892,902	1,345,440
Sub Total	**5,166,854**	**4,199,484**
Less: Adjustment during the year 2025	(932,809)	(1,925,532)
Less: Transfer to advance office rent under IFRS-16	(1,185,044)	-
Balance as on December 31, 2025	**3,049,001**	**2,273,952**

23.01 CASH AT BANK: TK. 74,216,956

STD accounts	40,498,538	19,156,738
Current accounts (CD)	33,718,418	14,296,160
Balance as on December 31, 2025	**74,216,956**	**33,452,898**

The bank balances were confirmed and reconciled with bank statements.

Amount in Taka

Notes	Particulars	31 December 2025	31 December 2024

23.02 FIXED DEPOSIT RECEIPT (FDR): TK. 1,208,582,050

Breakup of the above amount is as under:

Balance as on January 01, 2025	1,010,011,979	921,259,045
Add: Addition during the year 2025	730,423,734	510,251,364
Less : Encashed during the year 2025	(531,853,663)	(421,498,430)
Balance as on December 31, 2025	**1,208,582,050**	**1,010,011,979**

24.00 DEFERRED TAX EXPENSE/(INCOME): TK. 17,600,321

A)	Deferred tax expense/(income) from fixed assets carrying amount (Note:14.00-i)	(338,609)	(139,355)
B)	Deferred tax expense/(income) from interest receivable (Note:14.00-ii)	17,938,930	256,957
Balance as on December 31, 2025		**17,600,321**	**117,602**

25.00 PROVISION FOR INCOME TAX: TK. 117,052,978

Particulars	Amount (in Taka) 31 December 2025 total income	Amount (in Taka) 31 December 2025 exempted reserve for exceptional losses	Amount (in Taka) 31 December 2025 taxable income	Amount (in Taka) 31 December 2024 taxable income
Income from Business or Profession:	137,446,034	60,748,143	76,697,891	106,443,536
Interest income on bd g.t. bond,fdr & std a/c	227,558,383		227,558,383	100,500,068
Profit on sale of share	666,886		666,886	23,620,121
Dividend income from share investment	10,025,656		10,025,656	18,042,537
Profit on sale of fixed assets (revenue gain)	659,787		659,787	531,905
Others income	1,611,442		1,611,442	952,476
Total Income	**377,968,188**	**60,748,143**	**317,220,045**	**250,090,642**

COMPUTATION OF CURRENT TAX PROVISION DURING THE YEAR

Particulars	Amount (in Taka) 31 December 2025 taxable income	Rate of tax (%)	Amount (in Taka) 31 December 2025 tax liability	Amount (in Taka) 31 December 2024 tax liability
Income tax on business @ 37.50%	76,697,891	37.50	28,761,709	39,916,326
Income tax on interest income @ 37.50%	227,558,383	37.50	85,334,394	37,687,526
Profit on sale of share @ 15%	666,886	15.00	100,032.90	3,543,018
Income tax on dividend income from share investment @20%	10,025,656	20.00	2,005,131	3,608,507
Profit on sale of fixed assets @ 37.5%	659,787	37.50	247,420	199,464
Others income @ 37.5%	1,611,442	37.50	604,291	357,179
Total Tax Liability During the Year 2025	**317,220,045**		**117,052,978**	**85,312,020**

26.00 INTEREST INCOME: TK. 227,558,383

Amount in Taka

Particulars	31 December 2025	31 December 2024

Break up is as under:

1.	Interest on FDR	211,482,679	84,239,996
2.	Interest on BD Govt. treasury bond	15,793,015	16,112,188
3.	Interest on STD accounts	282,689	147,884
Balance as on December 31, 2025		**227,558,383**	**100,500,068**

Notes	Particulars

27.00 CLAIMS UNDER POLICIES LESS RE-INSURANCE: TK. 134,981,923

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Miscellanous	Total
Claims paid during the year (Net claim)	61,418,497	18,309,266	183,011	2,524,546	16,691,314	22,761,301
Claims outstanding at the end of the year	50,258,677	9,682,297	-	562,819	75,000	26,903,320
Adjustment of claims outstanding at the previous year & current year	(1,409,814)	(5,736,087)	-	(1,698,327)	(15,879,276)	(11,469,672)
Total amount in Taka (Year-2025)	**110,267,360**	**22,255,476**	**183,011**	**1,389,038**	**887,038**	**134,981,923**
Total amount in Taka (Year-2024)	**18,379,213**	**15,532,597**	**38,209**	**2,897,297**	**1,347,633**	**38,194,949**

