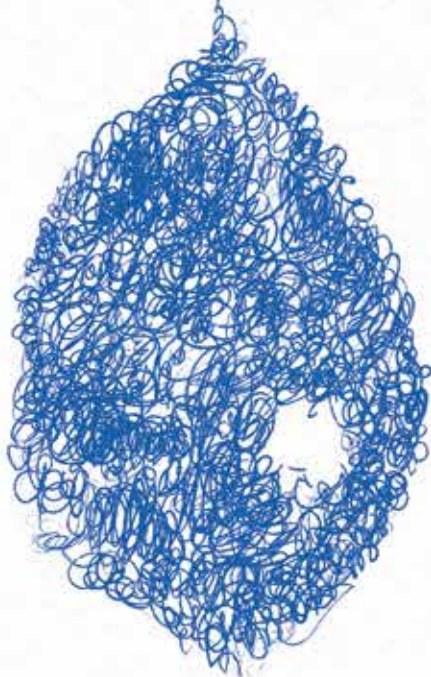


YOUR SAFETY NET
YEARS OF UNWAVERING
SERVICE



Annual
Report 2023

BUILDING SCALE POWERING GROWTH IN THE DIGITAL AGE!



City General Insurance
Annual Report 2023



Building Scale Powering Growth in the Digital Age!

In the ever-evolving landscape of the digital age, the imperative for insurance companies to build scale and power growth is more pronounced than ever.

In this realm, City General Insurance Company Limited, a forward-thinking player in Bangladesh's non-life insurance industry, recognizes the transformative potential of digitalization and is strategically positioning itself to harness its benefits, thus furthering its reputation as one of the most trusted general insurance companies of the country.

Embracing digital technologies is not merely an option but a necessity for insurance companies aiming to stay competitive. Here, we at City General Insurance understand that building scale in the digital era requires a comprehensive framework that encompasses technology, information analytics, product portfolio, customer-led solutions, and a people-centric approach to business.

One pivotal aspect of building scale is leveraging technology and digital resources. By harnessing the power of data, we can gain invaluable insights into customer behavior, preferences and risk profiles. This data-driven approach enables the company to tailor its products and services, thus ensuring they align seamlessly with the evolving needs of the market.

We also recognize the significance of a robust digital infrastructure. Investing in cutting-edge technologies empowers the company to automate processes, enhance efficiency, and streamline operations. This not only reduces costs but also accelerates customer service excellence, while positioning us as an agile and responsive player in the industry.

In the pursuit of sustainable growth, digital channels have become instrumental for City General Insurance. Establishing

a strong online presence, optimizing user experience on digital platforms, and embracing key market trends enables the company to tap into new regions and serve new customer demographics. By offering seamless digital services, we are able to attract a wider customer base and enhance overall accessibility.

The integration of InsurTech solutions is another pivotal strategy for City General Insurance. Utilising digital insurance allows the company to tap into innovative technologies and expand its service offerings. This not only enhances the customer experience but also opens new avenues for revenue generation.

Furthermore, City General Insurance understands that a customer-centric approach is paramount in the digital age. Personalization, facilitated by data insights, enables the company to tailor insurance solutions to individual customer needs. This not only fosters customer loyalty but also positions City General Insurance as a trusted partner in safeguarding clients against evolving risks.

Thus, City General Insurance is actively navigating the challenges and opportunities presented by the digital age. By focusing on big data analytics, embracing cutting-edge technologies, optimizing digital channels, integrating InsurTech solutions, prioritizing customer-centricity, and investing in cybersecurity, we are not only adapting to the digital age but are poised to thrive and power growth in this dynamic landscape.

Of course, this dovetails into our overarching strategy of creating and delivering enhanced value to all our stakeholders.

IN MEMORIUM



Alhaj Anwar Hossain

(1938-2021)

Founder & Former Chairman,
City General Insurance Company Limited &
Anwar Group of Industries

A renowned visionary and patriotic industrial entrepreneur of the country, late Alhaj Anwar Hossain, was dedicated to the welfare of the nation. He was a fearless entrepreneur committed to making people self-reliant and played a heroic role in economic development and job creation. Anwar Hossain also founded numerous educational institutions to promote women's and children's education. We draw inspiration from his philosophy and ideals, and with unwavering determination, we will continue to follow the path he showed us.

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Integrated Reporting

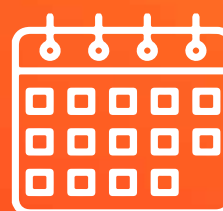
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28th Annual General Meeting



HYBRID



THURSDAY,
MARCH 28, 2024



AT 11:00 A.M.

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About this Report

We are committed to transparency in information disclosure and investor communication.



Weaving material aspects into report preparation

This integrated annual report is a comprehensive and cohesive document that provides our stakeholders with a holistic view of City General Insurance's performance, incorporating financial, operational, environmental, social and governance aspects. It goes beyond traditional financial reporting, offering a more inclusive and transparent representation of the organization's value creation and sustainability efforts.

Our integrated report encapsulates the company's commitment to transparency, responsible business practices, and long-term value creation.

In the financial realm, this integrated report details City General Insurance's financial performance, showcasing key indicators, revenue streams, and fiscal strategies. However, what sets this report apart is its integration of non-financial elements. City General Insurance recognizes that sustainable growth is not solely measured in financial terms but is intrinsically linked to operational excellence, green stewardship, social responsibility, and robust governance.

The report delves into City General Insurance's environmental impact, outlining initiatives aimed at reducing the company's carbon footprint and promoting eco-friendly practices. From adopting energy-efficient technologies to implementing efforts to eliminate the use of paper, the integrated report

illustrates how the company is actively contributing to environmental sustainability.

Social responsibility is another focal point, with the report highlighting City General Insurance's efforts in community engagement, diversity, inclusion and belonging, and employee well-being. By integrating social considerations into its business strategy, the company aims to foster positive relationships with employees and stakeholders and contribute positively to the broader societal context in which it operates.

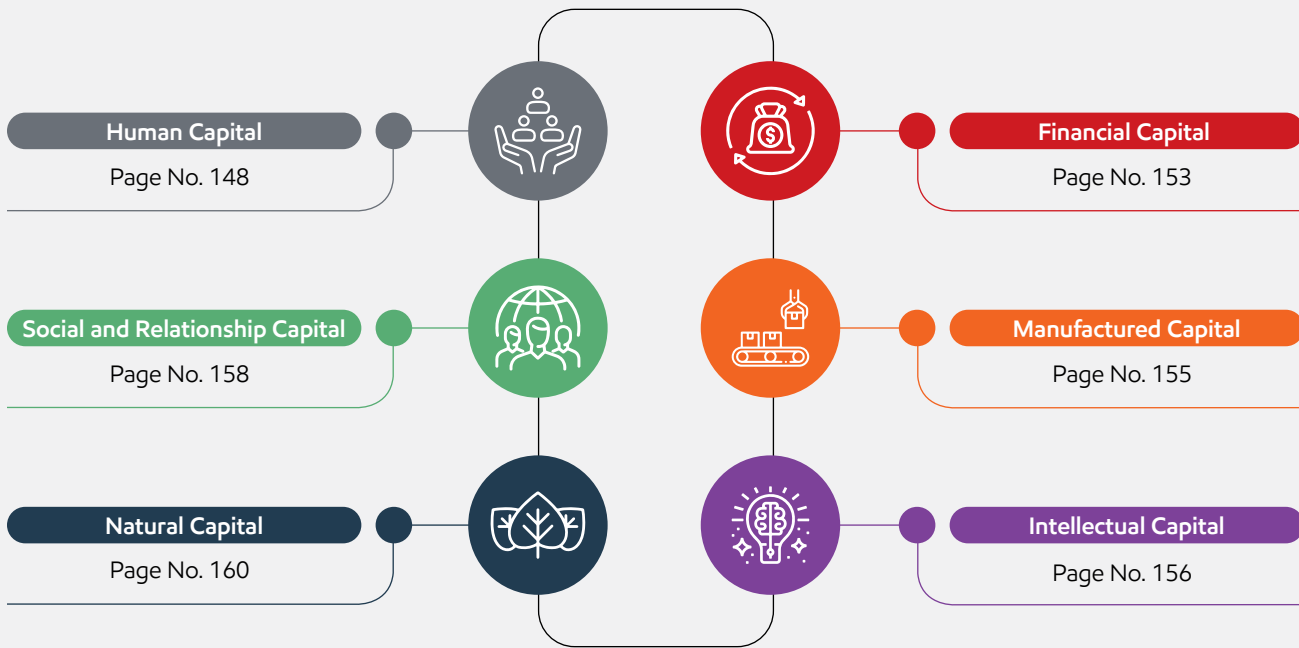
Governance, a cornerstone of corporate responsibility, is addressed in this integrated report. City General Insurance outlines its governance focus, ethical principles, and risk management strategies. This transparency reinforces the company's commitment to ethical business practices and aligns with the growing demand for accountability amongst investors, regulators and other stakeholders.

By presenting a consolidated view of financial and non-financial performance, City General Insurance's integrated report is a useful tool for stakeholders seeking a deeper understanding of the company's overall impact. This forward-thinking approach not only aligns with global trends promoting sustainability but also positions City General Insurance as a responsible corporate dedicated to long-term sustainable value creation and positive societal impact.

How to Navigate through This Report

Our Integrated Report 2023 has been divided into 10 distinct segments and may navigate as following manner:

Matters of interest to Stakeholders	Where to find it in this report	Page reference
How we bring our vision to life	Our Strategy and Our Business Model	25 & 146
Our leaders' views	Message from our Chairman and Q&A with the Managing Director & CEO	59 & 63
Delivering on our strategy	Segment Analysis	115
How our business is governed and managed	Risk Management and Corporate Governance	337 & 206
Measuring our success	Financial Statement	362



Integrated thinking supports our integrated reporting framework

The company's dynamic operating environment is constantly changing and our ability to adapt to change is critical to our success. This is especially in the context of the fast-evolving digital landscape, spotlighted by the government's Smart Bangladesh Vision 2041.

To achieve this agility and adaptability and our intent of enhancing insurance penetration to enrich our customers' lives and futures, it is imperative that we apply an integrated thinking approach when developing, shaping and executing our strategy and guiding our business model.

As part of our integrated thinking process, we engage with our key stakeholders on a periodic basis and consider various factors including risks, opportunities and material matters. In addition, we consider the six capital resources (see pages 148-161) when strategic decisions are made.

This integrated thinking process ultimately leads to actions that enable us to create and preserve value over different time horizons.

Reporting framework

This report covers our financial year from 1 January 2023 to 31 December 2023. The content presented in this report is prepared and guided by several mandatory and voluntary reporting frameworks.

	Financial Statements	Narrative Report	Sustainability Reporting	Corporate Governance
Standards and Principles adopted	<ul style="list-style-type: none"> International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) Insurance Act, 2010; Insurance Rules, 1958 and amendments thereto Relevant circulars issued on reporting format by Insurance Development & Regulatory Authority (IDRA) The Companies, Act, 1994 and as amendments thereto Income Tax Act, 2020; Income Tax Rules, 1984; Value Added Tax & Supplementary Duty Act, 2012; Value Added Tax & Supplementary Rules, 2016 and Related SRO and Finance Act 	<ul style="list-style-type: none"> Integrated Reporting (IR) framework prescribed by the International Integrated Reporting Council (IIRC), which is now merged with the Value Reporting Foundation (VRF) 	<ul style="list-style-type: none"> Reporting on the Sustainable Development Goals (SDGs) 	<ul style="list-style-type: none"> Corporate Governance Code, 2018 (amended up to) of Bangladesh Securities and Exchange Commission (BSEC), Insurer's Corporate Governance Guidelines, 2023 by IDRA Listing Regulation, 2015 of Dhaka Stock Exchange & Chittagong Stock Exchange PLC Applicable circulars of Insurance Development & Regulatory Authority (IDRA); Bangladesh Securities and Exchange Commission; Bangladesh Securities and Exchange Commission Rules, 2020 and as amendments thereto Bangladesh Secretarial Standards (BSS 1 & 2) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB)
Internal Assurance Mechanism	<ul style="list-style-type: none"> Internal Audit Robust framework of internal controls Reporting to Audit Committee and Board of Directors 	<ul style="list-style-type: none"> Audit Committee review Board review 	<ul style="list-style-type: none"> Assessment of non-financial information by the Corporate Sustainability function ESG reporting on responsible insurance services 	<ul style="list-style-type: none"> Internal Code of Conduct for Board of Directors CGI's various internal policies, SoPs and Code of Conduct for employees and other internal governance-related policies

	Financial Statements	Narrative Report	Sustainability Reporting	Corporate Governance
				<ul style="list-style-type: none"> • Company's compliance with the Corporate Governance Code 2018 (amended up to) issued by BSEC and Insurer's Corporate Governance Guidelines, 2023 by IDRA • Internal Audit • Reporting to the Management; Audit Committee and Board of Directors
External Assurance Mechanism	<ul style="list-style-type: none"> • Islam Quazi Shafique & Co. Chartered Accountants 			<ul style="list-style-type: none"> • Salahuddin & Associates Chartered Secretaries

To provide feedback or request further information, please email share@cityinsurance.com.bd

Forward-looking statements

The information presented in this report may include certain information on future operations and performance of the company. While these statements reflect our future expectations, several risks and uncertainties such as inflation, deflation, unanticipated changes in interest rates, and other critical factors may cause actual results to differ significantly from our expectations.

Digital access

Scan here to view this report online



We support the SDGs

We have a long-standing commitment to be a responsible corporate citizen. This commitment includes our focus on resilience and playing our part in driving sustainability for the benefit of all our stakeholders.



Milestone

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" (Third) 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" (First Position) ICSB 10th Corporate Governance Excellence Award 2022
- **30 October 2023**
Received 23rd ICAB National Award (First Position) 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 2021 from SAFA

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)

2007

- **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
- **22nd October, 2007**
Listed with Chittagong Stock Exchange PLC
- **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

1996

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

Letter of Transmittal

To
All Shareholders
Insurance Development & Regulatory Authority
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange PLC
Chittagong Stock Exchange PLC

Subject: Annual Report for the year ended December 31, 2023.

Dear Sir (s),

We are pleased to present before you the Annual Report-2023 together with the Audited Financial Statements as at and for the year ended December 31, 2023 which comprises Financial Position, Profit or Loss Account, Statement of Cash Flows, Statement of Changes in Shareholders' Equity, and notes to the Financial Statements for the year ended December 31, 2023 of City General Insurance Company Limited for your kind information and record.

Information given in our Annual Report-2023 is complete, accurate and in line with Bangladesh Securities and Exchange Commission (BSEC), the Insurance Development and Regulatory Authority (IDRA)'s regulations, International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS). We hope that the report will be of use to you today and tomorrow.

Yours sincerely



Mohammed Ashaduzzaman Sarkar
Company Secretary (Acting)

City General Insurance Company Limited

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

Notice of the 28th Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of City General Insurance Company Limited will be held on **Thursday, March 28, 2024 at 11.00 A.M** using **Hybrid System** i.e. physical presence at BCIC Auditorium 30-31, Dilkusha C/A, Dhaka and also virtually through the link <https://cityinsurance.bdvirtualagm.com> by using digital platform to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Directors Report and the Audited Financial Statements for the year ended 31 December 2023 together with the Auditors report thereon.
2. To approve Cash Dividend for the year ended 31 December 2023 as recommended by the Board of Directors.
3. To appoint the Statutory Auditors for the year 2024 and to fix their remuneration.
4. To elect Directors in place of retiring Directors.
5. To approve the appointment of an Independent Director.
6. To appoint BSEC Corporate Governance Compliance Auditor for the year 2024 and to fix their remuneration.
7. To appoint IDRA Corporate Governance Compliance Auditor for the year 2024 and to fix their remuneration.

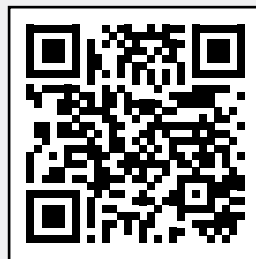
Special Business

1. **To change the registered name of the Company to "CITY INSURANCE PLC" from "CITY GENERAL INSURANCE CO. LTD."**

To adopt the change of registered name of the Company to **"CITY INSURANCE PLC"** from **"CITY GENERAL INSURANCE CO. LTD."** as per provision of the Companies Act, 1994 (As Amendment 2020) and to amend the relevant clauses of the Memorandum and Articles of Associations of the Company by adopting the following special resolution:

"RESOLVED THAT the proposal of changing of registered name of the Company to **"CITY INSURANCE PLC"** from **"CITY GENERAL INSURANCE CO. LTD."** in accordance with the Companies act 1994 (As amendment 2020) and to amend in the relevant clauses of the Memorandum and Articles of Associations of the company be and is hereby approved subject to approval of regulatory authorities.

FURTHER RESOLVED THAT the old name of the company will be replaced by the new name in all the statutory/title documents, Licenses and other relevant documents."



Date: March 06, 2024

By order of the Board,



Mohammed Ashaduzzaman Sarkar
Company Secretary (Acting)

Notes:

- a) The members whose name will appear in the members Register of the company as on the Record Date i.e. March 12, 2024 (Tuesday) will be eligible to participate in the Annual General Meeting and qualify for Dividend.
- b) Shareholders entitled to participate and vote at this Hybrid 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.
- c) Venue address and Weblink for joining in the AGM will be notified to the respective Member's through email and by SMS. Login/Participation process for the Digital Platform will also be available in the company's website: www.cityinsurance.com.bd
- d) Shareholders are requested to login to the system well ahead of the meeting at appointed time (11.00 a.m.) for the AGM on March 28, 2024. The online (Real time) or e-Voting option shall be opened before 25 hours prior to start of the Annual General Meeting.
- e) The Shareholders will be able to submit their questions/comments and also vote electronically 24 hours before commencement of the AGM and during the AGM. For logging into the system the Shareholders need to put their 16-digit Beneficiary Owners (BO) Account Number.
- f) 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 2023 will sent within 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 2023 will be available in the website of the company at www.cityinsurance.com.bd
- g) The Stock Brokers are requested to provide "Consolidated Customers' Bank Account (CCBA)" and the Merchant Bankers and the Portfolio Managers of Margin Shareholder are requested to provide "Separate Bank Account" along with their clients list having shares on "Record Date" to pay off the Cash Dividend as per Bangladesh Securities and Exchange Commission's Directives No. BSEC/CMRRCD/2021-386/03, dated 14 January 2021 and also requested to mail the same at share@cityinsurance.com.bd (in PDF & MS Excel format) within 21 March 2024.

NB: Members please note that no gift or benefits in cash or kind shall be given at the AGM as per BSEC's notification dated 24 October 2013.

The World of City General Insurance

City General Insurance Company Limited is a leading general insurance company on Bangladesh, established in the year 1996 under the purview of the Companies Act, 1994, and listed on the Dhaka and Chittagong stock exchanges in 2007.

City General Insurance is a renowned non-life insurance solutions provider in Bangladesh, offering a range of individual and group insurance solutions that meet various customer needs.

The company specializes in a number of insurance categories, including motor insurance, engineering insurance, OMP

insurance, fire insurance, marine insurance and miscellaneous other products. As on December 31, 2023, the Company had more than 33 products (including individual and group products).

City General Insurance continues to benefit from its presence across the country, having a wide reach with 45 branches.



Our Motto

We aim to prioritise the well-being of our insured individuals (policyholders) by delivering exceptional care and offering optimal solutions tailored to their specific requirements. We will establish ourselves as a corporation that upholds corporate social responsibility (CSR) and operates with utmost seriousness, while also taking calculated risks.



Our View

We aim to deliver exceptional service, safeguard the interests of our policyholders, and contribute to the economic stability of the nation. We shall also uphold stakeholders' interest through equitable and transparent operations.



Our Values



Honesty and integrity

We are dedicated to maintaining a transparent and truthful relationship with our policyholders and clients, demonstrating the highest level of integrity to safeguard customer's interests and the company's assets.



Quality of insurance

Our objective is to ensure quality and affordable insurance for all.



Mutual respect

We consistently uphold the principles of decency and respect when interacting with our esteemed clients and stakeholders from diverse backgrounds.



Worthy of trust

We are steadfast in our commitments and remain dedicated to conducting our business in an ethical manner.



Team work

We collaborate to mitigate risk and guarantee optimal service and risk coverage for our clients.

Celebrating Excellence

At City General Insurance, our journey of excellence has garnered us an array of prestigious awards and accolades.

These awards, bestowed upon us at both national and international forums, serve as evidence of our unwavering commitment to achieving high standards in corporate reporting, operational excellence, innovation, customer service and sustainable practices. Our objective is to consistently accomplish outstanding results, generate positive effects, and achieve even higher levels of success.



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"



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

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



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



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

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



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



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



City General Insurance Company Limited 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 (Acting) of City General Insurance Company Limited, received the ICSB Gold Award for Corporate Governance Excellence 2022 in Non-life Insurance category from Mr. Md. Najibur Rahman, Chairman, Capital Market Stabilization Fund (CMSF).



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 (Acting) of City General Insurance Company Limited, received the 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 General Insurance Company Limited, 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.

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



City General Insurance Company Limited 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 General Insurance Company Limited 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 and Md. Shamim Hossain, Chief Executive Officer and Sheikh Azizul Haque, Chief Financial Officer of City General Insurance Company Limited received the award from the chief guest Mr. Tipu Munshi, MP, Hon'ble Minister, Ministry of Commerce at an event. Among others, Prof. Shibli Rubaiyat-Ul-Islam - Chairman of Bangladesh Securities & Exchange Commission (BSEC), Mr. Md. Shahadat Hossain FCA, President-ICAB and senior officials of the ICAB were also present at the prestigious awarding ceremony.



City General Insurance Company Limited 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 City General Insurance Company Limited received the award from the chief guest of the event Mr. Salman Fazlur Rahman, MP, Advisor to the Honourable Prime Minister, Private Industry and Investment. Among others, Mr. M. A. Mannan MP, Minister, Ministry of Planning, Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce and Mr. Mohammad Asad Ullah FCS, President-ICSB and Mr. M. Nurul Alam, Sr. Vice President- ICSB were also present at the prestigious awarding ceremony.



City General Insurance Company Limited 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.

Mission, Vision & Core Values



Our Mission

is to provide unequal service, protect our insured interest and contribute for economic stabilization of the Country.

To maintain stakeholders interest with fair and transparent operations.



Our Vision

is to serve our insured (policyholders) with utmost care and provide the best solution for their needs.

We will be a company with due solemnity and corporate social responsibility to the society upheld by taking property risks.



Our Core 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



MUTUAL RESPECT

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



WORTHY OF TRUST

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



TEAM WORK

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

Our Strategy

OUR STRATEGY IS TO PERFORM TOWARDS SUSTAINABLE GROWTH ACHIEVEMENT

OUR STRATEGIC INTENT

To be the client oriented best general Insurance company 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.

SERVICE FOCUS

Strengthen trust and partnerships with customers 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.

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 that help communicate our rationale and ways to implement sustainable practices with many of our clients.



Our Brand Promises



Dynamic

Progressive and Innovative

We are constantly moving ahead as we offer new and technologically advanced products and services

Professional

Fast, Efficient and Responsive Service

Our constant strive is to equip the team of professionals to face the challenges and drive for excellence



Caring

Approachable and Supportive Partner

We are always attentive to customers' needs & satisfactions

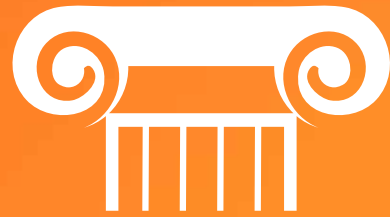
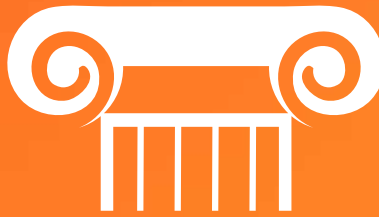
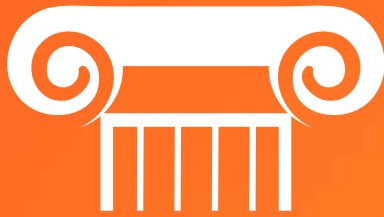
Trustworthy

Dependable and Reliable

We believe in both way communications and always care and share the views and knowledge with all stakeholders



Our Commitment to Three Core Pillars



People

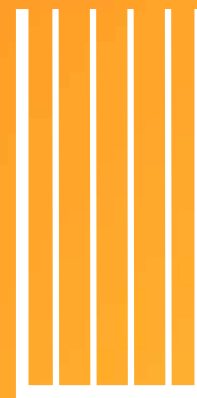
Progress

Prosperity

we believe in long-lasting relationships and possess great value for the customers and people around us

the way we conduct ourselves for the best services

our passion for sustainable value addition to our all stakeholders



How We Deliver: Our Strategic Pillars

Our presence

We have a limited national footprint, but we aspire to have a clear national focus. By establishing more branches across the country, we are attempting to broaden our horizons and service network.



Development of Human Capital

One of the main goals of the company is the ongoing development of its human resources. Continue to base rewards and recognition on performance.

Client relationship rather than a product driven approach

We don't construct product silos or look for quick returns on investments; instead, we center our skills around the demands of our clients.

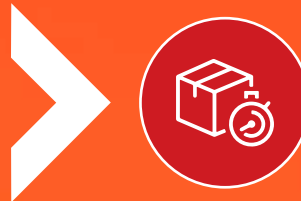


Distinctive culture and values

Our unique values and culture are the cornerstone of our substantial advantage.

Our delivery

We strive continuously to implement sustainable business practices, maintaining high standards of corporate governance, social responsibility, environmental preservation, and human resource development because we are devoted to providing cordial service.



Organic growth, the primary driver of our strategy and value creation

We think that the best way to create wealth for our shareholders is through organic growth. In situations where we are unable to expand naturally or within a fair amount of time, we will look at acquisitions that will support our main business plan.



Conservative and disciplined on risk, capital and liquidity

We regard balance sheet quality as a cornerstone of our business model & strategy. We are more cautious about capital adequacy, liquidity & risk mitigation rather than running after profit only.

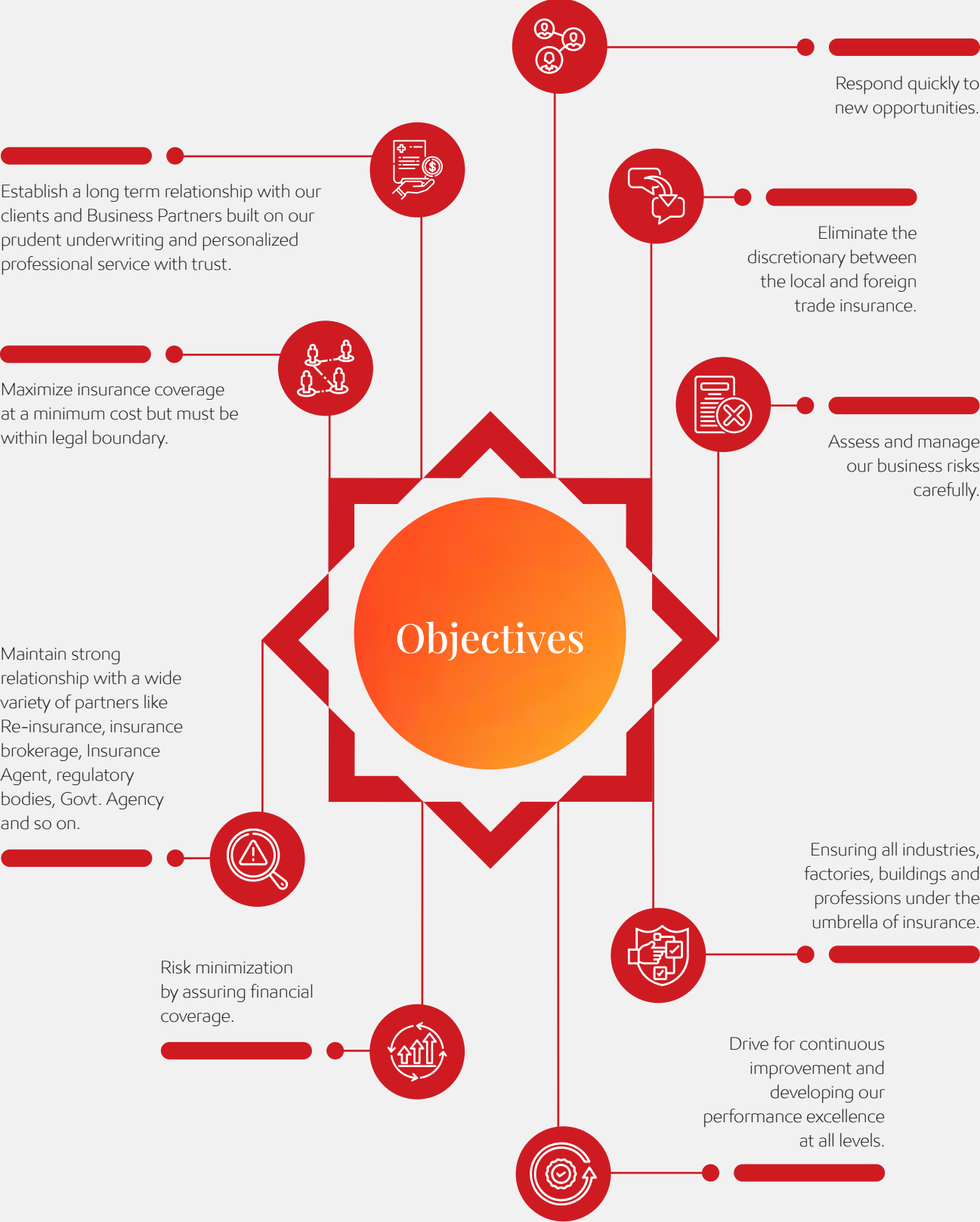


Quick claim settlement

Our unique values and fast claim settlement is our specialty. Transparent processes, effective communication, and technological integration expedite claim approval. Streamlined, customer-centric insurers with digital documentation and well-trained workforce resolve claims quickly. This builds trust and improves policyholders' experiences, boosting the insurer's market reputation.

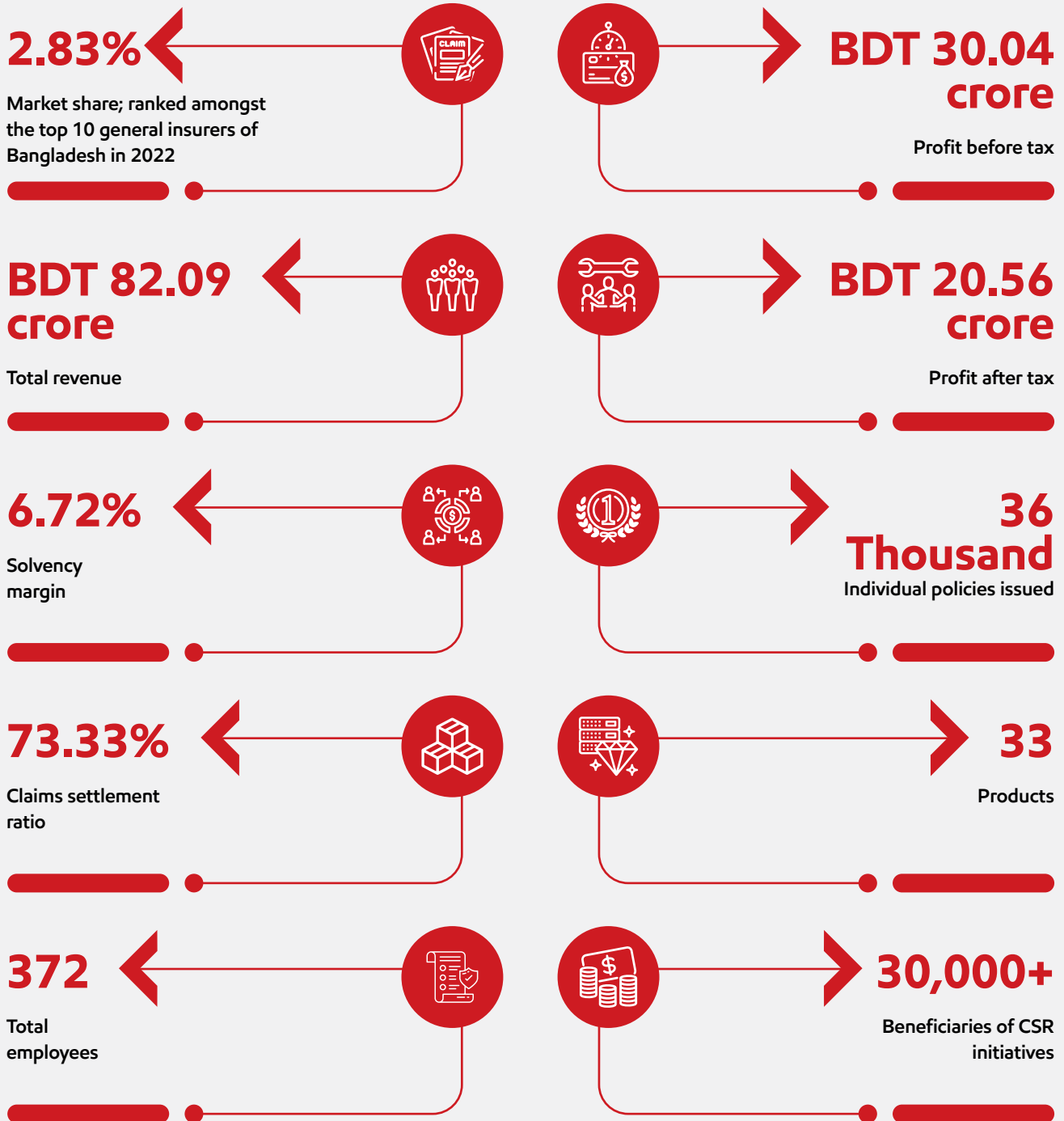


Overall Strategic Objectives



FY 2023 at a Glance

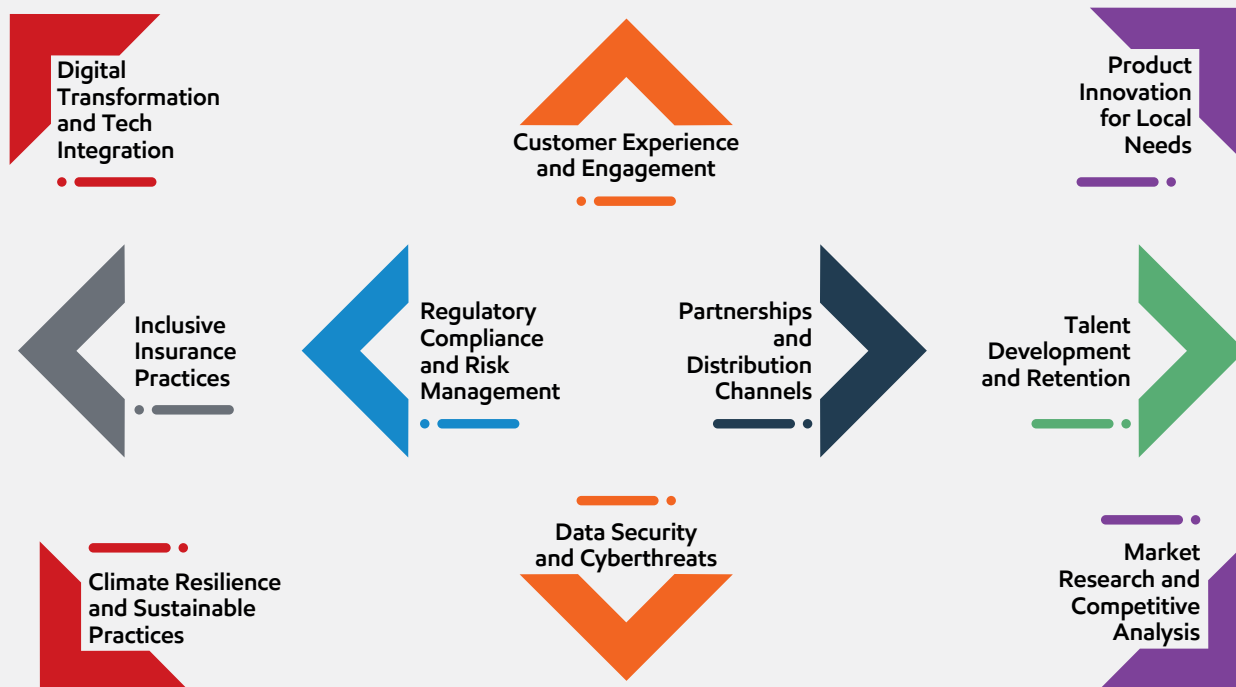
For us at City General Insurance, the financial year 2023 was a solid one as we remained committed to delivering on our operational and financial goals and objectives.



All the figures above pertain to our financial year 2023

Our 2024 Priorities

In 2024, we at City General Insurance will likely face a unique set of challenges and opportunities, necessitating the importance of chalking out our strategic priorities that align with the evolving landscape of the country's insurance industry. These are enumerated below.



Digital Transformation and Tech Integration

Embracing digital transformation is a top priority. Investing in advanced technologies such as AI and ML can optimize our internal processes, enhance customer experiences, streamline the claims management process, and ensure a robust customer journey with us. An intuitive and user-friendly online platform for policy issuance, renewals and claims processing will significantly improve accessibility for our customers.



Customer Experience and Engagement

Improving customer experience is paramount. Implementing customer-centric strategies, such as round-the-clock customer support, simplified policy documentation, and personalized communication, will foster greater levels of trust and loyalty. Utilizing data analytics to understand customer behaviour will also aid in tailoring products and services to meet evolving expectations of our customers.



Product Innovation for Local Needs

Developing and crafting insurance products tailored to the specific needs of the Bangladeshi market is crucial for us. This includes developing policies that address the unique risks faced by businesses and individuals in the country. For instance, innovation in microinsurance, M/SME insurance, agriculture insurance and climate risk coverage are particularly relevant, given the frequency of natural disasters occurring in Bangladesh.



Inclusive Insurance Practices

Prioritizing inclusive insurance practices will help us expand our market reach. Furthermore, evolving affordable insurance solutions for underserved populations, such as low-income individuals and rural communities in far-flung areas, will not only fulfill a social responsibility but also enable us to draw business opportunities from a vast untapped market. Partnerships with banks can facilitate the distribution of insurance products to these demographics through bancassurance.



Regulatory Compliance and Risk Management

With evolving regulatory dynamics, ensuring strict compliance with local regulations is critical. Thus, establishing a robust risk management framework, including effective underwriting and claims processes, is essential for our financial stability and position as a going concern. Maintaining a proactive approach to regulatory amendments will ensure the company stays ahead of compliance requirements. Our continuing focus is to ensure we remain a well-governed company.



Partnerships and Distribution Channels

In the new era of bancassurance in Bangladesh, building strategic partnerships with banks, financial institutions and other organizations will enable us to expand our distribution network. Collaborating with local entities will support us in reaching a broader customer base and thus boost the visibility of our insurance products. Besides, exploring new distribution channels such as bancassurance and digital platforms will further amplify our market penetration that has a direct correlation to our business growth.



Talent Development and Retention

Nurturing a skilled, adaptive and qualified workforce is a long-term strategic priority. Continuous training programs and talent development initiatives will ensure that our employees stay abreast of industry trends and possess the right skills and talents required for the evolving landscape. Implementing employee retention strategies is equally vital for us to maintain our institutional knowledge and intellectual expertise.



Climate Resilience and Sustainable Practices

Incorporating climate resilience into our insurance offerings is a strategic requirement, given Bangladesh's susceptibility to climate-related risks, which is a real threat. Developing sustainable practices not only aligns to global trends but also positions the company as a responsible corporate citizen. Green insurance products, maintaining an eco-friendly workplace, and initiatives focused on environmental conservation resonates well with our customers and other stakeholders.



Data Security and Cyberthreats

As digital platforms become integral to a digital life, safeguarding customer data is paramount. Prioritizing cybersecurity measures and investing in robust data protection strategies is thus critical for us. This not only protects the company and its customers from potential cyberthreats, but also enhances the overall trust in the digital ecosystem.



Market Research and Competitive Analysis

Conducting regular market research and staying attuned to competitive dynamics is crucial. Besides, we focus on understanding market trends, consumer preferences, and the strategies of competitors that enables us to make informed decisions, adapt quickly to changes, and maintain our competitive advantage.

Thus in 2024, our key strategic priorities will comprise digital transformation, product innovation, insurance inclusivity, customer experience, regulatory compliance, partnerships, talent development, data security and market intelligence assessment to effectively navigate the dynamic landscape of the country's insurance industry. These strategic initiatives not only address the current challenges but also position the company for sustainable growth in the future.

Ethical Principles, Compliance and Transparency

City General Insurance Company Limited has a Code of Conduct and ethical guidelines for the Board of Directors and the employees of the company. The Code of Conduct is an integral part of the company's service rules. It forms a common and consistent framework across the organization for achieving company's mission and goals by protecting the interest of insureds, owners, stakeholders of all types. The aim of the Code of Conduct is to ensure fidelity. The Board guides the management on policies that should be adopted and followed by everyone in the company.



Integrity

We understand the importance of uncompromising ethics in ensuring for our clients and others. We demonstrate a consistent behavior without being unfair. We practice integrity in the company for the well being of our corporate culture.



Client Satisfaction

Client satisfaction is one of the most important areas of our concern. We provide a transparent and detailed understanding of products and services that demonstrate the idea from the perspective of the client. Client satisfaction is thoroughly related to their understanding and expectation of our performance.



Trust & Respect

We maintain relation with everyone surrounding to us based on mutual trust and respect.



Equal opportunity

We applaud equal opportunity for our employees, insureds, clients and other connected parties.



Transparency

We try our best to remain transparent in our activities by providing and disclosing information in a fair, clear and decent behavior.

Teamwork

We all work toward a common goal. Individual success is defined by team success. We believe that team spirit can bring coordination and increase productivity within the company.



Diversity

We encourage diversity in our company to ensure more sharing of multi-dimensional knowledge and innovation.



Ongoing relations

We are eagerly interested to maintain the relation with our insured, clients and allied concern on a continuous basis.



Code of Ethics and Conduct at City General Insurance Company Limited

The Code of Conduct provides guidance to employees, how to ensure their action and behavior are compatible with the values of the company. Some Code of Conduct that covers same areas are mentioned below:



Professional excellence

We are oriented toward success and focused on performance. We always try to reach new heights and take pride in providing reliable and professional service.



Compliance with Laws, Rules, Regulations, orders, notifications, Circulars etc. issued by Regulatory authority.	Maintaining accuracy and adequacy in records, files, documents and reporting.	Serving insured and stakeholders with the best way.	Exercising requisite diligence in respect of Anti Money Laundering.	Working in a professional manner and with due care.
Avoidance of conflicts of interest.	Prohibition of any fraud, theft, illegal work including insider trading.	Maintaining confidentiality of company's and clients information	Protect company's property	Transparency and accuracy in presentation

About City Insurance

COMMITTED TO MAKING A DIFFERENCE

City General Insurance is dedicated to responsible business practices, acknowledging our societal role. We strive to conduct business that fosters opportunities and uplifts socio-economic conditions in our operating areas. Our focus is on achieving a positive impact while maintaining sustainability. In 2023, we emphasized broader access to insurance solutions, skills development, consumer education, and local employment generation, while fulfilling our exchequer obligations.

Since our inception, we've invested in new product development, resulting in a diverse range of best-fit products across protection segments. Through our retail insurance activities, we've contributed to closing the protection gap in Bangladesh.

With insurance penetration below 1%, a robust distribution network is crucial for enhancing penetration and inclusion. Our strategy focuses on sustainable growth by being present on various platforms and touch-points, making insurance easily accessible. We've established partnerships with corporate agents, brokers, etc., expanding our operational presence from a few branches to 45 branches nationwide in 2023.

Our employees, numbering over 372, are our key strength. Our evolving employee strategy aligns with strategic priorities, emphasizing talent retention in a competitive landscape. We foster excellence and empowerment through learning and development programs, preserving intellectual capital and staying committed to our growth path.

CHIEF EXECUTIVE OFFICER (CEO)

Mr. Md. Shamim Hossain, the Chief Executive Officer (CEO) of City General Insurance Company Limited is a 22 years experienced and an outstanding insurance professional who is leading the company to make it as one of the most trustworthy insurer in Bangladesh. He has made quite mark in the insurance industry being active role in insurance activities. He has excellent managerial charisma which is commanding to place the Company to the unique height in the insurance industry in Bangladesh.

CERTIFICATION & CREDIT RATINGS

City General Insurance Company Limited has been rated AA+ (Double A Plus) by Credit Rating Information and Services Limited (CRISL) indicating very high claims paying ability based on the financials of year ended 31st December 2022 and other relevant qualitative and quantitative information up to date of rating and will remain valid up to June 20, 2024.

ACCOLADES & RECOGNITION

In the year 2023 for the second consecutive time, City Insurance has won the prestigious 10th ICSB (Institute of Chartered Secretaries of Bangladesh) national Award 2022 for Corporate Governance Excellence in the Non-life Insurance category. This time we achieved Gold award. Also City Insurance Awarded the prestigious 23rd ICAB (Institute of Chartered Accountants of Bangladesh) National Award for Best Presented Annual Reports 2022 and achieved the Gold award in the Insurance (General) category. Also City Insurance has been honored with the Silver Award among SAARC countries for the Best Presented Annual Report in the General Insurance Category by SAFA (South Asian Federation of Accountants).

PRODUCTS

City General Insurance Company Limited is authorized to transact all classes of non-life insurance business. The Company offers all conventional non-life insurance products along with innovative products in the field of Fire insurance, Marine insurance, Marine hull (Inland & Ocean going), Motor insurance, Bank Lockers insurance, Money insurance, Bankers Blanket Bond insurance, Contractors all risks insurance (CAR), Erection all Risks insurance (EAR), Power Plant Operational Package Policy, Fidelity Guarantee insurance, Machinery breakdown Policy (MBD), Deterioration of Stock Policy (DOS), Boiler & Pressure Vessel Policy, Contractor's Plant & Machinery (CPM), Electronic Equipment insurance Policy (EEI), Burglary & House Breaking Policy, Business Interruption insurance, Goods in Transit insurance (GIT), Hotel Owners All Risk Policy, Overseas Mediclaim Policy, Personal Accident Policy, The Peoples Personal Accident Policy, Product Liability Policy, Plate Glass Insurance, Workmen's Compensation Policy, Health insurance, Hajj & Umrah insurance, Bangabandhu Surokkha Bima, Miscellaneous insurance, Property All Risk (PAR) insurance etc.

BUSINESS NETWORKS

City General Insurance Company Limited diversified its business with number of products together with an expanding and well-organized network of 45 (Forty five) branches with a presence in divisional District area of the country. Furthermore, the company has implemented automation and online business support to its clients. With a view to ensuring prompt services, all its businesses are operated through automated system and for coping with changing market demand. The company also implemented Online Approval System thus saving time and minimize of paper cost. City General Insurance Company Limited is in the trendy pathway of innovation practicing the modernize way for it.

REINSURANCE ARRANGEMENTS AND STRATEGY

City General Insurance Company Limited effectively deals with reinsurance matters for making protection of every insured. The Company has its re-insurance support with overseas re-insurer. There is an opinion that Fifty percent re-insurable non-life insurance business of the company is placed to Sadharan Bima Corporation (SBC) and the remaining fifty percent is placed with the overseas re-insurer. City General Insurance Company Limited overseas re-insurer arrangement with lead re-insurer in foreign Countries.

SETTLEMENT OF CLAIMS

City General Insurance Company Limited continue proper re-insurance protection for all re-insurable policies. So, claim settlement cannot come as a big issue to the company. The Company with its experienced claims settlement personnel handle all the claim with due care and advice the claimants with professional support to settle the claims within the shortest possible time. Claims are settled within the applicable rules and regulations.

City General Insurance Company Limited believes in transparency, ethics and accordingly doesn't move towards any unhealthy practice including credit business and premium under-cut prevailing in the industry. The company is fully aware of its responsibilities and its future goal in which bring insurance services and benefits to the door of the common people of Bangladesh and as such the company is operating its business by the Branches situated at thana level even



Profile of the Company

Name of the Company	Commencement of Business	Registered Office	Telephone No.	Fax No.	Website
City General Insurance Company Limited	25 March 1996	Baitul Hossain Building (3rd floor), 27, Dilkusha C/A, Dhaka-1000.	Phone: + 88 0222 3387296, 0222 3387281, 0222 3387278, 0222 3387738 Hotline: 01711695906	Fax + 88 02 223357509 Cable CITYINSUR	www.cityinsurance.com.bd

Email	Authorized Capital	Paid-up Capital	Type of Organization	Nature of Business	Number of Directors
info@cityinsurance.com.bd	Tk. 2000.00 Million	Tk. 681.66 Million	Non-life Insurance company	Fire, Marine, Motor, Miscellaneous insurance, etc.	14 (Fourteen)

Chairman	Chief Executive Officer	Number of Shareholders	Number of Branches	Number of employees	Listed with Dhaka Stock Exchange PLC
Mr. Hossain Akhtar	Mr. Md. Shamim Hossain	3,243 (As on 31 December 2023)	45 (Forty five)	372 (As on 31 December 2023)	8 November 2007

Listed with Chittagong Stock Exchange PLC	Business Motto	Statutory Auditor	Compliance professional	Credit Rating Agency	Provident Fund Auditor
22 October 2008	Economic development through risk minimization and effective client services.	Islam Quazi Shafique & Co. Chartered Accountants Al-Haj Shamsuddin Mansion (4th Floor) 17, New Eskaton Road, Moghbazar, Dhaka-1000 Phone:	Salahuddin & Associates Chartered Secretaries 55, Purana Paltan, 16/B, Noakhali Tower Dhaka-1000, Mobile: +880-130900599	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@crislb.com	Mizan Islam & Co. Chartered Accountants House No. 10, Road No. 06, Sector No. 12 Uttara Model Town, Dhaka-1230 Tel: 02 550 87246 Mobile: 01819 220388

Gratuity Auditor	Tax Advisor	Legal Advisors	Independent Scrutinizer for 28 th AGM
<p>Mizan Islam & Co. Chartered Accountants</p> <p>House No. 10, Road No. 06, Sector No. 12 Uttara Model Town, Dhaka-1230 Tel: 02 550 87246 Mobile: 01819 220388</p>	<p>Mr. Mahbubur Rahman Azad</p> <p>Ex. NBR Member & Tribunal President</p> <p>Rupayan Tower (15th Floor), Kakrail, Dhaka.</p>	<p>Sheikh & Chowdhury</p> <p>Barristers & Advocates Banglar Bani Bhaban (2nd Floor)</p> <p>81, Motijheel C/A, Dhaka-1000.</p> <p>Barrister Anwar Ahmed Chowdhury</p> <p>Lords & Law Associates</p> <p>24/1-1, Khiljee Road, Shyamoli, Dhaka-1207.</p> <p>Istiuk Jewel LL.B, M.A.</p> <p>(Philosophy) Advocate Supreme Court of Bangladesh Room No. 510, Ibrahim Mansion (4th Floor) 11, Purana Paltan, Dhaka-1000.</p>	<p>M Nurul Alam FCS, CCEP-I, CGIA</p> <p>Chief Executive Officer MNA Associates (ICSB Enrollment no.15) MNA Associates Tropical Molla Tower (L-3) Sha-15/1-4 Pragati Sarani, Middle Badda, Dhaka-1212 Mob: +880 1880887760, Email: info@mnaassociates.org</p>

Chairman, Board of Directors
Hossain Akhtar

Vice Chairmen, Board of Directors
Mohd. Abu Taher

Chairman, Audit Committee
Mahabubul Haque

Chairman, NRC
Tauhiduddin
Md. Zahed

Chairman, Investment Committee
Mr. Harunoor Rashid

Chairman, Risk Management Committee
Mr. Muhammad Nazirul Islam

Chairman, Policyholder Protection & Compliance Committee
Mr. Muhammad Nazirul Islam

Managing Director & CEO
Md. Shamim Hossain

Chief Financial Officer
Sheikh Azizul Haque

Company Secretary (Acting) & Secretary to all Assistive Committees
Mohammed Ashaduzzaman Sarkar

Our Opportunity Canvas

The insurance industry of Bangladesh is filled with potential due to a very large uninsured population facing a rise in risks and threats. Insurance will thus be vital to protect health and livelihood and can be an asset for policyholders in their times of need.

The key factors that will propel growth of the Bangladeshi general insurance sector are high GDP growth trajectory, a higher share of the younger population (between ages 15 and 50), rapid urbanization, focus on insurance-led financial inclusion, regulator's constant efforts to enhance the reach of insurance, and rising awareness of insurance as a protection tool via increasing financial literacy drives.

Furthermore, the regulator IDRA has adopted many trust-building activities and initiatives, which are expected to aid market growth. These include declaring 1 March as National Insurance Day during which many awareness campaigns on insurance services are organised.

IDRA has also formulated other initiatives, including launching a complaint cell for quick settlement of customer complaints regarding insurance claims. Besides, it has also launched a Unified Messaging Platform (UMP) utilizing state-of-the-art technology to establish a stronger connect between customers and insurers, enhance accountability, provide customers with regular premium information, and create a customer database.

Transforming customer attitude towards financial security

The Covid-19 pandemic has created unforeseen challenges for businesses and individuals across the world. Thus, it has spurred more people to consider insurance as a necessity to cover for business continuity risk, loss in earnings capacity and/or tackle unforeseen emergencies or exigencies. So, while general insurance may be quite some way away from becoming a major pull product, it is definitely moving towards becoming a nudge product.

Such changes in consumer mindset have led players to adapt and introduce specific covers, customized policies as per customer expectations and requirements, enhanced focus on selling protection plans, enable digital access to services, and improved claims settlement mechanisms.

Shifting risk landscape

The risk landscape has undergone deep transformation over the last decade. With pandemics and natural disasters, risks are becoming systemic. Individuals and companies have also seen the emergence of new threats, such as cybercrime, linked to the digital revolution. Increasingly aware of the need for protection, they expect more responsiveness, advice and support to face a complex new environment.

We have made property and casualty risk a pillar of our transformation in recent times. Driving this business is the conviction that protection needs are undergoing transformation. With our robust local presence and diverse expertise, we will be able to meet the needs, preferences and expectations of our customers in a shifting risk landscape.

Large uninsured population

Bangladesh has a very large uninsured population, with estimates pegging the penetration of general (non-life) insurance at less than 1% of a total population of 170 mn+ people. Furthermore, insurance is primarily concentrated in the city/metro population clusters and the rate falls even further in rural peripheral areas.

Thus, there is significant scope for penetration growth of insurance in the country. In addition to bancassurance (tie-up between insurance companies and banks) accessing this large population is feasible through digital channels.

We are accelerating our digital and analytics capabilities and seek to think and act like a digital company. Our digital strategy brings our businesses and technology teams closer together and transforms how we work.

Our business and technology departments are working together in agile ways to deliver digital experiences, products and solutions that meet our client's needs and drive positive outcomes. We continue to adopt our customer-centric solutions that incorporate our clients' perspective in every stage of their lives, thus creating valuable long-term relationships.

Our digital strategy is focused on the following levers:

- Creating deep client relationships enabled by leading digital capabilities and analytics
- Delivering personalized client experiences harnessing our data to provide insights
- Evolving how we work together to drive faster decisions that are made closer to the client

Significant competition and competitive pressures

Bangladesh's insurance industry is a highly competitive sector with a large number of companies competing for a limited share of the market. Moreover, unscrupulous practices are rampant that cause market distortion. Besides, most players have similar product profiles that leave very little scope for differentiation.

In this regard, we are committed to product differentiation through ensuring that our customer offering is not just best-fit but also one that is personalized and affordable. Affordability and accessibility are at the heart of our product distinction strategy.

Further, our capacity for innovation is also key, with our focus on innovation in the customer experience being brought to reality thanks to our digital ecosystems that simplify the customer journey and enhance responsiveness. We are also centering on innovation in risk anticipation and management through analysis tools and expert groups.

City General Insurance impact initiatives

At our company, we are focusing on a number of ways to harness the unfolding opportunities and make way for our path towards sustainable revenue and profitability growth.

For instance, we are expanding our insurance footprint in Bangladesh that presents a myriad of opportunities for growth. The dynamic economic landscape and evolving consumer needs have created a fertile ground for innovative strategies.

Firstly, embracing digital transformation is paramount. Bangladesh has experienced a significant surge in internet penetration, especially with the increasing use of smartphones. Leveraging this trend, insurance companies like us are enhancing our online presence, providing easy access to information, policy purchases, and claims processing.

Furthermore, we are also tailoring insurance products to specific demographics and industries that is yet another avenue for growth for us. Bangladesh exhibits a diverse market with distinct needs. Crafting specialized insurance solutions for sectors like agriculture, textiles, or manufacturing can not only address unique risks but also enable us to tap into niche markets, fostering a competitive edge.

Investing in robust data analytics can significantly impact growth. By leveraging data, we can gain insights into customer behaviour, identify emerging trends and customize offerings accordingly. Predictive analytics can also assist in our risk assessment standards, enabling us to optimise our underwriting processes and improving overall operational efficiency.

In a country where insurance awareness is still developing, education plays a crucial role. In this regard, we are investing in comprehensive awareness campaigns to enlighten the public about the benefits of insurance. This not only expands the customer base but also creates a more informed market, reducing any apprehensions or misgivings about insurance.

We have always believed that microinsurance, designed to cater to low-income segments, presents a socially responsible and economically viable opportunity. Tailoring affordable and relevant coverage for this demographic can address the protection gap while contributing to financial inclusion and societal welfare.

To enhance customer engagement, fostering a culture of transparency and communication is vital. Clear communication regarding policy terms, benefits, and claims processes instills trust. Furthermore, establishing dedicated customer service channels ensures prompt resolution of queries, enhancing the overall customer experience.

The regulatory environment in Bangladesh offers both challenges and opportunities. Staying abreast of regulatory changes and actively engaging with policymakers can help insurance companies navigate the evolving landscape effectively. We find that compliance with ethical standards and regulatory requirements not only ensures a stable business environment, but also builds trust among customers.

Thus, on an overall basis, the growth prospects for insurance companies in Bangladesh are substantial. Embracing technology, understanding local nuances, and creating innovative products and partnerships are key strategies for success. By addressing the diverse needs of the population, enhancing digital capabilities, and fostering a culture of customer-centricity, we are positioning ourselves for sustainable growth in this dynamic market.

Key Growth Drivers

We operate in an industry that is filled with opportunity. To such an environment we bring our institutional strengths to serve the market and enhance the penetration of insurance.

Our institutional strengths - Building our competitive moat

At City General Insurance, key growth drivers encompass a spectrum of factors vital for our sustained success. One pivotal driver is product innovation, where crafting policies that meet evolving customer needs and emerging risks augments our market competitiveness. Additionally, effective distribution channels and embracing a digital strategy extends market reach, enabling us to tap into a broader client base.

Risk management is intrinsic to the insurance industry, and adept handling of underwriting and claims processes ensures our financial stability. Besides, building robust relationships with reinsurers has facilitated us to mitigate excessive exposure and bolster our company's financial resilience and balance sheet.

Customer-centricity plays a crucial role in our growth. Tailoring services, providing personalized experiences, and maintaining transparent communication foster trust with our customers/policyholders. Moreover, leveraging data for gleaning customer insights enhances cross-selling opportunities, thereby facilitating a deeper client engagement.

Expansion is another growth driver, enabling us to diversify our portfolio and tap into new regions of Bangladesh. Strategic partnerships and acquisitions can expedite this expansion, as we focus on leveraging established networks for accelerated growth.

Regulatory compliance is paramount for us. Staying abreast of regulatory changes and adapting swiftly ensures our

company remains in good standing and can capitalize on new unfolding opportunities. Efficient compliance processes also contribute to our operational agility and help build the foundations for scalable growth.

Technological advancements, particularly in the realm of digital, has enabled us to transform our business, enabling us to enhance our relevance in an evolving market. Furthermore, automation streamlines operations, reduces costs, and enhances efficiency. Besides, smart use of data not only aids in risk assessment but also in predicting market trends. Additionally, we also focus on harnessing technology for our backend processes, including underwriting.

A robust and adaptive workforce is fundamental for us. At our company, ongoing training and development programs ensures that our employees stay abreast of industry changes, fostering innovation and maintaining a competitive edge. Futurization of our workforce is important to build on our competitive advantage.

Financial management is integral to our growth. Prudent investment strategies and effective capital allocation enable our company to manage economic fluctuations and seize growth opportunities. Maintaining a healthy balance between risk and return is key to our sustained financial success, which is evident in our premiums compounding by 11.30% over a 3-year period and 48.84% over a 5-year range.

Social responsibility and ethical business practices contribute to our long-term growth. Our company prioritizes sustainability and ethical behaviour not only enabling us to attract conscientious customers but also build a positive brand image, enhancing our market position.

Thus, the growth of our company is intrinsically linked to a dynamic interplay of factors ranging from product innovation and customer-centricity to global expansion and technological advancements.

New opportunities for business growth

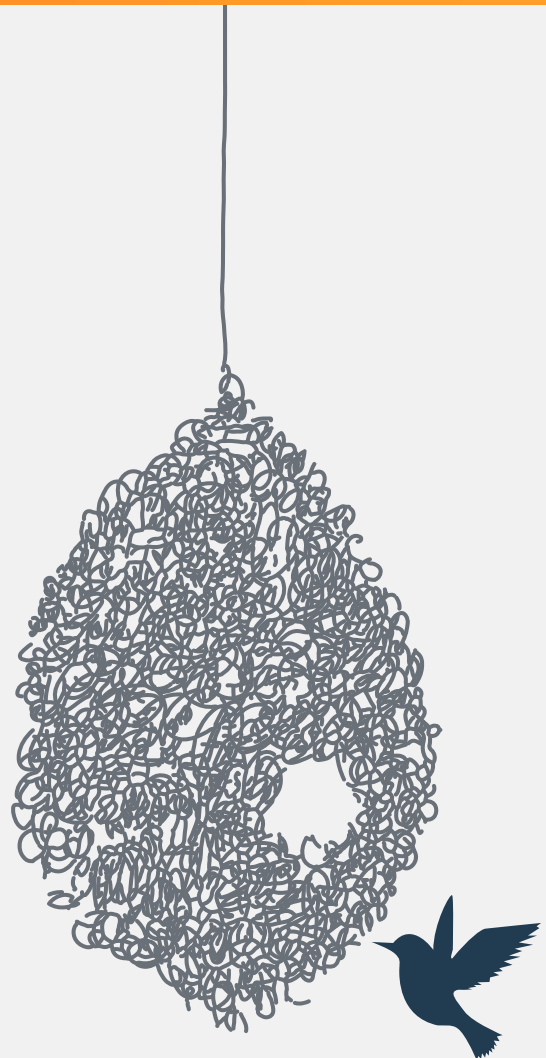
We foresee many opportunities in a fast-transforming economic landscape. These spawn from both an evolving digital environment as well as trade and business.

Tech-driven solutions: We see prevalent opportunities for insurers to capitalize on technological advancements, including InsurTech solutions for streamlined processes, risk assessment and customer engagement.

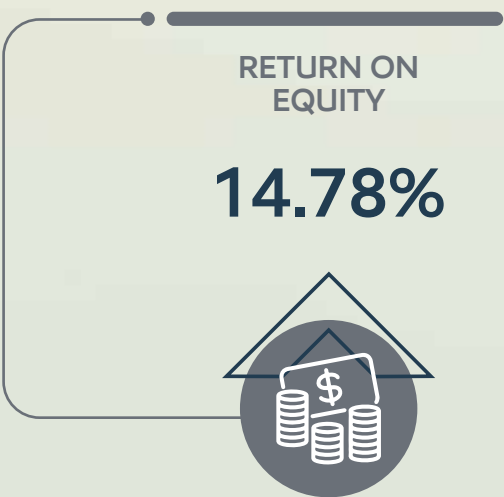
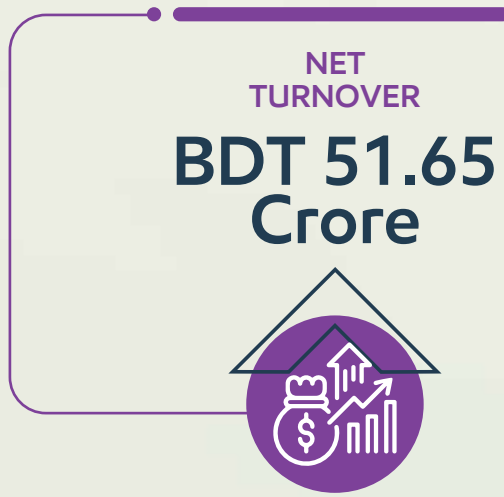
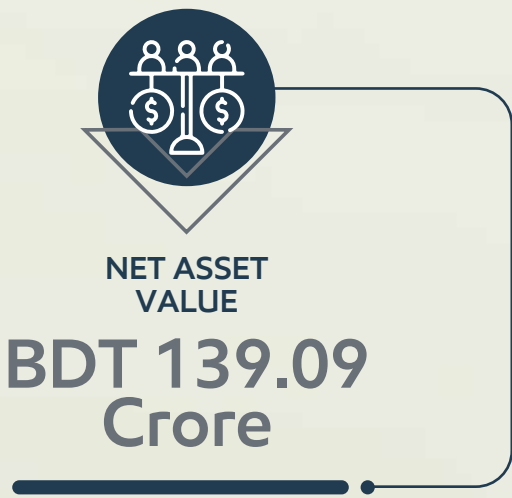
SME and microinsurance: We anticipate growth potential in the small and medium-sized enterprises (SME) sector, with insurers developing specialized products to cater to the unique needs of these businesses. Further, these entities are the backbone of Bangladesh's industry and are thus central to the government's national development agenda.

Climate and disaster insurance: We expect a growing basket of opportunities for non-life insurers to develop insurance products that address climate-related risks and natural disasters, especially considering Bangladesh's vulnerability to such events.

Regulatory support for innovation: Opportunities are being spawned from regulatory support for innovation, thus encouraging insurers to explore new business models and offerings.



Key Financial Metrics 2023





NET PROFIT
AFTER TAX

**BDT 20.56
Crore**

CASH
DIVIDEND

12% Cash



FINAL CASH
DIVIDEND PER SHARE

BDT 1.20



EARNINGS PER
SHARE

BDT 3.02



TOTAL
ASSETS

**BDT 213.59
Crore**

TOTAL
INVESTMENTS

**BDT 57.06
Crore**



Our Financial Performance in 2023

Total assets increased 10.11% than the previous year

BDT 2,136 mn

Net Claims settled 2023

BDT 44.17mn

Claims settlement ratio 2023

73.33%

Products 2023

33

Total customer base 2023

32,504

Revenue – Gross direct premium income (BDT mn)

2023	2022	2021	2020	2019	2018
717.53	791.86	633.20	376.45	370.05	368.70



Combined ratio (%)

2023	2022	2021	2020	2019	2018
65.64	70.51	70.05	75.77	77.49	78.95



Claims settlement ratio (%)

2023	2022	2021	2020	2019	2018
73.33	93.08	99.46	100	100	99.25



Net profit after tax (BDT mn)

2023	2022	2021	2020	2019	2018
205.64	153.58	114.72	120.75	68.55	85.63





Solvency ratio (%)



2023	2022	2021	2020	2019	2018
6.72	5.50	5.08	5.80	7.21	8.33



Return on equity (%)



2023	2022	2021	2020	2019	2018
14.78	12.13	9.60	10.50	6.41	8.08



No. of branches



2023	2022	2021	2020	2019	2018
45	45	49	55	52	58



Employee count



2023	2022	2021	2020	2019	2018
372	395	396	315	414	429



Our Products and Services



Fire insurance



Marine insurance



Marine hull
(Inland and ocean going)



Motor insurance



Contractor's plant & machinery insurance (CPM)



Boiler & pressure vessel insurance



Deterioration of stock insurance (DOS)



Machinery breakdown insurance (MBD)



Electronic equipment insurance (EEI)



Burglary & house breaking insurance



Business interruption insurance



Goods-in-transit insurance (GIT)



Product liability insurance



Plate glass insurance



Workmen's compensation insurance



Sports insurance



Aviation insurance



Bank lockers insurance



Money insurance



Property All Risk (PAR) insurance



Bankers Blanket Bond insurance



Fidelity guarantee insurance



Power plant operational package insurance



Erection all-risk insurance (EAR)



Contractors all-risk insurance (CAR)



Hotel owners' all-risk insurance



Overseas Mediclaim insurance



Personal accident insurance



The peoples' personal accident insurance



Hajj & Umrah insurance



Bangabandhu Surokkha Bima

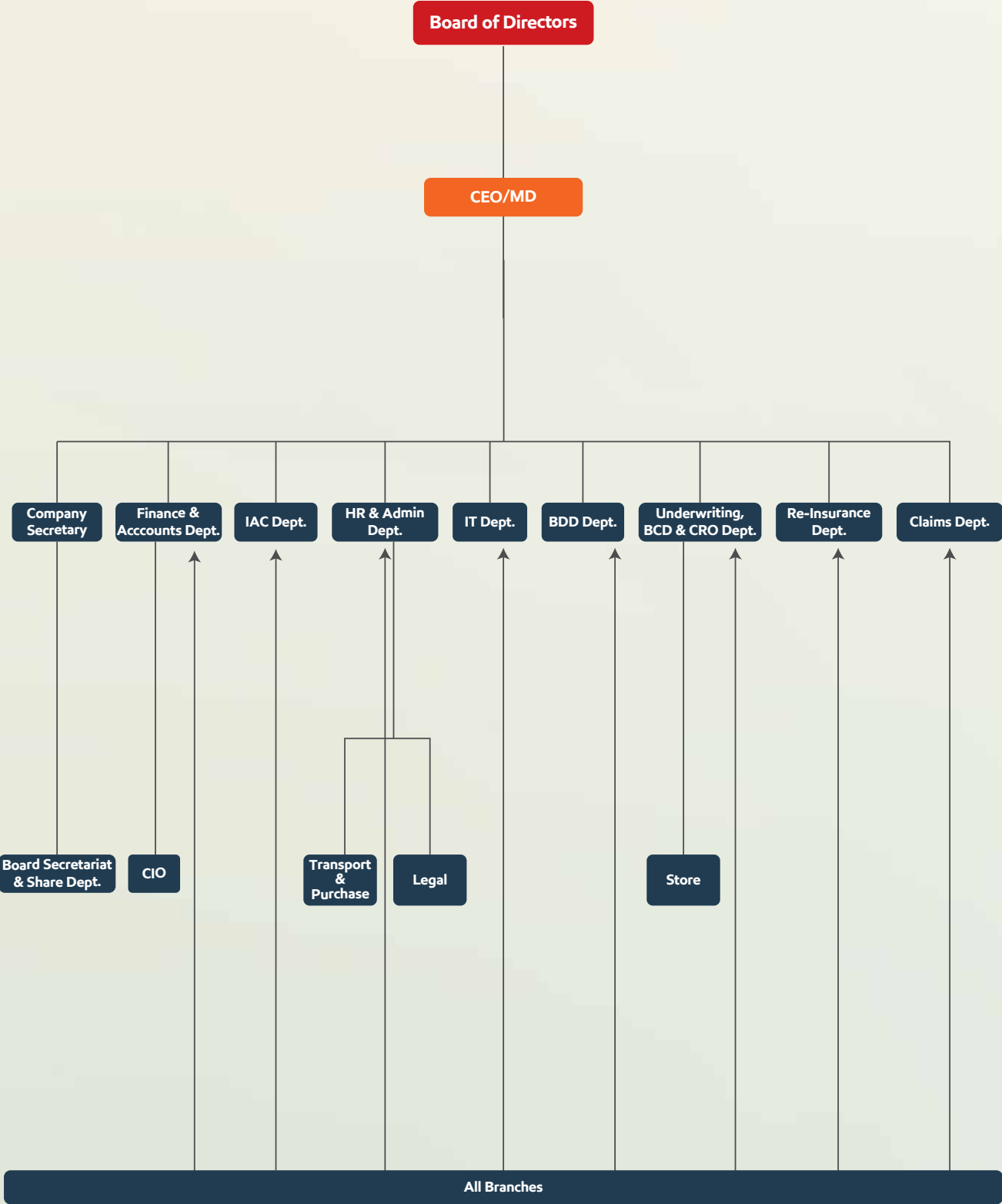


Lift insurance



Industrial all risk (IAR) insurance

Corporate Structure



Corporate Culture

In keeping with our Vision and Mission to “make a positive difference” in the lives of our employees, City Insurance has cultivated a unique corporate culture. In this culture, challenging work, open communications both upwards and downwards, accessibility to leadership including encouraging bottom up rather than ‘top down’ approach, mutual respect, trust, and concern for co-worker and community well-being and development are melded together to create a workplace with a family-like feel which is productive, personally fulfilling, and professionally satisfying.

The following amenities, policies, practices, benefits, beliefs, and behaviors contribute to creating and maintaining the City Insurance corporate culture.



Office Building Amenities

- Architecturally aesthetic and modern office building situated at a prime location of the city.
- having convenient access to public transportation.
- Secured building with round the clock security service.



People Management Philosophy

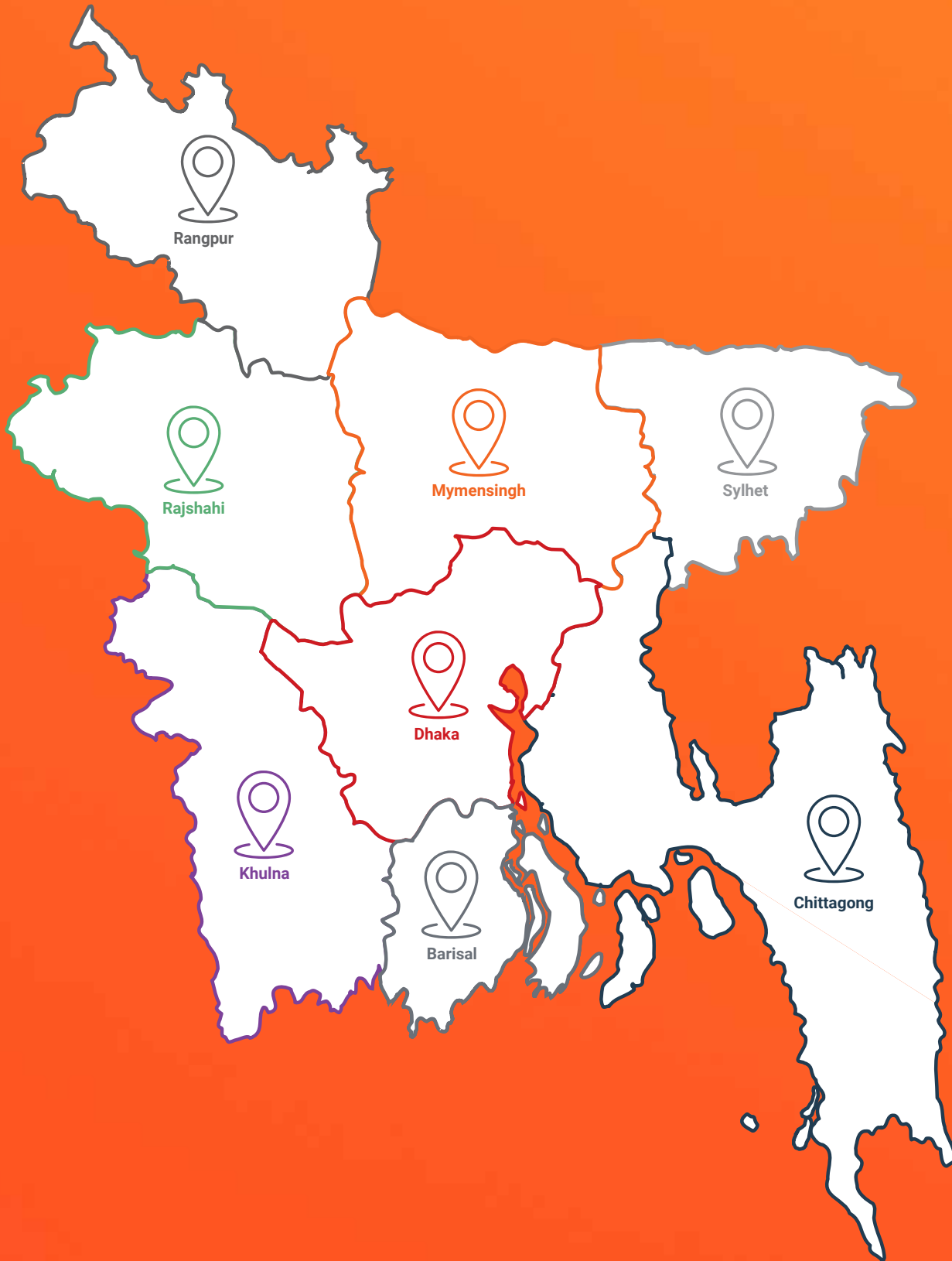
- Attract and partner with qualified employees whose education, experience, and desire to grow and success will contribute to the accomplishment of Company goals.
- Blend the experience and knowledge of flexible long-term employees with the energy and fresh perspectives of new employees from other organizational experiences to create a versatile workforce capable of responding to the challenges and increasing demands of today's business environment.
- Train and develop employees for current jobs, future opportunities, and the continuing viability of the organization through insurance education, technical and management skills training, educational assistance, promotion from within, and strategic succession planning.



Other Amenities, Perks and Benefits

- Attractive car scheme proposal for executive level employees give a new dimension to boost up the morality 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% by for all regular employees.
- Employees are entitled to get single gratuity benefit if he/she completes 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.

Our Footprint





Dhaka Division

Total number of Branches

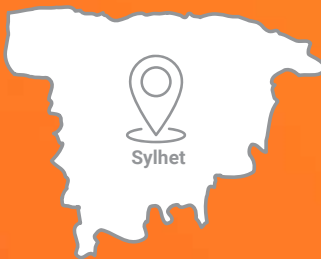
22



Chattogram Division

Total number of Branches

04



Sylhet Division

Total number of Branches

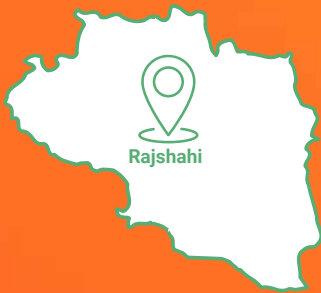
02



Mymensingh Division

Total number of Branches

02



Rajshahi Division

Total number of Branches

05



Rangpur Division

Total number of Branches

03



Barishal Division

Number of Branch

01



Khulna Division

Total number of Branches

06

Our Geographical Presence

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Agrabad Branch Manzoor Building (1st floor) 67, Agrabad C/A, Chattogram.	Office # 02333315418, 02333315446 Mobile # 01711-421668 Email: agrabad@cityinsurance.com.bd
B. B. Avenue Branch Lily Pond Center, Suit # 16E (16th Floor) 3, R.K. Mission Road, Dhaka-1203.	Office # 02223387362 Mobile # 01719-686947 Email: bbave@cityinsurance.com.bd
Barishal Branch 47/47, Sadar Road (3rd floor), Barishal.	Office # 02478865377 Mobile # 01724-702375 Email: barishal@cityinsurance.com.bd
Begum Bazar Branch 71/72, Begum Bazar Chawk Bazar, Dhaka-1000.	Office # 7342574 Mobile # 01954-384889 Email: begumbazar@cityinsurance.com.bd
Benapole Branch Rahman Chamber (3rd Floor), Benapole Bazar, Benapole, Jashore.	Mobile # 01711-267567 Email: benapole@cityinsurance.com.bd
Bahaddarhat Branch Siraj Building (2nd Floor), 671/D, Sholakbahar, CDA Avenue, Bahaddarhat, Chattogram.	Office # 031-656770 Mobile # 01820-985141 Email: baddarhat@cityinsurance.com.bd
Board Bazar Branch 1212/A, Meherjan Plaza, 3rd Floor of Agrani Bank, Board Bazar, Gazipur.	Mobile # 01750-009435 Email: boardbazar@cityinsurance.com.bd
Bogura Branch Siraj Market, Boro Gollar Mor, Raja Bazar Road, Bogura.	Office # 02589905631 Mobile # 01780-581471 Email: bogra@cityinsurance.com.bd
Cumilla Branch 257/240, Haji Mansion, Monohorpur, Cumilla-3500.	Office # 02334405893 Mobile # 01818818776 Email: comilla@cityinsurance.com.bd
Dilkusha Branch 44, Dilkusha C/A, (7th floor), Dhaka-1000.	Office # 02223384652 Mobile # 01718-059504 Email: dilkusha@cityinsurance.com.bd
Dinajpur Branch Masjid Market, Chowk Bazar, Dinajpur.	Office # 0258-9923585 Mobile # 01718-836289 Email: dinajpur@cityinsurance.com.bd

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Elephant Road Branch Baitul Hossain Bldg. (3rd Floor) 27, Dilkusha C/A, Dhaka-1000.	Office # 0222 3387296 Mobile # 01789-794037 Email: elephantroad@cityinsurance.com.bd
English Road Branch 9, North South Road, Bangshal, Dhaka-1000.	Office # 47113754 Mobile # 01712-132425 Email: englishroad@cityinsurance.com.bd
Faridpur Branch 4/269, South Alipur, New Market, Faridpur	Mobile # 01723-232255 Email: faridpur@cityinsurance.com.bd
Gulshan Branch Flat-A6, House No. Ta-136, Middle Badda, Dhaka-1212	Office # 48812114 Mobile # 01921-222810 Email: gulshan@cityinsurance.com.bd
Imamgonj Branch 31-33, Ray Issor Chandro Shil Bahadur Street (5th Floor), Imamgonj, Dhaka.	Office # 57318671 Mobile # 01718-527100 Email: imamgonj@cityinsurance.com.bd
Ishwardi Branch HMK Building (2nd Floor) Station Road Ishwardi Bazar, Pabna.	Office # 02588846462 Mobile # 01711-108804 Email: iswardi@cityinsurance.com.bd
Islampur Branch 101, Mala Corporation, Islampur Road (2nd Floor), Dhaka-1100.	Office # 57392738 Mobile # 01911-754176 Email: islampur@cityinsurance.com.bd
Jashore Branch Bangla Bazar (1st Floor) M.K. Road, Jashore.	Office # 02477760153 Mobile # 01712-257409 Email: jessore@cityinsurance.com.bd
Kawran Bazar Branch Hasney Tower (4th Floor), 3/A, Kawran Bazar C/A, Dhaka.	Office # 55013478, 55013476 Fax # 58155980 Mobile # 01621-189492 Email: kawranbazar@cityinsurance.com.bd
Khulna Branch Nizam Chamber, 7, Old Jashore Road, Khulna.	Office # 477726632 Mobile # 01714-304423 Email: khulna@cityinsurance.com.bd
Kushtia Branch Lovely Tower (5th floor), 55/1, Shirajudulla Road, Kushtia.	Office # 071-73656 Mobile # 01711-484827 Email: kushtia@cityinsurance.com.bd
Local Office Baitul Hossain Building (3rd Floor) 27, Dilkusha C/A, Dhaka-1000.	Office # 02223390772 & 02223384072 Mobile # 01819-226449 Email: local@cityinsurance.com.bd

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Malibagh Branch Haque Chamber (8th Floor) 3, DIT Avenue, Motijheel, Dhaka-1000.	Mobile # 01716-020857 & 01673-597149 Email: malibag@cityinsurance. com.bd
Mawna Branch Shahidullah Complex-2 Mymensingh Road, Mawna Chowrasta, Sreepur, Gazipur.	Mobile # 01715-051294 Email: mawna@cityinsurance. com.bd
Manikganj Branch Bhumi Office Lane, Manikganj Bazar, Manikganj.	Office # 996610993 Mobile # 01711-934924 Email: manikgonj@ cityinsurance.com.bd
Mymensingh Branch 64, Baro Bazar, Mymensingh.	Office # 02996667311 Mobile # 01711-612625 Email: mymensing@ cityinsurance.com.bd
Motijheel Branch 1/B, DIT Avenue, Motijheel C/A, Dhaka-1000.	Office # 9515806, 9515829 Mobile # 01776-299322 Email: motijheel@cityinsurance. com.bd
Naogaon Branch Rupali Market, Hotel Potti (Sonar Potti), Naogaon.	Office # 02588882698 Mobile # 01783-646133 Email: naogaon@cityinsurance. com.bd
Narayanganj Branch 53/1, S. M. Maleh Road, (Haji Plaza) Tanbazar, Narayanganj.	Office # 7630200 Email: narayangonj@ cityinsurance.com.bd
Narsingdi Branch 2/E, C&B Road, Narsingdi.	Office # 02224453064 Mobile # 01711-683291 Email: narsingdi@cityinsurance. com.bd
Noapara Branch Holding No. 628, Green Super Market (1st floor), Noapara Bus Station, Avaynagar, Jashore.	Office: 477770123 Mobile # 01312-467698 Email: noapara@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 # 01819-393408 Email: ornizam@cityinsurance. com.bd
Pabna Branch Muktijodha Super Market Complex (2nd floor) Abdul Hamid Road, Pabna.	Office # 02588844312 Mobile # 01735-620365 Email: pabna@cityinsurance. com.bd

BRANCH NAME WITH ADDRESS	CONTACTS DETAILS
Rajshahi Branch Natore Road, Shaheb Bazar, Rajshahi.	Office # 02588853091 Mobile # 01716-121541 Email: rajshahi@cityinsurance. com.bd
Rangpur Branch Uthsorgha Bhaban (2nd Floor) Station Road, Rangpur.	Office # 02589967737 Mobile# 01721-216860 Email: rangpur@cityinsurance. com.bd
Saidpur Branch Rice Market (Molla Road), Saidpur, Nilphamari.	Office # 02589957747 Mobile # 0171-2315144 Email: saidpur@cityinsurance. com.bd
Satkhira Branch Allahr Dan Market, 2nd floor of Pubali Bank, Satkhira.	Office # 477741444 Mobile # 01880-404605 Email: satkhira@cityinsurance. com.bd
Sherpur Branch Khairampur Moor Al-Amin Jewelers (2nd Floor) Munshi Bazar, Sherpur.	Mobile # 01717-054865 Email: sherpur@cityinsurance. com.bd
Shyamoli Branch 14, PC Culture Bhaban (4th Floor) Shyamoli, Dhaka.	Office # 48118969 Mobile # 01725-082525 Email: shyamoli@cityinsurance. com.bd
Sunamganj Branch Mobarak Bhaban (1st floor) G. S. Road, Sunamganj.	Office # 02996600229 Mobile # 01714-030736 Email: sunamgonj@ cityinsurance.com.bd
Sylhet Branch Purbani Shopping Complex (2nd floor) Room # 11 & 12, East Zindabazar, Sylhet.	Office # 02996635696 Mobile # 01712-139156 Email: sylhet@cityinsurance. com.bd
Tangail Branch Main Road, College para Tangail.	Office # 02997752159 Mobile # 01711-243694 Email: tangail@cityinsurance. com.bd
Uttara Branch House # 41, Road # 2, Sector # 3, AB Super Market, Uttara, Dhaka.	Office # 48962162 & 4896211 Mobile # 01718-741518 Email: uttara@cityinsurance. com.bd
VIP Road Branch 169, Shahid Nazrul Islam Sarani, Palton, Dhaka.	Office # 41052790 Mobile # 01642-004054 Email: vip.br@cityinsurance. com.bd




REPORTS FROM
LEADERSHIP







Message from our Chairman



At City General Insurance, we believe that to become the insurer of choice, we need to stay ahead of the curve. Over the years, we have successfully implemented a consistent growth strategy resulting in a smooth upward curve on key metrics. Being on strong foundations now, we are building scale and powering growth in the digital age.

- Hossain Akhtar
Chairman

Dear Esteemed Shareholders,

I am pleased to address you in my capacity as the Chairman of City General Insurance, as we reflect on the accomplishments of the past year 2023 and chart our course for the future. In a rapidly evolving insurance landscape, our commitment to digital innovation and operational scale has positioned us as a reputed partner of choice for our customers in the insurance industry of Bangladesh.

Digital Transformation: A Catalyst For Growth

In embracing the digital era, we have started to harness technology to enhance the customer experience and operational efficiency. Our digital initiatives have streamlined processes, from policy issuance to claims settlement, providing our valued policyholders with a seamless and user-friendly journey. As we continue to invest in cutting-edge technologies, we aim to stay ahead of the curve, ensuring that our services align with the evolving needs and expectations of our customers.

Furthermore, our robust digital infrastructure has enabled us to adapt swiftly to changing circumstances, exemplified by our ability to navigate the challenges posed by the global pandemic and prevalent geopolitical upheavals. The acceleration of digital adoption has not only ensured business continuity but has highlighted the resilience of our operational framework too.

I am pleased to report that sustained investments in technology has played a crucial role in enhancing our operational efficiency and customer experience. The adoption of data analytics and digital tools have facilitated streamlining processes and improving overall service delivery. This has gone a long way in enabling us to build trust with our customers, assuring them that we will stand by them in their "moment of truth".

Operational Scale: Driving Forward Our Commitment To Excellence

For us at City General Insurance, our commitment to operational scale is rooted in the belief that a well-structured and efficient organization is fundamental to sustainable success and value creation. We have strategically expanded our footprint across Bangladesh, establishing a network that not only serves as a testament to our commitment to enhance insurance penetration, but also expand our ability to cater to diverse market segments, thus meeting a wider array of customer requirements.

In addition, our growing focus on operational scale has empowered us to optimize our resource management, negotiate favorable terms with partners, and eventually deliver better value to our shareholders. Our investment in state-of-the-art infrastructure and talent development reflect our dedication to building an organization that can

navigate the complexities of the insurance landscape in Bangladesh with agility, adaptability and resilience.

Insurance Opportunities In Bangladesh: Unleashing Our Growth Potential

Bangladesh, with its burgeoning population and economy, presents immense opportunities for insurance penetration. As economic activities expand, the need for insurance-driven financial protection and risk mitigation becomes more pronounced. In light of this reality, we are strategically positioning our business to capitalize on this demand by leveraging our digital capabilities and our infrastructure that enhance our ability to reach in our customers in the fastest and most cost-effective way.

As per the industry regulator IDRA and Swiss Re Institute, general or non-life insurance penetration in Bangladesh is just 0.1%, and the insurance industry comprises only 0.5% of the GDP (2021). Further, non-life insurance comprises just about 32% of the total insurance premium collected (2022).

Thus, it is contingent on frontline players like us to not just compete for the existing market but grow and expand the addressable market too. This is precisely our focus area through our pillars of digital, operational excellence and scale, and ethical governance.

The untapped segments in the market, coupled with the increasing awareness of the importance of insurance, create a fertile ground for growth in Bangladesh. Our own customer interactions and market research suggest that there is a significant opportunity to introduce tailored insurance products that cater to the unique needs of various demographic segments of the country.

I can quote many examples here.

Natural calamities are impacting Bangladesh often and drastically hurt farmers' financial lives. Affordable crop insurance being made acceptable meaningfully can cover this major risk and protect this important community of society as well as ensure the nation's food security.

With the improved life expectancy and rising out-of-pocket spending of patients on healthcare, a large number of people fall back into poverty due to high medical treatment costs. Affordable health insurance can help them cope better with both the health and the financial shock.

Similarly, automobile insurance being made mandatory can improve potential risks to motorists and pedestrians in case of an accident.

While the regulatory landscape in Bangladesh is evolving to encourage innovation and competition within the insurance sector, insurance being made mandatory in key sectors can help open up the market too.

As a future-facing company, we are actively engaging with regulators to contribute to the development and articulation of policies that promote a dynamic and customer-centric insurance market and a key financial protection tool.

Chairman’s Review regarding overall performance of the board and effectiveness of the role played by the board to achieve the organisation’s objectives

As we reflect on the fiscal year gone by, it is my distinct honor to present the Chairman’s Review Report on the overall performance of the board and the effectiveness of its pivotal role in steering City General Insurance Company Limited toward the achievement of its organizational objectives.

Financial Performance:

City General Insurance Company Limited has witnessed commendable financial growth in the past year. The board’s strategic decisions, coupled with a robust risk management framework, have contributed to a significant increase in revenue and profitability. Despite the challenging economic landscape, the company has successfully navigated through uncertainties, demonstrating resilience and adaptability in the face of evolving market conditions.

Risk Management and Compliance:

The board places a paramount focus on risk management and compliance. In the ever-changing regulatory environment, our commitment to upholding the highest standards of governance remains unwavering. The board’s proactive approach to risk identification, assessment, and mitigation has not only protected the company from potential pitfalls but has also positioned City General Insurance as a reliable and responsible player in the industry.

Strategic Initiatives:

The past year saw the successful implementation of key strategic initiatives outlined by the board. These initiatives were instrumental in strengthening our market position, enhancing customer satisfaction, and fostering innovation across various business segments. The board’s forward-thinking approach has ensured that City General Insurance remains at the forefront of industry trends, aligning our operations with the dynamic needs of our diverse customer base.

Stakeholder Engagement:

Effective stakeholder engagement is a cornerstone of our success. The board recognizes the importance of fostering strong relationships with shareholders, customers, employees, and regulatory bodies. Through transparent communication and a commitment to ethical business practices, City General Insurance has not only retained the

trust of its stakeholders but has also expanded its network of partnerships and collaborations.

The board’s steadfast commitment to excellence and strategic vision has played a pivotal role in City General Insurance Company Limited’s remarkable performance over the past fiscal year. As we look toward the future, the board remains dedicated to guiding the company through new challenges and opportunities, ensuring sustainable growth and value creation for all stakeholders.

Future Outlook: Living Our Vision Of Sustainable Growth

Looking ahead, we remain committed to our vision of sustainable growth as we build out our operations on the back of our digital, people and governance endeavours.

The synergy between our digital initiatives and operational scale will continue to be a driving force in achieving our strategic objectives. Our focus on customer-led solutions, coupled with prudent risk management, will fortify our position as a trusted partner for individuals and businesses alike.

In the new financial year 2024, we plan to intensify our efforts in digital marketing, leveraging data analytics to personalize our offerings and enhance customer engagement. Furthermore, we will explore strategic partnerships to expand our product offering and assess new avenues for growth.

As we embark on this journey of making a meaningful difference in the lives of our customers and on our nation at large, I want to express my gratitude to our shareholders for their unwavering support in our growth endeavours. Your trust has been the bedrock of our success, and we remain dedicated to delivering value that exceed your expectations.

In conclusion, the tripartite convergence of digital innovation, operational excellence and business transformation through ESG principles, has positioned us at the forefront of the insurance industry of Bangladesh. The opportunities ahead are vast, and we are prepared to seize them, guided by the principles of integrity, innovation and excellence.

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

Sincerely,



Hossain Akhtar

Chairman, City General Insurance





Q&A with the Chief Executive Officer

Building on our legacy, we have consistently reinforced our brand credo and trust among our customers. These two have been vital and have enabled us to carve our niche in a market that exhibits high competition, yet little differentiation.

- Md. Shamim Hossain
Managing Director & CEO

Q: How Would You Summarize The Overall Performance Of The Company In The Year 2023?

A: In 2023, our company experienced robust performance, achieving significant milestones in various key areas. Despite external challenges comprising a sluggish economic environment and high competition, we witnessed steady growth in revenue, profitability, customer acquisition and market share, validating the effectiveness of our strategic initiatives.

However, the one factor that really stood out for me was how our workforce emerged as a key asset in enabling us to meet our objectives. I believe our efforts and investment in employee training and development programs have started to bear results and this is a competence driver that will remain for a long time to come. Our commitment to staff development resulted in a skilled and motivated team, positively impacting our overall performance.

Q: Please Elaborate On The Institutional Strengths That Have Contributed To The Company's Success In 2023.

A: It is undoubted that our institutional strengths have been pivotal in our success. A commitment to transparency, ethical practices and customer-centric policies has fortified our foundation that is reinforced by our positive employee engagement and growth initiatives. Notably, the implementation of cutting-edge technology, coupled with a focus on operational efficiency, has created a resilient organisational structure that positions us well to continue to harness our competitive drivers to create sustainable value for our shareholders and other stakeholders.

I want to particularly highlight two other points. One is our claims management excellence under which we strive to ensure efficient and prompt claims processing and settlement that directly contribute to high customer satisfaction and retention. This really enables us to lower our customer acquisition costs. Our commitment to quick, fair and hassle-less claims settlement has enhanced our reputation in the market. As a matter of fact, we disbursed BDT 44,170,259 crore as claims in 2023, up from BDT 53,012,766 crore in the prior year period.

The other point that I want to spotlight is our stable investment portfolio. We have managed our investment portfolio prudently and with foresight, ensuring stability and positive returns. This has helped bolster our solvency and has contributed to the overall financial health of the company.

Q: How Has The Company Maintained Or Even Enhanced Its Strong Brand And Trust Among Customers During The Past Year?

A: Building on our legacy, we have consistently reinforced our brand credo and trust among our customers. These two have

been vital and have enabled us to carve our niche in a market that exhibits high competition, yet little differentiation. The other aspect is that we have continued to harness technology to serve our customers better. Right from lead origination to documentation to risk underwriting to claims management, we have strived to deploy technology to improve each aspect of our interface with our customers.

City General Insurance has thus spawned today as a company our policyholders trust. Emphasizing transparency in our policy wording and customer communication, swift response to customer inquiries, and delivering on our promises, we have strengthened the emotional connect with our customers, fostering loyalty and positive word-of-mouth responses. This goodwill has helped organically grow our customer base, thus enabling us to re-allocate our marketing resources to high value-add activities. The impact of this is the growth in both our revenues and profits that we have achieved in 2023.

