

## *Financial Highlights*

City General Insurance Company Ltd. With its professional and sound management managed to maintain its progressive business track in 2006 as in the previous years. The company expects to maintain a steady growth in its performance in the coming years as well. A brief of our Branches combined performances furnished below :

Particulars	Fire	M. Cargo	M. Hull	Motor	Misc.	Total 2006	Total 2005	Total 2004	Total 2003	Total 2002
Gross premium income	34.45	48.93	1.37	2.65	12.68	100.08	79.94	71.33	63.15	76.51
Re-insurance premium ceded	(19.77)	(11.33)	(0.73)	(1.56)	(11.88)	(45.27)	(39.84)	(33.34)	(29.85)	(29.85)
Net premium retained	14.67	37.61	0.64	1.09	0.79	54.80	40.10	37.99	33.99	46.65
Commission earned on re-insurance ceded	5.12	2.63	0.06	0.41	0.88	9.10	9.41	7.80	6.75	7.41
Net claims	(4.53)	(10.94)	(-)	(0.76)	(0.30)	(16.53)	(10.47)	(2.65)	(4.99)	(21.58)
Management expenses allocated to revenue account	(13.60)	(16.07)	(0.36)	(0.87)	(1.74)	(32.64)	(22.55)	(36.30)	(30.84)	(25.87)
Reserve for unexpired risks decrease (increase)	(5.87)	(15.04)	(0.64)	(0.44)	(0.32)	22.31	1.16	1.43	4.91	(4.85)
Underwriting result	(1.16)	10.70	0.54	(0.53)	(0.21)	9.34	15.33	5.41	9.83	1.13
Investment income						7.93	7.55	10.35	6.34	8.72
Management expenses allocated to profit and loss account						(5.21)	(4.74)	(3.59)	(4.13)	(2.71)
Net profit						12.06	18.14	12.16	12.04	7.14
Cash and Bank balances						1.72	2.51	1.36	72.07	75.69
Investment Account						91.06	88.88	111.39	39.57	25.97
<b>Total Assets</b>						<b>161.09</b>	<b>141.32</b>	<b>146.10</b>	<b>145.98</b>	<b>135.52</b>

Taka (in million)

**City General Insurance Company Ltd.**  
**Balance Sheet as at 31st December 2006, 2005, 2004, 2003 & 2002 Respectively (Five Years)**

Capital & Liabilities	Amount (Tk.) 31-12-2006	Amount (Tk.) 31-12-2005	Amount (Tk.) 30-12-2004	Amount (Tk.) 30-12-2003	Amount (Tk.) 30-12-2002
<b>Share Capital</b>	200,000,000	200,000,000	200,000,000	200,000,000.00	200,000,000.00
Authorized Capital : 20,00,000 Ordinary Shares of Tk. 100.00 each.					
Paid up Share Capital : 6,00,000 Ordinary Shares Tk. 100.00 each	60,000,000	60,000,000	60,000,000	60,000,000.00	60,000,000.00
<b>Reserve or Contingency Accounts:</b>					
Reserve for Exceptional Losses	21,200,000	18,700,000	18,200,000	14,500,000.00	11,800,000.00
<b>Profit &amp; Loss Appro. Account Balance</b>	666,022	105,817	565,578	8,125,939.08	1,781,205.25
<b>Balance of Funds and Accounts:</b>	<b>22,307,398</b>	<b>16,547,281</b>	<b>15,375,414</b>	<b>13,945,611.81</b>	<b>18,858,140.80</b>
Fire Insurance Business	5,868,898	3,036,510	1,824,515	2,009,909.83	5,928,022.99
Marine (Cargo) Insurance Business	15,042,078	12,516,417	12,359,375	8,712,815.55	8,609,144.06
Marine (Hull) Insurance Business	643,425	841,246	296,910	581,047.44	326,632.36
Motor Insurance Business	436,146	37,185	475,029	701,468.80	1,833,972.41
MISC. Insurance Business	316,851	115,923	419,585	1,940,370.19	2,160,368.98
<b>Premium Deposits</b>	<b>14,652,058</b>	<b>10,297,517</b>	<b>6,948,805</b>	<b>18,431,972.80</b>	<b>7,975,471.90</b>
Estimated Liabilities in respect of outstanding Claims whether due or intimated:					
<b>Amount Due to other persons or bodies</b>	<b>21,120,848</b>	<b>2,408,708</b>	<b>4,916,180</b>	<b>7,167,706.10</b>	<b>9,252,517.29</b>
<b>carrying on Insurance Business :</b>					
<b>Provision for Income Tax</b>	<b>3,819,454</b>	<b>6,856,177</b>	<b>3,456,177</b>	<b>5,026,199.00</b>	<b>2,026,199.00</b>
<b>Sundry Creditors</b> (Including outstanding & Accruing Exp.)	<b>6,722,532</b>	<b>3,900,822</b>	<b>6,619,610</b>	<b>1,280,069.39</b>	<b>5,378,201.39</b>
<b>Proposed Dividend</b>	<b>6,000,000</b>	<b>3,000,000</b>	<b>13,200,000</b>	<b>-</b>	<b>-</b>
<b>Provision for Dividend distribution tax</b>			<b>1,320,000</b>	<b>-</b>	<b>-</b>
<b>Total:</b>	<b>161,088,312</b>	<b>141,316,322</b>	<b>146,101,764</b>	<b>145,977,498.18</b>	<b>135,524,360.63</b>