28.00 PREMIUM LESS RE-INSURANCE (NET PREMIUM): TK.607,481,432

Amount in Taka

Class of Business	2025					2024
	Premium on Direct Business	Premium on PSB	Gross Premium	Total Re-Ins. Ceded Premium(Direct Business & PSB)	Premium less Re- Ins. (Net Premium)	Premium Less Re- Ins.
Fire	281,197,016	31,159,031	312,356,047	119,678,770	192,677,277	168,950,303
Marine Cargo	501,544,811	30,747,101	532,291,912	156,450,034	375,841,878	381,158,227
Marine hull	13,437,822	1,091,255	14,529,076	9,949,071	4,580,005	331,751
Motor	18,393,093	1,849,950	20,243,043	101,038	20,142,005	20,792,078
Miscellaneous	15,448,181	43,767,326	59,215,507	44,975,241	14,240,266	12,699,553
Total	**830,020,923**	**108,614,663**	**938,635,586**	**331,154,154**	**607,481,432**	**583,931,912**

29.00 EARNINGS PER SHARE (EPS): TK. 3.40

Amount in Taka

Particulars	31 December 2025	31 December 2024
Profit before tax for the year ended 2025	366,418,114	295,113,725
Less: deferred & current tax provision for the year 2025	(134,653,299)	(85,429,622)
Net profit after tax for the year 2025	**231,764,815**	**209,684,103**
Number of shares	**68,166,122**	**68,166,122**
EPS	**3.40**	**3.08**

30.00 NET OPERATING CASH FLOWS PER SHARE: TK. 4.33

Net cash generated from operating activities	295,139,753	166,387,979
Number of shares	**68,166,122**	**68,166,122**
Net operating cash flow per share	**4.33**	**2.44**

31.00 RECONCILIATION OF NET INCOME/ NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:

Profit before tax	**366,418,114**	**295,113,725**
Adjustment:		
Depreciation	4,803,457	4,977,060
Interest income	(227,558,383)	(100,500,068)
Dividend income	(10,025,656)	(18,042,537)
Miscellaneous income	(1,611,442)	(952,476)
Profit or loss on sales of shares	(666,886)	(23,620,121)

Amount in Taka

Notes	Particulars	31 December 2025	31 December 2024
	Profit/(loss) on sale of fixed assets	(659,787)	(531,905)
	Written off (GMG Airlines)	1,000,000	1,000,000
	Changes in working capital:		
	Increase/(decrease) the balance of fund	11,591,199	64,391,777
	Increase/(decrease) the premium deposit	27,512,162	38,490,743
	Increase/(decrease) of amount due to other persons or body	(20,852,916)	(28,360,852)
	Increase/(decrease) of outstanding claims	35,855,289	15,433,648
	Increase/(decrease) of sundry creditor and others	59,766,047	(1,941,819)
	(Increase)/decrease of stock of stamps & others	1,120,078	1,402,700
	(Increase)/decrease of advance, deposit & prepayment except AIT, Advance for fixed assets & collection control a/c	77,056,751	8,333,081
	(Increase)/decrease of amount due from other persons or body	21,734,779	8,824,370
	Income tax paid	(50,343,053)	(97,629,347)
	Net Cash Generated from Operating Activities	**295,139,753**	**166,387,979**

32.00 RELATED PARTY TRANSACTIONS:

City Insurance PLC, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standards (IAS) 24: related party disclosures. All transactions involving related 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. Details of transactions with related parties were as follows:

SL. NO	Name of Related Party	Relationship	Nature of Transaction	Amount (Tk.)
1.	A-One Polymer Ltd.	Director	Insurance Business	9,588,918
2.	Anwar Silk Mills Ltd.	Director	Insurance Business	1,486,844
3.	Hossain Dyeing & Printing Mills Ltd.	Director	Insurance Business	11,931,693
4.	Mehmud Industries (Pvt.) Ltd.	Director	Insurance Business	11,367,110
Total				**34,374,565**

