

Through the Right Path



annual report 2012

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Letter of Transmittal

To
All the shareholders;
Bangladesh Securities and Exchange Commission;
Registrar of Joint Stock Companies and Firms;
Dhaka Stock Exchange Limited;
Chittagong Stock Exchange Limited;
Insurance Development and Regulatory Authority.

Sub: Annual Report for the year ended December 31, 2012.

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Consolidated and Separate Balance Sheet as at December 31, 2012 and Income Statements, Cash Flow Statements and Changes in equity statements for the year ended December 31, 2012 along with notes thereon of Green Delta Insurance Company Ltd. and its subsidiaries for your record/necessary action.

Thank you,

Sincerely yours,



Syed Moinuddin Ahmed
Company Secretary

Forward Looking Statement

This document contains certain forward looking statements that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty with respect to certain of the Green Delta Insurance Company Ltd.'s plans and its current goals and expectations relating to its future financial condition and performance and the markets in which it operates. We assume no obligation to update any forward-looking statements as a result of new information or future events or developments. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like "plans," "seeks," "expects," "will," "should," "anticipates," "estimates," "intends," "believes," "likely," "targets" and other words with similar meanings. These statements may address, among other things, our strategy for growth, catastrophe exposure management, product development, investment results, regulatory approvals, market position, expenses, financial results, litigation and reserves. We believe that these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those communicated in these forward-looking statements. Examples of forward looking statements include among others, statements regarding the Group's

Future financial position, income growth, business strategy, projected costs, projected impairment losses, capital ratios, margins, future payment of dividends, the outcome of the current review of the company's defined benefit pension schemes, estimates of capital expenditures, plans and objectives for future operations. Because such statements are inherently subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward looking statements.

The following risk factors could cause our actual results to differ materially from those currently estimated by management:

- I. general global economic, financial market and political conditions (including difficult conditions in financial, capital and credit markets, the global economic slowdown, fluctuations in interest rates, mortgage rates, monetary policies, unemployment and inflationary pressure);
- II. failure to maintain significant client relationships, distribution sources and contractual arrangements;
- III. failure to attract and retain sales representatives;
- IV. deterioration in the Company's market capitalization compared to its book value that could impair the Company's goodwill;
- V. negative impact on our business and negative publicity due to unfavorable outcomes in litigation and/or regulatory investigations;
- VI. current or new laws and regulations, including proposed legislation relating to health care reform, that could increase our costs and/or decrease our revenues;
- VII. inadequacy of reserves established for future claims losses;
- VIII. failure to predict or manage benefits, claims and other costs;
- IX. losses due to natural and man-made catastrophes;
- X. increases or decreases in tax valuation allowances;
- XI. fluctuations in exchange rates and other risks related to our international operations;
- XII. unavailability, inadequacy and unaffordable pricing of reinsurance coverage;
- XIII. diminished value of invested assets in our investment portfolio (due to, among other things, the recent volatility in financial markets, the global economic slowdown, credit and liquidity risk, other than temporary impairments, and inability to assume an appropriate overall risk level);
- XIV. inability of reinsurers to meet their obligations;

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- XV. insolvency of third parties to whom we have sold or may sell businesses through reinsurance or modified co-insurance;
- XVI. credit risk of some of our agents in Assurant Specialty Property and Assurant Solutions;
- XVII. a decline in our credit or financial strength ratings (including the risk of ratings downgrades in the insurance industry);
- XVIII. failure to effectively maintain and modernize our information systems;
- XIX. failure to protect client information and privacy;
- XX. failure to find and integrate suitable acquisitions and new insurance ventures;
- XXI. inability of our subsidiaries to pay sufficient dividends;
- XXII. failure to provide for succession of senior management and key executives; and
- XXIII. significant competitive pressures in our businesses and cyclicity of the insurance industry. These risk factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report.
- For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our BSEC reports, including, but not limited to, our 2012 Annual Report and included as an Appendix to this report.