Property and Assets	Amount (Tk.) 31-12-2006	Amount (Tk.) 31-12-2005	Amount (Tk.) 31-12-2004	Amount (Tk.) 31-12-2003	Amount (Tk.) 31-12-2002
<b>Investment : (At Cost)</b>	<b>9,125,600</b>	<b>9,125,600</b>	<b>34,593,825</b>	<b>39,573,921.00</b>	<b>25,974,871.00</b>
National Bond	9,000,000	9,000,000	9,000,000	9,000,000.00	9,000,000.00
Share	125,600	125,600	25,593,825	26,823,921.00	11,974,871.00
Debenture	-	-	-	3,750,000.00	5,000,000.00
Interest, dividends and rent receivable : (Accrued but not due)	1,275,000	510,000	2,062,356	1,297,356.00	3,659,893.73
Amount Due from other Persons or Bodies	27,219,699	12,937,821	6,291,112	8,456,559.96	6,724,420.83
Carrying on Insurance Business					
<b>Sundry Debtors</b>	<b>18,396,065</b>	<b>16,538,514</b>	<b>10,723,903</b>	<b>10,045,101.36</b>	<b>8,372,049.46</b>
<b>Cash in Hand and at Banks :</b>	<b>83,648,247</b>	<b>82,270,981</b>	<b>78,160,574</b>	<b>72,070,946.63</b>	<b>75,688,996.99</b>
Fixed Deposit with Banks	81,933,020	79,755,413	76,798,398	67,508,664.11	74,144,810.86
Short Term Deposit with Banks	729,558	1,432,832	670,232	3,690,261.51	1,157,321.88
Current Accounts and Cash in hand	985,669	1,082,736	691,944	872,021.01	386,864.25
<b>Others Accounts :</b>	<b>21,423,701</b>	<b>19,933,406</b>	<b>14,269,994</b>	<b>14,533,613.23</b>	<b>15,104,128.62</b>
Fixed Assets at Cost	21,150,959	19,597,151	13,924,365	14,074,041.23	14,338,471.62
Stock of Stationery and Forms	234,182	308,405	277,817	383,812.00	308,438.00
Stamps in Hand	38,560	27,850	67,812	75,760.00	457,219.00
Preliminary Expenses			-	-	-
<b>Total:</b>	<b>161,088,312</b>	<b>141,316,322</b>	<b>146,101,764</b>	<b>145,977,498.18</b>	<b>135,524,360.63</b>