33.00 KEY MANAGEMENT PERSONNEL COMPENSATION:

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the company is disclosed below as required by the paragraph 17 of IAS 24 and Securities and Exchange Rules-2020

Amount in Taka

SL	Particulars	31 December 2025	31 December 2024
1	Short-term employee benefits*	14,604,120	11,692,266
2	Post-employment benefits*	1,477,269	1,135,787
3	Other long-term benefits	-	-
4	Termination benefits	-	-
5	Share-based payments	-	-
Total		**16,081,389**	**12,828,053**

*Short-term employee benefits comprise of Salary and other benefits paid by the company.

*Post -employment benefits comprise of provident fund and gratuity.

Top management includes Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit & Compliance and Head of Human Resources and Administration

34.00 SUBSEQUENT EVENT

The Board of Directors in its 221st Meeting held on 09th February, 2026 recommended 10% cash on paid up capital of Tk. 68,16,61,222 for the year ended December 31, 2025 and the same will not be considered as a liability in the financial statements which is in compliance with the International Accounting Standard (IAS # 10) para 12.

35.00 AMOUNT TO BE DISTRIBUTED AS DIVIDEND

According to addition of new section 16 (G) in the paripatra#01 (Income Tax Ordinance 1984) income year 2019-2020 and Income Tax Act 2023 (section-22) listed company in the capital market shall retain at least 30% as named "Amount to be distributed as dividend" from net profit after tax in the financial statements and the amount will be (BDT 231,764,815*30%)=BDT 69,529,445 for the year ended 2025 and (BDT 209,684,103*30%)=BDT 62,905,231 for the year ended 2024.

36.00 GENERAL:

Number of employees received salary up to TK. 10,000 are NIL.
Number of employees received salary above TK.10,000 are 345.
The Board of Directors received no remuneration from the company other than fees for attending the board meetings.
During the year (05) Nos. of board meetings were held.
All shares have been fully called and paid up.
There was no preference share issued by the company.
There was no bank guarantee issued by the company on behalf of their directors or the company itself.

City Insurance PLC.

Schedule of Property, Plant and Equipment

As on the year ended 31st December 2025

Amount in Taka, Annexure-A

Particulars	Cost				Rate	Depreciation				Written Down Value as on 31 December 2025	Written Down Value as on 31 December 2024
	Balance as on 01 January 2025	Addition during the year 2025	Disposal/ Adjustment during the year 2025	Balance as on 31 December 2025		Balance as on 01 January 2025	Addition during the year 2025	Disposal/ Adjustment during the year 2025	Balance as on 31 December 2025		
Furniture & fixture	14,146,195	84,555	-	14,230,750	10%	10,302,151	389,867	-	10,692,018	3,538,732	3,844,044
Office equipment	14,675,155	1,141,221	-	15,816,376	10%	9,576,543	556,754	-	10,133,297	5,683,079	5,098,612
Electric installation	3,693,753	-	-	3,693,753	10%	3,009,185	68,457	-	3,077,642	616,111	684,568
Air conditioner	4,717,127	631,535	-	5,348,662	10%	2,878,369	206,449	-	3,084,818	2,263,844	1,838,758
Telephone Set	3,009,613	10,305	-	3,019,918	10%	2,786,843	22,890	-	2,809,733	210,185	222,770
Books	299,737	1,389	-	301,126	25%	288,384	3,144	-	291,528	9,598	11,353
Motor car	51,100,069	338,907	4,550,000	46,888,976	10%	33,698,073	1,697,494	3,949,787	31,445,780	15,443,196	17,401,996
Office decoration	49,165,547	155,401	-	49,320,948	10%	34,033,383	1,520,496	-	35,553,879	13,767,069	15,132,164
Motor cycle	4,124,355	-	-	4,124,355	10%	3,298,950	82,541	-	3,381,491	742,864	825,405
Sub Total	**144,931,551**	**2,363,313**	**4,550,000**	**142,744,864**		**99,871,881**	**4,548,092**	**3,949,787**	**100,470,186**	**42,274,678**	**45,059,670**