Q: What Initiatives Were Taken To Ensure Quick Claim Settlement Times, And How Has This Impacted Customer Satisfaction?

A: Recognizing the importance of quick claims processing that is vital to the success of any insurance company operating in Bangladesh, we implemented streamlined procedures and technologies. This resulted in a remarkable reduction in claims settlement time frame, significantly improving customer satisfaction. Notably, our claims settlement window has narrowed from 27 days to just about 38 days over the last five years.

Our commitment to prompt and fair claims handling remains unwavering, reflecting our dedication to providing peace-of-mind to our policyholders. Insurance is all about convenience and assurance and we want to really ace these two crucial aspects of our business. Technology and operational scale are the vital pillars that will enable us to meet our intent and will thus be areas of present and future investment.

Q: How Has The Wide Distribution Network Contributed To The Company's Performance And Market Reach In 2023?

A: For us at City General Insurance, our mandate is clear, which is to expand our geographical reach. We want to have a presence across the country and we want to be the preferred partner for our customers in serving all their general insurance requirements. We will achieve this in two ways. One, we will expand our physical footprint through our branch network and second, we will enlarge our presence in the digital space. While visibility through our branch network will go a long way in providing customer assurance that we are here for them, our presence on digital networks will add to the convenience aspect of policy purchases. Through this we will also be able to cater to customers from all ages; those that are comfortable in purchasing policies through in-person

engagement and interactions, as well as those who want to purchase policies on-the-go.

Our branches with visible external signages have also helped customers build trust in our business.

Q: Were There Specific Challenges Faced By The Company In 2023? How Were They Addressed Or Mitigated?

A: Like any business, we encountered challenges in 2023, including regulatory changes and economic uncertainties. However, our proactive approach allowed us to navigate these challenges effectively. By staying agile and adaptable, engaging with regulatory bodies and ensuring we keep our communication open and transparent with them, and implementing contingency plans, we mitigated potential risks and positioned the company for resilience in the face of uncertainties.

What I wish to talk a little bit about is changing customer expectations. This is something that we will have to take cognizance of as we build the business to cater to the whole of Bangladesh. While this is not a major risk per se we will need to keep evolving our organisation to attune it to the evolving customer landscape, especially in the context of the real threat from competitive intensity where a large number of players vie for a limited piece of the market. We will continue to ensure that we stay relevant to our customers through launching new, innovative and affordable products as well as creating personalised products that suit specific requirements.

Q: How Has The Company Leveraged Technology To Stay Ahead In The Competitive Landscape?

A: Technology has been a cornerstone of our business strategy to stay ahead in the competitive landscape. From digitized underwriting processes to customer-centric tech processes, we have embraced technological innovations to be able to primarily serve our customers better and save costs. This has not only enhanced our operational efficiency and go-to-market capabilities, but has also positioned us favorably as a customer-focused insurance provider, setting us apart in the market.

Q: Can You Share Any Specific Achievements Or Milestones That Stand Out From The Company's Performance In 2023?

A: In 2023, we achieved several notable milestones. These include surpassing customer satisfaction targets, expanding our market share, and successfully creating a product-market fit despite us having a large number of products in our portfolio. These achievements underscore our commitment to continuous improvement, innovation and meeting the changing needs of our diverse customer base. In addition to this, we received several local and international awards in 2023 for demonstrating excellent corporate governance practices. These accolades underscore our company's outstanding performance.

Q: How Does The Company Plan To Build On The Successes Of 2023 In The Upcoming Year?

A: Building on the successes of 2023, our focus remains on sustained growth, customer-centricity and innovation. We will continue to invest in technology, expand our distribution network strategically, and prioritize customer satisfaction. Our goal is to build a future where our company continues to thrive and evolve, delivering long-term value to both shareholders and policyholders as well as all our other stakeholders.

I want to conclude by saying the performance of our company in 2023 reflects our dedication to leverage and build upon our institutional strengths, customer trust, quick claims settlement, and a wide distribution network. The positive outcomes achieved during the year position us for continued success in the dynamic landscape of the insurance industry.

What we will also continually do is we will build on our foundations, which is intensifying our employee learning and training initiatives and ensuring we retain our key people. The protection of our human and intellectual capital is something that we will remain mindful on.

The second is we will remain watchful on our strategy of the key market developments, product and service will continue to build on our marketing resources and infrastructure to be able to effectively fan out to a wider base of the market and ensure we not only sustain but even grow the volume of our business. Profitability and long-term-value creation will be the key guideposts in all our endeavours and decisions.

We appreciate and acknowledge the ongoing support of all our shareholders as we move forward on this exciting new journey of shared success and value creation.

Board of Directors

Chairman	Mr. Hossain Akhtar
Vice-Chairman	Mr. Mohd. Abu Taher
Directors	Mrs. Bibi Amena
	Mr. Md. Harunoor Rashid
	Mrs. Hasina Begum
	Ms. Faizah Mehmood
	Mr. Haji Md. Yousuf
	Mr. Mohammad Amanullah
	Mrs. Hasina Parveen Manwar
	Mr. Muhammad Nazirul Islam
	Mrs. Selina Ahmed
	Mr. Mahabubul Haque
Independent Directors	Mr. Tauhiduddin Md. Zahed
	Mr. Mohammad Saif Noman Khan
	Mr. Md. Shamim Hossain
Managing Director & CEO	Mr. Md. Shamim Hossain



Committees of the Board of Directors

Audit Committee (AC)

Name of member	Status in the Board	Status in the Committee
Mr. Mahabubul Haque	Independent Director	Chairman
Mr. Md. Harunoor Rashid	Director	Member
Mr. Muhammad Nazirul Islam	Director	Member

Nomination & Remuneration Committee (NRC)

Name of member	Status in the Board	Status in the Committee
Mr. Tauhiduddin Md. Zahed	Independent Director	Chairman
Mr. Hossain Akhtar	Chairman	Member
Mr. Haji Md. Yousuf	Director	Member
Mr. Muhammad Nazirul Islam	Director	Member

Investment Committee (IC)

Name of member	Status in the Board	Status in the Committee
Mr. Harunoor Rashid	Director	Chairman
Mr. Hossain Akhtar	Chairman	Member
Ms. Faizah Mehmood	Director	Member
Mr. Mohammad Aman Ullah	Director	Member
Mr. Tauhiduddin Md. Zahed	Independent Director	Member

Risk Management Committee (RMC)

Name of member	Status in the Board	Status in the Committee
Mr. Muhammad Nazirul Islam	Director	Chairman
Ms. Faizah Mehmood	Director	Member
Mr. Tauhiduddin Md. Zahed	Independent Director	Member
Mr. Mohammad Saif Noman Khan	Independent Director	Member

Policyholder Protection & Compliance Committee (PP & CC)

Name of member	Status in the Board	Status in the Committee
Mr. Muhammad Nazirul Islam	Director	Chairman
Ms. Faizah Mehmood	Director	Member
Mr. Tauhiduddin Md. Zahed	Independent Director	Member
Mr. Mohammad Saif Noman Khan	Independent Director	Member

Company Secretary is the Member Secretary of all Committees of the Board of Directors

Board of Directors



Mr. Hossain Akhtar
Chairman



Mr. Mohd. Abu Taher
Vice Chairman



Mrs. Bibi Amena
Director



Mr. Md. Harunoor Rashid
Director



Mrs. Hasina Begum
Director



Ms. Faizah Mehmood
Director



Mr. Haji Md. Yousuf
Director



Mr. Mohammad Amanullah
Director



Mrs. Hasina Parveen Manwar
Director



Mr. Muhammad Nazirul Islam
Director



Mrs. Selina Ahmed
Director



Mr. Mahabubul Haque
Independent Director



Mr. Tauhiduddin Md. Zahed
Independent Director



Mr. Mohammad Saif Noman Khan
Independent Director



Mr. Md. Shamim Hossain
Managing Director & CEO

Board Of Directors' Profile



Mr. Hossain Akhtar
Chairman

Type Of Director

Non-executive Director
Representative of Anwar Jute Spinning Mills Ltd.

Committee Membership

NRC, Investment Committee

Second Appointment Date

28-01-2021

Last Re-Elected Date

N/A

Directorship and engagement, other than City General Insurance Company Limited

- 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.



Mr. Mohd. Abu Taher
Vice Chairman

Type Of Director

Non-executive Director

First Appointment Date

18-03-1996

Committee Membership

N/A

Last Re-Elected Date

30-03-2023

Directorship and engagement, other than City General Insurance Company Limited

- Chairman, Taher & Company Ltd.
- 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.

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

Directorship and engagement, other than City General Insurance Company Limited

- 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.



Mr. Md. Harunoor Rashid
Director

Type Of Director	First Appointment Date
Non-executive Director	18-03-1996
Representative of Khaled Iron & Steel Mills Ltd.	Last Re-Elected Date
	31-03-2022

Committee Membership

Audit Committee,
Investment Committee

Directorship and engagement, other than City General Insurance Company Limited

- 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

30-03-2023

Directorship and engagement, other than City General Insurance Company Limited

- 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. She holds Directorship positions in a number of companies of the Anwar Group of Industries.



Ms. Faizah Mehmood
Director

Type Of Director

Non-executive Director
Representative of Anwar Silk Mills Ltd.

Committee Membership

Investment Committee, Risk Management Committee and Policyholder Protection & Compliance Committee

First Appointment Date

11-02-2022

Last Re-Elected Date

N/A

Directorship and engagement, other than City General Insurance Company Limited

- Deputy Managing Director, Anwar Group of Industries

Ms. 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.

Ms. 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. Ms. 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, Ms. 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.



Mr. Haji Md. Yousuf
Director

Type Of Director
Non-executive Director

Committee Membership
NRC

First Appointment Date
18-03-1996

Last Re-Elected Date
30-06-2021

Directorship and engagement, other than City General Insurance Company Limited

- 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.



Mr. Mohammad Amanullah
Director

Type Of Director
Non-executive Director
Representative of Wazeefa Acrylic Spinning Mills Ltd.

Committee Membership
Investment Committee

First Appointment Date
14-05-2013

Last Re-Elected Date
31-03-2022

Directorship and engagement, other than City General Insurance Company Limited

- N/A

Mr. Mohammad Amanullah is a B.Com graduate. He has been nominated on the Board by Wazeefa Acrylic Spinning Mills Ltd. He is associated with several educational and social organizations, thus contributing to the welfare efforts of the society.



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

31-03-2022

Directorship and engagement, other than City General Insurance Company Limited

- 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.



Mr. Muhammad Nazirul Islam
Director

Type Of Director

Non-executive Director
Representative of Anwar Landmark Ltd.

Committee Membership

Audit, NRC, Risk Management Committee &
Policyholder Protection & Compliance Committee

First Appointment Date

30-06-2021

Last Re-Elected Date

N/A

Directorship and engagement, other than City General Insurance Company Limited

- 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 General Insurance Company Limited

- N/A

Mrs. Selina Ahmed is an M.A. from the University of Dhaka. She is Nominated by A-One Polymer Ltd. She is associated with various social activities for public welfare.



Mr. Mahabubul Haque
Independent Director



Type Of Director
Independent Director

Committee Membership
Audit Committee

First Appointment Date
26-10-2020

Second Term Extension Date
26-10-2023
(Due approval at the 28th AGM)

Directorship and engagement, other than City General Insurance Company Limited

- N/A

Expertise
Insurance, Accounting, Finance, Investment Management, Risk Management, Technology, Digital Transformation, Employee Engagement, Company Law and so on.

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.



Mr. Tauhiduddin Md. Zahed
Independent Director

Type Of Director Independent Director	Second Term Extension Date N/A
Committee Membership NRC, Investment Committee, Risk Management Committee and Policyholder Protection & Compliance Committee	Expertise Insurance, Accounting, Finance, Investment Management, Risk Management, Technology, Digital Transformation, Employee Engagement, Company Law and so on.
First Appointment Date 01-03-2022	
Directorship and engagement, other than City General Insurance Company Limited	
● 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, Malaysia, Singapore, Thailand and Saudi Arabia.



Mr. Mohammad Saif Noman Khan
Independent Director

Type Of Director Independent Director	Expertise Insurance, Accounting, Finance, Investment Management, Risk Management, Technology, Digital Transformation, Employee Engagement, Company Law and so on.
Committee Membership Risk Management Committee and Policyholder Protection & Compliance Committee	
First Appointment Date 01-03-2022	
Second Term Extension Date N/A	
Directorship and engagement, other than City General Insurance Company Limited	
● N/A	

Mr. Mohammad Saif Noman Khan is an academician, strategy consultant and corporate trainer. He is currently serving as an associate professor at the Institute of Business Administration (IBA), University of Dhaka. He teaches in the Executive MBA, MBA, and BBA programs. He is also leading the executive education programs at IBA specially in the areas of Communication and Strategy. Mr. Noman has obtained his first MBA degree in Finance from IBA where he stood first in his batch. He has also

completed a second MBA from York University, Canada majoring in Strategy. He also holds a bachelors and masters degree in English Literature from the Department of English, University of Dhaka. Being an International Strategy Consultant, Strategy & Innovation Expert; Mr. Noman has undertaken numerous strategy and business consultancy projects both in the public as well as private sector at home and abroad. He headed consultancy projects with The World Bank and The United Nations. He has undertaken research as well as published in the areas of Micro, Small and Medium Enterprises (MSMEs) in Bangladesh and the Banking & Insurance sector. He has provided strategy consulting services to numerous leading local & multinational business organizations. Mr. Noman is by far the only expert in Bangladesh now in the areas of Complexity Strategy & Design Thinking. He is a preferred consultant both for The World Bank and UN for SME capacity development in Bangladesh. His corporate training modules also includes advanced level leadership development, business strategy, sales & innovation. So far, almost all the Large Local Corporates and Multi National Organizations in Bangladesh has availed his services to develop the capacity of their respective business managers & leaders. He was one of the pioneer consultants for World Bank to prepare a detailed research in the area of introducing agriculture insurance products in Bangladesh. He served the World Bank in the capacity of a financial sector expert and conducted an in depth study regarding the insurance sector of Bangladesh. Mr. Noman has extensive financial sector expertise and worked with IDLC at the start of his career. He also worked with Citibank N.A Bangladesh & Citibank N.A. Hong Kong at various managerial capacity.



Mr. Md. Shamim Hossain
Managing Director & CEO

Appointed on:

02-07-2019

Second Term Extension Date

02-07-2022

Expertise

Marketing, Insurance Act & Regulations, Investment Management, Risk Management, Information Technology, Digital Transformation, Employee Engagement, Companies Law, Re-insurance, Claims and so on.

Mr. Md Shamim Hossain joined City General Insurance Company Limited as a General Manager in 2008. In his journey, he has proven himself as a dynamic, creative and accomplished sales professional with extensive experience in both B2B and B2C. 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 22 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.

During his working period he has attended many trainings seminars and symposiums on insurance and other related sectors. He obtained the degree of Master of Science in Chemistry from National University. He also completed "Post graduate diploma course in Computer Science and Engineering" and "ORACLE certification course". Before joining in insurance company, he was in teaching profession. He has professional experience in IT. He also worked as programmer. He involves himself in various social activities. He was president of "Rotary Club of Shahbag" in 2018-19. He was also "Assistant Governor" 2021-22 of rotary district 3281 Bangladesh.

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 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 General Insurance Company Limited 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:

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.

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.

Proper purpose

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

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.

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.

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.

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.

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.

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.

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.

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.

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

Policy of Reviewing Effectiveness of The Board of Directors



Every year the Board of Directors of City General Insurance Company Limited carries out following reviews/ evaluations of its own performance and effectiveness:



Making an Evaluation of the status of compliance with the Code of Conduct Framed for Directors.



Reviewing the performance and contribution of the Chief Executive Officer and the Management Committee



Reviewing the role of the Board of Directors as set out in the Article of Association and regulatory framework.



Apprising the Board of Directors of the new regulations and emerging practices for their information.



Providing sense of directors to the management for achievement of short-term objective and long- term goals.



Discussing and analyzing its own performance against benchmark and earlier achievement of result.



Reviewing periodically of the achievement by the Company.



Reviewing of the objectives and strategies of the Company periodically to ensure they remain consistent with the Company's priority.



Reviewing of the Company's strategies for every New Year.



Making an assessment of Directors' contribution to discussions on business proposals, governance and general issues.

PROTECTING
SHIPMENTS

ASSURING
SAFE VOYAGES



Management Team



Mr. Md. Shamim Hossain
Managing Director & CEO



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



Mr. Sheikh Azizul Haque M.com,
ACS, CGIA, VAT Agent
Chief Financial Officer



Mrs. Beauty Paul Chowdhury
Head of Reinsurance



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



Mr. Md. Salahuddin Khan
Head of IT



Ms. Farhana Haque
Head of HR & Admin



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



Mr. Mohammad Zia Uddin Dewan
Head of Claims



Mr. Mohammed Ashaduzzaman Sarkar
Company Secretary (Acting)

Management Team Composition

Managing Director & CEO	Mr. Md. Shamim Hossain
Head of Business Development Department	Mr. A.K.M Mohiuddin
Chief Financial Officer	Mr. Sheikh Azizul Haque ACS, CGIA, VAT Agent
Head of Reinsurance	Mrs. Beauty Paul Chowdhury
Head of Internal Audit and Compliance (HIAC)	Mr. Md. Ibrahim Molla
Head of IT	Mr. Md. Salahuddin Khan
Head of HR & Admin	Ms. Farhana Haque
Head of Underwriting and Chief Risk Officer (CRO)	Mr. Subir Mistry, ABIA
Head of Claims	Mr. Mohammad Zia Uddin Dawan
Company Secretary (Acting)	Mr. Mohammed Ashaduzzaman Sarkar



Management Profile



Mr. Md. Shamim Hossain
Managing Director & CEO

Mr. Md. Shamim Hossain joined City General Insurance Company Limited as a General Manager in 2008. In his journey, he has proven himself as a dynamic, creative and accomplished sales professional with extensive experience in both B2B and B2C. 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 & CEO, he has held and led successfully all areas of the organization. He has around 22 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.

During his working period he has attended many trainings, seminars and symposiums on insurance and other related sectors. He obtained the degree of Master of Science in Chemistry from National University. He also completed "Post graduate diploma course in Computer Science and Engineering" and "ORACLE certification course". Before joining in insurance company, he was in teaching profession. He has professional experience in IT. He also worked as programmer. He involves himself in various social activities. He was president of "Rotary Club of Shahbag" in 2018-19. He was also "Assistant Governor" 2021-22 of rotary district 3281 Bangladesh.



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

Mr. A.K.M. Mohiuddin was born in a respectable Muslim family. He completed his graduation from National University. He joined in City General Insurance on 15th July 1996. He has more than 27 years of working experience in business development in the insurance industry. Mr. Mohiuddin participated in and successfully completed various types of training and workshops related to insurance and banking.



Mr. Sheikh Azizul Haque M.com,
CGIA, VAT Agent, ACS
Chief Financial Officer

Mr. Sheikh Azizul Haque joined City General Insurance Company Limited in April 2019. He brings with him a dynamic career of more than 25 years of valuable experience in the insurance industry and other sectors.

Mr. Haque is a Chartered Secretary from the Institute of Chartered Secretaries of Bangladesh (ICSB), Chartered Global Investment Analyst (CGIA) from the CGIA Institute (USA) in profession and present president of CGIA Network Bangladesh. He is also an enlisted VAT Agent of the National Board of Revenue (NBR). He obtained his Masters degree in Management from the Jagannath University. He completed three and half years Article Ship from the Zoha Zaman Kabir Rashid & Co., Chartered Accountants. He is partly qualified of CA Professional Level from the Institute of Chartered Accountants of Bangladesh (ICAB). Mr. Haque is a member of Bangladesh VAT Professionals Forum, The Institute of Internal Auditors Bangladesh (IIAB) and Bangladesh VAT Bar Association. He has attended a number of seminars at home regarding VAT, Income Tax, Financial Management and Audit matters.



Beauty Paul Chowdhury
Head of Reinsurance

Mrs. Beauty Paul Chowdhury was born in a respected Hindu family. She completed her M.Sc.in Botany and obtained 1st class (Thesis Group) from the University of Dhaka. She joined City General Insurance on 15th February 1999. During this time, she has held various important positions. Overall, she has 25 years of work experience encompassing areas such as Re-insurance and claims. She has attended and successfully completed many training programs and workshops.



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

Mr. Md. Ibrahim Mollah was born in a reputed Muslim family in Munshigonj. He completed his B.Com Hons (Accounting) and M.Com (Accounting) from Jagannath University College under the National University. He also completed MBA (Finance) from America Bangladesh University under UGC. Mr. Mollah joined City General Insurance on 1st January 2000 and served in various leading positions in the Company. He has 24 years of work experience and holds the position of Head of Internal Audit and Compliance (HIAC) in the Company. Mr. Mollah has participated and successfully completed various types of training and workshops.



Mr. Md. Salahuddin Khan
Head of IT

Mr. Md. Salahuddin Khan was born in a reputed Muslim family. He completed his B.Sc. (Hons) in Computer Science from National University. Mr. Khan joined City General Insurance on 1st September, 2017. He has more than 16 years of work experience in insurance industry.

He has participated and successfully completed various types of trainings and workshops related to insurance and IT.



Farhana Haque
Head of HR & Admin

Ms. Farhana Haque comes from a respectable Muslim family in Dhaka. She completed her M.Sc. (Geography & Environment) from Jaganath University and obtained L.L.B from City Law College, Dhaka. She joined City General Insurance in 2002. From that, she has held various important positions in the Company. She has 22 years of working experience in the Company, encompassing areas such as HR and Admin. Ms. Haque has participated and successfully completed various types of trainings and workshops on HR and admin.



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

Mr. Subir Mistry joined City General Insurance Company Limited in January 2023, bringing with him over 16 years of versatile experience in the insurance and telecom sectors.

He holds an MBA degree from East West University and is an Associate of Bangladesh Insurance Academy (ABIA). Additionally, he successfully earned a Master of Insurance and Risk Management (MIRM) degree from Dhaka University.

Throughout his career in the insurance sector, Mr. Mistry has worked in various departments and held different positions, allowing him to accumulate valuable experience and insights. He actively participated in seminars and training sessions organized by Bangladesh Insurance Academy and Bangladesh Insurance Association, achieving the 1st Position twice.



Mohammad Zia Uddin Dawan
Head of Claims

Mr. Mohammad Zia Uddin Dawan, born into a respected Muslim family, holds an M. Com (Management) degree from Dhaka College under the National University. He joined City General Insurance Company Limited in 2023, bringing with him over 22 years of experience in the field of claims.

Throughout his extensive career, Mr. Dawan has actively participated in and successfully completed various training programs focused on claims management, further enriching his expertise in the field.



Mr. Mohammed Ashaduzzaman Sarkar
Company Secretary (Acting)

Mr. Mohammed Ashaduzzaman Sarkar joined City General Insurance Company Limited in November 2011 and has more than 12 years of professional experience in various capacities. He completed his BA degree at Habibullah Bahar College under the National University and pursued his MA in English at Dhaka College under the National University.

He has vast knowledge of Board and Shareholders related works, Corporate Laws, Rules & Regulations of Bangladesh Securities & Exchange Commission (BSEC), Insurance Development & Regulatory Authority (IDRA), Stock Exchanges and Registrar of Joint Stock Companies and Firms (RJSC) related works. He has excellent communication skills, relationship management skills and multi-tasking skills. He is the Member Secretary of all Committees of the Board of Directors.

He has attended various professional trainings, seminars and workshops on Capital Market, Insurance, Corporate Governance and so on. Mr. Sarkar is committed to bringing global best practices to the insurance market in Bangladesh and making a modest but meaningful contribution to the progress of the nation.

At present he is pursuing Chartered Secretary Course from the Institute of Chartered Secretaries of Bangladesh (ICSB).

He is also involved with different socio-cultural organizations.



ALL PROTECTIONS UNDER ONE ROOF

City General Insurance Company Limited is one of the leading Non-life insurance company engaged in general insurance business with reputation since 1996 in Bangladesh. The company provides the highest services to its clients on Marine Cargo, Marine Hull (Inland & Oceangoing), Fire, Motor, Overseas Medclaim, Engineering, and all other Miscellaneous Insurance. Company's credit rating is AA+. The one of the principle of the company is to ensure prompt settlement of all types of claims as per Insurance Rules and Regulations.



**MARINE CARGO
INSURANCE**



**MARINE HULL
INSURANCE**



**MOTOR
INSURANCE**



**FIRE
INSURANCE**



**OVERSEAS
MEDICLAIM
INSURANCE**



**ENGINEERING
INSURANCE**



**MISCELLANEOUS
INSURANCE**

CITY GENERAL INSURANCE COMPANY LIMITED

Code of Conduct for Management Team

The Company's Code of Conduct for Management Team outlines the rules on conduct and decorum, established operations and procedures, honesty, integrity and ethics. It serves as a reference for the members of Management Team in maintaining their sense of responsibility and commitment to honesty, integrity and establishes measures and standards to organizational discipline.

The member of management committee Management Team are prohibited from engaging themselves in transactions for the company, which are conflict of interest. No one acquire personal gain in exercising the authority or employment of the company.



Honesty and Integrity

Management committee acts with honesty, integrity and fairness.



Protection of Assets

It protects company's assets from being damaged, pilfered or stolen.



Dealing with the Clients

It treats the clients with respect and reciprocity. Clients shall be met with insight, respect, and understanding. Employees must always try to fulfill the needs of the clients in the best possible manner, within the guidelines for corporate ethics that apply to business.



Conflict of Interest

It does not engage in act that conflicts with the interests of the company.



Confidentiality of Information

It maintains secrecy of the company and its clients.



Fair and Transparent Conduct

The management are expected to act in accordance with the highest standards of personal and professional integrity, independence, honesty and ethical conduct including use of utmost care and sound judgment in good faith in the business decision making.



Insider trading

No member of the management committee engages himself/herself in any insider trading.



Private Gain

No member exercises his/her power attributed to his/her position for the benefit of the company. No member of the management team uses his/her power attributed to his/her position for private gain.



Compliance with Laws, Rules and Regulations

The management must exhibit their total submission to the limits of law in drawing up the business policies, including strict adherence to monitoring of legal compliances at all levels.



Information Security

It takes reasonable care to keep secure its information from unauthorized disclosure and exchange.



Gifts giving and Acceptance

None of them accepts any gifts from clients or any other business associates.



MANAGEMENT
DISCUSSION & ANALYSIS

Management Discussion and Analysis

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:

We have applied accounting policies regularly on all periods while preparing the financial statements. International Financial Reporting Standard (IFRS), International Accounting Standards (IAS) in preparing Financial Statements have been applied to transactions, other events or conditions to their full extent as applicable. Disclosure and rules as required by Insurance Act 2010 and The Companies Act 1994 have been complied with the preparing Financial Statements. On the other hand Bangladesh Securities & Exchange Commission (BSEC) Rules 1987, Listing Regulations 2015 of Dhaka Stock Exchange PLC & Chittagong Stock Exchange PLC complied. In absence of International Financial Reporting Standard (IFRS)

to any particular transactions, other events or conditions, we have applied our judgment in developing and applying on accounting policy that is relevant to the economic decision making needs of us and is reliable.

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 flows for current financial year with immediate preceding five years:

The key operating and financial position and as cash flow for the current year and preceding 05 (Five) years are furnished below:

Financial performance

Particulars	BDT in mn					
	2023	2022	2021	2020	2019	2018
Gross Premium	820.92	888.01	730.62	438.24	446.72	436.25
Net Premium	516.49	567.91	483.41	328.37	312.37	295.63
Underwriting Profit	216.46	145.46	95.58	84.52	73.84	80.94
Investment and Others Profit	99.31	81.38	116.34	89.61	47.19	43.32
Profit before Tax	300.42	212.61	162.61	162.06	107.24	112.15
Net Profit after Tax	205.64	153.58	114.72	120.75	68.55	85.63
EPS	3.02	2.25	1.68	1.77	1.01	1.26
NOCPs	2.53	5.59	2.75	1.69	0.66	0.49
Paid up Capital	681.66	681.66	681.66	681.66	681.66	681.66
Shareholder Equity	1,390.90	1,265.76	1,194.81	1,150.46	1,068.82	1,060.13
Total Assets	2,135.94	1,939.89	1,684.81	1,606.27	1,338.48	1,314.22
NAVPS	20.40	18.57	17.53	16.88	15.68	15.55

Cash flows

Particulars	BDT in mn					
	2023	2022	2021	2020	2019	2018
A) Net cash flows from/(used in) operating activities	172.46	381.13	187.30	114.88	44.68	33.38
B) Net cash flows from/(used in) investing activities	(20.44)	(109.67)	(78.24)	(40.43)	(12.99)	(4.71)
C) Net cash flows from/(used in) financing activities	(71.57)	(68.17)	(68.17)	(34.08)	(58.17)	(1.5)
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	80.44	203.29	40.89	40.37	(26.44)	27.17
E) Cash and cash equivalents at beginning of the year	856.21	652.92	612.03	541.66	598.10	570.93
F) Cash and cash equivalents at end of the year (D+E)	936.65	856.21	652.92	612.03	571.66	598.10

Cash Flow from Operating Activities

Net cash inflow from operating activities in 2023 was BDT 172.46 mn which was BDT 381.13 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 20.44 mn from BDT 109.67 mn, predominantly due to the investment in shares and BGTB.

Cash Flow from Financing Activities

During the year 2023, the City Insurance paid BDT 71.57mn as dividend. Resultantly, net cash flow from financing activities moved up to BDT 71.57 mn at the end of 2023 from BDT 68.17 mn in the previous year.

Overall Scenario

The cash and cash equivalent balance of City Insurance rose to BDT 936.65 mn in 2023 compared to BDT 856.21 mn in 2022. Consequently, the cash and cash equivalent balance of City Insurance remains robust, at 67.34 % of the shareholders equity and 125.72% 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 2022 are furnished below:

Particulars	BDT in mn				
	City General Insurance Co. Ltd	Rupali Insurance Co. Ltd	Eastland Insurance Co. Ltd	Prime Insurance Co. Ltd	Central Insurance Co. Ltd.
Gross premium	888.01	556.88	1,186.22	1,179.46	503.19
Net premium	567.91	325.89	575.58	515.94	358.49
Underwriting profit	145.46	102.72	186.46	167.20	103.10
Investments & other income	81.38	56.42	38.08	37.94	79.31
Profit before tax	212.61	86.05	140.09	150.46	140.07
Net profit after tax	153.58	74.57	136.82	97.17	107.93
EPS	2.25	0.97	1.63	2.38	2.03
NOCPS	5.59	1.63	0.92	5.77	2.51
Paid-up capital	681.66	766.65	838.81	408.78	531.45
Shareholders' equity	1,265.76	1,876.42	1,777.48	797.37	2,629.42
Total Assets	1,939.89	2,643.68	2,708.56	1,984.99	3,673.35
NAVPS	18.57	21.39	21.19	19.51	49.48

Source: Published Annual Report 2022.

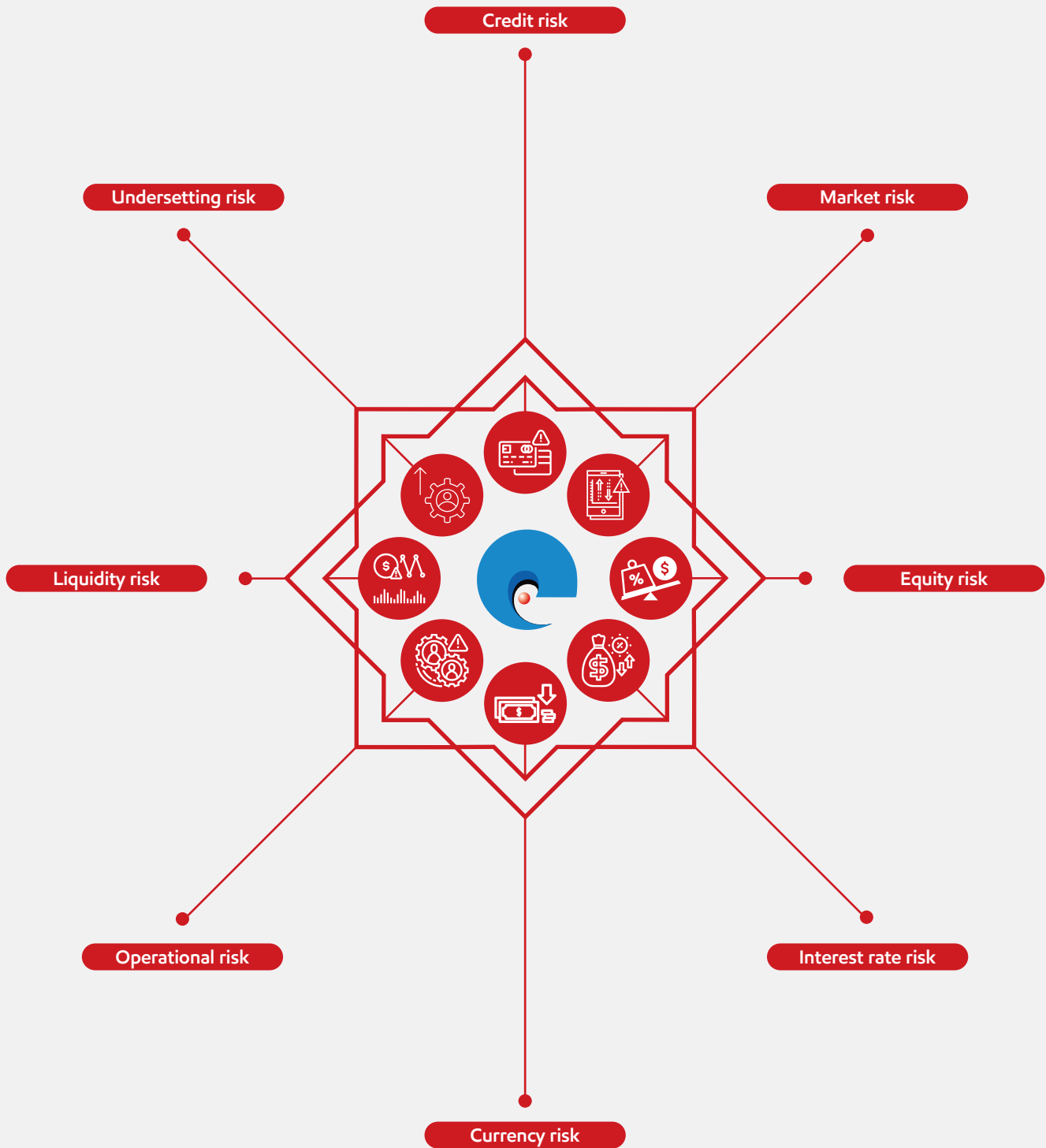
1.5 (xxv) e. Financial and economic scenario of the country and the global:

Bangladesh has been able to maintain sustained economic growth ever in the face of global financial aspect. A well-balanced fiscal policy, higher private and public sector investment and stable political situation, it has also undergone socio economic development in last few years. Some of which include rapid expansion of information technology, construction, power and manufacturing sector. These transformations have boosted Bangladesh from a 'low-income country' to 'lower-middle income country' in the last few years. The global economy is expanding and expected to expand at a lesser motion than earlier. The Govt.

of Bangladesh increased its GDP growth projection at 7.8% from its earlier projection of 7.5 % for the Financial Year 2022-2023 due to the ongoing COVID-19 pandemic and Russia-Ukraine war.

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 General Insurance Company Limited 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:

Strategic Risk

- We have developed strategy to build relationship with new and existing clients.
- We continuously monitor competition in the market and handle with fair and competitive environment.
- Undertaken to improve more in providing appropriate service for our corporate clients.



Operational Risk

- Clients service is the essential component of our business strategy.
- We settle our insured claim transparently.



Financial reputational Risk

- We have efficient officers with good skills and knowledge who continuously monitor any non-compliance with related law and regulations.
- We have corporate culture across the company which defines ethical behavior must be expected from each of employees.



1.5 (xxv) g. Future plan or projection or forecast for company's operation, performance and financial position:

The year 2023 extremely difficult for all of us. City General Insurance Company Limited believes in its strength liveliness to provide optimum service to its clients. The company finds new pathway of providing services. It was continuously take diversified business approach and continuing with the successful operations of the company future. We highlighted the following:

- Growing sale of our products increase our revenues by providing quality service to the insured.
- Engaging more in skills development and capacity building among our terms to enable strong functional expertise and productivity levels and also focused for capacity building

- Optimizing our cost base through identification of functional opportunities for downsizing costs.
- Expanding shareholder value through emphasis on leveraging our management platform.
- Good practice of Corporate Governance and
- Quick Claims settlement.

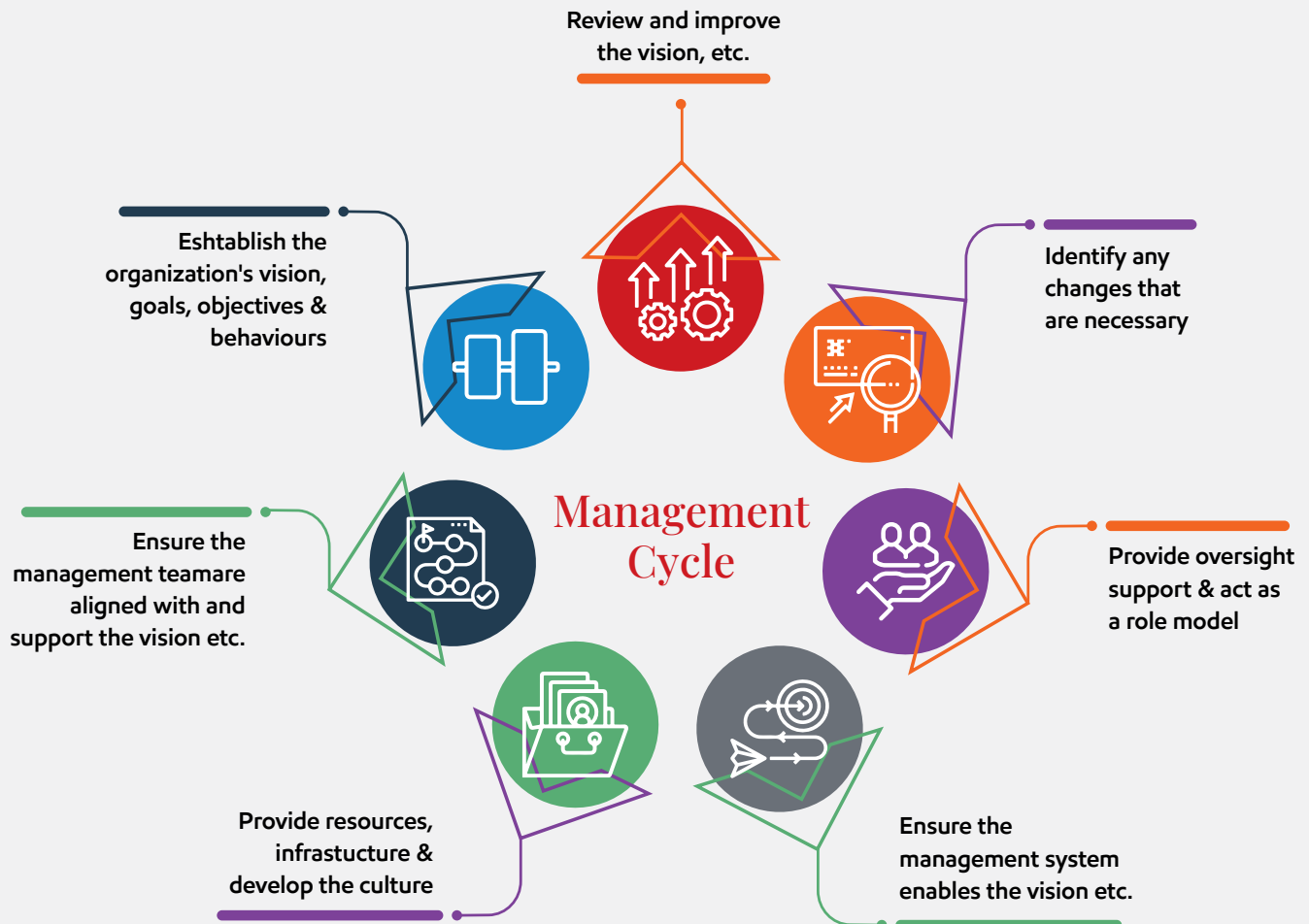
(Md. Shamim Hossain)
Managing Director & CEO

Management Review and Responsibilities

To accomplish the company's strategic objectives, the management of City General Insurance Company Limited is in charge of staffing, organizing, planning, directing, and controlling. A wide range of abilities and knowledge are required for sound corporate management in order to handle a variety of business problems. To perform its functions and fulfill its obligations, it must be big enough and committed enough. The management is in charge of overseeing and managing the daily operations and business of the company.

The management makes sure that the business complies with all applicable laws and regulations.

Management is also responsible for developing and maintaining proper internal control system, the Management having created such control or caused such control to be designed under its supervision. The Management also analyze the efficiency of the Company's internal control system and satisfy that the internal control system was effective as of the end of the period under review.



Moreover the Management of the Company shall:



Demonstrate its commitment to the establishment, implementation, assessment and continual improvement of the management system and allocate adequate resources to carry out these activities.



Communicate to individuals the need to adopt to these individual values, Company's values and behavioral expectations as well as to comply with the requirements of the management system.



Upbringing the involvement of all individuals in the implementation and continual improvement of the management system.



Ensure that it is clear when, how and by whom decisions are to be made within the management system and that measurable objectives for implementing the goals, strategies and plans are established through appropriate processes at various levels in the company.



Ensure that the implementation of the plans is regularly reviewed against these objectives and that actions are taken to address deviations from the plans where necessary.



Determine the amount of resources necessary and provide resources to carry out the activities of the company.



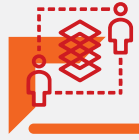
Establish, implement, assess and continually improve the management system.



Determine competence requirements for individuals at all levels and provide training.



Ensure that Individuals shall have received appropriate education and training, and shall have acquired suitable skills, knowledge and experience to ensure their competence.



Ensure that individuals are competent to perform their assigned work and that they understand the consequences for safety of their activities.



Ensure working environment necessary for work to be carried out in a safe manner and for requirements to be met.

Economic Update

Global review: Open path to soft landing

As per the IMF's World Economic Outlook (WEO) January 2024, global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage points higher than that in the October 2023 WEO on account of greater-than-expected resilience in the United States and several large emerging market and developing economies (EMDEs), as well as fiscal support in China. However, the report notes that the forecast for 2024-25 is below the historical (2000-19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity and low underlying productivity growth.

The report states that inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to decline to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised downwards.

With disinflation and steady growth, the likelihood of a hard landing has receded, leading an open path to a soft landing, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and over assumption in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment at a later period.

Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside however, new commodity price spikes from geopolitical shocks, majorly, it being continued attacks in the Red Sea, and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or and a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

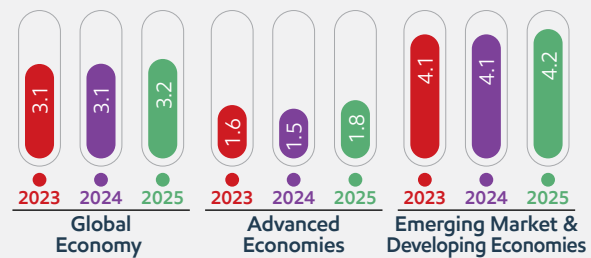
The report states that the near-term challenge before policymakers is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and, where wage and price pressures are clearly dissipating, adjusting to a less restrictive stance. At the same time, with inflation declining and economies better able to absorb the effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed.

In this regard, targeted and carefully sequenced structural reforms would reinforce productivity growth and debt

sustainability and accelerate convergence towards higher income levels. More efficient multilateral coordination is also needed for debt resolution and other issues to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

World Economic Outlook Update January 2024

Growth Projections (%)



Source: IMF's WHO January 2024

The WEO January 2024 states that in emerging market and developing economies, growth is expected to remain at 4.1 percent in 2024 and rise to 4.2 percent in 2025. An upward revision of 0.1 percentage point for 2024 since October 2023 WEO reflects upgrades for several regions.

However, growth in emerging and developing Asia is expected to decline from an estimated 5.4 percent in 2023 to 5.2 percent in 2024 and 4.8 percent in 2025, with an upgrade of 0.4 percentage points for 2024 over the October 2023 WEO projections, primarily attributable to China's economy. Growth in China is projected at 4.6 percent in 2024 and 4.1 percent in 2025, with an upward revision of 0.4 percentage points for 2024 since the October 2023 WEO. The upgrade reflects carryover from stronger-than-expected growth in 2023 and increased government spending on capacity-building against natural disasters. Growth in India, another major economy of Asia, is projected to remain strong at 6.5 percent in both 2024 and 2025, with an upgrade from October 2023 WEO of 0.2 percentage points for both the years, thus reflecting resilience in domestic demand.

Mentioning the inflation outlook, the report indicates that on an overall basis, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024. Among economies with an inflation target, headline inflation is projected to be 0.6 percentage points above target for the median economy by the fourth quarter of 2024, down from an estimated gap of 1.7 percentage points at the end of 2023. Most of these economies are expected

to reach their targets (or target range midpoints) by 2025. In several major economies, the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer-than-expected landing.

However, there are a few risks to the outlook too, as mentioned below:

- Continued geopolitical shocks
- Commodity price spikes
- Extreme weather events due to climate change
- Persistence of core inflation requiring a tighter monetary policy stance
- Faltering or slowing growth in China
- Disruptive turn to fiscal consolidation

One of the positives is the strengthening resilience through multilateral cooperation. Deepening cooperation in areas of common interest is vital for mitigating the costs of the separation of the world economy into blocs. In addition to coordination on debt resolution, cooperation is required to mitigate the effects of climate change and facilitate the green energy transition, building on recent agreements at the 2023 Conference of the Parties to the UN Framework Convention on Climate Change (COP28) in Dubai. Safeguarding the transportation of critical minerals, restoring the WTO's (World Trade Organization's) ability to seamlessly settle trade disputes and ensuring the responsible use of new

technologies, upgrading domestic regulatory frameworks and harmonizing global principles are some of the further priorities that could help the world achieve improved socio-economic equilibrium.

Overall, for 2024, the IMF has forecast a global economic growth of 3.1 percent, similar to the 3.1 percent projected for 2023.

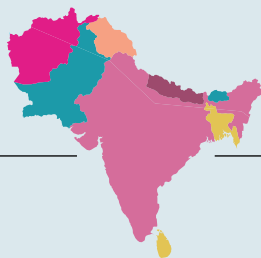
Bangladesh review: A story of economic resilience and growth

Bangladesh is a South Asian nation that is bound to continue on its remarkable economic trajectory in the fiscal year 2022-23, exhibiting resilience amidst global uncertainties. Despite grappling with the aftermath of the Covid-19 pandemic and facing challenges such as inflation and supply chain disruptions, the country has ably navigated through these hurdles with commendable dexterity, sustaining its growth momentum and advancing key economic indicators.

One of the standout features of Bangladesh's economy during this period was its robust GDP growth. Despite global economic slowdowns, Bangladesh maintained a commendable growth rate, driven by a combination of factors such as strong domestic demand, resilient export performance and government initiatives to stimulate economic activity. The GDP growth rate hovered around 6.5-7%, underscoring the nation's ability to sustain momentum even in the face of adversity.

WORLD ECONOMIC LEAGUE TABLE 2020


Bangladesh 40th largest economy in the world and 2nd in South Asia



Bangladesh will be the 26th largest economy by 2029

Bangladesh's average economic growth in last 5 years was **7.39** percent

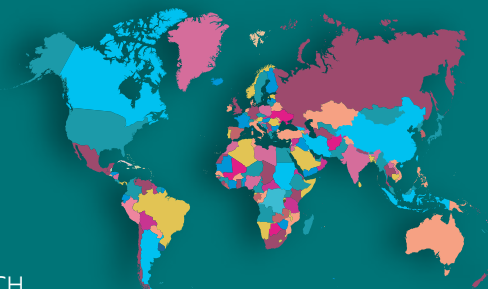


HSBC  projected Bangladesh's real GDP will grow by 7.1 percent per annum up to 2030

Since 2014, **Bangladesh's** population growth rate has been measured by **1** percent

TOP COUNTRIES BY SIZE OF THE ECONOMY IN 2029

RANK	SIZE OF ECONOMY	
1	USA	\$24.2T
2	CHINA	\$22.2 T
3	JAPAN	\$5.9 T
4	INDIA	\$4.9T
26	BANGLADESH	\$616B



SOURCE: CENTRE FOR ECONOMICS AND BUSINESS RESEARCH

Source: Centre for Economics and Business Research

Central to Bangladesh's economic success has been its thriving RMG/textile industry, which continued to be a fulcrum of the economy in 2022-23 as well. Despite initial setbacks triggered by the pandemic-induced disruptions in global supply chains, the sector rebounded swiftly, capitalizing on rising demand as economies gradually reopened. Bangladesh retained its position as one of the world's leading apparel exporters, leveraging its competitive advantage in terms of cost-competitiveness, skilled labour and entrenched manufacturing capabilities. Added to this is also the country's growing focus on greening the sector, thus enhancing the ecological credentials of RMG products and boosting their acceptability in global markets.

Moreover, Bangladesh's resilience in the face of external shocks was further demonstrated by its expanding export diversification efforts. While the garment sector remained pivotal, the country made strides in diversifying its export basket with a focus on sectors such as pharmaceuticals and IT services. This diversification not only enhanced Bangladesh's export resilience but also contributed to job creation and value-addition across various sectors.

In parallel, the government of Bangladesh has pursued proactive measures to bolster domestic investment and infrastructure development. Initiatives such as the implementation of large-scale infrastructure projects, improvement of business climate to make it more conducive, and facilitation of foreign direct investment inflows have played a significant role in driving economic expansion and fostering long-term sustainability. These efforts have aimed to enhance productivity, address infrastructure deficits, and create an enabling environment for private sector growth.

However, Bangladesh faced certain challenges during the period under review, notably inflationary pressures and fiscal deficits. Inflationary spikes, driven by factors such as supply chain disruptions, global commodity price fluctuations and expansionary fiscal policies posed concerns for macroeconomic stability. The government responded by adopting a mix of monetary and fiscal measures to curb inflationary pressures while at the same time maintaining a balance between growth and price stability. The fact that the country could forge a loan package from the IMF (International Monetary Fund) to the tune of about \$4.7 billion is a testament of the government's timely focus on restoring the economy as well as the IMF's belief in the long-term potential of the nation. In fact, only recently, the IMF approved the release of the second tranche of the package amounting to \$689 million.

Furthermore, addressing fiscal imbalances emerged as a priority, necessitating prudent fiscal management and revenue mobilization strategies by the government. Efforts to broaden the tax base, streamline tax administration and enhance fiscal discipline were undertaken to mitigate fiscal risks and ensure financial sustainability over the mid- to long-term.

On the social front too, Bangladesh continued to make strides in poverty reduction and human development indicators. Investments in education, healthcare and employment creation contributed to improvements in literacy rates, healthcare access and poverty alleviation. The government's commitment to inclusive growth is reflected in initiatives aimed at empowering marginalized communities, promoting gender equality and enhancing social cohesion. Towards this extent, the government is closely aligned to achieving the various goals enshrined in the SDGs by the year 2030.

Looking ahead, Bangladesh's economic outlook for 2023-24 remains positive, albeit with some lingering challenges. The nation's resilience, diversified economic base, and proactive policy interventions position it well to navigate uncertainties and capitalize on emerging opportunities. However, addressing structural constraints such as infrastructure deficits, skill mismatches and governance issues will be imperative to sustain growth momentum and foster inclusive development.

As per Bangladesh Bank's Monetary Policy Review, the economy of Bangladesh rebounded strongly from the shock of the Covid-19 pandemic, achieving real GDP growth rate of 6.94 percent and 7.10 percent in FY2021 and FY2022, respectively.

The report mentions that this recovery was facilitated by effective pandemic management, increased domestic and external demand and well-coordinated monetary and fiscal policy support. However, the economy also had to contend with multi-dimensional challenges predominantly stemming from global economic uncertainties and intense pressure on the balance of payments, leading to a sharp depreciation of the exchange rate.

These developments somewhat hindered growth momentum and resulted in persistently high inflation in FY2023. Nevertheless, the Bureau of Statistics (BBS) has provisionally estimated a reasonably high real GDP growth rate of 6.03 percent for FY2023, considering the global and domestic economic circumstances and developments.

The Bangladesh Bank (BB) has been actively utilizing all available options to control inflation, manage the balance of payment instabilities and ensure affordable funding for the productive sectors. Thus, despite headwinds stemming from the pandemic and other external factors, the nation is poised to sustain its growth trajectory, driven by consistent export performance, domestic demand and strategic policy interventions.

Moving forward, continued reforms, investment in human capital and sustained inclusive development initiatives will be essential to unlock the full potential of Bangladesh's economy and ensure shared prosperity for all.

Review of Asset Quality

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 General Insurance Company Limited. 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 six years, may help explain how the company maintains the quality of its assets to raise their worth.

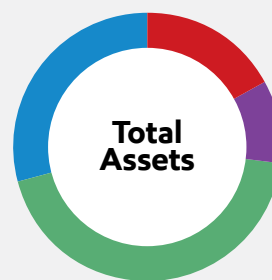
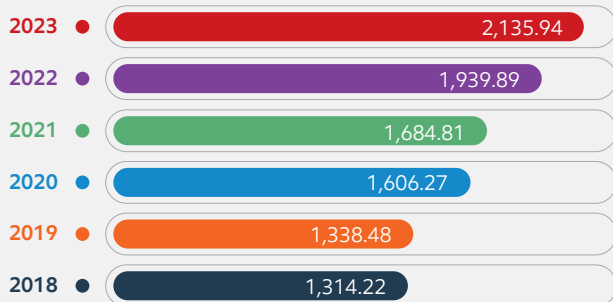
City General Insurance Company Limited ensures high degree of liquidity of its assets - more than 43.85% of its assets comprise of cash and quickly disposable shares and securities. Its share investment portfolio comprises of investments into companies with strong fundamentals. Though adverse situation of stock markets in Bangladesh during the year 2022, still City General Insurance Company Limited 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 & tangible asset	Investments	Cash, fixed deposit and bank balances	Other assets	Total
2023	50.09	570.56	936.65	578.64	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
2020	41.98	270.05	612.03	682.21	1,606.27
2019	40.09	194.23	571.66	532.49	1,338.48
2018	40.54	172.84	598.10	502.74	1,314.22

Total Assets

BDT in mn



17% ● Share & Debentures Short term

10% ● Share & Debentures Long term

44% ● Cash, FDR & Bank

29% ● Fixed assets and others

Position in Investable Assets

BDT in mn				
Particulars	2023	%	2022	%
Share & Debentures				
Short term	354.57	23	329.64	23
Long term	216.00	14	200.00	14
A.	570.57	37	529.64	37
Cash, FDR & Bank	936.65	60	856.21	59
Fixed assets and others	50.09	3	56.03	4
B.	986.74	63	912.24	63
Total	1,557.31	100	1,441.88	100

Disclosures Pertaining to Solvency Margin

Available, Required Solvency Margin and Solvency Ratio

Available solvency margin of City General Insurance Company Limited is BDT 751.44 million against required solvency margin BDT 111.84 million and solvency ratio is 6.72 times.

			BDT in mn
1.	Assets after adjustment		
	Total Assets		2,135.94
	Less:		
	Furniture & fixture	4.17	
	Others	209.16	
			213.33
	Total		1,922.61
2	Liabilities after adjustment		
	Sundry creditors	92.12	
	Amount due to others	82.01	
	Provision for current tax & deferred tax	181.72	
	Deposit premium	174.91	
	Estimated liabilities in respect of outstanding claims	3.28	
	Reserve for unexpired risk	208.77	
	Reserve for exceptional losses	428.36	
	Total		1,171.17
3	Solvency margin available in BDT million (1-2)		751.45
4	Solvency margin required in BDT million (higher of RSM-1 or RSM-2)		111.84
5	Solvency ratio (times)		6.72

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	20% of NP	20% of GPF	20% of (NP & GPF which is higher)
1	Fire	268.22	147.97	.50	134.11	29.59	26.82	29.59
2	Marine Cargo	444.72	334.32	.70	311.30	66.86	62.26	66.86
3	Marine Hull	24.42	3.61	.50	12.21	0.72	2.44	2.44
4	Motor	21.21	21.10	.85	18.03	4.22	3.61	4.22
5	Misc.	62.35	9.49	.70	43.65	1.90	8.73	8.73
Total		820.92	516.49		519.30	103.29	103.86	111.84

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	30% of NC	30% of GCF	30% of (NC & GCF which is higher)
1	Fire	18.70	18.69	0.50	9.35	5.61	2.81	5.61
2	Marine Cargo	22.67	22.53	0.70	15.87	6.76	4.76	6.76
3	Marine Hull	26.93	0.18	0.50	13.46	0.05	4.04	0.04
4	Motor	2.35	2.35	0.85	2.00	0.71	0.60	0.71
5	Misc.	2.52	0.41	0.70	1.76	0.12	0.53	0.53
Total		73.17	44.16		42.44	13.25	12.74	17.65

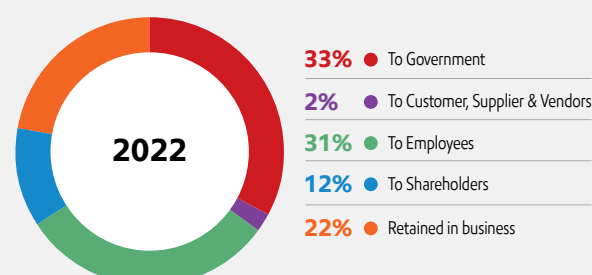
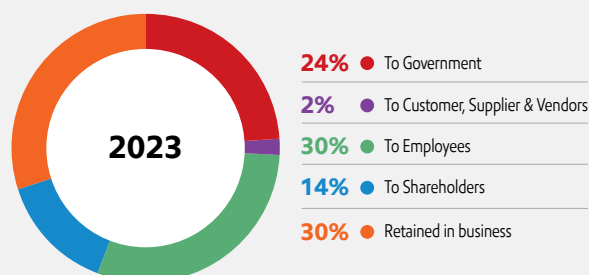
Value Added Statement

FOR THE YEAR ENDED 31ST DECEMBER 2023

PARTICULARS	2023	2022
	BDT in million	BDT in million
VALUE ADDED		
Gross Premium	820.92	888.01
VAT & Stamp Duty	92.48	165.85
Investment & Other Income	99.32	81.38
Net Claims Incurred	(44.17)	(53.01)
Net Re-insurance Cost	(246.32)	(253.65)
Management Expenses & Agent Commission	(352.96)	(411.05)
Un Expired Risk	229.46	195.88
TOTAL VALUE ADDED	598.73	613.41

APPROPRIATION/ DISTRIBUTION OF VALUE ADDITION

PARTICULARS	2023	%	2022	%
	BDT in million		BDT in million	
To Government				
VAT & Stamp Duty	92.48	15%	165.85	27%
Tax	52.99	9%	36.86	6%
To Customer, Supplier & Vendors				
Internet Bill, Stationery Exp., Printing Exp., Software Development Cost and Others	13.35	2%	13.42	2%
To Employees				
as Remuneration	182.62	30%	186.91	31%
To Shareholders				
as Dividends	81.80	14%	71.57	12%
Retained in business				
Retained Earnings	123.84	21%	82.01	13%
Reserve for Exceptional Losses	51.65	9%	56.79	9%
	598.73	100%	613.41	100%



Market Value Added (MVA) Statement

Market value added Statement reflects the company's performance evaluated by the market through the Share price of City General Insurance Company Limited. This Statement shows the difference between the market value of the company and the capital contributed by investors.

Year	2023			2022		
	Marker value added	No. of Shares	Value per Share Tk.	Total Value BDT in million	No. of Shares	Value per Share Tk.
Market value Share outstanding	6,81,66,122	49.60	3,381.04	6,81,66,122	25.90	1,765.50
Book Value of Share Outstanding	6,81,66,122	10.00	681.66	6,81,66,122	10.00	681.66
Market value added	6,81,66,122	39.60	2,699.38	6,81,66,122	15.90	1,083.84

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 12% Cash Dividend out of net profit for the year 2023 to all shareholders including sponsor shareholders. Last 6 (Six) years dividend distribution to all Shareholders are furnished below:-

Year	Cash Dividend
2023	12%
2022	10.50%
2021	10%
2020	10%
2019	5%
2018	5%

Shareholders Information

SHAREHOLDING STRUCTURE AS ON 31 December, 2023

Category of shareholders	No. of Shareholders	No. of Shares	Percentage
Directors & sponsors	18	24,581,629	36.061
General public	3,082	19,205,557	28.175
All investors account	7	12,126	0.018
All institutions	85	24,349,966	35.721
Non-resident Bangladeshi (NRB)	51	16,844	0.025
Total	3,243	68,166,122	100

Prospective Investors:

Name of the Buyers	No. of Shares	Percentage
Abu Sadat Md Sayem	12,54,227	1.840
Mamun-Ur-Rashid Chowdhury	7,28,821	1.069
Gobinda Chandra Saha	6,32,083	0.927
Uttara Finance and Investments	4,25,000	0.623
Grameen Capital Management Ltd	2,00,200	0.294
Exim Investment	1,65,274	0.242

Besides the above furnished Prospective Investors our other Prospective Investors are General Public, Govt. Institutions, Bank, Non-Banking Financial Institutions (NBFI) and other organizations.

Economic Value Added (EVA) Statement

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	2023	2022	2021	2020	2019	2018
Average shareholders' equity at the end	1398.33	1230.28	1172.63	1,109.64	1,064.48	1,018.48
*Cost of equity(%)	9.52%	9.33%	9.33%	8.04%	8.02%	9.04%
Net Profit after tax	205.64	153.58	114.72	120.75	68.55	85.63
Less: Cost of equity	133.12	114.79	109.41	89.22	85.37	92.07
Economic value added	72.52	38.79	5.31	31.53	(16.82)	(6.44)

*Fair value adjustment of shares were 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.

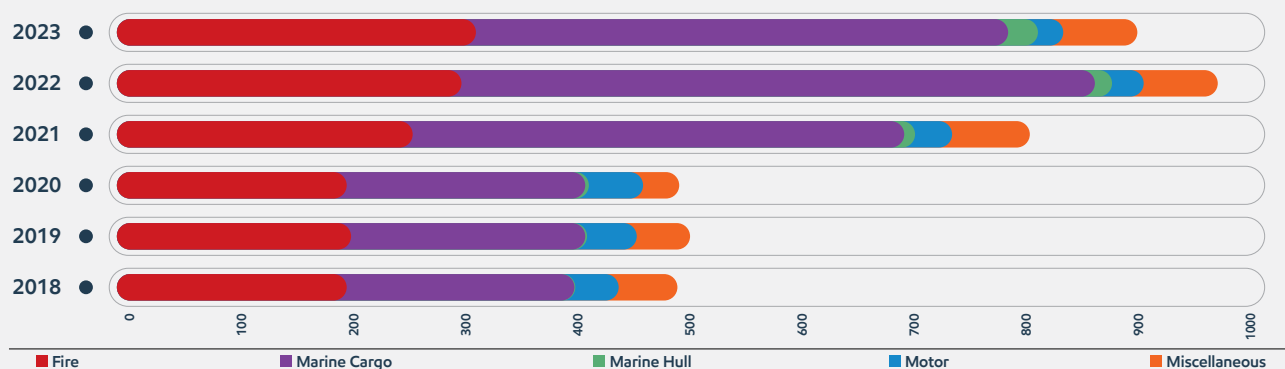
Liquidity & Funding

	2023	2022	2021	2020	2019	2018
Current Ratio	2.03	2.01	2.50	2.84	4.09	4.33
Liquid Assets to Total Insurance Fund	67.34	67.64	54.65	53.20	53.49	56.42
Liquid Assets to Total Assets	43.85	44.14	38.75	38.10	42.71	45.51

Premium Stackbars

Particulars	2023	2022	2021	2020	2019	2018
Fire	268.22	256.11	215.31	160.38	164.87	160.14
Marine Cargo	444.72	529.36	410.88	198.90	194.33	189.97
Marine Hul	24.41	13.81	8.59	3.27	1.85	1.24
Motor	21.21	26.56	31.11	45.23	41.11	36.27
Miscellaneous	62.35	62.15	64.70	30.43	44.56	48.63
Total	820.92	888.08	730.62	438.24	446.72	436.25

Total Premium Comparison



Contribution to the National Exchequer

We recognize that City General Insurance Company Limited 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.

OUR PRIORITIES

- Paying fair share of business VAT, withholding VAT, Corporate Tax, withholding taxes and excise duty to the National Exchequer
- Creating employment
- Maximizing shareholders value
- Taking environment initiatives
- Supporting Community
- Financial assistance to the insolvent meritorious students
- Provide attractive returns to shareholders as dividend

CONTRIBUTION TO THE NATIONAL EXCHEQUER:

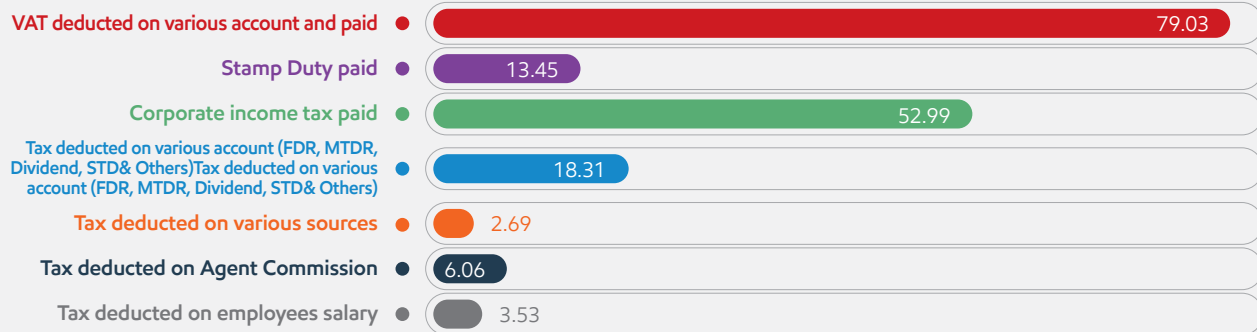
VAT, Stamp, Corporate Tax, Source VAT & Taxes Contribution to National Exchequer are furnished below:

Particulars	Amount in million (BDT)			
	2023	2022	Increased/ (decreased) 2023	Increased/ (decreased) %
VAT deducted on various account and paid	79.03	84.03	(5.00)	-5.95
Stamp duty paid	13.45	81.82	(68.37)	-83.56
Corporate income Tax paid	52.99	36.86	16.13	43.76
Tax deducted on various account (FDR, MTDR, Dividend, STD & others)	18.31	11.02	7.29	66.15
Tax deduction on various sources	2.69	2.91	(0.22)	-7.56
Tax deducted on Agent commission	6.06	8.09	(2.03)	-25.09
Tax deducted on employee's salary	3.53	2.82	0.71	25.18
Total amount paid	176.06	227.55	(51.49)	--

Contribution to the National Exchequer is shown in Graphs for the year 2023 and 2022 as below:

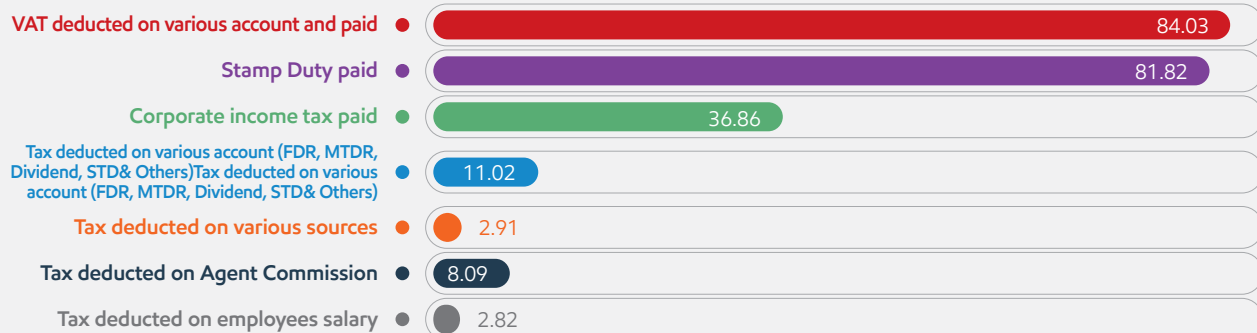
Contribution to the National Exchequer 2023

BDT in mn



Contribution to the National Exchequer 2022

BDT in mn



Report on Going Concern

The concept of Going Concern is important to the process of compiling financial statements for every business. City General Insurance Company Limited 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

2023 was challenging year for insurance sector due to ongoing Russia Ukraine war prolonged impact of COVID 19 pandemic. In 2023 City Insurance manages to attain progresses in almost all the financial indicators which exhibit the company's excellence in operating performance such as:

Financial Indicators	2023
Operating profit growth	33.89%
Investment growth	9.63%
Total Assets growth	10.10%
ROA	9.62%
ROE	14.78%

The financial performance of the company's was impressive and this was the primary basis of conclusion of our going concern status.

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 2023 was BDT 857.22 million and net Operating Cash Flow after changes in operating assets and liabilities shows inflow of BDT 172.46 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 2023 the company has proposed 12% cash dividend. The dividend payment reflects the company's long term operational viability.

The payment of dividend for last five years is given below.

Year	Cash Dividend
2022	10.50%
2021	10%
2020	10%
2019	5%
2018	5%

Risk Management

Effective risk management is of immense importance at City General Insurance Company Limited. 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 company in Bangladesh.

Other Indications

Satisfactory Credit Rating

Credit Rating Information and Services Limited (CRISL) has upgraded the Credit Rating of the company in 2022 with "AA+" (Pronounced as Double A Plus) on the basis of audited financials information up to 31 December 2022 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 2023, total equity of City Insurance stood at BDT 1,390.90 million which was BDT 1,265.76 million in 31 December 2022, representing a growth of 9.89% 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

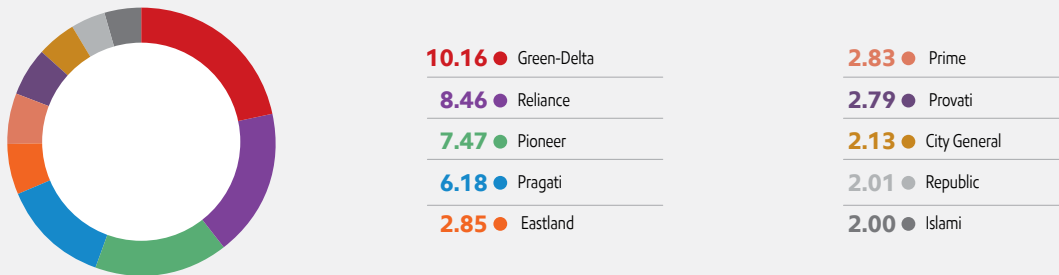
Non-Life Insurance Market Share & City Insurance Share

The Bangladesh non-life insurance private sector is a vibrant arena, where various companies compete for market share. Among them, City General Insurance Company Limited stands out as a significant player. The company's market share reflects its strong position in providing general insurance services. In the intricate landscape of city-wise insurance

share, City General Insurance Company Limited's contribution adds depth to the narrative. With a nuanced understanding of regional dynamics and emerging urban centers, the company plays a pivotal role in shaping the diverse and dynamic non-life insurance market in Bangladesh. Their commitment to excellence positions them as a key influencer in this evolving industry.

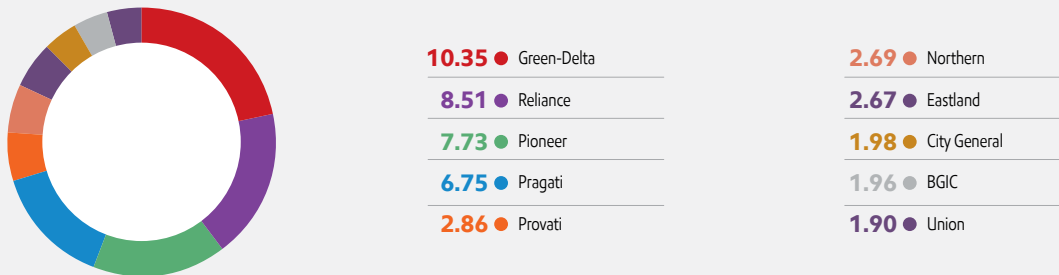
Together, the top 10 private sector insurers held a combined market share of 46.88% in 2022.

Top 10 Non-life companies market share in 2022



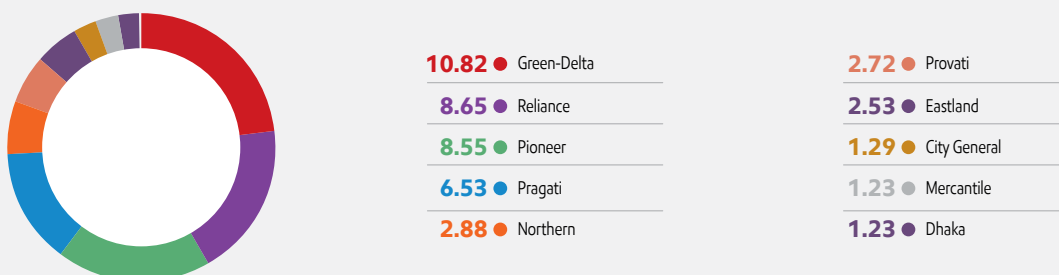
Together, the top 10 private sector insurers held a combined market share of 47.40% in 2021.

Top 10 Non-life companies market share in 2021



Together, the top 10 private sector insurers held a combined market share of 46.43% in 2020.

Top 10 Non-life companies market share in 2020



Macroeconomic Trends Shaping City Insurance's Performance “Navigating 2023”

In the dynamic landscape of 2023, City General Insurance Company Limited strategically responds to primary macroeconomic variables influencing its performance. The year's economic climate poses both challenges and opportunities, demanding a proactive approach.

One pivotal macroeconomic variable is inflation, significantly impacting the insurance industry. City Insurance, recognizing this, has implemented adaptive pricing models and risk mitigation strategies to counter potential fluctuations. The company's commitment to maintaining a balance between premium affordability and coverage benefits reflects its resilience in the face of economic uncertainties.

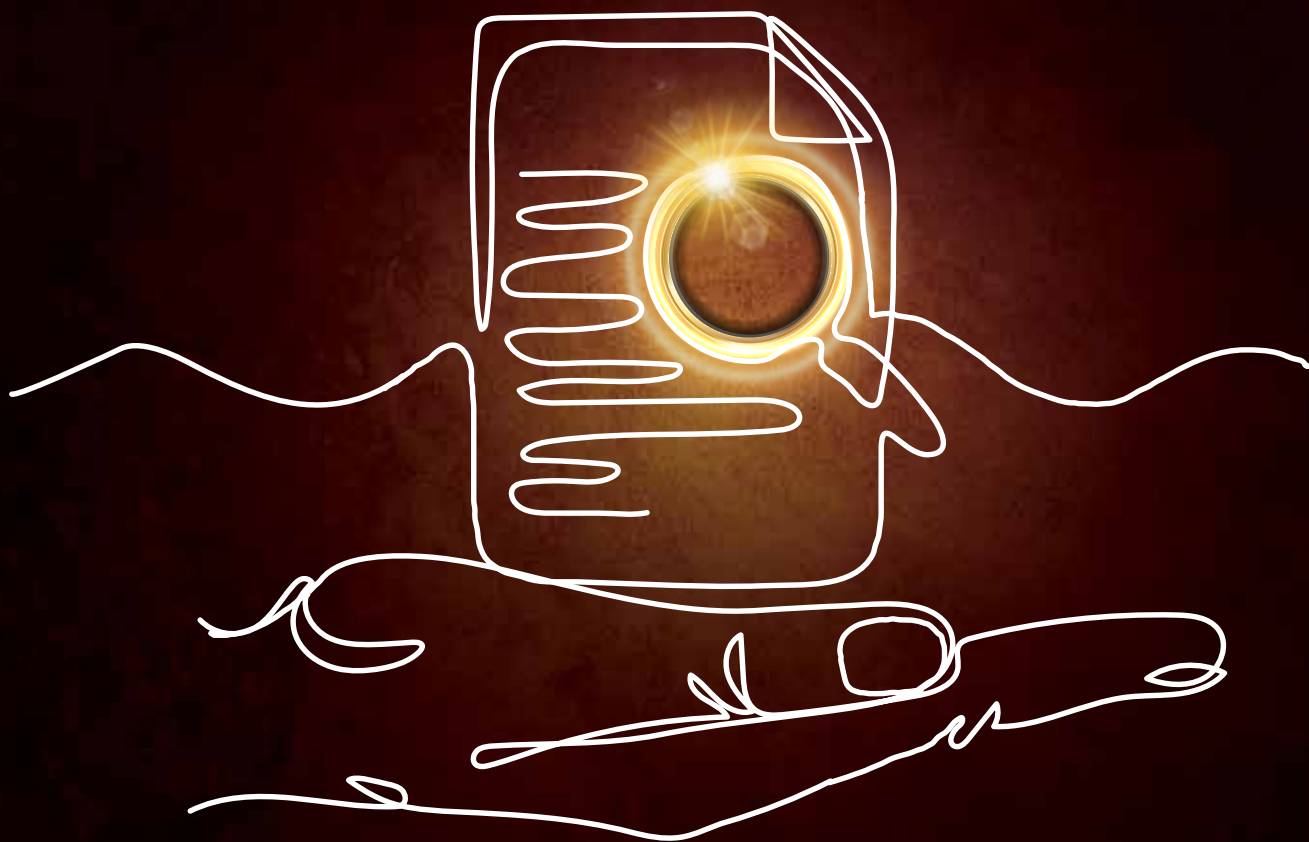
Additionally, the interest rate environment plays a crucial role in shaping City Insurance's investment portfolio. With a focus on optimizing returns while managing risks, the

company employs sophisticated financial instruments and diversification strategies. This approach ensures that City Insurance's maximizes investment yields, contributing to overall financial stability.

Furthermore, the employment rate directly influences the demand for insurance products. City General adapts its marketing and product development strategies to align with employment trends, offering tailored solutions to meet the evolving needs of its clientele.

City General Insurance Company Limited's performance in 2023 is intricately woven into the fabric of macroeconomic variables. Through strategic adaptation and a commitment to customer-centric solutions, the company navigates the complexities of the economic landscape, poised for sustained growth and resilience.





DIRECTORS' REPORT
TO THE SHAREHOLDERS

DIRECTORS REPORT

The table below gives an overview of the locations of Directors Report

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Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah Wa Barakatuhu

I am honored and privileged to welcome you to the 28th Annual General Meeting of City General Insurance Company Limited, on behalf of the Board of Directors and myself. I would like to thank you for your continued patronage and support over the 28 years. I want to offer my sincere gratitude and admiration for your continued faith and unwavering support for the company despite the prevailing awkward situation. I would like to take this opportunity to present before you the Annual Report along with the Audited Financial Statements for the year ended 31 December 2023 and the Auditor's Report thereon for kind consideration and adoption. Through this report the Directors have made relevant disclosures and explanations pertaining to the issues to ensure compliance, transparency and good corporate governance practices along with the details of the business performance, operations and achievements of the company for the year ended 31 December 2023. In fact, the year 2023 is very significant in the life of the company in terms of pandemic, performance and achievements not only within the industry but also in the entire economy

BUSINESS ENVIRONMENT AND PERFORMANCE

You know insurance market is competitive in Bangladesh and we do business at tough competition. Even in such situation, business performance in 2023 is satisfactory.

Honorable shareholders, you know, Department of insurance is entrusted with Ministry of Finance from Ministry of Commerce. Insurance Act 2010, Insurance Development & Regulatory Authority Act 2010 and Rules have been promulgated and insurance Development & Regulatory Authority (IDRA) started their operation since January 2011. Due to their specific principle and strong supervision, positive changes are seen in the insurance industry.

The Public perception of Insurance industry remains rather low. The future progress of Bangladesh Insurance industry predominantly depends on how the consumers' perception of insurance as a useful and efficient vehicle of risk transfer can be augmented. This can be achieved through sustained efforts of the industry as well as the Regulators by providing efficient services, honoring insurance policy obligations through expeditious settlement of claims, introducing new products and by rationalizing the pricing mechanism.

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

BDT in mn

	2023	2022	Growth (%)
Gross Premium Income	820.92	888.01	(7.63%)
Net Premium Income	516.49	567.91	(9.05%)
Net Asset	1,390.90	1,265.76	9.89
Fixed Assets	50.09	56.03	(10.60%)
Investments	570.57	529.64	7.73%
Cash and Cash Equivalents	936.65	856.21	9.39%
Underwriting Profit	216.46	145.46	85.81
Net Pre-Tax Profit	300.42	212.61	41.30%
Investment Income	75.12	53.45	40.54%
Net Profit after Tax	205.64	153.58	33.89%

GLOBAL ECONOMY 2023

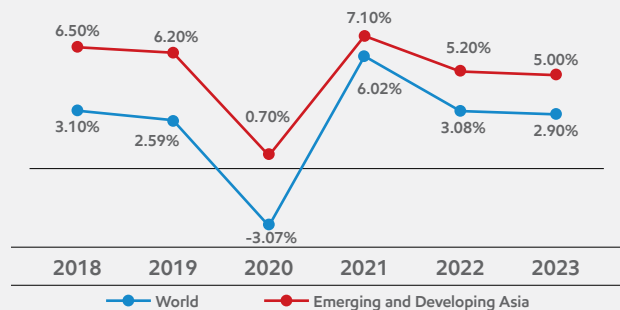
The global economy in 2023 is marked by a sense of uncertainty and cautious optimism. Economists are divided on the prospects of a worldwide recession, with 45% predicting it as likely and an equal percentage considering it unlikely. The World Economic Forum's Chief Economists Outlook 2023 suggests that the unpredictable road ahead can only be navigated successfully if countries agree to work together and adapt to changing circumstances.

Economic Growth and Recession

The Organisation for Economic Co-operation and Development (OECD) predicts that global GDP will grow 2.7% in 2023, with a modest improvement of 2.9% in 2024. This prediction is the lowest rate of growth since the global

financial crisis, with the exception of the pandemic. However, this below-trend growth is expected to gradually pick up throughout the next year as inflation moderates and real incomes strengthen.

GDP growth rates of World Economy

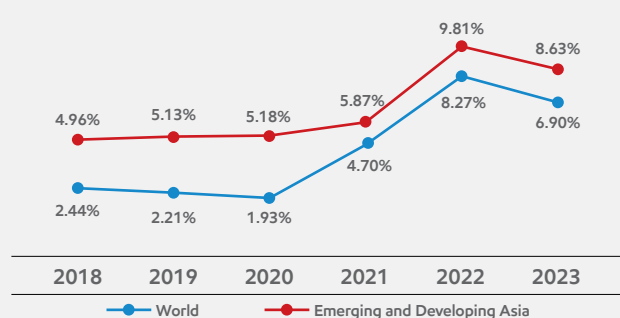


The International Monetary Fund (IMF) forecasts global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening starts to bite.

Inflation and Wage Growth

Inflation remains a significant concern. The headline inflation rate across OECD nations is projected to continue its decline, from 9.4% in 2022 to 6.6% in 2023 and 4.3% in 2024. This decline is driven by the effects of tighter monetary policies and falling energy prices. However, core inflation, which excludes the impact of energy and food prices, continues to prove stubborn, partly driven by increasing service prices.

Global Inflation



For many people, the impact of high inflation and modest wage increases means real wages fell in 2022. This decline is expected to end in 2023, which will help address the falling levels of disposable income available to households.

Regional Growth

One of the clearest areas of consensus among economists is around which regions will see the strongest and weakest economic growth this year. Asia is expected to experience the most buoyant economic activity, with 93% of economists surveyed for the report predicting at least moderate growth in the region.

The global economy in 2023 is characterized by uncertainty, cautious optimism, and regional disparities. While the threat of a global recession looms, there are also signs of economic recovery and growth. The key to navigating these uncertain times lies in international cooperation, sound policymaking, and the ability to adapt to changing circumstances.

BANGLADESH ECONOMY: SUSTAINABLE GROWTH AMID CHALLENGES

The year 2023 has been a significant one for the economy of Bangladesh. Despite the global economic slowdown, the country has managed to maintain a steady growth trajectory, demonstrating resilience and adaptability.

Economic Growth

Bangladesh's Gross Domestic Product (GDP) is expected to grow by 5.3% in fiscal year (FY) 2023. This growth rate, although moderate, is commendable considering the global economic climate. The World Bank has projected that Bangladesh's GDP would grow by 6.7% in FY23, while the Asian Development Bank expected the economy to expand by 7.1%.

Key Drivers of Growth

The growth of Bangladesh's economy is driven by a large domestic consumer market, a rapidly expanding middle and affluent class, and an impressive digital adoption rate. The country is now home to more than 2,500 startups, with about 200 more being added each year, focusing on a wide range of industries, including financial technology (fintech), logistics and mobility, and e-commerce.

Challenges and Opportunities

Despite the positive growth, the economy faces considerable challenges with rising inflationary pressure, energy shortages, a balance-of-payments deficit, and a revenue shortfall. However, these challenges also present opportunities for sustainable growth. For instance, the energy shortage problem could be addressed by investing in renewable energy sources, which would not only meet the energy demand but also contribute to environmental sustainability.

Bangladesh economy in 2023 is on a path of sustainable growth, driven by domestic consumption, digital adoption, and a burgeoning startup ecosystem. While challenges persist, the country's resilience and adaptability provide a strong foundation for continued economic progress.

NON-LIFE INSURANCE SECTOR IN BANGLADESH

The Non-life insurance sector in Bangladesh is poised for significant growth in 2023, driven by various factors that contribute to the overall development of the economy and the insurance industry. As the country continues its trajectory of economic expansion, the Non-life insurance segment plays a crucial role in providing risk mitigation and financial protection for businesses and individuals alike.

Economic Growth and Infrastructure Development

Bangladesh's robust economic growth, fueled by infrastructural developments and a thriving business environment, creates a conducive landscape for the non-life insurance sector. As industries expand and new projects emerge, there is an increased demand for insurance coverage to safeguard against various risks, including property damage, liability, and other unforeseen events.

Increasing Awareness and Understanding

The awareness and understanding of insurance products have been on the rise among businesses and the general population. This growing awareness, coupled with an increasing sense of the need for financial security, is driving more individuals and businesses to seek non-life insurance coverage. As the market becomes more informed, the demand for diverse insurance products is likely to surge.

Regulatory Reforms and Market Liberalization:

The regulatory landscape in Bangladesh has been evolving to foster a more dynamic and competitive insurance market. Regulatory reforms aimed at enhancing transparency, governance, and consumer protection contribute to a more resilient and customer-centric non-life insurance sector. The liberalization of the market encourages innovation and the introduction of new products to meet the evolving needs of policyholders.

Technological Advancements

Technological advancements are reshaping the insurance industry globally, and Bangladesh is no exception. The integration of digital platforms, data analytics, and artificial intelligence in non-life insurance operations enhances efficiency, reduces costs, and improves customer experience. Insurers adopting these technologies are likely to gain a competitive edge, attracting a tech-savvy customer base.

Climate Change and Risk Mitigation

Bangladesh is susceptible to various environmental risks due to its geographical location. The increasing frequency and

severity of natural disasters underscore the importance of non-life insurance in providing financial protection against property damage, crop losses, and other climate-related risks. Insurers that develop innovative products addressing climate-related challenges are likely to find substantial opportunities in this emerging market.

Customization of Products:

The Non-life insurance sector in Bangladesh is witnessing a shift towards more customized and specialized insurance products. Insurers are tailoring policies to meet the unique needs of different industries, businesses, and individuals. This trend allows insurers to provide more comprehensive coverage and better address the specific risks faced by their clients.

The prospects of the Non-life insurance sector in Bangladesh for 2023 appear promising. The convergence of economic growth, regulatory reforms, technological advancements, and a heightened awareness of insurance products collectively create an environment conducive to expansion and innovation within the industry. As insurers continue to adapt to these changes, they are well-positioned to contribute significantly to the country's economic resilience and provide essential risk management solutions for businesses and individuals alike.

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

Year	Gross Premium (BDT in mn)	Growth (%)
2023	820.92	(7.56%)
2022	888.01	21.54%
2021	730.62	66.72%
2020	438.24	(1.90%)
2019	446.72	2.40%
2018	436.25	0.33%

Business Segment-wise Gross Premium Income

Business Segments	BDT in mn		
	2023	2022	Growth (%)
Fire Insurance	268.22	256.12	4.72%
Marine Insurance	469.13	543.17	(13.63%)
Motor Insurance	21.21	26.56	(20.14%)
Miscellaneous Insurance	62.35	62.16	0.31%

Business Segments	2023		2022		Growth (%)
	Amount (BDT in mn)	Business Mix of Net Premium (%)	Amount (BDT in mn)	% of Total Net Premium	
Fire Insurance	147.97	28.65%	136.52	24.04%	4.61
Marine Insurance	337.93	65.42%	400.09	70.45%	-5.3
Motor Insurance	21.10	4.09%	25.54	4.50%	-0.41
Miscellaneous Insurance	9.49	1.84%	5.76	1.01%	0.83
Total	516.49	100%	567.91	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 2023, the company has settled the claim of BDT 44,170,259 while BDT 210,14,912 is already provisioned for settlement of intimated claims at the earliest.

Net Claim:

Year	BDT in mn	
	Net Claim for the year 2023	Change (%)
2023	44.17	(16.68%)
2022	53.01	(54.21%)
2021	115.77	134.97%
2020	49.27	(24.85%)
2019	65.56	(4.61%)
2018	68.73	532.29%

Segregation of Net Claim:

Business Segments	2023		2022		Growth (%)
	Amount	Business Mix of Net Premium (%)	Amount (BDT in mn)	% of Total Net Premium	
Fire Insurance	18.69	42.31%	27.99	52.79%	(10.48%)
Marine Insurance	22.72	51.44%	20.72	39.09%	12.35%
Motor Insurance	2.35	5.32%	4.27	8.06%	(2.74%)
Miscellaneous Insurance	0.41	0.93%	0.03	0.06%	0.87%
Total	44.17	100%	53.01	100%	

FINANCIAL PERFORMANCE

Performance of the company in terms of key performance indicators has been shown in a separate statement under title "Last Six Years Financial Indicators" Moreover, some highlights are given in items below:

Capital adequacy

The following table shows gradual increase in the shareholders equity.

BDT in mn		
Year	Shareholders' Equity	Change (%)
2023	1,390.90	9.89%
2022	1,265.76	5.94%
2021	1,194.81	3.86%
2020	1,150.46	7.64%
2019	1,068.82	0.82%
2018	1,060.13	8.53%

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	2023	2022	2021	2020	2019	2018
Available Solvency (AS)	751.44	669.64	530.15	399.68	489.31	519.58
Required Solvency (RS)	111.84	121.74	104.35	68.90	67.84	64.95
Solvency Margin (AS/RS) (times)	6.72	5.50	5.08	5.80	7.21	8.00

Gross profit margin:

Gross profit margin are as follows:

BDT in mn						
Particulars	2023	2022	2021	2020	2019	2018
Fire	25.39	17.40	(21.69)	11.83	(0.46)	3.74
Marine Cargo	191.16	129.02	93.59	55.46	52.13	66.32
Marine Hull	(2.01)	0.23	(2.00)	(0.31)	1.62	2.19
Motor	11.25	9.27	21.58	15.51	15.59	15.09
Miscellaneous	(9.33)	(10.46)	4.09	2.03	4.96	(6.39)

Re-insurance utilization and risk retention ratio

The Company has re-insurance treaty agreement with Shadharan Bima Corporation (SBC). Facultative Reinsurer are The New India, CICA-Re, QBE Insurance, Best Meridian International Insurance Company, Chubb Underwriting (DIFC) Ltd, Beazley Syndicate AFB and PT Asuransi Umam Mega 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 (%)					
	2023	2022	2021	2020	2019	2018
Fire Insurance	55.17%	53.06%	58.13%	66.90%	61.54%	64.26%
Marine Insurance	72.03%	73.66%	76.65%	84.53%	84.82%	80.19%
Motor Insurance	99.48%	96.15%	95.29%	96.03%	97.65%	93.84%
Miscellaneous Insurance	15.21%	9.27%	10.92%	22.06%	9.80%	11.00%

Reserve adequacy

The following table shows reserve adequacy of the company.

Year	Amount of Reserve (BDT in mn)	Changes (%)
2023	464.86	14.35%
2022	406.52	15.31%
2021	352.53	14.38%
2020	308.20	16.42%
2019	264.74	10.90%
2018	238.71	20.54%

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 few years.

Business Segments	Contribution to Underwriting Profit (%)					
	2023	2022	2021	2020	2019	2018
Fire Insurance	11.73%	11.96%	-22.69%	14.00%	-0.61%	4.28%
Marine Insurance	87.38%	88.85%	95.83%	65.25%	72.78%	78.44%
Motor Insurance	5.19%	6.38%	22.58%	18.35%	21.11%	17.28%
Miscellaneous Insurance	-4.30%	-7.19%	4.28%	2.40%	6.72%	-
Total	100%	100%	100%	100%	100%	100%

Underwriting Performance/Quality

The quality of underwriting is a significant practice at City Insurance and this activity directly contributes to the quality of growth of the Company. The underwriting practice at the Company comprises thorough evaluation, prudent financial modeling and accurate risk pricing that protects the shareholders' interests in the company while also creating value at large. It is to be noted that while marine reported good underwriting profit growth year-on-year, and slightly increase underwriting profit from previous year higher claims dented underwriting profit during the year under report for fire and miscellaneous insurance. However, we are undertaking all the necessary action across our business which will reinforce our ability to deliver quality underwriting profit growth across our various classes of business.

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

Business Segments	Year-wise Underwriting performance (BDT in mn)					
	2023	2022	2021	2020	2019	2018
Fire Insurance	25.39	17.40	-21.69	11.83	-0.45	3.74
Marine Insurance	189.14	129.25	91.59	55.15	53.74	68.51
Motor Insurance	11.24	9.27	21.58	15.51	15.59	15.09
Miscellaneous Insurance	(9.32)	-10.46	4.09	2.03	4.96	(6.39)
Total	216.46	145.46	95.58	84.52	73.84	80.95

Investment Profile

The size of investment portfolio of City Insurance as on 31 December 2023 stood at BDT 570,567,916 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	2023		2022	
	Amount (BDT in mn)	% of Total Investment	Amount (BDT in mn)	% of Total Investment
Fixed Deposit	921.26	61.76%	831.15	61.08%
Investment in Shares	354.57	23.77%	329.64	24.22%
BGTB	216.00	14.47%	200.00	14.70%
Total	1,491.83	100%	1,360.79	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 comparing with those of the previous year.

Components of Investment	2023		2022	
	Amount (BDT in mn)	% of Total Investment Income & Other Income	Amount (BDT in mn)	% of Total Investment Income & Other Income
Investment Income	75.03	75.53%	53.38	65.59%
Interest Income	.10	.10%	0.07	0.09%
Dividend	18.96	19.09%	13.32	16.37%
Profit from Sale of Shares	4.42	4.44%	13.28	16.32%
Other Income	0.83	.84%	1.33	1.63%
Total	99.34	100%	81.38	100%

RISK AND CONCERNS (RISK+MITIGATION)

The mechanism of insurance is to transfer the risks from one shoulder to another. Its two main features are the transfer of risk from an individual to a group and the equitable distribution of losses among all group members.

City General Insurance Company Limited uses to undertake pre-inspection of big and complicated risks through the professional and technical experts and it provides facilities to defend the insured's property. The method specially helps to reduce the happening of the incident and minimize the extent of loss after happening of the incident.

The pre-underwriting survey of fire hazards to the insured property bears great importance. It is very prudent and essential to make survey before accepting the risk for underwriting and re-insurance purpose. On the basis of the pre-inspection report the underwriter may recommend segregation of risk by installation of fireproof door to reduce premium, cleanliness of factory premises and to reduce fire hazards. Recommended fire prevention measures not only reduce fire hazards but also help the insured to get rebate on the rate of premium. Without pre-inspection it is difficult to segregate risk and make retention and cession to re-insurers.

City General Insurance Company Limited ensures proper risk management of their clients which benefits them as saving resources, time, assets, income, property & people are valuable resources which can be saved if fewer claims occur.

City General Insurance Company Limited, through its effective risk management practice, cannot eliminate risks but the endeavor shows that the company is committed to reduce the loss and prevent the same as far as possible making the clients a better position in connection with risk.

The company established a very good corporate environment with an excellent work atmosphere. Communication among the employees is nice, as the company endeavors to be honest and practices fair to all employees.

GROSS PROFIT MARGIN AND NET PROFIT MARGIN

In 2023 the Gross Profit Margin is 36.59% and the Net Profit Margin is 25.05%.

EXTRA-ORDINARY GAIN OR LOSS

During 2023 no event, either an extra-ordinary gain or loss occurred which might require an adjustment or disclosure in the financial statements.

COST OF SERVICES 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 Services 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 Summary on page no. 324

MANAGEMENT EXPENSES

Management expenses amounted to Tk. 231.77 million in 2023. The expenses have been apportioned as under mentioned revenue accounts. We have successfully brought down the management expenses to an appreciable limit.