Dated: Dhaka  
8th March 2007

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Chairman

Sd/-  
**Mosharraf Hossain & Co.**  
Chartered Accountants

**City General Insurance Company Ltd.**

**Profit & Loss Account**

**For the year ended 31st December 2006, 2005, 2004, 2003 & 2002 Respectively (Five Years)**

Particulars	31-12-2006 Taka	31-12-2005 Taka	31-12-2004 Taka	31-12-2003 Taka	31-12-2002 Taka
Expenses of Management (Not applicable to any particular fund of accounts) :	5,213,247	4,741,106	3,594,906	4,127,053.39	2,705,666.16
Meeting Expenses	69,695	40,687	89,385	16,011.00	48,223.00
Directors Fee	319,375	346,272	239,133	233,535.00	244,300.00
Advertisement	285,004	304,892	118,000	846,927.00	164,075.00
Subscription & Donation	301,949	360,920	260,032	279,070.00	123,535.00
Legal Expenses	243,827	85,812	88,764	113,736.00	4,050.00
Registration & Renewal	594,072	344,676	377,983	210,661.00	91,999.00
Audit Fee	85,000	85,000	75,000	80,000.00	20,000.00
Preliminary Expenses	-	-	-	-	-
Loss on Sale of Car	-	-	-	-	48,737.00
Depreciation	3,314,325	3,172,847	2,346,609	2,347,113.39	1,960,747.16
Net Profit Transferred to P/L Appropriation Accounts :	12,060,205	18,140,239	12,159,639	12,044,733.83	7,145,685.02
<b>Total:</b>	<b>17,273,452</b>	<b>22,881,345</b>	<b>15,754,545</b>	<b>16,171,787.22</b>	<b>9,851,351.18</b>

Particulars	31-12-2006 Taka	31-12-2005 Taka	31-12-2004 Taka	31-12-2003 Taka	31-12-2002 Taka
Interest, Dividend & Rents (Not applicable to any particular fund or account)	7,929,837	7,549,510	10,349,002	6,344,305.36	8,722,552.07
Interest and dividend income	7,921,346	6,904,853	6,952,477	6,152,844.76	8,708,365.07
Miscellaneous Income	8,491	68,882	30,512	6,488.00	14,187.00
Profit on Sale of Share	-	575,775	2,322,013	184,972.60	-
Bonus Share	-	-	1,044,000	-	-
Profit/Loss Transferred from Revenue Account	9,343,615	15,331,835	5,405,543	9,827,481.86	1,128,799.11
Fire Revenue Account	(1,159,208)	1,232,260	(1,740,431)	(1,120,743.62)	(494,292.17)
Marine Cargo Revenue Account	10,702,826	15,036,707	6,361,278	7,839,834.39	4,618,597.13
Marine Hull Revenue Account	537,749	(156,918)	321,898	(225,891.18)	(1,881,490.37)
Motor Revenue Account	(528,636)	143,318	347,784	1,744,379.58	269,426.93
Miscellaneous Revenue Account	(209,116)	(923,532)	115,014	1,589,902.69	(1,383,442.41)
<b>Total:</b>	<b>17,273,452</b>	<b>22,881,345</b>	<b>15,754,545</b>	<b>16,171,787.22</b>	<b>9,851,351.18</b>

Dated: Dhaka  
8th March 2007

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Chairman

Sd/-  
**Mosharraf Hossain & Co.**  
Chartered Accountants

**City General Insurance Company Ltd.**  
**Profit & Loss Appropriation Account**  
**For the year ended 31st December 2006, 2005, 2004, 2003 & 2002 Respectively (Five Years)**