Schedule of Intangible Assets

As on the year ended 31st December 2025

Amount in Taka, Annexure-A1

Particulars	Cost				Rate	Depreciation				Written Down Value as on 31 December 2025	Written Down Value as on 31 December 2024
	Balance as on 01 January 2025	Addition during the year 2025	Disposal/ Adjustment during the year 2025	Balance as on 31 December 2025		Balance as on 01 January 2025	Addition during the year 2025	Disposal/ Adjustment during the year 2025	Balance as on 31 December 2025		
Software	3,437,931	-	-	3,437,931	20%	2,161,106	255,365	-	2,416,471	1,021,460	1,276,825
Sub Total	**3,437,931**	**-**	**-**	**3,437,931**		**2,161,106**	**255,365**	**-**	**2,416,471**	**1,021,460**	**1,276,825**

Schedule of Lease Liability-IFRS:16

As on the year ended 31st December 2025

Amount in Taka, Annexure-A2

Particulars	Cost				Rate	Depreciation				Written Down Value as on 31 December 2025	Written Down Value as on 31 December 2024
	Balance as on 01 January 2025	Addition during the year 2025	Disposal/ Adjustment during the year 2025	Balance as on 31 December 2025		Balance as on 01 January 2025	Addition during the year 2025	Disposal/ Adjustment during the year 2025	Balance as on 31 December 2025		
Right-of-Use Assets	-	9,957,560	-	9,957,560		-	3,617,590	-	3,617,590	6,339,970	-
Sub Total	**-**	**9,957,560**	**-**	**9,957,560**		**-**	**3,617,590**	**-**	**3,617,590**	**6,339,970**	**-**
Grand Total (A+A1+A2)	**148,369,482**	**12,320,873**	**4,550,000**	**156,140,355**		**102,032,987**	**8,421,047**	**3,949,787**	**106,504,247**	**49,636,108**	**46,336,495**

City Insurance PLC.

Tax Based Calculation of Property, Plant and Equipment

As at 31st December 2025

Amount in Taka, Annexure-B

Particulars	Written down value as on 01January 2025	Addition during the year 2025	Disposal during the year 2025	Balance as on 31 December 2025	% of Depreciation	Depreciation	Written Down Value as on 31 December 2025	Written Down Value as on 31 December 2024
Furniture and fixture	4,346,233	84,555	-	4,430,788	10%	443,079	3,987,709	4,346,233
Office equipment	5,343,528	1,141,221	-	6,484,749	10%	648,475	5,836,274	5,343,528
Electric installation	628,294	-	-	628,294	10%	62,829	565,465	628,294
Air conditioner	1,627,688	631,535	-	2,259,223	10%	225,922	2,033,301	1,627,688
Telephone	606,324	10,305	-	616,629	10%	61,663	554,966	606,324
Books	5,582	1,389	-	6,971	25%	1,743	5,228	5,582
Motor car	15,577,005	338,907	-	15,915,912	10%	1,591,591	14,324,321	15,577,005
Office decoration	12,927,348	155,401	-	13,082,749	10%	1,308,275	11,774,474	12,927,348
Motor cycle	747,755	-	-	747,755	10%	74,776	672,979	747,755
Sub Total	**41,809,756**	**2,363,313**	**-**	**44,173,070**		**4,418,353**	**39,754,717**	**41,809,756**

Tax Based Calculation of Intangible Assets

As at 31st December 2025

Amount in Taka, Annexure-B1

Particulars	Written down value as on 01January 2025	Addition during the year 2025	Disposal during the year 2025	Balance as on 31 December 2025	% of Depreciation	Depreciation	Written Down Value as on 31 December 2025	Written Down Value as on 31 December 2024
Software	411,795	-	-	411,795	20%	82,359	329,436	411,795
Sub Total	**411,795**	**-**	**-**	**411,795**		**82,359**	**329,436**	**411,795**
Grand Total (B+B1)	**42,221,551**	**2,363,313**	**-**	**44,584,865**		**4,500,712**	**40,084,152**	**42,221,551**

OTHER PERTINENT **INFORMATION**



City Insurance PLC.
Head Office: 27, Dilkusha C/A, Dhaka-1000.
Phone: 223387296 (PABX)
Email: info@cityinsurance.com.bd
Web: www.cityinsurance.com.bd

PROXY FORM

I/We .....
.....of ..... being a shareholder of **City Insurance PLC.** do hereby appoint

Mr./Ms. .....
.....of ..... as my/our proxy, to attend and vote for me/us and on my/our behalf at the **30th Annual General Meeting** of the Company to be held on **30 March 2026 at 11.00 a.m.** (Dhaka Time), using Digital Platform through the link https://cityinsurance.bdvirtualagm.com.