Fire	38.51%
Marine Cargo & Hull	49.49%
Motor	3.04%
Miscellaneous	8.96%

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 IFRS "Related party disclosures" Total transactions are available in the reports under item No. 21 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 General Insurance Company Limited were made 2007 and 2011 respectively and fund raised thereby has already been utilized, reported to the regulators. No further issue was made since then.

DETERIORATE OF FINANCIAL RESULTS AFTER IPO AND RIGHTS ISSUES

There is no financial results 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 is given separately. There were some variances in the financial results from quarter to quarter. But they are not very significant or material in nature.

PRODUCT WISE PERFORMANCE

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	2023	2022
Gross Premium Income	268.22	444.71	24.41	21.20	62.35	820.91	888.01
Less : R/I Premium ceded	106.10	89.77	11.98	--	3.73	211.60	236.14
Less R/I Premium PSB	14.14	20.62	8.81	0.10	49.12	92.82	83.95
Net Premium Income	147.97	334.31	3.61	21.10	9.49	516.49	567.91
R/I Comm. Earned	26.15	26.18	1.07	--	4.71	58.10	66.45
Net premium reserve retained	59.19	133.72	3.61	8.44	3.79	208.76	229.46
Reserve for Un-expired risk - 2022	54.61	158.50	3.83	10.22	2.30	229.46	195.88
Agent commission	39.60	75.38	1.19	3.26	1.77	121.19	161.72
Management expenses (revenue a/c)	84.57	100.96	5.54	6.68	19.66	217.41	235.42
Management expenses (profit or loss a/c)	4.68	7.77	0.43	0.37	1.09	14.35	13.23
Gross incurred claims	18.70	22.67	26.93	2.35	2.52	73.17	58.27
Net incurred claims	18.69	22.53	0.18	2.35	0.41	44.17	53.01
Outstanding result (u/w result)	25.39	191.16	-2.01	11.24	-9.32	216.47	145.46
Investment income (before tax)	--	--	--	--	--	75.12	53.38
Net profit before tax	--	--	--	--	--	300.42	212.61
Shareholders fund	--	--	--	--	--	1,390.90	1,265.76

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 (IASs)/International Financial Reporting Standards (IFRSs)/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.

NO ADVERSE REMARKS IN THE AUDITORS' REPORT

The Audit Report 2023 contained no adverse opinion by the Statutory Auditors of the Company. (Page no. 365-368)

MAINTAINING PROPER BOOKS OF ACCOUNT

City general Insurance Company Limited always maintains proper books of account for its financial transactions, including in 2023. 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:

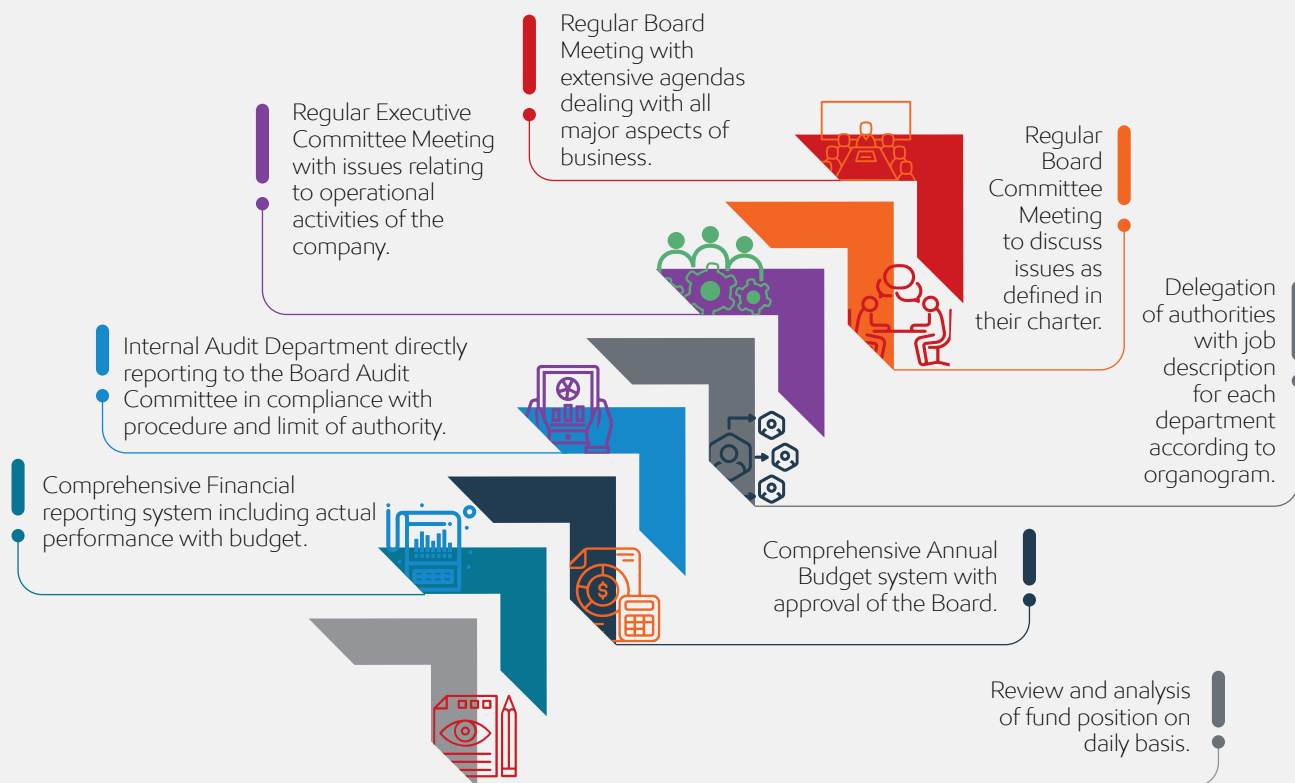
- They have reviewed the financial statements of the company for the year ended 31 December 2023 and to the best of their knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together 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 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. 205 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:



Human Resources

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. 148 of this report.

Information Technology

Information and Communication Technology (ICT) is now an important part of running an insurance company and

making sure their services run smoothly. City Insurance's IT system has been updated to make the automation of services even stronger and safer. City Insurance's highly skilled and experienced IT professionals keep and improve the company's IT infrastructure and are always coming up with new ideas and writing custom programs to meet the needs of the business. Data modems and optical fiber have been used in both the head office and the branch offices connectivity.

A separate report on Information Technology has been presented on page no. 196 of this report.

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. 203 of this report.

Credit Rating



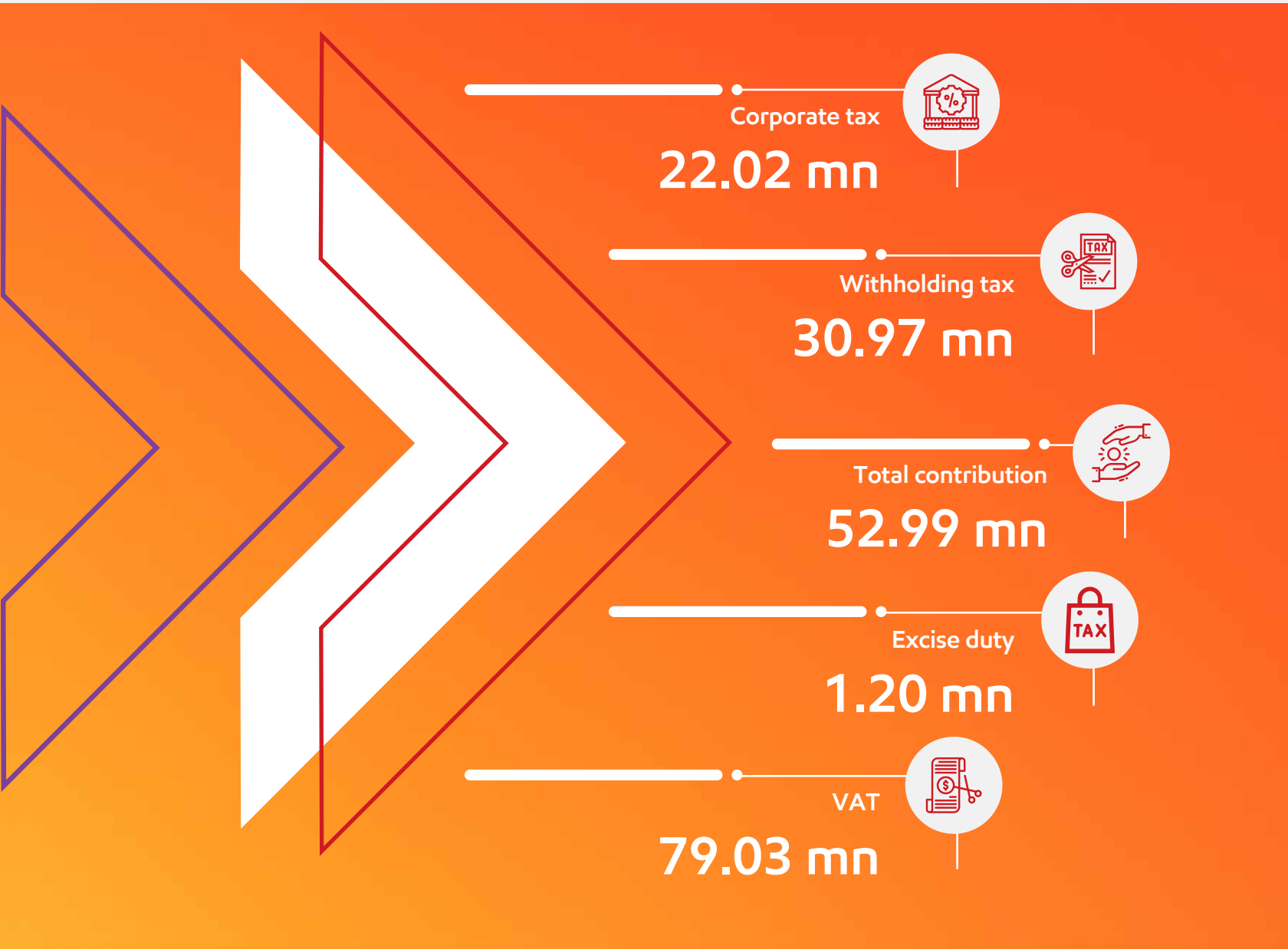
Long Term Claim Paying Ability (CPA) Rating	Outlook	Date of Rating	Validity of Rating
AA+	Stable	21.06.2023	20.06.2024

Rated by Credit Rating Information and Services Limited (CRISL)

Contribution to 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 28 years. In 2023, City Insurance made a direct contribution to the national economy by depositing BDT 79.03 million to the national exchequer in the major form of corporate tax, withholding tax, excise duty, and VAT.



A separate Statement of Contribution to the National Exchequer has been presented on page no.107 of this report.

Minority Shareholders

The Board of Directors is very concerned about the interest of the Stakeholders including the minority shareholders of City General Insurance Company Limited. It has decided to ensure fair and equal treatment to every shareholders. In order to protect the invest of minority shareholders, the company undertook various measures to establish accountability and transparency. The company communicate all its strategic information as required in its operation under the regulatory directives without delay and tried to serve the minority shareholders better, the company disseminates all strategic decision through popular newspapers, website of the company to make them aware of the developments as well as activities of the company.

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. 108 of this Annual Report.

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, 2023 with comparison to the previous year because the company's underwriting profit and others income have been increased significantly.

2. Significant deviation in Net Operating Cash Flow per Share (NOCFPS)

NOCFPS has been decreased in the current year ended 31st December, 2023 with comparison to the previous year because the company's premium income has been decreased and re-insurance payment has been increased.

3. Significant deviation in Net Assets Value per share (NAV)

NAV has been increased in the current year ended 31st December, 2023 with comparison to the previous year because the company's investments in share, Govt. Treasury Bond and FDR have been increased sharply.

Key Operating and Financial Data of Current Year & Preceding 5 (Five) Years

Key operating & financial data over the last six years as per requirement of BSEC Notification No. BSEC/

CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018 are presented in Annexure-I to this Annual Report, page No. 129.

DIVIDEND

During the year ended 31 December 2023, the Company has earned net profit after tax amounting to BDT 20.56 Crore. Considering the performance of the Company, the Board of Directors in its 211th Meeting held on February 18, 2024, has recommended 12% Cash dividend (i.e., BDT 1.20 Per Share) for Sponsors and General Shareholders respectively, which comes to total BDT 8,17,99,347 Crore subject to approval of the Shareholders in the 28th Annual General Meeting.

Dividend Distribution Policy

The dividend policy outlines the amount of cash that will be distributed to the shareholders every year as a dividend from the after-tax profit of the company. The dividend is to be recommended and approved as per applicable laws and regulatory directives issued from time to time by the Bangladesh Securities and Exchange Commission. Details have been presented on page no. 272 of this Annual Report.

Entitlement of Dividend

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

Process of Distribution of Cash Dividend

The cash dividend shall be paid directly to the bank account within 15 days and not more than 30 (thirty) days of the date of approval by the shareholders in the AGM subject to compliance with BSEC or other regulatory authority circulars/directives from time to time.

The Procedure of Stock Dividend Distribution

The stock dividend will be credited within 30 (thirty) days of approval, subject to regulatory clearance.

Process for Settling Unpaid Dividends

Unpaid or unclaimed cash dividends for less than three years from the declaration date shall be paid to shareholders upon application and disbursed within the time period specified. In case of the cash and stock dividend for more than three years of the declaration date shall be settled as per the instructions of the BSEC or other regulatory authority from time to time.

Tax Matters

Tax will be deducted at the source as per applicable tax laws.

Interim Dividend

No bonus share or stock dividend was declared as Interim Dividend during the year ended 31 December 2023.

Meetings Attendance & Remuneration

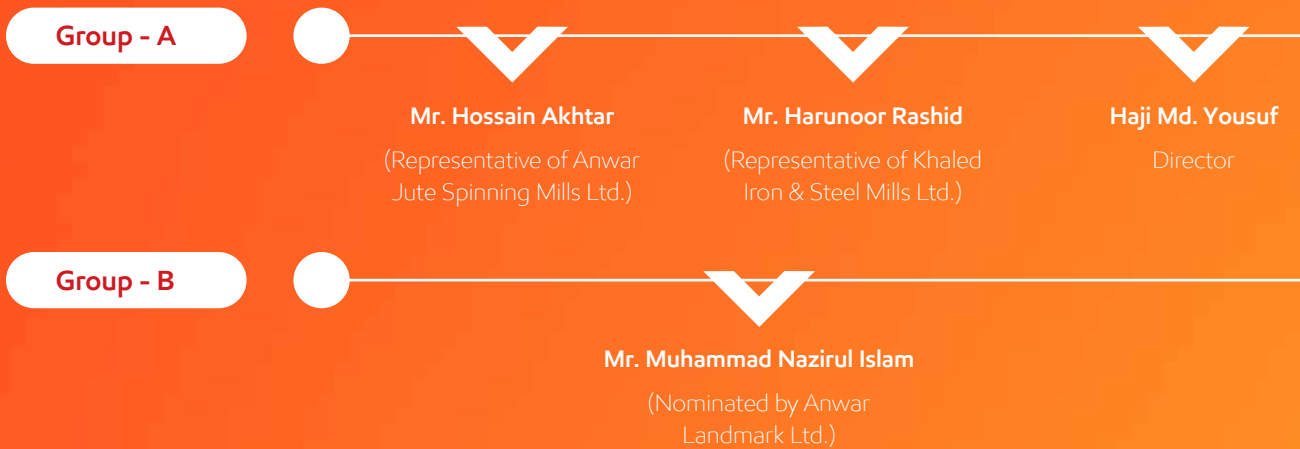
The Board of Directors of the Company has non-executive directors except the Managing Director. They don't get any incentive or bonus for the performance of the Board. The non-executive Directors get only meeting fees for attending the board and committee meetings at Tk. 8,000/- re-fixed from 24th September 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 2023 a total of 06 (Six) Board Meetings, 04 (Four) Audit Committee meetings and 02 (Two) Nomination and Remuneration Committee Meeting were held. The detail of meeting attendance by the Directors along with remuneration paid to them are disclosed in **Annexure- II** of this Directors' Report.

Pattern of Shareholding

According to the CDBL report, there were 3,243 registered ordinary shareholders as on 31 December 2023. The shareholding pattern of the company as on 31 December 2023 is disclosed as per BSEC's Corporate Governance Code in Annexure-III of this Directors' Report.

Directors Rotation and Re-Appointment

As per Article 112 of Articles of Association of the Company which comply with the pertinent company law of the country, one-third of the Board of Directors (Excluding Managing Director and Independent Directors) shall retire by rotation. the following 03 (three) Directors will retire from the office by rotation at 28th Annual General Meeting and being eligible as per Article 114 offer themselves for re- election.



Brief Resume and other information of the Directors as per clause 1(5) (XXIV) of BSEC Corporate Governance Code on 03 June 2018 are delimited in this Annual report, page no 70,71 & 73 It is noteworthy that, all the reappointment of Directors will be placed in the 28th AGM for final approval from the shareholders.

As required by Insurance Rules, 1958, election of Directors from public shareholders will be held in the said Annual General Meeting. Necessary Notice related to election of Director from all shareholders has already been published on January 25, 2024 in the "Dainik Bangla" and "The Business Post".

Appointment of Independent Director

As per Compliance with the requirement/provision of condition no. 1(2)(c) of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 and Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 (Amended) dated 16 October 2023 the Board of Directors

reappointed Mr. Mahabubul Haque as the Independent Director of City General Insurance Company Limited on its 209th meeting held on 23 October 2023. The reappointment of Mr. Mahabubul Haque is duly approved by the Bangladesh Securities and Exchange Commission (BSEC). The same is to be placed at the 28th AGM for shareholders' approval.

Appointment of Statutory Auditor

M/s. Islam Quazi Shafique & Co., Chartered Accountants are the current statutory Auditors of City Insurance who (the audit firm) were appointed in the 27th Annual General Meeting held on 30 March 2023 for the year 2023. M/s. Islam Quazi Shafique & Co., Chartered Accountants, shall retire at the 28th Annual General Meeting. They have expressed their willingness to be re-appointed for the year 2024. Based on suggestions of the Audit Committee, the Board recommends the re-appointment of M/s. Islam Quazi Shafique & Co., Chartered Accountants, as the statutory auditors of the Company for the year 2024 and continuation up to the next AGM subject to approval of the shareholders at the 28th AGM.

Appointment of Compliance Auditor for BSEC's Corporate Governance Code

Pursuant to code 9.2 of the codes of corporate governance issued by BSEC, the shareholders at the 27th Annual General Meeting (AGM) had appointed Salahuddin & Associates Chartered Secretaries as the Compliance Auditor of the Company for the year 2023. They had conducted the audit work on compliance of the code of Corporate Governance of the company as issued by the BSEC Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated 03/06/2018 and Notification No. BSEC/CMRRC/2009-193/66/PRD/148 (Amended) dated 16 October 2023 for the year ended 31 December 2023.

The Board of Directors of the company has recommended to appoint MNA Associates Chartered Secretaries in practice as the compliance auditor of the company for the year 2024 subject to approval of the shareholders at the 28th AGM.

Appointment of Compliance Auditor for IDRA's Insurer's Corporate Governance Guidelines, 2023

According to sections 19.2 and 3 of the "Insurer's Corporate Governance Guidelines, 2023," issued by Insurance Development and Regulatory Authority (IDRA), dated October 19, 2023 the Board of Directors of the company has recommended to appoint MNA Associates Chartered Secretaries in practice as the compliance auditor of the company for the year 2024 subject to approval of the shareholders at the 28th AGM.

Status of Compliance on Corporate Governance

The Board of Directors of City General Insurance Company Limited 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 have the pleasure to confirm that the Company has complied with all the necessary directives under BSEC CG Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated the 3rd June 2018 and Notification No. BSEC/CMRRC/2009-193/66/PRD/148 (Amended) dated 16 October 2023. The Compliance Report along with the necessary remarks and disclosures is appended in this Annual Report for the year 2023. Further, a Certificate of Compliance is required under the said CG codes, as provided by M/s. Salahuddin & Associates Chartered Secretaries, is also annexed to this Annual Report at page no. 277.

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 at page no. 93

Insider Trading

The members of the Board of City Insurance as well as its sub-committees, or its senior management and their family members did not involve in any insider trading and did not violate the provision with regard 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 in various laws and regulations have discharged their responsibilities as per requirements.

Awards & Recognition

As a result of our responsible corporate stewardship, exceptional value creation focus and full-strength emphasis on governance and compliance in 2022, we have been recognised by a wide number of reputable institutions, both nationally and globally with a number of outstanding awards and recognitions. The following honors were bestowed to the Company in 2023:

- Gold (Winner) for Corporate Governance Excellence 2022 by Institute of Chartered Secretaries of Bangladesh (ICSB)
- Gold (Winner) for Best Presented Annual Reports 2022 by Institute of Chartered Accountants of Bangladesh (ICAB)
- Silver (Winner) for Best Presented Annual Reports 2022 by SAFA (South Asian Federation of Accountants)

CORPORATE SOCIAL RESPONSIBILITY

The Directors are sincere to discharge corporate responsibilities to the society. As a part of discharging corporate social responsibilities, City Insurance has initiated various projects and programs. Details has been presented on the page no. 186-192 of this annual report.

RISK ASSESSMENT AND MITIGATION FOR THE YEAR 2023:

City General Insurance Company Limited recognizes the dynamic nature of the insurance industry and the inherent risks associated with conducting business. This disclosure aims to provide stakeholders with insights into the risks faced by the company in the year 2023 and the corresponding strategies employed for mitigation.

Key Risks Identified:

1. Market Volatility:

Description: The insurance industry is susceptible to market fluctuations, impacting investment returns and financial stability.

Mitigation: City Insurance has diversified its investment portfolio, implemented risk management models, and regularly monitors market trends to make informed decisions.

2. Regulatory Changes:

Description: Evolving regulatory landscapes can pose challenges in compliance, affecting operations and financial performance.

Mitigation: The company maintains a dedicated regulatory compliance team to stay abreast of changes, conducts regular audits, and engages in proactive dialogue with regulatory bodies.

3. Cyber security Threats:

Description: Increasing cyber threats pose risks to sensitive customer data, operational integrity, and overall business continuity.

Mitigation: Robust cyber security measures, employee training programs, and continuous assessments of IT infrastructure help mitigate the risk of cyber-attacks. Investments in advanced security technologies are ongoing.

4. Underwriting Risks:

Description: Inaccurate risk assessment and underwriting may lead to substantial financial losses.

Mitigation: City Insurance's employs advanced data analytics, artificial intelligence, and machine learning algorithms to enhance underwriting accuracy. Regular training programs ensure underwriters are updated on industry trends.

5. Climate Change Impact:

Description: Climate-related events can result in an increase in insurance claims and pose a threat to the company's financial stability.

Mitigation: The company actively assesses and adjusts its risk exposure to climate-related events. Sustainable business practices are adopted, and partnerships with climate risk experts are established.

Financial Preparedness:

City General Insurance Company Limited maintains a robust financial position to address unforeseen challenges. Adequate

reserves, stress testing, and scenario analyses are conducted regularly to ensure the company's ability to weather economic downturns or unexpected events.

Continuous Monitoring and Adaptation:

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

INDUSTRY OUTLOOK AND FUTURE PROSPECTS

The non-life insurance sector in Bangladesh has been undergoing significant transformations in recent years, reflecting the dynamic economic landscape of the country. As we step into 2024, the industry is poised for further growth and development, driven by various factors such as regulatory reforms, technological advancements, and changing consumer behavior.

Current Landscape

The non-life insurance industry in Bangladesh encompasses a range of products, including motor insurance, property insurance, health insurance, and liability insurance, among others. The sector plays a crucial role in supporting economic activities by providing risk mitigation tools to businesses and individuals alike.

One of the key drivers of growth in the non-life insurance sector is the increasing awareness of the importance of insurance coverage. As the population becomes more educated about the risks associated with various aspects of life, there is a growing demand for non-life insurance products to safeguard against unforeseen events.

Regulatory Reforms:

The regulatory environment in Bangladesh has been evolving to foster a more competitive and consumer-friendly insurance industry. The Insurance Regulatory and Development Authority (IDRA) has been actively working to streamline regulations, enhance transparency, and ensure fair practices within the sector.

In 2024, industry experts anticipate further regulatory reforms that could include measures to encourage innovation, enhance digital capabilities, and promote better risk management practices. Such reforms are expected to create a more robust and resilient non-life insurance sector in Bangladesh.

Technological Advancements:

Technology is reshaping the landscape of the non-life insurance industry globally, and Bangladesh is no exception. The integration of digital platforms, artificial intelligence,

and data analytics is improving operational efficiency, enhancing customer experience, and enabling more accurate risk assessment.

Insurtech companies are likely to play a more prominent role in the industry in 2024. These tech-driven startups are bringing innovative solutions to the market, from streamlined claims processing to personalized insurance products. The adoption of technology is not only a trend but a necessity for insurers looking to stay competitive in an increasingly digital world.

Changing Consumer Behavior:

Consumer preferences and behaviors are evolving, influencing the way insurance products are designed, marketed, and delivered. In 2024, non-life insurers in Bangladesh are expected to focus on customer-centric approaches, tailoring products to meet the specific needs and expectations of a diverse consumer base.

Personalization, affordability, and simplicity are likely to be key themes in the industry's marketing strategies. Insurers will need to leverage data analytics and customer insights to understand and respond effectively to changing consumer demands.

Future Prospects:

The future prospects for the non-life insurance industry in Bangladesh appear promising. With a growing economy, increasing awareness, and a supportive regulatory framework, the sector is well-positioned for sustained growth. The integration of technology and the rise of insurtech firms are expected to bring about positive disruptions, making insurance products more accessible and appealing to a wider audience.

Non-life insurance industry in Bangladesh is on a trajectory of growth and innovation. As we move into 2024, stakeholders in the sector should remain agile, embracing technological advancements, and staying attuned to evolving consumer needs to capitalize on the opportunities that lie ahead. With a proactive approach to regulatory changes and a commitment to customer satisfaction, the non-life insurance industry in Bangladesh can navigate the future with confidence and resilience.

OUR FUTURE DEVELOPMENT

City General Insurance Company Limited has some extensive plans to create its business by providing quality service to

the insured. The company is mainly focused on continuous practice for internal improvement, training for capacity building, practice of corporate Governance, efficient & excellent team work and quick claim settlement.

OUR AIMS

Honorable Shareholders, we assure you that by providing very high-quality professional service to the clients and to increase continuous quality service, the company will always endeavor to that. It is mentioned, by this time honorable clients have increased their confidence to the company.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I deeply appreciate the gracious co-operation to the activities of the Company extended by the insured, well-wishers and patrons. At the same time, I am grateful to the Ministry of Finance, Insurance Development and Regulatory Authority (IDRA), the Bangladesh Securities and Exchange Commission (BSEC), Dhaka & Chittagong Stock Exchanges Ltd., Registrar of Joint Stock Companies and Firms (RJSC), Central Rating Committee, Sadharan Bima Corporation, Bangladesh Bank, including all scheduled commercial banks and Bangladesh Insurance Association (BIA) for their sincere support and co-operation.

I also thank senior executives, all officers and staff for their hard work, effort and dedication.

Lastly, honorable shareholders, I request for your continued support, co-ordination and valuable advice in future.

Allah Hafaz

On behalf of the Board of Directors,



(Hossain Akhtar)

Chairman

ANNEXURE I

Current Year & Preceding 05 (Five) Year's Financial Performance Highlights

BDT in mn

Particulars	2023	2022	2021	2020	2019	2018
Financial Performance						
Gross Premium	820.91	888.01	730.62	438.24	446.72	436.25
Net Premium Less Re-Insurance	516.49	567.91	483.41	328.37	312.37	295.63
Net Claims	44.17	53.01	115.77	49.27	65.56	68.73
Underwriting Profit	216.46	145.46	95.58	84.52	73.84	80.94
Net Profit before Tax	300.42	212.61	162.61	162.06	107.24	112.15
Net Profit after Tax	205.63	153.58	114.72	120.75	68.55	85.63
Share Capital & Reserve						
Paid-up Capital	681.66	681.66	681.66	681.66	681.66	681.66
Shareholders Equity	1,390.90	1,265.76	1,194.81	1,150.46	1,068.82	1,060.13
Reserve for Exceptional Losses	428.35	376.71	319.91	217.57	238.74	207.50
Assets						
Investment in shares & Securities	570.56	529.64	407.37	270.05	194.23	172.84
Cash, FDRs & Bank balances	936.65	856.21	652.92	612.03	571.66	598.10
Other Assets	628.73	554.04	624.52	724.19	572.59	543.28
Total Assets	2,135.94	1,939.89	1,684.81	1,606.27	1,338.48	1,314.22
Financial Analysis						
Dividend in percentage	12% Cash Dividend	10.50% Cash Dividend	10% Cash Dividend	10% Cash Dividend	5% Cash Dividend	5% Cash Dividend
Earnings per Share (EPS)	3.02	2.25	1.68	1.77	1.01	1.26
Highest/Lowest market price per Share as on 31st December, 2023	49.7	26.20	44.10	31.30	22.70	13.50
	48.5	25.50	42.60	30.00	21.80	13.30

ANNEXURE II

Meeting attended by the Directors of City General Insurance Company Limited during 2023

Name of the Directors	Board of Directors Meeting				Audit Committee Meeting				Nomination and Remuneration Committee Meeting				Total Remuneration paid for the year 2023	
	Status	Total Board meetings held during Director's tenure	Meeting attended	Attendance % of total meeting held	Remuneration paid for attending the meeting	Total Board meetings held during Director's tenure	Meeting attended	Attendance % of total meeting held	Remuneration paid for attending the meeting	Total Board meetings held during Director's tenure	Meeting attended	Attendance % of total meeting held		Remuneration paid for attending the meeting
Mr. Hossain Akhtar (Nominated by Anwar Jute Spinning Mills Ltd.)	Chairman	6	6	100	48,000	4	-	-	-	-	-	-	-	48,000
Mr. Mohd. Abu Taher	Vice-Chairman	6	5	83	40,000	4	-	-	-	-	-	-	-	40,000
Mrs. Bibi Amena	Director	6	5	83	40,000	4	-	-	-	-	-	-	-	40,000
Ms. Faizah Mehmood (Nominated by Anwar Silk Mills Ltd.)	Director	6	4	67	32,000	4	-	-	-	-	-	-	-	32,000
Mr. Md. Harunoor Rashid (Nominated by Khaled Iron & Steel Mills Ltd.)	Director	6	6	100	48,000	4	4	100	32,000	-	-	-	-	80,000
Haji Md. Yousuf	Director	6	6	100	48,000	4	-	-	-	2	2	100	16,000	64,000
Mrs. Hasina Begum (Nominated by Hossain Dyeing & Printing Mills Ltd.)	Director	6	6	100	48,000	4	-	-	-	-	-	-	-	48,000
Mr. Mohammad Aman Ullah (Wazeefa Acrylic Spinning Mills Ltd.)	Director	6	6	100	48,000	4	-	-	-	-	-	-	-	48,000
Mrs. Hasina Parveen Manwar (Nominated by Mehmd Industries (Pvt.) Ltd.)	Nominated Shareholder Director	6	3	50	24,000	4	-	-	-	-	-	-	-	24,000
Mr. Muhammad Nazrul Islam (Nominated by Anwar Landmark Ltd.)	Nominated Shareholder Director	6	6	100	48,000	4	4	100	32,000	2	2	100	16,000	96,000
Mrs. Salina Ahmed (Nominated by A-One Polymer Ltd.)	Nominated Shareholder Director	6	5	83	40,000	4	-	-	-	-	-	-	-	40,000
Mr. Mahabubul Haque	Independent Director	6	6	100	48,000	4	4	100	32,000	-	-	-	-	80,000
Mr. Tauhiduddin Md. Zahed	Independent Director	6	6	100	48,000	4	-	-	-	2	2	100	16,000	64,000
Mr. Mohammad Saif Noman Khan	Independent Director	6	4	67	32,000	4	-	-	-	-	-	-	-	32,000

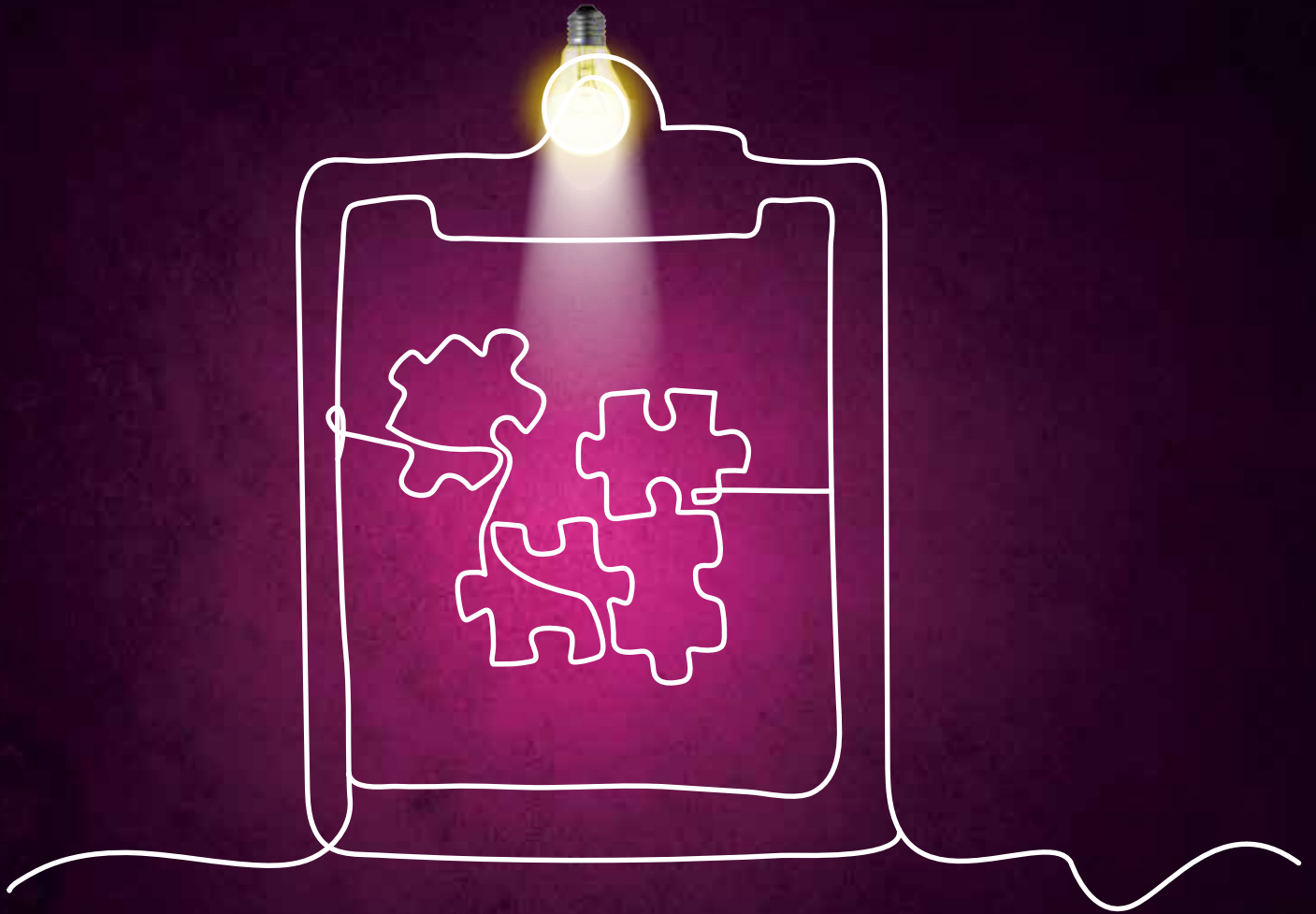
ANNEXURE III

Pattern of Shareholding

Pattern of Shareholdings as on 31 December 2023 as required by the Corporate Governance Code issued by BSEC:

Sl. No.	Name	Status (Sponsor/ Promoter/ Director/ Nominated Director/ Independent Director/ Depositor Director etc.)	No. of Securities Held as on End of the Month	% of Total No. of Paid-up Securities as on End of the Month	Share held by the Spouse/ Children	Remarks
			31.12.2023	31.12.2023		
A.	Parent/ Subsidiary/ Associated Companies		Nil			
B.	Directors, Sponsors, CEO, Company Secretary, CFO, HIAC and their spouse and minor children					
01	Anwar Jute Spinning Mills Ltd. Mr. Hossain Akhtar (Nominated by Anwar Jute Spinning Mills Ltd.)	Director	26,02,704	3.82%	Nil	
02	Mr. Hossain Mehmood	Sponsor Shareholder	40,05,266	5.88%	Nil	
03	Mr. Md. Abu Taher	Sponsor Director	20,65,639	3.03%	Nil	
04	Mrs. Bibi Amena	Director	16,52,507	2.42%	Nil	
05	Anwar Silk Mills Ltd. Faizah Mehmood (Nominated by Anwar Silk Mills Ltd.)	Director	20,65,639	3.03%	Nil	
06	Khaled Iron & Steel Mills Ltd. Mr. Harunoor Rashid (Nominated by Khaled Iron & Steel Mills Ltd.)	Director	18,59,074 2,27,218	2.73% 0.33%	Nil	He holds 2,27,218 shares as Sponsor Shareholder in his name.
07	Haji Md. Yousuf	Sponsor Director	22,72,202	3.33%	Nil	
08	Hossain Dyeing & Printing Mills Ltd. Mrs. Hasina Begum (Nominated by Hossain Dyeing & Printing Mills Ltd.)	Director	20,65,639 4,29,424	3.03% 0.63%	Nil	She holds 4,29,424 shares in her name
09	Wazeefa Acrylic Spinning Spinning Mills Ltd. Mr. Mohammad Amanullah (Nominated by Wazeefa Acrylic Spinning Spinning Mills Ltd.)	Director	16,43,121	2.41%	Nil	
10	Nominated by Mehmud Industry Pvt. Ltd. Mrs. Hasina Parveen Manwar (Nominated by Mehmud Industry Pvt. Ltd.)	Director	13,64,254 5,51,522	2.00% 0.81%	Nil	She holds 5,51,522 shares in her name.
11	Anwar Landmark Ltd. Mr. Muhammad Nazirul Islam (Nominated by Anwar Landmark Ltd.)	Director	13,64,061	2.00%	Nil	
12	A-One Polymer Ltd. Mrs. Salina Ahmed (Nominated by A-One Polymer Ltd.)	Director	13,94,305 4,13,125	2.05% 0.61%	Nil	She holds 4,13,125 shares in her name.

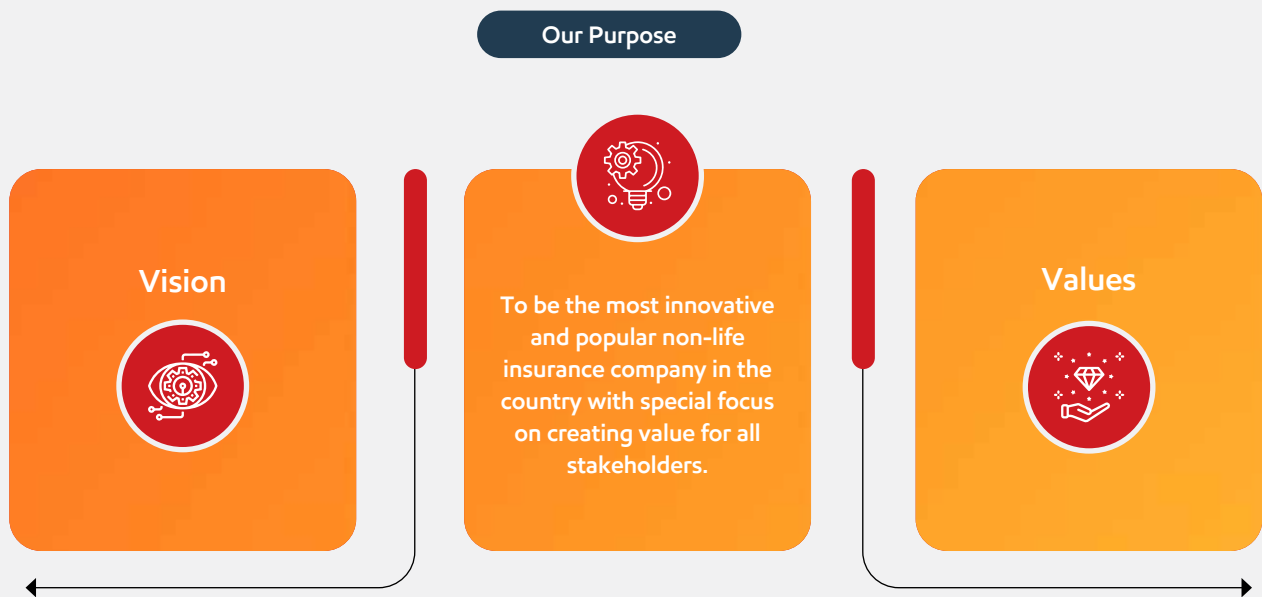
Sl. No.	Name	Status (Sponsor/ Promoter/ Director/ Nominated Director/ Independent Director/ Depositor Director etc.)	No. of Securities Held as on End of the Month	% of Total No. of Paid-up Securities as on End of the Month	Share held by the Spouse/ Children	Remarks
			31.12.2023	31.12.2023		
13	Mr. Mahabubul Haque	Independent Director (Non-Shareholding)	Nil	---	Nil	
14	Mr. Tauhiduddin Md. Zahed	Independent Director (Non-Shareholding)	Nil	---	Nil	
15	Mr. Mohammad Saif Noman Khan	Independent Director (Non-Shareholding)	Nil	---	Nil	
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%		
1	Mr. Md. Shamim Hossain	Chief Executive Officer	Nil	---	Nil	
2	Mr. Sheikh Azizul Haque	Chief Financial Officer	Nil	---	Nil	
3	Mr. Md. Ibrahim Mollah	Head of Internal Audit & Compliance	Nil	---	Nil	
4	Mr. Mohammed Ashaduzzaman Sarkar	Company Secretary (Acting)	Nil	---	Nil	
C.	Executive (Top five person other than CEO, CFO, CS, HIAC)					
1	Mr. A.T.M Nazmul Hossain	Asst. Managing Director Kawran Bazar Branch, Dhaka	Nil	---	Nil	
2	Mr. Khandaker Mosabber Hossain	Asst. Managing Director Local Office, Dhaka	Nil	---	Nil	
3	Mr. Sabir Mohammed Azad	Sr. Executive Vice President Kawran Bazar Branch, Dhaka	Nil	---	Nil	
4	Mr. Abul Kalam	Dy. Managing Director & Branch In-charge, Malibag Branch, Dhaka	Nil	---	Nil	
5	Mr. Chowdhury Md. Salehuddin	Dy. Managing Director & O.R. Nizam Road Branch, Chottogram	Nil	---	Nil	
D.	Shareholders holding 10% of more voting right	Bank Asia Securities Limited	78,08,407	11.45%	Nil	



INTEGRATED
REPORTING

Our Approach to Integrated Report

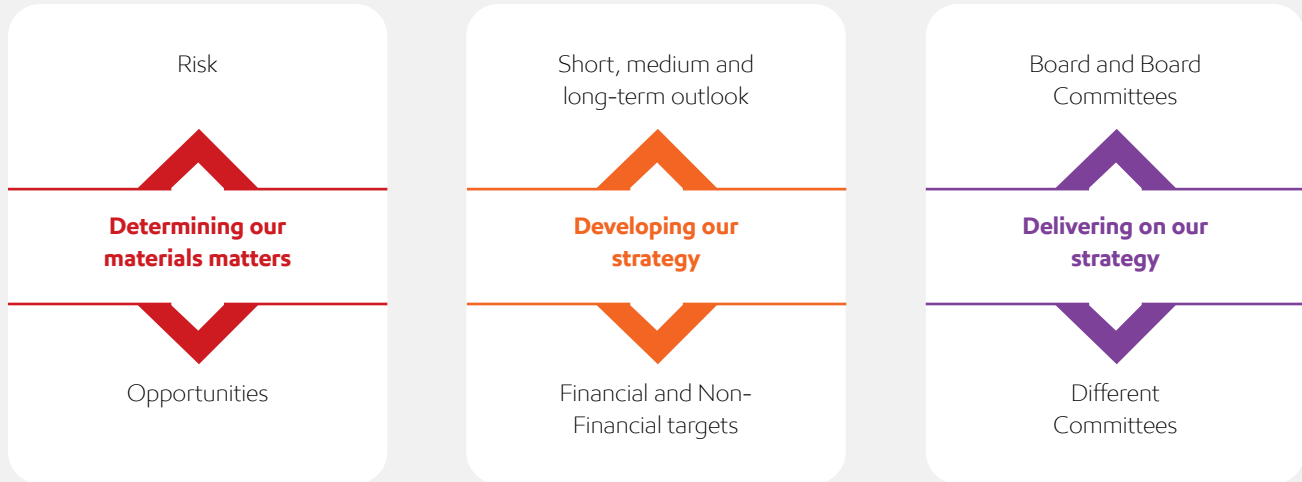
We're thrilled to present our Integrated Report 2023. While City General Insurance Company Limited prepares its Integrated Report, it wants to show how well it has handled its business as a non-life insurance company to give its stakeholders consistent value. Our Integrated Report makes it easy for stakeholders to gain insight into our business model, strategic focus, resource allocation, and outlook for the future. This helps them assess the company's ability to create value on its own. In our integrated report, we also focused on the key factors that are material to our present and future value creation. We have prepared our integrated report following the Framework of the International Integrated Reporting Council (IIRC).



What is our perspective on the processes of value production, preservation, and erosion?

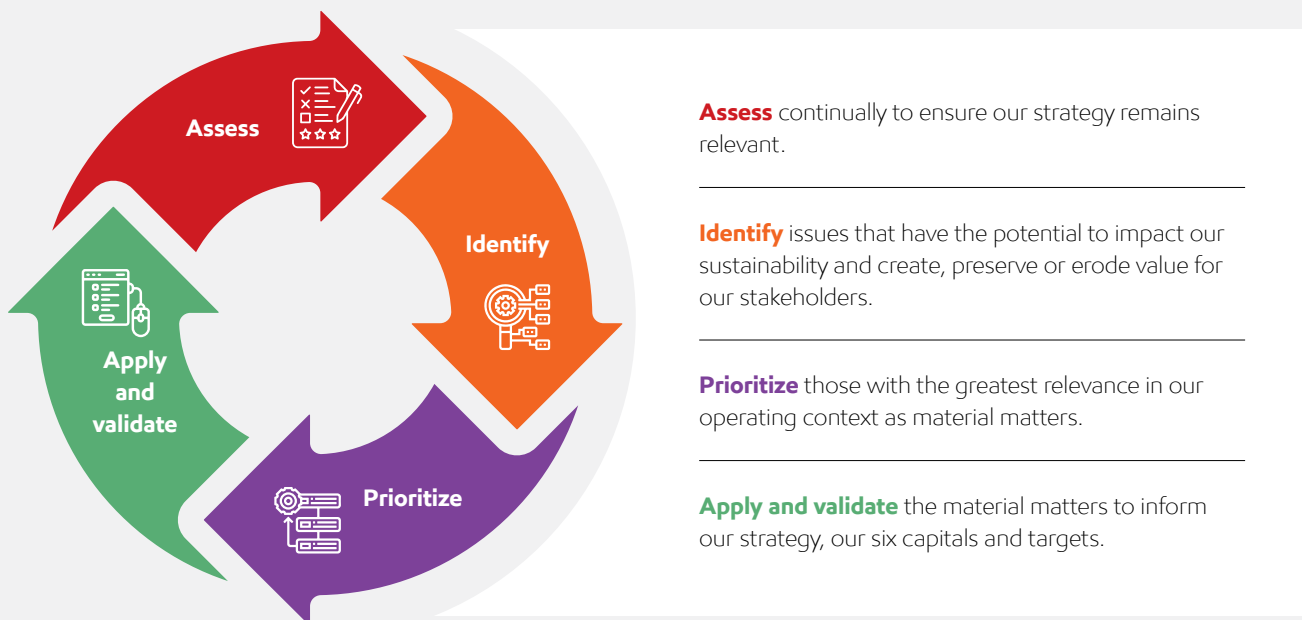
Value creation, preservation, and erosion result from how we use and leverage our capital during the execution of our strategy. These effects are visible in our financial performance, the outputs and results for all stakeholders, and how these capitals change over time. Our processes for creating and preserving value are ingrained in who we are, outlined in our business model, and incorporated into the way we reason and decide. In our report, we use the icons in the next page to denote value creation, preservation and erosion.

INTEGRATED THINKING



HOW DO WE CONSIDER MATERIALITY AND OUR MATERIAL MATTERS?

We determine what information belongs in our integrated report by using the materiality principle. This study primarily focuses on the problems, possibilities, and difficulties that have a meaningful impact on our six capitals and the company’s capacity to continuously develop, safeguard, and reduce value erosion for all stakeholders. It is our responsibility to identify our material matters, and to do so we need input from all of our stakeholders, as well as information from all departments, and an assessment of the opportunities and hazards in our operating environment. Our material concerns shape City Insurance’s strategy, our long-term business plans, our short-, medium-, and long-term goals, and the development of our business model.



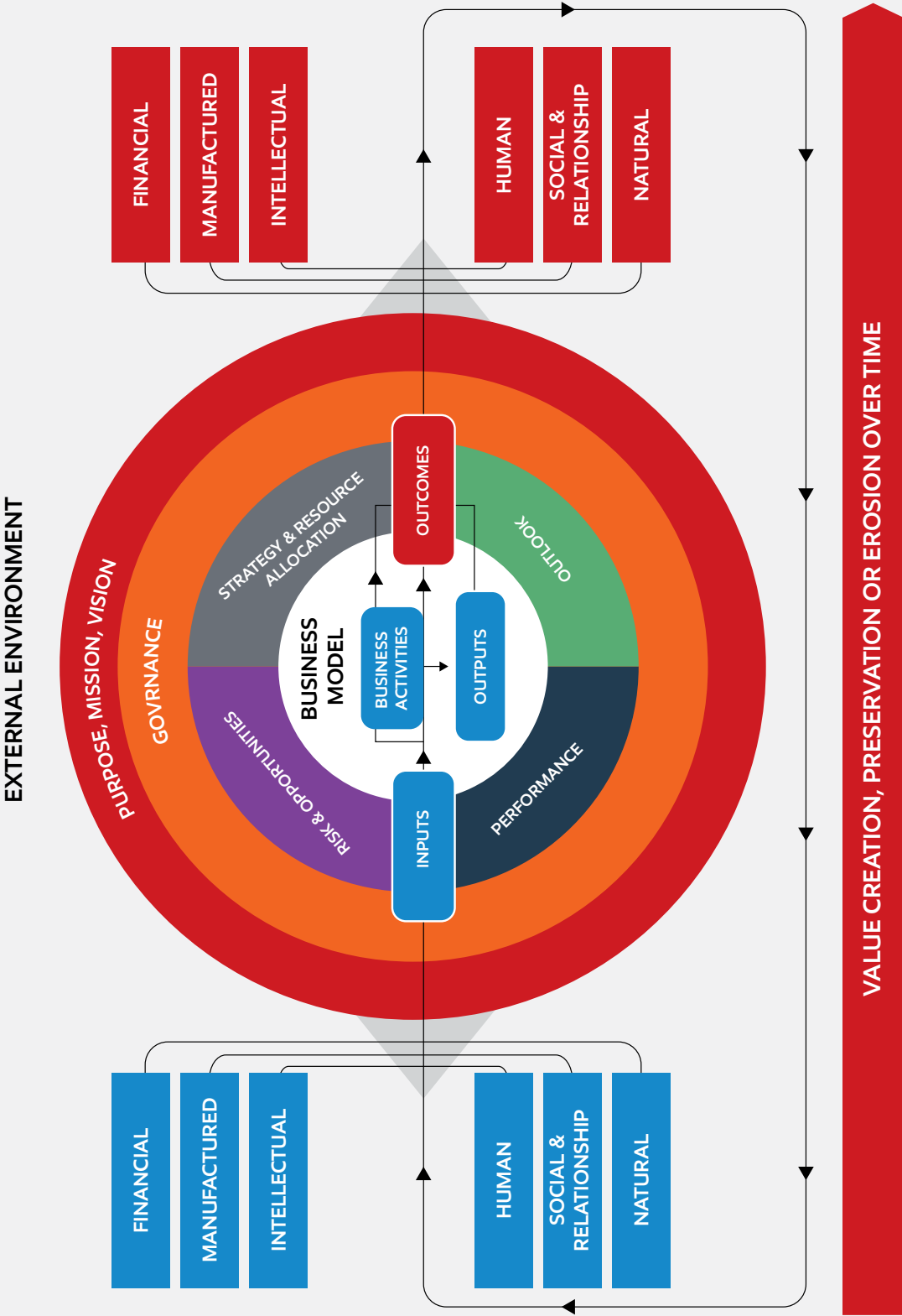
THE SCOPE OF INTEGRATED REPORTING



INTEGRATED REPORTING PROCESS



Process through which Value is Created, Preserved or Eroded



DETERMINATION OF MATERIALITY

The concept of materiality, as used in City Insurance, explains why and how particular challenges are significant to us and our stakeholders. The financial, economic, reputational, legal, and stakeholder relations of our company both internal and external, can all be significantly impacted by a substantial issue. The materiality determination process of the report appears on page no. 169.

KEY PILLARS OF INTEGRATED REPORT



RESPONSIBILITY AND INTEGRITY OF THE ANNUAL INTEGRATED REPORT

In compliance with the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC), the Board and management ensure that the Integrated Annual Report has been prepared using the checklist. The Board and management additionally ensure that this Annual Integrated Report has been prepared and presented with reasonable care, that all important concerns have been addressed, and that a fair portrayal of the company's integrated performance and its overall impact has been made.

AVAILABILITY OF THE ANNUAL REPORT

The Annual Report is distributed to all shareholders in digital format prior to the holding of the Annual General Meeting.

Additionally, the report is accessible on the website, <http://www.cityinsurance.com.bd>

BOARD OF DIRECTORS' COMMITMENT TOWARDS INTEGRATED REPORTING

I, on behalf of the Board, ensure that, all material aspects of Integrated Reporting has been presented truly and fairly, so that our stakeholders can take prudent decision on integrated performance of the company.

On behalf of the Board of Directors,

Hossain Akhtar
Chairman

Elements of An Integrated Report

Organizational overview and external environment

City General Insurance Company Limited is one of Bangladesh's largest insurance company. The total value of the organization's assets is BDT 2,135.94 million. Established more than two decades ago, the organization caters to a vast clientele of 32,504 with a total of 372 employees and 45 branches dispersed throughout Bangladesh. The organization maintains a significant footprint in the insurance sector by means of its specialized offerings and branches and online services.

Mission & Vision and Core Values

The mission and vision of our company are given on page no. 24 of this Annual Report.

Culture, Ethics and Values

City General Insurance Company Limited is strictly based on ethical values and principles. We have maintained a strong corporate culture that abides by strict ethical policies and values. The details of Culture, Ethics, and Values are given on page no. 25-31 of this Annual Report.

Ownership and operating structure

City Insurance was established as a public limited company on March 18, 1996, under the Companies Act, 1994, as an Non-life insurance company and commenced its operations

on March 25, , 1996. Currently, the company is operating its business through head office having 45 (forty five) branches, and 372 employees all over Bangladesh. The company is listed on both the stock exchanges of the country, i.e., Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.

Key activities and markets

City General Insurance Company Limited is authorized to transact all classes of non-life insurance services to its customers through its branches, following the provisions of the Insurance Act 2010 (as amended up to date), Insurance Development & Regulatory's Directives, directives of other regulatory authorities. The key activities of the company to provide non-life insurance services such as Fire, Marine Motor, Miscellaneous insurance, social activities, etc.

Competitive landscape and market positioning of City Insurance

The insurance industry holds a dominant position in Bangladesh's insurance sector. However, this industry has a lot of obstacles to overcome, like exposure to both external and internal risks, some of which are out of our control. With more than 28 years of expertise, City Insurance has seen numerous industry cycles and unstable economic times. As such, it has developed and modified a framework for risk identification and mitigation that serves to both protect the business from unfavorable circumstances and to improve its operational profitability, so guaranteeing its long-term survival.

PESTEL Framework



Political

The political factors that can affect City General Insurance include changes in laws and regulations, political instability and government policies.

Laws and regulations:

The insurance industry of Bangladesh is regulated by the IDRA, the sole body that regulates the insurance industry of Bangladesh. It is being seen that the regulator is developing and formulating new policies and putting in place systems with the objective of enhancing insurance penetration in the country and create a well-governed industry environment. Allowance of bancassurance is a major move taken to allow insurance companies to sell their policies through banks.

Political stability:

Bangladesh recently completed its national elections in January 2024 and the incumbent government led by Hon'ble PM Sheikh Hasina has formed the new government too. It is hoped that the government will maintain policy continuity.



Economic

The economic environment significantly impacts our operations. We work in a dynamic and highly competitive industry. The following economic factors have a bearing on our business.

Economic growth:

Bangladesh has been long-touted a miracle economy with sustained 7-8% GDP growth achieved in the past few years. High economic growth rates and a large unserved market have spelled tremendous opportunity for insurance companies. However, Bangladesh's post-Covid economy has witnessed a slowdown. Yet, this is not a major cause of concern as the long-term growth drivers of the economy are firmly in place.

Inflation:

An increase in inflation can weaken spending power, resulting in rationalization of spends on insurance. Further, general inflation can also create a cost-push making insurance unaffordable or inaccessible. In this regard, we are focusing on making our products more feature-rich, thus enhancing the value proposition for our policyholders. Our unwavering focus is on providing our customers with affordable and accessible insurance policies.



Societal

We operate in an industry that is influenced by social factors. The following are the important social factors that affect our business.

Demographics:

Our target market comprises individuals/businesses who need insurance coverage. We are favourably placed in this regard as Bangladesh has a very large uninsured population, with insurance penetration of under 1%. Thus, democratizing insurance is a central area of work for us.

Lifestyle changes:

Changes in lifestyle can influence the insurance needs of individuals. For instance, deterioration in lifestyle habits can influence health, necessitating the requirement for health insurance.

PESTEL analysis is a framework that we use to assess our external environment and gain an understanding of the various factors that affect our operations. It stands for Political, Economic, Societal, Technological, Environmental and Legal, and the analysis enables us to understand the changes in these areas.

Notably, by studying the external environment through our PESTEL framework, we formulate strategies that enable us to navigate the transforming landscape of the insurance market.



Technological

In today's digital era, technology plays a significant role in the insurance industry. We understand the importance of technological advancements and adapt our products and services to meet the changing needs of our customers.

Digital Adoption:

We have invested in the modernization and upgradation of our systems and processes with a view to streamline our operations and enhance the customer experience. Furthermore, we have also tried to focus on automation and usage of digital tools with a view to strengthen our backend, including underwriting and claims functions.

Cybersecurity:

As the world becomes increasingly reliant on technology, cybersecurity has emerged critical to protect customer information and safeguard their privacy. We have thus dedicated significant resources with a view to ensure the safety and security of our IT infrastructure.



Environmental

Environmental factors refer to the external forces that may affect our organization and business model, including climate change and other environmental regulations.

Climate change:

Climate change is a significant environmental factor that could impact our operations. This is especially since Bangladesh is in a delicate topography making it vulnerable and prone to natural disasters. Extreme weather events may lead to increase in claims for the company.

Environmental regulations:

We need to comply with environmental regulations which is a prerequisite to doing business.



Legal

Legal factors play a role in the insurance industry and there are legal regulations that we have to follow and comply with.

Regulatory compliance:

We must comply with all applicable laws and regulations, such as licensing requirements, solvency regulations, consumer protection laws, etc.

Tax compliance:

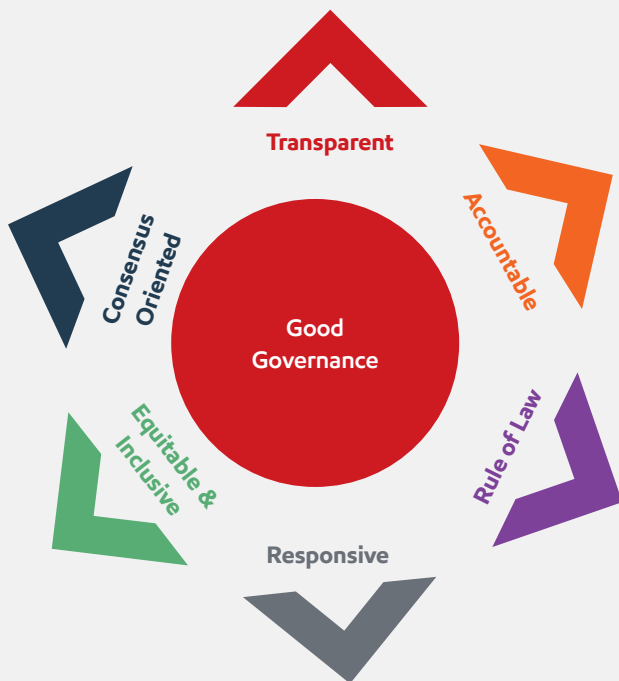
We are subject to tax laws and comply with the same in letter and spirit. In fact, we are proud of our exchequer contributions that enable nation-building.

Governance

City General Insurance Company Limited is a responsible and ethical insurance business that follows the highest global standards of corporate governance. The company values sustainable performance, customer satisfaction, innovation, and teamwork. The company's corporate governance report shows how it follows the best practices and meets the requirements of regulators such as Insurance Development & Regulatory Authority (IDRA) and the Bangladesh Securities and Exchange Commission (BSEC). For further information, please refer to page no. 201 of this Annual Report.

Corporate governance framework

City Insurance's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) 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 regarding the Knowledge & expertise in Finance & Accounting of Board of Directors can be found in page no. 70-77 of this Annual Report 2023.

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

City General Insurance Company Limited has developed a Risk Management Framework (RMF) to standardize the approach to effectively manage risks and opportunities. The company's RMF equips its Board and Management with the necessary tools to anticipate and manage both existing and potential risks. This is achieved by considering changing risk

profiles as dictated by changes in business strategies, the external environment, and/or the regulatory environment.

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

Ethics refer to the decisions, choices, and actions (behaviors) that reflect and enact the company’s values. Compliance means conforming or adapting one’s actions to another’s wishes, a rule, or a necessity. The terms “ethical” and “compliance” are often used interchangeably when referring to businesses that do the right thing. The Board of Directors is committed to upholding a high standard of ethics and compliance among all employees of the company. They consistently encourage management to ensure that all employees maintain a high level of ethics at the company and provide guidance on ethics and integrity policies. Additionally, the company has introduced Integrity Awards to recognize its employees for upholding these values.

Governance practices of City Insurance

Since its inception, City General Insurance Company Limited has consistently maintained a commitment to responsible and

ethical insurance business. The company has implemented the highest standards of corporate governance and fostered a corporate culture that promotes sustainable performance, client-centricity, innovation, and partnership. City Insurance’s corporate governance report highlights its strong dedication to best practices and full compliance with the rules and regulations set forth by regulatory bodies such as the c and the Bangladesh Securities and Exchange Commission (BSEC).

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

City General Insurance Company Limited 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. Detailed explanations of these practices are provided in the page no. 201.

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

At City Insurance, a well-defined remuneration policy is in place that is regularly reviewed and updated by management. Senior executives of the company are provided with market-based, competitive compensation to attract, motivate, and retain skilled and competent employees. The company ensures that the compensation of directors, the chairman, and the CEO is set in accordance with the guidelines provided by the Bangladesh Securities and Exchange Commission (BSEC) and Insurance Development & Regulatory Authority (IDRA) circulars, aligning compensation practices with regulatory requirements and industry standards, and supporting recruitment and retention of top talent.

Stakeholder Identification/Relationships

The history of CGI is one of constant evolution. We have come this far because of the efforts of our dedicated team, and we look forward to even greater success in the future as we implement our strategy. Vital to this is our efforts in stakeholder engagement and relations and we always attribute our success to our extended team; not just our employees, but also our wider stakeholders.



We have a large and varied set of stakeholders due to our positioning as one of the country's top insurers and we are expanding rapidly. Those associated with us consist of policyholders, investors, shareholders, employees, government, agencies, reinsurers, and local communities. We maintain open communication with our constituents on a consistent basis. Insights into stakeholder expectations, concerns, and requirements are essential for us to run an enterprise that serves everyone involved.

Here, we've laid out the numerous channels via which we communicate with and collect input from our stakeholders, all of which factor and feed into our materiality analysis. The participation of our stakeholders has helped us pinpoint the most pressing concerns that must be resolved if we are to achieve long-term success.

Our internal stakeholders, such as the senior leadership, are actively conversing with relevant external stakeholder groups so that they have a firm grasp of the latter's expectations and provide valuable feedback to the teams for implementation and execution.

Key:




Customers
Engagement frequency 

Why we engage

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.

Material matters

- Predictable claims settlement
- Competitive pricing
- Simplicity of clauses and T&Cs

Our response

- 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

Key:



Shareholders Engagement frequency

Why we engage

To make consistent and clear communication and promoting our investment thesis, strategy, and strategic objectives enables informed decision-making and helps in better managing expectations.

Material matters

- Articulation of long-term industry and company prospects
- Strengthening financial position management
- Sharing estimated operational projections
- Governance and all regulatory compliance
- Capacity and ability to manage a larger and greater variety of product/sectoral lines

Our response

- Maintained sustainability and ensured strong financial visibility
- Strengthened financial position through disciplined capital allocation
- Continued entrenching our enterprise risk management processes into our business framework
- Engaged in cost discipline

Shareholders Engagement frequency

Why we engage

Business sustainability depends on the relationship we build with the communities and societies in which we operate and our contribution to societal upliftment.

Material matters

- Strategic direction, including our environmental impact
- Contributing to improving community living standards, including support during peak pandemic
- Enabling sustainable economic transformation through livelihood creation
- Engaging in solving pressing community issues

Our response

- Continued with a multi-pronged approach to social investment
- Engage in partnerships for maximising impact
- Remain sensitive to the needs of community members

Government | Regulators Engagement frequency

Why we engage

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.

Material matters

- Compliance with all relevant legislations
- Occupational health and safety management
- Responsible tax contribution
- Support national and local agendas, including employment

Our response

- Complied with applicable legislations, including environmental obligations
- Ensured workers' payroll as per regulatory stipulations

Employees Engagement frequency

Why we engage

Our employees are the backbone of the organisation. They help execute and deliver our goals, and we provide them with strong long-term career opportunities.

Material matters

- Career progression
- Employment safety
- Rewards and recognition (R&R)
- Learning and development
- Grievance redress

Our response

- We have a robust R&R platform that recognises top performers
- We offer strong long-term career advancement opportunities
- We focus on DEI as a means to create a unique workforce that draws strength from diverse experiences, insights and skills

Our Business Model

INPUT CAPITALS



Financial

Equity share capital:
BDT 1,391 mn

Reserves and surplus:
BDT 618 mn



Manufactured

Branches:
45

Districts covered:
7



Intellectual

No. of products:
33

Tech spends:
BDT 1.50 mn



Human

Total workforce:
372

Training spends:
BDT 90 thousand



Social and Relationship

Non-metro branches:
6

No. of CSR projects:
25+



Natural

ESG implementation

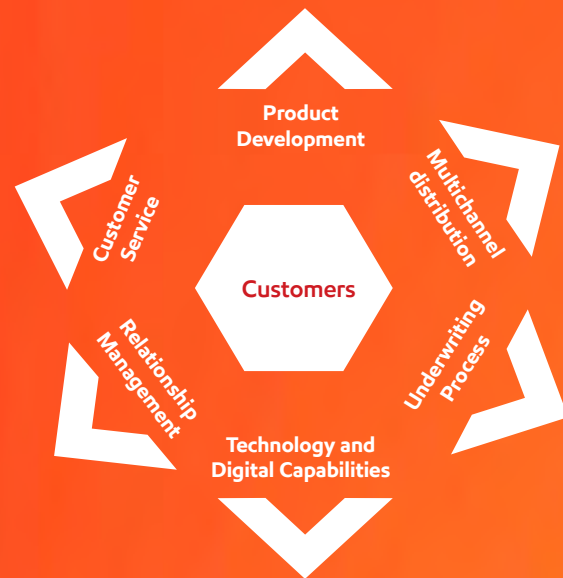
Waste management initiatives

VALUE CREATION PROCESS

Our Intent

We are committed to providing high-quality insurance products and personalized solutions to our customers.

Business Activities



Strategic Imperatives

- ✓ Expand reach
- ✓ Enhance customer experience
- ✓ Ensure skilled and agile team
- ✓ Focus on enhancing digitality
- ✓ Enable strategic portfolio expansion
- ✓ Achieve market share gains
- ✓ Attain sustainable profitability growth



Human Capital

Nurturing People Cultivating Trust!

Overview

Human capital is a critical asset for us, playing a pivotal role in our success. In the dynamic sector of insurance, the knowledge, skills and expertise of our employees are paramount. Insurance is inherently a people-centric business, requiring professionals who can navigate complex regulations, analyze risk and provide personalised client solutions.

The underwriting process, a cornerstone of insurance, relies heavily on the expertise of underwriters. For us, our underwriting department comprises experienced and qualified individuals who assess risk factors and pricing policies and determine coverage eligibility. Their ability to interpret data sets and industry trends directly impacts the company's profitability. Hence, investing in continuous training and development ensures that our team of underwriters stay abreast of evolving risk landscapes and technological advancements.

Claims processing is yet another area where human capital is indispensable. Our claims team, equipped with empathy and analytical skills, handle the delicate task of evaluating and settling claims. Their efficiency and accuracy contribute not only to customer satisfaction, but also to the company's reputation. Our skilled claims team enhance our operational efficiency, reducing fraudulent claims and mitigating financial losses.

In the realm of customer service, human capital is the face of our company. Trained professionals engage with policyholders, providing support, answering inquiries and queries and ensuring a positive customer experience. Their ability to communicate effectively and resolve issues impacts customer retention, loyalty and the company's overall brand perception.

The insurance landscape is evolving with advancements in technology and data analytics. Human capital thus plays a crucial role in leveraging these tools effectively. Our actuaries, for instance, blend mathematical expertise with business acumen to analyze statistical data, enabling our company to set premium rates and make informed strategic decisions.

Furthermore, leadership within our company is vital for steering the organization through challenges and fostering a culture of transformation and innovation. Executives with a deep understanding of the industry, coupled with strategic vision, guide the company towards sustainable growth.

Investing in the development of human capital through training programs, mentorship and fostering a culture of continuous learning is a strategic imperative for us. In an industry where trust, accuracy and customer satisfaction are dominant factors for success, the human element remains irreplaceable, ensuring the resilience and success of our company in a rapidly evolving landscape.

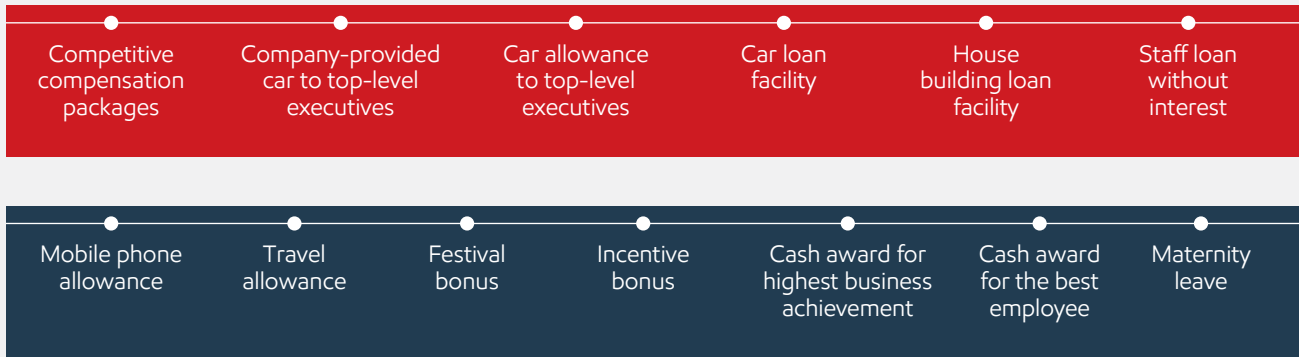
Some of our key activities comprised:

Key activities, 2023

At City General Insurance, we focused on our human resources (HR) on a multidimensional basis during the year 2023. This was necessary for us to build our competitive advantage with respect to our workforce and ensure we remain advantageously placed during the year.



- **Employee relations:** This is central to our focus on managing our human resources. In this respect, we foster open communication channels between management and employees and have also established a grievance resolution mechanism to address employee concerns promptly and in a fair manner.
- **Talent acquisition:** In this regard, we implemented robust recruitment strategies to attract top talent in the insurance industry as well as utilised online platforms with a view to source talent. Cross-functional recruitment remained a central focus on our talent acquisition endeavours.
- **Employee onboarding:** We developed a comprehensive employee onboarding program with a view to integrate new hires smoothly into the City Insurance culture. Besides, we also focused on providing the necessary training on company policies, procedures and industry-specific knowledge.
- **Employee retention:** This is a key focus area for us. We analyze employee turnover rates and implement strategies to retain our top talent. This enables us to secure our intellectual and knowledge capital. We also conduct exit interviews to gather insights and make improvements based on departing employees' feedback.
- **Professional development:** We have established a continuous learning culture through training programs, workshops and seminars. Furthermore, we also encourage our employees to pursue relevant certifications and educational opportunities to enhance their skills and contribute to the constant growth of the company.
- **Performance management:** We have implemented a fair and transparent performance evaluation system and provide regular feedback and training to our employees to help them strive to reach their full potential. Furthermore, we also focus on linking performance reviews to career development and advancement opportunities, thus giving a nudge to continual learning and training.
- **Employee engagement:** We strive to foster a positive work environment through regular team-building activities and events. We also implement employee recognition programs to acknowledge and reward outstanding contributions.
- **Diversity, inclusion and belonging:** We promote diversity, inclusion and belonging initiatives to create a workplace that values and respects differences and is free of bias. We have also implemented policies that ensure equal opportunities and fair treatment for all employees.
- **Workplace wellness:** We develop wellness programs to support the physical and mental well-being of our employees. Workplace wellness is crucial for us to maintain productivity and ensure we foster a thriving and dynamic workplace.
- **Employee benefits:** Employee retention and enhancing our employee value proposition is vital for us. In this regard, we offer a number of employee benefits that include:



We also provide long-term as well as retirement benefits to our employees, including:

- Contributory Provident Fund
- Gratuity
- Partial and full disability benefit (need-based)
- Death benefit to family members (differential options)
- Bangabandhu Surokhkha Bima to all officers and employees on the company's cost

Succession planning: We identify and groom internal talent for key leadership positions through our succession planning initiatives. This ensures a smooth transition of responsibilities when key employees retire or move to different roles.

Compliance and ethics: We are committed to follow all labour laws and regulatory practices in our employee stewardship agenda. To this extent, we ensure our HR practices align with legal and ethical standards. Furthermore, we also regularly update our internal policies to comply with labour laws and industry regulations.

Few of the major initiatives taken on the HR front during 2023 are summarised below.

Digital learning platform:

- We launched an online learning platform to facilitate continuous professional development
- We offered a variety of training modules to enhance our employees' skills and knowledge

Upgraded performance management system:

- We have revamped our performance management system for ensuring more effective and transparent evaluations
- We have also aligned our performance goals to the company's strategic objectives

Diversity, inclusion and belonging:

- We have introduced a diversity, inclusion and belonging program to promote a more inclusive and diversified workplace

- We conducted several awareness campaigns and training sessions on diversity issues, thereby sensitizing our people on key issues

Wellness challenges:

- We have rolled-out wellness challenges to encourage our employees to take up health and fitness, thus promoting a healthy lifestyle among them
- We encourage and promote physical activity, stress management and overall well-being, which also leads to a more productive and happy workforce

Employee recognition:

- We have instituted an employee recognition program to acknowledge outstanding performance
- We also recognize and reward employees for their contribution to the company

Flexi-work hours:

- We have implemented a flexible work schedules to accommodate employees' personal needs
- This has created a more even work-life integration for our employees

Leadership development program:

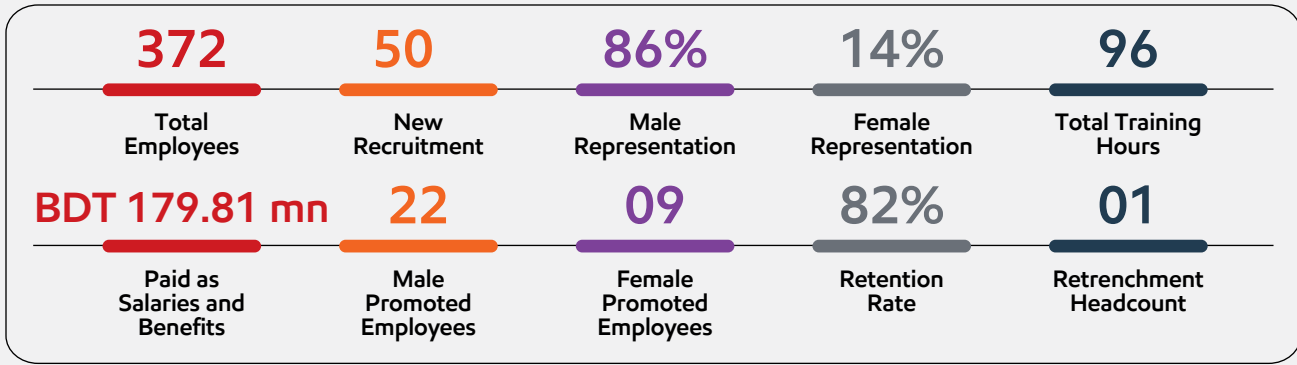
- We instituted a leadership development program to identify and nurture future leaders
- We have also provided leadership training and mentorship opportunities to high-potential employees

Enhanced benefits package:

- We have revised and enhanced our employee benefits package to ensure competitiveness and alignment to market standards

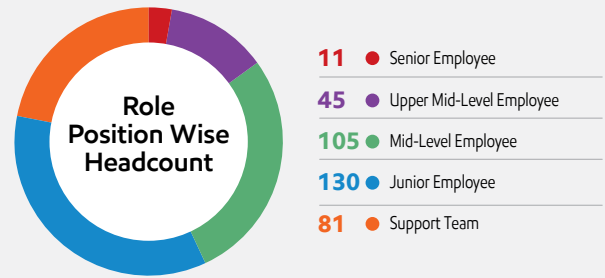
Green initiatives:

- We have implemented environmentally-friendly practices in the workplace, including a paper-less office environment
- We also promote sustainability and eco-friendly measures to contribute to our social responsibility endeavours



ROLE POSITION-WISE HEADCOUNT:

Role Position	Headcount
Senior Employee	11
Upper Mid-Level Employee	45
Mid-Level Employee	105
Junior Employee	130
Support Team	81
Total	372



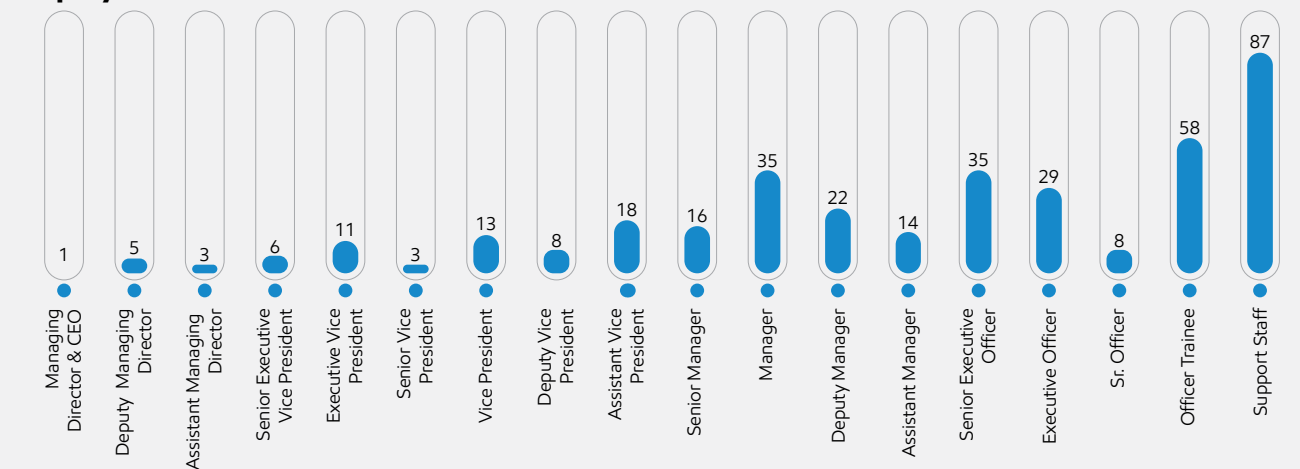
EMPLOYMENT STATUS:

As of 2023, we had 227 permanent employees and 145 probationary employees. This is an outcome of our steep learning curve, which helps us to increase our market share without acquiring additional headcount.

ROLE POSITION-WISE HEADCOUNT:

Designation	No of Employees	Designation	No of Employees
Managing Director & CEO	1	Senior Manager	16
Deputy Managing Director	5	Manager	35
Assistant Managing Director	3	Deputy Manager	22
Senior Executive Vice President	6	Assistant Manager	14
Executive Vice President	11	Senior Executive Officer	35
Senior Vice President	3	Executive Officer	29
Vice President	13	Sr. Officer	8
Deputy Vice President	8	Officer Trainee	58
Assistant Vice President	18	Support Staff	87

Employment Status



Employee Age Analysis:

We have range of employees segregated as per age and experience. While the experienced possess knowledge and skills, the youth bring energy and understanding of new-

Age	Male	Female	No of Employees
Below 30 Years	75	10	85
30 to 50 Years	182	35	217
Above 50 Years	62	8	70
Total	319	53	372

Employee Service Analysis:

We have our high retention rate. Even though employee turnover has increased over the years, the Company has

Length of Service	Male	Female	Total Employee	Employee % with Service Tenure More Than 5 Years
Less than 5 Years	179	40	219	41%
6-10 Years	65	5	70	
11-20 Years	53	5	58	
Above 20 Years	22	2	25	

Compliance with Labour Law to Prevent Employment of Child Labour

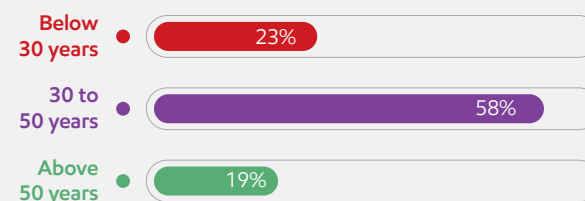
The company always prevented from appointing child employees. Total Prohibition of Child Labor and Forced/ Compulsory Labor we ensure that our recruitment policies conform to prevailing labor laws that require strict compliance to the minimum age limit for providing employment. Our human resource policies completely prohibit the enforcement of child labour and young workers exposed to hazardous work, in any of our operations.

Compliance with Labour Law Relating to Gratuity, Provident Fund

Provident Fund: The company operates a contributory provident fund scheme for its permanent employees. The Provident fund is administered by a Board of Trustees and

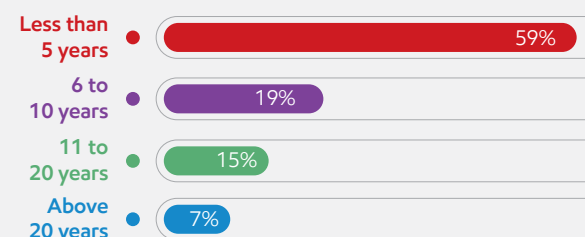
age technologies. This combination not only enhances cooperation and knowledge and expertise sharing among both generations, but also helps close the gap between them. Age distribution among the employees is indicated below.

% of Employee Age Analysis



managed to secure employee loyalty. The Company ensures that all its employees are satisfied with their job. The average service period at our Company is 15 years, which only means that job satisfaction is very high.

% of Employee Service Analysis



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 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 Company's service rules.

Healthcare for employees

City Insurance has partnered with Bangkok Dusit Medical Services to provide employees with world-class healthcare services, demonstrating a commitment beyond mere insurance. This investment in the well-being of our team underscores our dedication to the health and happiness of those who matter most to us.

Financial Capital



Preserving Sustainability
Multiplying Value!

Overview

City General Insurance, a prominent player in the general insurance landscape of Bangladesh, has a robust financial capital structure that reflects stability, growth and profitability. This is reflected in the company's net assets (non-current assets plus net working capital minus balance of revenue accounts), a key indicator of the long-term health and performance of the company, expanding from BDT 119.48 crore in 2021 to BDT 126.57 crore in 2022 to BDT 139.09 crore in 2023.

Examining the other key financial aspects of the enterprise unveils its resilience in navigating the complex and changing dynamics of the insurance sector of Bangladesh.

At the core of City General Insurance's financial strength lies its gross premium receipts (revenue), a pivotal metric that illustrates the company's ability to generate income. The company's gross premium expanded at a -7.56% growth rate to BDT 82.09 crore in 2023, up from BDT 88.80 crore in the prior year period of 2022.

Notably, the company has achieved sound growth in digital insurance. Policies sold through digital channels grew by 7,560 in 2023, up from 36% in the prior year. This growth is the outcome of the company's focus on gradually expanding its range of digital insurance products as well as creating a skilled IT-savvy workforce. It also exhibits the company's focus on gradually bringing its major insurance products, like fire, marine, etc., under digital insurance.

The company's annual revenue stream is multifaceted, comprising premiums collected from various insurance products, such as property, casualty, health, motor and other insurance categories. In Bangladesh's evolving market, the company has strategically positioned itself to capture diverse customer and industry segments, contributing to a steady influx of premium income. The company serves both the retail and business segments of the insurance market.

The company's net premium, which is the re-insurance premium taken out from the gross premium, has risen

consistently over the years. This indicates its ability to create a balance between retaining premium and ceding it, thereby fostering a certain level of stability between growth and risk. The net premium of the company rose by -9.05% to BDT 51.65 crore in 2023, up from BDT 56.79 crore in 2022.

The company has also been successful in growing its reinsurance commission, which grew by -12.5% to BDT 5.8crore during the year. This forms an attractive income source for the company.

On the other hand, the company has managed well its agency commissions costs to optimise this outflow as a means to control cost and ensure greater profit retention. Agency commission stood at BDT 121,189,710 crore in 2023, as against BDT 161,720,865 crore in 2022.

The company's net claim stood at BDT 5.30 crore in 2022, vs. BDT 4.41 crore in 2023. Controlled net claims has reflected the company's portfolio quality as well as sufficient solvency with a view to service claims.

Investment portfolio constitutes another vital dimension of the financial capital. City General Insurance judiciously invests the premiums it accumulates. The company's investment strategy diversifies across asset classes and financial instruments. This diversified approach aims to optimize returns while managing risk, safeguarding its financial stability.

Profitability is a key indicator of an insurance company's financial capital, and City General Insurance stands as a testament to sustained profitability. The company's underwriting profit rose from BDT 145,458,206 crore in 2022 to BDT 216,461,326 crore in 2023, thereby reflecting a growth rate of 49% for the year. Furthermore, prudent cash management and treasury operations boosted the company's investment and other income from BDT 5.34 crore in 2022 to BDT 7.51 crore in 2023, demonstrating a 71.10% growth rate over the period.

Profitability, derived from the balance between premiums collected and claims settled, showcase the efficiency and risk management prowess of the company. A healthy balance

in this regard ensures that City General Insurance not only meets its financial obligations but also sustains growth over the long-term.

The company's net profit has consistently risen over the years. It rose from BDT 11.47 crore in 2021 to BDT 15.36 crore in 2022 to BDT 20.56 crore in 2023. This has also boosted its earnings per share (EPS) that have risen in tandem to BDT 1.68 in 2021, BDT 2.25 in 2022 and BDT 3.02 in 2023. This was especially due to profit accretion over the years and no dilution of equity shares.

Solvency, a measure of the company's ability to meet its long-term obligations, is of paramount importance. City General Insurance maintained a comfortable solvency ratio of 6.72 in 2023 (5.50 in 2022), signalling its capacity to absorb unexpected losses without compromising policyholder commitments. This aspect instills confidence among its stakeholders and regulatory body, underscoring the company's financial robustness.

City General Insurance ensures liquidity by maintaining adequate reserves, facilitating prompt claims settlements and meeting operational needs. This liquidity resilience positions the company to navigate unforeseen challenges and capitalize on emerging opportunities in the insurance landscape.

Regulatory compliance is integral to the company's financial capital overview. The company aligns with the regulatory framework established by the Insurance Development and Regulatory Authority (IDRA) in Bangladesh. Compliance ensures that the company operates ethically, adhering to all guidelines that safeguard the interests of policyholders and helps maintain the stability of the insurance market.

The company's market share within the broader insurance sector is a barometer of its competitive strength. As the company competes with other insurers in Bangladesh, its ability to capture and retain market share reflects customer trust and satisfaction. A growing market presence signals not only financial success but also the effectiveness of the company's risk underwriting and customer service strategies.

CityGeneral Insurance's financial capital overview underscores a comprehensive and well-rounded approach to navigating the intricacies of the insurance industry of Bangladesh. With a focus on revenue generation, profitability, strategic investments, solvency, liquidity, regulatory compliance and market share growth, the company demonstrates resilience and adaptability in a dynamic marketplace.

This holistic perspective has positioned the organization as a formidable player contributing to the stability and growth of Bangladesh's insurance sector.

Manufactured Capital



Distinct Products
High customer Proximity!

Overview

At City General Insurance, we are committed to serve our customers in the best possible way. In this commitment, we are focusing on reinforcing and strengthening our presence and thus we have put in place a strategic mix of branches, agency channels and agents across Bangladesh. Such a ubiquitous distribution network has enabled us to stay close to our customers, drive greater awareness about our insurance products, enhance penetration and provide need-based and personalized solutions.

Manufactured capital for us encompasses tangible assets, technology infrastructure and our office footprint crucial for sustaining and advancing the company's operations.

Over the years, we have strategically invested in our technological infrastructure as a key component of our manufactured capital. The implementation of right-fit software and systems has enhanced our operational efficiency, streamlined our underwriting processes, and has facilitated in seamless claims management. Robust information technology has not only improved our internal workflows but has also contributed to a better customer experience, positioning the company competitively in the digital era.

The physical assets owned by City General Insurance constitute a significant aspect of our manufactured capital. This includes office locations, branch offices and also other tangible properties. These assets serve as a foundation for the company's day-to-day operations, providing a physical presence and infrastructure to conduct business across various regions in Bangladesh. This enables us to meet the government priority of insurance penetration.

The insurance industry relies on data and analytics, making information a valuable form of manufactured capital. At City General Insurance, we invest in data collection, analysis and management systems to gain insights into market trends, customer behaviours and patterns, and customer risk profiles. This data-driven approach has enabled the company to make informed decisions, optimize underwriting processes, and enhance risk management approaches.

Operational efficiency is yet another critical component of our manufactured capital. We continually invest in training, process optimization and workflow automation. A well-

trained workforce and streamlined practices and processes contribute to the company's ability to deliver prompt and effective services to policyholders. This operational excellence enhances customer satisfaction and retention and bolsters our overall value proposition.

Our commitment to environmental sustainability can also be considered a facet of our manufactured capital. Investments in eco-friendly practices, energy-efficient technologies, and environmentally-conscious business operations contribute to our company's long-term resilience. Furthermore, going paperless has been a significant aspect of our operations and we are perhaps the first company in Bangladesh to eliminate paper use from across our office footprint.

Our robust manufactured capital through our widespread commercial presence has been integral to us achieving our twin strategic drivers of faster claims settlement and quicker client support.

Total 45 branches at the close of the year 2023. Further, in addition To improving productivity of existing teams, we increased feet on the ground and customer servicing employees. Besides, we also engaged in the expansion of our marketing team to ensure business development and growth, and bolstered this through providing sufficient training of our marketing executives. Thus, from conducting regular training sessions to upskilling initiatives, we are constantly looking to optimize the potential of every distribution channel by supporting them in their growth plans.

The range of products and solutions we offer is the result of our sustained investment in our manufactured capital. Our primary objective is to enhance profitability by carefully adjusting the composition of our portfolio to prioritise our products with sustainable profit margins. Thus, improving our portfolio mix is critical for us.

By maintaining close proximity to our customers, we are diligently ensuring their convenience and consistently delivering a superior experience. Our extensive range of products and our wide-reaching network significantly contribute to bringing satisfaction and assurance to our customers and assist them in their moments of challenges.

Intellectual Capital



Fostering Innovation
Promoting Advancement!

Intellectual capital is a critical component of the success and competitiveness of an insurance company and in the case of City General Insurance it takes various forms that collectively contribute to the company's knowledge base, innovation capacity and strategic advantages.

At City General Insurance, our innovation focus allows us to bring the best products and experiences to our customers through strong value propositions and bespoke solutions tailored to their evolving needs, requirements and preferences. We continue to exceed the expectations of our customers by providing them with need-based and tailor-made solutions that help them plan their financial goals in a better manner. Furthermore, our simple, easy-to-understand and distinct products motivate our employees to take our products wider to the market and more closely engage with our customers. This has hence allowed us to take insurance penetration deeper and wider into the country.

Our large product basket is a key way by which we apply our intellectual capital to design our products that are regulatory-compliant, feature-rich and beneficial to our customers in the best possible way. We always focus on accessibility and affordability and these two comprise the major pillars of our intellectual capital and innovation cycle.

We have a broad range of offering in the fire, marine, motor, engineering and accident (miscellaneous) segments that allow us to tap into a broad and wide customer requirement. Besides, we ensure that all our products have inherent value propositions that aid our customers when they rely on insurance as a key protection tool against life's myriad challenges.

We adopt modern best-fit technology to fulfil the needs of our customers as per their convenience, enhance the overall customer experience, and remain the insurer of their choice. This is an integral part of our intellectual capital. Besides, a core part of this is maintaining scalable, efficient and effective core systems and IT architecture. We have also adopted an innovative digital strategy that enables superior experience for our customers and employees by deploying the tools of modern digital tools and analytics.

Our objective is to swiftly and effectively serve and protect our customers by utilizing technology to enhance our customer service, generate new business opportunities, and improve on our internal processes. Our digital solutions and platforms not only offer greater convenience to our customers, but also reduce response time and enhance assurance and efficiency throughout our operations.

One major aspect of our intellectual capital is our human capital. This includes the skills, expertise and knowledge of our employees. The company invests in hiring and retaining talented professionals in key areas such as underwriting, claims management, risk assessment and customer service. Continuous training programs ensure that our workforce stays abreast of industry developments, regulatory changes and emerging trends, thus fostering a culture of expertise and adaptability.

Another major dimension of our intellectual capital is our relationships, which involves the relations and networks the company builds with clients, partners and other stakeholders. At City General Insurance, we place value on cultivating strong and enduring relationships with our policyholders, reinsurers and regulatory authorities. These contribute to the exchange of industry insights and collaborative opportunities and foster a deeper understanding of the evolving needs and preferences of the market.

City General Insurance prioritizes innovation as a form of intellectual capital. In a rapidly evolving industry landscape, the company invests in product/market research, exploring new technologies, data analytics and advanced risk modelling. This innovative approach allows us to develop right-fit products, refine risk assessment methodologies and enhance operational efficiency, thus allowing us to stay ahead of the curve in a competitive market.

Knowledge management is another vital component of our intellectual capital, involving the efficient organization, dissemination and utilization of information within the company. This systematic approach ensures that valuable knowledge is leveraged across the organization, facilitating informed decision-making and strategic planning.

Brand reputation and intellectual capital are intertwined, with City General Insurance emphasizing the criticality of a strong and reputable brand. The company's commitment to ethical practices, transparency and customer-centric policies contribute to the development of a positive brand image. A favourable reputation enhances customer trust, attracts top talent and solidifies the company's standing within the industry.

We acknowledge the importance of regulatory compliance as a key constituent of our intellectual capital. Remaining up-to-date with and adopting changing regulations necessitates ongoing education and adjustment. Through a comprehensive grasp of the regulatory framework, we not only assure adherence to regulations but also prepare to manage any upcoming and new regulatory modifications.

Thus, a dynamic approach to intellectual capital ensures that the company remains agile, innovative and well-equipped to navigate the dynamic landscape of the insurance industry while delivering sustainable value to its stakeholders.

Social and Relationship Capital



Empowering Society
Amplifying Impact!

Constructive, continuous and conducive stakeholder dialogue is pivotal to building and nurturing long-lasting, mutually beneficial relationships with our stakeholders. At our company, we value open and effective communication with our all stakeholders.

We are aware of the stakeholder groups that have an impact on and the ones that we affect in our ongoing business activities and treat them as partners in our journey of value creation. Our key stakeholders are customers, employees, business partners, shareholders, regulators and the society.

We believe our three-pronged approach of the following is key to our focus on reinforcing our social and relationship capital.

Digital transformation: We believe that our ability to serve our customers and thwart competition is through our adoption of digital technologies, which is evident in our investment in online platforms and data analytics that enhance customer experience and augment their journey with us.

Product innovation: This is also a key facet as it enables us to develop innovative insurance product offerings, such as customizable policies, microinsurance and products tailored to specific market segments. This also helps create a distinct factor for us.

Customer-centricity: We differentiate ourselves through adopting customer-centric approaches, providing personalized services and improving claims processing efficiency. Thus, heightened customer-centricity is vital for us to retain our business and also expand our market share.