Particulars	31-12-2006 Taka	31-12-2005 Taka	31-12-2004 Taka	31-12-2003 Taka	31-12-2002 Taka
Reserve for Exceptional Losses	2,500,000	500,000	3,700,000	2,700,000.00	4,600,000.00
Previous year short Provision of income tax	-	-	-	-	-
Income Tax (Provision)	3,000,000	4,300,000	1,500,000	3,000,000.00	1,000,000.00
Provision for Dividend (Proposed)	6,000,000	13,800,000	13,200,000	-	-
Provision for Dividend distribution Tax	-	-	1,320,000	-	-
Balance brought forward from last year	-	-	-	-	-
Balance transferred to Balance Sheet	666,022	105,817	565,578	8,125,939.08	1,781,205.25
<b>Total:</b>	<b>12,166,022</b>	<b>18,705,817</b>	<b>20,285,578</b>	<b>13,825,939.08</b>	<b>7,381,205.25</b>

Particulars	31-12-2006 Taka	31-12-2005 Taka	31-12-2004 Taka	31-12-2003 Taka	31-12-2002 Taka
Balance brough forward from previous year	105,817	565,578	8,125,939	1,781,205.25	235,520.23
Profit for the year transferred from profit and loss account	12,060,205	18,140,239	12,159,639	12,044,733.83	7,145,685.02
Previous year adjustment	-	-	-	-	-
Balacne Transferred to Balance Sheet	-	-	-	-	-
<b>Total:</b>	<b>12,166,022</b>	<b>18,705,817</b>	<b>20,285,578</b>	<b>13,825,939.08</b>	<b>7,381,205.25</b>

Dated, Dhaka  
08 March, 2007

Sd/-  
**Mosharraf Hossain & Co.**  
 CHARTERED ACCOUNTANTS

**City General Insurance Company Ltd.**  
**Consolidated Revenue Account**  
**For the year ended 31st December 2006, 2005, 2004, 2003 & 2002 (Five Years).**

Particulars	2006 Taka	2005 Taka	2004 Taka	2003 Taka	2002 Taka
Claims under Policies					
Less : Re-Insurance:					
Paid during the year	31,433,200	6,477,506	4,641,144	3,952,632.99	23,051,247.20
Total estimated liabilities in respect of outstanding claims at the end of the year whether due or intimated	4,600,000	19,500,000	15,500,000	19,500,000.00	18,464,625.00
	<b>36,033,200</b>	<b>25,977,506</b>	<b>20,141,144</b>	<b>23,452,632.99</b>	<b>41,515,872.20</b>
Less : Outstanding at the end of the previous year	19,500,000	15,500,000	17,500,000	18,464,625.00	19,935,671.00
	<b>16,533,200</b>	<b>10,477,506</b>	<b>2,641,144</b>	<b>4,988,007.99</b>	<b>21,580,201.20</b>
Agency Commission	9,891,879	3,429,762	-	-	632,832.30
Expenses of Management	22,573,155	18,985,151	36,166,192	30,689,241.30	25,666,184.95
Insurance Stamp Expenses	171,522	131,082	140,050	146,526.04	195,545.92
Profit transferred to Profit & Loss Account	9,343,615	15,331,835	5,405,543	9,827,481.86	1,128,799.11
Balance of Account at the end of the year as shown in the Balance sheet:					
Reserve for Unexpired Risk being 40% of the premium income of the year	22,307,398	16,547,281	15,375,414	13,945,611.81	18,858,140.80
<b>Total:</b>	<b>80,820,769</b>	<b>64,902,617</b>	<b>59,728,343</b>	<b>59,596,869.00</b>	<b>68,061,704.28</b>

Particulars	2006 Taka	2005 Taka	2004 Taka	2003 Taka	2002 Taka
Balance of Account at the beginning of the year:					
Reserve for Unexpired Risks	16,547,281	15,375,414	13,945,611	18,858,140.80	14,004,908.67
Premium less Re-insurance	54,803,360	40,106,333	37,993,171	33,992,458.35	46,655,403.44
Commission on Re-Insurance Ceded	9,106,747	9,374,326	7,090,990	6,658,341.85	7,401,392.17
Profit Commission	363,381	46,544	698,571	87,928.00	-
<b>Total:</b>	<b>80,820,769</b>	<b>64,902,617</b>	<b>59,728,343</b>	<b>59,596,869.00</b>	<b>68,061,704.28</b>