Notice of the 27th Annual General Meeting

GREEN DELTA INSURANCE COMPANY LIMITED
Green Delta AIMS Tower (6th floor)
51-52 Mohakhali C/A, Dhaka-1212

Notice is hereby given that the Twenty-Seventh Annual General Meeting of Green Delta Insurance Company Limited will be held at Hotel Purbani International Ltd., Dhaka on Thursday March 28, 2013 at 11.00 a.m. to transact the following businesses:

1. Adoption of the Directors' report of the Company for the year ended December 31, 2012 and Audited Accounts thereon;
2. Declaration of Stock dividend @ 15% and Cash dividend @ 15% for the year ended December 31, 2012;
3. Election of Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company;
4. Appointment of Auditors for the year 2013 and fix their remuneration;

By order of the Board



Syed Moinuddin Ahmed
Company Secretary

Dated : Dhaka, the 5th March, 2013

Notes:

1. 27.02.2013 is scheduled as Record Date. Shareholders whose name will appear on the Register of Members on the Record Date will be eligible to attend the meeting and qualify for dividend.
2. A member entitled to attend and vote at general meeting is entitled to appoint a proxy to attend the meeting and vote on his/her behalf. The proxy form duly completed, must be affixed with a revenue stamp of BDT. 10/- and deposited at the registered office not later than 48 hours before the time of holding the meeting.
3. Members are requested to notify their changes of address, if any.

1.1 | About Green Delta Insurance

Green Delta Insurance Company Limited (GDIC) is one of the leading private non life insurance companies in Bangladesh. GDIC was incorporated in December 14, 1985 as a public limited company, under the Companies' Act 1913. Actual operations started on 1st January 1986, with a paid up capital of BDT 30.00 million. Now, Green Delta Insurance Company Ltd. is amassed about BDT 510.3 million. GDIC holds the proud distinction of being the first ever company to raise its paid up capital to such a level. With a presence in the strategically important parts of the country, which includes 38 branches, Green Delta Insurance Company Ltd. has established its prominent presence with equity participation in Delta Brac Housing Ltd., Progressive Life Insurance Co Ltd, United Hospital Ltd. FinExcel Ltd. and BD Venture Ltd. Green Delta Capital Ltd. and Green Delta Securities Ltd. are two of the subsidiaries of GDIC.

Under the charismatic leadership of Mr. Nasir A Choudhury, Green Delta Insurance Company Ltd. has been leading the winds of change in the insurance industry of the country in terms of service standard, innovative products and legislative restructuring. After 27 years of glorious journey in the Insurance sector, Green Delta Insurance Company Limited has now become a big family of 13 respected board members, 600+ committed staff, numerous valued clients and thousands of esteemed shareholders. By now, Green Delta has been able to uphold the brand image as a prompt claim settler, superior service provider, and diversified product supplier – almost like a one stop solution provider in the non life insurance sector in the country.

As a part of the recognition for the contribution in the development of the insurance industry and for maintaining the standard of service, the company has been considered as one of the top 500 companies according to the renowned Rating Agency, Dun Bradstreet Rate Agency of Bangladesh. The company has also been awarded with many national and international awards like – "ICAB National Awards" for Best Published Accounts, ICMAB Best Corporate Award in Insurance category, "Certificate of Merit" for the Best Presented Accounts Award in the category 'Insurance Sector' by the South Asian Federation of Accounts (SAFA), "International Quality Crown Award" by BID International in London, The BIZZ Award by World Business confederation of Business, USA for leadership, Excellence in a management, Quality and Marketing, "The Diamond Eye Award For Quality & Excellence" by BID OTHERWAYS, The Platinum Technology Award for Quality & Best trade name by Association OtherWays in Berlin, International Star Award for Leadership in quality in the Gold, Platinum and Diamond categories and many more. With the slogan "Marches with time" - during the last 27 years - GDIC has been helping people in their time of need; pulling out all the steps when needed, and has been proud to be a partner in progress.

About Green Delta Insurance
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Products and Services
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Our Branches

1.2 | Vision, Mission Strength & Belief

Our Vision

Our vision is to mature into a sustainable, coherent organization, raise competitiveness to the highest level in the insurance industry, maintain high profitability & balanced quantitative growth and exceed customer's expectations by offering legendary services, embrace a new corporate identity and creative corporate culture.

Our Mission

Our mission is to create shareholders value through customer's satisfaction and employee's commitment to excellence.

Our Strength

Constant pursuit of suitable strategies has made the company the leading insurer of Bangladesh for over two decades.

Our Belief

We believe that client must stand at the center of our all activities. We have the ability to optimally fulfill the client's needs based on risk management with minimum cost and personalized services.