We are hence closely connected with our customers and are providing them with high quality insurance solutions that help them in fulfilling their protection needs. Since our inception,

we have developed products that cater to the existing and latent needs of our customers, while providing them with maximum control over the policies they have enrolled for. We play a proactive role in creating higher awareness about the benefits of insurance and provide simplified solutions so that our customers can make informed decisions.

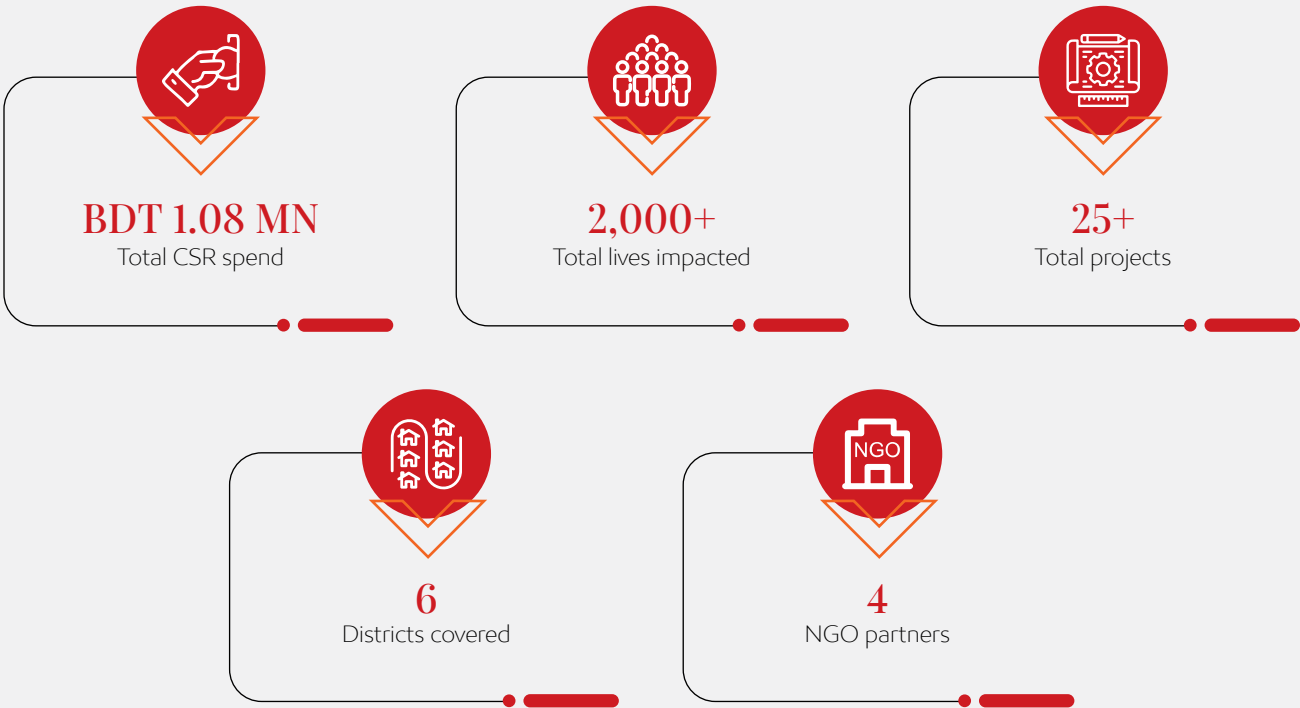
An important leg of our social and relationship capital is our engagement with customers through our regular outreach programs as we deploy physical and digital channels and our team of customer service executives deliver best-in-class convenience and experience. We have always believed that informed customers are happy customers as they have higher confidence in their decisions and can feel assured about their financial goals and priorities.

We strongly believe we have an obligation to the society. We are committed to uplifting the communities around us and have identified a few focus areas and are adopting a two-pronged approach to meet our goals. First, we aim to provide insurance solutions tailored to the needs and expectations of people living in rural areas and the social sector primarily comprising the unorganized economically vulnerable segment, etc. Second, we undertake multifaceted social responsibility and citizenship activities to improve community wellbeing. Owing to a proactive approach, we are making steady progress towards empowering communities and multiplying the positive impact we make on their lives.

During the year, we continued to drive awareness about insurance products and bring more people in the rural and social sectors in the ambit of the insurance sector.

CSR (corporate social responsibility) is a process of initiatives voluntarily undertaken by our organisation. Through such initiatives, we focus on sustainability, the triple-bottom line and societal empowerment.

Our social impact, 2023



Within the realm of our CSR activities, we place emphasis on education, healthcare and community service, donating generously as part of our societal responsibility. During 2023, we contributed to the purposes of education, healthcare and community service. Besides donations, we also encourages our employees to participate actively in community service by donating their volunteering time and money.

We have a foundation under the name of "City General Insurance Foundation" which aims to offer support in the education and healthcare sectors of the society as well as assists and aids employees towards attaining meaningful goals and shared progress.

Natural Capital



Green Planet
Sustainable Business!

For us at City General Insurance, we recognize the profound impact of natural capital on our operations and overall sustainability.

Natural capital refers to the planet's stock of renewable and non-renewable resources that provide essential ecosystem services supporting life. For a frontline insurance company like us, acknowledging and responsibly managing our natural capital is not only an ethical imperative but also a strategic necessity in the face of a challenged global landscape.

At the core of our commitment to natural capital is a recognition of the inter-connectedness between environmental health and business resilience. The company understands that a thriving natural environment is fundamental to the well-being of communities and thus its success is intricately linked to the health of the ecosystem in which it operates.

We actively assesses and manage risks associated with climate change, as these directly impact our policyholders, the broader community and even the company's own operational continuity. Rising sea levels, extreme weather events and other climate-related challenges pose a significant threat that can result in increased insurance claims and financial volatility.

Thus, by incorporating climate risk assessments into our underwriting practices, we ensure a proactive response to emerging challenges, fostering long-term stability.

Moreover, we are dedicated to promoting sustainability within our operations. We continually seek ways to minimize our environmental footprint, reduce carbon emissions and enhance resource efficiency and preservation. Adopting eco-friendly practices, such as paperless documentation and energy-efficient fixtures and fittings, we align to the goal of preserving our natural capital while optimizing operational processes.

In addition to risk management and sustainability practices, we leverage our influence to promote broader environmental awareness and resilience within the communities we serve. The company invests in initiatives that enhance environmental

education, support community-based climate adaptation, and contributes to the overall well-being of the regions it operates in.

We are proud, yet humbled that we stand at the forefront of recognizing and valuing natural capital as a critical component of our business strategy. By integrating responsible environmental stewardship into our operations, we not only safeguard our own long-term viability, but also contribute to the bigger goal of ensuring a sustainable and resilient future for the communities we serve.

In embracing the principles of natural capital, we exemplify our commitment to environmental responsibility and the well-being of both our policyholders and the planet.

Fostering a cleaner, greener planet

Human activity may have harmful effects on ecological systems, climate and public health. Recognizing this, City General Insurance fully supports the principles of its commitment to promoting good environmental practices and sustainability.

In this regard, the company is committed towards providing quality service in a manner that ensures a safe and healthy workplace for our employees, while also protecting the environment and ensuring the conservation of energy and natural resources. With these policies in place, we believe we can achieve a healthy and safe environment. We are committed to the following tenets:

- Integrate the consideration of environmental concerns and impacts into our decision-making and activities
- Improve operations and technologies to minimize waste and other pollution, minimize health and safety risks, and dispose-off waste safely and responsibly
- Minimize energy and water use within our premises and processes in order to conserve supplies and minimize the consumption of natural resources

- Identify and purchase preferable products, supplies and services for all our daily operational needs that do the least damage to the environment
- Comply with all applicable environmental regulations
- Establish procedures to ensure that all our employees are knowledgeable of, understand, and comply with all applicable environmental laws and regulations
- Train all our employees on our environmental programs and empower them to contribute and participate in these activities
- Communicate our environmental commitment to our clients, partners, suppliers and the community
- Strive to continually improve the company's environmental management system and performance and implement necessary corrective actions

Tree plantation

The foregone conclusion that climate change poses an existential threat and requires immediate action was reached during COP 28 of the United Nations Climate Change Conference in Dubai, United Arab Emirates. In order to truly show respect to one another and all living creatures, it is deemed necessary for us to acknowledge the urgent state of the climate and approach it with the appropriate seriousness and determination. On the other hand, the unstable situation would worsen significantly with every small rise in temperature.

Bangladesh is currently adopting various adaptation and mitigation measures in response to the concerns voiced at COP 28. We are fully dedicated to promoting sustainable economic development. In line with this goal, we are actively seeking opportunities to support our clients that are eager to reduce their environmental impact and foster resilience to climate change.

We are deploying two distinct approaches to secure a low-carbon economy.

Adaptation approach:

- Tree plantation program
- CSR for disaster management, such as blanket distribution

Mitigation approach:

- Avoid environmentally-harmful projects
- Conserve and preserve consumption of resources, such as paper, energy, water, etc.

Notably, our strategy for achieving a low-carbon economy is predicated on our collaborative efforts and endeavours to facilitate the transition to sustainability for our clients and all our business partners, all the while addressing and reducing the environmental impacts of our operations.

We are aware of our responsibility and obligation to safeguard and contribute to the natural environment through various initiatives. To commemorate World Environment Day, National Mourning Day and Cleanliness Day, we have educated our employees on the significance of mitigating the adverse health impacts of air pollution. The staff awareness campaigns advocated for the use of mass public transportation system, cycling, walking, tree plantation, etc., and sharing of ideas to minimise one's individual carbon impact.

We also successfully implemented a country-wide afforestation campaign in 2023, encompassing all of our 45 branches. The main goal of this effort was to reduce the negative environmental impacts, particularly in rural areas, while also minimising land pollution and erosion.

A diverse selection of herbaceous plants, fruits and forests, such as neem, mahogany, teak and guava were consciously grown to suit the specific climate and topography of the selected location. In addition, a perimeter fence was constructed to ensure the security for the plants. Approximately 2,500 trees have been successfully planted, and over 1,500 plant seedlings have been delivered to beneficiaries in communities.



2,500+
Trees planted



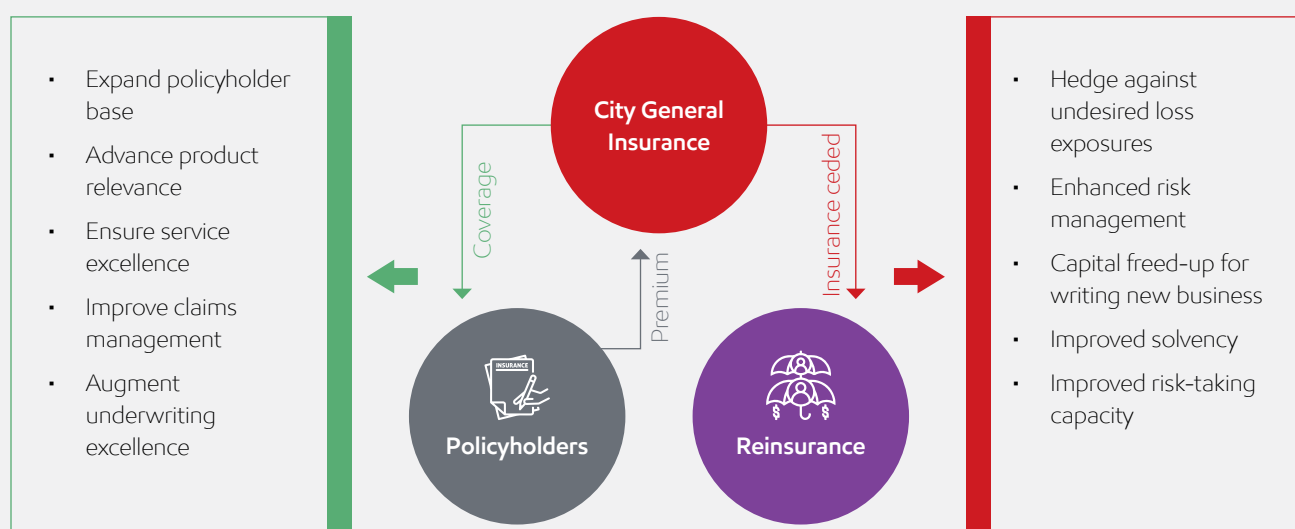
1,500+
Seedlings distributed

How our Business Works



Enhancing the growth potential of our business

Our business works



Improving our risk assessment and underwriting standards

Underwriting is a critical function at City General Insurance. We focus on this important lens of our business through a multifaceted manner, while also constantly looking to boost our risk evaluation standards. These comprise the following:



Data enrichment and integration:

- We have enhanced risk assessment by integrating diverse and relevant data sources, including external databases
- We have invested in data enrichment processes to ensure comprehensive and up-to-date information for accurate risk evaluation



Dynamic underwriting guidelines:

- We have updated our underwriting guidelines to be more responsive to real-time data, thus allowing for dynamic adjustments based on changing risk factors
- We have also established a framework for continuous monitoring and adaptation of our underwriting standards



Scenario-based risk simulations:

- We conduct scenario-based risk simulations on an ongoing basis to assess the impact of various factors, such as natural calamities or economic vacillations
- We have also buttressed our resilience by identifying potential vulnerabilities and developing commensurate risk mitigation strategies



High-quality training:

- We provide ongoing training to our underwriting team to stay abreast of industry trends and standards and enhance our overall risk assessment skills



Customer risk profiling:

- We have implemented customer risk profiling mechanisms to tailor insurance coverage based on individual behaviors and risk appetites
- We also utilize customer data analytics to segment and personalize risk assessments, hence ensuring greater relevance of our products



Transparent risk communication:

- We have enhanced communication with our policyholders by providing clear and transparent information about risk factors and the impact on premium pricing



Regulatory compliance and standards:

- We have ensured compliance with regulatory standards and best practices in risk assessment
- We also regularly update our risk assessment procedures to align with changing regulatory requirements



Cross-functional collaboration:

- We facilitate active collaboration between our underwriting, claims and risk management teams to share insights and refine/redefine risk assessment processes
- We have established regular interdisciplinary meetings to enhance communication and coordination amongst our teams



Continuous monitoring and review:

- We have effected a continuous monitoring system to review and update risk assessment models based on emerging trends and feedback loops
- We also organize regular audits to ensure the ongoing effectiveness of our risk assessment protocols

Our commitment to expedited claims management

We are dedicated to our focus on improving the experience for our customers. In this regard, we place tremendous emphasis on streamlined underwriting and claims management through our strategic drivers. These are described below.



Real-time monitoring and reporting:

- We have implemented real-time monitoring tools to track the progress of underwriting and claims processing
- We generated dynamic reports to identify bottlenecks and optimize workflows for faster decision-making



Streamlined documentation processes:

- We have simplified documentation requirements for our customers and have introduced electronic document submission options to expedite underwriting and claims processing
- We have also implemented a centralized document management system for easy access and retrieval of the necessary customer information



Cross-functional collaboration:

- We promote cross-functional collaboration between our underwriting, claims and IT teams to ensure seamless information flow and quick decision-making
- We also conduct regular training sessions to enhance the skill-sets of our employees involved in the underwriting and claims processes



Continuous process improvement:

- We have firmly established a culture of continuous improvement, conducting regular reviews of our processes and workflows to identify and eliminate inefficiencies
- We encourage feedback from our employees and stakeholders to implement targeted improvements



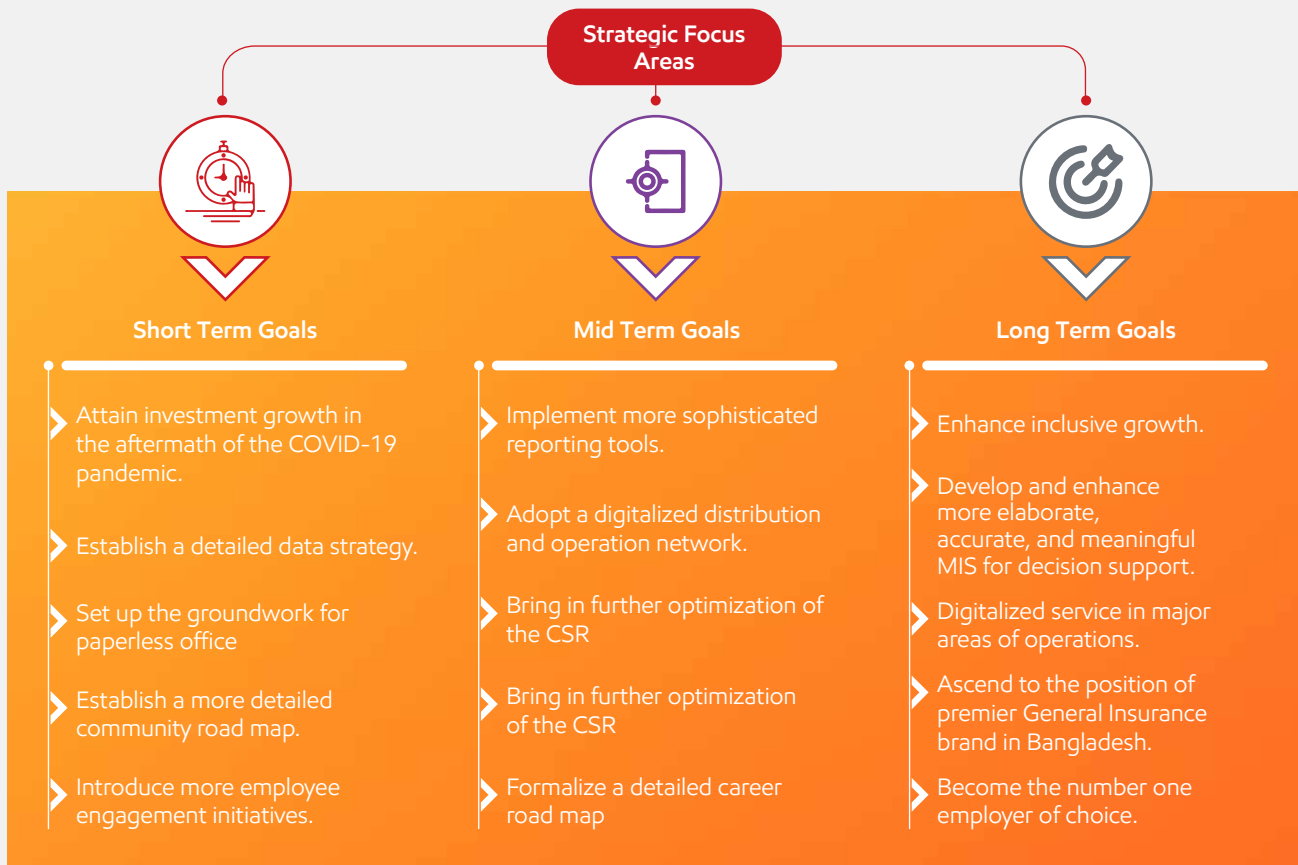
Customer communication enhancement:

- We have augmented our customer communication channels by providing real-time updates on the status of their underwriting applications and claims
- We have also implemented proactive communication strategies to keep customers informed throughout the process

Strategic Focus and Resource Allocation

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, CGIC consistently endeavors to implement suitable strategies fostering sustainable business expansion.



In accordance with the previously outlined objectives, CGIC 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.

Strategy & Resource Allocation

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:

	Strategic Priorities	Initiatives	KPI's
 <p>Financial Capital</p>	<ul style="list-style-type: none"> High quality asset growth Sustainable growth of income 	<ul style="list-style-type: none"> Streamlined investment operations and continuous follow up restructuring existing products 	<ul style="list-style-type: none"> Cost to income ratio Net profit margin Profit after taxation Portfolio growth No. of awards achieved for financial reporting
 <p>Human Capital</p>	<ul style="list-style-type: none"> Create a performance driven Culture Develop a highly motivated, qualified and experienced Team-Provide safe and healthy work Environment 	<ul style="list-style-type: none"> Attract qualified employees and provide learning opportunities Recruit employees in line with growth of business Arrange effective and timely training programs 	<ul style="list-style-type: none"> No. of employees promoted No. of new job opportunities created No. of Training program arranged and total training hours
 <p>Manufactured Capital</p>	<ul style="list-style-type: none"> Provide a superior customer experience Deliver operational excellence by improving efficiency 	<ul style="list-style-type: none"> Relocation with modern layouts Investment in IT infrastructure and digitalization 	<ul style="list-style-type: none"> Capital expenditure on IT infrastructure Automation of system, process.



	Strategic Priorities	Initiatives	KPI's
 <p>Social and relationship Capital</p>	<ul style="list-style-type: none"> • Experience superior customer service • Improve customer loyalty 	<ul style="list-style-type: none"> • Continuous training on service excellence • Uninterrupted Customer support during pandemic • Engaging with the community 	<ul style="list-style-type: none"> • Number of customer complaints • Customer retention ratio • Investment in community development projects
 <p>Intellectual Capital</p>	<ul style="list-style-type: none"> • Effective usages of social media • Improve service quality and data security • Enhance brand value and reputation 	<ul style="list-style-type: none"> • Upgrade network infrastructure and communication platform • Advertising and promotions on brand building 	<ul style="list-style-type: none"> • Investment in communication and public relation • Increasing Brand image
 <p>Natural Capital</p>	<ul style="list-style-type: none"> • Reduction of carbon footprint • Use of energy efficient technology and use of renewable energy 	<ul style="list-style-type: none"> • Formulate strategies aligned with UN SDGs • Awareness programs on environment protection 	<ul style="list-style-type: none"> • Carbon footprint • No. of trees planted • No. of awareness programs conducted

Performance

Performance at City Insurance is conceptualized as the worth that is computed utilizing the financial metrics specified by the Board. These metrics are established and evaluated during a designated time frame. The organization assesses its performance in accordance with its mission and vision.

Comparative analysis through Quantitative indicators

The detail of Comparative analysis through Quantitative indicators of City Insurance is given in six years' performance in page no. 324 of this Annual Report.

Material effects on capitals up and down the value chain

We have discussed in detail the capitals and material matters impacting our capitals on page no. 148 to 161 of our Annual Report.

Stakeholder relationships and how the Bank has responded to stakeholders' legitimate needs and interests

The process of identifying stakeholders is critical in comprehending their expectations of the organisation and facilitates the establishment of a path towards meeting those expectations and providing consistent value. City Insurance upholds the principle of effectively involving its stakeholders in all facets of its operations and fostering a cordial and interactive rapport with them. The engagement and relationships with stakeholders are elaborated upon in detail on page no. 144 of this Annual Report.

The connections between past and present performance and the outlook of the organization

BDT in mn

Particulars	2023	2022	Growth
Total assets	2,135.94	1,939.89	196.05
Investments (Share & GTB)	570.57	529.64	40.93
Gross premium	820.92	888.01	(67.09)
Underwriting profit	216.46	145.46	71
Profit before tax	300.42	212.61	87.81

KPI that combine financial measures

The detail of Key Performance Indicators is given on page no 31 & 166 of this Annual Report.

Our Material Matters

Our materiality analysis serves as the guiding principle for our pursuit of sustainable business transformation. It aids in redefining our focus on ESG issues, namely environmental, social and governance aspects of our organisation, which we prioritise in our business strategies and activities to safeguard our capacity for generating durable value.

In recent years, we have focused our materiality assessment process on identifying major or mega trends that have exhibited the potential to significantly impact businesses, society and the environment in the long-term. These trends, known as mega trends, encompass social, environmental and governance transformations. They present both risks and opportunities for City General Insurance, its value chain and our stakeholders.

In 2020, in light of the Covid-19 pandemic, we evaluated the importance of the materiality analysis in the context of the changed circumstances and verified its accuracy. In the following years, we have consistently relied on this analysis to shape our strategy for managing, supervising and documenting major changes. We have also considered the possible effects these trends could have on our company and how we could influence them through our value chain.

Our stated priorities are central to our strategies for creating sustainable value for all our stakeholders and are firmly rooted in the UN 2030 Agenda and its associated Sustainable Development Goals (SDGs).



Key material matters of City General Insurance





Climate change

Climate change is a mega trend material to our company's strategy and, considering stakeholders' expectations, it refers to global warming due to the rise of GHG (greenhouse gases) emissions emanating from human activities, which is intensifying extreme natural events, such as floods, storms, rise in sea levels, drought, wildfires and heat waves, with repercussions on the natural ecosystems, human health and the availability of water and other natural resources. This is especially true in Bangladesh's context as the country is prone to a growing frequency of climate disasters, including floods and extreme heat events.

The policies and efforts required to limit global warming to below 1.5°C through the decarbonization of the economy, that is also an area of focus for Bangladesh, will lead to radical changes in the production and energy systems, transforming especially carbon-intensive activities, sectors and countries and encouraging the development of clean technologies. As effective as these efforts may be, some changes will be inevitable, therefore making strategies to adapt and reduce the vulnerability to the changing climate conditions a necessary imperative. We are thus focusing on developing a climate-resilient business model, one that could be a buffer against natural calamities.



Health and welfare

Mega trend material to the company's strategy and considering stakeholders' expectations, health and welfare refers to the trend of increasing health expectations and reducing illness. This is central to Bangladesh's context, considering lower healthcare spending power and high cost of quality healthcare. Further, expectations of disease-free and longer life spans is also a central expectation around health and welfare. This make insurance a must-have necessity as it can be a very vital and key protection tool against any anticipated/unanticipated health events, especially for enabling access to healthcare amongst the masses. It can also save lower-income families from falling back into poverty and even from indebtedness.



Pandemics and extreme events

Mega trend material to the company's strategy and considering stakeholders' expectations, pandemics and extreme events refer to the fact that the population concentration and the deficiencies in population protection and emergency management mechanisms are increasing the risks associated with extreme events, such as earthquakes, pandemics and health emergencies, as well as other man-made catastrophes such as civil strife and terrorism.

The ongoing wars between Russia-Ukraine and Israel-Hamas are visible demonstrations of the world being under extreme geopolitical stress and the oncoming humanitarian crisis. It is in this context that a strengthening of the system to prevent, prepare for and respond to these events is required in order to increase the resilience of the affected territories and communities. Insurance as an approach and tool can be vital to fulfill this expectation.

Few of the other material matters taken into consideration are described below.



Increasing inequality

This refers to the growing disparity in income distribution between social groupings and, more broadly, the polarization in accessing opportunities. These developments are followed by a decline in social mobility, resulting in long-term poverty and exclusion, primarily due to the socio-economic conditions of the household. Increasing equality can play a part in creating a level-playing field by providing protection and a lower-risk situation.



Change in the healthcare landscape

This aspect refers to the transformation of healthcare systems as a result of demographic, technological and public policy evolution, resulting in a higher demand for increasingly advanced patient-centric healthcare services as well as growing healing and quality treatment expectations. This means that the cost of healthcare services are increasing. We are trying to balance the increase in healthcare costs with healthcare coverage affordability and this is also an area of strength that enables us to distinguish our products from the rest in the market.



Digital revolution and cybersecurity

This trend refers to technological innovation brought about by the fourth industrial revolution (4IR), such as big data, AI, IoT, automation and blockchain, which are revolutionising the economy and social habits through the expansion of services that are both customizable and accessible. This digital transformation needs new knowledge and abilities, which leads to a significant shift in traditional job roles and the creation of new market participants. The growing complexity, interconnectedness and speed of development of new digital technologies raises security concerns for IT systems and infrastructure.



OUR SWOT ANALYSIS

Conquering challenges, unravelling our potential

STRENGTHS

- Multi-channel distribution system
- Large customer base
- Specialist underwriting expertise
- Experienced management
- Robust product portfolio
- Customer retention ability



WEAKNESSES

- Lack of trust by customers
- Miniscule customer base
- Relative operational concentration
- High industry fragmentation



THREATS

- Significant competition
- Insufficient regulatory oversight:
- Price undercutting
- Insufficient distribution channels
- Digital-native insurance companies



OPPORTUNITIES

- Large uninsured population
- Ultra-low insurance density
- Product differentiation potential
- Government thrust on insurance
- Growing public awareness
- Bancassurance and other distribution channels



ESG Approach and our priorities



ENVIRONMENTAL

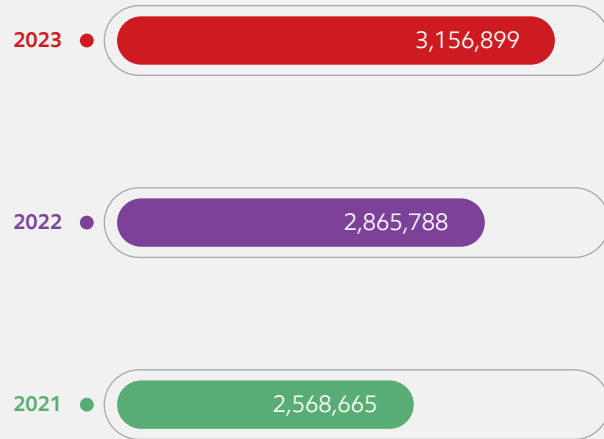
It is our firm belief that our success as an organisation is defined by the long-term wellbeing of the people we engage with, the places in which we operate and the planet that we leave to our future generations.

City Insurance has allocated resources towards initiatives that prioritise ecological advantages. Presently, our investments are concentrated on projects that entail the provision of products and services that are favourable to the environment. Our environmental initiatives include recycling, energy efficiency, water management and waste management.

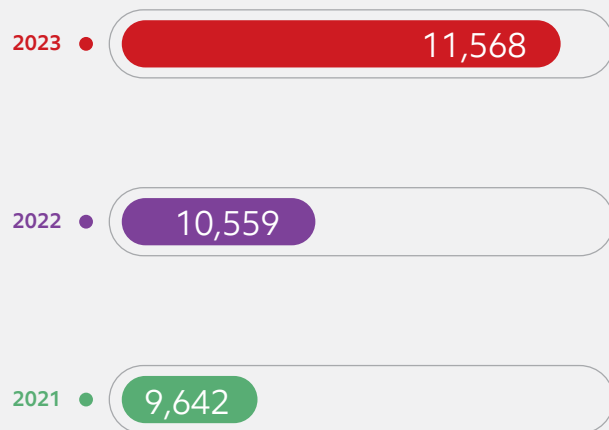
Energy Efficiency

Throughout our operations, we have implemented a number of initiatives to optimise energy consumption. Initially, in all of our branches, including the Corporate Head office, we installed highly efficient LED lamps in lieu of conventional fluorescent lamps. Additionally, we made an investment in cutting-edge, eco-friendly office equipment that is also energy efficient, which substantially reduced our average energy consumption.

ELECTRICITY CONSUMPTION (KW)



FUEL CONSUMPTION (LITRE)

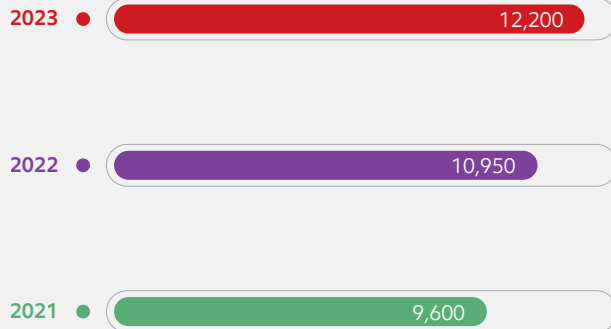


Water Management

We have implemented state-of-the-art equipment in selected branches with the aim of reducing water wastage. The corporate head office has been equipped with cutting-edge water management technology that maximizes resource utilization through its efficiency. In order to make use of the recycled water, we intend to implement the recapture system.

WATER CONSUMPTION

(LITRE)



Waste Management

The '3 Rs' comprise the core of our waste management strategy: Reduce, Reuse, and Recycle. E-waste, dry refuse,

and wet waste are the three categories of nonhazardous waste that we concentrate on managing. Our strategy entails the proper disposal of e-waste through authorized recyclers and the collaborative development of a comprehensive waste management plan with our partners. By implementing these measures, we demonstrate our dedication to waste management in an ecologically sustainable fashion. Our endeavors demonstrate our dedication to implementing sustainable practices and reducing our ecological footprint.

Tree plantation program

Our tree plantation program is a bold endeavor that seeks to enhance the environment through the installation of approximately 2,500 trees in diverse areas of the Narayanganj District. In addition to reducing greenhouse gas emissions, this program has assisted us in developing and enhancing our social and relationship capital. Our organization is fully dedicated to further expanding the program and has set a target of planting 20,000 trees by 2025. Our commitment to sustainable practices and environmental conservation is exemplified by this objective.

SOCIAL

City Insurance has historically demonstrated a strong commitment to philanthropy and community development. We have always placed a high priority on our Corporate Social Responsibility (CSR) initiatives and efforts to improve society.

Employee health & Well Being

We have a medical assistant to provide support. Our counseling services are available to help staff deal with mental health concerns. For female employees on the path to motherhood, we offer a maternity care program that includes six months of paid leave. Finally, we have provided Emergency Medical Support related to COVID-19 from the beginning of the pandemic until now.

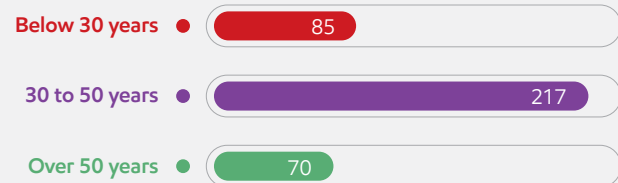
Workforce Diversity, Inclusion and Equal Opportunity

Our organisation strives to establish and sustain a work environment that is diverse and inclusive, providing equal opportunities to all employees without regard to age, gender, religion, or sexual orientation. We additionally ensure equitable and unbiased remuneration regardless of gender. In pursuit of this aim, we are concurrently engaged in talent acquisition and talent retention efforts. We recognise the potential and significance of fostering an environment that assists women in establishing prosperous professions.

Woman at our workplace

We are dedicated to fostering a supportive environment for women in the workplace, where they can develop their careers while we remain cognizant of the unique challenges they face in a competitive industry. At present, 15% of our workforce consists of women; in the coming days, we will make additional efforts to increase this percentage.

ATTRITION BY AGE



TOTAL WOMEN EMPLOYEES



GOVERNANCE

Integrity, transparency, and accountability, effective internal controls, a robust risk culture, and stakeholder accountability comprise our Corporate Governance framework, which City Insurance endeavours to execute to the fullest.

Our governance approach is predicated upon steadfast adherence to regulatory requirements, heightened risk awareness, Board proficiency and expertise, and strong ethics and core values. Strictly defined protocols for decision-making and oversight have been implemented to ensure optimal governance standards are upheld. These protocols ensure a harmonious interplay between freedom, accountability, and authority. The corporate governance framework of City Insurance functions as the fundamental underpinning for all of our undertakings and activities.

Board of Directors and Board Competence

Our Board comprises a well-balanced mixture of youthful, energetic, experienced, and expert members, each with a strong background in various fields, including insurance, banking, financial markets, public policy, and risk management.

Furthermore, we have brought in independent directors who have made immense contributions to society, the economy, and financial value creation.

Board involvement initiative

The Board assumes a crucial role in influencing, sustaining, and enhancing the organization’s procedures and standards. The advent of the pandemic compelled the organisation to reassess its approaches to business management and security. Employee health and safety continues to be a primary concern for the organisation, given that they constitute the majority of the workforce.




Transparency and Accountability

Accountability and transparency are two of the most important factors that stakeholders anticipate. Consequently, the Board consistently strives to incorporate international standards in information governance, timely disclosures, and impartial information presentation. City Insurance has implemented procedures that facilitate a transparent and ample exchange of information to establish appropriate safeguards.

Policies and Frameworks for ethical conduct

We adhere to ethical principles in all our routine operational endeavors. To foster a culture that is both ethical and pervasive, we have established an environment and enacted frameworks and policies that promote proper business conduct. Communication of these policies to management, employees, and other stakeholders occurs regularly.

Our corporate governance policy consists of the following:

-  Code of corporate governance
-  Policies to prevent insider trading
-  Fair disclosure of related party transactions
-  Environmental, Social & Governance Policy Framework

Our ESG Issues

The subsequent chart delineates the most significant Environmental, Social, and Governance concerns that are pertinent to our organisation and primary stakeholders.

ESG Topics	Key Stakeholders					
	Clients and Customers	Employees	Suppliers	Communities	Shareholders	Government & Regulators
Environmental						
Climate Change	✓	✓	✓	✓	✓	✓
Operational Footprint		✓	✓			✓
Products and Services with Environmental or Social Benefits	✓		✓	✓	✓	
Social						
Community Development		✓		✓		
COVID-19	✓	✓	✓	✓	✓	✓
Employee Health and Well-being		✓	✓			
Talent Attraction, Retention and Development		✓			✓	
Workforce Diversity, Inclusion and Equal Opportunity		✓			✓	
Governance						
Business Ethics	✓	✓	✓	✓	✓	✓
ESG Governance	✓	✓			✓	
Public Policy and Regulation Reform	✓			✓	✓	✓
Systematic Risk Management	✓				✓	
Transparency & Accountability	✓			✓	✓	✓

Our Strategic Imperatives



OVERVIEW

The insurance sector is at a fork in the road. At CGI, with a view to capitalise on the opportunities presented in our landscape, we have gathered three strategic imperatives we must examine in response to the tough and fast changing business environment.

Some of the fundamental questions we ask include how can an insurance firm that is striving to be future-proof deal with the ever-changing digital revolution in which established players and even start-ups are attacking every facet of the conventional business model? Based on our rich experience working with our customers, we have reached the following findings that collectively form our strategic imperatives.

DIGITALITY

As insurers, we must focus on transition to being digital. Towards this extent, we are evolving our digital strategies to incorporate a layer of digitality atop our legacy IT systems, procedures, and products. The expanding effect of big data insights, machine learning and automation informs us how we must employ digital technologies and integrate those within our operations. We are also evolving our products and risk management approaches to suit new needs as digital drives transformation of our clients' business models.

AGILITY

As insurers, we are trying to keep up as digital allows our retail and business clients to access services in new ways, while also raising their expectations. Innovative products enable us to focus on new insurance models while addressing particular flaws in the present insurance customer experience. Meanwhile, we are also creating insurance-driven resilience with a view to remain adaptable to the changing landscape of challenges and opportunities. Through creating an agile business model, we are also actively evaluating possibilities that can evolve us to the next phase, which comprises identification of where value may be produced and hence develop new value buckets for our clients, shareholders and all stakeholders.

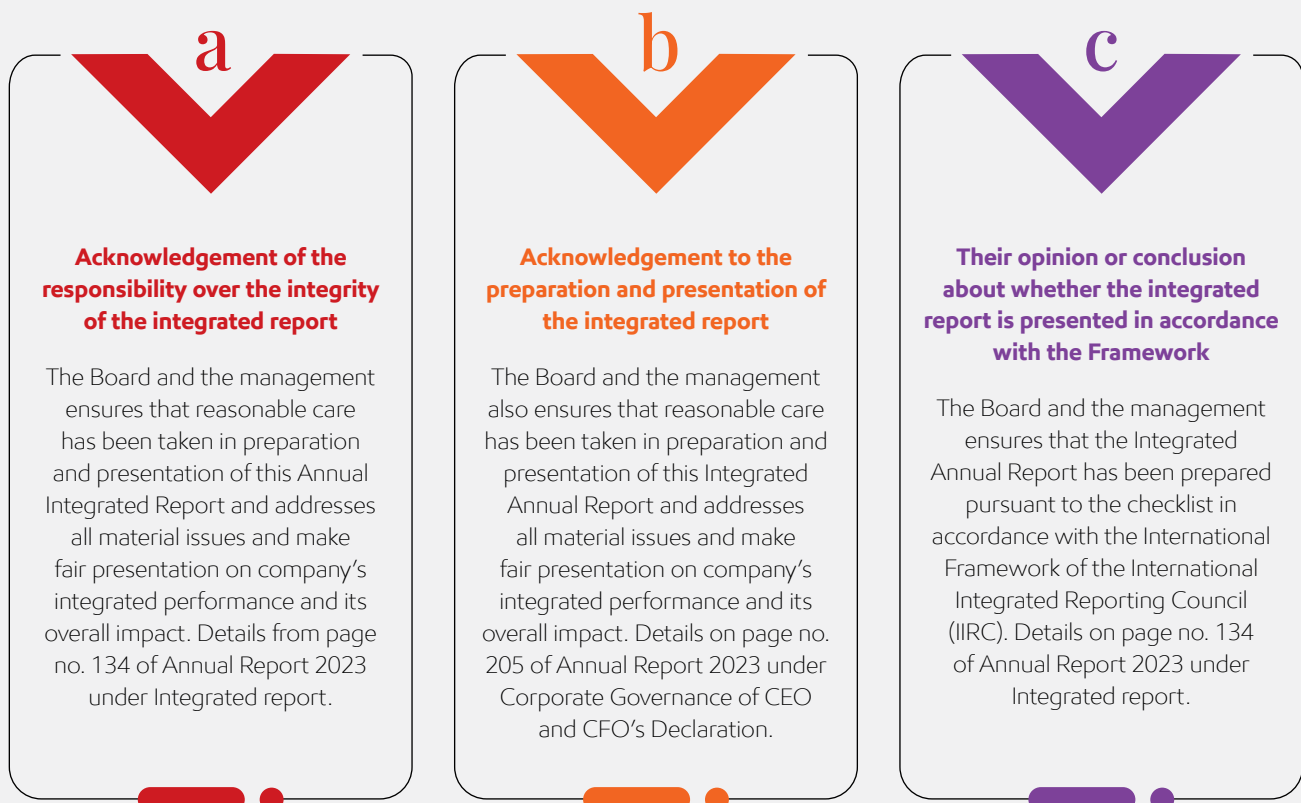
VERSATILITY

Insurance is driven by understanding human behaviour and human psychology and this will enable the success of innovative service models. By knowing how to encourage good behaviours, insurers like us can truly educate organisations and policyholders to avoid risk by acting on data insights. We have always believed that the most appropriate business plan alongside tremendous focus on execution is the key to success. In this regard, we are examining our capabilities and choosing the best and most versatile model with which we will be able to compete in the future. This comprises our omnichannel delivery network that owns the customer relationship and a robust partner ecosystem that delivers services.

Outlook

As the insurance industry and the economy enter a new extraordinary period marked by economic, geopolitical, and technological uncertainty, among others, certain vital sectors also present prospects and optimism. Amidst this context, City Insurance has effectively surmounted every obstacle through astute asset allocation and positioning in order to capitalize on every opportunity. This Annual Report provides a comprehensive outlook for City General Insurance Company Limited on page no. 32.

Responsibility for an Integrated Report





SUSTAINABILITY
REPORTING

Sustainability Report

At City General Insurance, we have always believed that sustainability initiatives are an imperative for our business. In a competitive landscape, adopting sustainable practices not only aligns with national environmental goals but also serves as a strategic advantage. A few of the comprehensive sustainability initiatives we have adopted include the following:

Digital journey

Leveraging technology is at the forefront of our sustainability efforts. Adopting digital initiatives has fully reduced our reliance on paper, thus minimizing our environmental impact. Furthermore, implementing electronic documentation and enabling other digital communication has not only streamlined processes but has also contributed to a paperless office environment.



Green office

We have always fostered a workplace culture that embraces eco-friendly practices. We encourage recycling, reduce energy consumption through efficient lighting, HVAC and other fitments, and implement water conservation measures too. We also provide incentives to employees who actively contribute to sustainability goals, thus nurturing a collective commitment to environmental responsibility.



Green insurance

We develop and promote insurance products that incentivize sustainable behaviours. By aligning insurance products with sustainability, the company not only meets customer expectations but also contributes to a more sustainable future.



Carbon reduction

We are taking all measurable steps to reduce our carbon footprint. This involves assessing and reducing our company's carbon footprint and implementing sustainable supply chain practices. We also communicate transparently about these efforts to build trust with our customers who increasingly value us as an environmentally-conscious business.



Employee engagement

We always conduct awareness sessions for our employees about sustainability and its relevance to the insurance industry. We also organize workshops, training sessions and provide resources to help them understand how their role can contribute to the company's sustainability goals. Thus, engaged and informed employees have more wholeheartedly embraced and supported our sustainability initiatives.



Community involvement

Our sustainability efforts extend beyond the company walls as we engage in community-based citizenship projects. This includes tree plantation initiatives, climate-mitigation practices and also partnering with local organizations. Positive community involvement thus enhances the company's reputation and demonstrates a genuine commitment to broader environmental stewardship.

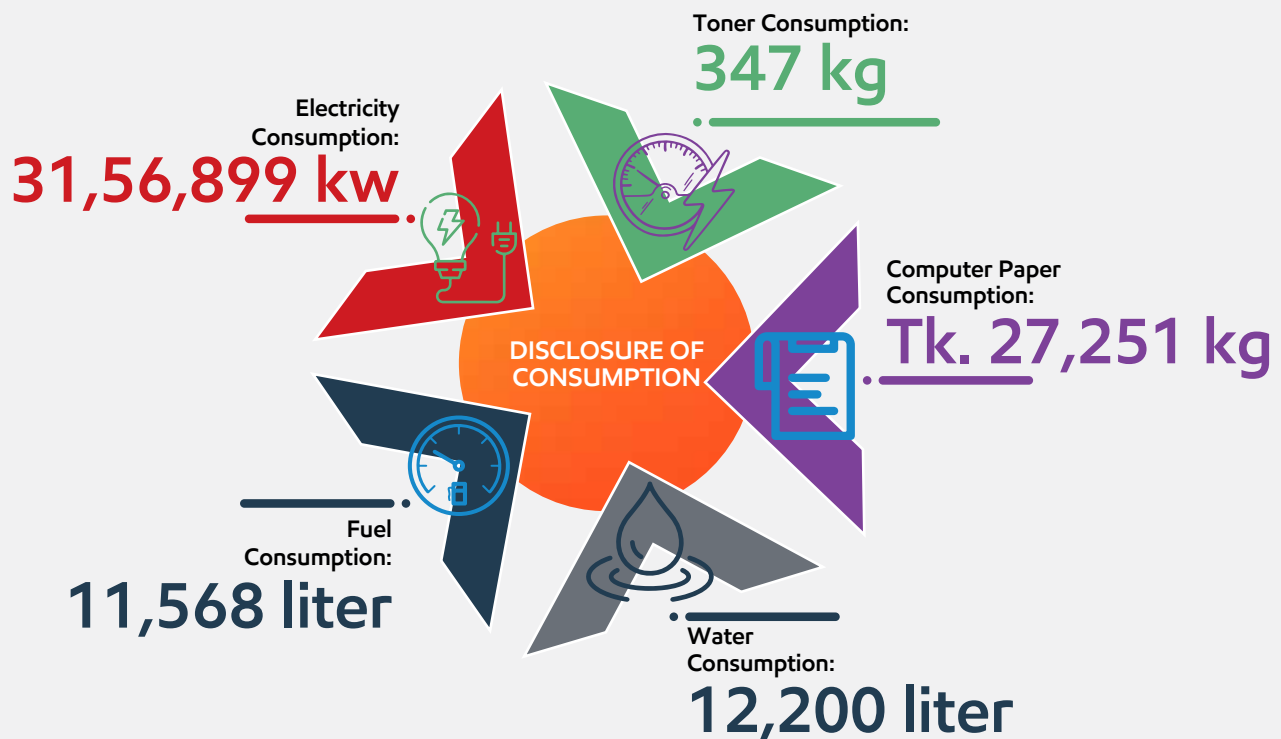
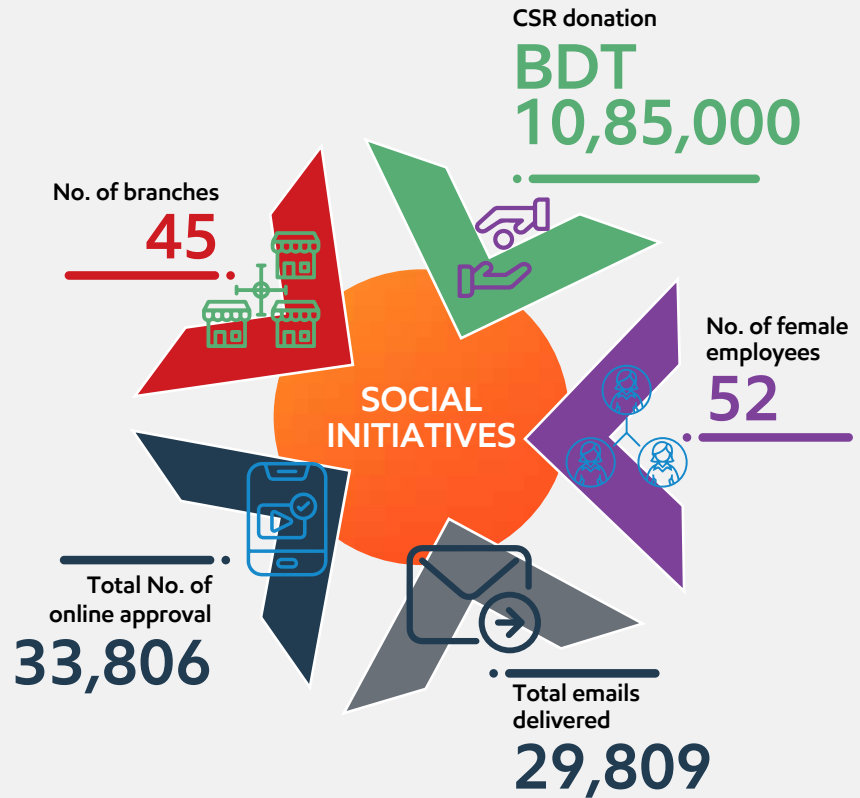


Disclosure transparency

We regularly report on our sustainability measures and achievements. Transparent communication goes a long way in building trust with our customers, investors and other stakeholders. Demonstrating progress in reducing our environmental impact, achieving low carbon intensity across our operations and actively supporting sustainability initiatives enhances the company's reputation and credibility.

Thus, our sustainability initiatives are not just ethical considerations but strategic imperatives in a competitive industry. By embracing digitalization, promoting eco-friendly practices, offering environmentally-responsible insurance products, and actively engaging with our employees and the society, we are increasingly positioning ourselves to lead sustainable business practices in the insurance industry of Bangladesh.

Sustainability Activities at a Glance



Our Sustainability Strategy!

Sustainable insurance is a strategic approach that coordinates the identification, evaluation, management, and surveillance of opportunities and risks related to environmental, social, and governance (ESG) concerns. It ensures that all operations throughout the insurance value chain, including engagements with stakeholders, are conducted in a conscientious and progressive fashion. CGI endeavours to promote environmental, social, and economic sustainability via sustainable insurance by facilitating risk reduction, developing innovative insurance solutions, augmenting corporate performance, and fostering long-term viability.

An important component of our sustainability strategy is being a good neighbour, which is something City General Insurance has strived towards for a long time.

As part of this pledge, we work towards strengthening our organisation's ability to bounce back from setbacks and do our share to promote long-term sustainability for the benefit of everyone involved. At CGI, key parts of our sustainability plan have never been more crucial to assist us navigate through these hard times that have affected us considering the Russia-Ukraine war and the uncertainty it presents.

Our consumers are at the centre of all we do, therefore we must stay adaptable, constantly innovate, and set the standard for fair results. The company's continued optimism is based on the country's several structural long-term drivers. Our creative and value-driven culture allows us to provide our policyholders with high-quality, competitively priced insurance products that are easily available via digital platforms and tailored to their specific requirements, all while helping to mitigate environmental and social risks. Furthermore, we are dedicated to providing ethical service to our business-to-business (B2B) customers.

As a company, we have always believed that we want our goods and services to help diminish people's precarity. Insurance products, together with risk management and CSR initiatives, can make communities more resilient. That's why we're always working hard to find new ways to save energy and cut down on our carbon footprint so that we can reduce the negative effects of our operations on the climate. Individually, we each bring unique abilities, experiences, and views to the table; together, as a part of a reputable organisation, we provide lasting value.

The United Nations created a set of goals in 2015 called the Sustainable Development Goals (SDGs), which are intended to be achieved by the year 2030 by Bangladesh government. The SDGs serve as a guide for creating a more equitable and sustainable world. The report demonstrates how our activities and efforts are converging to make a difference towards reaching the SDGs, which we think are necessary for bringing about the transformation that would secure a sustainable future.

At CGI, through our focus on transforming our capitals we contribute to the SDGs. This has been illustrated in this section on our business model.

SUSTAINABILITY STRATEGY WE FOLLOW



OPERATIONAL RISK MANAGEMENT

Management of operational risks reduces the expense and hazard of compliance. Additionally, it facilitates increased market penetration by empowering businesses to meet the demands and specifications of their customers.



RESOURCE PRODUCTIVITY

Costs are reduced by resource productivity through process efficiency, which includes supply chain optimization. In a world where commodity prices are becoming increasingly volatile, it is critical.



MAINTAIN SUSTAINABLE WORKFORCE

Sustainable workforce both ensures access to the right talent in the right market in the face of demographic shifts and provides foresight to meet the changing requirements of a new generation of workers.



SUSTAINABLE CONSUMPTION

By expanding into new markets and generating brand value and customer loyalty through more sustainable operations, sustainable consumption enables us to increase revenue.



FINANCIAL

Meeting shareholders' demands for sound financial returns, long-term economic growth, open communication and transparent financial accounting.



GOVERNANCE AND STAKEHOLDER

Setting the highest standards of corporate governance and stakeholder engagement, including corporate codes of conduct and public reporting.



CUSTOMER & PRODUCT

Fostering loyalty by investing in customer relationship management and product and service innovation that focuses on technologies and systems, which use financial, natural and social resources in an efficient, effective and economic manner over the long-term.

External Sustainability Charters



Human Rights

Global Compact Considerations 10 Principles	City Insurance's Extent of Adoption in FY 2023
1. Businesses should support and respect the protection of internationally proclaimed human rights.	In combination with our internal value system that upholds people's rights and obligations, we continued to adopt effective HR policies, practices and procedures which are aligned with standard human rights requirements. Major business decisions were made without compromising on key obligations related to the human rights of employees and general external factors.
2. Make sure that they are not complicit in human rights abuses	There were no reported incidents of human rights abuses or violations during the period under review. We remained a caring and receptive employer when managing its workforce and upholds the criteria of basic human rights necessities of the human resource. Our dealings with external parties such as our customers, suppliers, and other external parties is carried out in a humane manner, without going against basic human rights considerations.



Labor

Global Compact Considerations 10 Principles	City Insurance's Extent of Adoption in FY 2023
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Our management style and culture encourages communication of employee views and concerns to be transmitted freely without obstruction to those at the helm. Employees' feedback to corporate management is deemed invaluable and constructive information and hence, viewed positively. Having established effective HR policies that include grievance procedures, the management is able to iron out human resource concerns, paving the way for a more harmonious relationship with its workforce.
4. The elimination of all forms of forced and compulsory labor.	As a strict HR policy, we do not employ people forcefully under any circumstances.
5. The effective abolition of child labor.	The Company recognizes the importance of ensuring that children are not employed in any capacity whatsoever and abides strictly to this requirement.
6. The elimination of discrimination in respect of employment and occupation.	There is no form of discrimination taking place with regard to an employee's age, sex, ethnicity or religion. The appraisal system practiced is performance based and thus, any rewards and benefits generated from such evaluations purely focus upon an employees' capabilities and most of all his/her performance during a period.



Environment

Global Compact Considerations 10 Principles	City Insurance's Extent of Adoption in FY 2023
7. Businesses should support a precautionary approach to environmental challenges.	As a responsible corporate entity, we continued to embrace a green policy, practices and procedures to safeguard its external surroundings and reduce the use of natural resources. The Company also expanded its efforts in preserving the environment and its habitats.
8. Undertake initiatives to promote greater environmental responsibility.	The efforts of the Sustainability Governance Committee, in identifying ways of contributing to the sustenance of plants and the animal population can be seen as wider actions supporting this principle.
9. Encourage the development and diffusion of environmentally friendly technologies	The continued use of environmentally friendly internal procedures and practices helped better manage the use of natural resource such as energy and also to reduce emissions to the atmosphere. Efforts this year in tying up with an external party under agreement to handle the Company's e-waste has been another major step towards adopting this principle. Plans on converting vehicle servicing plant to solar power, in combination with the national grid is currently being evaluated.
10. Businesses should work against corruption in all its forms, including extortion and bribery	In keeping to our sound governance framework and culture, all individuals working within were expected to display highest degree of integrity, honesty and ethical standards. Action was brought upon employees who did not conform to the high standards set. The "Whistleblowing Policy" would assist the Board and management in identifying any future corruption, fraudulent activities, etc., occurring in the workplace and it has laid a sound foundation to initiate action against those responsible for any fraudulent acts. It sets a clear process to capture related concerns and then to investigate, report and take corrective measures against wrongdoers.

Corporate Citizenship

Setting the foundation

The difficulties of the past several years have brought into sharp focus the importance of sustainability in business and the ways in which it enables us to provide effective responses to our stakeholders and the needs of the community.

To become a forward-thinking insurance institution that reliably generates long-term value for its stakeholders, CGI has made sustainability an integral part of its transformation strategy. Our company is dedicated to adopting a growth-oriented, yet responsible, business approach. The Environmental, Social, and Governance tenets form the basis of our approach to sustainability. We want to achieve these goals by focusing on these tenets: good governance; meeting the needs of our stakeholders; creating a pleasant and productive workplace; expanding access to insurance products through our mantra of insurance involvement;

preserving the natural world; and preventing and mitigating environmental damage.

We have always recognised sustainability as a critical element in driving long-term profitability. This idea is enshrined in our set of core values, which shape and define CGI's culture and serve as the prism through which we drive our efforts to meaningfully serve our clients and employees.

ESG priorities

Our five-year ESG framework provides the groundwork and identifies key enablers to guide us on our journey to sustainability. The four focus areas indicated allow us to integrate and drive ESG adoption across our business activities. These four focus areas are intended to offer us with a clear framework to serve as a guide in establishing our aims and priorities, as well as aligning our actions toward our transformation to become a stronger, more sustainable organisation.

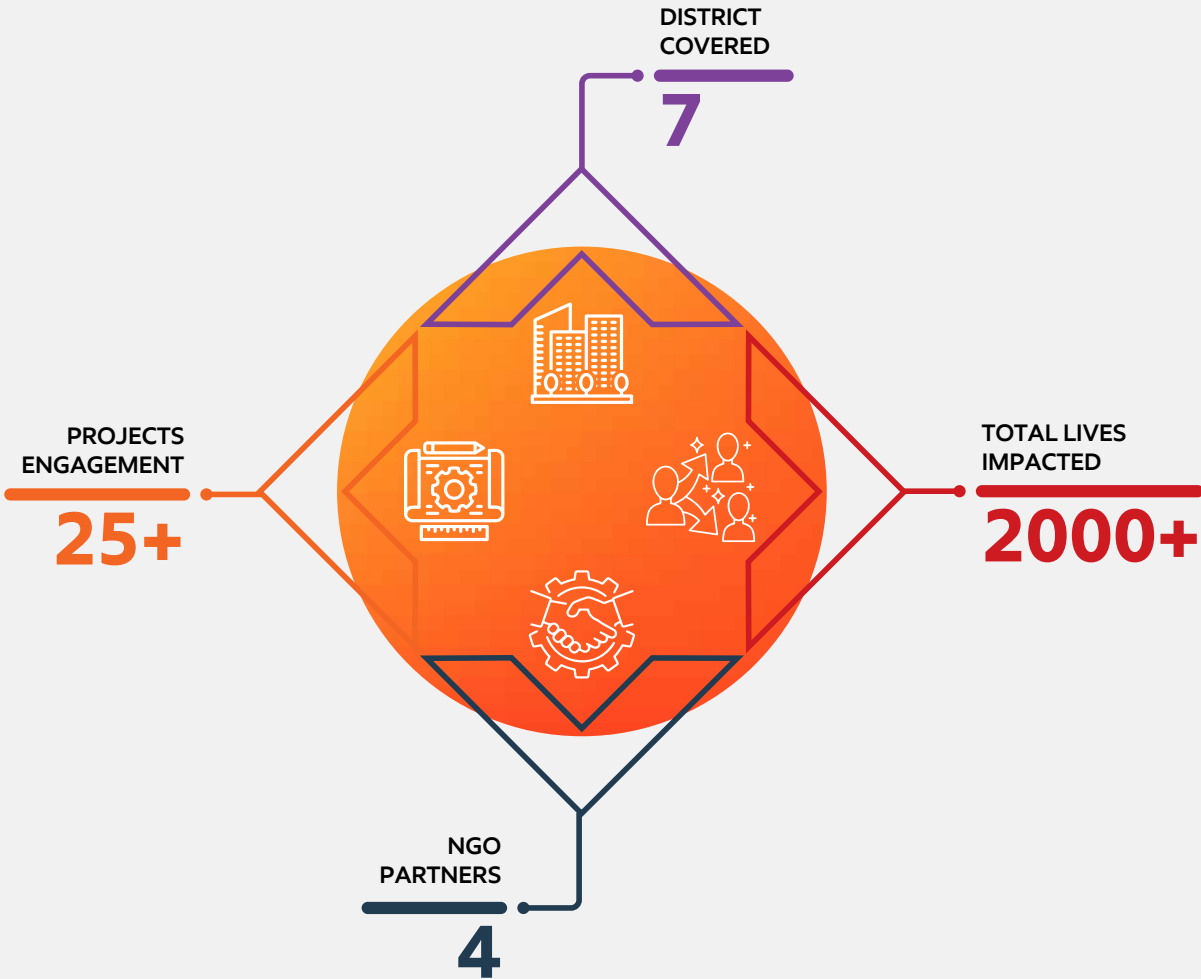


Social Responsibility Initiatives

Corporate Social Responsibility (CSR)

CSR is a process of initiatives voluntarily by organisations. It essentially embodies one of the fundamental principles and dedications to goals pertaining to society, the environment, and the community. CSR is therefore now widely acknowledged and valued as a constructive instrument that aids in the advancement of sustainable development. Thus,

it is currently observed that businesses in both developed and developing nations are proactive in incorporating CSR into their operational activities. Presently, novel conceptual variations of CSR are emerging. Innovative social enterprises, social enterprise, ethical business, socially responsible behaviour, sustainability, the triple-bottom line, benefit corporations, and social business, among others, have been implemented.



City General Insurance Company Limited places great emphasis on education, health and community service donating generously as part of its Corporate Social Responsibility. During the year 2023 City Insurance donated money to education, health and community service sectors. Besides cash donations, City Insurance encourages its employees to participate actively in community service by donating their personal time and money.

City General Insurance Company Limited Corporate Social Responsibility (CSR) Program aims to address key concerns in society such as health and education. The Company also stresses on reassuring its chief stakeholders of overall sustainability through compliance ethics and corporate citizenship. These elements combined form the basis of City Insurance’s corporate philosophy and CSR.

Health Safety & Environment

Health Safety and Environmental (HSE) responsibilities constitute an essential part of City Insurance’s operations. These become the core of the Company’s activities. City Insurance’s management and employees share the belief that good HSE contributes positively and productively to business development and success.

It is this belief that urges City Insurance to increase team efforts and endeavor for better HSE for employees, customers and neighbors. The Company also hopes to safeguard people’s health and minimize the environmental impact of their jobs.

Sector-wise CSR allocation

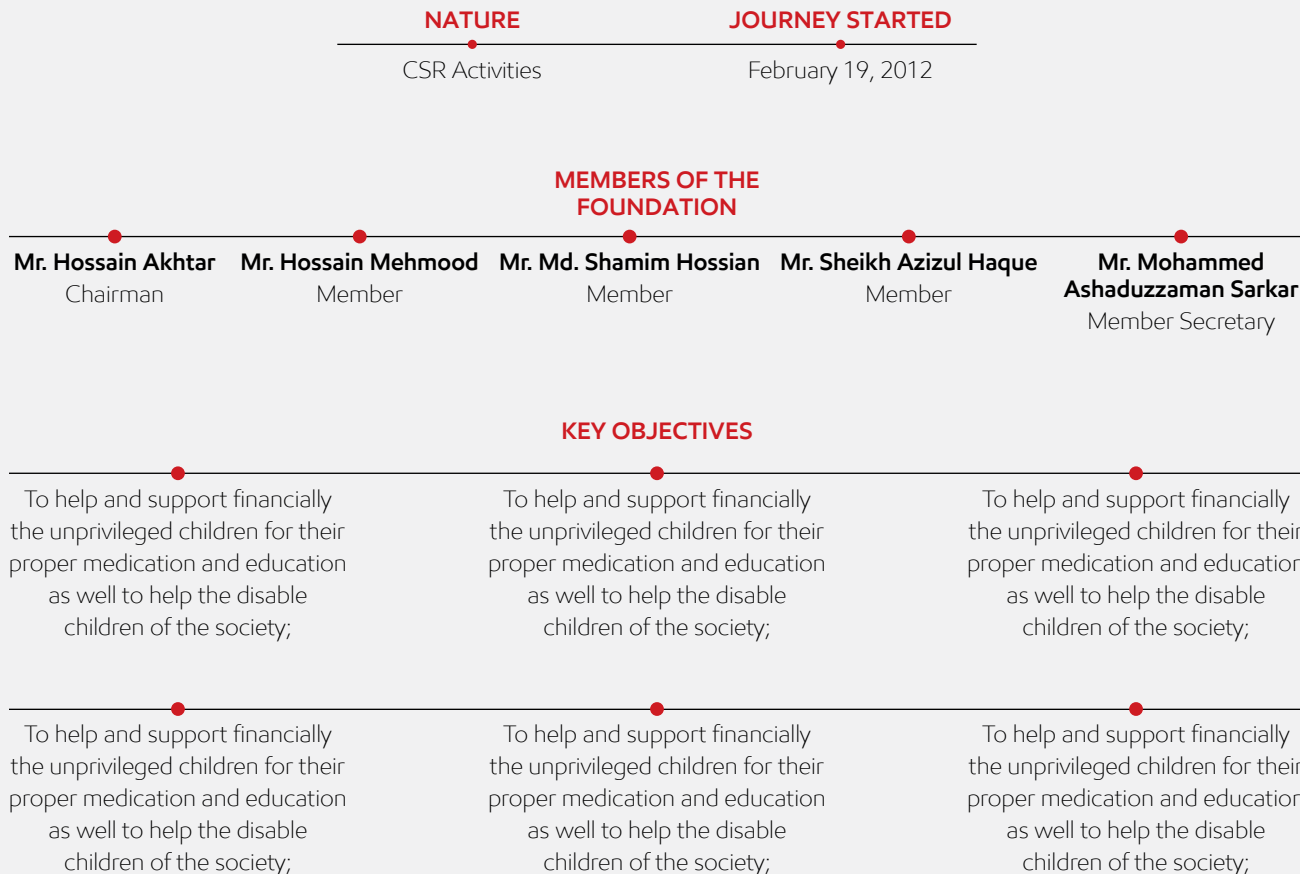
City General Insurance Company Limited’s CSR Scenario in the last two consecutive years is as follows (amount in BDT):

Sectors	Year 2023	%	Year 2022	%
Education	2,74,150	25	2,50,000	26
Healthcare	4,50,000	41	3,52,180	37
Environment	60,000	6	56,960	6
Tree plantation	97,650	9	76,010	8
Blanket Distribution	1,92,350	18	1,80,000	19
Others	10,850	1	34,850	4
Total	10,85,000	100	9,50,000	100

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.



COMMITTED TO EXCELLENCE

During the year 2023, City Insurance has paid BDT 10,85,000 as CSR in various activities. All employees of the Company are our key assets. Like every time, in the year 2023 many employees and their family members have been provided with financial assistance for medical and education.



Mr. Omar Faruk, the former Branch In-charge of the company's Sirajgonj branch, had been suffering from chronic kidney disease for a long time. The cost of his treatment was covered by the Foundation.



The cost of better treatment for Mr. Ahidul Islam Bhuiya, the Branch In-charge of the company's Mawna branch, was covered by the foundation.



Mr. Tanveer Md. Shaon (3rd from left) Senior Executive Officer (Finance & Accounts) of the company's head office, was injured in a road accident and was suffering from Prolapse Lumbar Intervertebral Disc (PLID) and other spinal disorders for a long time. The entire cost of his advanced treatment at CMC Hospital in India was borne by the Foundation.



Mr. Md. Helal Uddin (2nd from left), Deputy Manager (Finance & Accounts) of the company's head office was suffering from various complications related to Cervical Spine and Dental for a long time. Financial assistance is provided by the Foundation for his better treatment.



Emergency food items and cash assistance have been provided to flood victims in the Chittagong districts.





Shishuder Mukto Biyu Sebon Shanstha Bangladesh

It is essential to make children educated, talented and capable to build a developed and strong nation. Our Children of poor and middle-class families in the country are deprived of education and various facilities. In addition to children’s health and treatment, education, scientific practice and intellectual organizational and service activities, exceptional activities are organized every year in a natural and serene environment, children are exposed to open-air camps, institutional education, as well as historical and scenic areas of the country, to learn about traditions and through various educational activities and meetings and discussions with the nobles. Children are imparted with the knowledge of patriotism, native culture, friendship-making, self-reliance, moral sense and developing them as ideal and good citizens which has a positive impact on the institutional education field and in the lives of children. SHISHUDER MUKTO BIYU SEBON SHANSTHA BANGLADESH is conducting this great work for the welfare of children. As a proud partner in conducting this great work, financial assistance is provided to SHISHUDER MUKTO BIYU SEBON SHANSTHA BANGLADESH from City General Insurance Foundation like every year in 2023.



Alhaj Anwar Hossain Disabled Children’s Education and Development Center

The Alhaj Anwar Hossain Foundation is financially supporting the operation of the Alhaj Anwar Hossain Disabled Children’s Education and Development Center, managed by the Bangladesh Child Welfare Council (BASHIKOP) in Nawabganj, Dhaka. This project helps disabled children to be established in the mainstream of society through education, medical treatment, entertainment, and training. In the year 2023 winter blankets were distributed among the students of the Alhaj Anwar Hossain Disabled Children’s Education and Development Center from the City General Insurance Foundation. Some notable moments of distribution of winter blankets:



Switch Bangladesh Foundation

Since 2011 Switch Bangladesh Foundation has been providing relief in various disasters through various social development activities such as education of underprivileged children, awareness programs on cleanliness, wheelchair service at book fairs, 10 takay khushi project and distribution of various items including clothes. Among their various projects for educating underprivileged children are Switch Tahmina Banu Bidyaniketan in Dhaka Basti Udyan and Switch Bidyaniketan in Dwipnagar Basti are remarkable. City Insurance has been a proud partner of Switch Bangladesh Foundation in various activities for several years. In continuation of that, this year, City General Insurance Foundation distributed winter blankets among the underprivileged children of Switch Bidyaniketan. Some notable moments of distribution of winter blankets:

Environment Related Initiatives

Human activity may have harmful effects on ecological systems, climate and public health. Recognizing this, City General Insurance Company Limited fully supports the principles of its commitment to promoting good environmental practice and sustainability of its activities. The company committed for providing quality service in a manner that ensures a safe & healthy workplace for our employees protecting the environment, protect energy and natural resources. With these policies in place, we believe that we can achieve a healthy and safe environment. We are committed to do and will:

- Integrate the consideration of environmental concerns and impacts into our decision making and activities.
- Improve operations and technologies to minimize waste and other pollution, minimize
- health and safety risks, and dispose of waste safely and responsibly.
- Minimize energy and water use within our premises and processes in order to conserve supplies and minimize the consumption of natural resources.
- As far as possible, we will try to identify and purchase preferable products, supplies and services for all our daily operational needs that do the least damage to the environment.
- Comply with all applicable environmental regulations.
- Establish procedures to ensure that all employees are knowledgeable of, understand and comply with all applicable environmental laws and regulations. Train all our employees on our environmental program and empower them to contribute and participate.

- Communicate our environmental commitment to our clients, contractors, suppliers and the community.
- Strive to continually improve City General Insurance Company Limited’s environmental management system and performance & implement corrective actions.

We want to be known as a model environmental steward. Through the environmental initiatives that we chose to invest in, we strive to elevate our status among our competitors and the broader industry.

1. Our Adaptation Approach

1.1 Tree Plantation

The fundamental determination that climate change presents an existential peril necessitating urgent measures was reached at COP 28. Demonstrating genuine regard for each other and all sentient beings requires that we recognise the climate emergency and address it with the requisite gravity and resolve. Alternatively, the precarious state of affairs will deteriorate exponentially with each fractional degree increase in temperature. In response to the concerns raised at COP 28, Bangladesh is implementing adaptation and mitigation measures. Green growth is our steadfast commitment. Consistent with this objective, we consistently pursue prospects to assist our clientele, who are enthusiastic about mitigating their ecological footprints and promoting adaptation to climate change. Two strategies are utilised to guarantee a low-carbon economy:

Towards a Low Carbon Economy	Managing Our Environmental Threat
Adaptation Approach	Tree Plantation Programme
	CSR for disaster management like Blanket distribution
Mitigation Approach	Avoid environmentally harmful insurance
	Control resource consumption like paper, electricity etc.

Our strategy for achieving a low-carbon economy is predicated on our collaborative endeavours to facilitate the transition to sustainability for our clients and business partners,

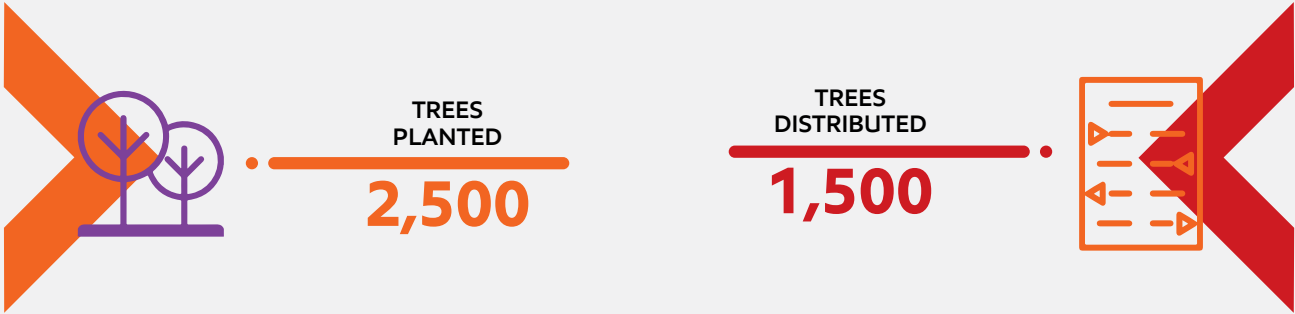
all the while addressing and reducing the environmental consequences of our operations.



Through a variety of interventions, City General Insurance Company Limited remains cognizant of its responsibility to protect and contribute to the natural environment. In observance of World Environment Day, National Mourning Day, and Cleanliness Day, the organisation enlightened its workforce on the importance of reducing the detrimental health effects of air pollution. The employee-awareness-raising initiative promoted the use of mass public transport, cycling,

walking, tree planting, and the exchange of suggestions for reducing one's personal carbon footprint.

City Insurance effectively executed a nationwide tree planting initiative in 2023, involving its 45 branches. The primary objective of this initiative was to mitigate adverse environmental externalities, with a specific focus on rural regions, while concurrently preventing land contamination and erosion.



An assortment of herbaceous plants, fruits, and forests, including Neem, Mahogany, Teak, and Guava, have been strategically cultivated in accordance with the climatic conditions and topography of the chosen site. Additionally, a perimeter fence has been erected to provide the highest level of protection for the plants. Around 2,500 trees have been planted, and more than 1,500 plants have been distributed.

2. Disclosure of Consumption

2.1 Paper Consumption

City Insurance has been reducing paper consumption significantly. In the year 2023, minimum Tk. 0.87 million equivalent paper consumption was saved.

Particulars	Total number of Page	Consumption Saved in BDT
Email Delivered	29,809	23,847
In-house online approval	33,806	27,045
On the basis of cost of per page of computer paper Tk.0.80		
Total Consumption Saved in 2023		50,892

2.2 Other Non-Renewable materials

City Insurance always encourages consumption of some non-renewable items, which are as follows:

Particulars	Year 2022	Year 2023
Calendar printed in PCs	31,000	25,000
(Both wall & Desk)	1,438	958
Letter Head Pad (Per book)	19,382	23,782
Policy (Per pcs)	550	755
Cover Note (Per book)	455	650
MR (Per book)	455	650

CGIC’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.

2.3 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 6.5% 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.

2.4 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
Reverse osmosis purifier	1,11,583	2,656.73	2,746.59 liter
Other than Reverse osmosis purifier/WASA bill	3,17,545	7,560.59	
Total Water Consumption	4,29,128	10,217.32	
*Assuming per 1000 liter is equal to BDT 42 as per WASA bill calculation			

2.5 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

Particular	Year 2023
Total company’s paper & tissue consumption on average	68,342 kg
Total company’s solid waste generated on average	92,582 kg

3 GreenHouse GAS EMISSION (GHG)

3.1 Saving CO2 emission

For saving money & time and to lessen the emission of CO2, City Insurance implemented Video Conferencing System between Head Office and branches in order to attend meetings. Our HR department also provided virtual training to the employees using ZOOM, Cisco Webex & True Conf. platforms throughout the year. The company also conduct Board and Board Sub-Committee meeting and Annual General Meeting by using digital platform.

3.2 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 2023	CO2 Emission in Metric Ton
Electricity	31,56,899 KW	1,578.45
Fuel for car (office)	11,568 liter	11.60
Computer paper	34,626 kg	24.70
Printer ribbon/toner	463 kg	0.46
Total CO2 Emission		1615.21 Metric Ton

Environmental & Social Obligations

Insurance policies are intended to help private individuals and companies to reduce their risk-taking and to protect against unexpected financial losses. Whether it is a matter of building a house or running a company, insurance policies provide increased security to the individual person, the company and the community in general. Insurance policies contribute to increased freedom of action and are therefore an important foundation of a community that is functional well.

In our role as a leading insurance company, we fulfill an important function in the everyday lives of our large no. of clients. We are mindful of the communities around us and our obligations and abilities to make a positive contribution to society and the environment that is sustainable in the long run.

We are actively involved in community issues that have a natural link to its business. By working with the right organizations we aim to bring about positive changes for the communities in which we operate. We strive for supporting safety initiatives in the broad meaning of the term in the communities within which we operate. The objective is, in the long term, to counteract negative social error such as traffic accidents. We also work actively to assist our clients personally to prevent accidents and incidences of damage.

Our strategy is to reduce the environmental impact the company has through constant improvements. Environmental responsibility is an integral part of our everyday business and all

of our employees' responsibilities include working to promote a sustainable environment on a daily basis. Our suppliers are also included in this work since, when procuring their services and products, we specify as far as possible requirements for well-functioning environmental work.

We firmly believe that we have a shared responsibility to address the key environmental, social and governance issues relevant to our business and stakeholders.

Triple Bottom Line Approach/3P

With the growing concern about the adverse impact of climate change on our habitat, economy, lifestyle, and future generations, the insurance sector is also affected. As societal expectations change, insurance companies must become more transparent and specific about how their products and services create value for their customers, clients, investors, and society as a whole.

Against this backdrop, CGIC has believe to adopt the Triple Bottom Line approach, which incorporates three dimensions of performance: social, environmental, and economic. This approach differs from traditional reporting frameworks as it includes ecological and social measures that can be difficult to measure. City Insurance has been addressing several social and socio-cultural issues related to sustainability for all its stakeholders, including itself, ranging from the workplace to the community.

Triple Bottom Line Approach (3p)




Supply Chain Management Policy

Sustainability is a core value at City Insurance. We actively seek suppliers who share our commitment to environmental responsibility. Our policy encourages the adoption of eco-friendly practices, minimizing the environmental impact of our supply chain activities. From sourcing raw materials to product delivery, we strive for sustainability at every stage.


Resilience is crucial in the face of uncertainties. City Insurance's Supply Chain Management Policy includes contingency planning and risk assessments to identify potential disruptions. By diversifying suppliers and establishing alternative routes,

we aim to maintain operational continuity even in challenging situations.

City Insurance is dedicated to upholding the highest standards in supply chain management, ensuring a reliable and responsible flow of resources that aligns with our commitment to customer satisfaction, corporate responsibility, and long-term success. City General Insurance Company Limited operates its business such as Fire, Marine, Motor & Misc. insurance in the following manner:




Prospective clients fill know your customer (KYC) form. Then the insurer verifies the KYC form and assessed the risk before underwriting.




If prospective clients KYC form are found correct and in order and filled with utmost good faith with all material information than insurer first of all issues cover notes.

The payment mode by insured like Cheque, Pay order, Draft and Bank Guarantee be deposited (except Bank Guarantee) to company's specific Bank Account.



After details verification/Checking whether provides adequate information by the insured in support of Cover Note and KYC form, insurer issues insurance policy in favor of insured.



Report on Information Technology

1. Approach to IT

1.1 Background:

City General Insurance Company Limited had a computerized General Ledger for Central Accounts Department only since 2018. But like most other insurance companies, its' operation based on stand alone PC's and manual system. There was no IT enabled MIS system in place to help City General Insurance Company Limited analyze the business figures and to track performance of products, customers, branches, department and people. As a result City General Insurance Company Limited was severely handicapped in the field of IT, resulting in inefficiency and improper management negatively impacting its endeavor to maintain its' position at the top of the Insurance fraternity.

1.2 Formation of IT Division:

Against the backdrop of the above-mentioned situation, City General Insurance Company Limited management decided in the year 2017 to introduce a modern computer system to cater to future prospects of the Company. As part of that vision, an Information Technology Division was established to make the dream come true.

The information technology's role in the business sector certainly can hardly be over emphasized. It is of utmost importance, which enables businesses to effectively and successfully plan, manage, execute strategies which lead to profit. Therefore, the mission of this Division is to completely re-engineer and automate City General Insurance Company Limited business processes to achieve higher productivity, lower cost, improved quality, enhanced service and efficient management.

IT mainly deals with computer applications which are now completely automated. The technology has not only made communication cheaper, but also much faster.

Information Technology Division has taken pragmatic approaches to bring the technological boon and advancement into City General Insurance Company Limited business process to make it more competitive and adaptive for the 21st century.

The software applications and the hardware devices are the main elements of use in information technology. So a modern and dynamic IT Division was created with two departments like Hardware and Software including a structured LAN for its smooth operation and getting the technical advantage. Operating the IT system at City General Insurance Company

Limited, there are four experienced and professional IT personnel.

1.3 Software development & implementation:

Software is an important integral part of information technology which relates to computer applications that enable a company to generate, store, program, and retrieve data as and when needed. Like an ERP Software, Integrated Insurance Business System (IIBS) was developed by Confidence Software Ltd. Under which all the business process and functionalities were included. After 6 months of development by Confidence Software Ltd. it was completed and from 1st of January 2018 IIBS implemented successfully at City General Insurance Company Limited. On the job training was also provided to all end users.

1.3.1 Paperless office and Online approval system.

a) paperless office is a concept in which usage of paper is greatly reduced or eliminated totally in an office environment. This is achieved by converting document into digital form. A paperless office is not only environmentally friendly, but also helps in boosting the productivity and efficiency of our office while also saving money and making work processes easier and more convenient as digital documents can be easily shared between users. The concept can be extended to communications outside the office as well.

b) Online approval system: The traditional paper-based system delays

approval processes, and increases cost overheads, on the other hand, process automation offers fast, easy, and profitable approvals.

When automated approval systems are used, approval requests from the end-user will be automatically forwarded to the next level of the managerial hierarchy. If one person does not approve the request, no further approval levels are initiated. For example, an employee of a department creates, and sends a purchase request to his manager, upon approval the manager sends advice to create Purchase Order to the Procurement Department where the Purchase Request gets converted to a Purchase Order (PO) or rejected.

1.3.2 Digital Storage System:

All data are storing digitally in our storage server. This is done by converting documents and other papers into digital form,

a process known as digitization. In future we need not any hard copy for our official work. This system can save money, boost productivity, save space, make documentation and information sharing easier, keep personal information more secure, and help the environment.

1.3.4 Next generation Firewall:

We have implemented next generation firewall to protect Our application & database server and network security system that monitors and controls incoming and outgoing network traffic.

1.3.5 Data connectivity:

We have implemented data connectivity to ensure secure connection between head office server and branches.

1.3.6 Endpoint Security:

We have used Endpoint Security to protect all user computer from .

1.3.6 Corporate Email Solution:

We have implemented Microsoft Mail server. We use corporate email solution (Microsoft 365).

1.3.7 VAT Software:

According to the instructions of the National Board of Revenue dated 29/08/2022, the VAT Software approved by the National Board of Revenue has been installed due to the obligation to complete all VAT related work through their approved software within 2022. As a result, there has been increased speed and transparency in VAT settlement.

2. Key Benefits of City General Insurance Company Limited IT system:

Huge saving in working time in preparing insurance documents, Money Receipt and some large informative monthly reports with excellent print quality

- Getting 1,100 Plus system generated MIS report which helps management to take decisions properly and timely
- Integrated Accounts where 100% Journal Voucher are passing through system as well as Final Accounts report like Balance Sheet, Profit & Loss Account, Revenue Account, General Ledger, Cash Flows and Trial Balance are generating automatically through system
- Controlling business procurement through Integrated Insurance Business System (IIBS) Software
- Quick accessing the underwriting documents through IIBS for departmental integration with Underwriting department like Co-Insurance, Claims, Agent Commission, Re-Insurance and Accounts department
- Backup system has been established to secure the company's valuable data in a professional manner.

3. On-line branches:

Including Head Office and Local Office all the branches are already connected to the IT Division through optical fiber and data modem since 2018.

City General Insurance Company Limited has highly experienced and trained professionals working on maintaining and developing the company's IT infrastructure. The IT professionals are constantly innovating and producing in-house programs to meet the needs of the company's ever increasing and diversified products and services industry. IT division has successfully implemented a Wide Area Network (WAN) to connect all of the branch offices among the country on real time basis, thereby providing seamless connectivity and prompt customer services. We have also purchased a new high configured server for running our oracle Web-logic application server to build-up three tier applications and to enhance the facilities of network & hardware architecture.

We have already upgraded our oracle Front End Application from 9i to Weblogic web version for and now we are working on Oracle Web-logic application server for getting more advantage of modern technology. As a result our IIBS software can be accessed from anywhere through any web browser even though smart phone also, as well as our connectivity cost has already reduced significantly.

We have also plan to introduce Artificial Intelligence (AI) based apps for providing better service to our clients.

4. Plan for future expansion of present IT Infrastructure:

In order to reach the optimistic level, The Company has taken initiative to implement the undermentioned work within short span of time.

- Cloud Service solution

5. Corporate IT & Website Information

The company has a Corporate Website: www.cityinsurance.com.bd to publish the updated information of the company. The website of the company is always open for stakeholders, shareholders, investors and valuable clients to provide updated corporate information. The website of City General Insurance Company Limited focuses on company profile such as: Company's Capital Structure, Assets and Investment, Corporate Governance, Price Sensitive Information with a view to knowing all stakeholders with all regular features of the company. City General Insurance Company Limited website also focuses Board of Directors profile, Management team's profile. Visiting the website viewers can inform about the position of the Branches information. The website also focuses all the latest financial statements including financial position, income statement, cash flow statement and changes in shareholder's equity. The Annual reports of different years are also made available in the website of the company. Despite of this our clients can avail the opportunity for having digital insurance service.

Corporate Social Responsibility (CSR) Policy

1. Preamble:

City General Insurance Company Limited 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 General Insurance Company Limited's commitment to contributing positively to society and the environment while upholding the highest standards of corporate responsibility.

Disclosure on ISO Certification

City General Insurance Company Limited hereby discloses that as of the latest information available, the Bangladesh Government/Insurance Development and Regulatory Authority (IDRA) has not yet implemented ISO certification requirements for the General Insurance sector.

ISO (International Organization for Standardization) certification is a globally recognized standard that signifies compliance with established quality management systems. While ISO certifications are widely adopted across various industries to enhance efficiency and ensure quality, it's

essential to note that, at present, the General Insurance sector in Bangladesh is not subject to mandatory ISO certification by the government.

While the absence of ISO certification mandates in the General Insurance sector does not make it a regulatory requirement, City General Insurance Company Limited remains committed to ensuring the highest standards of service, integrity, and operational excellence. The company adheres to industry best practices and continually reviews its processes to provide reliable and efficient services to its valued customers.





CORPORATE
GOVERNANCE

CORPORATE GOVERNANCE

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Statement to Shareholders from the Company Secretary

Dear Valued Members,

Thank you for providing the secretarial team of City General Insurance the opportunity to serve you. Me and my department are committed to serve your interests in the best possible way.

As the Company Secretary of your esteemed general insurance company, I am privileged to address you on matters of paramount importance that shape the foundation of the organization. Governance, compliance and regulatory adherence stand as the cornerstone of our operations, ensuring transparency, accountability and the protection of your investment.

I have always believed that fulfilling Board and organizational responsibilities is not just a duty; it is rather an ongoing commitment to safeguarding the interests of our shareholders. Our Board, comprising of directors of eminence, is dedicated to maintaining the highest standards of corporate governance, aligning to industry best practices and continuously evolving to meet emerging compliance and reporting requirements. Robust governance mechanisms are in place to oversee risk management, strategic decision-making and financial performance, aligning with our vision for sustained growth and shared success.

In navigating the dynamic landscape of Bangladesh's insurance industry, we remain steadfast in dealing with applicable regulatory tenets and codes and investor guidelines. Compliance with regulatory frameworks is not merely a legal obligation but a strategic imperative for us. Our unwavering commitment to regulatory compliance not only ensures our operations remain above reproach, but also fosters trust among our investors, regulatory bodies and other stakeholders.

Environmental, social and governance (ESG) considerations are fundamental to our corporate ethos. Recognizing the impact of our business activities on the environment and the society, despite it being limited since we are in the services sector, we have still implemented measures to minimize our ecological impact and work to eliminate our carbon footprint. In doing so, we uphold ethical and principled business practices. Our commitment to ESG standards is a testament to our dedication to creating long-term value for our shareholders while fostering a sustainable future for Bangladesh.

In the realm of shareholder liaison, communication is key. We strive to maintain an open and transparent channel of dialogue with our shareholders. Regular updates, timely



Mohammed Ashaduzzaman Sarkar
Company Secretary (Acting)

disclosures and constructive engagement initiatives are central to these efforts. Your feedback is invaluable, guiding our strategic decisions and shaping the trajectory of the company. We are resolute in our commitment to enhancing shareholder value and ensuring that your interests are protected and well-represented.

As we navigate the complexities of the insurance landscape, we remain attuned to emerging trends and global shifts. Our adaptability is not just a response to change; it is a proactive stance aimed at securing our position as a renowned general insurance institution of Bangladesh. The relentless pursuit of excellence defines our approach, as does our commitment to upholding the trust you repose in us.

Our journey as a general insurance company is intertwined with your trust and support. We, as the custodians of your investment, remain committed to the highest standards of governance, compliance, ethical conduct and principled administration. The path ahead may present challenges, but with your continued support we are confident in our ability to overcome them and forge a future of sustained success and enhanced value creation.

Thank you for your unwavering trust.

Sincerely,

A handwritten signature in black ink, appearing to be 'M. Ashaduzzaman Sarkar', written over a white background.

Mohammed Ashaduzzaman Sarkar
Company Secretary (Acting)

Statement of Board of Directors on the Responsibility to Establish Appropriate System of Internal Control

As the Board of Directors of City General Insurance Company Limited, we affirm our commitment to fostering a robust system of internal control that aligns with industry best practices and regulatory standards. The establishment and maintenance of an effective internal control system are paramount to the integrity, reliability, and sustainability of our operations as a non-life insurance provider.

The Board recognizes that the insurance industry operates in a dynamic environment, marked by evolving risks and regulatory landscapes. Therefore, it is imperative to ensure that our internal control framework is not only compliant with existing regulations but is also adaptive and responsive to emerging challenges.

The primary purpose of our internal control system is to safeguard the company's assets, ensure the accuracy and reliability of financial reporting, and facilitate compliance with applicable laws and regulations. Furthermore, we aim to enhance operational efficiency, promote ethical conduct, and mitigate the risks associated with our diverse range of insurance products.

The main objectives of the internal control process can be categorized as follows:

- Efficiency and effectiveness of operation;
- Reliability, completeness and timeliness of financial and management information;
- and Compliance with applicable laws and regulations.

Key features of Internal Control System are as follows:

- Management oversight and the control culture
- Risk recognition and assessment
- Control activities and segregation of duties
- Information and communication
- Monitoring activities and correcting deficiencies

Key Components of the Internal Control System:

Risk Assessment:

We have implemented a comprehensive risk assessment process to identify, evaluate, and prioritize risks that may impact the achievement of our strategic objectives. This includes a thorough analysis of market, operational, and compliance risks.

Control Activities:

The Board oversees the design and implementation of control activities to mitigate identified risks. These activities encompass policies, procedures, and checks and balances

integrated into our day-to-day operations, ensuring the reliability of financial reporting and safeguarding of assets.

Information and Communication:

Open and effective communication channels are established to ensure that relevant information is shared across all levels of the organization. This facilitates informed decision-making and promotes a culture of transparency and accountability.

Monitoring:

Continuous monitoring and periodic evaluations are conducted to assess the effectiveness of our internal control system. This includes internal audits, management reviews, and assessments of compliance with regulatory requirements.

Board Oversight:

The Board of Directors plays a crucial role in overseeing the adequacy and effectiveness of the internal control system. This includes regular reviews of reports from internal and external auditors, discussions with management, and a commitment to addressing any identified weaknesses promptly.

Adaptability and Innovation:

Recognizing the ever-evolving nature of risks in the insurance industry, our internal control system is designed to be adaptable. We remain committed to leveraging technological advancements and innovative practices to enhance the efficiency and effectiveness of our controls.

The Board of Directors of City General Insurance Company Limited reaffirms its responsibility for establishing and maintaining an appropriate system of internal control. We are dedicated to upholding the highest standards of corporate governance and risk management to ensure the long-term success and sustainability of our non-life insurance operations.

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

Statement of Board of Directors on Adequacy of Internal Control System

In a complex and dynamic business environment, the Board of Directors at City General Insurance Company Limited acknowledges the critical importance of maintaining an internal control system that is not only compliant with regulatory requirements but also robust enough to adapt to emerging challenges. As stewards of the company's integrity, we are pleased to present our assessment of the adequacy of the internal control system for the fiscal year ending 31 December 2023.

The foundational principle of our internal control system is to create a framework that safeguards the company's assets, ensures the reliability of financial reporting, and maintains compliance with applicable laws and regulations. This commitment is not just a regulatory necessity but an integral part of our corporate governance structure aimed at enhancing shareholder value and sustaining the trust of our policyholders.

In accordance with the instructions and guidelines of Insurance Development & Regulatory (IDRA), the Board has delegated specific responsibilities to four committees of the Board (Audit Committee, Risk Management Committee, Investment Committee and Policyholder Protection & Compliance Committee). These committees assist the Board in fulfilling its oversight responsibilities by ensuring the adequacy and completeness of accounting records, the accurate representation of financial information, the effective management of risks, and the strengthening of the company's assets and overall internal control process. These committees have the authority to examine specific issues and report back to the Board with their recommendations.

In order to develop an adequate and effective internal control system for attaining sustainable growth through the orderly and efficient conduct of business, the Board has approved written policies and guidelines, including the Internal Control and Compliance Policy, for various business areas. All employees have access to these policies and standards, which are updated as needed to guarantee compliance with relevant laws and regulations. The company's basic control policy and the internal control components are made known to all employees through the Internal Control and Compliance Policy.

The Company's operating activities are subject to periodic assessments by an independent audit mechanism. These assessments emphasise the importance of risks and the effects of non-compliance on the company while examining and evaluating the effectiveness and sufficiency of financial and operational controls.

The Board of Directors, through its Audit Committee, reviews the effectiveness of the Internal Control and Compliance system annually. The Audit Committee, where applicable, makes recommendations to improve the effectiveness of the Company's risk management, control, and governance processes. The Audit Committee of the Board has active oversight of the independence, scope of work, and resources of the internal audit function. It also reviews the internal control and compliance functions, including the scope of the annual audit plan and the frequency of internal audit activities. The Board of Directors monitors the effectiveness and functionality of internal control systems through an audit committee. All the conditions depicted in the Insurance Act 2010, Insurers Corporate Governance Guidelines 2023 by Insurance Development & Regulatory (IDRA) and Corporate Governance Guidelines (amended up to 2023) issued by Bangladesh Securities and Exchange Commission (BSEC) have been properly maintained by the Audit Committee.

The Board is satisfied that the Company's system of internal control is effective and adequate and provides reasonable, not absolute, assurance of achieving the Company's objectives and goals, including:

- Adherence to management policies
- Safeguarding the Company's assets
- Reliability of financial information
- Prevention and detection of fraud and errors
- Compliance with applicable laws and regulations
- Effectiveness and efficiency of operations
- Accuracy and completeness of accounting records, etc.

Since the current system is continually open to improvement, related risks cannot be completely eliminated, but they can be reduced to a manageable level. The Directors affirm that the Board examined the effectiveness of the company's internal controls for the year that concluded on December 31, 2023, through its various committees.

On behalf of the Board of Directors,



Hossain Akhtar
Chairman

CEO And CFO's Declaration to the Board

Annexure-A

February 15, 2024
The Board of Directors
City General Insurance Company Limited
27, Dilkusha C/A, Dhaka-1000.

Subject: Declaration on Financial Statements for the year ended on December 31, 2023.