Dated: Dhaka  
8th March 2007

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Chairman

Sd/-  
**Mosharrif Hossain & Co.**  
Chartered Accountants

**CITY GENERAL INSURANCE COMPANY LTD.**

**CASH FLOW STATEMENT**

**For the year ended 31st December 2006,2005,2004, 2003 & 2002 (Five Years)**

<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Net profit	12,060,205	18,140,239	12,159,639	12,044,733.83	6,145,685.02
Item not involving the movement of cash					
Depreciation	3,314,325	3,172,847	2,346,609	2,347,113.39	1,960,747.16
Less: Adjustment of Depreciation	-	-	-	-	(1,558,263.00)
Increase/ Decrease of accrued interest	(765,000)	1,552,356	(765,000)	2,362,537.73	558,669.49
Increase/ Decrease of Sundry Debtors	(1,857,551)	(5,814,611)	(678,802)	(1,673,051.90)	(4,851,172.80)
Increase/ Decrease of amount due from other					-
Persons or bodies carrying on insurance business	(14,281,878)	(6,646,709)	2,165,448	(1,732,139.00)	8,863,726.52
Increase/ Decrease of Stock of Stationery	74,223	(30,588)	105,995	(75,374.00)	(188,233.00)
Increase/ Decrease of Stamps in hand	(10,710)	39,962	7,948	381,459.00	(262,639.00)
Increase/ Decrease of Sundry Creditors	2,821,710	(2,718,788)	5,339,541	(4,098,132.00)	(895,618.00)
Increase/ Decrease of amount due to other					-
Persons or bodies carrying on insurance business	18,712,140	(2,507,472)	(2,251,526)	(2,084,811.19)	(11,879,702.29)
Increase/ Decrease of Outstanding Claims	(14,900,000)	4,000,000	(2,000,000)	(952,625.00)	(1,483,046.00)
Increase/ Decrease of Premium Deposit	4,354,541	3,348,712	(11,483,168)	10,456,501.00	2,610,882.29
Increase/ Decrease of reserve for unexpired risk	5,760,117	1,171,867	1,429,802	(4,912,528.99)	4,853,232.13
(Loss)/ Profit on sale of vehicle	-	-	-	-	-
(Increase)/ Decrease in Stock printing & Stamp	-	-	-	-	-
(Increase)/ Decrease Short Provision Income Tax	(6,036,723)	(900,000)	(3,070,022)	-	776,199.00
Payment of Dividend Distribution Tax	-	(1,320,000)			
<b>Net Cash provided by operating activities</b>	<b>9,245,399</b>	<b>11,487,815</b>	<b>3,306,464</b>	<b>12,063,682.87</b>	<b>4,650,467.52</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>					
Fixed Assets	(4,868,133)	(8,845,633)	(2,196,933)	-	-
Furniture & Fixture	-	-	-	(344,965.00)	-
Office Equipment	-	-	-	(52,630.00)	(4,949.00)
Electrical Equipment	-	-	-	(8,300.00)	(52,100.00)
Telephone Installation	-	-	-	(80,082.00)	(56,320.00)
Books	-	-	-	(6,140.00)	(650.00)
Motor Cars	-	-	-	(1,370,000.13)	(2,424,475.00)
Office Decoration	-	-	-	(115,806.00)	(90,141.00)
Motor Cycle	-	-	-	(104,760.10)	-
Air Condition	-	-	-	-	-
Investment	-	25,468,225	4,980,096	(13,599,050.00)	(500,000.00)
FDR	(2,177,607)	(2,957,015)	(9,289,734)	6,636,146.75	(10,196,536.52)
Disposal of Fixed Assets.	-	-	-	-	2,982,000.00
Acquisition of Shares	-	-	-	-	-
Acquisition of Debenture	-	-	-	-	-
<b>Net Cash of Investing Activities</b>	<b>(7,045,740)</b>	<b>13,665,577</b>	<b>(6,506,571)</b>	<b>(9,045,586.48)</b>	<b>(10,343,171.52)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>					
Dividend paid	(3,000,000)	(24,000,000)	-	-	-
<b>Net cash from financing activities</b>	<b>(3,000,000)</b>	<b>(24,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Increase/ Decrease in cash & cash equivalent	(800,341)	1,153,392	(3,200,107)	3,018,096.39	(5,692,704.00)
Opening Cash in hand and at Banks	2,515,568	1,362,176	4,562,283	1,544,186.13	7,236,890.13
<b>Closing Cash in hand and at Banks</b>	<b>1,715,227</b>	<b>2,515,568</b>	<b>1,362,176</b>	<b>4,562,282.52</b>	<b>1,544,186.13</b>