1.3 | Products and Services

Corporate

Risk Management
 Industrial All Risk Insurance including Machinery Insurance and Business Interruption
 Property All Risk Insurance including Business Interruption
 Electronic Equipments and Computer Insurance
 Professional Indemnity Insurance
 Comprehensive Machinery Insurance
 Comprehensive General Liability (CGL)
 Product & Public Liability Insurance
 Directors and Officers Liability (D&O)

Financial

Cash-in-safe, Cash-in-transit & Cash-on-counter Insurance
 Portfolio Cover
 Credit Card Indemnity Insurance
 Bankers Blanket Insurance
 Bank Lockers Insurance
 A.T.M. Booth Insurance
 Bancassurance

Conventional

Fire and Allied Perils Insurance
 Marine Cargo and Hull Insurance
 Aviation Insurance
 Automobile Insurance
 Personal Accident, Miscellaneous Insurance
 Workmen Compensation Insurance
 Engineering Insurance (Erection all Risk, Contractors all Risk, Deterioration of
 Stock & Boiler & Pressure Vessel Insurance, business interruption
 Health Insurance
 Overseas Mediclaim Insurance
 Crop Insurance
 Micro Insurance
 Micro Health Insurance

Investment and Portfolio Management

Underwriting
 Pre-IPO placement Syndication
 Trusteeship

1.4 | Overall Strategic Objective

As a leading insurance company, we are committed to providing the best possible service for our clients. Since the establishment of the company, we have set a number of long term strategic goals.

We are keen to achieve. On top of our goals is to build a strong loyal customer base that we always try to enrich by providing the best services at competitive costs. We have broadened our range of services over the years, in order to reach out for more customers and meet their precise needs.

One of the main objectives of the company is to maintain a stable financial position in the market along with a stable growth in capital over the years.

Finally, our achievements and clients speak for us, which proves that we are on the right track for more than 27 years now.

Reaching the top is hard... staying on top is the hardest...

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SAFETY
ASSURANCE
GUARANTEE

A bulb eliminates darkness from our life by enlightening the entire space. This quality of a bulb symbolizes the characteristics of good governance. The good governance practices of Green Delta are similar in nature to that of the bulb. It guides the organization towards the right path bringing success for the organization.

1.5 | Core Values of Green Delta Insurance Company Limited



Customer First Always

Give first priority to customer needs. Look to build enduring relationships with customers - internal and external. Differences should be communicated in the spirit of relationship building.

Organization above Self

We believe that individual, team and department actions will be driven by organization goals.

Trust

We believe that there cannot be teamwork without mutual trust. Trust is fundamental to our business and will guide all internal and external interactions.

High Standards

We believe that excellence can be achieved only by setting benchmarks that challenge our full potential as an organization and as individuals.

Shared Ownership

We believe that ownership of success or failure in achieving organizational or team goals is shared by all.

Spirit of Adventure

Uncertainty is our business and we believe in continuous innovation and creativity to meet challenges head-on.

Respect for Diversity

We believe that diversity is our strength and it needs to be nurtured. We recognize that team members have varying backgrounds, competencies and ideas and constructive action results only when opinions are aired and understood.

Code of conduct

This code of conduct is based on the values of the company. The purpose is to ensure that all employees, managers and executives within Green Delta Insurance Company Limited, will live an act in accordance with these values and principles. The code is designed to give a broad and clear understanding of the conduct expected from all our employees everywhere we do business.

Green Delta Insurance Company Limited is committed to conduct its business in an ethical, legal, and responsible manner. Green Delta Insurance Company Limited, therefore, has established this Social Responsibility Code of Conduct as an application and is committed to ensuring that this code is respected in all its facilities, all over Bangladesh. Recognized standards as the Universal Declaration of Human Rights (UDHR) or the International Labor Organization (ILO) conventions were used as references in preparing this code. The principles there below refer to these standards.

Legal compliance

All business activities of Green Delta Insurance Company Limited must conform to all applicable national and international legal requirements. Green Delta Insurance Company Limited shall also comply with applicable anti-bribery/anti-corruption rules and regulations in all their business activities.