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 General Insurance Company Limited** for the year ended on December 31, 2023 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, 2023 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
Chief Financial Officer



Md. Shamim Hossain
Managing Director & CEO

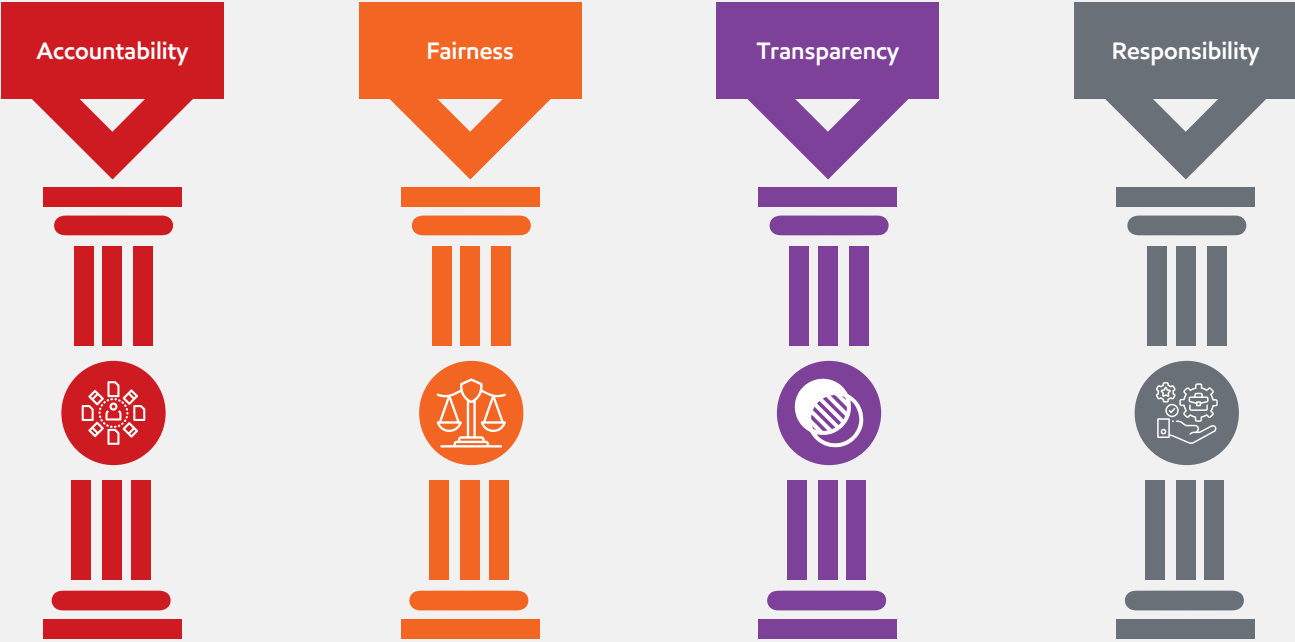
Report on Corporate Governance

PHILOSOPHY OF GOVERNANCE

City General Insurance Company Limited is unwavering in its commitment to top-tier corporate governance, ensuring alignment with core values. The embraced governance principles motivate internal stakeholders to enhance accountability and transparency, backed by robust risk mitigation and internal control systems for sustainable goals. The Board of Directors emphasizes governance, founded on ethical values and professionalism, nurtured since the

Company's inception. Recognizing the interconnection of strategic goals and national aspirations, the Company adopts a governance policy integrating social responsibility. The four pillars of good governance – Accountability, Fairness, Transparency, and Responsibility – are embedded in the Company's culture. As a highly transparent public entity, the Company maintains integrity and accountability in line with global standards. Fairness, loyalty, and competence are ingrained in leadership and management practices, reflecting the Company's established business principles.

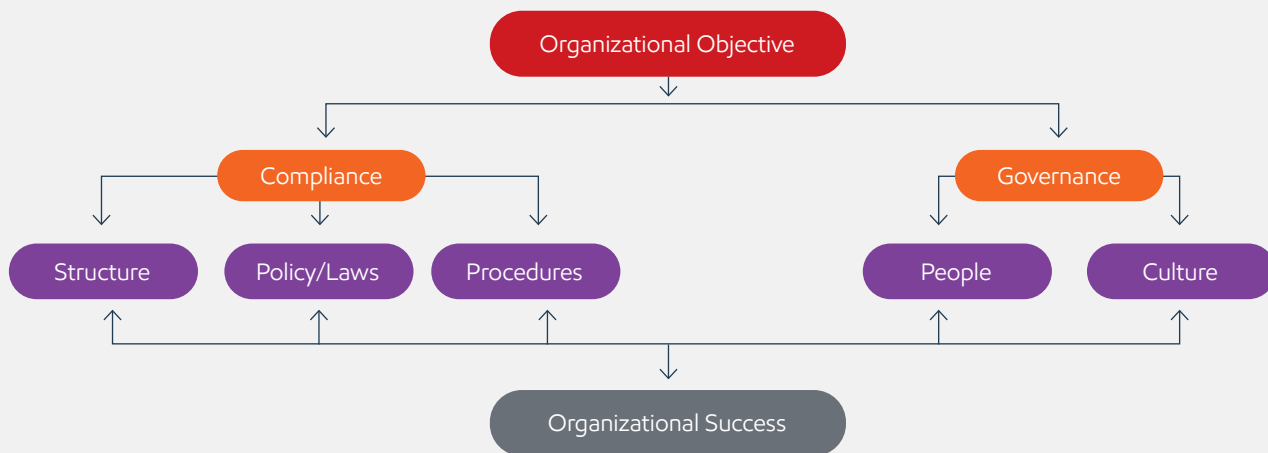
The four pillars of good corporate governance



At City Insurance, we firmly believe in building long-term value through a robust governance framework that fosters strong connections among the Board, shareholders, employees, and stakeholders. Our two-tier governance structure, with the Board of Directors and Board Committees at the apex level and the Management structure at the operational level, consistently upholds key corporate governance principles.

Our governance model promotes mutually beneficial commercial relationships, upholds corporate integrity and transparency, and creates lasting value. Going beyond regulatory requirements, it incorporates voluntary norms and international best practices. Governance is a vital component of our competitive advantage, enhancing accountability, improving risk management, ensuring transparent performance evaluation, and fostering effective leadership.

Corporate Governance Driver



City Insurance's primary areas emphasize good corporate governance, as seen in the diagram. The Company's governance model strictly follows its vision, mission, values, and objectives. The Board of Directors sets the Company's strategic goals, leads its implementation, oversees its management, and informs shareholders of governance stewardship results.

Strong corporate governance is the Board's main goal. Thus, it works together to develop and promote strong governance to support efficient and effective management and generate long-term shareholder value within risk tolerance levels.

Corporate governance is a dynamic daily process at the Company that helps it stay focused on its business goals and establish a culture of openness, transparency, and accountability by clarifying Directors' shareholder obligations. Clear structures, ownership, and well-understood policies and processes to guide management have been established and institutionalized across the Company.

Our corporate governance culture is anchored on:

- Specialist leadership
- Strong risk management culture
- Effective internal controls
- Prudent financial practices
- Accountability toward shareholders

City Insurance updates its corporate governance policies and procedures regularly to ensure transparency and the highest ethical standards and disclosures to stakeholders. This ensures long-term performance and sustainability and builds shareholder and stakeholder confidence, a key pillar of our company.

City Insurance follows best governance practices in operations, quality marketing, sales, human resources, customer service, and stakeholder interactions in addition to the highest governance requirements. City Insurance excels in corporate governance due to the Board of Directors' independence, the Chairman and CEO's separated duties, the Company Secretary, Chief Financial Officer, and other Board Committees.

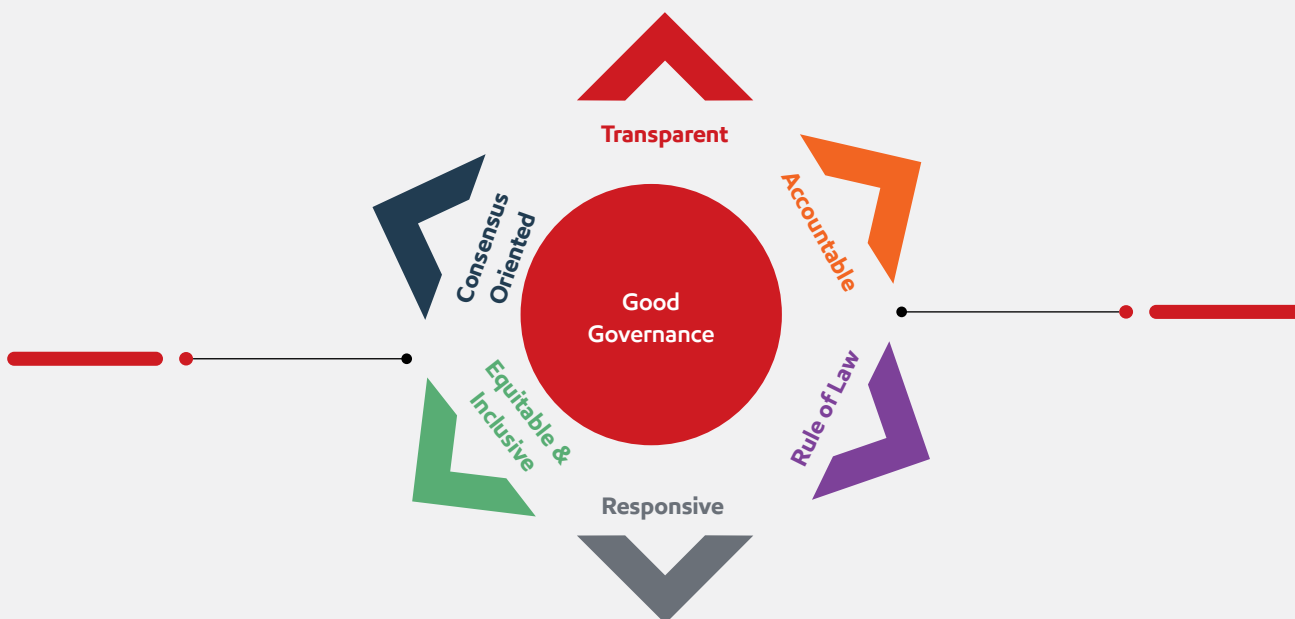
Focus Areas of Corporate Governance



CORPORATE GOVERNANCE FRAMEWORK IN CITY INSURANCE

In all facets of its corporate governance, City General Insurance Company Limited is dedicated to upholding the highest standards in business systems, procedures, and practices. The Board has established a well-defined and well-organized Corporate Governance framework to help it

achieve its goals of creating long-term and sustainable value. In addition, it fosters a culture that emphasises moral conduct, honesty, and decency in order to safeguard the interests of stakeholders and shareholders at all times. The long-term viability of City Insurance rests on upholding industry-leading governance standards in the heavily regulated sector in which it functions.



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:

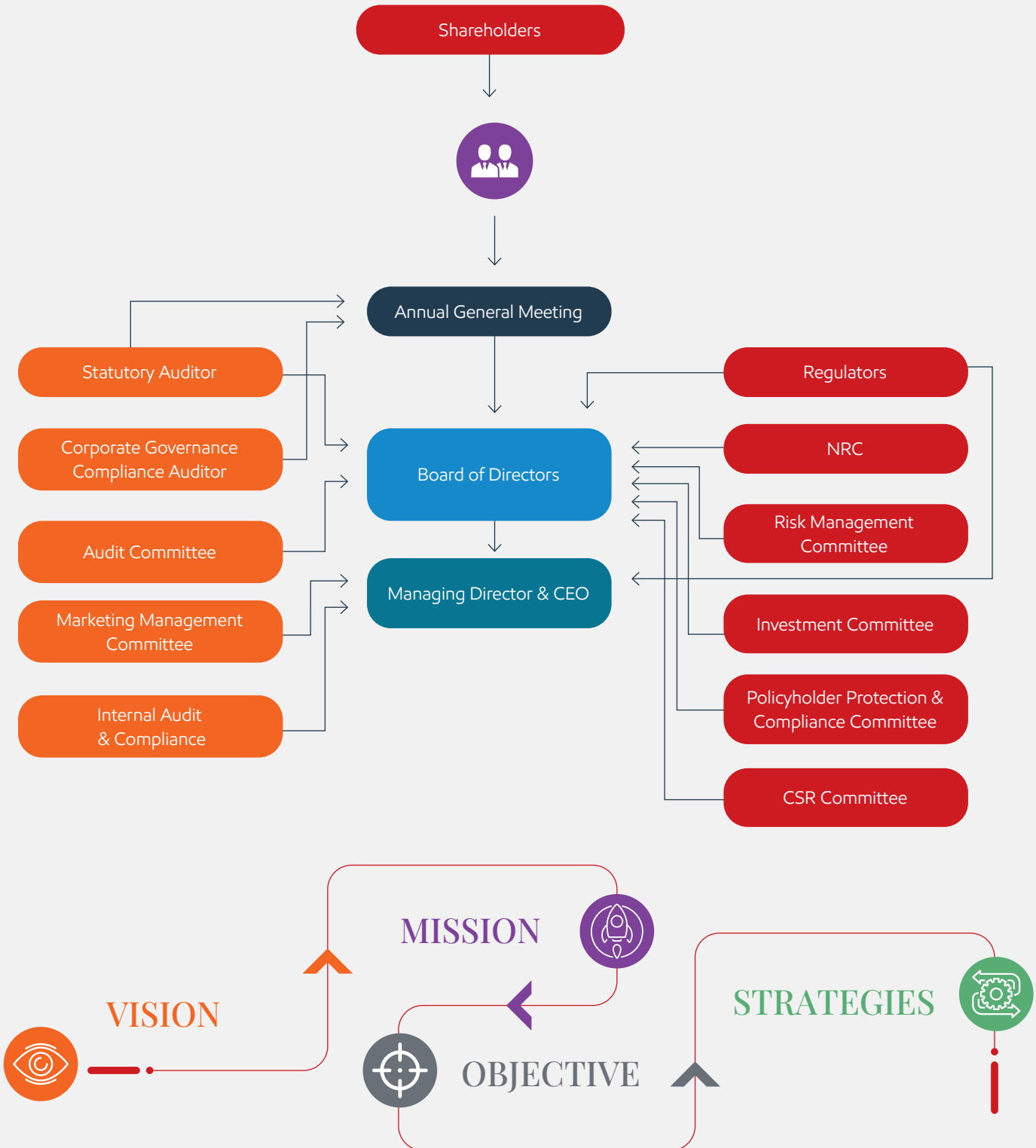
City General Insurance Company Limited has adopted all applicable laws, policies, rules and regulations in our Corporate Governance System and maintains a zero-tolerance policy in compliance. A list of such external and internal regulations/policies are outlined below:

External Framework	Internal Framework
The Companies Act, 1994; (As amended 2020 and up to date)	Memorandum & Articles of Association;
The Insurance Act 2010;	Code of Conduct for the employees & the Board;
The Insurance Rules 1958	Board and Board Sub Committee Charters;
Securities & Exchange Ordinance-1969 and Securities & Exchange Rules- 2020 (As amended)	Different approved Manual of the Company
Corporate Governance Code- 2018 (amended up to 2023) issued by the Bangladesh Securities and Exchange Commission (BSEC);	
Insurers Corporate Governance Code- 2023 issued by the Insurance Development & Regulatory Authority (IDRA);	
Policies, Procedures, Directives of IDRA & BSEC;	
Listing regulations 2015 of Stock Exchanges;	
RJSC	
Income Tax Act 2020	
Income Tax Rules, 1984	
The Value Added Tax and Supplementary Duty Act, 2012	
The Value Added Tax and Supplementary Duty Rules, 2016	
Tax & VAT related SROs	

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,

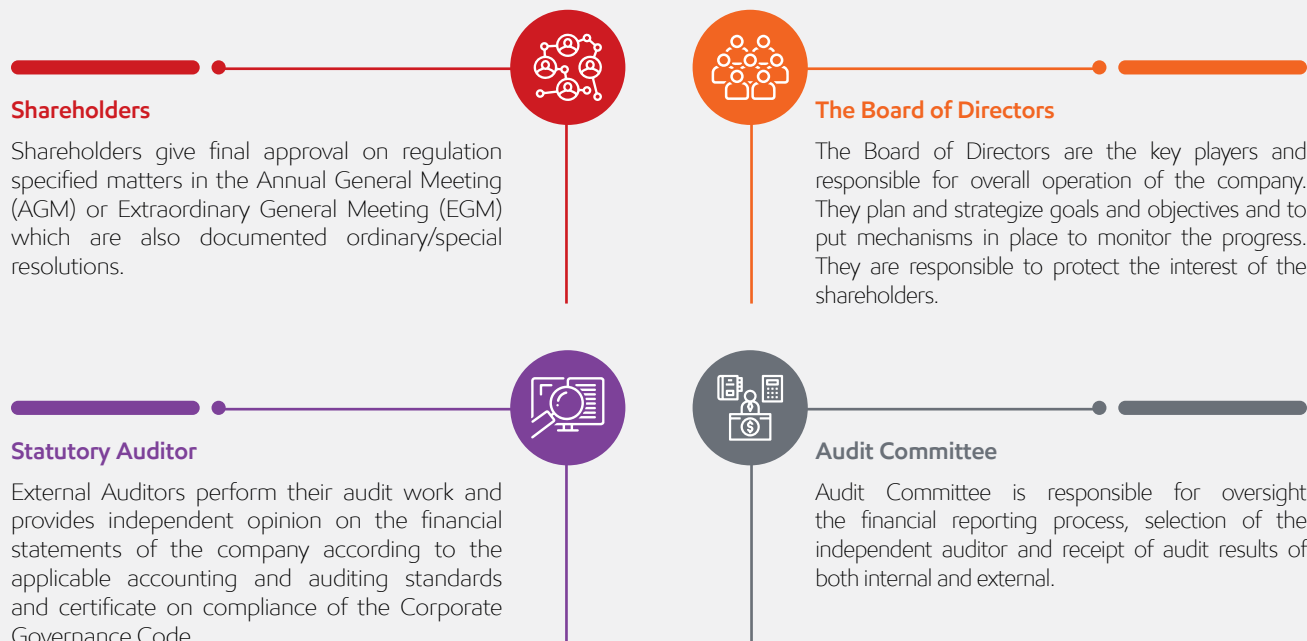
management, suppliers, consumers, lenders, borrowers, creditors, debtors, political activists, pressure groups, CSR, government and the local community. Our corporate governance also provides the framework for attaining the company's objectives. It contains practical action plans, risk assessment, monitoring and internal control and compliance for performance measurement and smooth functioning of corporate disclosure.





Input	Associated Risk	Risk Mitigation through CG	Outcome
<ul style="list-style-type: none"> Financial Capital Manufactured Capital Intellectual Capital Human Capital Social & Relationship Capital Natural Capital 	<ul style="list-style-type: none"> Underwriting Risk Operational Risk Reinsurance Risk Asset Liability Risk Internal Control & Compliance Risk ICT Risk 	<ul style="list-style-type: none"> Legal Compliance Code of Conduct Underwriting Guidelines Whistle Blowing Policy Accountability Transparency 	<ul style="list-style-type: none"> ROA 9.63%, ROE 14.78% EPS BDT 3.02 NAV per share BDT 20.40 Dividend per share BDT 1.20 Market price per Share BDT 49.60 CSR BDT 10.85 mn Claim paid BDT 44.17 mn

BRIEF DESCRIPTION OF CORPORATE GOVERNANCE FUNCTIONS



Nomination and Remuneration Committee (NRC)

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation. Governance Code.



Investment Committee

The Investment Committee oversees investment strategies, risk management, and portfolio performance of the company. Responsibilities include setting investment policies, conducting due diligence on potential investments, monitoring market conditions, and ensuring alignment with the overall financial goals and risk tolerance of the institution.



Risk Management Committee

The Risk Management Committee is an independent committee and responsible to oversee the risk management policies and practices of the company's operations and associated risks thereof.



Policyholder Protection & Compliance Committee

The Policyholder Protection & Compliance Committee ensures adherence to regulatory requirements, ethical standards, and safeguards policyholders' interests in insurance operations. Responsibilities include monitoring compliance, addressing regulatory changes, assessing risks, and implementing measures to protect policyholders, maintaining transparency, oversees claims procedures and upholding the highest standards of corporate governance.



Managing Director & CEO

The Managing Director & CEO is in overall charge of the running of the company. His prime responsibility is to direct and control the company's operations and to give strategic guidance and direction to the board to ensure that the company achieves its mission and objectives.



Internal Audit and Compliance

Internal Audit and Compliance is an independent, objective assurance and consulting activity designed Department evaluates the effectiveness of the company's internal controls, corporate governance, and accounting processes and overall compliances. Internal audit provides a value-added service to the management and board of directors where flaws in a process are caught and corrected prior to external audits.



Regulators

Various regulatory bodies are directly involved with our day-to-day operation having direct interest. They impose sort of rules & regulations on our business operations and business strategies. City Insurance is committed to be fully compliant of the applicable rules & regulations.




Other Committees and Activities for Good Governance

Apart from the said committees, top officials and other committees or departmental positions form various committees for day-to-day operation and other operational issues as and when required. Major features of such committees are like:

- The committee is formed for a specific purpose and after fulfilling the respective purpose, its validity will be lost automatically;
- The committee is formed by high official and sometimes by the Board;
- Usually, the committee is formed to pursue a specific job or investigation activity; and
- The committee will not do anything contrary to the company's policy, norms, culture and values. Findings of the committee will assist the officials or the management in decision making process.





Governance on Money Laundering & Anti-Corruption

As part of ethical business standards, City General Insurance Company Limited maintains high ethical standards in its operation & business dealing. It doesn't conduct any such activity which may fall under money laundering and corruption within any provision of the applicable laws and regulations. The company implemented its internal control system properly to detect & protect such issues.

Governance Compliance Requirements and Our Compliance Status

Being a listed company, City Insurance is highly compliant with the requirements of the revised Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission (BSEC), as per notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: June 03, 2018, and notification No. BSEC/CMRRCD/2006-158/208/Admin/81, dated: June 20, 2018, on financial reporting and disclosure issued by BSEC. According to these notifications, the Company is required to provide a statement in its Annual Report that the BSEC Corporate Governance Code has been complied with in all aspects. We also compliant with Insurers Corporate Governance Guideline, 2023 by Insurance Development & Regulatory Authority (IDRA) dated October 19, 2023.

City Insurance adopted best corporate governance practices across all functions of the Company and also has disclosed the compliance status in this report as per regulatory requirement. Furthermore, we took following initiatives as part of our compliance:

- The positions of Managing Director and Chairman held by separate person;
- The proportion of Independent Directors (1/5 of total Directors) has been complied;
- The Independent Roles of the Directors and Chairman's Roles are separated;
- Distinct Roles of the CS, CFO and Head of Internal Audit & Compliance; and
- Distinct Sub-Committee of the Board.

A certificate on compliance with the CGC certified by Professional Chartered Accountants (Salahuddin & Associates



Internal Policies and Implications

We have various Board prescribed policies & procedures in practice for internal control and good corporate governance across. Illustration of some of our policies as approved by the Board are namely:

- Whistle Blower Policy;
- Employees' Participation in Management Policy;
- Dividend Distribution Policy;
- PSI Policy
- Investment Policy
- Risk Management Policy;
- Policyholder Protection & Compliance Policy

Chartered Secretaries) in practice has been enclosed in this Annual Report 2023 page no. 277. Besides the mandatory compliance, our Company also voluntarily complies with local and international government standards of professional bodies, such as Corporate Governance Checklist of Institute of Chartered Accountants of Bangladesh, Institute of Chartered Secretaries of Bangladesh, Institute of Cost and Management Accountants of Bangladesh, and global best practices

1. Board of Directors, Chairman:

The Board of Directors has the principal duty to secure the continued success of the Creating and to generate long-term value for shareholders. The leadership and supervision of the company's business activities are ultimately the responsibility of the Board of Directors, who are also accountable for the management, direction, governance, and performance of the organisation. It is undeniable that the Board is crucial in establishing the foundational principles and culture of the company. Making ensuring the right resources are available to implement the plan and provide the organisation with sustainable performance is another duty of the Board. In order to assess and manage risks within predetermined parameters, the Board, through its Committees, directs and oversees the Company's operations within an agreed framework of controls. The Board has a shared obligation to the Company's shareholders to run the business in a responsible manner and guarantee the success of the company.

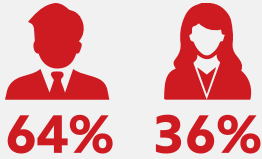
The Board of Directors of City Insurance currently consists of 14 (Fourteen) Directors, all of whom are non-executive, including the Chairman. The existing Board of Directors of the Company includes three Independent Directors as prescribed in BSEC Corporate Governance Code 2018 (Amended up to 2023) Condition No. 1(2)(a).

Board Size

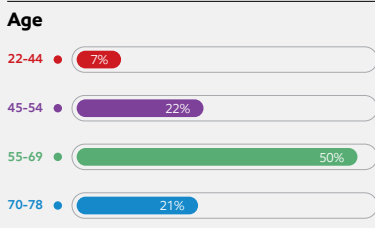
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A suitable board size should adhere to regulatory standards, encourage constructive disagreement and accountability, and facilitate robust and healthy debate.

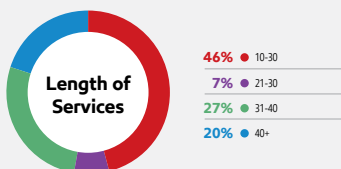
Gender Diversity



Age Diversity



Length of Experience



Board Composition (Non-Executive Directors)



Balance of Executive and Non-Executive Directors



Balance of Shareholding & Non-Shareholding Directors



11 ● Shareholder Director
3 ● Non-Shareholder Director (Independent Director)

Independent Director

(Non-shareholding Director)

21% refers more than 1/5 ratio, 03 Independent Directors out of 11 Non-Executive Directors



Expertise

An effective Board incorporates pertinent knowledge, skills, and industry expertise in an experienced manner.

1.1 Policy on Appointment of Directors including Independent Directors

1.1.1 Criteria for Appointing Directors including Independent Directors

- Provision of Companies Act, 1994 (As amended 2020)
- 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

The appointment of new Directors by City General Insurance Company Limited 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.

- 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).

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 (As amended 2020), 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 General Insurance Company Limited 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) 03 Independent Directors (1/5 out of the total Board size 14) who are duly elected by the shareholders in the AGM.

The Board is chaired by **Mr. Hossain Akhtar**. He is an industrialist and eminent business personality.

1.1.2 Appointment and Re-appointment Criteria of Independent Director

In the case of Non-Executive Independent Directors, the recommendation received from various sources for highly capable and seasoned professionals who fulfill all the required criteria for appointment set by the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) and Insurer's Corporate Governance Guideline, 2023 of IDRA, The Nomination and Remuneration Committee (NRC) scrutinizes the CVs upon verifying necessary stuff (NID, ETIN etc.) in line with the Corporate Governance Code along with pertinent guidelines, circulars and notifications of BSEC and makes decisions in favor of the most suitable candidate followed by the regulatory consent from BSEC. After that, the Board shall appoint the Independent Director. Finally, the Independent Director is appointed in the Annual General Meeting (AGM) by the shareholders; any casual vacancy of directors may be fulfilled by the Board subject to approval by the shareholders in the subsequent AGM.

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;

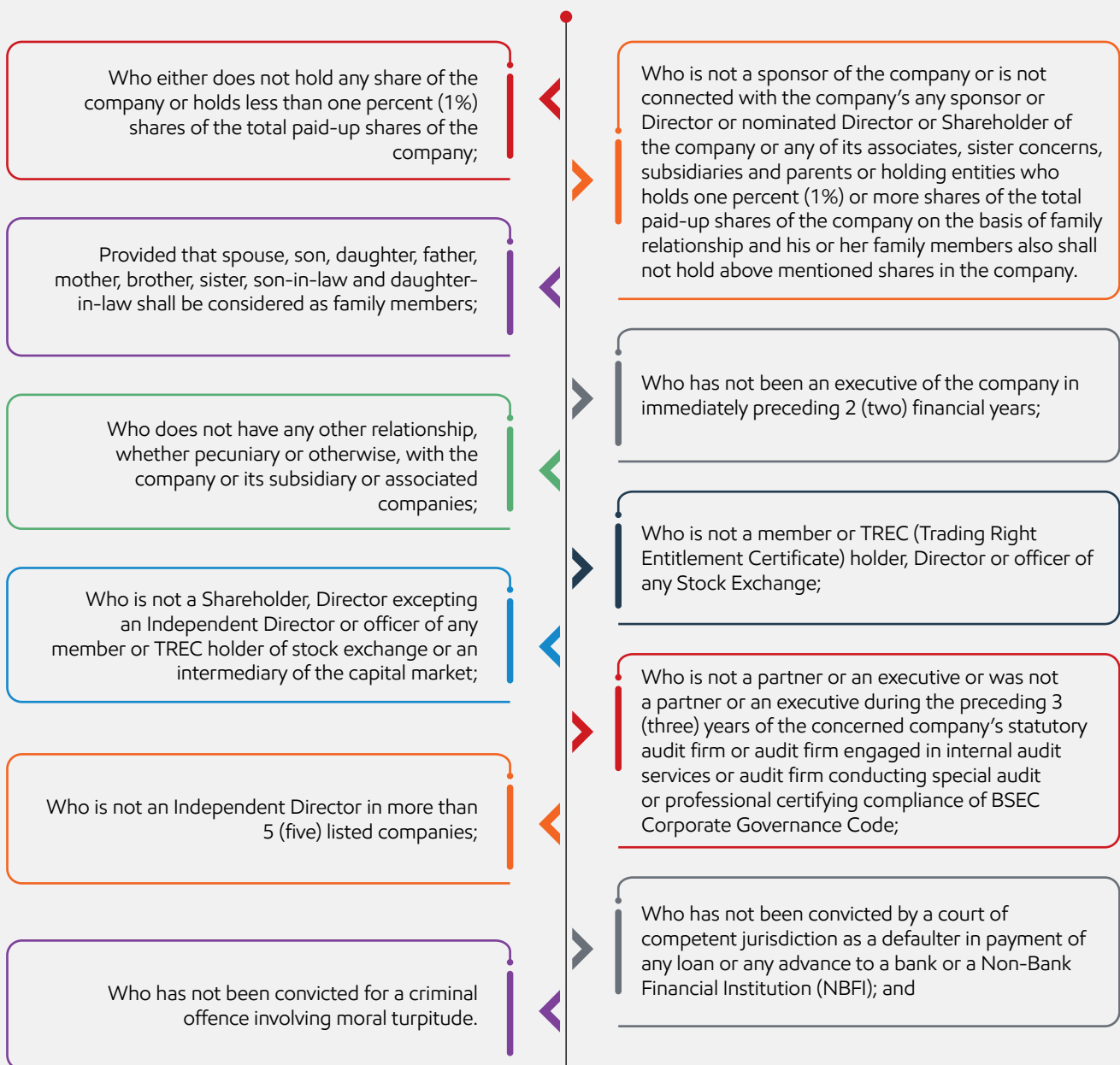
If the office of a director is vacated for a period exceeding 90 (ninety) days, other Directors will proceed for appointment or take over his position as per applicable provision of the Laws & Regulations;

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.

Following criteria should be fulfilled to be an Independent Director



1.1.3 Terms & Conditions for Appointment of the Independent Directors:

- The appointment is for a term of 03 (three) years commencing from the date of appointment and ending (Termination Date) in the Annual General Meeting of the company following the date of appointment and shall not be liable to retirement by rotation. Unless the appointment is renewed on or prior to the Termination Date, the appointment shall come to an end on the Termination Date. The appointment is as per the company's Articles of Association;
- Notwithstanding the other provisions of the terms and conditions of the appointment of the Independent Director, the appointment may be terminated with or without cause at any time by the Company with immediate effect, in accordance with the Companies Act, 1994 and Rule & Regulations made thereunder and the company's Articles of Association or, as applicable, or upon the resignation of the Independent Director, or the Board of Directors (excluding the concerned Independent Director) is of opinion that the continued appointment is not in the interest of the company. Upon such termination or resignation of the appointment for any reason, the Independent Director shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of the appointment or any damages whatsoever. Upon such termination or resignation, the Independent Director will have to undertake to sign all appropriate paperwork that the company may require;
- During the term of the appointment, the Independent Director may be asked to serve on one or more of the Board Committees including Audit Committee, Nomination and Remuneration Committee or such Committee of the Board of the Directors from time to time and copies of the terms of Reference for each of those committees will be provided to him/her; and
- If circumstances change, and the Independent Director believes that his/her independence may be in doubt, he/she should discuss this with the Chairman of the company as soon as possible.

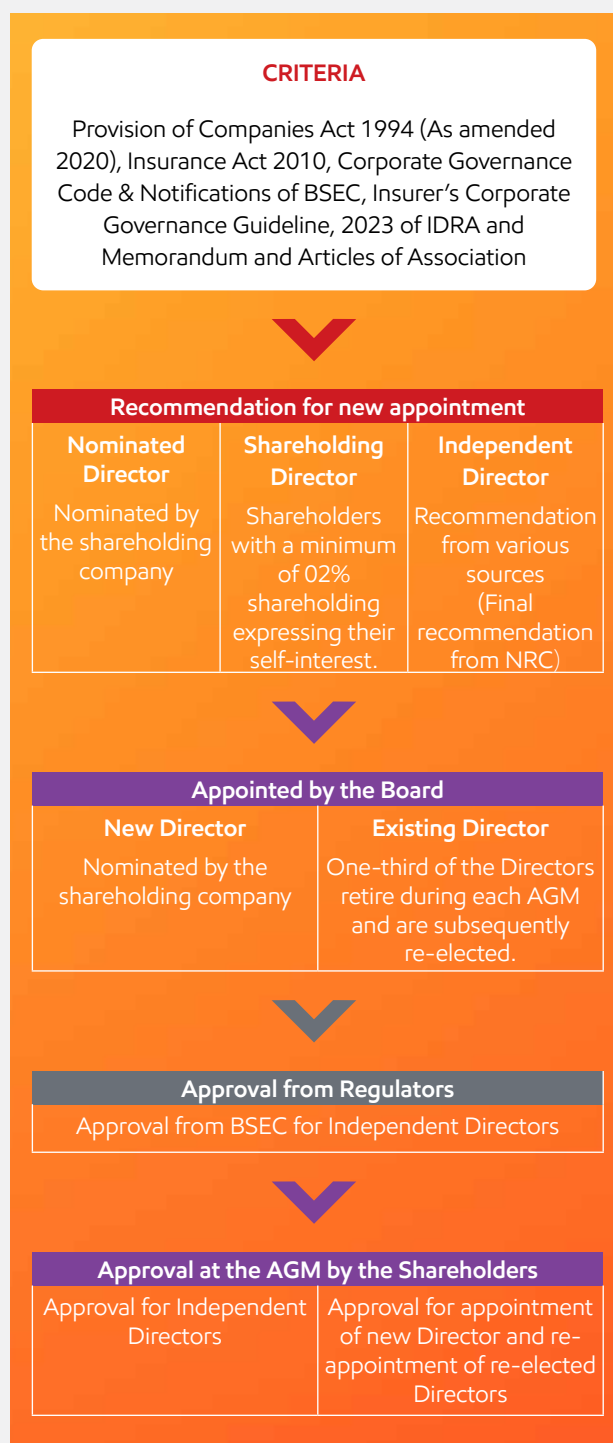
1.1.4 Qualification of Independent Directors

Independent Directors of City General Insurance Company Limited 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.

1.2 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.

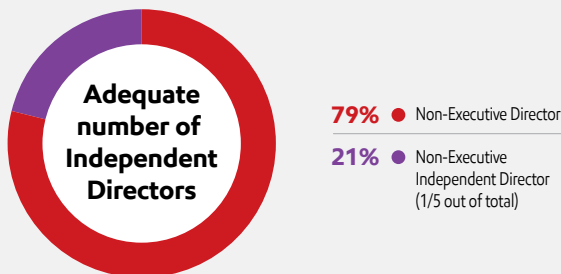


Disclosure of Appointing Independent Director

In accordance with the applicable regulatory guidelines and relevant laws of the country, **Mr. Mahabubul Haque**, an Independent Director, has been re-appointed in 2024 by approval of BSEC after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company which will be place at 28th AGM.

1.2.1 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 **Mr. Mohammad Saif Noman Khan**, an Associate Professor at the Institute of Business Administration (IBA), University of Dhaka. It is noteworthy that they do not hold any shares of the company.



1.2.2 Independence of the 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 Directors' Remuneration

Directors are not eligible for any other remuneration other than the attendance fee for the Board and its committee Meetings. During the year 2023, a total amount of Tk. 7,36,000.00 (Excluded VAT & Tax) was paid to the Directors as Remuneration/Meeting Attendance Fees and travel expenses. Details of the Directors' attendance record are shown in Annexure-II.

1.3.1 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.

1.4 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.

1.5 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 university teacher 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 Mr. Mohammad Saif Noman Khan an Associate Professor at the Institute of Business Administration (IBA), University of Dhaka. In addition the detail profile of the Board of Directors are shown in page no. 75-77 of this Annual Report 2023.



1.6 Induction Policy of the Directors

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;

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.

1.7 Board Meeting

1.7.1 Number of Board meeting

The Board had 06 (Six) scheduled meetings for the financial year ended 31 December 2023. The number of meetings of the Board and its committees held during the accounting year and the attendance of the Directors at those meeting are disclosed in the Annexure II of this Annual Report 2023 page no. 130.

1.7.2 The Gap between two Board Meetings

In compliance with the provision section 96 of the Companies Act, 1994, City General Insurance Company Limited conducted Board of Directors meeting at least once in every three and at least 06 (Six) such meetings during the year 2023. Details of the Board of Directors' Meeting are as follows:

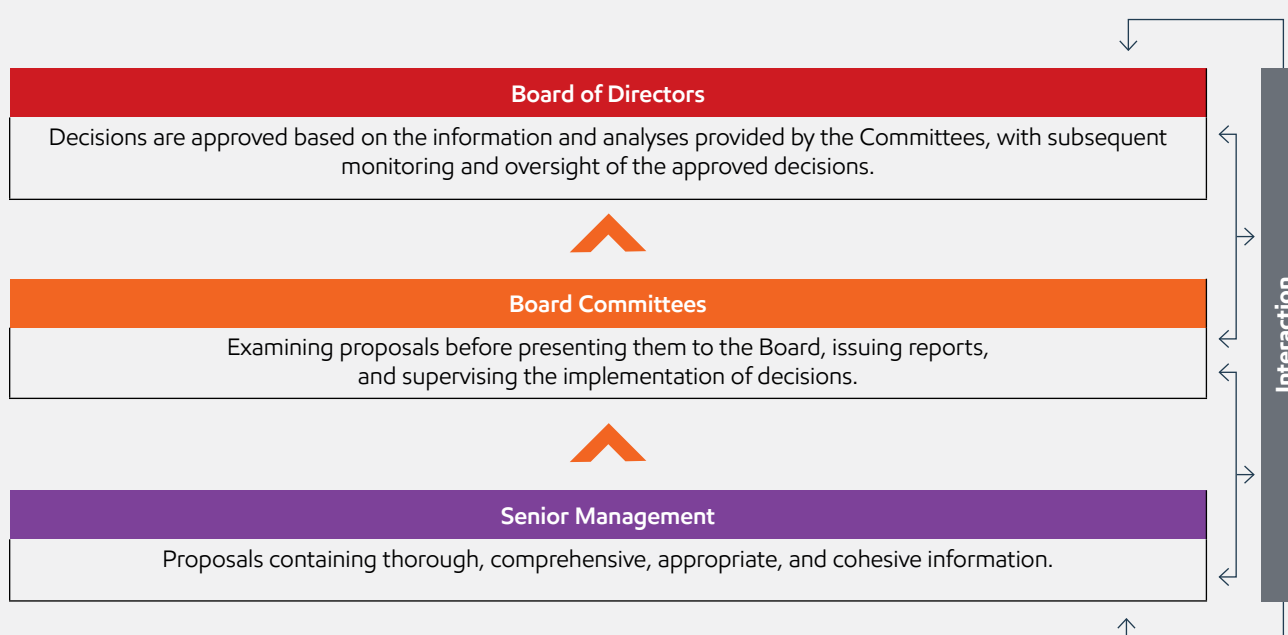
Name of Board Meeting	Meeting date	Attendance	Absent
205th	13/02/2023	13 of 14	Hasina Parveen Manwar
206th	30/03/2023	13 of 14	Mohammad Saif Noman Khan
207th	18/04/2023	12 of 14	Faizah Mehmood, Hasina Parveen Manwar
208th	16/07/2023	12 of 14	Hasina Parveen Manwar, Selina Ahmed
209th	23/10/2023	12 of 14	Mohd. Abu Taher, Faizah Mehmood
210th	26/12/2023	12 of 14	Bibi Amena, Mohammad Saif Noman Khan

1.7.3 Notice & Agenda

Board meeting: City General Insurance Company Limited 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.



1.8 Board meetings are conducted duly, minutes are kept and records are maintained as per Bangladesh Secretarial Standards (BSS) as adopted by ICSB:

The meetings of the Board of Directors are held on a regular basis at City General Insurance Company Limited.

Management provides information, references and agenda wise working papers to all Directors for consideration within stipulated time. The Chairman of the Board of Directors allows sufficient time for the Directors to consider each agenda prudent and freely discuss and express opinions to adopt accurate decisions for the interest of the shareholders.



1.8.1 Hybrid Meetings

Due to Covid situation and the new normal, City Insurance has arranged a number of Virtual and Hybrid Meetings of the Board and its Sub-committees which are duly recorded and kept as per Bangladesh Secretarial Standards (BSS-5) of ICSB. The company has a plan to continue such virtual meetings in the long run.

1.8.2 Proceedings and resolutions

Proceedings and resolutions taken by the Board are recorded. Minutes of a Board meeting is signed by the Chairman of

the meeting and copy of minutes is submitted to Insurance Development & Regulatory Authority (IDRA) within 30 (Thirty) days from the date of meeting. The decisions taken in the Board meeting are disseminated by the company secretary to whom such decision relates.

1.8.3 Compliance with the ICSB Secretarial Standard

City Insurance strictly follows the Bangladesh Secretarial Standard of the Institute of Chartered Secretaries of Bangladesh (ICSB). The CGIC Board secretariat follows all procedures to ensure sound corporate governance. The compliance status of ICSB Secretarial Standards is as follows:

SI No.	BSS No.	Title of BSS	Compliance Status
1	BSS-1	MEETINGS OF THE BOARD OF DIRECTORS	Complied
2	BSS-2	GENERAL MEETINGS	Complied
3	BSS-3	MINUTES	Complied
4	BSS-4	DIVIDEND	Complied
5	BSS-5	MEETING THROUGH ELECTRONIC MODES	Complied
6	BSS-6	RESOLUTIONS BY CIRCULATION	Complied

1.9 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.

1.9.1 Retirement and Re-election of Directors

As per Article 112 of Articles of Association of the Company the following 03 (three) Directors will retire from the Board by rotation at 28th Annual General Meeting and being eligible as per Article 114 offer themselves for re-appointment.

Sl No.	Name of the Director	Designation	Remarks
1	Mr. Hossain Akhtar	Chairman (Representative of Anwar Jute Spinning Mills Ltd.)	Retired and Re-appointed
2	Mr. Harunoor Rashid	Director (Representative of Khaled Iron & Steel Mills Ltd.)	Retired and Re-appointed
3	Mr. Haji Md. Yousuf	Director	Retired and Re-appointed

Brief Resume and other information of the Directors as per clause 1.5 (xxiv) of BSEC Corporate Governance Code on 03 June 2018 are delimited in this Annual report at page no. 70, 71 & 73.

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.

Sl No.	Name of the Director	Designation	Remarks
1	Mr. Muhammad Nazirul Islam	Shareholder Director (Nominated by Anwar Landmark Ltd.)	Retired and Re-appointed

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 2023 page no. 74.

1.10 Policy on Training for the Board of Directors

The Director Training Policy encompasses various components, including the provision of training and updates on the latest developments in the insurance industry. This involves covering pertinent aspects such as recent legislation, policy guidelines, circulars, and rules issued by regulatory bodies. The objective is to ensure that directors can effectively fulfill their responsibilities. Additionally, specialized discussion sessions with experts may be arranged to address highly technical and complex issues. Directors are actively involved in programs and seminars covering business, economic, technical, professional, and corporate governance aspects conducted by reputable professional organizations. Newly appointed Directors undergo a comprehensive briefing, outlining their duties on the Board, along with legal and other responsibilities as corporate Directors. They also receive an extensive induction package, providing insights into statutory and regulatory obligations, the company's governance structure, policies, procedures, codes, terms of reference for board subcommittees, and the charter of responsibilities.

1.11 Succession Plan

Incorporating succession planning is a critical aspect of corporate governance strategies aimed at achieving the company's long-term goals. City Insurance recognizes the essential role of a succession plan in aligning the knowledge, experience, and skill set of the board members with the evolving demands of the financial industry. Consequently, regular reassessment of the board is deemed necessary to ensure its continued effectiveness in adapting to the dynamic landscape of the industry.

1.12 Code of Conduct

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. 78 of this annual report.

1.13 Directors Report on Financial Statements and Corporate Governance

Board of Directors of the Company requires to financial statements for accounting year. Moreover, the Board of the Company need to include an additional statements or disclosures in the Directors' report prepared under section 184 of the Companies Act, 1994 (Act no. XVIII of 1994). A separate statement of Director Responsibility for financial

reporting and corporate governance is given in page no. 203-204 of this Annual Report 2023.

1.14 Chairman

1.14.1 Different positions of Chairman and CEO

Different individuals assume the roles of Board Chairperson and Managing Director & CEO within the Company. The Chairperson of the Board is selected from the non-executive directors of the company. The responsibilities of the Chairman and the Managing Director & CEO are distinct and separate. The Chairman refrains from engaging in the day-to-day operational matters of the company.

1.14.2 Independence of the Chairman

In compliance BSEC Notification No. BSEC/CMRRC/2006-158/207/Admin/80 on the Corporate

Governance Code, dated June 3, 2018, the functional responsibilities of the Chairman of the Board and the Managing Director and CEO are kept separate and independent of each other. City Insurance has ensured this compliance. The Board has appointed Mr. Hossain Akhtar as the Chairman of City General Insurance Company Limited. The Chairman has no business relation with the Company.

1.14.3 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:



2. ROLES & RESPONSIBILITIES OF THE BOARD AND DIRECTORS

Roles & Responsibilities of the Board			
Strategic	Framework	Governance	Board Function
<ul style="list-style-type: none"> • Strategy development & implementation • Set direction, vision, and policies • Talent development • Succession planning 	<ul style="list-style-type: none"> • Directors' appointment • Inspiration and mentorship • Knowledge diversity • Evaluate top executive performance 	<ul style="list-style-type: none"> • Ensure stakeholders interest • Integrity transparency & accountability • Responsible business conduct • Risk management & internal control 	<ul style="list-style-type: none"> • Report to the shareholder • Directors participation & quality discussion • Interacting with management • Minutes recording • Decision implementation

Roles & Responsibilities of the Board of Directors		
Board Approaches	Board Proficiencies	Board Structures
<ul style="list-style-type: none"> • Morals • Integrity • Rapport • Personalities 	<ul style="list-style-type: none"> • Talent • Aptitude • Associates • Knowledge 	<ul style="list-style-type: none"> • Policies • Process • Procedures • Board Committees



Directors’ Report to the Shareholders

The directors’ report to the shareholders of City General Insurance Company Limited is duly presented of this Annual Report at page no. 200.

Board contribution in Meetings/Debates

Board Members are anticipated to actively engage in discussions without personal biases or prejudices, firmly believing that the outcomes of these deliberations will be in the best interest of the company's progress.

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. 307.

2.1 Key Activities performed by Board in 2023

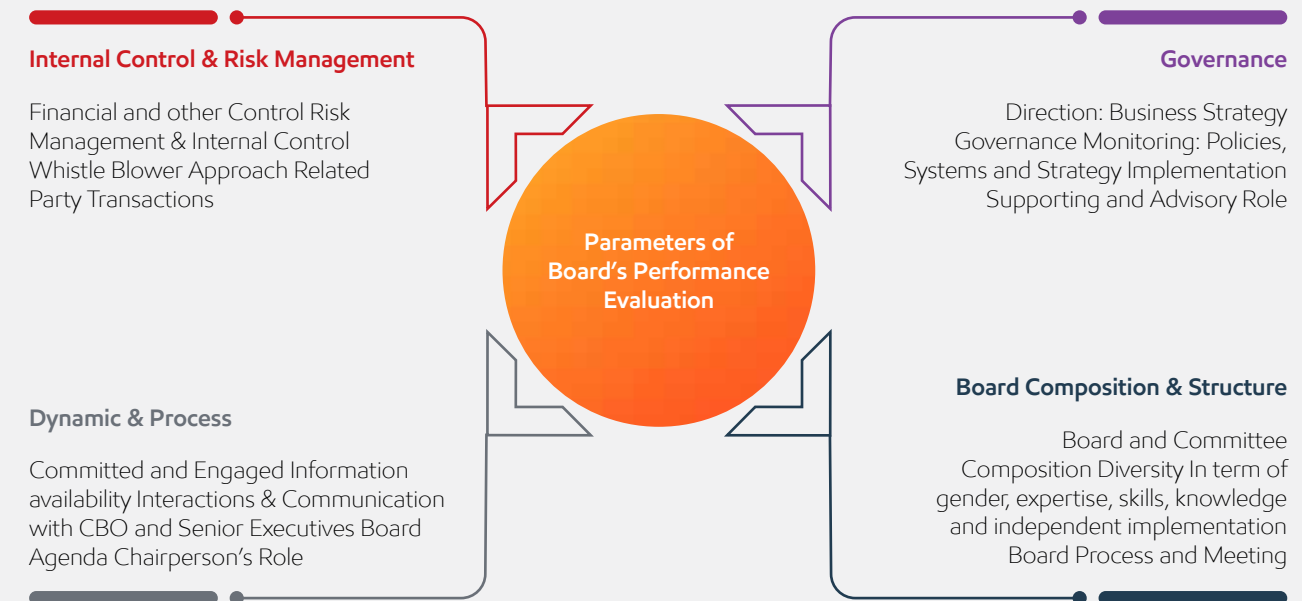
During FY 2023, the Board met 06 (Six) times to deliberate and consider a variety of significant matters that required its guidance and approval. The Board also had separate sessions with the management to discuss the Company’s strategies. Among the topics and strategies that were reviewed, deliberated and approved by the Board during FY 2023 were as follows:



2.2 Annual Appraisal of the Board’s Performance and disclosure

Shareholders play a crucial role in evaluating the board’s performance, scrutinizing the company’s financial position and performance, and assessing the effectiveness of the

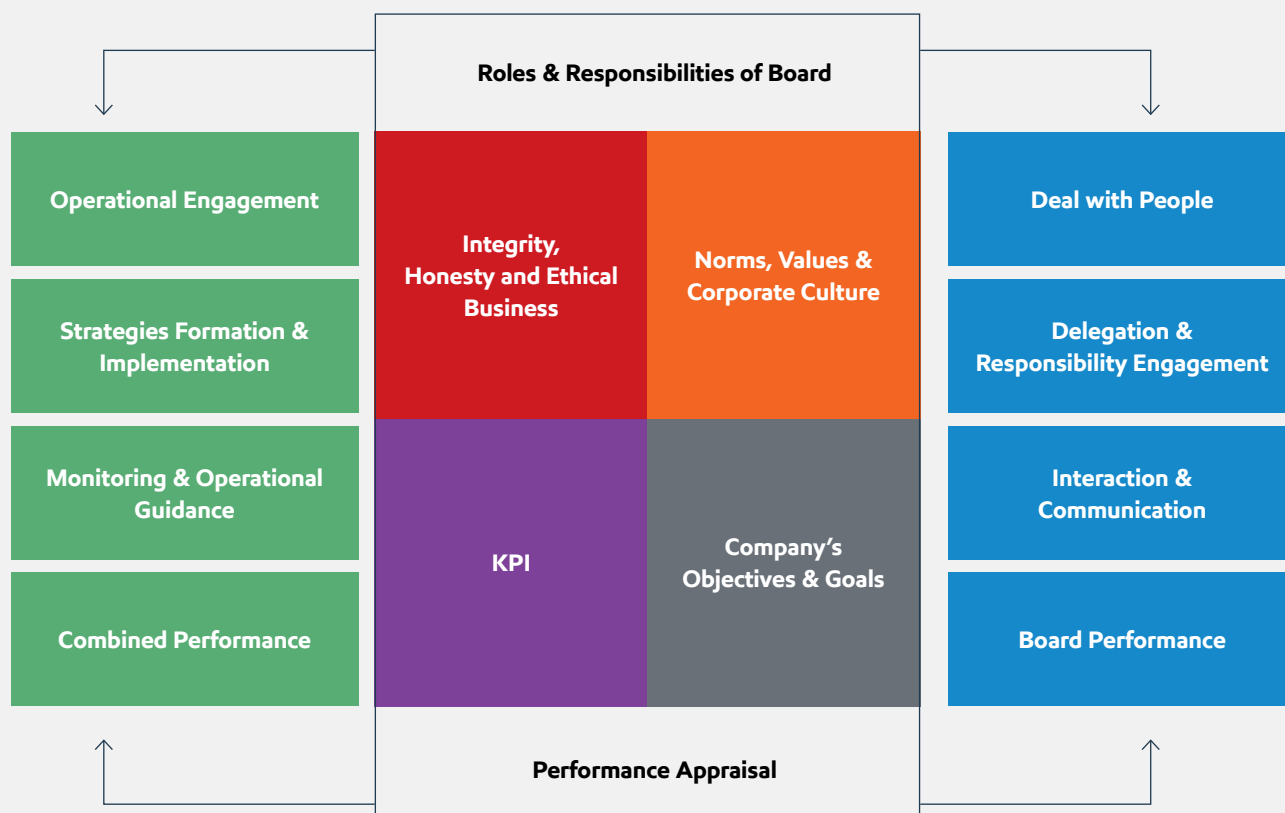
internal control system and overall governance mechanism during the Annual General Meeting (AGM). At the AGM, shareholders have the opportunity to pose questions to the Board, and the Chairman ensures a patient hearing and provides responses.



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.

2.3 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



2.4 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 Integrity

It is essential to verify that the person has not received a criminal conviction from any court of law or faced punishment for breaching any regulations.



• Experience and Suitability

It is necessary to verify that the candidate possesses a minimum of 15 years of active experience in the insurance sector as an officer, with a minimum of 3 years in a position directly subordinate to the Chief Executive Officer. Additionally, a master's degree from a recognized university is a mandatory



• Transparency and Financial Integrity

It is crucial to verify that the person has not engaged in any unlawful activities during the execution of their duties and does not have a history of being a bank defaulter or being declared insolvent.

2.5 Appointment of Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC)

In accordance with the company's policy and relevant rules and regulations, the Company has designated individuals for key roles, including the Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit & Compliance (HIAC). These appointees possess expertise in their respective fields, covering financial, regulatory, and corporate legislation, enabling them to fulfill their assigned responsibilities. The roles, responsibilities, and duties of the Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Control & Compliance were explicitly outlined and authorized by the Board.

2.6 Shareholding Status of the Directors

The Company mandates that all sponsors, promoters, and directors maintain a perpetual ownership stake of at least 30% in the company. Additionally, each Director, excluding the Independent Director(s), must possess a minimum of 2% of the company's paid-up capital. In adherence to BSEC Notification No. BSEC/CMRRCD/2009-193/119/Admin on Corporate Governance, dated November 22,

2011, all directors, excluding Independent Directors, at City General Insurance Company Limited have adhered to this BSEC Notification. The collective shareholding of Sponsors/Directors in City Insurance stands at 36.06%. The specific shareholding details of the Directors are provided in Annexure III of the Annual Report 2023, located on page no. 131.

3. BOARD COMMITTEES 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, following the directives of the Insurance Development and Regulatory Authority (IDRA), as per their letter Ref. No. 53.03.0000.075.22.025.2020.230, dated October 19, 2023, regarding the "Insurer's Corporate Governance Guidelines,

2023," a total of 05 (Five) Board committees are deemed mandatory. Subsequently, during the 210th meeting convened on December 26, 2023, the Board of Directors established the Investment Committee, Risk Management Committee, and Policyholder Protection & Compliance Committee as additional mandatory committees within the company. These committees assume 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:

- Audit Committee (AC)
- Nomination & Remuneration Committee (NRC)
- Investment Committee (IC)
- Risk Management Committee (RMC)
- Policyholder Protection & Compliance Committee (PP&CC)

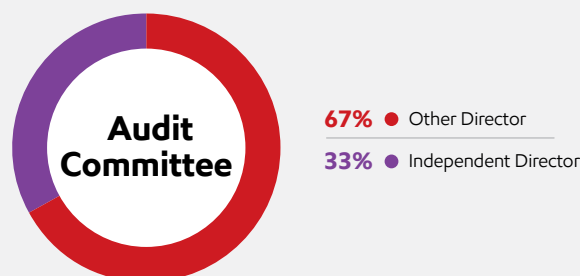
3.1 Audit Committee

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.

3.1.1 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.

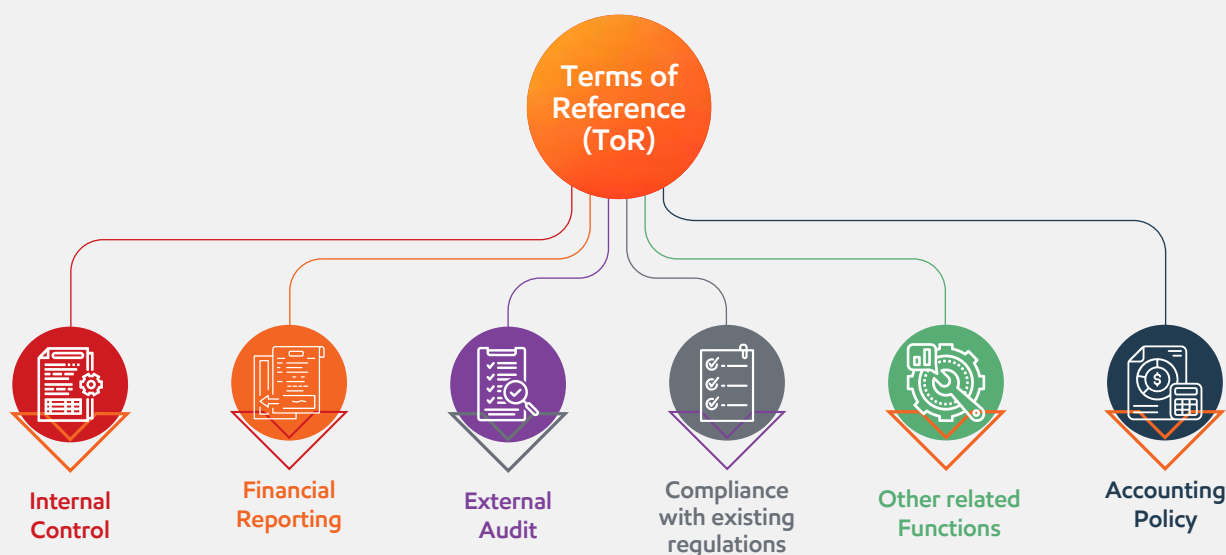


3.1.2 Chairman of the Audit Committee as an Independent & Non-Executive Director and his qualification

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. 75 In Annual Report 2023.

3.1.3 Terms of Reference of Audit Committee

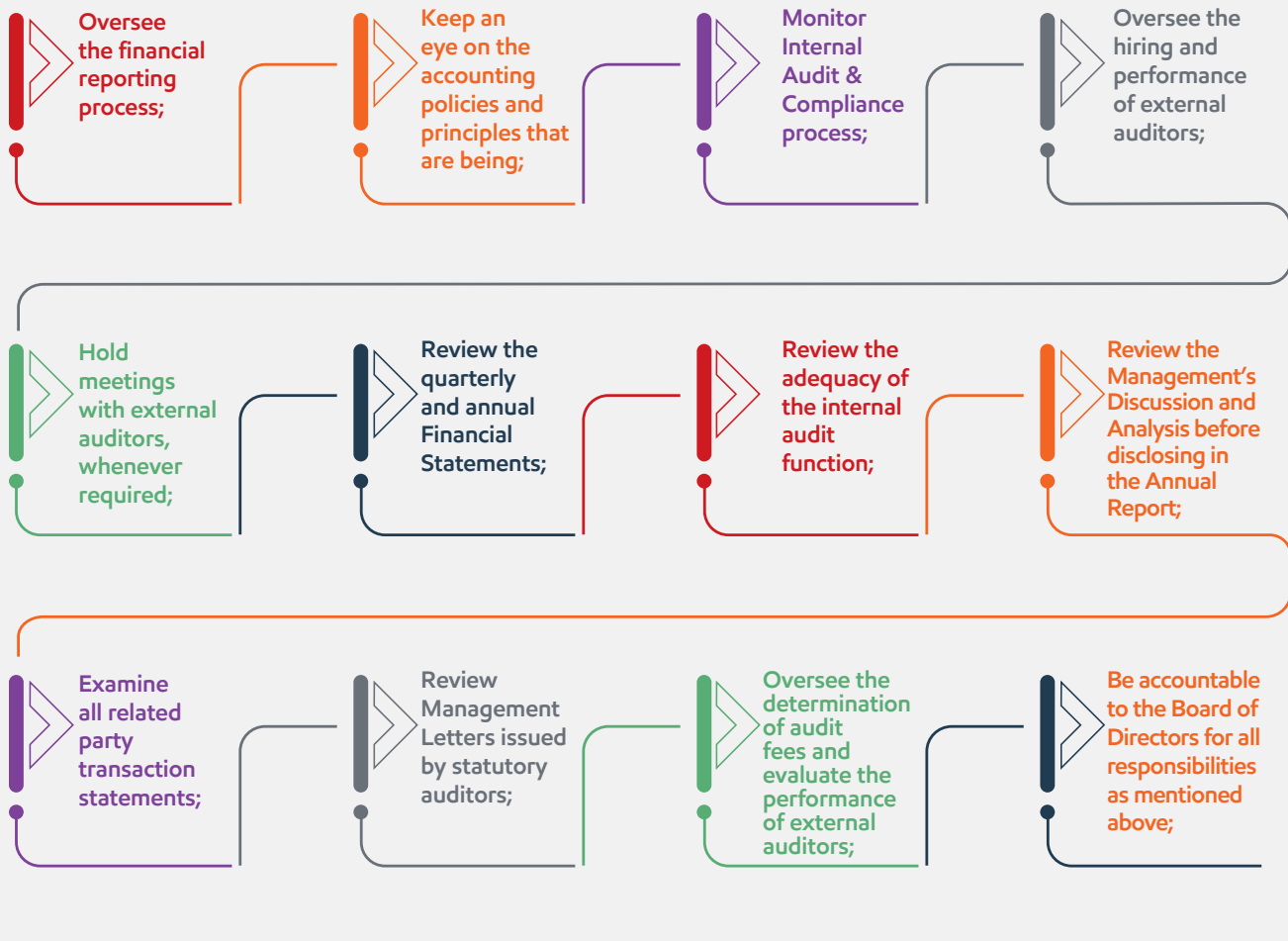
The Audit Committee holds the responsibility of supervising and managing diverse risks linked to the company's operations. To uphold disciplined operations within the company, the committee strengthens the internal control system and acts as a central point for both internal and external auditors.



3.1.4 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:



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.

3.1.5 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 CGIC'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.

3.1.6 All members of the Audit Committee are suitably qualified and expert in Finance & Accounting

Every member of the Audit Committee possesses high

competence and represents a diverse array of educational backgrounds, contributing to the committee's uniqueness and diversity.

3.1.7 Accessibility of Head of Internal Audit and Compliance (HIAC) to Audit Committee

Mr. Md. Ibrahim Mollah, the Head of Internal Audit & Compliance (HIAC), has direct access to the Audit Committee, allowing him to raise any concerns whenever deemed necessary for presentation to the committee.

3.1.8 Audit Committee meeting, attendance and remuneration

The Audit Committee conducted 4 (Four) meetings during the Year 2023. The following is the Statement of Audit Committee Meetings, Attendance, and Remuneration for the period January 1, 2023 to December 31, 2023:

Sl.	Name of Directors	Position in the Board	Position in the Committee	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Mahbubul Haque	Independent Director	Chairman	4	4	8,000
2	Mr. Md. Harunoor Rashid	Non Executive Director	Member	4	4	8,000
3	Mr. Muhammad Nazirul Islam	Non Executive Director	Member	4	4	8,000

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 CGIC 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. 252 of this Annual Report.

3.1.11 Reporting 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 2023.

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 2023, no such incidents occurred at CGIC.

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 2023.

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. 266 of this Annual Report.

3.2.1 Internal controls are well conceived, properly administered and satisfactorily monitored

The effectiveness of internal controls is continuously reviewed by the Audit Committee to ensure that they are working adequately and effectively. Audit Committee regularly evaluates the adequacy and effectiveness of the Company's internal control systems by reviewing the actions taken on lapses/ deficiencies identified in reports prepared by Internal Control and Compliance Division.

3.2.2 Role to ensure compliance with laws and regulations

City Insurance demonstrated its dedication to adhering to relevant laws and regulations, including timely regulatory reporting, and the Audit committee regularly examines these compliance efforts.

3.2.3 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.

3.2.4 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 2023 to the shareholders at the 27th AGM held on March 30, 2023. Accordingly, the shareholders have approved their appointment. In compliance with the BSEC corporate governance code, the statutory auditors will not provide any other services other than the statutory audit. To ensure full disclosure of matters, the external auditors are regularly invited to attend the Audit Committee meetings regarding finalizing the annual audited financial statements as well as general meetings of the company.

3.2.5 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.

3.2.6 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 2023, M/s. Islam Quazi Shafique & Co., Chartered Accountants, did not render any of the following services:

- Appraisal or valuation services or fairness opinion;
- Financial information system design and implementation;
- Book keeping or other services related to accounting records or financial statements;
- Broker-dealer services and Actuarial services;
- Internal audit services or special audit services;
- Audit or certification services on compliance of corporate governance;

3.2.7 Selection of appropriate accounting policies

The Audit Committee plays a crucial role in supporting the Board in overseeing the financial reporting process and ensuring the quality of the Company's financial statements. This is to fulfill the Board's fiduciary duty in presenting a clear, balanced, and meaningful assessment of the Company's financial position, performance, and prospects to shareholders and the public. Additionally, the Audit Committee is responsible for evaluating the appropriateness of the Company's accounting policies and any changes to these policies. Acting on the recommendations of the Audit Committee, the Board ensures that the Company's financial statements for each financial year accurately reflect a true and fair view in accordance with Bangladesh Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1994 (amended up to 2020) and Insurance Act 2010.

3.2.8 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.

3.2.9 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.

3.2.10 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.

3.3 Nomination & Remuneration Committee (NRC)

The persistence of the Nomination and Remuneration Committee (NRC) is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board by identifying, screening, and reviewing individuals qualified to serve as Non-Executive Directors and Independent Directors. The committee also assists the Board in discharging its responsibilities relating to compensation of the Company's Non-Executive Directors and Senior Management.

A separate report on the activities of the Nomination and Remuneration Committee (NRC) has been presented on the page no. 268 of this annual report.

3.3.1 Purpose

The Committee aids the Board in developing criteria or policies for establishing the qualifications, positive attributes, experiences, and independence of directors and top-level executives. Additionally, it contributes to the formulation of a policy outlining the formal process for considering the remuneration of directors and top-level executives.

3.3.2 Role of NRC

4.1.1 NRC shall be independent and responsible or accountable to the Board and to the shareholders;

4.1.2 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.

3.3.3 Constitution of NRC

3.3.4 Chairperson

- One member of the NRC to be Chairperson of the Committee appointed by the Board, who shall be an independent director;
- 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;
- 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.

3.3.5 Membership

- 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;

3.3.6 Meeting and attendance NRC Committee

The Nomination and Remuneration Committee (NRC) conducted 2 (Two) meetings during the Year 2023. The

following is the Statement of Nomination and Remuneration Committee (NRC) Meetings, Attendance, and Remuneration for the period January 1, 2023 to December 31, 2023:

Sl.	Name of Directors	Status in the Board	Status in the Committee	Meeting Held	Attended	Remuneration (Per meeting)
1	Mr. Mr. Tauhiduddin Md. Zahed	Independent Director	Chairman	2	2	8,000
2	Haji Md. Yousuf	Non Executive Director	Member	2	2	8,000
3	Mr. Muhammad Nazirul Islam	Non Executive Director	Member	2	2	8,000
4	Mr. Hossain Akhtar	Chairman (Non Executive Director)	Member	0	0	--

** Mr. Hossain Akhtar was appointed on 26 December 2023. During this time no NRC meeting was conducted.

3.3.7 Proceedings of Meetings

3.3.8 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;

3.3.9 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;

3.3.10 Meeting Fees

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.

3.3.11 Minutes of Meeting

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.

3.4. 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 during its 210th Board of Directors meeting on December 26, 2023, designating it as a compulsory Board committee.

3.4.1 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.

3.4.2 Constitution Investment Committee & meeting:

- 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.

3.4.3 Role of the Investment Committee



3.4.4 Meeting and attendance of Investment Committee

Sl.	Name of member	Status in the Board	Status in the Committee
1	Mr. Harunoor Rashid	Non Executive Director	Chairman
2	Mr. Hossain Akhtar	Chairman (Non Executive Director)	Member
3	Faizah Mehmood	Non Executive Director	Member
4	Mr. Mohammad Aman Ullah	Non Executive Director	Member
5	Mr. Tauhiduddin Md. Zahed	Independent Director	Member

NB: The Investment Committee was formed on December 26, 2023; therefore, no meetings were scheduled in 2023.

3.4.5 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.

I. Reporting Structure

The Chief Investment Officer shall report directly to the Chief Executive Officer (CEO) and maintain a collaborative relationship with the Board of Directors or relevant board committees.

II. Key Duties and Responsibilities

1. Investment Strategy and Policy

- Develop and recommend investment strategies aligned with the organization's overall objectives and risk tolerance.
- Formulate, review, and update investment policies to reflect market conditions and regulatory changes.

2. Portfolio Management

- Oversee the construction and management of the organization's investment portfolio.
- Monitor asset allocation, diversification, and risk exposure to optimize returns and manage volatility.
- Regularly review and adjust the portfolio in response to market dynamics.

3. Due Diligence

- Conduct thorough due diligence on potential investment opportunities.

- Assess the financial health, risks, and potential returns associated with various investment options.
- Ensure compliance with legal, ethical, and regulatory standards in all investment decisions.

4. Risk Management

- Implement risk management strategies to mitigate potential losses and enhance portfolio stability.
- Monitor and analyze market and economic trends to anticipate and respond to potential risks.
- Establish and maintain risk tolerance guidelines for the investment portfolio.

5. Performance Evaluation and Reporting

- Develop and implement performance measurement metrics for the investment portfolio.
- Provide regular and comprehensive reports to executive leadership and the board on investment performance and market trends.
- Conduct post-investment reviews to assess the success of various investment decisions.

6. Stakeholder Communication

- Communicate the investment strategy, performance, and outlook to stakeholders, including the board, executive leadership, and investors.
- Address inquiries and provide insights on market conditions and portfolio positioning.

7. Compliance and Regulatory Oversight

- Stay informed about relevant regulations impacting investment activities.
- Ensure compliance with legal and regulatory requirements in all investment decisions and activities.

III. Review and Update

This Roles and Responsibilities shall be subject to periodic review and updates to ensure alignment with the organization's goals, industry standards, applicable regulatory requirements and market conditions.

3.4.6 Investment Policy of City General Insurance Company Limited

I. Introduction

City General Insurance Company Limited 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 General Insurance Company Limited'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.
- b) 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).

- c) 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.
- d) 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 Limits and Restrictions

The investment portfolio of City Insurance shall comply with the following limits and restrictions, as per the IDRA guidelines and the Board of Directors' approval:

- a) The total investment portfolio of City Insurance shall not exceed 100% of the net assets of the company.
- b) The capital market investments of City Insurance shall not be more than 25% of the total investment portfolio of the company.
- c) The Govt. Treasury Bond investments of City Insurance shall not be less than 75% of the total investment portfolio of the company.
- d) The FDR investments of City Insurance shall not be more than 80% of the total investment portfolio of the company.
- e) Up to 15% of the Company's Net Assets may be invested in bonds issued for the development of substantial infrastructure guaranteed by the Government and in other bonds rated 'AA' or equivalent by an independent rating agency approved in Bangladesh.
- f) With the approval of the Government, the company may invest 5% of its Net Assets in debentures or other securities issued by any City Corporation.
- g) Up to 5% of the company's Net Assets can be invested in debentures approved by the Bangladesh Securities and Exchange.

V. Asset Allocation

City General Insurance Company Limited 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.
- b) 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 General Insurance Company Limited aims to optimize returns, manage risks prudently, and fulfill its fiduciary responsibilities to shareholders/policyholders and stakeholders.

3.5 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 during its 210th Board of Directors meeting on December 26, 2023, designating it as a compulsory Board 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;

3.5.1 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.

3.5.2 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.

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.

3.5.4 Meeting and attendance of Risk Management Committee

Sl.	Name of member	Status in the Board	Status in the Committee
1	Mr. Muhammad Nazirul Islam	Non Executive Director	Chairman
2	Faizah Mehmood	Non Executive Director	Member
3	Mr. Tauhiduddin Md. Zahed	Independent Director	Member
4	Mr. Mohammad Saif Noman Khan	Independent Director	Member

NB: The Risk Management Committee was formed on December 26, 2023; therefore, no meetings were scheduled in 2023.

3.5.6 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.

I. Reporting Structure

The Chief Risk Officer shall report directly to the Chief Executive Officer (CEO) and have a direct line of communication with the Board of Directors or relevant board committees.

II. Key Duties and Responsibilities

1. Risk Identification and Assessment

- a) Conduct regular risk assessments to identify and evaluate potential risks.

- b) Develop and maintain a comprehensive risk register that encompasses all significant risks faced by the organization.
- c) Collaborate with department heads and business units to gather information on emerging risks.

2. Risk Mitigation and Management

- a) Design and implement risk mitigation strategies and action plans.
- b) Monitor the effectiveness of risk mitigation measures and adjust strategies as needed.
- c) Provide guidance to business units on risk management best practices.

3. Compliance and Regulatory Oversight

- a) Stay abreast of regulatory developments and ensure the organization's compliance with relevant laws and regulations.

- b) Collaborate with legal and compliance teams to address regulatory requirements.
- c) Establish processes for monitoring and reporting compliance risks.

4. Risk Reporting and Communication

- a) Prepare and present regular risk reports to the executive leadership team and the board.
- b) Facilitate effective communication of risk-related matters across the organization.
- c) Ensure transparency and clarity in risk reporting to stakeholders.

5. Crisis Management and Business Continuity

- a) Develop and maintain a crisis management plan.
- b) Coordinate with relevant stakeholders to ensure effective response to crises.
- c) Establish and maintain business continuity plans to mitigate operational disruptions.

6. Risk Culture and Training

- a) Foster a risk-aware culture throughout the organization.
- b) Develop and implement training programs to enhance risk management capabilities.
- c) Encourage open communication and reporting of risks at all levels.

7. Key Performance Indicators (KPIs) and Metrics

- a) Define and track key risk indicators (KRIs) to measure the organization's risk exposure.
- b) Establish KPIs for the risk management function and regularly assess performance against these metrics.

III. Review and Update

This Roles and Responsibilities shall be reviewed periodically to ensure its relevance and effectiveness. Any necessary updates or amendments will be made in consultation with the CEO and the Board of Directors.

3.5.7 Risk Management Policy City General Insurance Company Limited

City General Insurance 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:

- Through the investment policy of the company manage risks associated with the company's investment portfolio.
- Diversify 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 reinsurance strategy of the company transfer and manage risks 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.

3.6 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 during its 210th Board of Directors meeting on December 26, 2023, designating it as a compulsory Board committee.

3.6.1 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.

3.6.2 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.
- 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.

3.6.3 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.

3.6.4 Meeting and attendance of Policyholder Protection & Compliance Committee

Sl.	Name of member	Status in the Board	Status in the Committee
1	Mr. Muhammad Nazirul Islam	Non Executive Director	Chairman
2	Faizah Mehmood	Non Executive Director	Member
3	Mr. Tauhiduddin Md. Zahed	Independent Director	Member
4	Mr. Mohammad Saif Noman Khan	Independent Director	Member

NB: The Policyholder Protection & Compliance Committee was formed on December 26, 2023; therefore, no meetings were scheduled in 2023.

3.6.5 Policyholder Protection & Compliance Committee 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 General Insurance Company Limited 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.

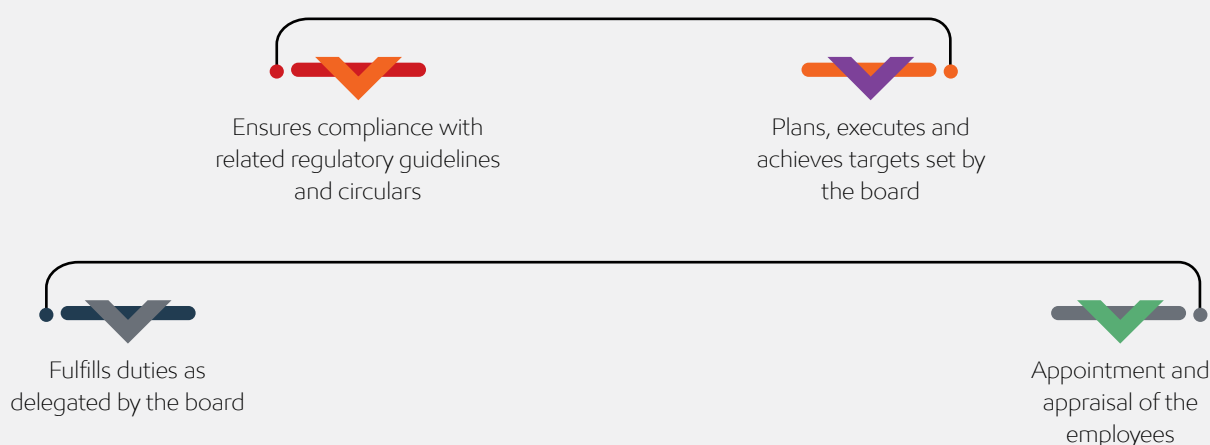
4. MANAGEMENT TEAM

4.1 Managing Director & CEO

The Board of City General Insurance Company Limited appointed Mr. Md. Shamim Hossain as Managing Director & CEO. Before that he joined City General Insurance Company Limited 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 22 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 Management profile at page no.85 of this Annual Report.



4.2 Roles and responsibilities of Managing Director & CEO

To act as the Chief Executive Officer reporting to the Board of Directors;

To remain accountable to the Board for the overall performance of the company;

To develop annual business plan;

To implement the Board's policies, decisions and strategies in effective manner;

To report to the Board on progress against the strategic and annual business plan on a regular basis;

To ensure appropriate internal audit and internal audit control process;

To develop and implement a risk management plan for underwriting insurance business;

Comply with the activities of Articles Association of the company;

Above all to concentrate towards Transparency, Accountability, Reliability, value enhancement and Reputation.

The Managing Director & CEO acts as a direct liaison between the Board and the Management of the company, and communicates to the Board on behalf of the Management; and

The Managing Director & CEO also communicates on behalf of the Company to the employees, Government authorities and other stakeholders including shareholders, BSEC & regulatory bodies.

4.3 Managing Director and CEO does not hold the same position in another company

Mr. Md. Shamim Hossain assumed the role of CEO at City General Insurance Company Limited 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 profile of this report on page no. 85.

4.4. COMPANY SECRETARY (CS)

4.4.1 Appointment of Company Secretary (CS)

The Board appoints the Company Secretary (CS) in accordance with the Corporate Governance Code guidelines. The role of the Company Secretary demands individuals with expertise and experience in the field. The responsibilities and duties of the Company Secretary (CS) are explicitly outlined. For a detailed profile of the Company Secretary (CS) Mohammed Ashaduzzaman Sarkar refer to the Management profile section of this report on page no. 88.

4.4.2 Roles & Responsibilities of the Company Secretary

Ensures adherence to appropriate Board processes and facilitates the Board's complete and timely access to all pertinent information;

Act as an intermediary between the company, Board of Directors, stakeholders, government, and regulatory authorities;

Maintaining continuous communication with the stakeholders through intimation, PSI and material information;

Facilitates induction and training programs, as well as helping with the Board's professional development needs;

Act as the Chief Compliance Officer of the company

To act with the Board Chairman, sub-committee of the board and the management for implementing best Corporate Governance Practice with the organization.

To perform any other duties as assigned by the Chairman and CEO.

4.5. CHIEF FINANCIAL OFFICER (CFO)

4.5.1 Appointment of Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) is appointed by the Board as per the guideline of Corporate Governance Code. The position of the Chief Financial Officer (CFO) requires

individuals with experience and expertise in the respective field. The roles, responsibilities, and duties of CFO are clearly defined. Profile of the Chief Financial Officer (CFO) **Mr. Sheikh Azizul Haque, ACS** of City General Insurance Company Limited is given in detail in the Management profile of this report on page no. 86.

4.5.2 Roles & Responsibilities of the Chief Financial Officer (CFO)

Prepare Annual Budget and oversee financial and Business plan

Provide necessary financial information to support decision-making for the CEO, audit committee, and the Board.

To be involved vigorously to formulate business strategies, long term business plans and keep close liaison with the Board of the Company

To ensure accounts for all adjustment entries and provisions at the end of the year while finalizing Annual Financial Statements as per Company Law, Insurance Act & Rules, Income Tax Ordinance and applicable rules & laws.

Ensure to follow accounting standards and Financial Standards like IAS, BAS, IFRS and BFRS

Oversee preparation of monthly financials with analysis and recommendations

To manage the company Tax and VAT matters and keep the files updated with NBR authorities.

Collaborate with the External Auditor, providing the necessary documents and explanations as required.

To perform any other duties as assigned by the Chairman and CEO.

4.6. HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC)

4.6.1 Appointment of Head of Internal Audit and Compliance (HIAC)

The Board appoints the Head of Internal Audit and Compliance (HIAC). The Head of Internal Audit and Compliance (HIAC) position requires individuals with experience and expertise in the respective fields. The roles, responsibilities, and duties of HIAC are clearly defined. Profile of the Head of Internal

Audit and Compliance (HIAC) Mr. Md. Ibrahim Mollah of City Insurance is given in detail in the Management profile of this report on page no. 86.

4.6.2 HIAC has access to the Audit Committee and Reports to the Audit Committee

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.

4.6.3 Roles & Responsibilities of Head of Internal Audit and Compliance (HIAC)

To assess and mitigate various control risks in order to ensure better risk management and robust internal control

Oversee operational compliances in line with internal policies and external regulations

To prepare annual audit plans based on analysis and priorities

To design and undertake audit program to achieve specific objective

To ensure that internal audit reports are prepared and finalized in a timely manner, and the same are submitted before the Audit Committee

To conduct special investigation on the allegation of fraud, forgery noticed by the Management

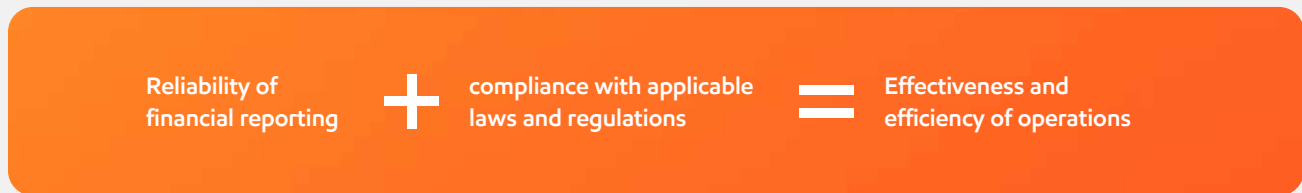
To perform other duties and special projects as assigned by the CEO or Audit Committee

5. INTERNAL CONTROL & RISK MANAGEMENT

The Board of Directors at City Insurance is confident that the Company maintains internal controls across its operations to ensure adherence to applicable laws, regulations, and policies, instilling confidence among the public. This integrated report includes further disclosures specifically addressing significant control failures or weaknesses in 2023 related to one or more distinct events. The Board of City General Insurance Company Limited bears the responsibility of overseeing regular reviews of the Company's internal control system and risk management practices. This oversight aims to adapt to the evolving and demanding operational environment of the Company.

5.1 Statement of Director's responsibility to establish an appropriate system of Internal Controls


The board maintains a vigilant approach toward the company's internal control system to achieve and uphold a satisfactory qualitative standard in its investment portfolio. The board has instituted an internal control system to ensure the independence of the internal audit process from the management. Quarterly meetings of the Board include reviews of reports submitted by its audit committee, focusing on compliance with recommendations from both internal and external audit reports. The main objectives of internal control are as follows:



5.2 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 activities

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.

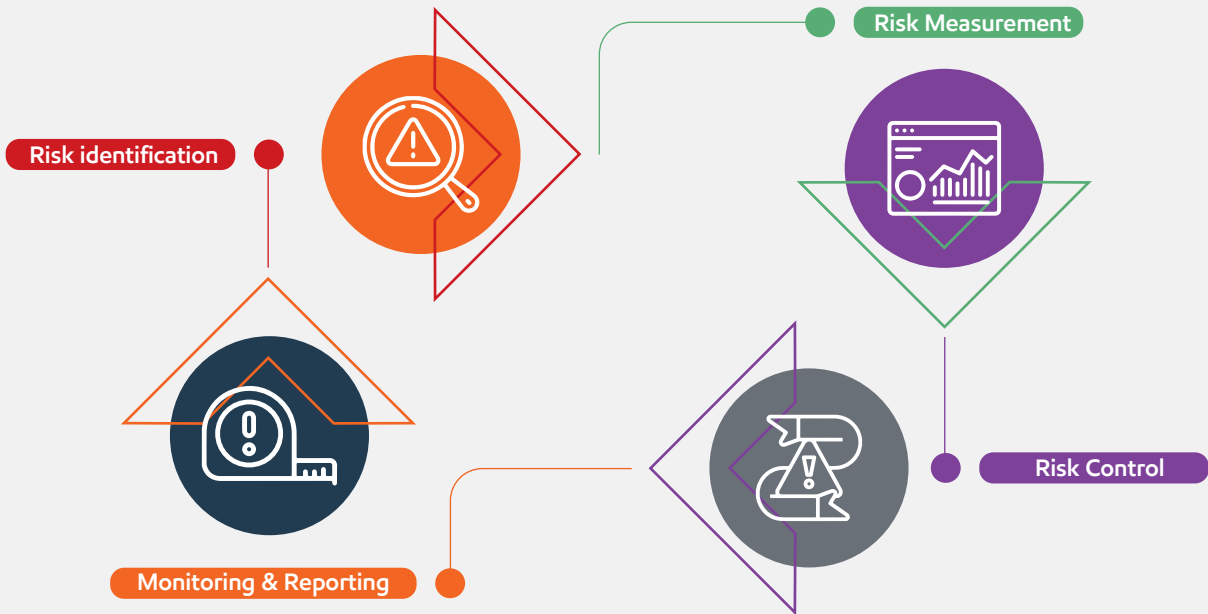
5.3 Statement that the directors have reviewed the adequacy of the system of internal Controls

Leveraging the internal controls instituted and upheld by the Company, along with the assessments conducted by both internal and external auditors, reviews by management, various Board Committees, and assurances from the CEO and CFO, the Board, in agreement with the Audit Committee, affirms that, as of December 31, 2023, the Company's internal controls are sufficient and effective. These controls address financial, operational, compliance, and information technology risks that the Company deems pertinent and material to its operations. For further details, please refer to page no. 205.

5.4 Risk Management Committee (RMC) of the Board

The Company has established a Risk Management Committee (RMC), tasked with strategizing and overseeing the comprehensive risk management of the Company. The specific roles and responsibilities of the RMC are elaborated in the "Risk Management Committee" on page no. 235. The RMC, functioning as a board committee, plays a crucial role in ensuring the Company's risk management practices are efficient and aligned with its overarching goals and objectives.

5.5 Disclosure of the strategies adopted to manage and mitigate the risks



6. APPOINTMENT OF EXTERNAL AUDITORS

6.1 Statutory Auditor

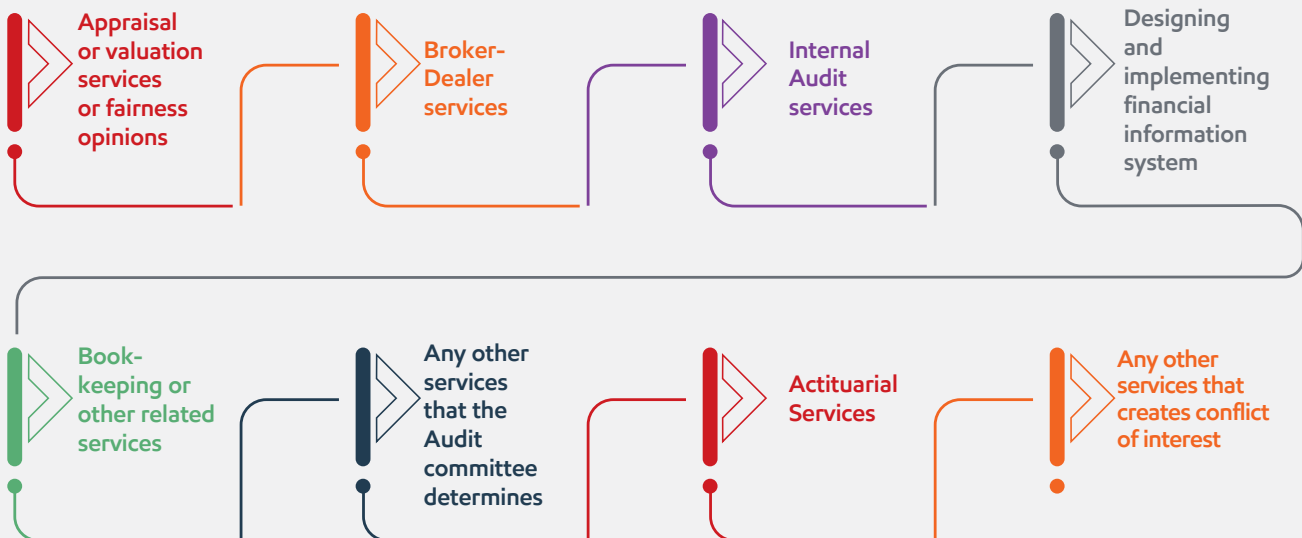
The current statutory auditor of City General Insurance Company Limited appointing M/s. Islam Quazi Shafique & Co., Chartered Accountants who were duly appointed by the shareholders in the last 27th Annual General Meeting held on March 30, 2023. As per regulations, an external auditor can serve consecutively for up to three years. Having served City Insurance for the first year, M/s. Islam Quazi Shafique & Co., Chartered Accountants is eligible to continue their service for the subsequent year.

6.2 Appointment of Statutory Auditor

Following the recommendation of the Audit Committee, the Board proposes the re-appointment of M/s. Islam Quazi Shafique & Co., Chartered Accountants as the statutory auditor for the year 2024. This recommendation is subject to approval by the shareholders in the 28th Annual General Meeting of the company.

6.3 External Auditor does not involve with City Insurance’s matters

In accordance with BSEC guidelines, it has been verified that M/s. Islam Quazi Shafique & Co., Chartered Accountants did not provide any of the following services in favor of City Insurance during the year 2023.



No partner or employee of M/s. Islam Quazi Shafique & Co., Chartered Accountants did possess any share of City Insurance during the tenure of their audit assignment at City General Insurance Company Limited.

7. ETHICS, COMPLIANCE & TRANSPARENCY

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.

7.1 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. 78 & 79 of the Annual Report 2023. 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.

7.2 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.

7.3 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.

7.4 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.

7.5 The Board's commitment to establish high level of ethics and compliance

The commitment of the Board of Directors is to maintain a rigorous standard of ethics and compliance throughout the entire employee base. They continuously urge management to uphold a strong ethical culture within the Company, offering guidance on ethics and integrity policies.

7.6 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.

7.7 Insider Trading

Insider trading pertains to the buying or selling of a company's stock by directors or executives who possess non-public material information about that stock. Board members are strictly prohibited from participating in insider trading activities related to the purchase and sale of the company's securities. They must refrain from trading securities while in possession of material non-public information, regardless of whether the issuer is City Insurance or any other company. Moreover, it is prohibited for board members to share such information with individuals who may engage in the buying or selling of securities. The prohibition of insider trading is grounded in its potential to confer an unjust competitive advantage to insiders, prioritize their interests over fiduciary obligations, and enable them to artificially influence the value of a company's stock.

7.8 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

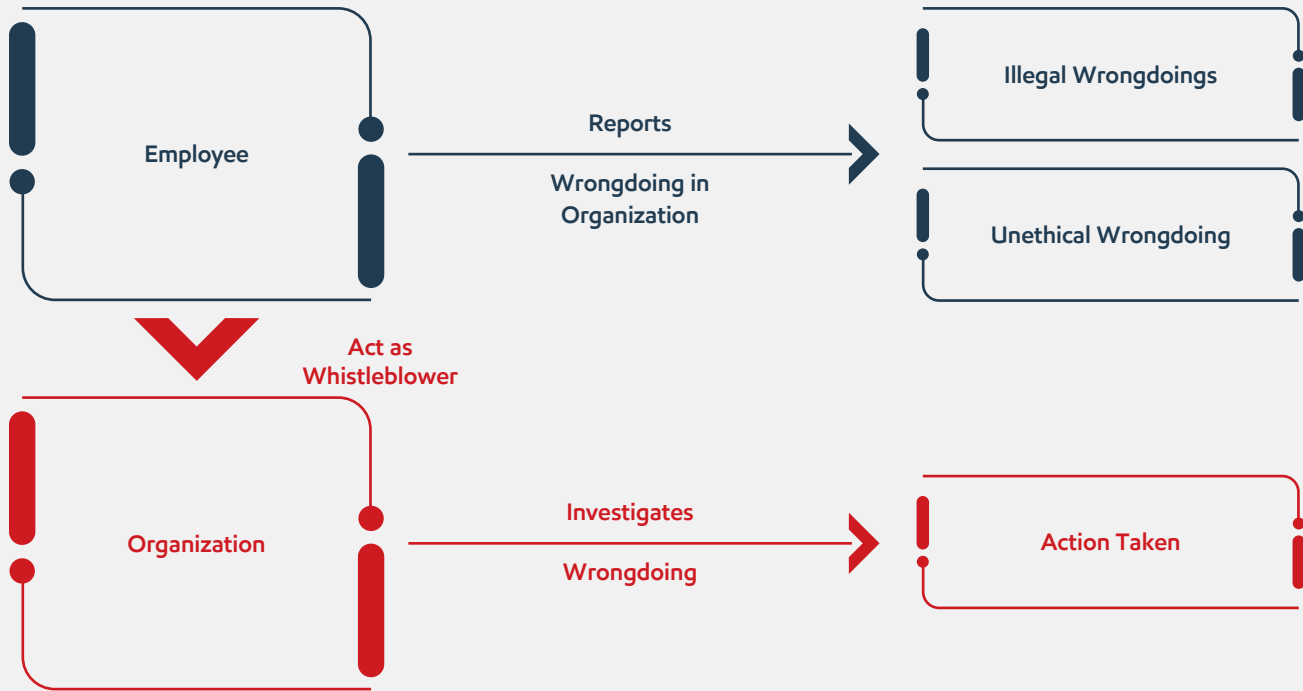
issued, directors and all employees are obligated to maintain strict confidentiality.

7.9 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.

7.10 Whistle Blower 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. 275 of the Annual Report 2023.

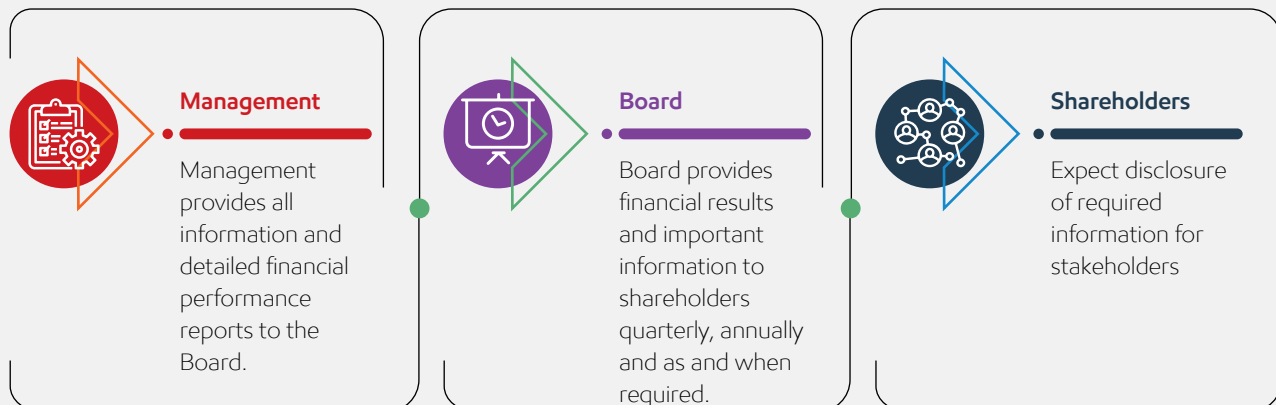


Disclosure: During the year 2023 there is no issues arose.

7.11 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.



7.12 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 requirements of the FI Act 1993, the rules and regulations issued by Insurance Development and Regulatory Authority (IDRA) time-to-time, the Companies Act 1994 and BSEC rules 2020.