Sd/-

Dated: Dhaka  
8th March 2007

**Mosharraf Hossain & Co.**  
Chartered Accountants

**CITY GENERAL INSURANCE COMPANY LTD.**

**FORM "AA"**

**Classified Summary of Assets as on December 31 , 2006.**

<b>Class of Assets</b>	<b>Cost 2006</b>	<b>Realisable Value</b>	<b>Remarks</b>
NIB Deposit with Bangladesh Bank	9,000,000	9,000,000	At cost
Share	125,600	125,600	At cost
Cash at Bank	82,662,578	82,662,578	Realisable value
Cash in Hand	985,669	812,915	The balance amount of Tk. 172,754 has been defulcated
Interest, Dividends and Rents either outstanding or accrued but not due	1,275,000	1,275,000	Realisable value
<u>Other Accounts :</u>			
Fixed Assets	21,150,959	21,150,959	Cost less accumulated depreciation.
Sundry Debtors	18,396,065	18,396,065	Realisable value
Stamps in hand	38,560	38,560	Realisable value
Stationeries in hand	234,182	234,182	Realisable value
<b>Total Tk.</b>	<b>133,868,613</b>	<b>133,695,859</b>	

Dated, Dhaka  
18 February 2007

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Director**

Sd/-  
**Chairman**

Sd/-  
**Mosharraf Hossain & Co.**  
Chartered Accountants

**CITY GENERAL INSURANCE COMPANY LTD.**

**Statement of Changes in Equity**

<b>Particulars</b>	<b>Share Capital (Paid-up)</b>	<b>Share Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
At 31st December, 2005	60,000,000	-	18,700,000	105,817	78,805,817
Net profit for the year 2006	-	-	-	560,205	560,205
Exceptional reserve	-	-	2,500,000	-	2,500,000
At 31st December, 2006	-	-	-	-	-
<b>Total</b>	<b>60,000,000</b>	<b>-</b>	<b>21,200,000</b>	<b>666,022</b>	<b>81,866,022</b>

Dated: Dhaka  
June 02, 2007

Sd/-  
Mosharraf Hossain & Co.  
Chartered Accountants

**City General Insurance Company Ltd.**

**Additional Disclosure**

Particulars	Amount (Tk.)
Liabilities (As per sub section 2)	
A Net Claim Outstanding	4,600,000
B 40% of Net Premium (Fire, Marine, Cargo, Motor & Miscellaneous)	21,663,973
C 100% of Net Premium (Marine Hull)	643,425
D Due to other insurance company	21,120,848
E Reserve for Taxation	3,819,454
F Sundry Creditors (Excluding Share Capital, General Reserve, Investment Reserve, Reserve for Bad & Doubtful debts, Depreciation fund)	6,722,532
Total Liabilities (A to F)	58,570,232
Or	
10% of the net premium	5,480,336
Higher one is optimum investment as per Section 27A of Insurance Act, 1938 (a)	58,570,232
Actual Investment as at 31 <sup>st</sup> December, 2006 (As per Section 27 A,3)	
National Investment Bond	9,000,000,
Share	125,600
FDR	21,150,959
Total Actual Investment (B)	30,276,559
Excess in Investment (a-b)	28,293,673

Dated: Dhaka  
8th March 2007

Sd/-  
**Mosharraf Hossain & Co.**  
Chartered Accountants