Prohibition of discrimination and harassment

Green Delta Insurance Company Limited shall not engage in any discriminatory practices. Discrimination means any distinction, exclusion or preference limiting equality or opportunity of treatment in employment or occupation, which may be based on color, sex, religion, political opinion, age, national, social or ethnic origins, family obligations or any other considerations in this matter. Green Delta Insurance Company Limited also commits to a workplace free of any kind of harassment.

Compensation & benefits

The company ensures that no wage is lower than the applicable legal minimum. Green Delta Insurance Company Limited does not deduct or withhold pay for disciplinary reasons or force terms and conditions for employment. Compensation paid to employees shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits.

Working hours

Green Delta Insurance Company Limited ensures that applicable legal restrictions on working hours are met. The maximum allowable working hours in a week are as defined by national law and the corresponding standards of the International Labour Organisation. Overtime is restricted according to local legal and contractual obligations. Employees have two days off each week, apart from exceptional circumstances and for a limited period of time. The work organization provides for rest breaks as necessary, in order not to affect the safety and health of the employees.

Prohibition of forced labour

Green Delta Insurance Company Limited does not use forced or compulsory labour, meaning all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. Also retention of identity documents from personnel upon commencing employment is forbidden.

Freedom of association and collective bargaining

Green Delta Insurance Company Limited recognizes and respects employees' freedom of association and their right to freely choose their representatives and ensures that employee representatives do not suffer any discrimination. The company also recognizes employees' right to collective bargaining.

Health & safety at work

The company ensures that the workplace and its environment do not endanger the physical integrity or health of employees. Action to reduce the causes of accidents and improve working conditions is the object of ongoing programs. Training related to safety and health in their work occupation is provided to employees. Employees must have access to drinking water, sanitary equipment and social rooms, built and maintained in accordance with applicable legal requirements. The workplace and environment has to provide for emergency exits, fire protection equipment and proper lighting. Additionally adequate protection for non-smokers has to be provided.

Environment

Procedures and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions and effluent treatment shall at least meet legal requirements or exceed them.

1.6 | Profile of the Company

Registered Office

Green Delta Insurance Company Ltd.
Green Delta AIMS Tower (6th floor)
51-52 Mohakhali C/A, Dhaka

Corporate Website

www.green-delta.com

Email

info@green-delta.com

Nature of Business

All kinds of non-life insurance business

Subsidiaries

- Green Delta Securities Ltd.
Corporate office Address:
Green Delta AIMS Tower (2nd floor)
51-52 Mohakhali C/A, Dhaka
- Green Delta Capital Ltd.
Head Office Address:
Green Delta AIMS Tower (3rd floor)
51-52 Mohakhali C/A, Dhaka

Auditor

Ahmed Zaker & Co.
Chartered Accountants
45, Shaheed Nazrul Islam Road
Saiham Tower, (2nd Floor)
Bijoy Nagor, Dhaka 1000

Panel Lawyer

- Barrister Rafique – UI – Huq. Huq & Company.
- Barrister Abdur Razzaque. Abdur Razzaque & Associates.

Principal Bankers

- Pubali Bank Limited
- BRAC Bank Limited
- Commercial Bank of Ceylon
- Standard Chartered Bank
- The Hongkong and Shanghai Banking Corporation Ltd.
- The City Bank Limited
- Citibank N.A.
- Islami Bank Bangladesh Limited
- Mercantile Bank Ltd.
- Standard Bank Ltd.

Membership

- Bangladesh Insurance Association
- Bangladesh Association of Publicly Listed Companies
- International Chamber of Commerce-Bangladesh
- Metropolitan Chamber of Commerce & Industry
- Bangladesh German Chamber of Commerce & Industry
- Bangladesh Malaysian Chamber of Commerce & Industry
- Bangladesh Employer Federation