7.13 Statement of Compliance with ICSB Secretarial Standards

All the secretarial standards: BSS: 1: Meetings of The Board of Directors, BSS: 2: General Meetings, BSS: 3: Minutes, BSS: 4: Dividend, BSS: 5: Virtual & Hybrid Meeting, BSS: 6: Resolution by Circulation issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) have been complied with.

7.14 Vision, Mission & Strategy

The Board-approved Vision and Mission statement of the company are included in this Annual Report on page no. 24. Additionally, this statement is available on the company's website and other relevant publications. The Annual Report also outlines strategic initiatives directed by the Board from time to time.

7.15 Policy to encourage employee's participation in Management

City Insurance promotes employee engagement and involvement in management through frequent Branch Manager's Conferences and employee meetings. These gatherings serve as a platform for employees to openly share their thoughts and ideas on various subjects, such as company policies, operational procedures, product and service innovation, and more. By fostering employee participation in decision-making and promoting transparent communication, the company leverages the knowledge and expertise of its workforce, fostering a more collaborative and inclusive culture. Elaborately describe at page no. 309.

7.16 Payment to vendors on time

To ensure the quality and dependability of the products and services it utilizes, CGIC 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.

7.17 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 133.22 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. 107 of this annual report.

7.18 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. 107 of this annual report.

7.19 Policy on Supply Chain management

City Insurance rigorously follows up its internal procurement policy and upgrades the policy regularly to ensure strong control and fair treatment of suppliers. Details has been given on page no. 195 of this annual report.

7.20 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, Executive Vice President & 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.

7.21. Compliance of Meeting & Remuneration

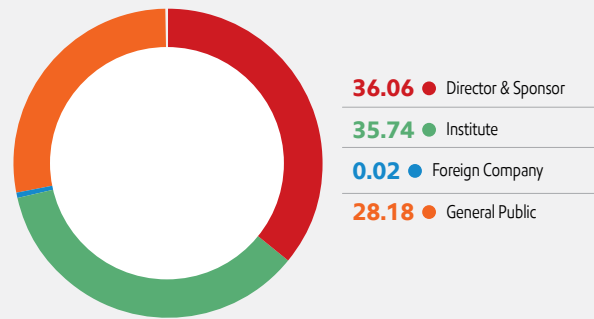
The company's Board Secretariat plays a crucial role in facilitating effective communication with Board members.

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 2023, six Board Meetings, four Board Audit Committee meetings, and two NRC Committee meetings were held. The details of these meetings and directors’ remuneration are outlined in the annexure of the directors’ report.

Types of Meeting	Year	No. of Directors	Meetings	Average Quorum
Board	2022	15	5	88%
	2023	14	6	89%
Audit Committee	2022	3	4	100%
	2023	3	4	100%
NRC	2022	3	1	100%
	2023	4	2	100%



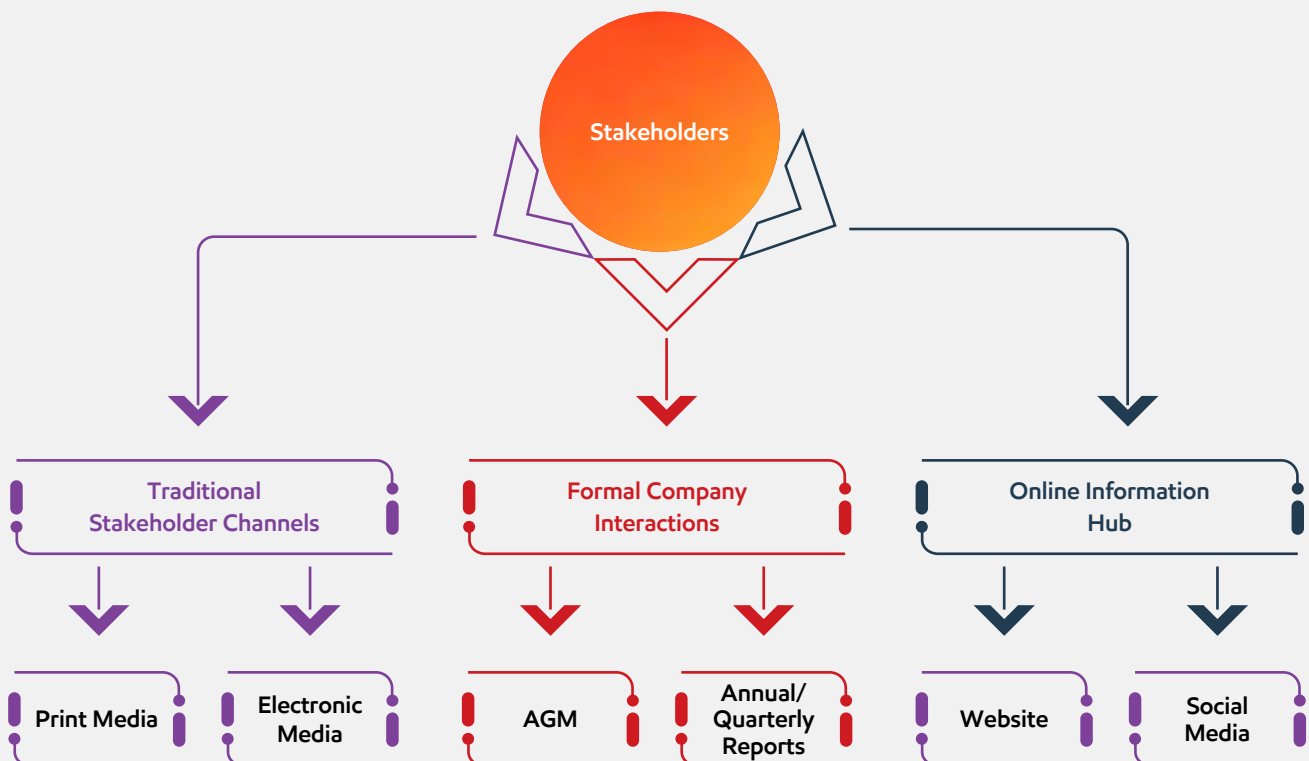
8. COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

8.1 Policy/strategy to facilitate effective communication with Shareholders and other stakeholders

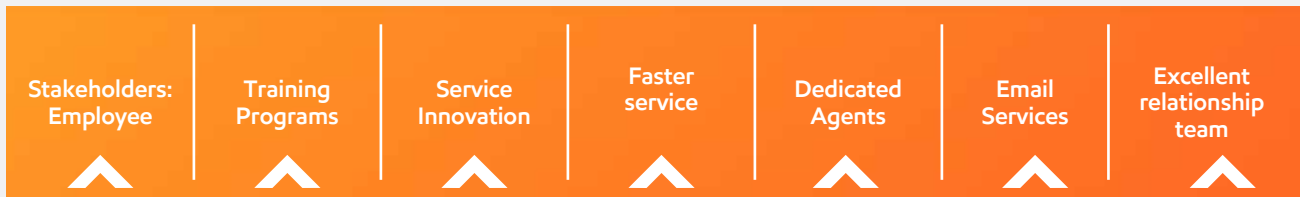
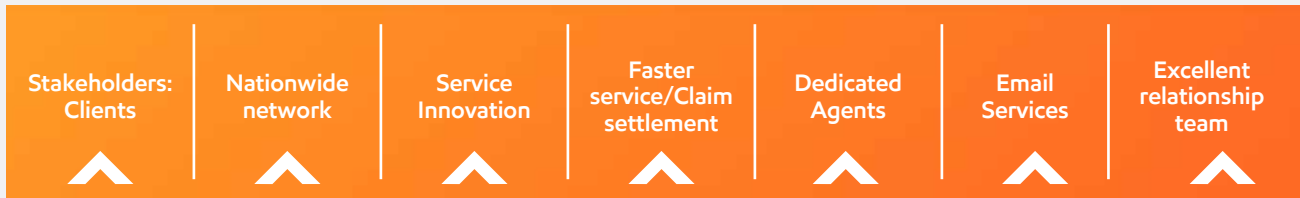
City Insurance is dedicated to effectively handling a diverse range of stakeholders in a responsive and satisfactory

manner. We meticulously identify and analyze our stakeholders based on their engagement with us, whether they be influencers (such as management), claimants (like shareholders), or a combination (such as government/regulators). Following the identification and analysis of stakeholders, we actively engage with them through various events and communication channels.

Ways of communicating with Stakeholders

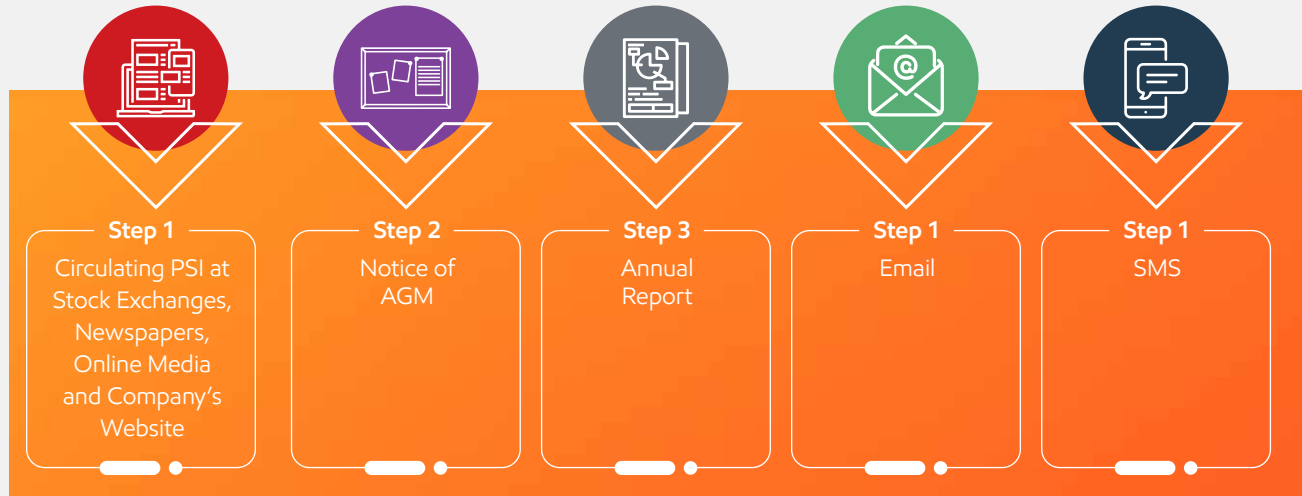


Creating Value For stakeholders



8.2 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:



8.3 Shareholders' Satisfaction and Confidence in the Company

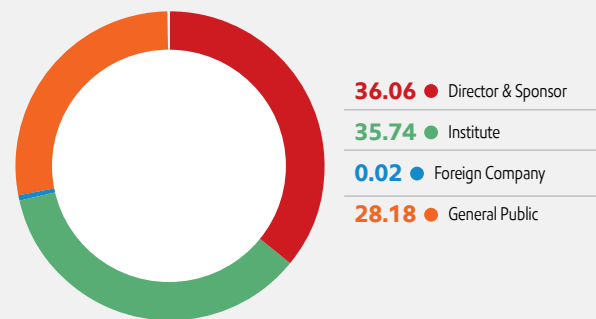
The Annual General Meeting (AGM) serves as a pivotal evaluation day for shareholders to assess an organization's activities from the preceding year. During the AGM, shareholders of City Insurance have the liberty to voice their opinions, express satisfaction, or convey dissatisfaction. The Board secretariat diligently records these expressions, considering them for future compliance. The election of the CGIC 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.

8.4 Shareholding Pattern

The authorized capital of City General Insurance Company Limited is Tk. 2,000.00 million, divided into 68.16 million ordinary shares of Tk. 10.00 each. The paid-up capital of the bank is Tk. 681.66 million, divided into 6,81,66,122 ordinary shares of Tk.10.00 each. As per Section 1(5)(xxiii) of BSEC Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, the pattern of shareholding for the year ended December 31, 2023 is as follows:

Types of Shareholders	Number of Share	Percentage of Holding
Sponsor & Director Group	2,45,81,629	36.06%
Institutes Group	2,43,62,092	35.74%
Foreign Intuition + NRB	16,844	0.02%
General Public	1,92,05,557	28.18%
Total	6,81,66,122	100.00%



8.5 Number of Shareholdings (Parent/Subsidiary/Associated Companies and Other Related Parties)

City Insurance does not have a parent, subsidiary or an associated company. Therefore, no shares were held by parent, subsidiary, or associated companies during the year 2022. Details have been shown in Annexure-III on page no. 131 of this annual report.

8.6 Shares held by Ten Percent (10%) or more Voting Interests in the Company

The shareholding position of ten percent (10%) or more voting interests in the Company has been shown in Annexure-III on page no. 132 of this annual report.

8.7 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.

8.8 Redress Investors' Complaints through 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.

8.9 Stakeholders whose expectations we meet

Given the increasing interest among stakeholders, encompassing shareholders and prospective investors, we have meticulously addressed this report to encompass governance issues pertinent to all parties. This effort is aimed at enhancing the report's reliability and verifiability, making it a valuable reference for assessing corporate governance practices. Our goal is to ensure the efficiency and effectiveness of administrative processes while maintaining transparency in procedures at all levels within City Insurance.

9. Annual General Meeting (AGM)

9.1 Annual General Meeting (AGM)

The company convened its 27th Annual General Meeting on March 30, 2023, at 11 AM via a virtual platform, in strict adherence to the notifications issued by BSEC. The voting platform for shareholders was accessible 24 hours before the meeting, and all agenda items were duly approved by the shareholders, with the majority of voting results thoroughly examined by an Independent Scrutinizer.



At 27th AGM following Directors and others were present

FIRST ROW FROM LEFT

- **Hossain Akhtar**
Chairman
- **Md. Hasan Khan**
Addl. Managing Director & CS
- **Md. Shamim Hossain**
Managing Director & CEO
- **Tauhiduddin Md. Zahed**
Independent Director & Chairman, NRC

SECOND ROW FROM LEFT

- **Sheikh Azizul Haque**
EVP & CFO
- **Muhammad Nazirul Islam**
Director & Member Audit Committee
- **Md. Belayat Hossain, FCA**
Partner, K. M. Alam & Co.
Chartered Accountants
- **Mahabubul Haque**
Independent Director and
Chairman, Audit Committee

THIRD ROW FROM LEFT

- **Haji Md. Yousuf**
Director
- **Ms. Faizah Mehmood**
Director
- **Md. Harunoor Rashid**
Director
- **Mohd. Abu Taher**
Vice Chairman

9.2 Summary of AGM

Particulars	2023	2022	2021	2020	2019	2018
AGM No.	27th	26th	25th	24th	23rd	22nd
Date of the AGM	30 March	25 April	30 June	16 Sept	30 June	10 June
Conduct By	Virtually	Virtually	Virtually	Virtually	Physical	Physical
Ordinary Business Agenda	5	6	6	5	6	5

9.3 Policy on Ensuring Participation of Shareholders at AGM

The following steps are taken to ensure shareholder participation in the AGM:

Step 1: CGIC 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.

9.4 Investor / Shareholder's grievance policy

Any complaint received, whether during the Annual General Meeting or throughout the year, regarding share transfer and transmission, non-receipt of Annual Reports, delays in dividend payments, or other share-related concerns, is addressed promptly and in accordance with the law. The resolution of these matters falls under the responsibility of the Company Secretary at City Insurance, ensuring lawful and timely resolution for the shareholders.

9.5 Independent Scrutinizer and Authenticated Report regarding due process of meeting and voting result

Appointment: As per BSEC Directives Ref No. BSEC/CMRRC/2009-193/08 dated 10 March 2021, an Independent Scrutinizer were duly appointed for the 26th

AGM of the company to authenticate the due process of meeting and the voting result of the meeting. ARTISAN-Chartered Accountants, Sonargaon Terrace (2nd Floor), House#52, Road#13/C, Block # E, Banani, 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.

9.6 Timeliness in issuing Financial Statements and holding AGMs

City General Insurance Company Limited 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). Particulars of last 03 (Three) Annual General Meetings are disclosed hereunder:

27th Annual General Meeting:

Date & Time: March 30, 2023 at 2:30 PM

Record Date: March 7, 2023

Conduct by: Virtually by using digital platform

Participants: 09 Directors and 2 Independent Directors (Including Chairman of the Audit Committee) were present. Resolutions were passed by the shareholders on the following:

- i. Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2022 and the Auditors' Report thereon;
- ii. Dividend @ 10.50% cash;
- iii. Appointment of Islam Quazi Shafique & Co., Chartered Accountants as statutory auditors.
- iv. In place of retiring Directors one third of the Board of Directors of City General Insurance Company Limited i.e. the following 3 (three) Directors retire and are re-elected as appropriate.
 - **Mr. Mohd. Abu Taher,**
 - **Mrs. Bibi Amena,**
 - **Mrs. Hasina Begum** (Representative of Hossain Dyeing & Printing Mills Ltd.) were re-appointed.Besides this, **Mrs. Selina Ahmed** (Nominated by A-One Polymer Ltd.) was elected as shareholder director from among the shareholders.
- v. Appointment of Salahuddin & Associates Chartered Secretaries as a professional to provide the certificate on compliance on the BSEC's Corporate Governance Code - 2018.

26th Annual General Meeting:

Date & Time: April 25, 2022 at 11:00 AM

Record Date: March 22, 2022

Conduct by: Virtually by using digital platform

Participants: 12 Directors and 3 Independent Directors (Including Chairman of the Audit Committee) were present. Resolutions were passed by the shareholders on the following:

- i. Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2021 and the Auditors' Report thereon;
- ii. Dividend @ 10% cash;
- iii. Re-Appointment of K. M. Alam & Co., Chartered Accountants as statutory auditors.
- iv. In place of retiring Directors one third of the Board of Directors of City General Insurance Company Limited i.e. the following 3 (three) Directors retire and are re-elected as appropriate.
 - **Mr. Hossain Mehmood,**
 - **Mr. Harunoor Rashid** (Representative of Khaled Iron & Steel Mills Ltd.) and
 - **Mr. Mohammad Aman Ullah** (Representative of Wazeefa Acrylic Spinning Mills Ltd.) were re-appointed.Besides this, **Mrs. Hasina Parveen Manwar** (Nominated by Mehmud Industries (Pvt.) Ltd.) was elected as shareholder director from among the shareholders.
- v. Mr. Tauhiduddin Md. Zahed and Mr. Mohammad Saif Noman Khan appointed as Independent Director
- vi. Re-appointment of Ahmed Khan & Co., Chartered Accountants as a professional to provide the certificate on compliance on the BSEC's Corporate Governance Code - 2018.

25th Annual General Meeting:

Date & Time: June 30, 2021 at 11:00 AM

Record Date: May 24, 2021

Conducted by: Virtually by using digital platform

Participants: 10 Directors and 3 Independent Directors (Including Chairman of the Audit Committee) were present. Resolutions were passed by the shareholders on the following:

- i. Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2020 and the Auditors' Report thereon;
- ii. Dividend @ 10% cash;
- iii. Re-Appointment of K. M. Alam & Co., Chartered Accountants as statutory auditors.
- iv. In place of retiring Directors one third of the Board of Directors of City General Insurance Company Limited i.e. the following 3 (three) Directors retire and are re-elected as appropriate.
 - **Mr. Mohd. Abu Taher**
 - **Mr. Haji Md. Yousuf** and
 - **Mrs. Hasina Begum** (Representative of Hossain Dyeing & Printing Mills Ltd.) were re-appointed.

Besides this, **Mr. Muhammad Nazirul Islam** (Nominated by Anwar Landmark Ltd.) was elected as shareholder Director from among the shareholders.
- v. Mr. Mahabul Haque appointed as Independent Director
- vi. (iii) Re-appointment of Ahmed Khan & Co., Chartered Accountants as a professional to provide the certificate on compliance on the BSEC's Corporate Governance Code - 2018.

10. DIVIDEND

10.1 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. 272 of the report.

10.2 Reminders to Shareholders for Encashment of Dividends

According to CGIC's dividend distribution policy, dividends are typically distributed through bank transfers and the BEFTN channel. Shareholders who cannot be reached through these methods have their dividend warrants sent to them by mail. Cash dividends to non-residents are paid through the security custodian. In the case of stock dividends (bonus shares), these are credited directly to the BO account within 30 days

of approval, subject to clearance by the stock exchanges and CDBL. CGIC's Share Division sends reminders to shareholders for the encashment of dividends and tracks the number of dividends that are en-cashed following the AGM. The Share Division also takes steps to notify shareholders of their right to en-cash unclaimed dividends.

10.3 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.

10.4 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/CMRCD/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 31.12.2023



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	
Total			6,98,442.60	11,633

10.5 List of Unclaimed dividends published in the website

Pursuant to BSEC Directive No. BSEC/CMRCD/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).

11. STATUS OF COMPLIANCE OF RECENT CIRCULARS OF REGULATORY BODIES

During the year 2023, 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.

Guideline: Insurer's Corporate Governance Guideline, 2023

Circular: Using the Mobile Financial Services (MFS) platform for the collection of non-life insurance policy premiums.

Notification: Insider Trading Prohibition Rules-2022 and Exit Plan (Principles on Disclosure of Material Information and Price Sensitive Information (PSI) is incorporated and duly uploaded at the official website of the company)

Notification: Amendment to the Corporate Governance Code, 2018

Order: Regarding Independent Director

12. STATUS AND CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

In accordance with the Corporate Governance Code outlined by the Bangladesh Securities and Exchange Commission (BSEC) in their notification no. BSEC/CMRCD/2006-158/207/Admin/80 dated June 3, 2018, and the subsequent amendment Notification No. BSEC/CMRCD/2009-193/66/PRD/148 dated October 16, 2023,

Salahuddin & Associates Chartered Secretaries have assessed City Insurance's adherence to these Corporate Governance conditions. According to their certification, City Insurance fully complies with all the Corporate Governance requirements outlined in the CG Code of 2018.

Certificate of Compliance: Salahuddin & Associates Chartered Secretaries certified City Insurance Limited as ["Satisfactory"] and the copy of the compliance is presented as Annexure-B page no. 277 of this report.

Report of Compliance: The copy of the detailed Checklist/ Report under Condition No. 9 of the Corporate Governance Code 2018 of BSEC, is presented as Annexure- C page no. 278 of this report.

13. HUMAN CAPITAL

City General Insurance Company Limited is committed to excellence in the insurance sector, operating professionally for sustained growth. The Human Resources (HR) function plays a crucial role in CGIC's success, guided by a collaborative, long-term vision fostering employee well-being and sustainable performance. Recognizing the importance of a high-quality workforce, the company emphasizes learning and innovation, creating a culture of continuous improvement.

The HR Division, aligned with the company's mission and vision, strives to recruit talented individuals, placing them strategically to achieve organizational goals. Emphasizing the significance of employee development, the company actively promotes a culture of ongoing improvement, tackling challenges and propelling the company forward.

Prioritizing employee capability enhancement is a key focus, as skilled personnel are essential for managing financial risks. The HR Division transforms the workforce into valuable human capital, instilling organizational commitment. Continuous assessment, training, and updates in HR policies ensure a motivated, proactive workforce aligned with the company's objectives.

13.1 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.

13.2 Succession Planning

City General Insurance Company Limited succession planning framework evaluates skills of our existing leaders and identifying potential replacement both from within and outside of the Company and, in the case of internal replacements, training those employees so that they're fully-prepared to take over whenever the need arises. Since succession planning

is not a one-off event, HR re-evaluates and updates the succession database to ensure that a long-term succession plan is in place, thus assuring abundance. Our succession planning starts with global best practices embraced in hiring, which enables us to choose the right candidate with the right capability. We also ensure that eligible candidates undergo the necessary training, which includes leadership skills development as well as in-depth knowledge cultivated regarding the company and its various department-specific functions. For some, the initiation might encompass cross-training and shadowing leaders across major departments. This ensures that each individual becomes well-rounded and understands the business on a sandy level.

Simplifying a complex process, we have identified several advantages of a formalized succession plan for both employers and employees:

- We have identified that employees who are aware of strong prospects of career advancement, feel more empowered
- Knowing that the company has strong future opportunities reinforces career development among employees
- The management's commitment to succession planning has resulted in supervisors mentoring their subordinates for knowledge and expertise transfer
- The management focuses on filling positions from within, which remains strong motivation for our employees
- Employees are better able to embrace the company's vision and values

13.3 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.

13.4 Annual Performance Appraisal (APA)

City General Insurance Company Limited 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.

13.5 Promotion and Reward

At City General Insurance Company Limited 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:

- Good number of employees involvement in the development, implementation and revision of the rewards program to encourage communication/ engagement and also ensure complete acceptance from everyone associated with the process
- Ensuring that employees view rewards as worth the effort. Our managers value employee input and select rewards accordingly so that they remain motivated to work hard to achieve predefined results
- Communicating sufficiently so that employees are well-informed and have a comprehensive understanding of what is expected of them and what they need to achieve the rewards
- Setting reasonable and transparent performance standards for rewards so that employees see them as attainable. Further, our online HRM software provides employees with a dashboard where they can view their performance in real-time, thus enabling them to transparently assess their own performance and maintain realistic expectations for rewards
- Anchoring reward determinations on objective performance metrics, employees view the process as fair and also have a more concrete understanding of what is expected of them. This increases their motivation to achieve the desired results

- Following pre-determined rewards policies to ensure that the organization never engages in favoritism or in unethical practices
- Linking rewards to employee performance and specific results so that they can understand the connect between performance and rewards and remain motivated to perform optimally in the future
- Acknowledging both small and large accomplishments so that employees feel a sense of being recognized for their progress and also know that their behavior is consistent with Company expectations
- Rewarding teamwork and cooperation as team-based incentives are more effective at enhancing performance over individual incentives. Applying this has had a significant impact on cooperation, employee cohesiveness and the Company's bottom line
- Providing rewards immediately after employees achieve their targets as a means to sustain employee enthusiasm and build trust with them
- Allowing each employee to select their own rewards or deciding what rewards they should receive under predefined circumstances to ensure their commitment to achieving results

13.6 Motivation

Motivating employees is crucial for any organization as it leads to increased dedication, harder work, and higher productivity. An engaged employee exhibits emotional commitment to the company, influencing their behavior positively. The Company fosters employee motivation through strategies such as promotions, rewards like incentives, and appreciation letters for deserving employees. The Human Resources Division considers employees' residence and permanent residence district when planning transfers, enabling them to stay close to their families, thereby enhancing motivation and engagement. The Company ensures a healthy working environment across the organization, offering competitive pay packages and additional benefits to strengthen employees' sense of belonging to the organization.

13.7 Training and Development

At City General Insurance Company Limited, our training and development programs serve employees in such a way

that they learn job-specific knowledge or skills to improve performance within their roles, while also focusing on employee growth as well for future job roles.



We firmly believe that a proper training and development plan for employees helps retain performers, which is beneficial to them as well as the Company. We also foster healthy competition to ensure an inspiring, challenging and innovations-driven workplace environment. The Company's employee training and development programs are now



more focused than ever before. Hiring top talent entails both time and money, and hence we are selective in this process to ensure that we get only the talent that is required. The Company welcomes passionate, adaptable and goal-oriented employees and remains as a top choice for employees with such attributes and characteristics.



With the Company offering a strong platform for employees to grow in their careers, we provide training and development support to not only foster a competitive culture, but also ensure that the organization remains on its defined strategic path. Thus, HR designs and develops training programs to

meet the Company's overall goals while keeping business goals in focus to ensure that all training and development efforts are aligned with the Company's overall business strategy and strategic road map.

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)	2	3
2.	ABIA	Bangladesh Insurance Academy (BIA)	1	3
3.	Corporate Governance	Dhaka Stock Exchange PLC	1	1

b) Training by Internal Source

Sl. No.	Course Type	Training Institute	No. of Course	No. of Participants
1.	Marine Insurance	Mr. Md. Morshed Hasan Head of Underwriting	16	560
2.	Fire Insurance	Subir Mistry, ABIA	16	498
3.	Finance & Accounts	Sheikh Azizul Haque ACS Chief Financial Officer	16	512
4.	IT	Salahuddin Khan Head of IT	14	438

13.8 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 CGIC. It can be found on page no. 50 of this annual report.

13.9 Human Resource Accounting

Human resource accounting (HRA) involves measuring the expenses incurred by an organization in recruiting, selecting, training, and developing its human assets. The conceptualization of approaches to human resource accounting dates back to 1691. HRA plays a crucial role in aiding decision-making regarding personnel, helping determine whether to retain or terminate their services or provide extensive training.

Particulars	2023	2022
Total Asset	2,135,942,324	1,939,894,089
Human Asset (Individuals' value)	157,578,457	177,968,625
Value of investments (Training Expense)	135,393	149,834
Total Asset including Human Asset	2,293,656,174	2,118,012,548
Total Liabilities	2,135,942,324	1,939,894,089
Human Capital	157,713,850	178,118,459
Total Capital & Liabilities including Human capital	2,293,656,174	2,118,012,548

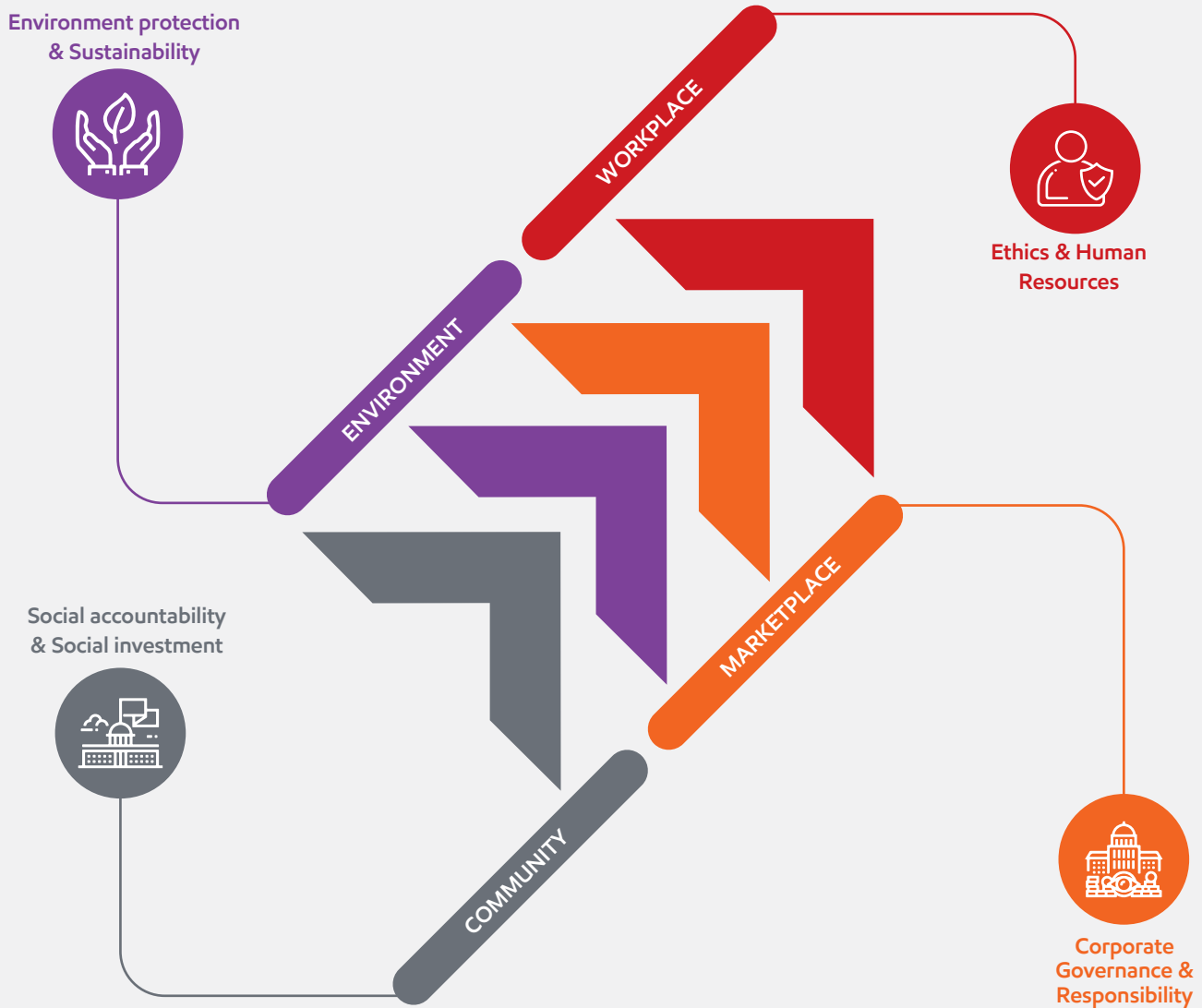
In the year 2023, City Insurance disclosed a Human Capital value of BDT 2,293,656,174, determined through the Present Value of Future Earning Model (Lev & Schwartz). This model discounts the total benefits payable to employees based on

the assumption of minimum expected earnings up to the date of retirement.

14. ENVIRONMENT AND SOCIAL OBLIGATION

14.1 Board's oversight/Company's policies and practices relating to environment, society and jurisdiction it operates

As a conscientious contributor to society, CGIC 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.



14.2 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.

14.3 Practices relating to Environmental Responsibility of City Insurance

For a safe, resilient, and sustainable environment for the people of the country in times of adversity and disaster, as well as to support the people of the country in rebuilding their lives and livelihoods, City Insurance provides support to the society under disaster management and infrastructure development programs.

14.4 Corporate Social Responsibility

(a) Policy of CSR

City General Insurance Company Limited is building an immense image in the insurance sector of Bangladesh. The Company continues to expand its CSR/welfare activities throughout the year. Relief has been distributed under CSR on our behalf among the people affected by the covid-19 epidemic, flood victims etc. The depth of the company's dedication to the service of humanity is far-reaching and unbelievable, but the ultimate truth. To confirm Transparency and accountability, this company of the present generation is completely unrivaled and irresistible. This company is always ready and determined to win the hearts of people to provide insurance services.

Distribution of warm cloths: An amount of BDT 192,350 expended for distribution of warm cloths to the cold stricken people in different areas of Bangladesh.

(b) 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. 97,650.00 expended for tree plantation in different areas of Bangladesh.

(c) Policy to Prevent Employment of Child Labour in Company

The company always prevented from appointing child employees. Details has been presented under Human Capital on the page no. 152 of this annual report.

(d) Whether Employees and their Immediate Family Members take part in the Community Welfare Initiative of the Company

We believe that our employees are our core assets. In this context, we reinforce our human resource capacities and capabilities in ensuring a motivated and loyal workforce, while also simultaneously providing them with dependable career progression benefits. For our other key stakeholders, we maintain an ongoing dialogue with them, informing them of key developments, while also disseminating information on material developments.

(e) Scheme Maintain under CSR Programs

City General Insurance Company Limited has always been a very supportive organization towards the deprived and struggling community of the society. At City Insurance, we earnestly believe that it's the responsibility of the privileged to help the deprived community of the society in order to help them get a better life. As Corporate Social Responsibility (CSR) activities, City Insurance has been established a Foundation name and style "City General Insurance Foundation". All types of humanitarian helps are given from CSR fund through City General Insurance Foundation. Details has been presented on the page no. 187 of this annual report.

14.5 Certificates and checklists reference

Sl.	Report Name	Page No.
1.	Declaration by CEO and CFO	205
2.	Compliance Certificate on BSEC Corporate Governance Code	277
3.	Compliance Status of BSEC Notification	278
4.	Insurer's Corporate Governance Guidelines, 2023 of IDRA	293

Audit Committee (AC)



Mr. Mahabubul Haque
Independent Director & Chairman



Mr. Md. Harunoor Rashid
Director, Member



Mr. Muhammad Nazirul Islam
Director, Member



Mr. Mohammed Ashaduzzaman Sarkar
Member Secretary

Report of the Audit Committee

For the year ended December 31, 2023

The Audit Committee operates with coherence and consistency, ensuring adherence to the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). Its primary responsibility is to oversee the accuracy of the Company's financial statements and to assess and, if necessary, provide recommendations to the Board regarding business risks, internal controls, compliance, and audits.

Through appropriate measures and relevant information, the Committee verifies the presence of effective internal control systems to identify and manage business risks, ensuring that the Company conducts its affairs in a proper and financially sound manner. The Audit Committee supports the Board of Directors in guaranteeing that the financial statements accurately represent the Company's status and fosters a robust monitoring system within the business.

Accountable to the Board of Directors, the Audit Committee's duties are explicitly outlined in written form.

The Audit Committee carried out for the following purpose:

- 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

The Board grants the Audit Committee the authority to scrutinize any business activity in accordance with its specified terms of reference. It has the right to request information or the presence of any Director or management member at its meetings. All employees are anticipated to collaborate with any requests made by the Committee. Additionally, the Committee is empowered to seek information and counsel from the Company's legal advisor, tax consultant, and statutory auditor, as deemed necessary.

The terms of reference for the Audit Committee may be adjusted periodically to align with business needs and BSEC notifications, pending approval from the Board.

Composition of the Committee

The Audit Committee of the Board of Directors of City General Insurance Company Limited 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:

- **Mr. Mahabubul Haque**
Independent Director & Chairman
- **Mr. Md. Harunoor Rashid**
Director & Member
- **Mr. Muhammad Nazirul Islam**
Director & Member
- **Mr. Mohammaed Ashaduzzaman Sarkar**
Company Secretary & Member Secretary

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.

Chairperson of the Audit Committee

- The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;
- 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.
- Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);

Access to the Committee

On any matter within the Committee's Charter, the Head of Internal Audit & Compliance (HIAC) have direct access to the Audit Committee.

TERMS OF REFERENCE (ToR)

- The Audit Committee shall conduct at least four meetings in a financial year
- 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.
- The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director
- The Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).

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

- i. 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;
- ii. Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management;
- iii. 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;
- iv. 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;
- v. Review Management Letters issued by the Statutory Auditors.

b) Financial Reporting

- i. 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;

- ii. Discuss with the management and external auditors to review the financial statements before finalization;
- iii. Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval.
- iv. Review statements of significant related party transactions submitted by the management.
- v. Review the management's discussion and analysis before disclosing in the annual report.
- vi. Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.

c) Internal Audit

- i. Monitor/evaluate whether internal audit functions are truly independent.
- ii. Review the activities and the organizational structure of the internal audit and ensure that no unjustified restriction or limitation hinders the internal audit process.
- iii. Review and assess the annual internal audit plan.
- iv. Review the efficiency and effectiveness of internal audit function.
- v. Review the efficiency and effectiveness of internal audit function.

d) External Audit

- i. 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.
- ii. 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).
- iii. 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.
- iv. Review the findings and recommendations made by the external auditors for removal of irregularities, if any, detected are duly acted upon by the management.
- v. 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, 2023, and they state that:

- They have reviewed the financial statements for the year ended on December 31, 2023 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- 2023

The Committee held 04 (Four) meetings during the financial year under review. Meeting dates are as follows:

Sl.	Meetings	Date of Meetings
1	57th Audit Committee Meeting	February 13, 2023
2	58th Audit Committee Meeting	April 18, 2023
3	59th Audit Committee Meeting	July 16, 2023
4	60th Audit Committee Meeting	October 23, 2023

The Attendance of Audit Committee

The Committee held 04 (Four) meetings during the financial year under review. Meeting dates are as follows:

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

- The Company Secretary acts as the secretary of the Audit Committee.

Major Issues Reviewed by the Audit Committee During 2023

Throughout 2023, 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 2023, 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 2022 as certified by the External Auditors before submission to the Board for consideration.
- Recommended for appointment of external auditors for the year 2023.
- Approved Audit Plan for the year 2023
- 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.
- The overall effectiveness of Internal Control Policy, Practice and Procedure of the Company.
- Ensured highest standards of corporate governance and adherence to the Company's Code of Ethics at both Management and Board.

Governance Status with the BSEC Code

- The Audit Committee is a sub-committee of the Board.
- The Committee assisted and reported to the Board.
- The Committee was constituted with the required members along with two Independent Directors
- All the members are financially literate, (accounting or related financial management background) along with more than 10 (ten) years of such experience.
- The Company Secretary performed as the Secretary of the Committee.

- The required members' presence including two Independent Directors were in place, ensuring the quorum of the meetings. The reason of absence was duly recorded in the minutes.
- The Board-appointed Independent Director was appointed as the Committee Chairman.
- The Chairman of the Audit Committee attended the Company's AGM.
- Four meetings were conducted in 2023.
- The Audit Committee's Terms of Reference were approved by the Board in accordance with the BSEC Code, and the Committee performed accordingly.
- The Committee reported as per the BSEC Code.

Acknowledgment Statement

- The Audit Committee has performed all its activities satisfactorily during the financial year 2023 and took necessary steps including reporting to the Board
- The Committee expresses its sincere acknowledgement to the Board, the management and statutory and internal auditors for their continuous support and assistance in enabling effectively discharge its duties and responsibilities for the period;
- Internal controls are well conceived and properly administered & monitored;
- The committee ensures that the company was compiled in terms of all applicable Rules & Regulations and timely settlement of statutory dues;
- Review external audit functions during the financial year 2023;
- Selection of appropriate accounting policies and changes thereof;
- Review the annual and interim financial releases and recommend to the Board; and
- The management information given in this Annual Report is reliable.

On behalf of the Audit Committee,



Mahabubul Haque
Chairman, Audit Committee of the Board

NRC Committee



Mr. Tauhiduddin Md. Zahed
Independent Director



Mr. Hossain Akhtar
Chairman, Member



Mr. Haji Md. Yousuf
Director, Member



Mr. Muhammad Nazirul Islam
Director, Member



Mr. Mohammed Ashaduzzaman Sarkar
Member Secretary

Nomination & Remuneration Committee Report

For the year ended December 31, 2023

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 General Insurance Company Limited 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 General Insurance Company Limited 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/CMRRC/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 General Insurance Company Limited has been formed and 04 (Four) members were appointed by the Board of Directors of the company to adhere the directive as follows:

- **Mr. Tauhiduddin Md. Zahed**
Independent Director & Chairman
- **Mr. Hossain Akhtar**
Chairman & Member
- **Haji Md. Yousuf**
Director & Member
- **Mr. Muhammad Nazirul Islam**
Director & Member
- **Mr. Mohammed Ashaduzzaman Sarkar**
Company Secretary & Member Secretary

The current NRC was last constituted on December 26, 2023.

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. 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 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; a. 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.

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.

- 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.
- 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

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 2022. Details are given in "Directors' Report" (ANNEXURE II) of this Annual Report 2022, Page no. 130.

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. Board fees or remuneration details are given in "Directors' Report" (ANNEXURE II) of this Annual Report 2022, Page no. 130.

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.

Meetings & Attendance

The NRC meeting held on one (1) meeting during the year 2022 under review. 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.

Number of Nomination and Remuneration Committee (NRC) meeting and the attendance of members during the year 2023 are as follows:

Name of member	Status in the Board	Status in the Committee	Meeting Held	Meeting Attended
Mr. Tauhiduddin Md. Zahed	Independent Director	Chairman	2	2
Mr. Hossain Akhtar	Chairman (Non Executive Director)	Member	0	0
Mr. Haji Md. Yousuf	Non Executive Director	Member	2	2
Mr. Muhammad Nazirul Islam	Non Executive Director	Member	2	2

** Mr. Hossain Akhtar was appointed on 26 December 2023. During this time no NRC meeting was conducted.

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;

Activity Summary of NRC During the Year

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 2023 for the Management.

- To recommend the re-appointment of Mr. Mahabul Haque as an international assignee of the Company

GOVERNANCE STATUS WITH THE BSEC CODE

- The NRC is a sub-committee of the Board.
- The Committee assisted and reported to the Board in formulating HR policies.
- The Committee was constituted of the required members along with two Independent Directors.
- Members of the Committee shall be nominated and appointed by the Board;
- ToR of the NRC clearly set forth in writing covering the areas stated at condition No. 6(5)(b) of the BSEC Code.
- The Company Secretary performed as the Secretary of the Committee.
- The required members' presence, including two Independent Directors, was in place ensuring the quorum of the meetings. The reason for absence was duly recorded in the minutes.
- 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.

- The Board appointed an Independent Director as the Committee Chairman.
- The Board shall have authority to remove and appoint any member of the Committee.
- The Chairman of NRC attended the Company's AGM to answer the queries of shareholders.

Acknowledgment

The Chairperson of the Nomination and Remuneration Committee, representing the entire committee, expresses gratitude to all stakeholders, the management team, and particularly the Board of Directors of City General Insurance Company Limited for their ongoing support throughout the year 2023. The Chairman also conveys optimism for continued collaboration in the years ahead.



Tauhiduddin Md. Zahed

Chairman, Nomination and Remuneration Committee & Independent Director

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 General Insurance Company Limited.

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.

Provided that:

The company shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

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.

Principles of Disclosure of Material Information (MI) and Price Sensitive Information (PSI)

City General Insurance Company Limited is dedicated to maintaining consistency, openness, and impartiality in its interactions with all stakeholders while adhering to the relevant laws and regulations stipulated by Regulatory Authorities. The Board of Directors at City Insurance has embraced a policy titled “Principles of Disclosure of Material Information (MI) and Price-Sensitive Information (PSI),” aligning with the Bangladesh Securities and Exchange Commission (Insider Trading Prohibition) Rules of 2022, specifically BSEC/CMRRCD/2021-396/52/Admin/140, as per the Gazette Notification dated January 30, 2023.

Introduction of the Company

City General Insurance Company Limited 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 General Insurance Company Limited 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 General Insurance Company Limited (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 নিষিদ্ধকরণ) 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 নিষিদ্ধকরণ) 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.

Whistleblowing Policy

Whistleblowing is the term used when an employee passes on information concerning wrongdoing. Whistle-blowing is the act of telling the authorities or the public that the organization you are working for is doing something immoral or illegal. Any employee who suspects wrongdoing at work is strongly encouraged to raise his concern in confidence through the whistleblowing procedure. In this guidance, we call that "making a disclosure" or "blowing the whistle". The wrongdoing will typically (although not necessarily) be something they have witnessed at work.

Code of Practice

It is important that employers encourage whistleblowing as a way to report wrongdoing and manage risks to the organization. Employers also need to be well equipped for handling any such concerns raised by employee. It is considered best practice for an employer to:

- Have a whistleblowing policy or appropriate written procedures in place.
- Ensure the whistleblowing policy or procedures are easily accessible to all employee.
- Raise awareness of the policy or procedures through all available means such as staff engagement, internet sites, and other marketing communications.
- Provide training to all employee on how disclosures should be raised and how they will be acted upon.
- Provide training to managers on how to deal with disclosures
- Create an understanding that all staff at all levels of the organization should demonstrate that they support and encourage whistleblowing.
- Confirm that any clauses in settlement agreements do not prevent employee from making disclosures in the public interest.
- Ensure the organization's whistleblowing policy or procedures clearly identify who can be approached by employee that want to raise a disclosure. Organizations should ensure a range of alternative persons who a whistleblower can approach in the event an employee feels unable to approach their departmental head.
- Create a corporate culture where employee feel safe to raise a disclosure in the knowledge that they will not face any detriment from the organization as a result of speaking up.
- Undertake that any detriment towards an individual who raises a disclosure is not acceptable.

- Make a commitment that all disclosures raised will be dealt with appropriately, consistently, fairly and professionally.
- Undertake to protect the identity of the employee raising a disclosure, unless required by law to reveal it and to offer support throughout with access to mentoring, advice and counseling.
- Provide feedback to the employee who raised the disclosure where possible and appropriate subject to other legal requirements. Feedback should include an indication of timings for any actions or next steps.

Policy & Procedure:

- Anyone who raises a genuinely held concern in good faith concerning a matter which he reasonably believes to be true will not suffer any form of reprisal or retribution as a result. This will be the case even where the individual raising the concern is mistaken and there is no case to answer.
- Harassment or victimization, including informal pressure, of anyone raising a genuine concern will not be tolerated, and any such conduct will itself constitute a breach of the Standards of Business Conduct and will be treated as a serious disciplinary matter.
- While no one who comes forward in good faith has anything to fear, false allegations raised maliciously will be treated as misconduct and dealt with in accordance with the Disciplinary Procedure.

Examples of suspected wrongdoing that should be raised in this way include:

- The commission of a criminal offence, including fraud, money laundering or bribery and corruption.
- A failure to comply with any legal obligation or any other unlawful act or omission.
- An act or omission which will, or is likely to, unlawfully endanger the health or safety of an individual or unlawfully damage the environment.
- A breach of human rights.
- An accounting malpractice or falsification of documents.
- Any other breach of the Standards of Business Conduct or any other applicable Company Policy, Company Principle or Company Standard;
- A miscarriage of justice; and
- Concealment of any of the above.

This list is not exhaustive. A concern should be raised irrespective of whether the suspected wrongdoing has occurred, is occurring or is likely to occur. This procedure is not intended for use where you are unhappy with your personal employment position, for example lack of promotion or a smaller than expected salary increase the Company's Grievance Procedures are available in those cases.

- An individual who is concerned about actual or suspected wrongdoing and who wishes to report the matter formally for investigation should raise it with his/her departmental head. The departmental head should immediately refer the matter to a Designated Officer for investigation but must otherwise keep all details confidential.
- Where an individual feels unable to raise his/her concern with his/her departmental head, for whatever reason, it should be raised directly with a Designated Officer or inform HR Department, they will then refer it to a Designated Officer.

The Company Designated Officers, with whom any employee may raise a concern, are:

- i. Managing Director
- ii. Chief Financial Officer,
- iii. Company Secretary

- Concerns raised in this way will be investigated fully and the identity of the person raising the concern will be kept confidential.
- When the investigation has been completed, the person who raised the concern will be informed of the outcome by the Designated Officer. While concerns may be raised anonymously, he/she strongly encouraged to report matters in confidence rather than anonymously. A full investigation of his/her concern may not be possible without his/her cooperation, and proper feedback cannot be provided to those who remain anonymous.
- The Company has implemented whistleblowing procedure to supplement this policy The Company's whistleblowing procedure identifies Designated Officers and enables staff to raise concerns in a language with which they feel comfortable.

The whistleblowing policy and procedure are operated on behalf of the Audit Committee of the City General Insurance Company Limited.

Certificate on Compliance of BSEC Corporate Governance Code

Annexure-B



Salahuddin
& associates
Practicing Chartered Secretaries and Management Consultants

Report to the Shareholders of City General Insurance Company Limited
on
Compliance on the Corporate Governance Code

Annexure -B
[Certificate as per condition no.1(5)(xxvii)]

We have examined the compliance status to the Corporate Governance Code by City General Insurance Company Limited for the year ended on 31st December 2023. 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 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 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;
- (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.

Place, Dhaka
Dated: 29th February 2024



For
Salahuddin & Associates

Md. Salahuddin FCS
Chartered Secretary in Practice

Address: 55 Purana Paltan, 16/B Noakhali Tower, Dhaka-1000
Cell: +880 1309000599, e-mail Id: info@sassociatesbd.com, web: www.sassociatesbd.com

Compliance Status on BSEC Notification on Corporate Governance

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 General Insurance Company Limited 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	Status	Remark (if any)
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).	Complied	Number of Board members of CGIC is 14 (fourteen) including 3 (three) Independent Directors. (Page no. 66 & 213)
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)	Complied	There are three Independent Directors in the CGIC Board, namely: Mr. Mahabubul Haque, Mr. Tauhiduddin Md. Zahed and Mr. Mohammad Saif Noman Khan (Page no. 66 & 213)
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;	Complied	None of the Independent Directors hold any share of the company
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;	Complied	The Independent Directors have declared their compliances.
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	Complied	Do
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	Complied	Do
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	Complied	Do

Condition No.	Title	Status	Remark (if any)
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;	Complied	Do
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;	Complied	Do
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	Complied	Do
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	Complied	Do
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	Complied	Do
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;	Complied	The appointments are duly approved at AGM. (Page no. 214)
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	Complied	No vacancy occurred
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;	Complied	The Independent Director Mr. Mahabubul Haque is in second term of office and Mr. Tauhiduddin Md. Zahed and Mr. Mohammad Siaf Noman Khan are in first term of office
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;	Complied	The qualification and background of IDs justify their abilities as such. (Page no. 216 & 75-77)
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having 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	

Condition No.	Title	Status	Remark (if any)
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	Complied	Mr. Mahabubul Haque was a former government official. He has more than 40 years of experience (Page no. 75)
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	Complied	Mr. Mohammad Saif Noman Khan is a University Teacher. (Page no. 76)
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;	Not applicable	
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	Complied	Existing Independent Directors are former Govt. Officials and existing University teacher with more than 40 years of experiences. (Page no. 75-77)
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	Complied	Chairman of the Board and Managing Director are the different individuals. (Page no. 66)
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;	Complied	The Managing Director does not hold the same position in any other listed company. (Page no. 241)
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	Complied	The chairperson is elected from amongst the non-executive directors. (Page no. 66, 214)
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	Complied	The roles and responsibilities of the Chairperson and Managing Director are clearly defined. (Page no. 221, 240)
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.	Complied	No such event arose

Condition No.	Title	Status	Remark (if any)
1(5)	The Directors' Report to Shareholders		
1(5)(i)	An industry outlook and possible future developments in the industry;	Complied	The Directors' report complies with the guideline. (Page no. 127)
1(5)(ii)	The segment-wise or product-wise performance;	Complied	The Directors' report complies with the guideline. (Page no. 115)
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	Complied	Discussed at Risk and Concerns. (Page no. 120)
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	Complied	The Directors' report complies with the guideline. (Page no. 120)
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	Complied	No such gain/loss. (Page no. 120)
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;	Complied	Discussed at 'Directors' Report' and subsequently elaborated in the note no. 21 of Audited Financial Statements (Page no. 120)
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	Complied	Mentioned at 'Directors Report'. (Page no. 120)
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.;	Complied	No such event arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	Complied	No such event arose
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	Complied	Mentioned to the Directors' Report (Page no. 125, 130)
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;	Complied	Mentioned to the Directors' Report (Page no. 121)
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	Complied	Mentioned to the Directors' Report (Page no. 121)
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;	Complied	Mentioned to the Directors' Report and Auditors Report (Page no. 121)
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;	Complied	Mentioned to the Directors' Report and Auditors Report (Page no. 121)

Condition No.	Title	Status	Remark (if any)
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	Complied	Mentioned to the Directors' Report and Auditors Report (Page no. 122)
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;	Complied	Mentioned to the Directors' Report and Auditors Report (Page no. 124)
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;	Complied	Mentioned to the Directors' Report and Auditors Report (Page no. 124)
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;	Complied	Mentioned to the Directors' Report and Auditors Report (Page no. 124)
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	Complied	Mentioned to the 'Key Operating Highlights' and 'Annexure I' of "Directors' Report" (Page no. 129)
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	Complied	The Company has declared 12% 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;	Not Applicable	Mentioned to the Directors' Report (Page no. 124)
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	Complied	The Board of Directors met 6 (Six) times during the year 2023. (Page no. 130)
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);	Not Applicable	Mentioned to the Directors Report, 'Annexure III' (Page no. 131)
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);	Complied	The Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children do not hold any shares of the Company. Stated in Annexure- III. (Page no. 131)
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)	Complied	The Executives (Leadership Team) of the Company do not hold any shares. Stated in Annexure- III. (Page no. 132)

Condition No.	Title	Status	Remark (if any)
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	Complied	Mentioned to the Directors Report', 'Annexure III' (Page no. 132)
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;	Complied	Stated in the profile of Directors (Page no. 70-77)
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	Complied	Do
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	Complied	Stated in the profile of Directors and Directorship with other Companies (Page no. 67, 70-77)
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;	Complied	Mentioned to the 'Management Discussion and Analysis'. (Page no. 93)
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;	Complied	Mentioned to the 'Management Discussion and Analysis'. (Page no. 93)
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;	Complied	Mentioned to the 'Management Discussion and Analysis'. (Page no. 93)
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	Complied	Mentioned to the 'Management Discussion and Analysis'. (Page no. 94)
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	Complied	Mentioned to the 'Management Discussion and Analysis'. (Page no. 94)
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	Complied	Mentioned to the 'Management Discussion and Analysis'. (Page no. 94)
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;	Complied	Mentioned to the 'Management Discussion and Analysis'. (Page no. 96)
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;	Complied	Mentioned to the CEO and CFO's Declaration to the Board. (Page no. 205)
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; and	Complied	The certificate regarding compliance of the conditions is disclosed at (Page no. 277, 278-292)
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.	Complied	No such event arose

Condition No.	Title	Status	Remark (if any)
1(6)	<p>Meetings of the Board of Directors :</p> <p>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.</p>	Complied	Company Maintain a book for Board Meeting Minutes as per the provision of Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB). (Page no. 219)
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;	Complied	A code of conduct set for Chairman of the Board, other members of the Board and Chief Executive Officer of the company based on the recommendation of the Nomination and Remuneration Committee (NRC). (Page no. 78)
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	Complied	The code of conduct as determined by the NRC is posted on the website. (Page no. 220)
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 CGIC.
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)	Complied	The Company has appointed MD, CFO, CS and HIAC. (Page no. 240-243)

Condition No.	Title	Status	Remark (if any)
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;	Complied	The MD, CFO, CS and HIAC are four different individuals. (Page no. 240-243)
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;	Complied	In Practice
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	Complied	The roles, responsibilities and duties of MD, CFO, CS and HIAC are clearly defined (Page no. 240-243)
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).	Complied	In Practice
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;	Complied	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:	Complied	Mentioned to the CEO and CFO's Declaration to the Board. (Page no. 205)
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	Complied	Do
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;	Complied	Do
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;	Complied	Do
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	Complied	Disclosed in the Annual Report Annexure-A. (Page no. 205)
4	BOARD OF DIRECTORS' COMMITTEE		
4(i)	Audit Committee; and	Complied	Already in place. (Page no. 67)
4(ii)	Nomination and Remuneration Committee.	Complied	Already in place. (Page no. 67)

Condition No.	Title	Status	Remark (if any)
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;	Complied	Already in place. The ToR of Audit Committee is available. (Page no. 226)
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;	Complied	The Audit Committee duly discharged its responsibilities. (Page no. 228)
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.	Complied	In practice. The duties are clearly set forth in writing in the ToR of the Audit Committee. (Page no. 227, 228)
5(2)	Constitution of the Audit Committee		
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	Complied	The Audit Committee is comprised of 3 (Three) members. (Page no. 67, 228)
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;	Complied	The members of the Audit Committee are appointed by the Board who are Directors and which includes one Independent Director. (Page no. 130)
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;	Complied	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 no. 263 & 266)
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;	Complied	In Practice
5(2)(e)	The company secretary shall act as the secretary of the Committee;	Complied	In Practice (Page no. 263)
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	Complied	In Practice (Page no. 264)

Condition No.	Title	Status	Remark (if any)
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;	Complied	Mr. Mahabubul Haque has been appointed as Chairman of Audit Committee who is an Independent Director.
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.	Complied	In Practice (Page no. 266)
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	Complied	Chairperson of the Audit Committee was present at 27th AGM. Reference to AGM photo. (Page no. 252)
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;	Complied	During the year 4 (Four) Audit Committee meetings were held. (Page no. 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.	Complied	In Practice (Page no. 264)
5(5)	Role of Audit Committee		
5(5)(a)	Oversee the financial reporting process;	Complied	In Practice (Page no. 227)
5(5)(b)	Monitor choice of accounting policies and principles;	Complied	In Practice (Page no. 227, 265)
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;	Complied	In Practice (Page no. 227, 264)
5(5)(d)	Oversee hiring and performance of external auditors;	Complied	In Practice (Page no. 227)
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;	Complied	In Practice (Page no. 227)
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	Complied	In Practice (Page no. 227)
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	Complied	In Practice (Page no. 227)
5(5)(h)	Review the adequacy of internal audit function;	Complied	In Practice (Page no. 227)
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied	In Practice (Page no. 227)
5(5)(j)	Review statement of all related party transactions submitted by the management;	Complied	In Practice (Page no. 227)
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	Complied	In Practice (Page no. 227)

Condition No.	Title	Status	Remark (if any)
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	Complied	In Practice (Page no. 227)
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;	Not Applicable	There was no IPO/RPO/ Rights Issue in 2023 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.	Complied	In Practice (Page no. 228)
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;	Complied	In Practice (Page no. 228)
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	Not Applicable	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;	Not Applicable	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.	Not Applicable	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.	Not Applicable	No such event occurred
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;	Complied	Already in place. The TOR is available. (Page no. 67, 268)
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;	Complied	The NRC duly discharged its responsibilities. (Page no. 230, 270)

Condition No.	Title	Status	Remark (if any)
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).	Complied	In practice. The Terms of Reference is clearly set forth in writing covering all relevant areas as stated in the code. (Page no. 271)
6(2)	Constitution of the NRC		
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	Complied	The Committee is comprised of 4 (Four) members including an Independent Director. (Page no. 227)
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	Complied	In practice (Page no. 270)
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	Complied	The NRC members are appointed by the Board. (Page no. 230, 271)
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	Complied	In practice (Page no. 230, 271)
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;	None	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;	None	No such event arose
6(2)(g)	The company secretary shall act as the secretary of the Committee;	Complied	In practice (Page no. 270)
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Complied	In practice (Page no. 270)
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.	Complied	In practice (Page no. 231)
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;	Complied	The Chairman of NRC is Mr. Tauhiduddin Md. Zahed who has been appointed as Chairman of NRC is an Independent Director. (Page no. 270)
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;	Complied	In practice (Page no. 271)

Condition No.	Title	Status	Remark (if any)
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;	Complied	Chairperson of the NRC was present at 27th AGM. Reference to AGM photo on (Page no. 252)
6(4)	Meeting of the NRC		
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	Complied	In practice (Page no. 270)
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	None	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);	Complied	In practice (Page no. 270)
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.	Complied	In practice (Page no. 231, 270)
6(5)	Role of the NRC		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied	In practice (Page no. 230)
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	Complied	In practice (Page no. 230)
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:	Complied	In practice (Page no. 230)
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;	Complied	In practice (Page no. 230)
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	Complied	In practice (Page no. 230)
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;	Complied	In practice (Page no. 230)
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Complied	In practice (Page no. 230)
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;	To be complied	No such list as yet
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Complied	In practice (Page no. 230)
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	Complied	In practice (Page no. 230)

Condition No.	Title	Status	Remark (if any)
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Complied	In practice (Page no. 230)
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.	Complied	The criteria, policy and activities of NRC are disclosed in the Annual Report. (Page no. 230, 268)
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:-		
7(1)(i)	Appraisal or valuation services or fairness opinions;	Complied	As declared by the auditor 'Islam Quazi Shafique & Co. Chartered Accountants'
7(1)(ii)	Financial information systems design and implementation;	Complied	Do
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	Complied	Do
7(1)(iv)	Broker-dealer services;	Complied	Do
7(1)(v)	Actuarial services;	Complied	Do
7(1)(vi)	Internal audit services or special audit services;	Complied	Do
7(1)(vii)	Any service that the Audit Committee determines;	Complied	Do
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	Complied	Do
7(1)(ix)	Any other service that creates conflict of interest.	Complied	Do
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;	Complied	In practice
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.	Complied	Representative of the external auditor was present at 27th AGM. Reference to AGM photo on (Page no. 252)
8	MAINTAINING A WEBSITE BY THE COMPANY		
8(1)	The company shall have an official website linked with the website of the stock exchange.	Complied	Website (www.cityinsurance.com.bd) which is linked with the stock exchanges. (Page no. 252)
8(2)	The company shall keep the website functional from the date of listing.	Complied	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).	Complied	In practice (Page no. 252)

Condition No.	Title	Status	Remark (if any)
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.	Complied	The company obtained the certificate from Salahuddin & Associates Associates Chartered Secretaries regarding compliance of conditions of Corporate Governance of the Commission and such certificate is disclosed in the Annual Report. (Page no. 277)
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.	Complied	The agenda will be placed in the 28th Annual General Meeting. Refer to the notice of the AGM, on (Page no. 214)
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.	Complied	Detailed status given at Annexure - C and published in the Report. (Page no. 126)

Status Of IDRA’s Insurer’s Corporate Governance Guideline 2023

In order to broaden the spectrum of insurance services to address life and property risks, enhance transparency and accountability, promote professionalism and financial discipline within insurance institutions, and uphold good governance, the Insurance Development and Regulatory Authority issued Letter No. 53.03.0000.075.22.025.2020.203 on 19 October 2023, outlining the “Insurer’s Corporate Governance Guideline 2023.”

Section	Description	Compliance Status
1.	Title: This guideline shall be called “Insurer’s Corporate Governance Guideline 2023”.	
2.	Implantation: These guidelines will be effective from the date of issue.	
3.	<p>Defination:</p> <p>a) Law means Insurance Act, 2010 and Insurance Development and Regulatory Authority Act, 2010;</p> <p>b) “person” means a person referred to in section 2(32) of the Insurance Act, 2010;</p> <p>c) “Authority” means authority constituted under the Insurance Development and Regulatory Act, 2010;</p> <p>d) “Related Party Transactions” means financial or non-financial transactions where-</p> <ol style="list-style-type: none"> 1. conflict of interests between the parties to the transaction, resulting in the apprehension of non-compliance with the principles of due diligence; contains; or 2. an agreement or transaction between two parties who are related to each other in a pre-existing business relationship or similar interest; <p>e) “Chartered Accountant” means the Chartered Accountant referred to in Rule (2) of the Bangladesh Chartered Accountants Order, 1973 (Presidential Order No. 2 of 1973);</p> <p>f) “Cost and Management Accountant” means “Cost and Management Accountant” as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977);</p>	--
4.	<p>Applicability:</p> <p>This guideline will be applicable to the following persons or institutions.</p> <p>a) any insurer;</p> <p>b) Jiban Bima Corporation and Sadharan Bima Corporation; Subject to section 3 of the “Insurance Corporation Act, 2019”; and</p> <p>c) any other person or institution prescribed by the Authority.</p>	--
5.	<p>Corporate Governance Structure:</p> <p>a) The corporate governance structure shall have a practice that ensures the protection of the rights of shareholders, stakeholders, insurers by ensuring appropriate boundaries between administrative responsibilities and supervision, clear and transparent principles of responsibilities, qualification and competence of responsible persons.</p> <p>b) To consider the main elements mentioned in the corporate governance framework for ensuring good governance.</p> <ul style="list-style-type: none"> • Board of Directors and Director(s) • Committees of the Board of Directors • Management structure • Senior management and key personnel • Actuary • External Audit/Statutory Auditor • Disclosure of Information (Disclosures) • Relationship with stakeholders • Interaction and communication with authorities • Important policies 	Complied (Page no. 202-310)

Section	Description	Compliance Status
6.	Board of Directors and Director(s)	
6.1	Composition of Board of Directors: In accordance with the stipulations of Section 76(1) of the Insurance Act, 2010, the total count of directors constituting the Board of Directors of the insurer is capped at a maximum of 20 (twenty) individuals. Within this composition, there will be 2 (two) independent directors.	Complied (Page no. 66)
6.2	Board of Directors and Director(s)- Appointment and re-appointment of directors shall have clear procedure and in this regard shall follow the provisions of the Insurance Act, 2010 and related rules and directions of the authorities as well as other laws (where applicable). Provided that the Insurance Act, 2010 and related rules shall prevail.	Complied (Page no. 212)
6.2 (a)	The Board of Directors shall ensure that any director: 1. Has not been declared insolvent by a competent court and has not been declared in default by any bank or financial institution in Bangladesh or elsewhere. 2. Has not been convicted of any criminal offense or engaged in any fraud, financial crime or other illegal activity. 3. Has not been convicted of any violation of the rules, regulations or discipline of the regulatory authorities in Bangladesh or elsewhere. 4. Has not been convicted in any legal proceeding. 5. as an insurance agent/intermediary or as a salaried employee or beneficiary auditor/consultant/ advisor/actuary of any insurance institution in Bangladesh or elsewhere.	Complied
6.2 (b)	1. The Chairman and Vice-Chairman of the Board of Directors shall be elected in accordance with section 79 of the Insurance Act, 2010. 2. In the absence of the Chairman of the Board of Directors, the Vice-Chairman shall preside at the meeting. 3. In the absence of both the Chairman and the Vice-Chairman of the Board of Directors the remaining members may elect one of the non-executive directors as Chairman for that particular Board meeting. 4. The reasons for non-compliance of the Chairman and Vice-Chairman in (2) and (3) above shall be duly recorded in the minutes.	Complied
6.3	Independent Director;	
6.3 (a)	"Independent Director" means a Director, who 1. does not hold any shares in insurance companies; 2. he or his family members are not the sponsors of the insurer or the sponsors directors of the insurer or the shareholder directors or the nominated directors; 3. he or his family member is not an associates, sisterconcerns, subsidiaries or parent company, entrepreneur or director of the insurer's entrepreneur or shareholder director of the insurer. is not or is not a nominated director; 4. he or his family member is not an Sponsor or Sponsor director or shareholder director or nominee director of any Holding Entity of the insurer or he or his family members do not jointly or separately hold any shares in the holding entity. 5. who has not held any executive or advisory position of the insurer during the preceding 2 (two) financial years immediately preceding his appointment as an independent director; 6. whose has no financial or other relationship with its subsidiary company or associated (corporate) company; 7. who has not been involved in the statutory audit or internal audit activities or special audit of the insurer during the period of 3 (three) years immediately preceding his appointment as an independent director; 8. who has not been declared insolvent by a bank or non-bank financial institution; 9. has not been convicted of a criminal offense of moral turpitude by a competent court;	Complied (Page no. 214-217)

Section	Description	Compliance Status
6.3 (b)	<p>1. The Independent or director(s) shall be appointed by the Board and approved by the shareholders at the Annual General Meeting.</p> <p>2. The post of independent director shall not be left vacant for more than 90 (ninety) days;</p> <p>3. The term of office of an Independent Director shall be for 3 (three) years, renewable for 1 (one) term only.</p> <p>Provided that an ex-officio director may be considered for re-appointment after serving 2 (two) consecutive terms i.e. 6 (six) years after the lapse of 1 (one) term;</p> <p>Provided further that an individual director shall not retire during the period under the Companies Act, 1994 (Act No. 18 of 1994);</p> <p>Explanation: For the purpose of computing the term or term of an independent director, any partial term of the term shall be treated as a full term.</p>	Complied (Page no. 214-217)
6.3 (c)	<p>Competency of Independent Director:</p> <p>An independent director should be able to contribute meaningfully to the business by ensuring compliance with financial laws, regulatory authorities and corporate laws and regulations through integrity and knowledge. Qualifications and experience in the following shall be considered as qualifications of an Independent Director-</p> <ol style="list-style-type: none"> 1. Ex-servicemen of Government or Statutory or Autonomous or Regulatory bodies who have been working in a post below Grade 5 in the National Pay Scale 2015 and have at least a Distinction Degree in Economics or Commerce or Business Studies Law; or 2. a teacher of a recognized university having a master's degree in economics or commerce or business studies or insurance law; or 3. a professional who— <ul style="list-style-type: none"> • 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 4. Required educational qualification in actuarial science or business of finance and accountancy or economics or any other subject prescribed by the Authority; <p>(Explanation: Must have at least 10 (ten) years of experience in any of the above (2) and (3) and (4) series) or</p> <ol style="list-style-type: none"> 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 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. 	Complied (Page no. 214-217)

Section	Description	Compliance Status
6.4	<p>Role of the Board of Directors:</p> <p>It is the responsibility of the Board of Directors to provide direction and oversee the achievement of long-term goals and effective and efficient management of the insurance company. Board of Directors and corporate policies necessary to achieve this goal Shall develop governance structure/procedure.</p> <ul style="list-style-type: none"> • Formulating and implementing the overall direction of institutional business, 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 ensure full compliance with the Insurance Act and the rules made thereunder including circulars and instructions issued by the authorities and other applicable laws and regulations; • Establishing and regulating various structures for problem identification and resolution; • Encouraging officers and employees to report potential violations of laws and regulations, including whistle-blowing policies and procedures; • Identifying, monitoring and resolving conflicts regarding actual or potential interests of directors, business personnel and shareholders; • To monitor and control all types of transactions, including related party transactions; • Encouraging ethics and good practice in business and identifying and resolving issues arising in this regard. 	Complied (Page no. 222)
6.5	<p>Board of Directors Code of Conduct</p> <ol style="list-style-type: none"> 1. 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.; 2. 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. 	Complied (Page no. 78)
7	<p>Committees of the Board of Directors</p> <ol style="list-style-type: none"> 1. To ensure good governance in the Company, the Board of Directors shall have at least the following committees; <ol style="list-style-type: none"> 1) Audit Committee; 2) Nomination and Remuneration Committee (NRC); 3) Investment Committee); 4) Risk Management Committee 5) Policyholder Protection & Compliance Committee 	Complied (Page no. 67)

Section	Description	Compliance Status
7.2	<p>Audit Committee</p> <p>a) In addition to reviewing the disclosures to be published in the proposed financial report, the board of directors and the company will have an audit committee for the purpose of supervising external and internal audit. This committee will serve as a sub-committee of the board.</p> <p>b) Composition of Audit Committee :</p> <ol style="list-style-type: none"> 1. The Audit Committee shall consist of at least 3 (three) members; 2. The Board of Directors shall appoint the members of the Audit Committee. The audit committee shall include non-executive directors of the company and at least 1 (one) independent director other than the chairperson of the board; 3. All members of the Audit Committee shall have adequate knowledge of accounting or related matters and at least 1 (one) member shall have 10 (ten) years of experience in related matters; 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; 5. The Company Secretary shall perform secretarial duties of the Committee; 	Complied (Page no. 225-229)
	<p>c) Chairperson of the Audit Committee;</p> <ol style="list-style-type: none"> 1) The Board of Directors shall elect 1 (one) member of the Audit Committee as Chairperson of the Audit Committee, who shall be an independent director; 2) In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of their number as Chairperson for that particular meeting, provided that the reasons for the Chairperson's absence shall be duly recorded in the minutes. Provided, however, that at any meeting at least one (1) Independent directors must be present; 3) Chairperson of the Audit Committee shall be present at the Annual General Meeting; <p>Provided that, in the absence of the Chairperson of the Audit Committee, any other member of the Audit Committee may be elected to attend the Annual General Meeting and in such case the reasons for the absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the Annual General Meeting.</p>	Complied (Page no. 263, 252)
	<p>d) Meeting of Audit Committee:</p> <ol style="list-style-type: none"> 1) The Audit Committee shall hold at least four meetings in a financial year. Provided that, if reasonable cause arises, any emergency meeting may be called in addition to the regular meeting at the request of any member of the Committee; 2) The quorum of a meeting of the Audit Committee shall be two members or two-thirds of the members of the Audit Committee (whichever is higher), provided that the consent of an unbiased director shall be deemed necessary. 	Complied (Page no. 265)
	<p>e) Role of Audit Committee:</p> <ol style="list-style-type: none"> 1) Evaluating the insurer's accounting policies and practices and ensuring appropriate internal control over financial reporting, including reviewing financial statements and disclosures in accordance with accounting principles and standards; 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; 3) recommending the appointment of the external auditor after ascertaining his competence and availability; 4) determining the audit fee based on the audit plan, scope and scope of work, efficiency and time required for an effective audit; 5) reviewing the results of external audits and taking necessary corrective actions by assessing the impact of audits on financial reporting and internal control, and reviewing the performance of external auditors; 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; 	Complied (Page no. 264)

Section	Description	Compliance Status
	<p>7) To check whether the findings and recommendations of internal audit are properly considered by the management;</p> <p>8) Assessing whether management has ensured internal control, risk management, responsibility awareness of all employees, regular communication with stakeholders and grievance redressal;</p> <p>9) To review and submit to the Board the necessary action taken by the management in view of reports relating to fraud, deficiencies in internal control or problems identified by the auditor(s) of internal and external regulatory authorities;</p> <p>10) To review compliance with laws, regulations and directives made by authorities and other bodies and internal rules and policies approved by the Board;</p> <p>11) carry out the objectives and oversight functions set by the Board of Directors and regularly evaluate the Committee's own performance;</p>	Complied (Page no. 264)
	<p>f) Rights of Audit Committee: The Audit Committee shall have unrestricted access (open access) to all relevant data, reports, documents and information along with the Chief Executive, Internal Audit Committee/Head of Structure, Actuary and other concerned officers.</p> <p>g) Report of the Audit Committee:</p> <p>1) The Audit Committee shall submit a report/reports on its activities to the Board of Directors;</p> <p>2) The Audit Committee shall immediately report to the Board of Directors, if—</p> <ul style="list-style-type: none"> • There is a conflict of interest; • Suspect or fraud or irregularities or errors or problems identified in the internal audit or financial statements; • Violations of laws and regulations or violations of rules that result in loss of business; • Any other matter which the Audit Committee deems necessary to immediately inform the Board; <p>3) Reporting to authorities: After the audit committee informs the board and management of material matters affecting the financial statements and business results for correction or change, if the same is unreasonably neglected, the committee shall first report the correction or change to the board and management. After making the report, if necessary, after 2 reminders or after the expiry of 6 (six) months from the date of first report to the Board, whichever is earlier, submit the report to the authority;</p> <p>4) Reporting to shareholders and general investors: The report of the activities carried out by the audit committee, including any report of the audit committee submitted to the board of directors, will be published in the annual report of the said financial year.</p>	Complied (Page no. 263)
8.	<p>Nomination & Remuneration Committee</p> <p>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.</p> <p>b) Composition of NRC</p> <p>1) The members of the Committee shall be nominated and appointed by the Board of Directors</p> <p>2) The committee shall consist of at least four directors including at least one independent director. All members shall be non-executive directors;</p> <p>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;</p> <p>4) The Board of Directors shall have power to appoint and remove any member of the Committee. However, the reason for removal shall be clearly recorded in the minutes of the meeting of the Board of Directors;</p>	Complied (Page no. 268)

Section	Description	Compliance Status
	5) In the 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 such vacancy within 180 (one hundred and eighty) days from the date of vacancy of the Committee; 6) The Company Secretary shall perform secretarial duties of the Committee; 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 employees or in relevant cases.	Complied (Page no. 268)
	c) Chairperson of NRC 1) The Board shall elect an Independent Director as Chairperson of the Committee; 2) In the absence of the Chairperson, the remaining members shall elect one of their member as Chairperson for that meeting. However, the reason for the regular chairperson's inadequacy is precisely that to be recorded in the minutes; 3) The Chairperson shall be available to give information and explanation to all concerned including shareholders at the Annual General Meeting. Provided that in the absence of the Chairperson, any other member of the Committee shall be elected to fill the position at the Annual General Meeting and the reason for the absence of the regular Chairperson shall be duly recorded in the minutes of the Annual General Meeting.	Complied (Page no. 268)
	d) Meeting of NRC: 1) NRC will hold at least two meetings in a financial year; 2) The chairperson of the NRC may call emergency meetings when necessary or at the request of any member of the NRC-Committee; 3) The presence of two members or one-third of the members of the Committee, whichever is greater, shall constitute a quorum. Provided that the said meeting must be attended by an impartial/independent Director; 4) the minutes of every meeting of the NRC shall be duly recorded and preserved and the minutes of the previous meeting shall be confirmed at the next meeting of the NRC; 5) No member of NRC shall directly or indirectly receive any honorarium/remuneration other than director's fee or honorarium from the Company other than in any advisory or consulting role.	Complied (Page no. 270)
	e) Role of NRC 1) NRC shall perform duties as per the scope of work determined by the Board of Directors. NRC will be accountable to the Board of Directors and shareholders; 2) NRC will supervise the written matters and submit a report with recommendations to the Board of Directors; A. to propose to the Board of Directors a policy regarding the honorium/remuneration of Directors, Senior Management considering the following matters; 1. Honorium/remuneration structure should be reasonable which will help in recruitment and retention of competent officers-employees in the company; 2. the honorium/remuneration policy is explicit and conducive to enhancing the performance of managers and employees; 3. the honorium/remuneration structure is uncomplicated and the rationale and operation of the structure is straight forward; 4. Determinants of awards, potential value of awards and identifying and mitigating risks, identifying efficient officers and employees in the success of the company and awarding strategies etc. should be explicitly mentioned in the policy;	Complied (Page no. 268)

Section	Description	Compliance Status
	<p>B. Identifying and recommending the appointment to the Board of Directors of those eligible to be appointed to the top executive positions according to the prescribed criteria;</p> <p>C. formulation of criteria for evaluating the competence of impartial/independent directors and board of directors;</p> <p>D. determining the criteria for selection, transfer or transfer and promotion of officers and employees in various departments by identifying the needs of the company; And</p> <p>E. recommending improvements including annual reviews of the company's human resource and training policies;</p> <p>3) NRC shall disclose NRC activities, nomination and remuneration/remuneration policy and evaluation criteria in a financial year in the annual report of the company.</p>	Complied (Page no. 268)
9.	<p>Investment Committee</p> <p>a) As a sub-committee of the Board of Directors, there shall be an 'Investment Committee' for the purpose of overseeing the investment portfolio of the Company in the interest of insurance customers, shareholders and stakeholders on behalf of the Board.</p> <p>b) Composition and Meeting of Investment Committee</p> <ol style="list-style-type: none"> 1) The Board of Directors shall appoint an 'Investment Committee' consisting of at least 5 (five) members and 1 Director as the Chairman; 2) In the case of holding a meeting of the Committee, the presence of 3 (three) members shall constitute a quorum. 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; 3) The company secretary shall perform secretarial duties of the committee. The decision of the meeting shall be recorded in the minutes. <p>c) Role of the Investment Committee</p> <ol style="list-style-type: none"> 1) Recommend to the Board of Directors for approval an effective investment policy in due compliance with the investment related provisions of the Insurance Act, 2010; 2) The Investment Committee shall have access to all information, documents, reports etc. relating to the investment of the insurance company; 3) Monitor and report to the Board of Directors including review of investment and investment income on a monthly basis; 4) Ensure the appropriateness of the investment by considering the investment risk before making the investment; 5) Ensure investments in appropriate investment sectors with a view to timely and proper repayment of insurance company liabilities and review investment risk and results on a quarterly basis; 6) Ensure that necessary measures are taken to minimize investment risk; 7) The Committee may, if necessary, take the advice of appropriate experts; 8) Ensure preservation of necessary solvency and advise the Board of Directors in this regard; 9) Ensure that the funds of the insurance company are not invested for the benefit of any member of the Board of Directors; 10) Ensure that capital losses on investments are properly accounted for in the accounts; 11) Monitor the use of assets and the accounting of rental income if rent is paid; 12) Oversee the protection of the insurer's assets; 13) Perform any other investment related duties as assigned by the Board of Directors; 	Complied (Page no. 67, 231-235)

Section	Description	Compliance Status
10.	<p>Risk Management Committee</p> <p>a) A Risk Management Committee shall be formed as a sub-committee of the Board of Directors to play an effective role in mitigating the risks arising and potential in the implementation of the strategies and action plans formulated by the Board of Directors and to carry out the responsibilities of the Board of Directors in this regard;</p> <p>b) Constitution of Risk Management Committee and its meetings;</p> <p>1) The Board of Directors shall appoint a 'Risk Management Committee' consisting of 3 (three) Directors including at least 1 Independent Director and 1 Independent Director as Chairman of the Committee. 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. However, in that case, the reason for the absence of the regular chairperson shall be duly recorded in the minutes of the meeting;</p> <p>2) In the case of holding a meeting of the committee, the presence of 2 (two) members shall constitute a quorum. The Committee may invite the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, and Chief Risk Officer of the insurance company to attend the meeting;</p> <p>3) The Company Secretary shall perform secretarial duties of the Committee;</p> <p>4) The members of the committee should have proper understanding and knowledge about the insurer's business, management, risks and related issues and responsibilities and duties as committee members. Committee members may invite risk management experts to Committee meetings from time to time. However, in that case the arbitrator(s) will not have voting rights.</p>	Complied (Page no. 67, 235-236)
	<p>c) Role of Risk Management Committee</p> <p>1) It is the responsibility of the Risk Management Committee to determine the risks of various activities of the organization and to formulate appropriate strategies for its control and to ensure proper implementation. The Risk Management Committee will review the risk management policies and procedures of the organization and revise them if necessary. The Risk Management Committee shall review existing risk management procedures to ensure effective prevention and control measures;</p> <p>Risk management policies and procedures: The insurer should have a clearly defined risk management strategy and well-documented approach taking into account the overall business and business objectives. 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 contained in the insurer's written policy. Appropriate processes should be in place for risk identification, assessment, monitoring and reporting, including internal models.</p> <p>2) Determining risk thresholds and reporting to the Board on cost-benefit comparative analysis and qualitative review of identified risks (risk exposures).</p> <p>3) 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.</p> <p>4) To provide necessary advice to the Board on corporate strategy, mergers and acquisitions and business risk mitigation decisions.</p> <p>5) Monitor and review updated information on matters relevant to business continuity</p> <p>6) Adoption/preparation of action plan on existing methods to reduce risk.</p> <p>7) Assisting the company in meeting the required solvency margin provided by the authorities by reviewing the company's solvency margin and submitting a report to the board regarding the steps taken to mitigate the same with details of the risks identified.</p>	Complied (Page no. 237)

Section	Description	Compliance Status
11.	<p>Policyholder Protection and Compliance Committee</p> <p>a) There shall be a Policyholder Protection and Compliance Committee as a sub-committee of the Board of Directors to review the grievances of the policyholders for expeditious settlement and protection of interests and to carry out the duties assigned to the Board of Directors in this regard in a timely manner.</p> <p>b) Constitution of Policyholder Protection and Compliance Committee and its meetings:</p> <p>1) The Board of Directors shall appoint a "Policyholder Protection and Compliance Committee" consisting of 3 (three) directors including at least 1 independent director and 1 director as the chairman of the committee;</p> <p>2) In the case of holding a meeting of the committee, the presence of 2 members shall constitute a quorum. In the absence of the chairperson of the committee, the remaining members can 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;</p> <p>3) The Company Secretary shall perform secretarial duties of the Committee;</p> <p>c) Role of Policyholder Protection and Compliance Committee:</p> <p>1) To review customer complaints and make recommendations to the Board of Directors for the purpose of expeditious resolution of complaints and to supervise the implementation of complaint resolution activities in accordance with the policy;</p> <p>2) to submit regular reports to the Board of Directors regarding the number, nature, time of disposal and details of the claims of the insured;</p> <p>3) Compilation of pre-defined service commitments/agreements clear claims service procedures/ parameters and standard operating procedures;</p> <p>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;</p> <p>5) Overseeing the implementation of various initiatives undertaken by the company for consumer awareness and knowledge dissemination related to insurance.</p>	Complied (Page no. 67, 238)
12.	<p>Senior Management and Key Personnel:</p> <p>a) The Board of Directors should have a policy of recruiting and retaining qualified and competent senior management/key personnel in the company to manage the day-to-day operations of the insurance company as a whole.</p> <p>b) Appointment of Senior Management and Key Personnel :</p> <p>1) Board of Directors Senior Management/Key Personnel namely: 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.;</p> <p>2) The posts 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) will be filled with various qualified individuals;</p> <p>3) The Board of Directors will delineate the responsibilities and determine the duties of the 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.</p> <p>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) shall not concurrently hold any executive position in another company.</p> <p>c) Importance of Attendance at Board of Directors meetings:</p> <p>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 be present at the Board meetings;</p> <p>Provided that, if any matter related to the activities of the Head of Internal Audit and Compliance (HIAC), Chief Investment Officer (CIO) and Chief Risk Officer (CRO) is included in the agenda or agenda of the meeting, he will be present at the meeting.</p> <p>It is further provided that if there is an agenda related to the personal matters of any of the said officers, the concerned officer shall not attend the said board meeting.</p>	Complied (Page no. 233, 236, 240- 242)

Section	Description	Compliance Status
12.1	<p>Managing Director/Chief Executive Officer (CEO):</p> <ul style="list-style-type: none"> 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"; 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; c) the Chief Executive Officer shall be accountable to the Board of Directors for his/her performance and direction, management and performance of the Company; d) In addition to the above matters, the roles and responsibilities of the Chief Executive Officer include- <ul style="list-style-type: none"> 1) To assist the Board of Directors in formulating and promoting a clear vision and direction of the company; 2) provide leadership in achieving the vision and goals set by the Board of Directors; 3) ensuring that the day-to-day, professional and administrative activities of the insurer are consistent with the Board of Directors' prescribed framework as well as the existing legal and prescribed framework as well as the existing legal and regulatory framework; 4) Ensuring the development and implementation of all activities and strategies, including risk management and internal control. 5) Assist the Board of Directors in developing policies, procedures and governance to ensure effective implementation of the company's strategy. 6) To evaluate the work of other executive leadership including department heads of various functional departments of the company. 7) The Chief Executive Officer shall certify that, to the best of his ability, knowledge and belief, no transaction has been made by the Company during the year which is fraudulent, illegal or in violation of the Code of Conduct of the Company and this certification shall be published in the Annual Report. 	Complied (Page no. 240)
12.2	<p>Responsibilities of Senior Management and Key Personnel:</p> <p>The Board shall determine the Charter of Duties for each position, including 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, along with key personnel. This involves clarifying and defining their roles, responsibilities, and duties, and ensuring compliance with the established charter.</p>	Complied (Page no. 240-242, 233-236)
12.3	<p>Appointed Actuaries:</p> <ul style="list-style-type: none"> a) Actuaries shall be conducted in accordance with the Insurance Act, 2010 and the rules relating thereto; b) Actuarial valuation of the financial matters arising from the insurance scheme in accordance with the applicable rules and regulations of the competent authority; 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; 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 a potential conflict of interest exists, the Board should take appropriate measures to address it; e) The appointed actuary should be able to report to the external auditor on matters of importance; f) The role and responsibilities of the appointed actuary should include the following; 	Not applicable

Section	Description	Compliance Status
	<ol style="list-style-type: none"> 1) Determining or giving an opinion on the correct actuarial valuation and technical feasibility 2) providing professional advice or certification to the Board on the following matters; <ul style="list-style-type: none"> • Measurement of whether the technical capability /provisions conforms to the evaluation framework • Identifying and measuring organizational risks and taking appropriate risk mitigation measures. • Financial statement test • Required Solvency Margin • Correctness of Premium and Surrender Price /value • Management of Participating Funds including risk impact analysis due to strategies and policies • Other regulations relating to product development/innovation, reinsurance including risk mitigation and risk management. 	
13.	<p>Other committees of insurance companies:</p> <p>The insurance company may form committees on matters related to its objectives and needs and the board of directors shall clearly define the responsibilities of such committees.</p> <ul style="list-style-type: none"> • Corporate Social Responsibility (CSR) Committee • Environmental, Social and Governance (ESG) Committee • Integrity and Eithics Committee • Reinsurance and Retrocession Committee • Asset, Liability Management (ALM) Committee 	To be comply
14.	<p>Disclosures (Publishable Information) of Board of Directors and Board Committee Meetings:</p> <ol style="list-style-type: none"> 1) Meetings of the Board of Directors: The Company shall record, preserve and, where applicable, disclose (publish) the minutes of its Board meetings. 2) shall disclose (publish) on the website the code of conduct of all officers/employees including the chairman of the board, members of the board and the chief executive officer; 	Complied
	<ol style="list-style-type: none"> 3) The Board of Directors/Boards shall publish the minutes of their meetings; <ol style="list-style-type: none"> a) the number of meetings of the Board of Directors and Committees in a financial year; 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. c) details of remuneration paid to all directors (including independent directors), if any; d) Other relevant information. 	Complied
15.	<p>Activities related to Related Party Transactions:</p> <ol style="list-style-type: none"> a) Proper conduct of insurers and insurers and stakeholders in order to ensure the protection of interests, in order to approve and manage related party transactions in a certain manner, will formulate the necessary policies for the identification of related party transactions taking into account the following matters; <ol style="list-style-type: none"> 1) definitions and specific procedures for all transactions in the insurance business; 2) method of pricing; 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; 4) matters relevant to interest-related transactions b) Related party transactions should be avoided as far as possible; c) if it is not possible to avoid related party transactions the trading authority must ensure that the transaction is arms length transactions and preserve documents relating to the transactions ; d) the Board of Directors shall review the related party Transactions to ensure that no irregularities are committed or any stakeholder - related party Transactions are not affected; 	Complied (Page no. 120)

Section	Description	Compliance Status
	<p>e) In the case of transactions involving assets, services, transfers, etc., in the financial statements, the nature of the relationship of related party transactions, the details of the transaction (dues, matters specified in the agreement, etc.) must be disclosed.</p> <p>f) In order to prevent misuse, fraud and financial loss in the case of related party transactions, the authorities may verify the same and issue necessary directions where applicable.</p> <p>g) Group companies shall ensure overall review, compliance and proper safeguarding in respect of insurance cover provided by insurance companies, disclosure of financial matters payable by policyholders to the group of insurers and related party transactions of this nature.</p>	Complied (Page no. 120)
16.	<p>Corporate Social Responsibility (CSR):</p> <p>All insurance companies shall ensure corporate social responsibility in order to comply with the laws and regulations of the authorities. The annual report of the insurer shall compulsorily disclose the reference to corporate social responsibility along with the audited financial statements.</p>	Complied (Page no. 186-192)
17.	<p>Policies of Insurer:</p> <p>Apart from the above mentioned policies, formulation and implementation of the following policies by the insurer will be helpful for corporate governance.</p>	
17.1	<p>Whistle Blowing Policy</p> <p>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 behaviour/activities, it may include the following methods:</p> <ol style="list-style-type: none"> 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. 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. 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. 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. 	Complied (Page no. 275)
17.2	<p>Other policies</p> <p>a) The following policies may be formulated and implemented in support of good governance under this section-</p> <ul style="list-style-type: none"> • Assets and Liabilities Management Policy • Underwriting policy • Reinsurance policy • Insurance claim payment policy • Code of conduct for officers and employees • Corporate Social Responsibility (CSR) Policy • Snactity Policy • Gender Equality Policy • Human Resource Management Policy • Financial policy • Anti-Corruption Policy • Anti-Discrimination Policy • Information and Technology Policy <p>b) In addition, the Company may adopt such other policies as may be deemed necessary by it to be conducive to good corporate governance.</p>	To be comply.

Section	Description	Compliance Status
18.	<p>Activities of Insurer's Discloseable Information</p> <p>Maintenance of Website by the Company:</p> <p>a) There should be an official website with a link to the relevant authority.</p> <p>b) The Company shall publish the necessary information on its website and keep it updated. For the benefit of insurance customers, information on the following matters will be regularly updated and uploaded to the website of the insurance company;</p> <ol style="list-style-type: none"> 1) Summaries of audited accounts and actuarial valuation (subsequent) reports of the insurer including annual reports; 2) details of the insurance plan including benefits; 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 (including mobile number and department); and 4) Any other information prescribed by the Authority from time to time for publication. 	Complied (Page no. 252)
19.	<p>Annual Compliance Report on Corporate Governance:</p> <p>1) The self-assessment report prepared by the board of directors on the compliance of the corporate governance described in this guideline should be submitted to the authority by 31st January of the following year and the main points of this report should be included in the annual report of the company.</p>	Complied
	<p>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 distress and 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.</p>	To be Comply
	<p>3) The issuer of the certificate of compliance with the conditions of corporate governance mentioned in clause 2 shall be appointed at the annual general meeting of the shareholders.</p>	Complied (Page no. 14)
20.	<p>Authority to issue directions and enforcement thereof:</p> <p>The Authority (IDRA) may issue necessary directions to the Insurer regarding the compliance of these guidelines for ensuring corporate governance and the Insurer shall comply with such directions.</p>	To be Comply

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 12% cash dividend share for the year 2023.

D. MATERIAL CHANGES AND COMMITMENTS AND OPERATIONS:

No major changes in strategy and actions in the company.

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.

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. 115)

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.

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.

5. Discussion on Operating performance:

A brief description has been presented in the 'Financial Highlights' portion of this report.

6. Continuity of Any Extraordinary Activities:

During the year 2023, City Insurance realized gain 4.42 million from investment in shares from capital market.

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.12, 3.11).

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 2023, 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.

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, 2023 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.

13. Proper maintenance of books of account:

Books of account is maintained appropriately by City General Insurance Company Limited. This matter is also stated in the external auditor's report, Islam Quazi Shafique & Co. Chartered Accountants

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. (Note no. 3.07)

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, 2.3.11, 3.22).

16. Efficiency and soundness of internal control:

Related discussions are presented in the Internal Control Section under corporate governance chapter.

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 disclosures 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.

19. Explanation of significant deviations of operating results:

Significant variations of operating results from the previous year have been discussed in the Financial Capital section of this report.

20. Key operating and financial data of at least 6 (Six) years:

Key operating & financial data over the last six years as per the requirement of BSEC are mentioned details in which discussed at page no. 324.

21. Declare dividend (cash or stock) for the year:

12% cash dividend have been declared for the year 2023.

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, Annexure II.

24. The pattern of shareholding:

The pattern of shareholding is disclosed at page no. 131 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. 70-77 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. 93 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. 205 of this report.

28. Certificate regarding compliance of corporate governance:

Certificate is issued Salahuddin & Associates Chartered Secretaries, and presented in the annual report, Under corporate governance report at Annexure-B, page no. 277

CityGeneral Insurance Company Limited 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 2022 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 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

Policies to Encourage Employees' Participation in Management

City General Insurance Company Limited 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:

- Investment in comprehensive training programs and skill enhancement opportunities.
- Prioritizing employee growth ensures a highly skilled and motivated workforce, contributing to the company's long-term success.



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 General Insurance Company Limited.

City General Insurance Company Limited'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.

BAPLC Certificate of Memorandum





INVESTOR FRIENDLY
INFORMATION

Investor Friendly Information

INVESTOR RELATIONS

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 28 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.