Signed this ..... day of 2026

(Signature of Proxy)

Revenue stamp TK. 100/-

(Signature of Shareholder)

BO ID No.: | | | | | | | | | | | | | | | | |

No. of Shares ..... Dated .....

Note:

i). The Proxy Form duly completed, signed and affixed with revenue stamp must be deposited at least 48 hours before the meeting at the Company's registered office or sent a scanned copy through email at: share@cityinsurance.com.bd. Proxy will be invalid if not signed and stamped as stated above.

ii) *Signature of the Shareholder should match with the specimen signature registered with the company and Depository Register.*

(Authorized Signature)
City Insurance PLC.

(Signature Verified)

City Insurance PLC.
Head Office: 27, Dilkusha C/A, Dhaka-1000.
Phone: 223387296 (PABX)
Email: info@cityinsurance.com.bd
Web: www.cityinsurance.com.bd

ATTENDANCE SLIP

I hereby record my attendance at the 30th Annual General Meeting of the Company to be held on 30 March 2026 at 11.00 a.m. (Dhaka Time), using Digital Platform through the link https://cityinsurance.bdvirtualagm.com.

Name of Shareholder/Proxy : .....

BO ID No. : | | | | | | | | | | | | | | | | |

Number of Shares :

Date of Signature :

Signature of Shareholder/Proxy

AGM & KEY INFORMATION
FOR SHAREHOLDERS

AGM–Date, Time & Venue	30 March 2026 at 11.00 a.m. (Dhaka Time), using Digital Platform through the link https://cityinsurance.bdvirtualagm.com.
Special Attention	AGM invitation will be sent to all Shareholders through Electronic Mail (Email), Short Message Service (SMS), Two Daily Newspapers (English and Bengali), one online news portal and Company website https://cityinsurance.com.bd.
Record Date	The Record Date for determining shareholders' entitlement to attend, vote, and receive dividend is 04 March 2026.
Dividend Declaration	The Board has recommended 10% Cash Dividend for the year ended 31 December, 2025, subject to shareholders' approval at the AGM. Dividend will be disbursed via BEFTN or other approved methods within the statutory period.
Trading Code	CITYGENINS
Financial Year	December 31, 2025
Dividend Recommended	10% Cash dividend for General Public Shareholders, Directors and Sponsors
Listing on Stock Exchanges	Both DSE & CSE
Category	A
Investors' Enquiry	+880222 3387296, share@cityinsurance.com.bd

IMPORTANT NOTES FOR THE SHAREHOLDERS

Update Your Information	Ensure your BOID, Bank Account, and contact details are updated with your Depository Participant before the Record Date.
Tax Deduction	TDS will be applied as per applicable laws.
Green Initiative	Shareholders are encouraged to receive the Annual Report and AGM notice through email or other digital means.

Contact Information

Registered & Corporate Office:
City Insurance PLC.
Baitul Hossain Building (3rd Floor)
27, Dilkusha C/A, Dhaka-1000
Phone: 0222-3387296, 0222-3387281, 0222-3387278
Email: share@cityinsurance.com.bd
Web: https://cityinsurance.com.bd

VIRTUAL MEETING LOGISTICS



Date

Monday, 30 March 2026



Time

11:00 AM, Dhaka Time



Weblink

https://cityinsurance.bdvirtualagm.com

NOTES

Scan to view digital version of
this Annual Report

city insurance
Insuring your future… Today

City Insurance PLC.
Head Office: Baitul Hossain Building (4th floor)
27, Dilkusha C/A, Dhaka-1000, Bangladesh.
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nymphea | www.nymphea-bd.com