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.

Md. Nazrul Islam, Qualified Chartered Secretary (QCS)

Assistant Manager

Share Department

City General Insurance Company Limited

Baitul Hossain Building (4th Floor)

27, Dilkusha C/A, Dhaka-1000

Phone: 0222-3387296, 0222-3387281, 0222-3387278

Email: share@cityinsurance.com.bd

Effective Investor Communication on Value Related Information

The daily operations of a company contribute to enhancing the value of its stock for the investing public. To capitalize on this value, businesses must consistently exert efforts to communicate extensively with their investors. Recognizing this, investor relations become a crucial component of the overall business strategy, particularly in the realm of communication. Relevant departments play a vital role in establishing the necessary connections between efficient communication and the company's overarching goals. Therefore, effective investor communication, especially concerning value-related information, holds significant importance for an organization.

DISCLOSURE FOR PRESENT AND PROSPECTIVE INVESTORS

Value creation of Shareholders



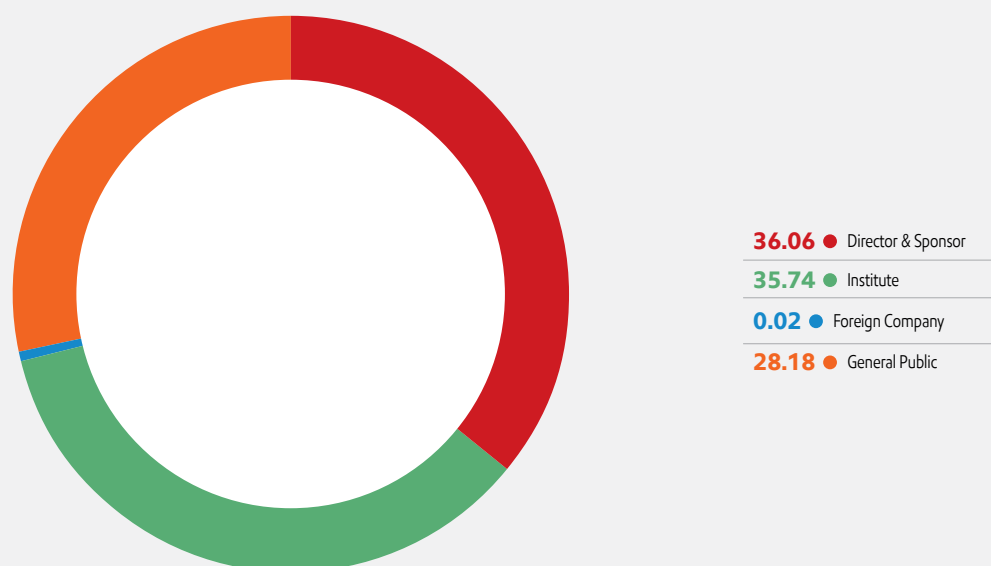
2023	2022	2021	2020	2019	2018
AA+	AA+	AA	AA-	AA-	A+

Market Value

Description	2023	2022	2021	2020	2019	2018
Highest	49.70	26.20	44.10	31.30	22.70	13.50
Lowest	48.50	25.50	42.60	30.00	21.80	13.30

Shareholding Structure

SL. No.	Type of Owner	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%
3	Institute and all investors	92	2,43,62,092	24,36,20,920	35.74%
4	Non-Resident Bangladeshi (NRB)	51	16,844	1,68,440	0.02%
5	General public	3,082	1,92,05,557	19,20,55,570	28.18%
Total		3,243	6,81,66,122	68,16,61,220	100%



SHAREHOLDERS' INFORMATION

Distribution of Shareholders in Terms of Number

Share Holding Range	Distribution of Shareholders: 31.12.2023			Distribution of Shareholders: 31.12.2022		
	No of Shareholder	No of Share	%	No of Shareholder	No of Share	%
1- 500	1,842	2,26,106	0.33	2,977	5,54,716	0.81
501-5000	1,061	19,99,524	2.93	3,451	68,99,678	10.12
5001-10000	122	9,46,864	1.39	596	46,17,599	6.77
10001-20000	83	12,24,394	1.80	357	52,23,339	7.67
20001-30000	35	8,70,996	1.28	107	26,71,668	3.92
30001-40000	11	4,05,560	0.59	58	20,51,639	3.01
40001-50000	16	7,11,936	1.04	48	21,88,604	3.21
50001-100000	21	15,06,169	2.21	64	46,52,316	6.83
100001-1000000	31	1,06,10,946	15.57	48	1,56,65,630	22.98
1000001-9999999	21	4,96,63,627	72.86	13	2,36,40,933	34.68
Total	3,243	6,81,66,122	100.00	7,719	6,81,66,122	100.00

Shareholding By Directors

Name of Directors and their shareholdings as at December 31, 2023

Sl. No.	Name	Position	No of Shares	Amount Taka	% of Share	Remarks
01	Anwar Jute Spinning Mills Ltd. Mr. Hossain Akhtar (Nominated by Anwar Jute Spinning Mills Ltd.)	Director	26,02,704	2,60,27,040	3.82%	
02	Mr. Hossain Mehmood	Sponsor Shareholder	40,05,266	4,00,52,660	5.88%	
03	Mr. Md. Abu Taher	Sponsor Director	20,65,639	2,06,56,390	3.03%	
04	Mrs. Bibi Amena	Director	16,52,507	1,65,25,070	2.42%	
05	Anwar Silk Mills Ltd. Faizah Mehmood (Nominated by Anwar Silk Mills Ltd.)	Director	20,65,639	2,06,56,390	3.03%	
06	Khaled Iron & Steel Mills Ltd. Mr. Harunoor Rashid (Nominated by Khaled Iron & Steel Mills Ltd.)	Director	18,59,074 2,27,218	1,85,90,740 22,72,180	2.73% 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%	
08	Hossain Dyeing & Printing Mills Ltd. Mrs. Hasina Begum (Nominated by Hossain Dyeing & Printing Mills Ltd.)	Director	20,65,639 4,29,424	2,06,56,390 42,94,240	3.03% 0.63%	She holds 4,29,424 shares in her name
09	Wazeefa Acrylic Spinning Spinning Mills Ltd. Mr. Mohammad Amanullah (Nominated by Wazeefa Acrylic Spinning Spinning Mills Ltd.)	Director	16,43,121	1,64,31,210	2.41%	
10	Nominated by Mehmud Industry Pvt. Ltd. Mrs. Hasina Parveen Manwar (Nominated by Mehmud Industry Pvt. Ltd.)	Director	13,64,254 5,51,522	1,36,42,540 55,15,220	2.00% 0.81%	She holds 5,51,522 shares in her name.
11	Anwar Landmark Ltd. Mr. Muhammad Nazirul Islam (Nominated by Anwar Landmark Ltd.)	Director	13,64,061	1,36,40,610	2.00%	
12	A-One Polymer Ltd. Mrs. Salina Ahmed (Nominated by A-One Polymer Ltd.)	Director	13,94,305 4,13,125	1,39,43,050 41,31,250	2.05% 0.61%	She holds 4,13,125 shares in her name.
13	Mr. Mahabubul Haque	Independent Director (Non-Shareholding)	Nil	---	---	
14	Mr. Tauhiduddin Md. Zahed	Independent Director (Non-Shareholding)	Nil	---	---	
15	Mr. Mohammad Saif Noman Khan	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%	

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%	--	--

*Subject to approve of the shareholders in the 28th AGM.

The History of Rising Share Capital

The primary goal of City General Insurance Company Limited 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	--	--	--	681,661,222
Total Share							68,166,122		

*100% Rights share credited on 2011

**Subject to approve of the shareholders in the 28th 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	3/24/2011	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

- Publication of 1st Quarter Financial Statements 18 April 2023
- Publication of 2nd Quarter Financial Statements 16 July 2023
- Publication of 3rd Quarter Financial Statements 23 October 2023
- Annual Financial statements approved by the Board (For the year ended 31 December 2022) 13 February 2023
- 27th Annual General Meeting 30 March 2023

- Publication of 1st Quarter Financial Statements 26 April 2022
- Publication of 2nd Quarter Financial Statements 30 July 2022
- Publication of 3rd Quarter Financial Statements 27 October 2022
- Annual Financial statements approved by the Board (For the year ended 31 December 2021) 28 February 2022
- 26th Annual General Meeting 25 April 2022

- Dividend rate 10.50% Cash
- Recommended of dividend by the Board 13 February 2023
- Record Date 07 March 2023
- Date of AGM 30 March 2023
- Dividend distribution for the year 2022 24 April 2023

Events for
the year
2022

Events for
the year
2023

Distribution
of Dividend
for the year
2022

Financial Calendar



Stakeholder Connect

Our stakeholder connect initiatives are rooted in our material matters. Once we ascertain these, we formulate and develop specific activities, initiatives and events with a view to satisfy them, which is key to build long-term relationships with our stakeholders.

Collaboration and communication are essential for carrying out our mission of fulfilling matters material to our stakeholders. We talk to, work with, and learn from our stakeholders in several ways to amplify our impact, understand and share expectations, and be held accountable for our actions and outcomes.

Specifically, we are committed to the following:

Share information, hold ourselves accountable, and seek feedback on our approach and performance	Communicate our expectations and standards to employees, suppliers and partners	Share expertise and knowledge through training and capacity building	Provide support through various citizenship programs, volunteerism, donation, disaster relief, and other channels	Work with others to develop new products and broaden insurance access
--	---	--	---	---

The following table provides a few illustrative examples of our stakeholder engagement activities during the year.

Key stakeholder engagement activities

STAKEHOLDER	ACTIVITY
<div style="text-align: center;">  <p>Shareholders</p> </div>	<ul style="list-style-type: none"> • Held discussions about business performance and our market position • Conducted ongoing dialogue with investors regarding broad conversations on market share, customer service, digital and tech preparedness, governance and other strategic issues • Discussed key ESG areas important to the company and its investors
<div style="text-align: center;">  <p>Employees</p> </div>	<ul style="list-style-type: none"> • Organised team-building activities, workshops on industry updates, wellbeing programs and recognition events to boost employee morale and foster a positive work environment • Conducted training sessions, outreach programs and ensured regular communication forums to enhance professional development and employee engagement • Laid emphasis on upskilling and training, especially to prepare our workforce on the future of the industry

STAKEHOLDER

ACTIVITY



Customers

- Implemented customer-facing initiatives, such as personalized customer awareness on policies and user-friendly digital platforms for easy access
- Ensured proactive communication about policy updates as well as efficient claims processing that created a favourable goodwill for us in the market
- Provided regular feedback mechanisms, educational webinars and interactive tools to assess coverage needs that also enhanced customer satisfaction
- Our customers are our most important stakeholders. Thus, we have provided a detailed overview of how we impact them elsewhere in this section of the report



**Government/
regulator**

- Insurance is a regulated business and hence we liaison with the government/regulator (IDRA or Insurance Development and Regulatory Authority of Bangladesh) on an ongoing basis
- We participate in forums and discussions for improving the operating environment and our scope for growth
- We adopt all supervisory policies with a view to ensure regulatory compliance, which also contributes to stability of the insurance sector as a whole



**Local
communities**

- We are committed to societal initiatives that enable us to create a beneficial impact on lives and livelihoods
- So far, we have positively influenced over 2,000 lives through our engagement on 25+ projects covering 7 districts
- We also partner with NGOs to maximise impact creation, especially at the grassroots
- Most of our citizenship programs are routed through our City General Insurance Foundation which aims to offer support to the education and healthcare sectors of the society as well as employees through shared progress

Impacting our customers

We strive to create a positive customer experience in each and every interaction we have with them. This forms the basis of our value-creation agenda. Furthermore, it has also enabled us to remain true to our business of insurance as we stand by our customers in their “moment of truth”, that is when they are in distress and raise a claim.

Some of our major customer impact areas include the following:



Transparent communication

Ensuring clear and honest communication with our customers is vital for us as an organization. From policy terms and wordings to updates, transparent communication builds trust and helps our customers make informed decisions. Furthermore, regularly providing information on changes, benefits and potential risks fosters transparency in the insurer-customer relationship.



Personalized services

Tailoring and personalizing insurance services to individual needs demonstrates our customer-friendly approach. Utilizing key data points to understand their preferences allows the company to offer personalized coverage and even recommendations. This not only meets customer expectations but also enhances their overall satisfaction, which thus improves customer retention.



User-friendly digital access

Investing in intuitive and accessible online platforms simplifies the insurance process for our customers. From purchasing policies to filing claims, a user-friendly interface helps streamline interactions. Further, we ensure that we develop platforms that are neat and easy-to-navigate, which contributes to a positive customer experience. This constant focus on augmenting our digital access has resulted in a growing proportion of policies being sold through our digital platforms.



Proactive claims assistance

Providing proactive claims support has significantly impacted customer satisfaction. Offering guidance throughout the claims process, clear instructions, and timely updates enable us to keep our customers informed and alleviate stress during challenging times. Additionally, fast and fair claims processing reflects positively on our commitment to customer service and wellbeing.



Educational resources on policies

It is natural that many customers may find insurance policies complex. Offering resources that help build awareness, such as guides and FAQs, helps demystify insurance terms and coverage details, thus making the policy wordings and language lucid and clear to comprehend. This empowers our customers to make informed decisions and minimizes misunderstandings, fostering a more aware and confident clientele.



Feedback mechanisms

We actively seek customer feedback through surveys, reviews or direct communication that allows us to understand customer satisfaction and areas for improvement. Besides, analyzing this feedback helps in refining products, services and customer interactions, ultimately aligning the company more closely to customer requirements and expectations.



Quick response to inquiries

Timely response to customer inquiries demonstrates our commitment to customer service. Whether through phone, email or online chat, prompt and helpful responses build confidence in the company. Likewise, efficient communication channels contribute to a positive customer experience.



Innovative coverage choices

Offering innovative coverage choices that adapt to changing needs or emerging risks showcases our company's commitment to staying relevant and competitive in the market. Being flexible and creative in policy offerings ensures that customers have access to solutions that meet their evolving requirements. Thus, incorporating these initiatives collectively contributes to our holistic approach towards customer satisfaction, loyalty and overall positive brand perception.

Redressal of Investors' Complaints

STAKEHOLDERS RELATIONSHIP/ GRIEVANCE REDRESSAL

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.

REDRESSAL PROCESS OF CITY GENERAL INSURANCE COMPANY LIMITED

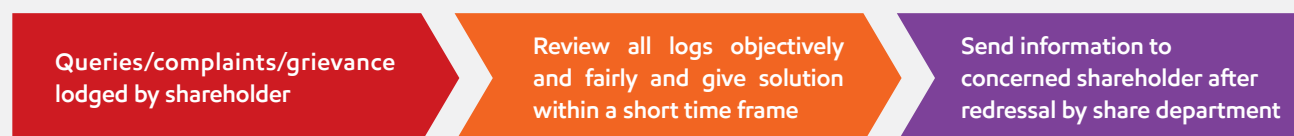
- Investor or shareholder complaints should be addressed with courtesy and in a prompt manner.
- Complaints are handled efficiently and resolved fairly.
- Shareholders are notified for the retrieval of dividend warrants that have been refunded due to non-delivery by the courier.
- Dividend warrants are 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.

REDRESSAL STATISTICS FOR THE YEAR ENDED DECEMBER 31, 2023

Requests received from shareholders	Ways of addressing mentioned requests
<ul style="list-style-type: none"> • Re-issue of 5 dividend warrants (which were date expired) • 14 Unclaimed Dividend claim • Issuance of 79 shareholdings certificate for income tax purpose 	<ul style="list-style-type: none"> • 5 dividend warrants issued • Settle 14 unclaimed Dividend claim • 79 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



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	√	

Evaluation of the Quarterly Performance

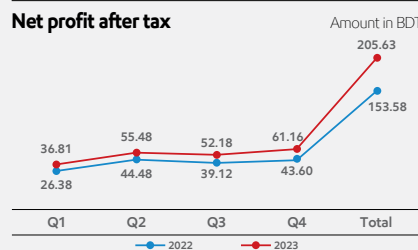
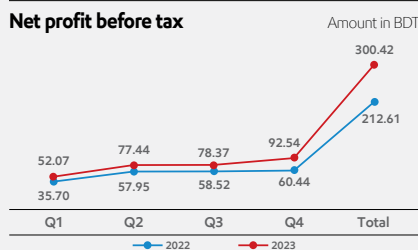
EVALUATION OF QUARTERLY FINANCIALS BY THE AUDIT COMMITTEE AND BOARD

Each publicly listed company must create and release quarterly financial statements for the first quarter (Q-1), half-year (Q-2), and third quarter (Q-3) in accordance with the Bangladesh Securities and Exchange Commission (BSEC) regulations. City Insurance complies with this requirement set by the Bangladesh Securities and Exchange Commission (BSEC) and follows the guidelines outlined in International Accounting Standard (IAS)-34: "Interim Financial Reporting" when preparing its quarterly financial statements.

Key highlights of interim results of the bank is stated below:

BDT in mn

Particulars	2023					2022				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Gross premium income	245.94	183.29	163.56	228.13	820.92	244.03	281.57	186.15	176.26	888.01
Net premium income	141.99	93.19	106.49	174.83	516.50	163.73	189.17	110.69	104.32	567.91
Re-insurance commission earned	17.67	18.55	8.99	12.89	58.10	14.88	25.59	15.85	10.13	66.45
Investment & others income	09.93	36.43	24.02	28.94	99.32	7.66	18.52	23.52	31.68	81.38
Management expenses (allocable)	60.80	50.83	45.12	60.66	217.41	63.19	72.86	57.56	42.49	236.10
Claims	8.46	20.32	28.65	15.73	73.16	15.96	28.05	1.39	12.09	57.49
Agency commission	37.08	31.54	25.64	26.92	121.18	52.53	44.80	33.71	30.68	161.72
Management expenses (un-allocable)	4.12	2.94	2.52	4.77	14.35	3.13	3.34	3.25	3.51	13.23
Total expenses	110.46	105.63	101.93	108.08	426.10	134.81	149.04	95.92	88.78	468.55
Profit before tax	52.07	77.44	78.37	92.54	300.42	35.70	57.95	58.52	60.44	212.61
Tax expenses	15.38	22.57	26.26	30.58	94.79	9.32	13.47	19.40	16.84	59.03
Net profit after tax	36.81	55.48	52.18	61.16	205.63	26.38	44.48	39.12	43.60	153.58
EPS	.54	.81	.77	.90	3.02	0.39	0.65	0.57	0.64	2.25



The Audit Committee of the Board conducts a review of the interim results before their publication and subsequently submits them to the Board of Directors for approval. Once approved by the Board of Directors, the interim financial statements are forwarded to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), and Chittagong Stock Exchange (CSE) for submission. Subsequently, the approved statements are published in both Bangla and English daily newspapers. Additionally, the report can be accessed on the Company's official website at www.cityinsurance.bd.

Six Years Financial Summary

BDT in mn

Particulars	Terms	2023	2022	2021	2020	2019	2018
Financial position							
Total assets	Taka	2,135.94	1,939.89	1,684.81	1,606.27	1,338.48	1,314.22
Investments (Share & GTB)	Taka	570.57	529.64	407.37	270.05	194.23	172.84
Current assets	Taka	1515.28	1,354.23	1,222.68	1,294.24	1,104.16	1,100.84
Net current assets	Taka	770.24	680.09	732.67	838.43	834.50	846.76
Fixed deposit with banks & NBFI	Taka	921.26	831.15	640.40	582.18	528.02	561.58
Cash & cash equivalents	Taka	936.65	856.21	652.92	612.03	571.66	598.10
Net assets	Taka	1,390.90	1,265.76	1,194.81	1,150.46	1,068.82	1,060.13
Current liabilities	Taka	745.04	674.14	490.01	455.81	269.66	254.09
Total reserve	Taka	618.49	493.35	422.40	378.05	296.41	287.72
Operational results							
Gross premium	Taka	820.92	888.01	730.62	438.24	446.72	436.25
Net premium	Taka	516.49	567.91	483.41	328.37	312.37	295.63
Net claims	Taka	44.17	53.01	115.77	49.27	65.56	68.73
Underwriting profit	Taka	216.46	145.46	95.58	84.52	73.84	80.94
Profit before interest, depreciation & tax	Taka	309.31	220.22	171.02	168.09	113.08	120.03
Profit before tax	Taka	300.42	212.61	162.61	162.06	107.24	112.15
Net profit after tax	Taka	205.64	153.58	114.72	120.75	68.55	85.63
Income from investments	Taka	99.32	80.05	111.11	88.54	46.13	43.17
Investments & other income	Taka	99.32	81.38	116.34	89.61	47.19	43.32
Cash flow from operating activities	Taka	172.46	381.13	187.30	114.88	44.68	33.38
Net operating cash flow per share	Taka	2.53	5.59	2.75	1.69	0.66	0.49
Financial ratio							
Dividend per share (cash)	Taka	1.20	1.05	1.00	1.00	0.50	0.50
Earnings per share	Taka	3.02	2.25	1.68	1.77	1.01	1.26
Cash ratio	Times	1.26	1.27	1.33	1.34	2.12	2.35
Quick ratio	Times	2.03	2.01	2.49	2.83	4.09	4.33
Debt equity ratio	Ratio	-	-	-	-	-	2.27
Leverage ratio	Times	-	-	-	-	-	52.35
Debt service coverage ratio	Times	-	-	-	-	-	39.09
Return on investment	Ratio	6.66	5.88	10.60	10.39	6.39	5.88
Return on equity/fund	Ratio	14.78	12.13	9.60	10.50	6.41	8.08
Return on capital employed	Ratio	21.60	16.80	13.61	14.09	10.03	10.58
Return on average assets (ROAA)	Ratio	10.09	8.47	6.97	8.20	5.17	6.70
Claim settlement ratio	Ratio	73.33	93.08	99.46	100	100	99.25
Claim ratio	Ratio	8.55	9.33	23.95	15.01	20.99	23.25
Combined ratio	Ratio	65.63	70.51	70.05	75.77	77.49	79.43
Price earnings ratio	Times	16.42	11.51	25.54	15.25	22.28	10.63
Solvency ratio	Times	6.72	5.50	5.08	5.80	7.21	8.00
Current ratio	Times	2.03	2.01	2.50	2.84	4.09	4.33
Underwriting profit ratio	Ratio	41.91	25.61	19.77	25.74	23.64	27.38
Dividend payout ratio	Ratio	39.74	46.67	59.52	56.50	49.50	39.68
Dividend yield	Times	0.02	0.04	0.02	0.04	0.02	0.04
Return on assets (ROA)	Ratio	9.63	7.92	6.81	7.52	5.12	6.52
Gross profit ratio	Ratio	36.60	23.94	22.26	36.98	24.01	25.71
Net profit ratio	Ratio	25.05	17.30	15.70	27.55	15.34	19.63
EBITDA	Ratio	12.51	7.39	7.54	10.70	9.92	7.41
Equity statistics							
Paid-up capital	Taka	681.66	681.66	681.66	681.66	681.66	681.66
Shareholders' equity	Taka	1,390.90	1,265.76	1,194.81	1,150.46	1,068.82	1,060.13
Market value per share	Taka	49.60	25.90	42.90	27.00	22.50	13.40
Net assets value per share	Taka	20.40	18.57	17.53	16.88	15.68	15.55

Ratio Pertaining to the Insurance Sector

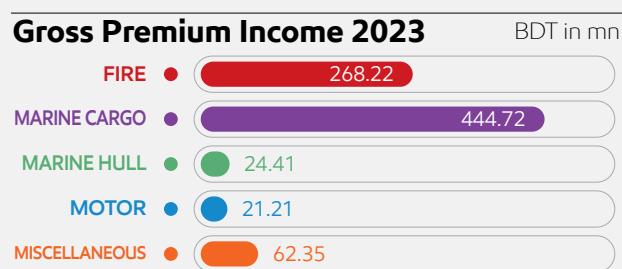
BDT in mn

Particulars	2023	2022	2021	2020	2019	2018
Financial ratio						
Reinsurance premium ceded as % of gross premium	37.08	36.05	33.84	25.07	30.07	32.23
Reinsurance premium ceded as % of net premium	58.94	56.36	51.14	33.46	43.01	47.57
Commission paid as % of gross premium	14.76	18.21	7.58	14.44	11.95	12.68
Net Reinsurance commission earned as % of gross premium	7.08	7.48	6.83	5.11	5.44	6.91
Net Reinsurance commission earned as % of net premium	11.25	11.70	10.33	6.82	7.77	10.20
Reinsurance claim recovery percentage	65.66	9.92	3.46	33.89	6.71	32.79
Management expenses (Revenue a/c) as % of gross premium	26.48	26.59	27.75	35.24	29.62	29.53
Management expenses (Revenue a/c) as % of net premium	42.09	41.57	41.94	47.04	42.35	43.58
Net claims incurred as % of gross premium	5.38	5.97	15.85	9.66	15.74	15.75
Net claims incurred as % of net premium	8.55	9.33	23.95	12.90	22.51	23.25
CSR to net income (as %)	0.89	0.62	0.32	0.74	0.36	-
Underwriting result as % of gross premium	26.37	16.38	13.08	19.29	16.53	18.55
Underwriting result as % of net premium	41.91	25.61	19.77	25.74	23.64	27.38
Net profit margin on net premium	39.81	27.04	23.73	36.77	21.94	28.97
External liability ratio	25.11	22.92	17.46	20.20	10.79	10.33
Internal capital generation ratio	11.05	6.86	5.85	6.07	2.96	4.62
Exceptional loss reserve to net premium	82.94	66.33	66.18	82.70	76.43	70.19
Capital & fund to total assets	65.12	65.25	70.92	71.62	79.85	80.67
Operational Cash Flow to Sales (OCFS)	21.01	42.92	25.64	26.21	10.00	7.65
Liquid asset to total assets (%)	43.85	44.14	38.75	38.10	42.71	45.51
Net worth to total assets (%)	65.12	65.25	70.92	71.62	79.85	80.67
Retention ratio	66.85	55.62	40.58	43.55	50.28	60.20
Premium to equity	37.13	44.87	40.46	28.54	29.23	27.89
Return on Average Equity (ROAE)	10.16	12.48	9.78	10.88	6.44	8.41
Liquid asset to total insurance fund	67.34	67.64	54.65	53.20	53.49	56.42
Total liquid asset to total asset	43.85	44.14	38.75	38.10	42.71	45.51
Premium growth ratio	(7.56)	21.54	66.72	(1.90)	2.40	0.33
Persistency ratio	90	88	85	83	82	80
Operating profit ratio	26.37	16.38	13.08	19.29	16.53	18.55
NPA ratio	0.48	0.58	0.72	0.82	1.06	1.14

Graphical Presentation Horizontal & Vertical Analysis

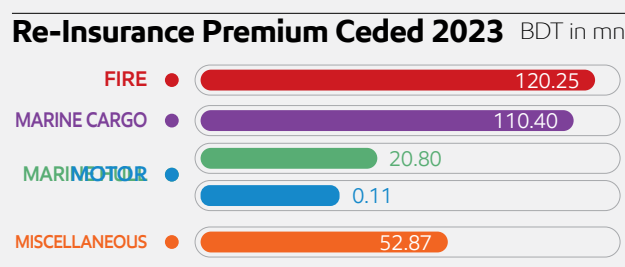
BDT in mn

Gross Premium Income 2023	
FIRE	268.22
MARINE CARGO	444.72
MARINE HULL	24.41
MOTOR	21.21
MISCELLANEOUS	62.35



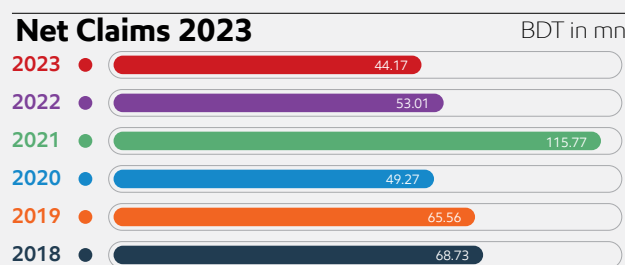
BDT in mn

Re-Insurance Premium Ceded 2023	
FIRE	120.25
MARINE CARGO	110.40
MARINE HULL	20.80
MOTOR	0.11
MISCELLANEOUS	52.87



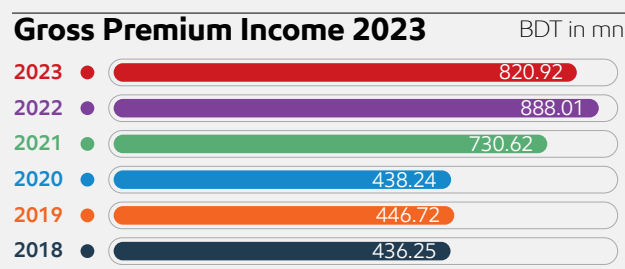
BDT in mn

Net Claims	
2023	44.17
2022	53.01
2021	115.77
2020	49.27
2019	65.56
2018	68.73



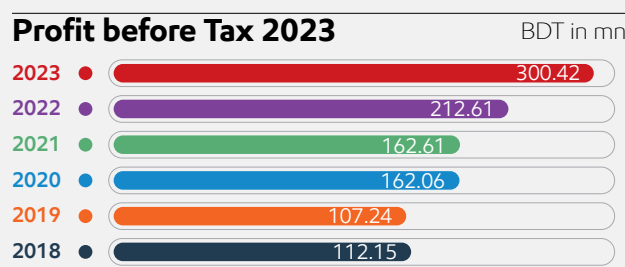
BDT in mn

Gross Premium Income 2023	
2023	820.92
2022	888.01
2021	730.62
2020	438.24
2019	446.72
2018	436.25



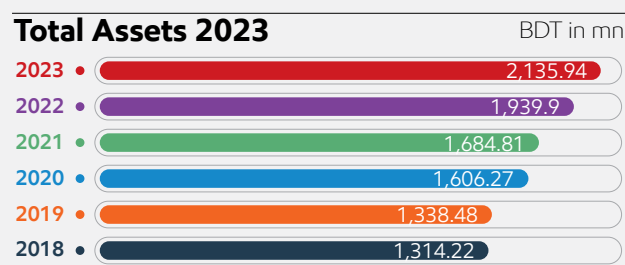
BDT in mn

Profit before Tax 2023	
2023	300.42
2022	212.61
2021	162.61
2020	162.06
2019	107.24
2018	112.15



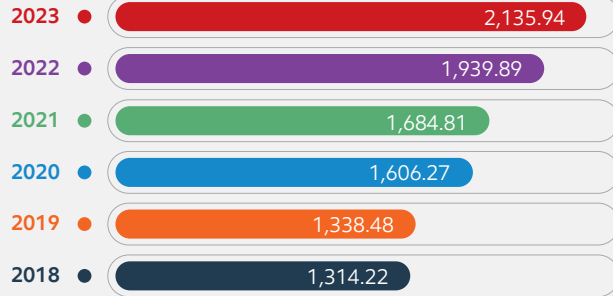
BDT in mn

Total Assets 2023	
2023	2,135.94
2022	1,939.9
2021	1,684.81
2020	1,606.27
2019	1,338.48
2018	1,314.22



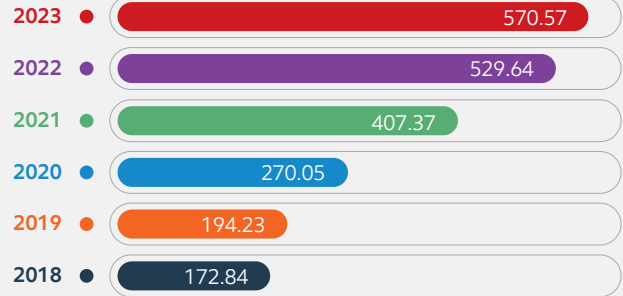
Total Assets

BDT in mn



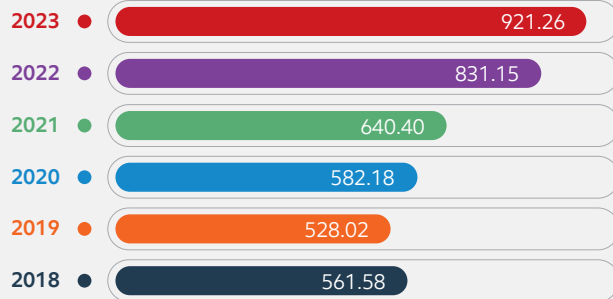
Investments (Share & GTB)

BDT in mn



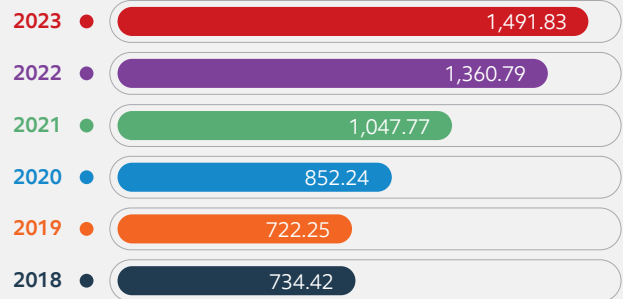
FDR

BDT in mn



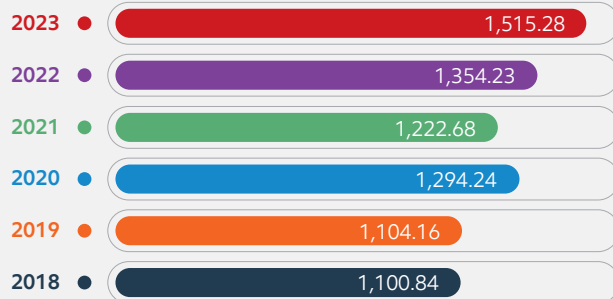
Total Investments

BDT in mn



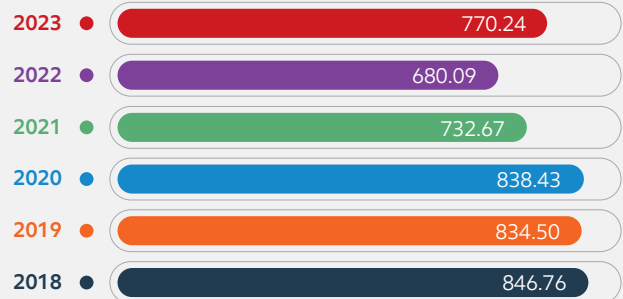
Current Assets

BDT in mn



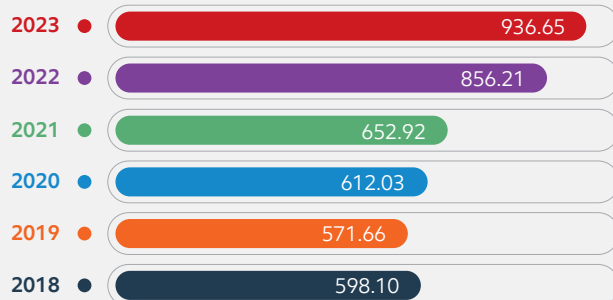
Net Current Assets

BDT in mn



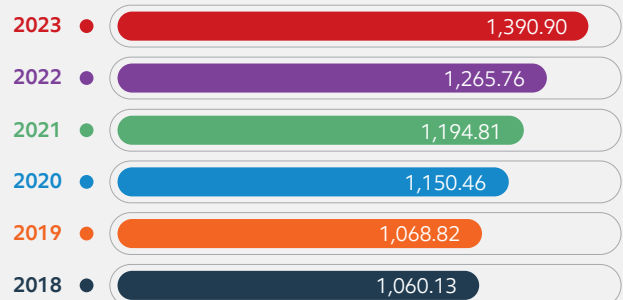
Cash & Cash Equivalents

BDT in mn



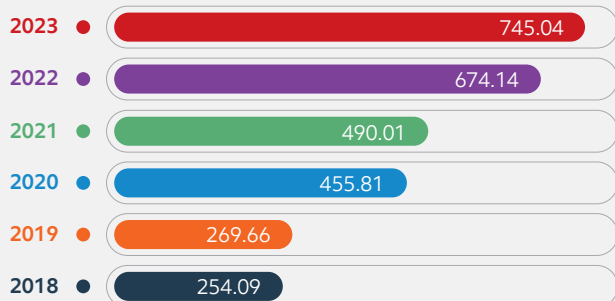
Net Assets

BDT in mn



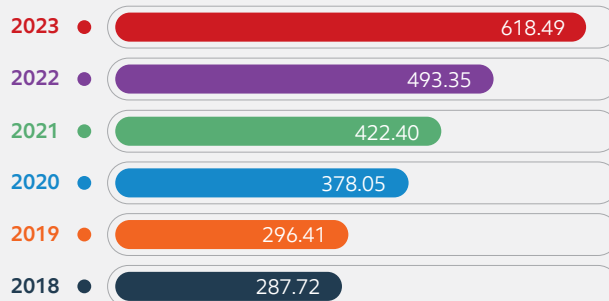
Current Liabilities

BDT in mn



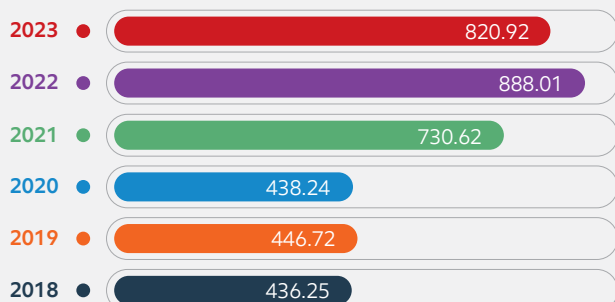
Total Reserve

BDT in mn



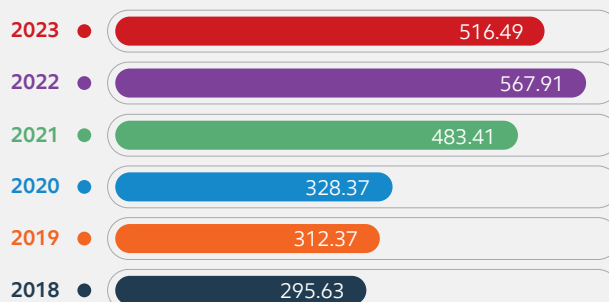
Gross Premium

BDT in mn



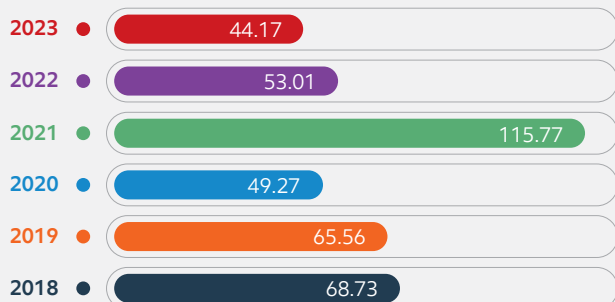
Net Premium

BDT in mn



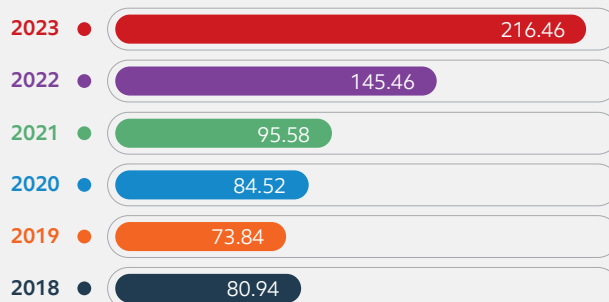
Net Claims

BDT in mn



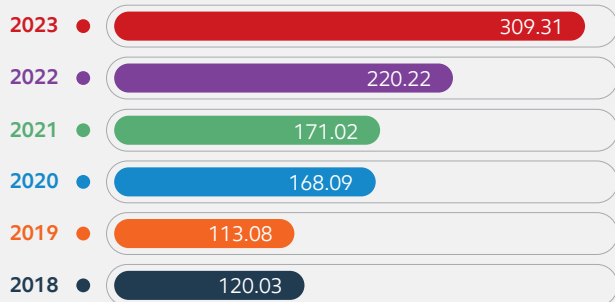
Underwriting Profit

BDT in mn



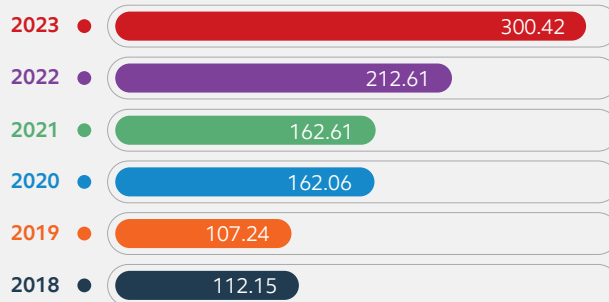
Profit before interest, depreciation & tax

BDT in mn



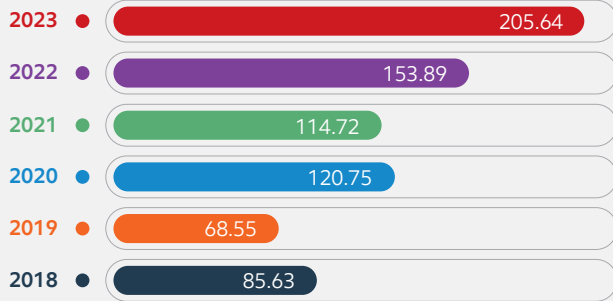
Profit before tax

BDT in mn



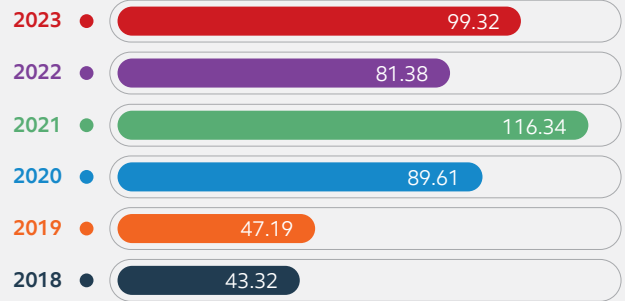
Net profit after tax

BDT in mn



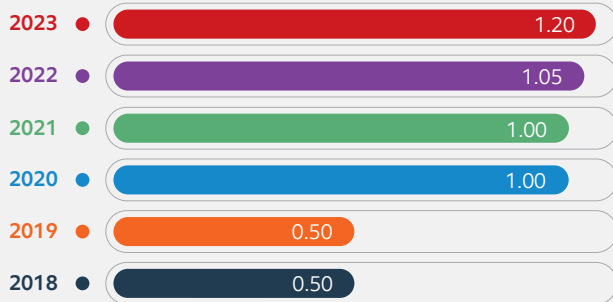
Investments & other income

BDT in mn



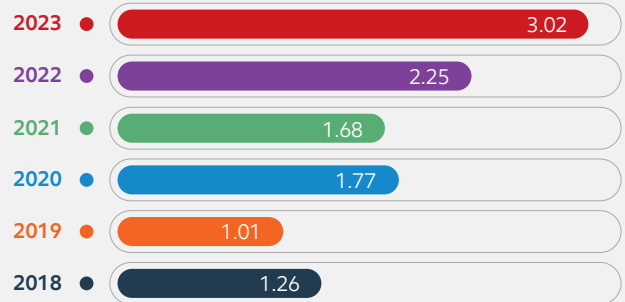
Dividend per share (cash)

Figures in BDT

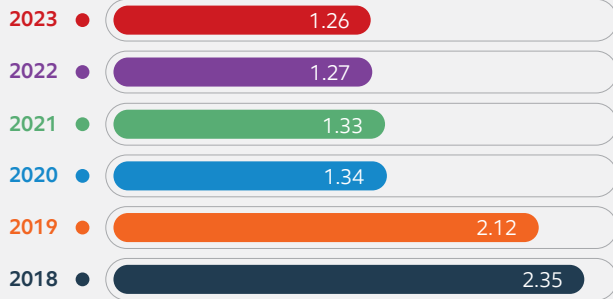


Earnings per share

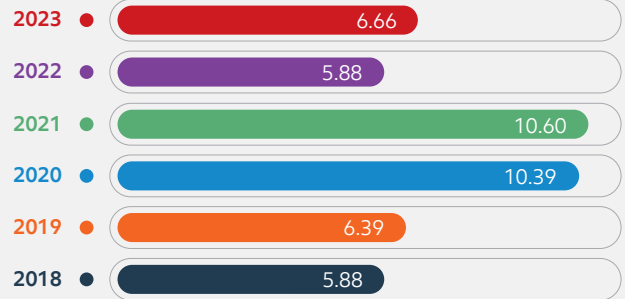
Figures in BDT



Cash ratio

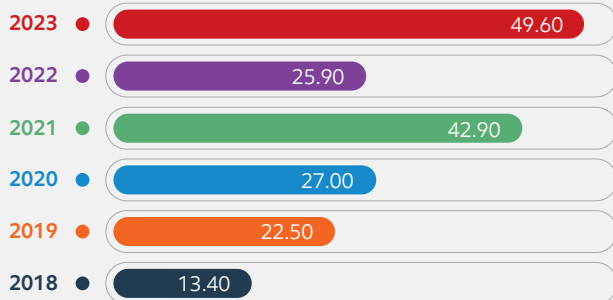


Return on Investment



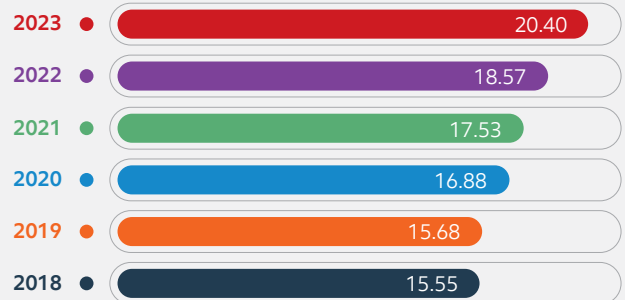
Market Value per share

Figures in BDT

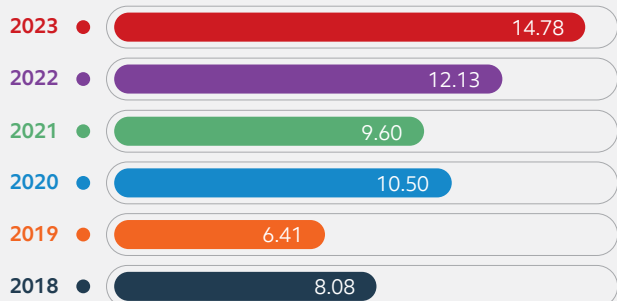


Net assets value per share

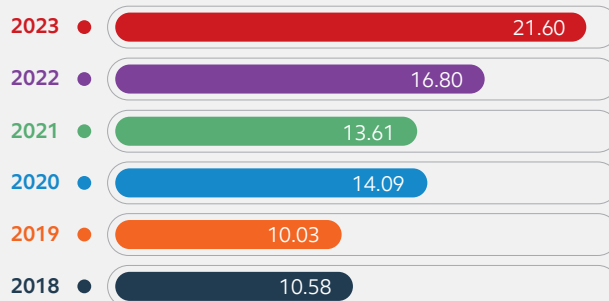
Figures in BDT



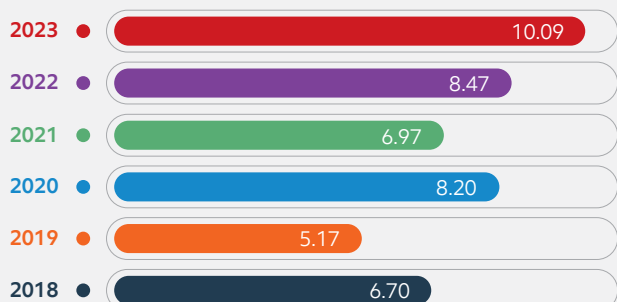
Return on Equity



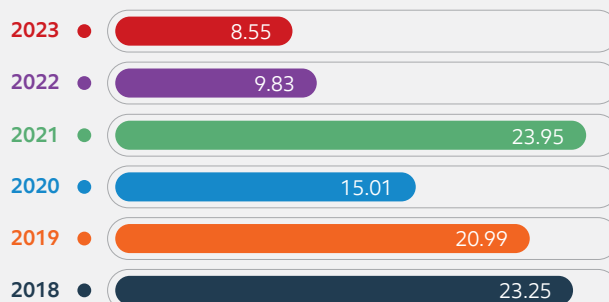
Return on Capital Employed



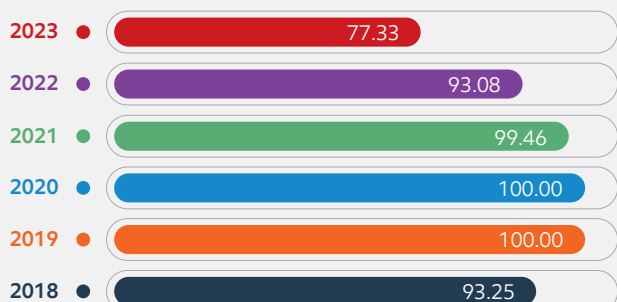
Return on Average Assets



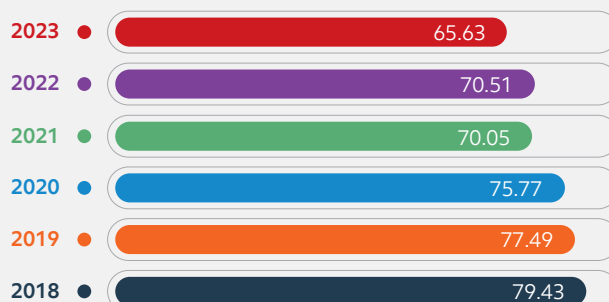
Claim ratio



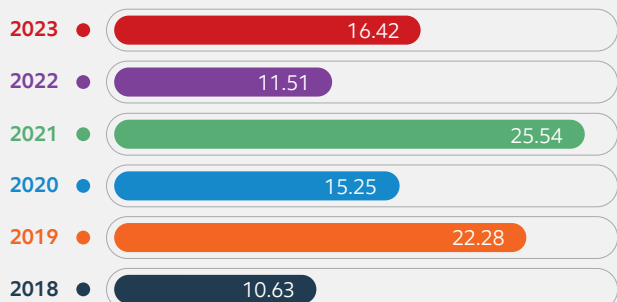
Claims settlement ratio



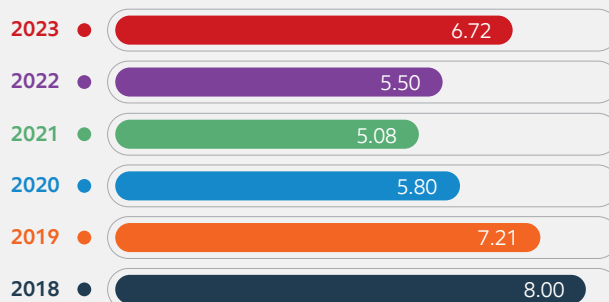
Combined ratio



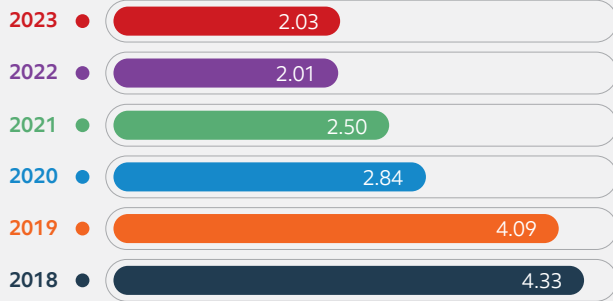
Price earning ratio



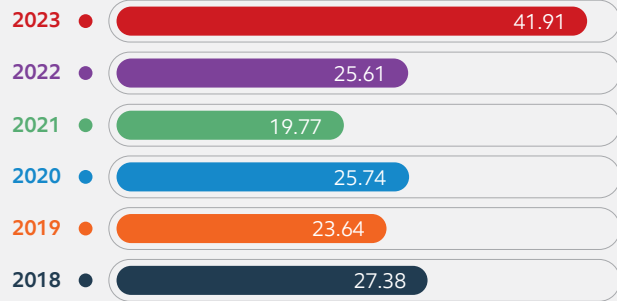
Solvency ratio



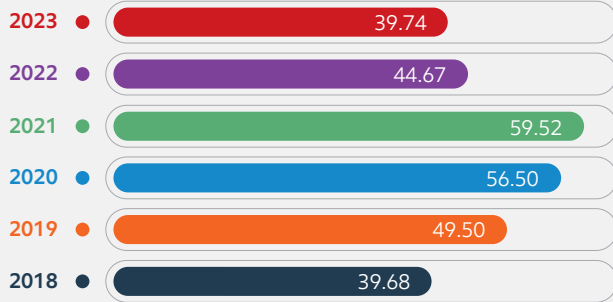
Current ratio



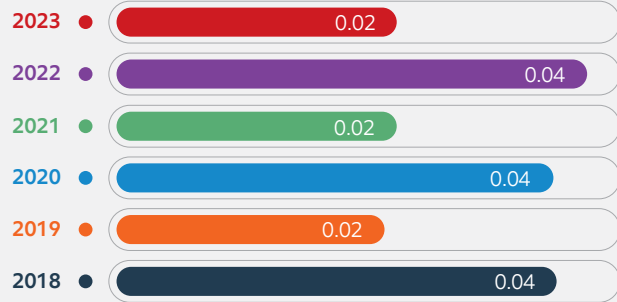
Underwriting profit ratio



Dividend payout ratio

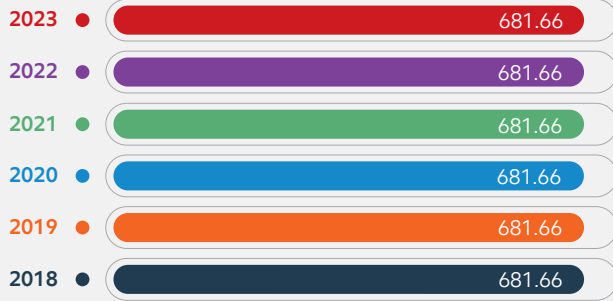


Dividend yield



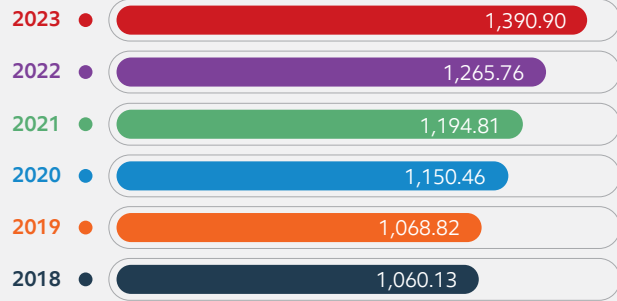
Paid-up capital

BDT in mn

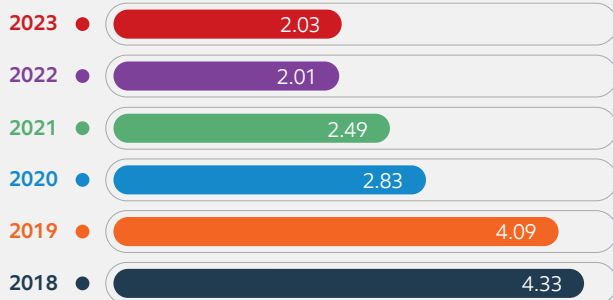


Shareholders' Funds

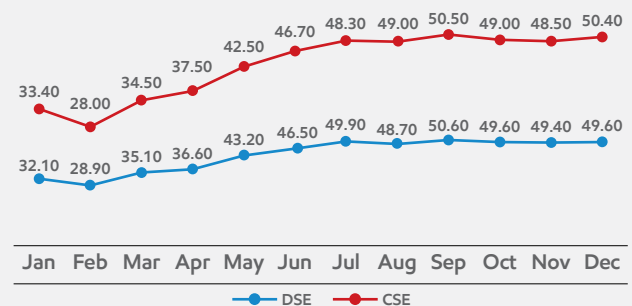
BDT in mn



Quick ratio



Stock Performance 2023



Non-Financial Ratios of City General Insurance Company Limited

City General Insurance Company Limited stands as a beacon of excellence in the insurance industry, not only for its robust financial performance but also for its commendable non-financial ratios. These ratios provide a holistic view of the company's operational efficiency and governance practices during the year 2023. Some of our Non-Financial Ratios are as follows:

Claims Settlement Ratio :

The Claims Settlement Ratio remained impressive, emphasizing the insurer's dedication to promptly meeting policyholder claims, instilling trust among its clientele.

2023	2022	2021	2020	2019	2018
73.33%	93.08%	99.46%	100%	100%	99.25%

Customer Retention Ratio:

The Customer Retention Ratio reflected a strong bond between City Insurance and its clients, indicating high levels of satisfaction and loyalty.

2023	2022	2021	2020	2019	2018
90%	88%	86%	85%	83%	83%

Absenteeism Ratio:

Absenteeism Ratio measures employee absenteeism as a percentage, indicating the workforce's average days absent, providing insights into workplace attendance and productivity trends.

2023	2022	2021	2020	2019	2018
4%	6%	7%	9%	10%	12%

Staff turnover Rate:

Staff Turnover Ratio quantifies the percentage of employees leaving a company within a specific period, reflecting workforce stability and organizational retention dynamics.

2023	2022	2021	2020	2019	2018
3%	5%	12%	15%	17%	22%

Employee satisfaction index

The Employee Satisfaction Index measures workplace contentment, reflecting employee morale and engagement, crucial for organizational success and fostering a positive work environment.

2023	2022	2021	2020	2019	2018
90%	88%	85%	82%	80%	75%

Employee Productivity Ratio:

The commitment to employee welfare was evident in the Employee Productivity Rate, emphasizing efficient resource utilization. This ratio underscore a positive work environment and a forward-looking approach to human resource development.

2023	2022	2021	2020	2019	2018
85%	82%	80%	78%	73%	72%

Internal Promotion Ratio:

the Internal Promotion Rate, highlighting the company's dedication to nurturing talent from within. This ratio underscore a positive work environment and a forward-looking approach to human resource development.

2023	2022	2021	2020	2019	2018
8%	7%	5%	1%	10%	7%

Product Return Ratio:

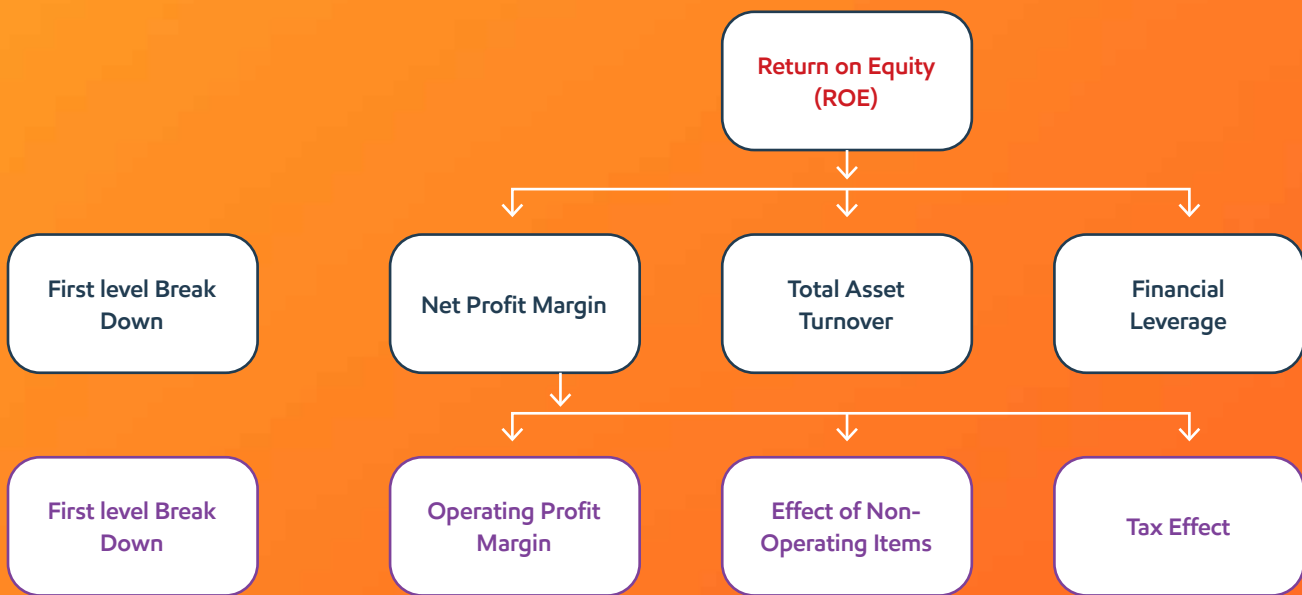
Product Return Ratio gauges the percentage of items returned by customers, providing insights into product quality and customer satisfaction, crucial for optimizing business processes and enhancing customer experience.

2023	2022	2021	2020	2019	2018
7%	9%	10%	11%	13%	15%

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.



Particulars	2023	2022	2021	2020	2019	2018
Return on Equity (ROE)	14.78%	12.13%	9.60%	10.50	6.41	8.08
Net Profit Margin	25.05%	17.29%	15.70%	27.55	15.35	19.63
Total Asset Turnover	25.34%	31.34%	29.38%	22.30	23.55	23.13
Operating Profit Margin	26.37%	16.38%	13.08%	19.29	16.53	18.55
Effect of Non-operating Items	33.06%	38.28%	71.55%	55.30	44.00	38.62
Tax Effect	31.55%	27.76%	29.45%	25.49	36.08	23.65

Credit Rating Report

Credit Rating Information and Services Limited (CRISL) has been rated City General Insurance Company Limited on the basis of audited financials and other relevant quantitative and qualitative information up to 31 December 2022. Details of the ratings are as follows:

Long Term Claim Paying Ability (CPA) Rating	Outlook	Date of Rating	Validity of Rating
AA+	Stable	21.06.2023	20.06.2024

Year – wise Credit Rating Report

Year	Rating Agency	Outlook	Long Term Claim Paying Ability (CPA) Rating
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+

Credit Rating Certificate

CRISL**Credit Rating Information and Services Limited**

Nasir Hama (1st, 4th & 5th Floor), 8/1/A, Sejun Bagicha, Dhaka-1000, Bangladesh

Tel: +88 02 867 8991-3 Fax: +88 02 867 0995 Email: info@crisl.com Web: www.crisl.com

File ID: 001/2019, Capital/Debt Rating Company in Bangladesh, Banking Sector 1928

Setting global standard at national level

June 21, 2023

CRISL/Com/ 2249 /23

Managing Director
City General Insurance Company Limited
Baitul Hossain Building (4th floor)
27 Dilkusha C/A, Dhaka-1000, Bangladesh
Fax: + 88 02 223357509
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 General Insurance Company Limited**" on 21.06.2023 in consideration of its audited financials up to 31st December, 2022 also unaudited financial up to 31st March, 2023 and other relevant quantitative as well as qualitative information up to the date of rating declaration:

Long Term	Outlook	Rating Date	Rating Validity
CPA AA+	Stable	21.06.2023	20.06.2024

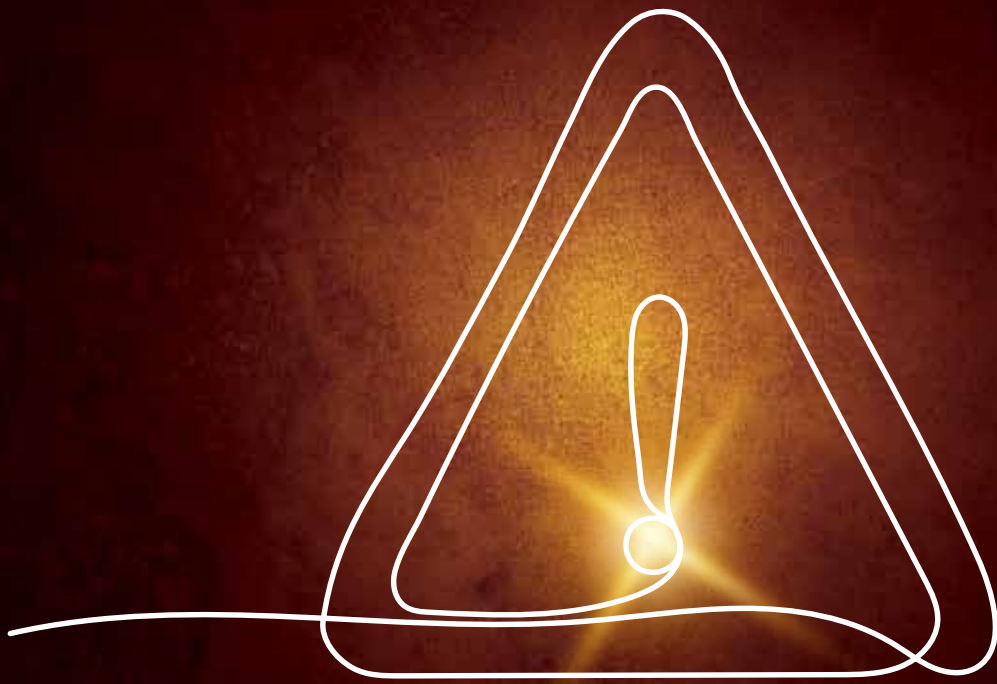
The above is reported as price sensitive information as per guidance in clause 8 A (b) of chapter III of Credit Rating Companies Rules 2022 by BSEC.

Thanking you,

With best regards



Rony Chandra Ghosh
Manager Compliance



**RISK MANAGEMENT DISCLOSURE
AND SPECIFIC AREAS FOR
INSURANCE SECTOR**

Risk Management: Navigating Complexity with Assurance

Risk management is the lifeblood of an insurance company, shaping its resilience, profitability and reputation.

At City General Insurance, the adoption of an enterprise risk framework ensures a comprehensive and strategic approach, encompassing underwriting, solvency management, customer trust and promoter credibility. By integrating risk considerations into every facet of our operations, we are able to not only navigate complexity with assurance, but also build a foundation for sustainable success, earning the trust of both customers and shareholders.

For us, risk management truly serves as a strategic compass that guides all our decisions in the face of complexity and uncertainty. In the multifaceted landscape of the insurance industry of today, where exposure to various risks is inherent, adopting a comprehensive enterprise risk framework is indispensable. This framework, encompassing underwriting practices, solvency, financial management, customer trust, and sponsor pedigree, forms the bedrock upon which our insurance company stands as a resilient and thriving organisation.

ENTERPRISE RISK FRAMEWORK

Defining a holistic approach

At City General Insurance, our enterprise risk framework is an integrated approach that enables us to identify, assess and manage risks across all facets of the organization. This includes risks related to operations, finance, technology, regulatory compliance and market dynamics. By adopting a holistic perspective to risk, we are able to proactively address risks and seize opportunities in a constructive and cohesive manner.

Our enterprise risk framework acts as a bulwark against risks and threats, protecting the business against any downsides and enabling it to capitalise upon upsides. This has enabled us to thwart challenges and ensure that our financial position remains robust and relevant.

Strategic alignment

Aligning risk management with strategic objectives is paramount for us. Our enterprise risk framework is not a separate function but an integral part of our decision-making process. This ensures that risk considerations are embedded in the company's strategic initiatives and objectives, guiding actions that align with both our growth aspirations and risk appetite.

Underwriting practices

Risk selection and pricing

At the core of our operations, underwriting is a process that enables us to evaluate and select risks to determine appropriate coverage and premium rates. Our robust risk management strategy involves meticulous underwriting practices. This includes a modern data analysis process, predictive modelling, and a deep understanding of customer dynamics and market trends. This allows us to make informed decisions about risk selection and pricing.

Diversification and portfolio management

Diversification is a key principle for us in our enterprise risk framework. By maintaining a well-diversified portfolio of risks, our company is able to mitigate the impact of adverse events in specific sectors or geographic regions. For us, effective portfolio management entails balancing risk and return to optimize profitability while ensuring solvency and financial stability.

Solvency and financial management

Financial health and regulatory compliance

Solvency management is the cornerstone of our financial stability. It involves maintaining sufficient capital reserves to meet our obligations to policyholders and also our regulatory requirements. An effective risk management strategy ensures that our company's financial health remains robust and stable, instilling confidence among regulators, investors and policyholders.

Stress-testing and scenario analysis

Proactive solvency management includes stress-testing and scenario analysis to assess the impact of adverse events on the company's financial position. By simulating various scenarios, we as insurers can identify vulnerabilities, refine risk models and enhance their ability to withstand unexpected shocks. This forward-looking approach contributes to a resilient financial structure.

Customer trust

Transparency and communication

Building and maintaining customer trust is integral to the success of any insurance company. A transparent approach to risk management involves clearly communicating the risks associated with various insurance products. This transparency fosters trust by empowering customers to make informed decisions about coverage and understand the potential risks and benefits.

Claims management and service excellence

Effective risk management extends beyond policy issuance to claims management. We have always found that our commitment to promptly and fairly settle claims enhances customer trust. Service excellence, especially during challenging times, solidifies our reputation and reinforces the belief that the company is a reliable partner in managing risks. We have been able to uphold the trust of our customers for many years now that has been a key driver in our growth journey so far.

Management credibility




Leadership and governance






Management credibility is closely tied to the effectiveness of leadership and governance in risk management. At our company, a strong and decisive leadership with multidecade industry experience sets the tone for a risk-aware culture within the organization. Furthermore, our robust governance structures also facilitate oversight and accountability, ensuring that risk management is a shared responsibility at all levels of the organisation.




Adaptability and innovation

Credible management is characterized by adaptability and a willingness to embrace innovation. In the rapidly evolving landscape of the insurance industry, being at the forefront of tech advancement and market trends demonstrates our management’s commitment to staying ahead of emerging risks and opportunities.

Some of our key business risks and their accompanying mitigation initiatives has been described hereunder:

KEY RISK	RISK DESCRIPTION	MITIGATION APPROACH
 <p>CATASTROPHIC EVENTS</p>	<p>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.</p>	<p>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.</p>
 <p>CYBERSECURITY</p>	<p>Increasing cyberthreats leading to potential data breaches, financial losses and damage to the company’s reputation.</p>	<p>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.</p> <p>We have thus put in place robust cybersecurity measures, including regular audits, employee training and investment in advanced security technologies.</p>
 <p>REGULATORY</p>	<p>Evolving regulatory landscape poses risks of compliance challenges and the need for adaptations to new laws and regulations.</p>	<p>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 organisational stewardship, but also helps boost our goodwill and market reputation.</p>

KEY RISK	RISK DESCRIPTION	MITIGATION APPROACH
 <p>UNDERWRITING</p>	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.
 <p>ECONOMIC DOWNTURN</p>	Adverse economic conditions affecting premium payments, investment returns and our overall financial performance.	<p>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.</p> <p>Furthermore, we have financial resilience and operational continuity plans to navigate economic challenges, including stress-testing and maintaining contingency funds.</p>
 <p>CLAIMS FRAUD</p>	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.
 <p>COMPETITION AND PRICING</p>	Intense competition and pricing pressures in the market may affect the company's ability to maintain profitable premium levels.	<p>We conduct regular market assessments to adjust our pricing strategies that are always led by our focus on affordability and accessibility.</p> <p>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.</p>
 <p>INVESTMENT MARKET VOLATILITY</p>	Fluctuations in the investment market may impact returns on the company's investment portfolio.	<p>We have put in place risk-adjusted investment strategies that enable us to navigate market volatility and optimize investment returns.</p> <p>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.</p>

KEY RISK	RISK DESCRIPTION	MITIGATION APPROACH
 <p>PANDEMIC RISKS</p>	<p>Risks associated with pandemics affecting claims frequency, operational continuity, and customer demand.</p>	<p>Though the Covid-19 pandemic has faded, we are still carrying the lessons learned from this major unexpected event. To this end, we have prepared business continuity plans that can be activated at a short call. Additionally, we are also exploring insurance products that address pandemic-related risks.</p>
 <p>OPERATIONAL DISRUPTIONS</p>	<p>Operational disruptions, such as system failures or supply chain issues, leading to service interruptions and potential financial losses.</p>	<p>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.</p>
 <p>FOREIGN EXCHANGE CRISIS</p>	<p>Bangladesh has faced a significant currency crisis, facing difficulty in maintaining a stable currency value. This has been especially true for the USD-BDT pairing under which the local currency has faced significant erosion in value.</p>	<p>With our operations fully in Bangladesh, we have limited exposure to this risk. However, the one indirect way in which we have been impacted is through heightened inflation that has depleted consumer purchasing power. Yet, we have tried to counter this risk through making our products more accessible and affordable.</p>

Enterprise Risk Management Framework

Overview

CGI 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.

CGI's risk management framework exhibits the following objectives:

- Identifying the company's risk profile, or the sum total of the risks undertaken by the company in the path to generate profits and foster stakeholder value
- Engaging in the full risk lifecycle, including identification, measurement, monitoring and control to protect stakeholder interests
- Providing open, accurate, and timely risk information, to be able to spot and explore opportunities that offer promising risk-adjusted returns
- Fostering a climate of risk awareness and institutionalising risk-based decision, making them a part of the core risk management procedures
- Reducing the company's vulnerability to potential negative consequences, which includes meeting all applicable legal standards and paying close attention to ensuring it has the necessary skills, expertise and wherewithal to handle and offload risks

Risk governance structure of CGI

The Board, the Board's Risk Management Committee and the Senior Management together comprise the company's risk governance structure that helps shield the organisation against potential risks.

Further, the risk governance structure of CGI has categorised the broad organisational risks as market, credit, liquidity, operational and reputational risks. These are sufficiently addressed by risk owners who are accountable to the senior leaders of the organisation. Furthermore, the broader environment in which the company operates is also laden with risks, the most prominent being competition risk as a large number of general insurance players vie for a limited market, with insurance penetration pegged at under 1 percent of the total population.

CGI focuses on addressing this risk through its key pillars of formulating innovative, relevant and cost-effective products for the masses and excelling in customer service. The company also addresses this risk through its extensive distribution network that covers almost all corners of the

country together with creating differentiation via its insurance advisory that informs and educates policyholders on the broader aspects of insurance. In addition, the company's large basket of products help cater to a much wider demographic, thus providing insulation against competitive pressures.

Even as the current COVID-19 pandemic continues to pose concerns for insurers, ESG (environmental, social, and governance)-related risks are on the rise too. Governance, ethics, and sustainability are the responsibility of the Board as a whole for the company, with its committees playing a crucial role in detecting, mitigating, and managing ESG risks and other important concerns.

Furthermore, climate change and its potentially far-reaching repercussions represent one of the most important ESG hazards, especially for Bangladesh that is situated in a geographically vulnerable area and hence more prone to climate disasters, such as the devastating floods that struck the country last summer.

Further, there is a great deal of ambiguity around the effects of climate change, and the company has begun striving to

better comprehend and mitigate the possible effects on its business. Given the intricate interconnections with other factors, such as environmental, social, and demographic changes, it is difficult to evaluate the impact of climate change on morbidity and other threats on the liability side. In the short-term however, it is not anticipated that climate change would have a significant impact on the company's morbidity or other claims.

Other growing concerns connected with public health trends include an increase in lifestyle-related illnesses and

demographic changes, such as population urbanisation and ageing. The company's risk management approach tries to identify, quantify, and manage its exposure to all these risks within the context of its total risk appetite and tolerance limit.

The company's risk philosophy is stated in the risk policy, which specifies guidelines for identifying, measuring, monitoring, and controlling the many hazards the businesses faces. This policy acts as a robust safeguard and a guiding light for enabling responsible risk governance and superintendence at the company.

Notably, CGI's risk governance structure is bolstered by its three lines of defence 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 defence are laid out below:



Risk Management and Control Environment

Insurance is the most effective risk management tool which can protect individuals and businesses from financial risks arising out of various casualty. The emotional and psychological loss can never be compensated, but at least the financial loss can be indemnified with insurance, though there are uncertainties in life which one cannot mitigate, but insurance will help to the insured through transfer the financial risk.

In our day to day life also we take many steps to keep the risk at lower level for example most people do not keep valuables at home rather prefer to keep them in a bank locker by paying certain locker rent to the bank.

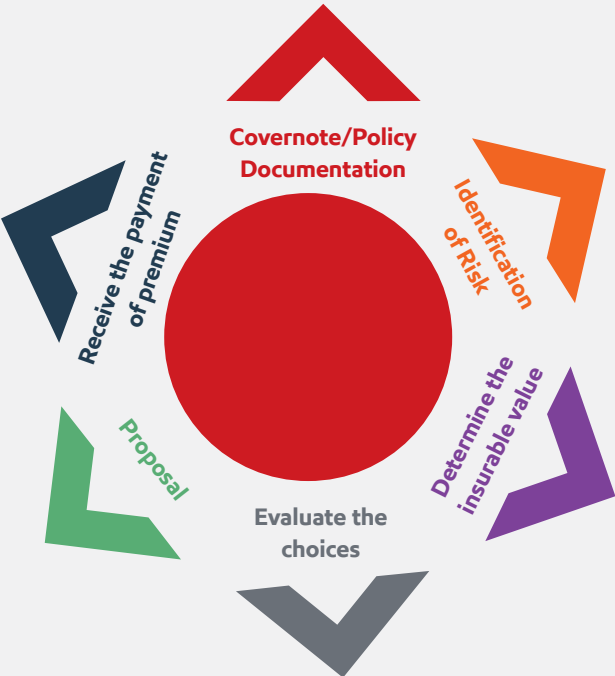
Similarly risk of life, health or property is reduced by purchasing a proper life insurance. All these actions of individual persons are done under fear of uncertainty and unpredictability of future. Likewise in business and commerce also an element of fear of loss always exists if the risk components are not managed properly. Insurance is the process of overall risk management in exchange of a certain amount from the insured. In City General Insurance Company Limited risk management is the continuing process to identify, analyze, evaluate, and treat loss exposures and monitor risk control and financial resources to mitigate the adverse effects of loss of the Company.

Steps in risk management process:

As City insurance clients or insured's rely on it to mitigate their various types of non-life risks, the company itself also needs to seek protection from operational and investment threats. For this, City General Insurance Company Limited follows five categories of risk management process to deliver a simple and effective risk management.

Identify the risk:

City General Insurance Company Limited identifies and defines potential risks that may negatively influence its process or product. Currently, the Company pursue the following procedure for insurance policy issue.



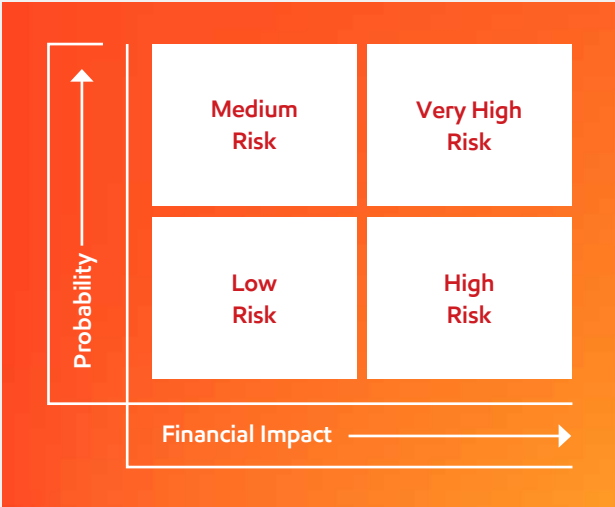
The company always goes beyond every step of its service process and product delivery along with claim settlement procedure to identify and define its potential risks.

Analyze the risk:

once a specific type of risk is discovered, City General Insurance Company Limited, determines its reasons and consequences, as well as its consequences to the company. The area of the analysis is to further understand each specific instance of risk, and how it could influence the company's projects and objectives.

Rank the risk:

The risk is then further ranked after determining the risks overall likelihood of occurrence combined with its overall consequence. Then the company makes decisions on whether the risk is acceptable and whether the company is willing to take it on based on its risk appetite.



Risk mitigation:

During this step, City General Insurance Company Limited assesses its highest-ranked risks and develops a plan to mitigate them using specific risk controls. These plans include risk mitigation processes, risk prevention tactics and contingency plans in the event the risk comes to Success. The Company's risk handling policies are shown below.

Risk Levels	Monitoring & Mitigation
Low & medium Risk	Normal Monitoring at the operational level
High Risk	Close control of all potential contributing factors by the risk management team
Very High	Risk of this level should be actively tracked for decisions from high risk management committee.

Monitor and review the risk:

Part of the mitigation plan includes following up on both the risks and the overall plan to continuously monitor and track new and existing risks. The overall risk management process of the company is also always reviewed and updated accordingly.

RISK FRAMEWORK:

We know risk is uncertain. It may be happened or not. City General Insurance Company Limited puts a framework around that uncertainty, and effectively minimizes the risk of any product. From historical evidence, it is found that a good risk framework needs a strong governance structure. Organizational culture in City General Insurance Company Limited is continuing to support strong governance structure.

The whole activities are generally facilitated by designated persons of each department, namely underwriting, reinsurance, claims, legal/compliance, accounts and finance, marketing development, branch control, IT, and so on. The management of the company is always aware about risk-taking and risk monitoring roles of each department.

City General Insurance Company Limited has been rated "AA+" as the credit rating by CRISL what shows its financial strength, stability and Risk Management.

The following may be the part of overall Risk Management process:

- The Company's overall decision-making process.
- On the best available information.
- Create value for the organization
- Consider human factors, including potential errors.
- Transparent and all-inclusive.
- Address should be systematic and structured.
- Make an integral part of the overall organizational

process.

- Adaptable to change.
- Continuously monitored and improved upon.

MEASURING RISK FRAMEWORK EFFECTIVENESS

City General Insurance Company Limited follows a structured approach to measuring the risk and taking the initiatives to manage risk effectively in the business performance. For effective risk assessments, the company maintains framework to improve decision making, control, transparency and confidence.

- Individuals operating the framework have sufficient skill, ability and motivation to ensure effective risk taking, challenge, influence and change.
- The above activities-improve risk management by supporting strong business performance better decision making, improves risk adjusted return and better preparation for future business uncertainty.

Where risk is identified, after assessing, it is calculated and monitored under the framework that assigns clear risk roles and responsibilities to the competent and skilled business level managers, risk compliance functions and internal audit to assess the risk factors and based on it to take the effective and transparent decision for handling the risk in a proper means, In this way the company always takes up the risk and improving the risk management through effective and indicative activities.

Focused Area of Risk Management:

Considering all potential risks City General Insurance Company Limited strictly focuses on the following areas:

- Identification of internal & external pure risks.
- Existing risk control measures review
- Risk inspection
- Scrutiny of existing insurance covers, coverage and rates & deductibles.
- Standard operating procedure for claims control.
- And guidelines on documentation in this regard furthermore, following key areas are also kept in mind and considered by the company while planning for risk management. Some are choice of the company.

Choice of the Company-

- Industry rating
- Claims settlement ability
- Sustainability of the company
- Service levels & infrastructure

RISK LANDSCAPE, NAVIGATION AND HOW THE COMPANY MITIGATES THEM:

The risk appetite policy of the company is the key mechanism through which limits are set for material risk categories. The risk landscape of the company encompasses risk arising from the following:-

- Underwriting Risks
- Reinsurance Risks
- Claims Risk
- Operational Risk
- Business Risk
- Strategic Risk
- Regulatory Risk
- Credit Risk
- Management Expense Risk
- Investment Risks
- Liquidity Risk
- Market Risk
- Equity Risk
- Money Laundering Risk
- Human Resources Risk
- Reputation Risk
- Cyber Security Risk
- Pandemic Risk

The company uses risk management as a strategic tool to protect itself from various potential and existing risks pertaining to all the stakeholders in its business operations, while it plans for its projected growth. For each risk City General Insurance Company Limited has its own risk mitigation strategic, what makes the company in a reputed place for early settlement of claims:-

Underwriting Risks:

- City General Insurance Company Limited carries out risk surveys and portfolio reviews.
- The underwriting function is centralized and operates from the Head Office.
- Frequent audits and verifications are carried out.
- Carrying out underwriting as per the guidelines set by IDRA and the re-insurer.
- Frequent expense studies and product profitability studies are carried out.

Reinsurance Risks:

- The outstanding reinsurance receivables are reviewed frequently and maintained professional relationship with reinsurer.
- A very close and professional relationship is maintained with reinsurer.
- A specific portion of premium is reinsured with Sadharan Bima Corporation (SBC), it reduces the effects of single losses minimizing impact of risk accumulation and

catastrophic loss increasing capacity to accept risk and financial assistance. The company also a good portion of premium is reinsured with overseas reinsurers.

Claims Risk:

- Number of accidents reported from insurance policies issued by the company is monitored on a daily basis to identify any adverse developments at the early stage.
- Claims frequency and average claims size have been set as main criteria when determining the price.
- Claims are reserved at a minimum time at the intimation or on the availability of information on loss of an insured.
- Service standards have been set on the time taken to process claims and these are monitored by the Management.
- Independent investigators are used to investigate claims to ensure fraudulent claims are identified.
- Closed file reviews are carried out periodically to identify any control lapses.

Operational Risk:

- Credit, market and liquidity risk are considered while operational strategies are set
- City General Insurance Company Limited aims to create and sustain shareholders value to execute its business.
- Maintains a formal enterprise-wide operational risk management framework that emphasizes a strong risk management
- The Company also maintains regulatory capital as per Insurance Act-2010 along with solvency margin rules and notifications.

Business Risk:

- City General Insurance Company Limited maintains a number of policies and practices to manage insurance risk.
- Sound product design is considered as an essential element.
- The vast majority of risks insured are short-term in nature, that is, they do not involve long-term pricing guarantees.
- Re-insurance protection is purchased to further reduce exposure to fluctuations in claims, notably the exposure to natural catastrophes in the property and casualty insurance business.
- The Company also manages risk through effective underwriting and claim settlement practices, ongoing monitoring of experience, and stress-testing scenario analysis.

Strategic Risk:

- Strategies and operating performances are assessed regularly by the CEO and the top management.

- Financial and strategic planning are processed by the CFO.
- Operating, financial and strategic business information are reviewed.
- Product wise strategies and key initiatives and ensures alignment between business-level and enterprise-level strategies are considered.

Regulatory Risk:

- Communicating and advising on compliances by the Board and top management of the company.
- Management of the company monitors and tests for adherence to certain regulatory and legal requirements, as well as the effectiveness of associated key internal controls.
- Legal requirements and emerging compliance is analyzed by the legal department and Board Affairs Departments, in certain circumstances a calendar is also prepared in this regard.
- While implementing or assisting with policies, procedures and training laws are kept in mind.
- Tracking, escalating and reporting significant issues and findings to senior management and the Board.
- Liaising with regulators, as appropriate, regarding new or revised legislation, or regulatory guidance or regulatory examinations.
- Legal Department assesses legislative requirements and associated key controls across the organization, using a risk-based approach. Where any gaps are identified, action plans are implemented and are tracked to completion.

Credit Risk:

- All other receivables, including reinsurance receivables are reviewed on a monthly basis and recoveries made on time.
- Any investments in any other entity are carried out only with the clear approval of the competent authority.

Management Expense Risk:

- Management cost of a non-life insurance company is determined by the insurance Rules insurance Act.

Investment Risks:

- A target asset allocation limits are set by the competent authority in consultation with the management and Risk Committee.
- A special focus is placed on reviewing exposures to Equity investments.
- Compliance with investment policy in the light of section 43 of the insurance Act-2010, IDRA rules and best practices

- Legal reserve is maintained for unexpired risks.
- Reviewed by the internal audit and the competent authority on monthly basis.

Liquidity Risk:

The Company follows the asset and liability management guidelines set out in the company investment policy which is revised by the competent authority. City General Insurance Company Limited response to manage this risk are:-

- The company follows a policy of maintaining high liquid and near liquid resources.
- The maturity of its fixed deposits and other investment is matched as far as possible, with its outgoing commitments and obligations.
- Regular monitoring of its liquid resources is conducted by the competent authority.

Market Risk (Equity Price Risk):

- Total exposure to equity investments is made strictly within the agreed target asset allocation and sectorial equity limits. In this regard IDRA rules are strictly followed as well.
- Equity investments are mostly made in fundamentally sound stocks which are identified after an in-depth research and evaluation process by the internal investment management team.
- Equity portfolios are reviewed quarterly by the competent authority on a quarterly basis.
- Impact from of market movement is monitored on a daily basis and warnings sent to CEO and CFO of high impact volatilities.

Equity risk

Equity risk is the risk that one's investments will depreciate because of stock market dynamics causing one to lose money.

Money Laundering Risk:

Adequate diligence on new and existing customers is a key part to address this risk. Without this due diligence, the financial institutions can be subject to reputational, operational, legal and concentration risks, which can result in significant loss. Money laundering risk control strategies of City General Insurance Company Limited are:-

- The company has its well written policy guidelines provided by Bangladesh Bank.
- It ensures correct and full documentation of proposal Form (KYC) to prevent money laundering.
- It provides regular training on prevention of money laundering and combating financing of terrorism to enhance capability of its employees.

- Reporting officers communicate with branches on a regular basis to check the status of AML compliance.
- The company has integrated software regarding customer information.
- The company has complied with all instructions of the regulatory authority.

Human Resources Risk:

For High Staff Turnover Ratio

- Motivating employees through rewarding schemes and trainings.
- Counseling employees as and when they are required.
- Conduct exit interviews to reduce grievance in the company.
- Periodically carrying out induction programs
- Analysis on staff turnover is reviewed by the Management and the Board.

Reputation Risk:

City General Insurance Company Limited has wide reputational risk Management policy. This policy sets out the framework under which each Branch is required to implement a reputational risk policy and procedures.

Cyber security Risk:

- There are various risks linked to cyber security risks, including data protection and keeping our technology safe from any cyber attacks. These can cause costly disruptions in our operations.

RISK AND ITS MITIGATION

An insurance risk is threat or peril that the insurance company has agreed to insurance against in the policy wordings. These types of risk or perils have the potential to cause financial loss such as property damage or bodily injury if it were to occur.

Three types of risk in insurance are financial and non-financial risks, pure and speculative risks, and Fundamental and particular risks. Financial risks can be measured in monetary terms. Pure risks are a loss only or at best a break-even situation. Fundamental risks are the risks mostly come from nature. Risk management must be an ongoing process, as risks identified and mitigated today can quickly become obsolete tomorrow.

RISK MITIGATION METHODOLOGY:

A complete elimination of risk is unattainable; rather, it can only be reduced to a reasonable extent. Decisions in risk management encompass measures for physical loss prevention and the utilization of risk financing tools to minimize associated risks.

Effective risk mitigation begins with the identification of potential project risks, followed by strategic planning to

mitigate or mitigate the impact of these risks. The subsequent strategies are employed in the planning and monitoring of risk mitigation:

Risk Mitigation in Risk Management:

- Involves identification and mitigation of specific, known risks.
- Primarily used when risks are unavoidable.
- Aims to lessen negative consequences or impact.

Risk Assessment Process:

- Organization identifies potential risks affecting its operations.
- Followed by the risk analysis step in the risk management process.

Risk Analysis:

- Categorizes potential risks and assigns risk levels.
- Based on likelihood of occurrence and impact on the business.

Risk Transfer Strategy:

- Involves shifting risk to a willing third party.
- Companies take steps to manage identified risks to protect business assets.

Risk Mitigation Strategies:

- Crucial step in risk management.
- Requires proactive measures to address identified risks.
- Strategies include risk avoidance and risk reduction.

Agile Project Management in Risk Mitigation:

- Agile methods continuously reduce risk and deliver value.
- Companies can use agile techniques to review and reinforce risk mitigation strategies.
- Adapted by risk managers and business leaders for achieving risk mitigation goals.

City General Insurance's Approach:

- Manages pre-insurance surveys for large and complicated risks.
- Aims to defend national property and wealth.
- Focuses on reducing the occurrence of risks rather than minimizing losses after casualties.

Our Principal Risk And Steps To Mitigate Risk

Given the inherent characteristics of our business, City Insurance proactively works towards retaining risks, necessitating a strong focus on efficient enterprise risk and capital management. While the Insurance Development and Regulatory Authority (IDRA) of Bangladesh holds considerable influence over the insurance business operations, City Insurance places paramount importance on attention to earnings volatility through prudent decision-making processes, enhancement of underwriting skills, and adherence to corporate governance practices. We leave no aspect unaddressed in our commitment to meet challenges posed not only by customers, investors, rating agencies, and auditors but also by the regulatory body, IDRA.

City Insurance prefers to rightly identify its corporate risks associated with internal and external forces. Such various internal and external risks as addressed by City Insurance include:



Market disruption

Strategic risks

Risk identification

Increased competition due to large number of non-life insurance competitor in the industry

Impact/Assessment

The intense competition in the market could reduce demand for our services and impact on revenue. Competitors are investing heavily on marketing. Thus the risk of competitor disruption is higher in this market

Mitigation

- We have developed strategies that strengthen our relationships with new and existing customers.
- We continuously monitor competitor's action in the market and react appropriately with a mind market has a fair and competitive environment.
- Work is undertaken to improve more in delivering appropriate services for our largest corporate customers.



Customer Relationship

Operational risks

Risk identification

Failure in providing superior service to our long-term customers could diminish our reputation and hampering our relationships with customers.

Impact/Assessment

CGIC is operating in competitive market there is always inherent risk for all class of business whether individual or corporations in this sector.

Mitigation

- Superior customer service is the vital component of our business strategy.
- We communicate with our customers transparently regarding rate of premium and claims.



Adverse political situation

External risks

Risk identification

Adverse political situations can lead to poor economic condition for the country.

Impact/Assessment

CGIC could expose to more operational risk in case of return from investment if political situation in the country remain unstable.

Mitigation

- We continuously reviewing the political situations and always look for opportunities to do business with existing and potential customers.
- Regular reviews are done by Board in the Board meeting regarding our business progress with budgeted.



Non-compliance with Laws and regulations

Financial and reputational risks

Risk identification

CGIC must comply with all sorts of laws being a publicly listed company.

Impact/Assessment

Non-compliance with regulatory laws could lead to financial penalties and reputational damage.

Mitigation

- We have efficient employees with special skills and knowledge who continuously monitor any non-compliance with different laws and regulations.
- We have ethical culture across the organization which defines ethical behavior must be expected from each employee.

DISCLOSURE OF RISK REPORTING:

City General Insurance Company Limited maintains informative, transparent and consistent risk reporting for its valued clients, stake holders 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.

- City General Insurance 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.
- City General Insurance reports suspicious transactions to Bangladesh Financial Intelligence Unit (BFIU) on prescribed STR format.

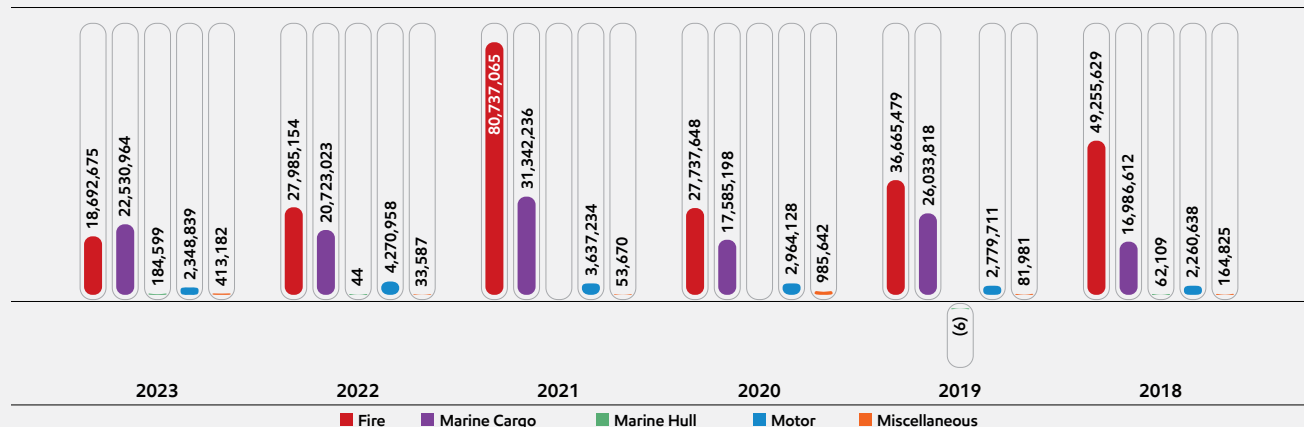
Claims Management

City General Insurance Company Limited emphasizes that the expeditious settlement of insurance claims is integral to gaining the confidence of the insuring community. Prioritizing the timely resolution of insurance claims has been a consistent focus for City Insurance throughout its operations. CGIC remains steadfast in supporting the insured in the unfortunate event of property loss, fostering strong and enduring relationships with valued clients over the past 28 years.

As a commitment to superior client services, our dedicated officers promptly visit the reported loss location, accompanied by reputable surveyors, upon receiving information about the loss. In special circumstances, senior executives personally visit the incident site to provide comfort and support to the clients, even in the case of substantial losses. City Insurance endeavors to facilitate business resumption by making advance payments before the official approval of a claim.

The net claims position for the last six years is outlined below:

Particular	Figures in BDT					
	2023	2022	2021	2020	2019	2018
Fire	18,692,675	27,985,154	80,737,065	27,737,648	36,665,479	49,255,629
Marine Cargo	22,530,964	20,723,023	31,342,236	17,585,198	26,033,818	16,986,612
Marine Hull	184,599	44	-	-	(6)	62,109
Motor	2,348,839	4,270,958	3,637,234	2,964,128	2,779,711	2,260,638
Miscellaneous	413,182	33,587	53,670	985,642	81,981	164,825
Total	44,170,259	53,012,766	115,770,205	49,272,616	65,560,983	68,729,813



SUMMARY OF RISK RETAINED AND REINSURED

City General Insurance Company Limited holds a robust risk management strategy, carefully balancing risk retention and reinsurance. We retain a significant portion of risk, emphasizing our commitment to financial stability. The summary of our class-wise risk retained approved by the Sadharan Bima Corporation are given below:

Particulars	Retention amount in BDT 2023	Retention amount in BDT 2022
Fire	200,00,000	200,00,000
Marine Cargo	20,00,000	15,00,000
Marine Hull	40,00,000	40,00,000
Misc. Accident	10,00,000	10,00,000

The remaining reinsurance is conducted in collaboration with Sadharan Bima Corporation. Internationally, our trusted partners include CICA Re, Best Meridian Insurance Company (BMIIC), The New India Assurance Company, Beazley Syndicate, QBE Insurance Group Limited, PT Assuransi Umam Mega, and Chubb Underwriting (DIFC) Ltd. This collaborative approach ensures diversified risk exposure and enhances our ability to navigate challenging market conditions. City General Insurance Company Limited remains dedicated to transparent risk management practices, fostering confidence among our stakeholders while maintaining a robust and sustainable insurance portfolio.

SNAPSHOT SUCCESS: CITY GENERAL INSURANCE'S EFFICIENT CLAIM PAYMENT PROCESS IN PICTURES

City General Insurance Company Limited stands as a pioneer in the insurance industry, setting a benchmark for expedited claim settlement processes. With a relentless commitment to customer satisfaction, the company has streamlined its procedures to ensure that clients experience swift and efficient resolution of their claims. The emphasis on quick and transparent settlement has garnered widespread acclaim, leaving a trail of satisfied clients who appreciate the company's dedication to providing a hassle-free experience. City General Insurance Company Limited's innovative approach to claim processing not only sets them apart in the competitive market but also solidifies their reputation as a trustworthy and customer-centric insurance provider.

During the year 2023, City Insurance paid almost BDT 43,118,596 in settlement claims for Fire, Marine Cargo, Motor, and Miscellaneous Insurance. Some snapshots are provided below:



Mr. Ahmed Asif, EVP & Branch In-charge, B. B. Avenue Branch of City General Insurance Company Limited handing over the Marine Cargo Claim cheque to the client.



Mr. Sunny Abdullah (First from right), Sr. Officer & Branch In-charge, Satkhira Branch of City General Insurance Company Limited handing over the Marine Cargo Claim cheque to the client.



Mr. ATM Najmul Husain (Second from right), Asst. Managing Director and Mr. Sabir Mohammad Azad (First from right) Sr. Ex. Vice President, Kawranbazar Branch of City General Insurance Company Limited handing over the Marine Cargo Claim cheque to the client.



Md. Shamim Hossain, Managing Director & CEO of City General Insurance Company Limited handing over the Marine Cargo Claim cheque to the client.



Farhana Haque, Head of HR & Admin (Second from left) of City General Insurance Company Limited handing over Workmen's Compensation Claim Cheque to the client. Mr. Sheikh Azizul Haque, EVP & CFO was present.



Mr. Apel Mahmood (First from left), DVP & Branch In-charge, Board Bazar Branch of City General Insurance Company Limited handing over the Motor Claim cheque to Muhammad Glolam Sarwar, AVP & Branch Manager Jumuna Bank Ltd., Board Bazar Branch.



Mr. Md. Moniruzzaman, Former Head of Claims (Fifth from left) of City General Insurance Company Limited handing over Workmen's Compensation Claim Cheque to the client.



Farhana Haque, Head of HR & Admin (Fourth from left) of City General Insurance Company Limited handing over Fire Claim Cheque to the client. Departmental Heads were also present.



Md. Shamim Hossain, Managing Director & CEO of City General Insurance Company Limited handing over the Fire Claim cheque to the client.

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.

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 General Insurance Company Limited 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 General Insurance Company Limited prefers rather to manage the claims than merely handling them. The claim handling process starts with the notification of loss to City General Insurance Company Limited 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 requirement of supporting documents/papers for claims arising under each class of business is maintained

at the Head Office. City General Insurance Company Limited 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 General Insurance Company Limited 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 City General Insurance Company Limited 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 General Insurance Company Limited Insurance has been awarded a Credit Rating of AA+ in claims pay ability by the Credit Rating Information and Services Limited (CRISL).

Outstanding Claims (IBNR and IBNER) with ageing thereof:

Apart from claims settled in an accounting period, outstanding liabilities against insurance claims may exist or arise in respect of claims which have been reported but not yet settled (IBNER) or against which have been incurred but not yet reported (IBNR).

In general, there might be delay in settlement of the claims on the part of the insurer, typical reasons of which are: (i) delay in reporting (time gap between claims occurrence and claims reporting by the insured at the insurance company); and (ii) delay in settlement due to the fact that it usually takes time to evaluate the whole size of the claim in case of claims of complicated nature or claim of big volume. The time gap between claims occurrence and claims closing (final settlement) may take days (e.g., in case of property insurances) but it may also take years (typically in case of liability insurances). Provisions are created by setting aside a portion of net premium so that the insurer is able to settle all the outstanding claim liabilities that are proximately caused by perils falling within the scope of insurance contracts. The following formula is usually applied to calculate the provision for such outstanding claims:

Total IBNR = "Pure IBNR" + "IBNER"

For sake of proper accounting practice, reserve for each outstanding claims are maintained in respect of the financial years. Reserve for claims incurred but not reported (IBNR) and Reserve for claims incurred but not enough reported (IBNER) are the two terms that can be regarded as of identical meaning.

In some types of work, especially in reinsurance and in the London market, IBNR provisions include any IBNER provisions. Sometimes, the provision for claims incurred on or before the valuation date is referred to as the True IBNR or the pure IBNR.

The liability for outstanding claims in the Balance Sheet of a non-life insurance company includes a provision for both IBNR and IBNER. Technically, there is a practice of creating reserve against future liability arising out of claims which have occurred but have not yet been settled.

INCURRED BUT NOT REPORTED (IBNR) LOSSES RESERVE

IBNR refers to the losses that are not filed with the insurer or re-insurer until years after the insurance policy is sold. It is a reserve to provide for claims in respect of claim events that have occurred before the accounting date but have still to be reported to the insurer by that date. In case of a re-insurer, the reserve needs also to provide for claims that, although known to the cedant, have not yet been reported to the re-insurer as being liable to involve the re-insurer.

IBNR reflects the total amount owed by the insurer to all valid claimants who have had a covered loss but have not yet reported it. Since the insurer knows neither how many of these losses (the frequency) have occurred, nor the severity of each loss, IBNR is necessarily an estimate. The quality of this estimation is often used as a tool in assessing the financial accounting skills of a given insurer. Insurers track IBNR by policy periods (when incepted), along with other categorizations.

The characteristics of IBNR makes it look more like a reserve or provision for the particular types of losses not reported, hence gives a better estimation of profits for the insurer's current business period.

INCURRED BUT NOT ENOUGH REPORTED (IBNER) LOSS RESERVE

IBNER refers to a reserve reflecting expected changes (increases and decreases) in estimates for reported claims only. The abbreviation is sometimes stated as applying to "incurred but not enough reserved".

Some liability claims may be filed long after the event that caused the injury/financial loss to occur. As bestos related

diseases, for instance, do not show up until decades after the exposure. Directors' & Officers' Liability claims may also arise long after expiry of the policy period if they found liable for compensation upon court order. General Average claims in case of marine cargo and/or hull losses may be assessed long after occurrence of the incident. Reserve for such outstanding claims also has to be created adequately against IBNER losses. IBNER also refers to estimates made about claims already reported but where the full extent of injury is not yet known, such as, workmen's compensation claim where the degree to which work-related injuries prevents a worker from earning what he or she earned before the injury that unfolds over time. City General Insurance Company Limited regularly adjusts reserves for such losses as and when such new information becomes available.

As per the existing directives of our local Insurance Regulatory body, i.e., IDRA (Insurance Development and Regulatory Authority) of Bangladesh, quarterly reporting of all outstanding claims with aging thereof including their specific reasons for delay in settlement of such respective outstanding claims is mandatory. City General Insurance Company Limited maintains an adequate provision against each of such outstanding with respective aging thereof.

DISCLOSURES PERTAINING TO SOLVENCY MARGIN

Solvency margin is the amount by which the assets of an insurer exceed its liabilities, and will form part of the insurer's shareholder's funds. Method of valuations of assets and liabilities of an insurer are prescribed in the insurance regulations. The regulations stipulate the minimum solvency margin, which an insurer must maintain at all times. The solvency of Insurance Company corresponds to its ability to pay claims. The solvency of insurance Company or its financial strength depends chiefly on whether sufficient technical reserves have been set up for the obligations entered into and whether the Company has adequate capital as security. The solvency margin functions as the company's safeguard particularly against the risks related to investment activities. At City General Insurance Company Limited management is ever-aware of maintaining its solvency up to a standard level. The solvency ratio of an insurance company is the size of its capital relative to all risks it has taken. The solvency ratio is most often defined as: Net Assets is divided by Net Written Premium to arrive at the solvency ratio of a particular insurance company.

Certificate of actuary giving details of the liabilities on account of live policies and estimates/ assumptions made for the same

Certificate of actuary at present is not applicable since it is not a requirement under the Insurance Act 2010 due to non-life insurance company.

HIGHLIGHTS OF SEGMENT REVENUE ACCOUNT 2023

BDT in mn

Particular	Fire	Marine		Miscellaneous		Total
		Cargo	Hull	Motor	Misc.	
Gross premium	268.22	444.72	24.41	21.21	62.35	820.92
Net premium	147.97	334.32	3.61	21.10	9.49	516.49
Reinsurance commission earned	26.15	26.17	1.07	--	4.71	58.10
Management expense	84.57	100.96	5.54	6.69	19.66	217.41
Agency commission	39.60	75.38	1.18	3.26	1.76	121.18
Unexpired risk reserve - 2022	54.61	158.50	3.83	10.22	2.30	229.46
Net claim expense	18.69	22.53	.18	2.35	.41	44.17
Underwriting profit	25.39	191.16	(2.01)	11.25	(9.33)	216.46

ESTIMATED LIABILITY IN RESPECT OF OUTSTANDING CLAIMS 2023

Particular	Fire	Marine		Miscellaneous		Total
		Cargo	Hull	Motor	Misc.	
Estimated liability in respect of outstanding claims	2.98	0.03	--	0.07	0.02	3.28

OUTSTANDING PREMIUM/ UNEARNED PREMIUM 2023

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. 09 Advance, deposits and prepayments with a sub head of Collection control.

NET CLAIMS UNDER DIFFERENT CATEGORIES OF POLICIES 2023

Particular	Fire	Marine		Miscellaneous		Total
		Cargo	Hull	Motor	Misc.	
Net claims under different categories of policies	18.69	22.53	0.18	2.35	0.41	44.17

DISCLOSURES OF RE-INSURANCE CEDED PREMIUM & CLAIM RECOVERED 2023

Particular	Fire	Marine		Miscellaneous		Total
		Cargo	Hull	Motor	Misc.	
Re-insurance ceded premium	120.25	110.40	20.79	0.10	52.87	304.43
Claim recovered	0.01	0.14	26.75	--	2.11	29.00

DISCLOSURES OF UNEXPIRED RISK / BALANCE OF FUND 2023

Unexpired risk is the risk the period of which has not been expired during the accounting period of an insurer starting from 1 January to 31 December of a Gregorian calendar year. When a policy issued on January 1 of a year only that risk is expired on December 31 of that year. But the policy which is issued on January 2 the risk remains unexpired on December 31 for 1 day of the next year. Therefore, the risks of around 50% policies remained unexpired during a financial year of an insurer. However, there are specific regulations in the "Insurance (Investment and maintenance of Non-life insurers) Regulations 2019.

Particular	Fire	Marine		Miscellaneous		Total
		Cargo	Hull	Motor	Misc.	
Unexpired risk / Balance of Fund	59.319	133.73	3.61	8.44	3.79	208.76

CAPITAL ADEQUACY 2023

Adequacy of capital and shareholders' equity its growth is shown below -

Particulars	2023	2022	2021	2020	2019	2018
Shareholders' Equity (BDT mn)	1,390.90	1,265.76	1,164.81	1,150.46	1,068.82	1,060.13
Growth	9.89%	5.94%	3.85%	7.64%	0.82%	8.53%

RESERVE ADEQUACY 2023

Adequacy of reserve its growth is shown below -

Particulars	2023	2022	2021	2020	2019	2018
Total Reserve	618.49	493.35	422.40	378.05	296.41	287.72
Growth	25.37%	16.80%	11.73%	27.54%	3.02%	8.00%

REINSURANCE ARRANGEMENT WITH LOCAL AND REPUTED FOREIGN COMPANIES

City General Insurance Company Limited 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.



Disclosures of Re-Insurance Ceded Premium & Claims Recovered

Our reinsurance ceded premium represents amounts transferred to reinsurers, while claims recovered detail the reimbursements received. This transparency ensures adherence to industry standards and provides stakeholders with insights into our risk management practices. For comprehensive details, refer to our official financial reports.

a) As on 31st December 2023

Amount in BDT

Particulars	Fire	Marine	Marine Hull	Motor	Misc.	Total
Re-insurance Ceded Premium	120,249,810	110,402,751	20,798,059	107,643	52,866,744	304,425,007
Claims recovered	11,236	139,242	26,745,342	-	2,105,459	29,001,278

b) As on 31st December 2022

Particulars	Fire	Marine	Marine Hull	Motor	Misc.	Total
Re-insurance Ceded Premium	119,595,572	13,31,02,649	9,981,301	1,021,629	56,394,020	320,095,171
Claims recovered	4,224,880	3,70,590	-	-	663,046	5,258,516

Disclosures of Unexpired Risk (Class Wise)

Pertinent information on unexpired risk in adherence to transparency standards. Unexpired risk represents the potential liability on policies not yet expired. This disclosure aims to keep stakeholders informed about our ongoing risk exposure, enabling them to make well-informed decisions. For further details, please refer to our comprehensive financial reports, which provide a thorough analysis of unexpired risk and its impact on our overall risk profile.

Sl. No.	Particulars	2023	2022	2021	2020	2019	2018
1.	Fire	59,189,679	54,608,526	50,068,854	42,921,038	40,582,772	41,166,241
2.	Marine cargo	133,726,896	158,503,506	126,929,848	68,330,046	66,377,430	61,264,242
3.	Marine hull	3,614,294	3,830,176	4,188,707	83,831	464,295	171,197
4.	Motor	8,440,088	10,216,495	11,860,773	17,376,769	16,055,723	13,613,172
5.	Miscellaneous	3,794,857	2,304,913	2,827,728	2,685,891	1,746,087	2,139,319
	Grand Total	208,765,814	22,94,63,616	195,875,910	131,397,575	125,226,307	118,354,171

Disclosures On Estimated Liability In Respect of Outstanding Claims Including their Ageing

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.

Sl. No.	Particulars	2023	2022	2021	2020	2019	2018
1.	Fire	2,981,505	1,692,240	2,738,526	439,447	4,135,884	1,000,000
2.	Marine cargo	33,682	4,795,653	-	2,286,321	5,690,621	2,500,000
3.	Marine hull	-	-	-	-	-	2,000,000
4.	Motor	68,679	732,692	-	620,005	438,750	-
5.	Miscellaneous	200,000	-	-	-	-	-
	Grand Total	3,283,866	7,220,585	2,738,526	3,345,773	10,265,255	5,500,000

Underwriting Guideline

For 27 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 General Insurance Company Limited, 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.



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.



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.



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.



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.



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.



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.



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.



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.



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.



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.

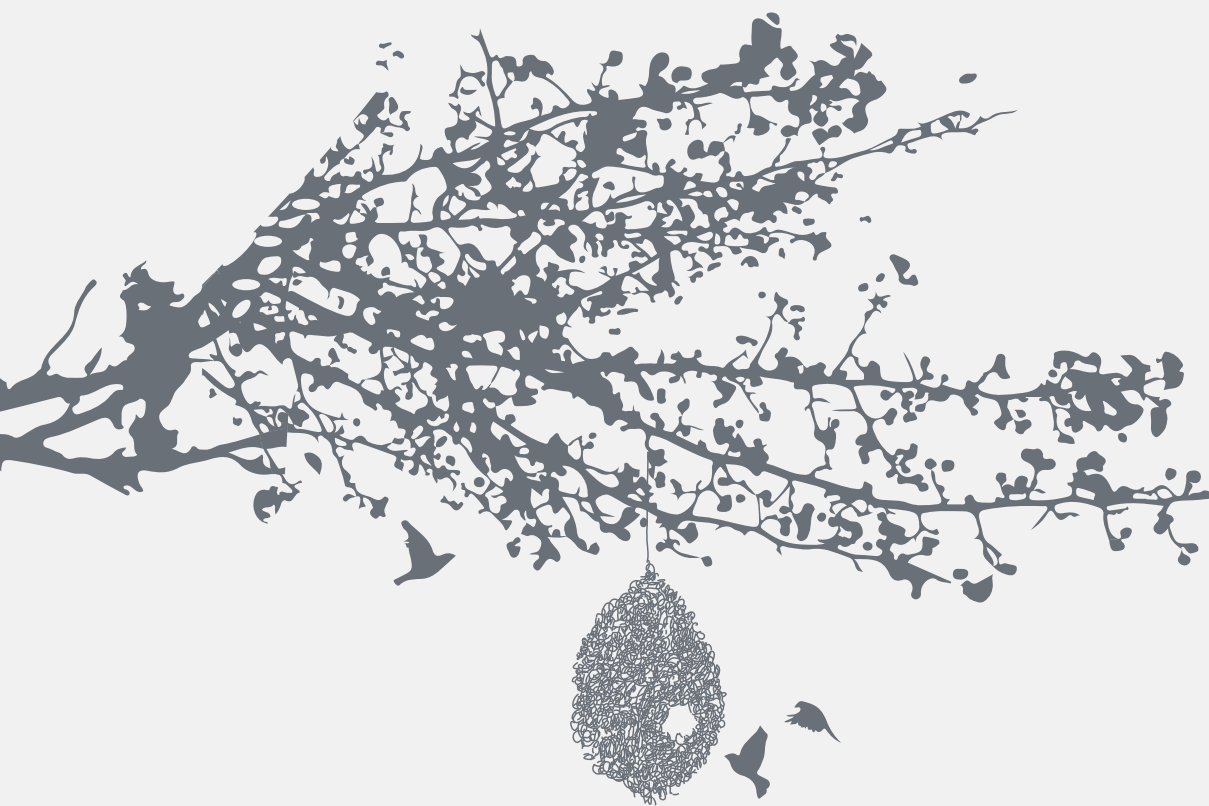
DISCLOSURES ON AVERAGE CLAIMS SETTLEMENT PERIOD

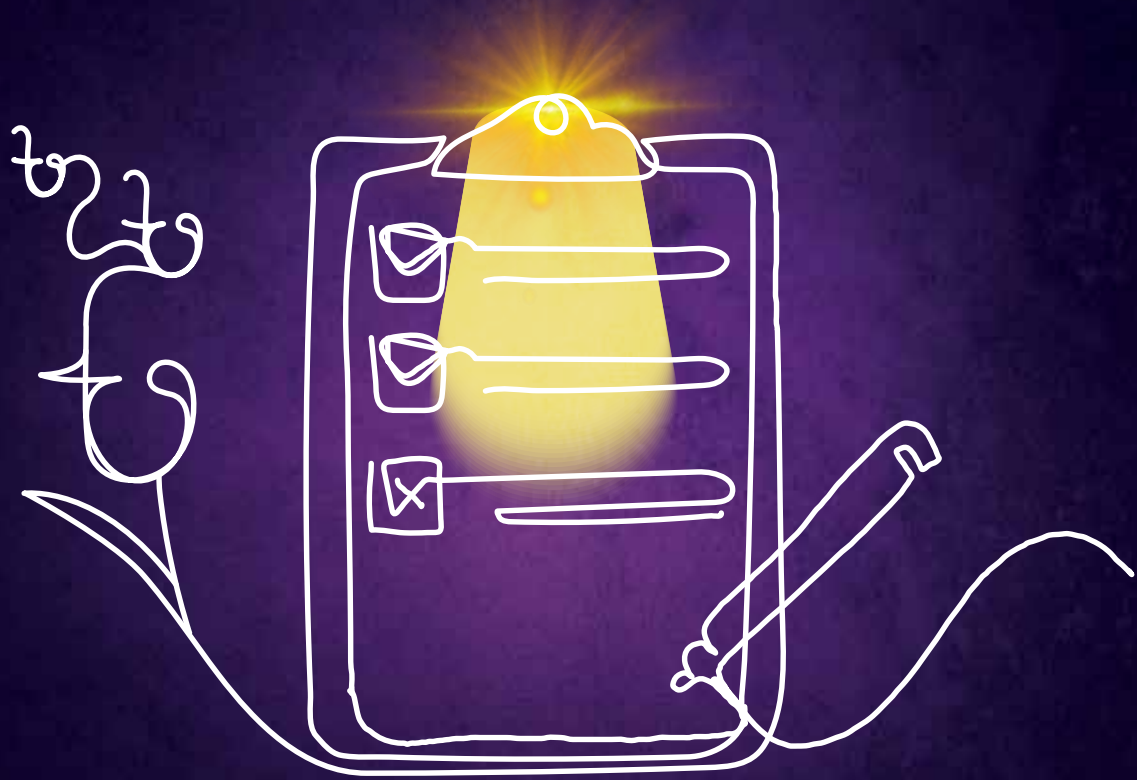
We uphold transparency by disclosing our Average Claim Settlement period, aligned with Insurance Development and Regulatory Authority (IDRA) guidelines. In accordance with IDRA standards, claims are settled within 90 days from the receipt of the last document. Our commitment to timely settlements ensures efficient and responsive claims processing.

Sl. No	Description	Average days of Claim Settlement	
		2023	2022
01	Fire	7	11
02	Marine	9	14
03	Motor	7	13
04	Miscellaneous	4	--
Total days		27	38

DISCLOSURE ON ACTUARIAL ASSUMPTIONS

In the context of non-life insurance companies in Bangladesh, it is imperative to note that traditional actuarial assumptions may not be directly applicable. Unlike life insurance, where long-term projections and mortality estimates play a central role, non-life insurance primarily involves short-term risk assessments. Actuarial assumptions related to policyholder behavior, lapse rates, and investment returns may not align seamlessly with the dynamic and volatile nature of non-life insurance portfolios. Therefore, stakeholders are advised to consider the unique operational landscape of non-life insurance in Bangladesh, acknowledging that standard actuarial methodologies may require tailored adjustments for accurate risk evaluation and financial modeling in this specific sector.





FINANCIAL STATEMENTS

Update from Our CFO



“We at City General Insurance are committed to maintaining robust financial health, capital position and solvency ratio. Our constant endeavour is to provide attractive shareholder returns while taking into consideration our financial soundness and the business environment, with the basic policy of striving to continuously increasing dividends through sustainable profit growth.”

- **Sheikh Azizul Haque**



Sheikh Azizul Haque
Chief Financial Officer

Dear Shareholders and Investors of City General Insurance,

I am delighted to present my report to you for the fiscal year ending 2023. This comprehensive report provides insights into our financial performance, emphasizing our commitment to accelerated growth, profit sustenance, and outlining our strategic outlook for the future.

Financial Performance Overview

Growth Initiatives

Throughout the fiscal year in review, we implemented strategic initiatives aimed at fostering growth. Our focus on market expansion and product diversification resulted in a 34% increase in our EPS to BDT 3.02 in 2023. This growth was driven by a combination of effective marketing strategies, enhanced customer engagement, and a keen understanding of evolving market dynamics.

Out of the total gross premium collected during the year, 37.08% or BDT 304,425,007 crore was ceded as re-insurance premium. This left us with a net premium of BDT 516,493,095 crore for the year in report.

This performance was achieved despite high market competition, and the growth of our key metrics indicate our organization's successful ability to navigate the challenges and meet our strategic objectives.

Profit Sustenance

In the face of a challenging economic environment, our commitment to profit sustenance has been evident. Despite market uncertainties, we achieved a robust underwriting profit growth of 48.81% to BDT 21.65 crore in 2023. If we were to disaggregate this metric on a granular basis, it shows that we earned a healthy underwriting profit in each of the quarters of the year. This was on account of sound management of expenses as well as lower net claims. The later in turn reflects our robust underwriting processes and the quality of our insurance portfolio.

It also showcases our disciplined risk management and a prudent approach to pricing. Besides, our relentless efforts in cost optimization yielded tangible results, with controlled expenses contributing to improved operational efficiency.

Shareholder Value Creation

Our primary goal is to generate long-term value for our shareholders. In the fiscal year 2023, we recorded a significant increase in profit after tax, translating into enhanced shareholder returns. We maintained a strong dividend payout ratio, aligning with our commitment to distributing profits and providing a consistent income stream to our valued investors.

One of the key levers of value creation is scale. We are committed to expanding the scale of our operations,

especially now after having laid the foundations of our business. One of the key drivers of scale is technology and digital and we are focusing on deploying and utilizing key tech tools and resources to expand our digital presence and grow this share of the portfolio.

Strategic Focus On Growth

As a company with a challenger's mindset, we are in business to serve our customers with the best-fit insurance products that meet their needs and expectations. We believe our strategic focus on growth will serve our objective of long-term value creation for our shareholders and investors.

A few initiatives of our growth agenda include the following:

Market Expansion

Looking ahead, our growth strategy involves a continued focus on market expansion. We recognize untapped opportunities in specific product segments, categories and geographic areas and intend to leverage these to strengthen our market presence. This expansion aligns with our commitment to reaching a broader customer base and diversifying our revenue streams. As a developing country, Bangladesh exhibits significant potential for growth. This is more so when one considers a large population of 170 mn+ people and general insurance penetration of under 0.5%.

Product Innovation

Innovation remains at the forefront of our growth strategy. We will invest in product development, introducing personalized solutions that meet the evolving needs of our customers. This commitment to innovation extends beyond traditional insurance products, as we explore emerging trends and technologies that position us as a leader in the industry. Further, we continuously evaluate the needs of our customers in our product development cycle and I am satisfied that our large number of products that serve our customers operating in various industries, as well as our retail basket, is successful and competes well in the market.

Digital Transformation

The rapid evolution of technology is reshaping the insurance landscape. Our future growth hinges on our ability to embrace digital transformation. We will invest in cutting-edge technology to augment customer experiences, streamline internal processes, and position ourselves as a forward-thinking, digitally agile organization.

One very significant advantage of InsurTech is that it enables us to create an integrated digital insurance platform that facilitates a convenient and hassle-free buying experience for our customers. In addition, digitalisation also allows us to automate and streamline backend processes that not only

aid our customer servicing capabilities, but also enable us to service our customers in a more cost-efficient manner.

Risk Management Excellence

As uncertainties persist in the global and local economies, our commitment to risk management remains unwavering. We will enhance our risk management frameworks, utilizing advanced analytics and scenario modelling techniques to identify and mitigate potential risks proactively. This approach will ensure our ability to navigate the challenges more effectively and allow us to maintain a sustainable level of profitability. Proper risk management is also vital in a volatile and uncertain economic environment.

In addition, we have a robust enterprise risk framework that is our guidepost in identifying and mitigating risk. It is also a framework that provides us with a reliable lens to make long-term decisions that are in the best interests of our stakeholders.

Cost Optimization Strategies

The fiscal discipline demonstrated in the past year will continue to be a cornerstone of our strategy. We will implement targeted cost optimization measures, leveraging technology and process improvements to ensure efficiency across our operations. This disciplined approach will enable us to allocate resources effectively and maintain a healthy bottom line.

In a competitive insurance market, cost control is a critical factor in gaining a competitive edge. It is always a truism that insurers who can offer competitive premiums while maintaining profitability are better positioned to attract and retain customers. Moreover, cost control contributes to keeping insurance premiums affordable for our policyholders. By managing operational costs better, we avoid passing unnecessary expenses onto our customers, thereby making our products more affordable, accessible and appealing.

In addition, we have found at our company that cost control promotes underwriting discipline by ensuring that the pricing of our insurance products accurately reflect the associated risk. For us, this alignment between premiums and risks has been crucial for maintaining a profitable underwriting portfolio.

Future Outlook

We remain sanguine about our future prospects. This optimism stems from the robust foundations we have laid for the business that will enable scalability and a wider geographic footprint. On the other hand, Bangladesh as a country offers significant scope for growth considering its demographic advantages and ultra-low insurance penetration.

I have summarised below the way we see at least the near-term future shaping up.

Market Dynamics and Challenges

The external market environment is dynamic, with challenges and opportunities emerging on multiple fronts. Geopolitical shifts, economic fluctuations, and regulatory changes require us to remain agile and adaptive. We will closely monitor these dynamics, adjusting our strategies to navigate challenges and capitalize on opportunities that arise.

Global Trends and Emerging Technologies

Staying ahead in a rapidly changing landscape involves staying attuned to global trends and emerging technologies. We will invest in research and development, staying abreast of innovations such as AI, blockchain and data analytics. These technologies present opportunities to enhance operational efficiency, create new products, and improve the overall customer experience.

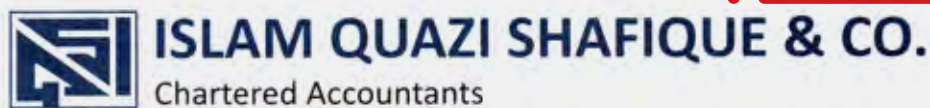
In closing my statement, the fiscal year 2023 has been marked by substantial achievements, reflecting our resilience, adaptability and commitment to our shareholders. Looking forward, we are optimistic about the opportunities that lie ahead and are confident in our ability to navigate the oncoming challenges effectively.

We express our gratitude for your ongoing confidence and support as we commence our endeavour of reaching the next phase of our growth journey.

Best regards,



Sheikh Azizul Haque
Chief Financial Officer



Independent Auditor's Report To the shareholders of

CITY GENERAL INSURANCE COMPANY LIMITED

Report on the Audit of Financial Statements

We have audited the financial statements of City General Insurance Company Limited (the Company), which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Profit or 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 significant 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 2023, 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 regulations.

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.

Other Matters

The financial statements of **City General Insurance Company Limited** for the year ended December 31, 2022 were audited by **K. M. ALAM & CO. Chartered Accountants** who expressed an unmodified opinion on those statements on February 7, 2023.

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.	With respect to Premium income in respect of various types of insurance we carried out the following procedures:
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	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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.

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Risk	Our response to the risk
Investment Fluctuation Fund	
<p>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.</p> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> • 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	
<p>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.</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process We additionally carried out the following substantive testing's around the item:</p> <ul style="list-style-type: none"> • 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	
<p>This account represents the Sundry Creditors Tk. 92,117,033 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.</p>	<p>We have tested the design and operating effectiveness of controls around the due and payable recording process. We carried out the following audit procedures:</p> <ul style="list-style-type: none"> • 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.

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ISLAM QUAZI SHAFIQUE & CO.

Chartered Accountants

Risk	Our response to the risk
<p>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.</p> <p>Please see Note no. 19.00</p>	<ul style="list-style-type: none"> 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.
<p>Sundry Debtors (Advance Deposit & Others)</p>	
<p>The company has reported an amount of Tk. 292,761,862 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</p> <p>Please see Note no. 09.00</p>	<ul style="list-style-type: none"> 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:

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ISLAM QUAZI SHAFIQUE & CO.

Chartered Accountants

- 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 or 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 in 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.

Place: Dhaka
Date: 18 February, 2024
DVC: 2402180165AS428398

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

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City General Insurance Company Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Particulars	Notes	Amount in Taka	
		2023	2022
Shareholders' equity & liabilities			
Authorized capital : 20,00,00,000 Ordinary Shares of Tk. 10.00 each.	11.00 (A)	2,000,000,000	2,000,000,000
Share Capital		772,411,222	772,411,222
Paid up share capital	11.00 (B)	681,661,222	681,661,222
Premium on rights share		90,750,000	90,750,000
Reserve and Surplus		618,488,907	493,347,097
Reserve for exceptional losses	12.00	428,355,111	376,705,801
General reserve		26,000,000	26,000,000
Investment fluctuation fund	13.00	10,503,834	3,809,711
Profit & Loss Appropriation Account Balance		153,629,962	86,831,585
Total Shareholders' Equity		1,390,900,129	1,265,758,319
Liabilities and Provisions		745,042,194	674,135,770
Balance of funds and accounts	14.00	208,765,814	229,463,616
Premium deposits	15.00	174,907,552	147,818,386
Estimated liabilities in respect of outstanding Claims whether due or intimated	16.00	3,283,866	7,220,585
Amount due to other persons or bodies carrying on insurance business	17.00	82,012,410	130,549,343
Provision for income tax	18.00	175,899,514	92,390,884
Sundry creditors	19.00	92,117,033	59,842,289
Deferred tax liability	25.00	5,822,031	4,812,657
Un-claimed dividend account	28.00	2,233,975	2,038,010
Total Shareholders' Equity and Liabilities		2,135,942,324	1,939,894,089
Net Assets Value Per Share (NAV)	22.00	20.40	18.57

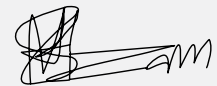
* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.



Chief Financial Officer



Company Secretary (CC)



Chief Executive Officer

Auditor's report to the shareholders
This is the financial position referred to in our report annexed.

Dated: Dhaka, 18 February, 2024
DVC: 2402180165AS428398



City General Insurance Company Limited

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Particulars	Notes	Amount in Taka	
		2023	2022
Assets			
Non-Current Assets		620,659,613	585,668,033
Property, plant & equipment	04.00	48,495,666	55,114,828
Intangible assets	04.01	1,596,031	915,552
Investment	05.00	570,567,916	529,637,653
BD Govt. treasury bond		216,000,000	200,000,000
Investment in shares		354,567,916	329,637,653
Current Assets		1,515,282,711	1,354,226,056
Stamps in hand	06.00	4,735,355	1,267,331
Interest, dividends and rent receivable	07.00	71,975,789	70,756,213
Amount due from other persons or bodies carrying on insurance business	08.00	209,159,574	217,214,194
Sundry debtors	09.00	292,761,862	208,776,577
Cash & Cash Equivalents	10.00	936,650,131	856,211,741
Fixed deposit receipt (FDR)		921,259,045	831,151,203
Short term deposit with banks & current account		15,130,598	24,820,051
Cash in hand		260,488	240,487
Total Assets		2,135,942,324	1,939,894,089



Director



Director



Chairman




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

City General Insurance Company Limited

STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Expenses of management (not applicable to any particular fund of accounts) :	14,353,632	13,229,541
Directors fee	899,564	790,046
Advertisement	2,276,582	2,962,319
Donation & subscription	665,000	550,000
Audit fee & legal expenses	804,548	545,370
Registration & renewal	1,021,210	840,218
Fees & charges	801,158	935,012
Depreciation	7,885,570	6,606,576
Less: Written off (GMG Airlines Limited) - Note: 5 (C)	1,000,000	1,000,000
Profit before tax	300,424,875	212,609,717
Less: Deferred tax expenses (Note: 26)	265,131	1,242,011
Less: Provision for income tax (Note: 27)	94,520,203	57,786,254
Net profit after tax transferred to statement of appropriation account	205,639,541	153,581,452
Total	315,778,507	226,839,258

STATEMENT OF APPROPRIATION ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Reserve for exceptional losses	51,649,310	56,791,377
Cash dividend paid	25,499,992	33,750,177
Amount to be distributed as dividend (Note:32)	61,691,862	46,074,436
Balance transferred to financial position	153,629,962	86,831,585
Total	292,471,126	223,447,575
Earnings per share (EPS) (Note:24)	3.02	2.25
Total number of outstanding share	68,166,122	68,166,122


* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.



Chief Financial Officer



Company Secretary (CC)



Chief Executive Officer

Auditor's report to the shareholders
This is the financial position referred to in our report annexed.Dated: Dhaka, 18 February, 2024
DVC: 2402180165AS428398

City General Insurance Company Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Interest, dividend & rent	99,317,182	81,381,052
(Not applicable to any particular fund or account) :		
Interest income on FDR, BD G.T. Bond & STD account (Notes-20)	75,125,649	53,454,152
Dividend income	18,959,750	13,319,828
Profit/(loss) on sale of share	4,415,862	13,275,387
Profit/(loss) on sale of fixed assets	(10,860)	911,145
Miscellaneous Income	826,781	420,540
Profit/(loss) transferred from revenue account :	216,461,326	145,458,206
Fire revenue account	25,393,131	17,403,248
Marine cargo revenue account	191,160,263	129,015,412
Marine hull revenue account	(2,012,296)	226,005
Motor revenue account	11,245,282	9,272,081
Miscellaneous revenue account	(9,325,055)	(10,458,540)
Total	315,778,507	226,839,258

STATEMENT OF APPROPRIATION ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Balance brought forward from previous year	86,831,585	69,866,123
Net profit after tax for the year transferred from profit or loss and other comprehensive income	205,639,541	153,581,452
Total	292,471,126	223,447,575

Other comprehensive income for the year ended December 31, 2023

Particulars	2023	2022
Net profit after tax	205,639,541	153,581,452
Other comprehensive income		
Changes in fair value with deferred tax adjustment -Note: 5 (D)	6,694,123	(2,806,768)
Total Comprehensive income for the year	212,333,664	150,774,684



Director



Director



Chairman




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

City General Insurance Company Limited

CONSOLIDATED REVENUE ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Claims under policies, less re-insurance:	40,233,540	57,494,825
Claims paid during the year	44,170,259	53,012,766
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	18,762,429	21,014,912
Less : outstanding at the end of the previous year	(22,699,148)	(16,532,853)
Agent commission	121,189,710	161,720,865
Expenses of management	212,765,623	235,421,443
Insurance stamp expenses	4,649,371	679,438
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income	216,461,326	145,458,206
Balance of account at the end of the year as shown in the statement of financial position: reserve for unexpired risks being 40% of fire, Marine cargo, Motor & Miscellaneous & 100% of Marine hull on premium income of the year	208,765,814	229,463,616
Total	804,065,383	830,238,395

* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.

City General Insurance Company Limited

FIRE INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Claims under policies, less re-insurance:	19,981,940	26,938,868
Claims paid during the year	18,692,675	27,985,154
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	16,810,278	9,320,129
Less : outstanding at the end of the previous year	(15,521,013)	(10,366,415)
Agent commission	39,601,451	33,193,539
Expenses of management	80,016,639	81,964,850
Insurance stamp expenses	4,552,493	628,883
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income	25,393,131	17,403,248
Balance of account at the end of the year as shown in the statement of financial position: reserve for unexpired risks being 40% of premium income of the year	59,189,679	54,608,526
Total	228,735,333	214,737,914

* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.



Chief Financial Officer



Company Secretary (CC)



Chief Executive Officer

Auditor's report to the shareholders
This is the financial position referred to in our report annexed.

Dated: Dhaka, 18 February, 2024
DVC: 2402180165AS428398



City General Insurance Company Limited

CONSOLIDATED REVENUE ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Balance of account at the beginning of the year:		
Reserve for unexpired risks	229,463,616	195,875,910
Premium less re-insurance	516,493,095	567,913,775
Commission earned on re-insurance ceded	57,650,522	66,321,394
Profit commission	458,151	127,316
Total	804,065,383	830,238,395

City General Insurance Company Limited

FIRE INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023


Particulars	Amount in Taka	
	2023	2022
Balance of account at the beginning of the year:		
Reserve for unexpired risks	54,608,526	50,068,854
Premium less re-insurance	147,974,196	136,521,314
Commission earned on re-insurance ceded	25,781,059	28,147,746
Profit commission	371,551	-
Total	228,735,333	214,737,914


Director


Director


Chairman




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

City General Insurance Company Limited

MARINE CARGO INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Claims under policies, less re-insurance:	17,768,993	25,518,676
Claims paid during the year	22,530,964	20,723,023
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	1,040,079	9,881,855
Less : outstanding at the end of the previous year	(5,802,050)	(5,086,202)
Agent commission	75,382,120	120,598,150
Expenses of management	100,957,496	121,720,793
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income	191,160,263	129,015,412
Balance of account at the end of the year as shown in the statement of financial position: reserve for unexpired risks being 40% of premium income of the year	133,726,896	158,503,506
Total	518,995,768	555,356,537

* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.

City General Insurance Company Limited

MARINE HULL INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Claims under policies, less re-insurance:	184,599	44
Claims paid during the year	184,599	44
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	-	-
Less : outstanding at the end of the previous year	-	-
Agent commission	1,185,848	1,749,701
Expenses of management	5,541,937	3,175,796
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income	(2,012,296)	226,005
Balance of account at the end of the year as shown in the statement of financial position: reserve for unexpired risks being 100% of premium income of the year	3,614,294	3,830,177
Total	8,514,382	8,981,723

* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.



Chief Financial Officer



Company Secretary (CC)



Chief Executive Officer

Auditor's report to the shareholders
This is the financial position referred to in our report annexed.



Dated: Dhaka, 18 February, 2024
DVC: 2402180165AS428398

City General Insurance Company Limited

MARINE CARGO INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Balance of account at the beginning of the year:		
Reserve for unexpired risks	158,503,506	126,929,848
Premium less re-insurance	334,317,242	396,258,765
Commission earned on re-insurance ceded	26,175,020	32,167,924
Total	518,995,768	555,356,537

City General Insurance Company Limited


MARINE HULL INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023


Particulars	Amount in Taka	
	2023	2022
Balance of account at the beginning of the year:		
Reserve for unexpired risks	3,830,176	4,188,707
Premium less re-insurance	3,614,294	3,830,177
Commission earned on re-insurance ceded	1,069,913	962,839
Total	8,514,382	8,981,723


Director


Director


Chairman




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

City General Insurance Company Limited

MOTOR INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Claims under policies, less re-insurance:	1,684,826	5,003,650
Claims paid during the year	2,348,839	4,270,958
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	512,072	1,812,928
Less : outstanding at the end of the previous year	(1,176,085)	(1,080,236)
Agent commission	3,259,830	4,469,958
Expenses of management	6,657,520	8,530,736
Insurance stamp expenses	29,170	35,378
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income	11,245,282	9,272,081
Balance of account at the end of the year as shown in the statement of financial position:		
reserve for unexpired risks being 40% of premium income of the year	8,440,088	10,216,495
Total	31,316,716	37,528,299

* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.

City General Insurance Company Limited

MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Claims under policies, less re-insurance:	613,181	33,587
Claims paid during the year	413,181	33,587
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	400,000	-
Less : outstanding at the end of the previous year	(200,000)	-
Agent commission	1,760,461	1,709,517
Expenses of management	19,592,031	20,029,268
Insurance stamp expenses	67,708	15,177
Profit/(loss) transferred to Statement of Profit or Loss and Other Comprehensive Income	(9,325,055)	(10,458,540)
Balance of account at the end of the year as shown in the statement of financial position:		
reserve for unexpired risks being 40% of premium income of the year	3,794,857	2,304,913
Total	16,503,183	13,633,922

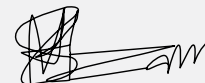
* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.



Chief Financial Officer



Company Secretary (CC)



Chief Executive Officer

Auditor's report to the shareholders
This is the financial position referred to in our report annexed.

Dated: Dhaka, 18 February, 2024
DVC: 2402180165AS428398



City General Insurance Company Limited

MOTOR INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Balance of account at the beginning of the year:		
Reserve for unexpired risks	10,216,495	11,860,773
Premium less re-insurance	21,100,221	25,541,238
Commission earned on re-insurance ceded	-	126,288
Total	31,316,716	37,528,299

City General Insurance Company Limited


MISCELLANEOUS INSURANCE REVENUE ACCOUNT

For the year ended 31 December 2023


Particulars	Amount in Taka	
	2023	2022
Balance of account at the beginning of the year:		
Reserve for unexpired risks	2,304,913	2,827,728
Premium less re-insurance	9,487,141	5,762,282
Commission earned on re-insurance ceded	4,624,530	4,916,596
Profit commission	86,599	127,316
Total	16,503,183	13,633,922


Director


Director


Chairman




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

City General Insurance Company Limited
STATEMENT OF CHANGES IN EQUITY
As at 31 December 2023

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 2023	681,661,222	90,750,000	376,705,801	26,000,000	3,809,711	86,831,585	1,265,758,319
Cash dividend paid during the year	-	-	-	-	-	(25,499,992)	(25,499,992)
Profit after tax during the year	-	-	-	-	-	205,639,541	205,639,541
Amount to be distributed as dividend (Note:32)	-	-	-	-	-	(61,691,862)	(61,691,862)
Appropriation made during the year	-	-	51,649,310.00	-	16,886,167	(51,649,310)	16,886,167
Adjustment of changes in fair value of share investment	-	-	-	-	(10,192,044)	-	(10,192,044)
Balance as at 31 December 2023	681,661,222	90,750,000	428,355,111	26,000,000	10,503,834	153,629,962	1,390,900,129

City General Insurance Company Limited
STATEMENT OF CHANGES IN EQUITY
As at 31 December 2022

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 2022	681,661,222	90,750,000	319,914,424	26,000,000	6,616,479	69,866,123	1,194,808,248
Cash dividend paid during the year	-	-	-	-	-	(33,750,177)	(33,750,177)
Profit after tax during the year	-	-	-	-	-	153,581,452	153,581,452
Amount to be distributed as dividend	-	-	-	-	-	(46,074,436)	(46,074,436)
Appropriation made during the year	-	-	56,791,377	-	47,788,948	(56,791,377)	47,788,948
Adjustment of changes in fair value of share investment	-	-	-	-	(50,595,716)	-	(50,595,716)
Balance as at 31 December 2022	681,661,222	90,750,000	376,705,801	26,000,000	3,809,711	86,831,585	1,265,758,319

* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.

				
Chief Financial Officer	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, 18 February, 2024
DVC: 2402180165AS428398

Quazi Shafiqul Islam, FCA
Enrolment No 01165
Islam Quazi Shafique & Co.
Chartered Accountants

City General Insurance Company Limited

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
A. Cash flow from operating activities:		
Cash receipts from premium and others income	857,224,598	1,038,497,470
Cash payment for management exp., re-insurance, claim & other exp.	(660,427,123)	(634,852,548)
Income tax paid	(24,339,776)	(22,517,791)
Net cash generated from operating activities	172,457,699	381,127,131
B. Cash flow from investing activities:		
Acquisition of fixed assets	(3,433,747)	(10,258,018)
Disposal of fixed assets	36,000	1,667,608
(Increase)/ decrease investment in shares & BGTB	(32,255,000)	(111,800,000)
Dividend income	15,207,866	10,716,786
Net cash used in investing activities	(20,444,881)	(109,673,624)
C. Cash flow from financing activities:		
Dividend paid	(71,574,428)	(68,166,122)
Net cash used in financing activities	(71,574,428)	(68,166,122)
D. Net cash inflows/(out flows) for the year (A+B+C)	80,438,390	203,287,385
E. Opening cash and cash equivalents	856,211,741	652,924,356
F. Closing cash and cash equivalents	936,650,131	856,211,741
Net operating cash flow per share (NOCFPS) (Note:23)	2.53	5.59

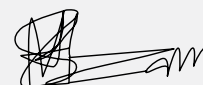
* The accounting policies and other notes from 1 to 33 form an integral part of the financial statements.



Chief Financial Officer



Company Secretary (CC)



Chief Executive Officer



Director



Director



Chairman



Quazi Shafiqul Islam, FCA

Enrolment No 0165

Islam Quazi Shafique & Co.

Chartered Accountants

Auditor's report to the shareholders
This is the financial position referred to in our report annexed.

Dated: Dhaka, 18 February, 2024

DVC: 2402180165AS428398



Form-“AA”

CLASSIFIED SUMMARY OF ASSETS

As at 31 December 2023

Particulars	Amount in Taka		Remarks
	2023	2022	
A Non-current assets	620,659,613	585,668,033	
Property, plant & equipment	48,495,666	55,114,828	Written down value
Intangible asset	1,596,031	915,552	
Investment	570,567,916	529,637,653	
BD Govt. treasury bond	216,000,000	200,000,000	Not quoted in market
Investment in shares	354,567,916	329,637,653	Quoted at market value
B Current assets	1,515,282,711	1,354,226,056	
Stamps in hand	4,735,355	1,267,331	Realizable value
Interest, dividends and rent receivable	71,975,789	70,756,213	Realizable value
Amount due from other persons or bodies carrying on insurance business	209,159,574	217,214,194	Realizable value
Sundry debtors	292,761,862	208,776,577	Realizable value
Cash & cash equivalents	936,650,131	856,211,741	
Fixed deposit receipt (FDR)	921,259,045	831,151,203	Realizable value
Short term deposit with banks & current account	15,130,598	24,820,051	Realizable value
Cash in hand	260,488	240,487	Realizable value
Total assets (A+B)	2,135,942,324	1,939,894,089	

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 balance sheet at amounts not exceeding their realizable or market value, and that the investments in shares have been valued at fair value.



Chief Financial Officer



Company Secretary (CC)



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, 18 February, 2024
DVC: 2402180165AS428398



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

City General Insurance Company Limited

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City General Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 31 December 2023

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 was listed with Dhaka and Chittagong Stock Exchanges.

The registered office of the Company is located at Baitul Hossain Building (4th floor), 27, Dilkusha C/A, Dhaka-1000, Bangladesh. The operation of the company is being carried out through its 45 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 2023 under review.

2.0 Significant Accounting Policies, Basis of Preparation & Presentation of Financial Statements and other Related Policy Information

2.1 Statement of Compliance

A summary of the principle accounting policies which have been applied consistently (Unless otherwise stated), is set out below:

- i) The Insurance Act 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 (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 (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:



i) Presentation of Financial Statements

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 or 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 2010.

ii) Name of the Financial Statements

IFRS/IAS: As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or 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 2010 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

iii) 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 or 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.

iv) 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 recognised through profit or loss account. Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Insurance Development and Regulatory Authority (IDRA): As per section 120 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 recognised 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 amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

v) Provision on Investments and Off-balance Sheet Items

IFRS/IAS: As per IFRS 9, an entity shall recognise 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 44 of the Insurance Act, 2010.



vi) 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 2010.

vii) Presentation of Intangible Assets

IFRS/IAS: An intangible asset must be identified and recognised, 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, 2010.

viii) 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.

ix) 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, recognise, 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.

i) 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.

ii) 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 shell 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 shell 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 shell be measured at the fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.



iii) 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.

iv) 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.

v) 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 1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Considering the provisions of IAS 7 and IAS 1, cash in hand, bank balances and FDR have been considered as cash and cash equivalents.

vi) 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.

vii) Presentation of 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

viii) Impairment of Financial Assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36: At each balance sheet date, City General Insurance Company Limited assesses whether there is objective evidence that a financial asset i.e., general investments and investments in shares and securities are impaired. A financial asset is impaired and impairment losses are incurred if-

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;
- the loss event had an impact on the estimated future cash flows of the financial asset or the financial assets, and;
- a reliable estimate of the loss amount can be made.

ix) 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	2023	415,900,336	354,567,916
2	2022	388,289,961	329,637,653
3	2021	376,907,486	321,371,729
4	2020	256,840,155	245,050,605
5	2019	191,637,979	169,234,101

x) 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.

xi) Deposits

Deposits are measured at payment value which are expected to be recovered after completion a certain period or purpose.

xii) 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.

xiii) 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 and deferred tax which is calculated using tax rates that have been enacted at the balance sheet date.

xiv) 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.

2.2 Components of financial statements

The presentations of financial statements are prepared in accordance with the guidelines provided as per requirement of 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, 2023;
- ii) Statement of profit or loss and other comprehensive income for the year ended December 31, 2023;
- iii) Statement of appropriation account for the year ended December 31, 2023;
- iv) Statement of changes in equity as at December 31, 2023;
- v) Statement of cash flows for the year ended December 31, 2023;
- vi) Consolidated revenue account for the year ended December 31, 2023;
- vii) Fire insurance revenue account for the year ended December 31, 2023;
- viii) Marine cargo insurance revenue account for the year ended December 31, 2023;
- ix) Marine hull insurance revenue account for the year ended December 31, 2023;
- x) Motor insurance revenue account for the year ended December 31, 2023;



- xi) Miscellaneous insurance revenue account for the year ended December 31, 2023;
- xii) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended December 31, 2023.

2.3 Significant Accounting Policies

2.3.1 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.

2.3.2 Underwriting Business

Gross underwriting business as well as re-insurance thereof and claim settled etc. have been recorded separately for each class of business and the net underwriting results thereof have been reflected in the revenue accounts after due consideration of re-insurance ceded.

2.3.3 Balance of Funds and Accounts

These have been arrived at after making provision for unexpired risks @ 40% of net premium income on all business except marine hull insurance where provision has been made at 100% on net premium income.

As per First Schedule, Part-II, Form A of the Insurance Act, 2010 City insurance created a fund for un-expired risk @ 40% of net premium income on fire, marine cargo, motor and miscellaneous business and 100% on marine hull business in respect of future claims and expenses which may arise after closing of books.

2.3.4 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.

2.3.5 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.



2.3.6 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.

2.3.7 Fair Value 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.

2.3.8 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.

2.3.9 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) Subsequent Cost

Subsequent costs of enhancement of an existing asset are recognized as a separate asset; only when it is probable that future economic benefits associated with the items will flow to the company and the cost of such items can be measured reliably. All other expenditure is charged to the profit or loss account during the financial period in which they are incurred.

c) De-recognition

The carrying amount of an item of PPE shall be derecognized on disposal and retirement, which means the assets, is permanently withdrawn from use or sold or scrapped; or when no future economic benefits are expected from its use or disposal.

d) Impairment of Assets

As per IAS 36, if the assets recoverable amount is lower than its 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.

e) Leases

Financial Reporting Standards IFRS-16 leases effective from amount proceeds beginning on or after January 1, 2019 in place of old Accounting Standards IAS-17. However, the company not yet introduced IFRS-16, lease in its financial statements. Most of the rental agreement of the Company is for temporary basis. As such, there has no material impact in the financial statements for incorporating IFRS-16 in compare with the accounting treatment under IAS-17.

f) 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 off. 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	
Office and electrical equipment's	15%
Furniture and fixture	10%
Motor vehicles	20%
Office decoration	10%
Air conditioner	10%
Books	20%
Telephone	15%
Software	20%

2.3.10 Operating Segment

As per IFRS 8 "Operating Segments", is a component of an entity:

- (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and;
- (c) for which discrete financial information is available.

2.3.11 i) 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) and the Insurance Act, 2010, the Companies Act, 1991 (as amended up to date), the Companies Act, 1994 (as amended 2020 and up to date). Material deviations from the requirements of IFRSs are mentioned above under note no. 2.1

Name of Adopted IAS	IAS No.	Status of application
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statements of Cash flow	7	Applied
Accounting Policies, Changes in Accounting estimates and errors	8	Applied
Event after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied



Name of Adopted IAS	IAS No.	Status of application
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	N/A
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	N/A
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
Insurance Contracts	4	Applied
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	Applied
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	N/A
Insurance Contracts	17	N/A

ii) 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.



- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- 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)

2.3.12 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, 2023. Statements of accounts for the period from 1st July 2022 to 30th June 2023 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.

2.3.13 Stocks of Stamps

Stocks of stamps have been valued at historical cost.

2.3.14 Provision for 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	10,644,316	
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		Yet to settled
17.	2022	Return submitted on 12.09.2023		Yet to settled
Total:			94,652,089	

2.3.15 Employee Benefits

City General Insurance Company Limited 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.

2.3.16 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.

2.3.17 Valuation of Assets

The value of all assets at December 31, 2023 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.

2.3.18 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 cancelled 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 or are considered recoverable.

2.3.19 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.

2.3.20 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: 24)

2.3.21 Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the ordinary shares outstanding during the year. In accordance with IAS 33 "Earnings Per Share" which has been shown on the face of statement of profit or loss and other comprehensive income.

2.3.22 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.

2.3.23 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 2023.



2.3.24 Revenue Recognition

Revenue is recognized in accordance with International Accounting Standard (IFRS-15). Revenue from contracts with customers, unless otherwise mentioned or otherwise guided by the separate IAS/IFRS or by directives of the regulatory authority.

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) 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.

d) 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.

e) Re-Insurance Commission

Re-insurance commissions are recognized as revenue over the period in which the related services are performed.

2.3.25 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 General Insurance Company Limited 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 General Insurance Company Limited as quickly as possible or within any prolonged period which the company may allow.
- The Claim Department of City General Insurance Company Limited 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 General Insurance Company Limited 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 to City General Insurance Company Limited in advance.
- City General Insurance Company Limited 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 General Insurance Company Limited 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 General Insurance Company Limited 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 lac in the event of fire insurance and 20 lac 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 General Insurance Company Limited) 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 amendments-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) Interest Expense

The company has incurred interest and related expenses on account of overdraft and short term loan. In terms of provision of the International Accounting Standard (IAS) -1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

g) 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.

h) 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.

i) Income tax expense

(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. 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 or 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.



2.3.26 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.

2.3.27 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.

2.3.28 Reserve or Contingencies

i) Reserves for Exceptional Losses

As per Income Tax Act -2023 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.

ii) General Reserve

The company created a general reserve to avoid future contingency.

iii) 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 unrealized gain from capital market. As capital market of Bangladesh is volatile and market price of the stock and shares are changed very frequently.

2.3.29 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. 94,652,089. 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.

2.3.30 Contingent Asset

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.

2.3.31 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.

2.3.32 Branch Accounting

The company has 45 branch offices with no overseas branch as on December 31, 2023. Accounts of the branches are maintained at the head offices which are included in the accompanying financial statements.

2.3.33 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, CGICL are yet to provide for the said provision. This is as per the direction of Bangladesh Insurance Association.

2.3.34 Consistency of Presentation

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, City General Insurance Company Limited 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 2023 in the financial statements.

3.00 ADDITIONAL INFORMATION ON FINANCIAL STATEMENTS

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 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.

3.03 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 or loss and other comprehensive income (Profit or 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.

3.04 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.

3.05 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.

3.06 Reporting Period

Financial statements of the company cover on calendar year from 1st January, 2023 to 31st December, 2023 (12 Months).

3.07 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.

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.

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 2023 will be declared by Finance Act 2023. For the purpose of these financial statements, management has assumed that the existing corporate tax rate (37.50%) will be applicable for Income Year 2023 as well.
- 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 judgements 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 4 : Property, Plant and equipment
- Note 6 : Stamps in hand
- Note 9 : Sundry debtors
- Note 2.3.15 : Net defined benefit plans
- Note 25 : Deferred tax liabilities
- Note 27 : Provision for income tax

3.08 Policies of Material Accounting

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

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: 21.00)



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 Executive Vice President (EVP) & 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 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.

3.15 Comparative Information

Comparative information has been disclosed in respect of the year 2023 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 2023 have been rearranged whenever considered necessary to ensure comparability with the current year.

3.16 Significant Deviation in Earnings Per Share (EPS)

EPS has been increased in the current year ended on 31st December, 2023 with comparison to the previous year because the company’s underwriting profit and others income have been increased significantly.

3.17 Significant Deviation in Net Operating Cash Flow Per Share (NOCFPS)

NOCFPS has been decreased in the current year ended 31st December, 2023 with comparison to the previous year because the company’s premium income has been decreased and re-insurance payment has been increased.

3.18 Significant Deviation in Net Assets Value Per share (NAV)

NAV has been increased in the current year ended 31st December, 2023 with comparison to the previous year because the company’s investments in share, Govt. Treasury Bond and FDR have been increased sharply.

3.19 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 CGICL 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

3.20 Operating Environment

The Company operating environment during the year ended 2023 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.

3.21 Authorization Date for Issuing Financial Statements

The financial statements were authorized by the Board of Directors in their 211th meeting held on 18th February, 2024.



3.22 Regulatory Compliances

As required, City General Insurance Company Limited 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 Rules, 1958

Insurance Act, 2010

International Accounting Standards (IASs)

International Financial Reporting Standards (IFRSs)

Rules and Regulations issued by the Insurance Development & Regulatory Authority (IDRA)

3.23 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.



Particulars	Amount in Taka	
	31 December 2023	31 December 2022

04.00 PROPERTY, PLANT AND EQUIPMENT: TK. 48,495,666

Details of the above have been shown in Annexure-A. Depreciation has been charged on all fixed assets at reducing balance method.

Cost of Fixed Assets as on January 01, 2023	144,218,726	148,669,708
Add: Addition during the year 2023	2,488,747	10,258,018
Less: Disposal during the year 2023	1,854,847	14,709,000
Cost of Fixed Assets as on December 31, 2023	144,852,626	144,218,726
Less: Accumulated depreciation as on January 01, 2023	89,103,898	95,050,683
Add: Disposal of accumulated depreciation during the year 2023	367,987	12,324,473
Less: Depreciation during the year 2023	7,621,049	6,377,688
Balance as on December 31, 2023	48,495,666	55,114,828

04.01 INTANGIBLE ASSETS: TK. 1,596,031

Details of the above have been shown in Annexure-A1. Depreciation has been charged on all fixed assets at reducing balance method.

Cost of Fixed Assets as on January 01, 2023	2,492,931	2,492,931
Add: Addition during the year 2023	945,000	-
Cost of Fixed Assets as on December 31, 2023	3,437,931	2,492,931
Less: Accumulated depreciation as on January 01, 2023	1,577,379	1,348,491
Less: Depreciation during the year 2023	264,521	228,888
Balance as on December 31, 2023	1,596,031	915,552

05.00 INVESTMENTS: Tk. 570,567,916

A. BD Govt. Treasury Bond:

1 BD Govt. Treasury Bond (deposit with National Bank Limited)	216,000,000	200,000,000
Sub-Total	216,000,000	200,000,000

A sum of Tk. 21,60,00,000 was invested in Bangladesh Govt. Treasury Bond at cost kept with National Bank Limited 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. Treasury Bond for the year ended 2023. The details of the each investment is mention below:

Sl. No.	Particulars of Investment					
Nature of Security	ISID No.	Interest Rate	Issue date	Maturity date	Amount (In Taka) 31 December 2023	Amount (In Taka) 31 December 2022
10Y BGTB	BD0923341103	12.10%	13.03.2013	13.03.2023	-	16,000,000
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
15Y BGTB	BD0937821157	7.98%	27.04.2022	27.04.2037	106,000,000	90,000,000
05Y BGTB	BD0928461054	8.75%	14.06.2023	14.06.2028	16,000,000	-
Grand Total					216,000,000	200,000,000



Accrued interest on such Bond up to December 31, 2023 has been accounted for.

B. (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 Shares	Cost Value (Tk.)	Market Value (Tk.) 2023	Market Value (Tk.) 2022
1	ACME Prestiside Limited	1,000,000	10,000,000	35,400,000	35,400,000
2	City Bank PLC	204,000	4,371,704	4,365,600	-
3	Intraco Refueling Station Limited	100,000	5,009,850	4,050,000	-
4	Lafarge Holcim Bangladesh Limited	2,352,254	228,711,538	163,011,202	143,013,600
5	IT Consultries Limited	125,000	5,140,260	4,625,000	-
6	Olympic Industries Limited	20,000	3,377,241	3,040,000	-
7	Pragati Life Insurance Limited	3,900	519,737	398,190	-
8	BATBC	1,600	921,840	829,920	829,920
9	BEXIMCO	38,000	4,701,360	4,392,800	4,392,800
10	GENEXIL	106,080	11,923,392	6,937,632	8,262,000
11	LOVELLO	256,100	12,182,677	9,706,190	9,706,190
12	PRIMETEX	21,000	867,300	613,200	840,000
13	Bangladesh Finance Limited	213,020	9,611,217	9,394,182	9,394,182
14	GOLDENSON	190,000	3,808,240	3,458,000	3,458,000
15	Runner Auto	65,000	3,431,437	3,146,000	3,146,000
16	Apex Footwear Limited	1,540	438,609	-	403,634
17	Bashundhra Paper Mills Limited	38,318	3,216,434	-	2,896,841
18	BPML	72,010	6,369,808	-	5,443,956
19	INTECH	400	12,692	-	11,680
20	ICICL	8,500	85,000	-	238,850
Sub-Total			314,700,336	253,367,916	227,437,653

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 or 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 2023.

B. (ii) Shares of Non- Listed Companies:

SL. No	Particulars Of Investment	No. of Shares	Amount in Taka	
			31 December 2023	31 December 2022
1	GMG Airlines Limited (Note-05-C)	220,000	5,000,000	6,000,000
2	BD Finance Securities Ltd.	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			101,200,000	102,200,000
Balance as on December 31, 2023 (A+B)			570,567,916	529,637,653

C. GMG Airlines Limited

Particulars	Amount in Taka	
	31 December 2023	31 December 2022
Balance as on January 01, 2023	6,000,000	7,000,000
Less: Written off during the year 2023	(1,000,000)	(1,000,000)
Balance as on December 31, 2023	5,000,000	6,000,000



Particulars	Amount in Taka	
	31 December 2023	31 December 2022

As per decision of the 195th Board meeting held on 24-02-2021, the total investment in GMG Airlines Limited 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 2023.

D. Changes in fair Value with deferred tax adjustment

Closing Investment Fluctuation Fund December 31, 2023	10,503,834	3,809,711
Opening Investment Fluctuation Fund January 01,2023	3,809,711	6,616,479
Changes in fair Value with deferred tax adjustment	6,694,123	(2,806,768)

06.00 STOCK OF STAMPS: TK. 4,735,355

STAMPS IN HAND

Balance as on January 01,2023	1,267,331	1,746,113
Add: Purchase during the year 2023	12,000,000	3,000,000
Sub Total	13,267,331	4,746,113
Less: Recovery of value on use during the year 2023	8,531,976	3,478,782
Balance as on December 31, 2023	4,735,355	1,267,331

07.00 INTEREST, DIVIDEND AND RENT RECEIVABLE : Tk. 71,975,789

This represents accrued interest on FDR and investment in BD Govt. Treasury Bond made by the company.

Receivable as on January 01,2023	70,756,213	67,708,928
Add: Interest accrued as on December 31, 2023	23,182,322	19,522,943
Receivable as on December 31, 2023	93,938,534	87,231,871
Less: Interest received during the year 2023	21,962,746	16,475,658
Balance as on December 31, 2023	71,975,789	70,756,213

08.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: TK. 209,159,574

This balance represents the balance receivable from Sadharan Bima Corporation (SBC) on account of public sector business transacted up to 2nd quarter of 2023, Break up is as under:

Balance as on January 01, 2023	217,214,194	234,343,456
Add: Receivable from SBC and others during the year 2023	11,701,249	12,897,746
Sub Total	228,915,443	247,241,202
Less: Received from SBC and others during the year 2023	19,755,868	30,027,008
Balance as on December 31, 2023	209,159,574	217,214,194

09.00 SUNDRY DEBTORS: TK. 292,761,862

This consists of the followings:

1	Security deposit with Dhaka Chamber	-	48,064
2	Advance against office rent	2,854,044	2,594,370
3	Advance against VAT (Note-09.01)	7,819,052	7,819,052
4	Advance against salary (Note-09.02)	3,950,537	5,792,281
5	Advance income tax payment (Note-09.03)	152,506,377	123,387,312
6	Security deposit with CDBL	300,000	300,000
7	Receivable from BD Finance Security Ltd.	80,087	249
8	Receivable from BD Finance Capital Holding Ltd.	2,000	-
9	IPO share application money	15,555,000	-
10	Advance to different parites	1,165,950	2,716,864
11	Advance to Staff	194,549	92,183
12	Collection control accounts	108,131,362	65,722,382
13	Receivable from City brokerage Ltd.	2,904	3,820
14	Security deposit on office rent Sathkira branch	-	100,000
15	Security deposit on office rent Gulshan branch	100,000	100,000



Particulars	Amount in Taka	
	31 December 2023	31 December 2022
16 Security deposit on office rent Motijheel branch	100,000	100,000
Balance as on December 31, 2023	292,761,862	208,776,577
09.01 ADVANCE AGAINST VAT: TK. 7,819,052		
Break up of advance against VAT is as under:		
Balance as on January 01, 2023	7,819,052	7,819,052
Add : Advance paid during the year 2023	-	-
Sub Total:	7,819,052	7,819,052
Less: Adjustment during the year 2023	-	-
Balance as on December 31, 2023	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.		
09.02 ADVANCE AGAINST SALARY: TK. 3,950,537		
Balance as on January 01, 2023	5,792,281	8,676,787
Add : Advance paid during the year 2023	2,358,107	2,874,960
Sub Total:	8,150,388	11,551,747
Less: Adjustment during the year 2023	4,199,851	5,759,466
Balance as on December 31, 2023	3,950,537	5,792,281
09.03 ADVANCE INCOME TAX PAYMENT: TK. 152,506,377		
Break up is as under:		
Balance as on January 01, 2023	123,387,312	128,946,970
Add : Advance income tax paid during the year 2023	40,439,499	22,517,791
Sub Total:	163,826,812	151,464,761
Less: Adjustment during the year 2023	11,320,434	28,077,449
Balance as on December 31, 2023	152,506,377	123,387,312
10.00 CASH & CASH EQUIVALENTS: TK.936,650,131		
Breakup of the above amount is as under:		
Cash in hand	260,488	240,487
Fixed Deposit Receipt (FDR)	921,259,045	831,151,203
Cash at Bank (STD account and CD account)	15,130,598	24,820,051
Balance as on December 31, 2023	936,650,131	856,211,741
11.00 SHARE CAPITAL:		
A. AUTHORISED CAPITAL: 2,000,000,000		
Authorized capital TK. 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, 2023	681,661,222	681,661,222

The percentage of shareholding as on December 31, 2023 is as follows:



Group Name	No. of Shareholders	No. of Shares	Percentage (%)
Director & sponsors	18	24,581,629	36.061
General public	3,082	19,205,557	28.175
All investors account	7	12,126	0.018
All institutions	85	24,349,966	35.721
Non-resident Bangladeshi (NRB)	51	16,844	0.025
Total	3,243	68,166,122	100

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	1,842	226,106	0.332
501-5000	1,061	1,999,524	2.933
5001-10000	122	946,864	1.389
10001-20000	83	1,224,394	1.796
20001-30000	35	870,996	1.278
30001-40000	11	405,560	0.595
40001-50000	16	711,936	1.044
50001-100000	21	1,506,169	2.210
100001-1000000	31	10,610,946	15.566
1000001-9999999	21	49,663,627	72.857
Total	3,243	68,166,122	100

12.00 RESERVE FOR EXCEPTIONAL LOSSES: TK. 428,355,111

Particulars	Amount in Taka	
	31 December 2023	31 December 2022
Balance as on January 01, 2023	376,705,801	319,914,424
Add : Provision for during the year 2023	51,649,310	56,791,377
Balance as on December 31, 2023	428,355,111	376,705,801

13.00 INVESTMENT FLUCTUATION FUND TK. 10,503,834

Balance as on January 01, 2023	3,809,711	6,616,479
Add : Provision for during the year 2023	16,141,924	47,477,293
Add : Deferred tax on unrealized loss on share investment (Note no: 25-iv.)	744,243	311,655
Sub Total	20,695,878	54,405,427
Less: Adjustment during the year 2023	(10,192,044)	(50,595,716)
Balance as on December 31, 2023	10,503,834	3,809,711

14.00 BALANCE OF FUNDS AND ACCOUNTS: TK. 208,765,814

The above balance of funds and accounts comprises of the followings:

1. Fire insurance business	59,189,679	54,608,526
2. Marine cargo insurance business	133,726,896	158,503,506
3. Marine hull insurance business	3,614,294	3,830,176
4. Motor insurance business	8,440,088	10,216,495
5. Miscellaneous insurance business	3,794,857	2,304,913
Balance as on December 31, 2023	208,765,814	229,463,616

The statement of accounts in details are shown in revenue account.

15.00 PREMIUM DEPOSITS: TK. 174,907,552

This represents the amount of premium collected excluding VAT against cover notes for which no policy has been issued up to December 31, 2023. The breakup is as under:

1. Fire insurance business	174,721	-
2. Marine cargo insurance business	174,732,831	147,818,386
Balance as on December 31, 2023	174,907,552	147,818,386

16.00 ESTIMATED LIABILITIES IN RESPECT OF OUTSTANDING CALIMS WHETHER DUE OR INTIMATED: TK. 3,283,866

This amount consists of as follows:



Particulars	Amount in Taka	
	31 December 2023	31 December 2022
1. Fire insurance business	2,981,505	1,692,240
2. Marine cargo insurance business	33,682	4,795,653
3. Motor insurance business	68,679	732,692
4. Misc. insurance business	200,000	-
Balance as on December 31, 2023	3,283,866	7,220,585

17.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS: TK. 82,012,410

This balance is due to SBC on account of re-insurance business agreement up to 3rd quarter statement of 2023 submitted to the company. breakup is as under:

Balance as on January 01, 2023	130,549,343	128,816,153
Add : Payable during the year 2023	138,640,676	154,044,710
Sub Total	269,190,019	282,860,863
Less: Adjustment during the year 2023	187,177,609	152,311,520
Balance as on December 31, 2023	82,012,410	130,549,343

18.00 PROVISION FOR INCOME TAX: TK. 175,899,514

Break up is as under:

Balance as on January 01, 2023	92,390,884	65,346,012
Add : Provision for the year 2023	94,520,203	57,786,254
Sub Total	186,911,087	123,132,266
Less: Adjustment during the year 2023	11,011,573	30,741,382
Balance as on December 31, 2023	175,899,514	92,390,884

19.00 SUNDRY CREDITORS: TK. 92,117,033

1. Audit fees payable	328,116	289,116
2. VAT payable	6,316,668	2,118,788
3. Provision for workers P.P.F.	7,070,768	7,070,768
4. PF employee contribution payable	-	2,891
5. Amount to be distributed as dividend payable	61,691,862	46,074,436
6. Insurance stamps on deposit premium	920,281	138,276
7. Co insurance premium payable	-	170,840
8. TDS payable	874,498	1,145,764
9. VDS payable	602,821	630,167
10. Fund allocation for motor car	3,324,299	2,030,700
11. Fund allocation for motor cycle	330,368	170,543
12. Payable to Bank Asia Securities	10,657,352	-
Balance as on December 31, 2023	92,117,033	59,842,289

20.00 INTEREST INCOME: TK. 75,125,649

Break up is as under:

1. Interest on FDR	58,724,436	41,131,462
2. Interest on BD Govt. Treasury Bond	16,296,297	12,248,937
3. Interest on STD Accounts	104,916	73,754
Balance as on December 31, 2023	75,125,649	53,454,152

21.00 RELATED PARTY TRANSACTIONS:

City General Insurance Company Limited, 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	10,388,843
2.	Anwar Silk Mills Ltd.	Director	Insurance Business	1,555,983
3.	Hossain Dyeing & Printing Mills Ltd.	Director	Insurance Business	3,980,380
4.	Mehmud Industries (Pvt.) Ltd.	Director	Insurance Business	3,640,857

Particulars	Amount in Taka	
	31 December 2023	31 December 2022

22.00 NET ASSET VALUE: TK. 1,390,900,129

The offer price of the common stock of City General Insurance Company Ltd. has been determine on the basis of net asset value. The break up is given below:

Investment	570,567,916	529,637,653
Interest, dividend and rent receivable	71,975,789	70,756,213
Amount due from other persons or bodies carrying on insurance business	209,159,574	217,214,194
Sundry debtors	292,761,862	208,776,577
Cash in hand and at banks	936,650,130	856,211,741
Property, plant & equipment	48,495,666	55,114,828
Intangible assets	1,596,031	915,552
Stock of Stamps	4,735,355	1,267,331
Total assets (A)	2,135,942,324	1,939,894,089
Balance of funds and accounts	208,765,814	229,463,616
Premium deposits	174,907,552	147,818,386
Estimated liabilities in respect of outstanding claims whether due or intimated	3,283,866	7,220,585
Amount due to other persons or bodies carrying on insurance business	82,012,410	130,549,342
Sundry creditors	92,117,033	59,842,289
Provision for income tax	175,899,514	92,390,884
Deffered tax liability	5,822,031	4,812,657
Un-claimed dividend account	2,204,732	2,038,010
Interest income payable of Un-claimed dividend account	29,243	-
Total liabilities (B)	745,042,195	674,135,770
Net assets (A-B)	1,390,900,129	1,265,758,319
Number of shares (C)	68,166,122	68,166,122
Net assets value per share {(A-B)/C}	20.40	18.57

23.00 NET OPERATING CASH FLOWS PER SHARE: TK. 2.53

Net cash generated from operating activities	172,457,699	381,127,131
Number of shares	68,166,122	68,166,122
Net Operating cash flow per share	2.53	5.59

24.00 EARNINGS PER SHARE (EPS): TK. 3.02

Net profit before tax for the year ended 2023	300,424,875	212,609,717
Less: deferred & current tax provision for the year 2023	(94,785,334)	(59,028,265)
Net profit after tax for the year ended 2023	205,639,541	153,581,452
Number of shares	68,166,122	68,166,122
EPS	3.02	2.25

25.00 DEFERRED TAX LIABILITY: TK. 5,822,031

Balance as on January 01, 2023	4,812,657	3,882,301
Add : Provision for the year 2023	1,508,649	1,338,029
Sub Total	6,321,306	5,220,330
Less: Adjustment during the year 2023	(499,275)	(407,673)
Balance as on December 31, 2023	5,822,031	4,812,657



Particulars	Amount in Taka	
	31 December 2023	31 December 2022
Calculation of deferred tax items wise		
i. Fixed assets carrying amount (annexure-A)	50,091,697	56,030,380
Less: Tax base [IAS-12 (7)] (annexure-B)	45,605,139	50,212,421
Deductible temporary differences	4,486,558	5,817,959
Effective tax rate	37.50%	37.50%
Closing deferred tax liability/ (asset)	1,682,459	2,181,734
Opening deferred tax liability/ (asset)	2,181,734	2,277,753
Deferred tax expense/(income)	(499,275)	(96,018)
ii. Interest receivable	21,465,112	19,426,697
Less: Tax base	-	-
	21,465,112	19,426,697
Effective tax rate	37.50%	37.50%
Closing deferred tax liability/ (asset)	8,049,417	7,285,011
Opening deferred tax liability/ (asset)	7,285,011	5,963,568
Deferred tax expense/(income)	764,406	1,321,443
iii. Employees gratuity fund		4,537,300
Less: Tax base	-	-
	-	4,537,300
Effective tax rate	-	37.50%
Closing deferred tax liability/ (asset)	-	1,701,488
Opening deferred tax liability/ (asset)	-	1,684,902
Deferred tax expense/(income)	-	16,586
iv. Fair value of the investment	253,367,916	227,437,653
Less: cost price of investment	304,577,793	286,089,963
Accounting base	(51,209,877)	(58,652,310)
Less: Tax base	-	-
Effective Tax Rate	10%	10%
Closing deferred tax liability/ (asset)	(5,120,988)	(5,865,231)
Opening deferred tax liability/ (asset)	(5,865,231)	(5,553,576)
Deferred tax expense/(income)	744,243	(311,655)

As a recognized gratuity fund approved by the National Board of Revenue (NBR), we (CGIC) did not calculate deferred tax regarding gratuity fund for the year ended 2023

26.00 DEFERRED TAX EXPENSE/(INCOME): TK. 265,131

A) Deferred tax expense/(income) from fixed assets carrying amount (Note:25.00-i)	(499,275)	(96,018)
B) Deferred tax expense/(income) from interest receivable (Note:25.00-ii)	764,406	1,321,443
C) Deferred tax expense/(income) from employees gratuity fund(Note:25.00-iii)	-	16,586
	265,131	1,242,011

27.00 PROVISION FOR INCOME TAX: TK. 94,520,203

Statement of income:

Particulars	Amount in Taka 31 December 2023 Total income	Amount in Taka 31 December 2023 Exempted (Reserve for Exceptional losses)	Amount in Taka 31 December 2023 Taxable income	Amount in Taka 31 December 2022 Taxable income
Income from business or profession	216,461,326	51,649,310	164,812,016	88,666,829
Interest income on BD G.T. Bond,FDR & STD A/C	75,125,649	-	75,125,649	53,454,152
Profit on sale of share	4,415,862	-	4,415,862	13,275,387
Dividend income from share investment	18,959,750	-	18,959,750	13,319,828
Others Income	826,781	-	826,781	1,331,686
Total Income	315,789,368	51,649,310	264,140,058	170,047,881



Computation of Current Tax Provision during the year:

Particulars	Amount in Taka 31 December 2023 Taxable income	Rate of Tax percentage	Amount in Taka 31 December 2023 Tax Liability	Amount in Taka 31 December 2022 Tax Liability
Income tax on business @ 37.50%	164,812,016	37.50	61,804,506	33,250,061
Income tax on interest income @ 37.50%	75,125,649	37.50	28,172,118	20,045,307
Profit on sale of share @ 10%	4,415,862	10.00	441,586	1,327,539
Income tax on dividend income from share investment @20%	18,959,750	20.00	3,791,950	2,663,966
Others income @ 37.5%	826,781	37.50	310,043	499,382
Total tax liability during the year	264,140,058		94,520,203	57,786,254

Particulars	Amount in Taka	
	31 December 2023	31 December 2022

28.00 UN-CLAIMED DIVIDEND ACCOUNT Tk. 2,233,975

Closing balance of un-claimed dividend & dividend account	2,233,975	2,038,010
Less: Interest income payable on un-claimed dividend accounts	(29,243)	-
Less: Cash warrant dividend distributed to shareholders but not presented at bank	(16,511)	(957,585)
Balance as per cash dividend warrant summary	2,188,221	1,080,425

Breakup is furnished below:

Cash dividend disbursement year	Un-distributed Dividend	Un-distributed Dividend
2016 (unsettled) but not transferred to CMSF	190,624	-
2018 (unsettled) but not transferred to CMSF	116,746	-
2019 (unsettled) but not transferred to CMSF	107,851	327,159
2020 (unclaimed) but not transferred to CMSF	713,417	449,580
2021 (unclaimed) but not transferred to CMSF	529,968	303,687
2022 (unclaimed) but not transferred to CMSF	529,615	-
Grand Total	2,188,221	1,080,425

29.00 RECONCILIATION OF NET INCOME/ NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:

Particulars	Amount in Taka	
	31 December 2023	31 December 2022
Profit before tax	300,424,875	212,609,717
Adjustment:		
Depreciation	7,885,570	6,606,576
Interest income	(75,125,649)	(53,454,152)
Dividend income	(18,959,750)	(13,319,828)
Miscellaneous income	(826,781)	(420,540)
Profit or loss on sales of shares	(4,415,862)	(13,275,387)
Profit/(loss) on sale of fixed assets	10,860	(911,145)
Written off (GMG airlines limited)	1,000,000	1,000,000
Changes in working capital:		
Increase/(decrease) the balance of fund	(20,697,802)	33,587,706
Increase/(decrease) the premium deposit	27,089,166	126,322,979
Increase/(decrease) of amount due to other persons or body	(48,536,933)	1,733,190
Increase/(decrease) of outstanding claims	(3,936,719)	4,482,059
Increase/(decrease) of sundry creditor and others	16,657,318	26,943,162
(Increase)/decrease of stock of stamps & others	(3,468,024)	2,839,058



Particulars	Amount in Taka	
	31 December 2023	31 December 2022
(Increase)/decrease of advance, deposit & prepayment except AIT, Advance for fixed assets & collection control a/c	27,751,826	71,948,811
(Increase)/decrease of amount due from other persons or body	(8,054,620)	(3,047,285)
Income tax paid	(24,339,776)	(22,517,791)
Net cash generated from operating activities	172,457,699	381,127,131

30.00 KEY MANAGEMENT PERSONNEL COMPENSATION:

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the company's key management personnel compensation is disclosed below as required by the paragraph 17 of IAS 24 and Securities and Exchange Rules-2020

1	Short-term employee benefits*	11,202,570	10,114,798
2	Post-employment benefits*	1,097,617	1,195,353
3	Other long-term benefits	-	
4	Termination benefits	-	
5	Share-based payments	-	
Grand Total		12,300,187	11,310,151

*Short-term employee benefits comprise of Salary and other benefits paid by the company.

*Post -employment benefits comprise of provident fund and gratuity fund.

Top management includes Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit & Compliance and Head of Human Resources and Administration

31.00 SUBSEQUENT EVENT

The Board of Directors in its 211th Meeting held on 18th February, 2024 recommended 12% cash dividend on paid up capital of Tk. 68,16,61,222 for the year ended December 31, 2023 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.

32.00 AMOUNT TO BE DISTRIBUTED AS DIVIDEND

According to addition of new section 16 (G) in the Income Tax Ordinance 1984 through paripatra # 01 (income tax) income year 2019-2020, Finance Act 2020-2021, Income Tax Act 2023- 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 (205,639,541*30%)=BDT 61,691,862.

33.00 GENERAL

Number of employees received salary up to TK. 8,200 are NIL.

Number of employees received salary above TK.8,200 are 372.

The Board of Directors received no remuneration from the company other than fees for attending the board meetings.

During the year (06) 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 General Insurance Company Limited
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
As at the Year ended 31st December 2023

Annexure-A

Amount in Taka

Particulars	Cost			Rate	Depreciation			Written Down Value as on 31 December 2022
	Balance as on 01 January 2023	Addition during the year	Disposal/ Adjustment During the year		Balance as on 31 December 2023	Addition during the year	Disposal/ Adjustment During the year	
Furniture & fixture	13,669,040	382,268	-	14,051,308	10%	442,804	9,880,946	4,230,898
Office equipment	13,506,590	365,535	54,847	13,817,278	15%	757,490	9,253,949	5,002,145
Electric installation	3,693,753	-	-	3,693,753	15%	134,229	2,933,122	894,859
Air conditioner	4,030,072	581,312	-	4,611,384	10%	172,660	2,680,307	1,522,425
Telephone	2,955,256	-	-	2,955,256	15%	33,495	2,765,448	223,303
Books	299,137	-	-	299,137	20%	3,630	284,618	18,149
Motor car	53,510,514	467,237	1,800,000	52,177,751	20%	4,057,217	32,997,489	24,210,242
Office decoration	48,430,009	692,395	-	49,122,404	10%	1,790,245	32,353,843	17,866,411
Motor cycle	4,124,355	-	-	4,124,355	20%	229,279	3,207,238	1,146,396
Total	144,218,726	2,488,747	1,854,847	144,852,626		7,621,049	96,356,960	55,114,828

Annexure-A1

Amount in Taka

SCHEDULE OF INTANGIBLE ASSETS
As at the Year ended 31st December 2023

Particulars	Cost			Rate	Depreciation			Written Down Value as on 31 December 2022
	Balance as on 01 January 2023	Addition during the year	Disposal/ Adjustment During the year		Balance as on 31 December 2023	Addition during the year	Disposal/ Adjustment During the year	
Software	2,492,931	945,000	-	3,437,931	20%	264,521	1,841,900	915,552
Total	2,492,931	945,000	-	3,437,931		264,521	1,841,900	915,552
Grand Total (A+A1)	146,711,657	3,433,747	1,854,847	148,290,557		7,885,570	98,198,860	56,030,380



City General Insurance Company Limited

TAX BASED CALCULATION OF PROPERTY, PLANT AND EQUIPMENT

As at 31st December 2023

Annexure-B

Amount in Taka

Particulars	Written down value as on 01 January 23	Addition during the year	Disposal during the year	Total	Rate of dep. (%)	Depreciation during the year	Written Down Value as on 31 December 2023	Written Down Value as on 31 December 2022
Furniture and fixture	4,878,022	382,268	-	5,260,290	10%	526,029	4,734,261	4,878,022
Office equipment	5,086,878	365,535	-	5,452,413	10%	545,241	4,907,172	5,086,878
Electric installation	775,671	-	-	775,671	10%	77,567	698,104	775,671
Air conditioner	1,310,687	581,312	-	1,891,999	10%	189,200	1,702,799	1,310,687
Telephone	688,151	-	-	688,151	10%	68,815	619,336	688,151
Books	9,776	-	-	9,776	30%	2,933	6,843	9,776
Motor car	21,120,844	467,237	-	21,588,081	20%	4,317,616	17,270,465	21,120,844
Office decoration	15,219,357	692,395	-	15,911,752	10%	1,591,175	14,320,577	15,219,357
Motor cycle	1,038,549	-	-	1,038,549	20%	207,710	830,839	1,038,549
Total	50,127,934	2,488,747	-	52,616,682		7,526,286	45,090,396	50,127,934

TAX BASED CALCULATION OF INTANGIBLE ASSETS

As at 31st December 2023

Annexure-B1

Amount in Taka

Particulars	Written down value as on 01 January 23	Addition during the year	Disposal during the year	Total	Rate of dep. (%)	Depreciation during the year	Written Down Value as on 31 December 2023	Written Down Value as on 31 December 2022
Software	84,487	945,000	-	1,029,487	50%	514,744	514,744	84,487
Total	84,487	945,000	-	1,029,487		514,744	514,744	84,487
Grand Total (B+B1)	50,212,421	3,433,747	-	53,646,169		8,041,030	45,605,139	50,212,421



City General Insurance Company Limited

STATEMENT SHOWING BUSINESS UNDERWRITTEN,
RE-INSURANCE CEDED & ACCEPTED/EARNED

As on 31st December 2023

Amount in taka

	Fire	Marine	Marine Hull	Motor	Misc	Total
Business						
Private	253,020,576	418,233,406	15,335,185	18,805,300	12,131,784	717,526,251
Public	15,203,430	26,486,586	9,077,168	2,402,565	50,222,101	103,391,850
	268,224,006	444,719,992	24,412,353	21,207,865	62,353,885	820,918,101
Reinsurance Ceded						
Private	106,103,433	89,778,463	11,980,773	-	3,737,909	211,600,578
Public	14,146,377	20,624,288	8,817,286	107,643	49,128,835	92,824,428
	120,249,810	110,402,751	20,798,059	107,643	52,866,744	304,425,007
Net Business						
Private	146,917,143	328,454,943	3,354,412	18,805,300	8,393,875	505,925,673
Public	1,057,053	5,862,298	259,882	2,294,922	1,093,266	10,567,421
	147,974,196	334,317,242	3,614,294	21,100,221	9,487,141	516,493,095
Commission						
Private	39,601,451	75,382,120	1,185,848	3,259,830	1,760,461	121,189,710
Public	-	-	-	-	-	-
	39,601,451	75,382,120	1,185,848	3,259,830	1,760,461	121,189,710
Reinsurance Earned						
Private	24,533,724	22,108,515	584,962	-	808,352	48,035,553
Public	1,618,887	4,066,505	484,951	-	3,902,777	10,073,119
	26,152,611	26,175,020	1,069,913	-	4,711,129	58,108,673
Net Amount						
Private	15,067,727	53,273,605	600,886	3,259,830	952,109	73,154,157
Public	(1,618,887)	(4,066,505)	(484,951)	-	(3,902,777)	(10,073,120)
	13,448,840	49,207,100	115,935	3,259,830	(2,950,668)	63,081,037
Claim						
Private	18,530,413	21,906,169	-	2,246,987	435,000	43,118,569
Public	173,498	764,037	26,929,941	101,852	2,083,640	30,052,968
	18,703,911	22,670,206	26,929,941	2,348,839	2,518,640	73,171,537
Reinsurance Earned						
Private	-	-	-	-	79,794	79,794
Public	11,236	139,242	26,745,342	-	2,025,665	28,921,484
	11,236	139,242	26,745,342	-	2,105,459	29,001,278
Net Claim						
Private	18,530,413	21,906,169	-	2,246,987	355,206	43,038,775
Public	162,262	624,795	184,599	101,852	57,975	1,131,483
	18,692,675	22,530,964	184,599	2,348,839	413,181	44,170,259





OTHER PERTINENT
INFORMATION

Engagement Highlights

EVENTS THAT MARKED THE SERVICE & INSTITUTIONAL ACTIVITIES OF CITY INSURANCE

Celebrated 27th Anniversary of CGIC

City General Insurance Company Limited marked a significant milestone on March 18, 2023, as it joyously celebrated its 27th Anniversary. The grand event witnessed the enthusiastic participation of all employees, Directors and guests who gathered to commemorate the remarkable journey of the company over the past 27 years.

The anniversary celebration was a testament to the collective dedication and hard work of the company's staff and leadership. The festive atmosphere was palpable as everyone came together to acknowledge the achievements and successes that have defined City General Insurance's legacy.

The event showcased the unity and camaraderie among the employees, highlighting the strong sense of community within the organization. Directors, alongside employees, shared anecdotes, reflecting on the company's growth, resilience, and the pivotal role each person played in shaping its trajectory.

As the anniversary celebration unfolded, it became clear that City General Insurance Company Limited not only values its professional accomplishments but also treasures the bonds formed within its corporate family. The 27th Anniversary served as a moment of reflection, gratitude, and renewed commitment to continue the journey of success in the insurance industry.



International Women's Day 2023

City General Insurance Company Limited radiated empowerment and unity as it celebrated International Women's Day 2023 with enthusiasm and inclusivity. The company took a momentous step to recognize and appreciate the invaluable contributions of its female colleagues alongside all employees. The celebration was a vibrant blend of gratitude, acknowledging the diverse talents that women bring to the workplace. Through thoughtful initiatives, such as special



events, discussions, and tributes, the company highlighted the significance of gender equality and the pivotal role of women in its success. This inclusive approach not only fosters a supportive work environment but also amplifies the collective strength of the entire team. City General Insurance renews its commitment to championing equality, ensuring that every voice is heard, and every achievement is celebrated, making the workplace a beacon of diversity and empowerment.



New Year celebration

City General Insurance Company Limited embraced the dawn of 2024 with a joyous celebration, uniting all employees in a festive gathering that featured the esteemed presence of the company's Chairman, Mr. Hossain Akhtar, and the Group Vice Chairman of Anwar Group of Industries, Mr. Hossain Mehmood. The event radiated enthusiasm and camaraderie, symbolizing the collective spirit of the company as it embarked on a new year.

Mr. Hossain Akhtar and Mr. Hossain Mehmood, prominent figures in the corporate landscape, graced the celebration with their presence, underscoring the leadership's commitment

to unity and shared success. The Chairman and Group Vice Chairman, alongside all employees, shared in the excitement of bidding farewell to the old year and welcoming the new one with hope and optimism.

The event was more than just a revelry; it was a reflection of City General Insurance's cohesive corporate culture. As the clock struck midnight, the collective cheers echoed a shared commitment to resilience and growth. The presence of the esteemed leaders alongside the entire staff set a positive tone, highlighting the company's dedication to collaboration and excellence in the coming year.





Collaboration with Bangkok Dusit Medical Services

City General Insurance Company Limited is delighted to unveil a transformative collaboration with Bangkok Dusit Medical Services, heralding a new era of enhanced benefits for our esteemed High Value clients and dedicated employees, as well as their beloved family members. The recently signed Memorandum of Understanding (MoU) reflects our steadfast commitment to holistic well-being.

Chairman Mr. Hossain Akhtar presided over the momentous signing ceremony, underscoring its significance in our ongoing

pursuit of delivering top-notch services. This strategic partnership marks a crucial milestone as we join forces to bolster healthcare accessibility and enrich insurance coverage for our valued community. City Insurance remains devoted to prioritizing the comprehensive welfare of our clients and employees, exemplifying our dedication to excellence in the insurance sector. Together, we embark on a collective journey towards a future of unparalleled well-being and security.



Unveiling excellence at the Annual Branch Managers Conference 2024!

At the Annual Branch Managers Conference 2024, City General Insurance Company Limited orchestrated a day of excellence, gathering inspirational Branch Managers, esteemed Directors, Guests, and officials at Hotel Purbani International Ltd., Dhaka on February 09, 2024. The event was a nexus of insightful discussions, collaborative initiatives, and a celebration of growth and success within the company.

Beyond the business deliberations, the day culminated in a spectacular Cultural Night that illuminated the atmosphere,

echoing the rhythm of our collective achievements. The event not only showcased the dedication and innovation of our Branch Managers but also fostered connections and camaraderie among the diverse talents within our organization. City General Insurance renews its commitment to excellence, unity, and continual growth as we navigate the opportunities of the year ahead.







1st Falgun and Valentine's Day Celebration

On the 14th of February 2024, the City Insurance family came together for a vibrant celebration, blending cultural traditions and Valentine's Day festivities. Male colleagues embraced the spirit of 1 Falgun by donning colorful Punjabi attire, adding a touch of traditional elegance to the workplace. Meanwhile, the female colleagues adorned themselves in the grace of sarees, enhancing the cultural richness of the celebration.

The office atmosphere buzzed with excitement and a sense of unity as colleagues exchanged greetings, laughter, and tokens

of affection. This dual celebration not only showcased the diversity within the City Insurance family but also highlighted the organization's commitment to honoring cultural heritage. The fusion of 1 Falgun and Valentine's Day created a unique and memorable experience, fostering camaraderie and reinforcing the familial bonds that make City Insurance a special workplace.



General Shareholders Information

AGM-Date, Time

Thursday, March 28, 2024 at 11.00 A.M using Hybrid System i.e. physical presence at BCIC Auditorium 30-31, Dilkusha C/A, Dhaka and also virtually through the link <https://cityinsurance.bdvirtualagm.com>

Financial Year

December 31, 2023

Record Date

Tuesday, March 12, 2024

Dividend Recommended

12% Cash dividend for General Public Shareholders, Directors and Sponsors

Dividend Payment Date

As per BSEC Guideline (within 30 days of approval)

Listing on Stock Exchanges

Both DSE & CSE

Trading Code

CITYGENINS

Category

A

Special Attention:

AGM invitation will be sent to all Shareholders through Electronic Mail (Email); Short Message Service (SMS); Two Daily Newspaper (English and Bengali) and Company website "https://cityinsurance.com.bd.

Investors' Enquiry

+880222 3387296,
share@cityinsurance.com.bd



City General Insurance Company Limited

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