International Network Partner

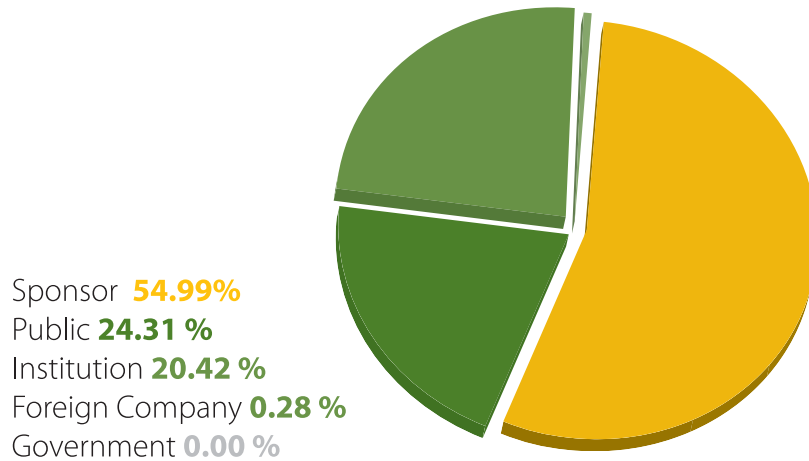
- United Nation(s) Global Compact
- Royal & SunAlliance, London
- Zurich Insurance Co.
- AXA Corporate Solutions Assurance Ltd.
- ACE Group
- Mitsui Sumitomo Insurance Co. Ltd., Japan

1.7 | Key Milestones

December 14, 1985	Incorporation of the Company		
January 01, 1986	Commencement of business		
January 02, 1986	Signing of First Insurance business		
August 19, 1989	Received consent from SEC for issuance of Public Share of BDT 30 million		
December 31, 1989	Increase of paid up capital to BDT 60 million		
January 12 1990	Listing with Dhaka Stock Exchange Limited		
January 14 1990	First trading at Dhaka Stock Exchange Limited		
October 21, 1995	Listing with Chittagong Stock Exchange Limited		
October 22, 1995	First trading at Chittagong Stock Exchange Limited		
October, 1997	Investment in Delta Brac Housing as equity share holders		
May 05, 2004	Issuance of Right Share		
May 10, 2004	Agreement sign with CDBL		
July 18, 2004	Start up of Demat Settlement		
October 30, 2004	Awarded "A" category insurance Co. By CRISL		
June 30, 2005	Issuance of first Bonus Share		
December 31, 2005	Capital increased to BDT 108 million		
June 12, 2005	Formation of Green Delta Aims Limited, a joint venture construction firm		
May 11, 2005	Launching of Islamic Takaful Insurance		
May 12, 2005	Dhaka Stock Exchange Membership Purchased		
October 13, 2005	Incorporation of Green Delta Financial Services Limited		
January 31, 2006	Investment in BRAC Bank Preferred Share		
November 28, 2006	Investment in United Hospital		
June 30, 2006	Issuance of Bonus Share		
		July 1, 2006	Startup of the Operations of Green Delta Financial Services Limited
		December 31, 2006	Capital increased to BDT 151.20 million
		February 15, 2007	Startup of the Construction of own building named Green Delta AIMS, Tower a joint venture project with-Mr. Mainul Islam.
		June 26, 2008	Capital increased to BDT 200 million.
		September 17, 2008	Awarded "AA2" rating in the long term and ST-1 rating in the short term by CRAB
		December 31, 2008	Raising of Paid up capital to BDT 408.24 million
		June 20, 2009	Donation of 550 wheel chairs among the war wounded freedom fighters
		August 20, 2009	MOU Signing with LR Global Bangladesh AMC Ltd.
		March 30, 2010	Approval for Green Delta Mutual Fund for BDT 150.00 crore
		June 30, 2010	Authorized capital increased to BDT 100.00 crore
		October 31, 2010	Change in the denomination of Face Value (BDT 10/-) and Market Lot (from 10 to 100)
		December 1, 2010	Approval of Merchant Banking license in the name of the subsidiary Green Delta LR Financial Services Ltd.

December 20, 2010	Has been accredited T.Q.M Aptitude seal for high quality performance and best customer satisfaction	November-2011	Awarded "THE DIAMOND EYE AWARD FOR QUALITY & EXCELLENCE" by BID OTHERWAYS
December 20, 2010	Has been selected for Platinum Technology Award for Quality and Best Trade Name	November-2011	Awarded "INTERNATIONAL QUALITY CROWN AWARD" by BID INTERNATIONAL IN LONDON
December-2010	First Prize winner of "Best Published Accounts" in the 10th ICAB National Awards 2009 (Non Banking Category- Insurance Sector)	November-2011	First Prize in ICMAB Best Corporate Award-2011 in Insurance category.
April-2011	Has been awarded for The Platinum Technology Award for Quality & Best trade name by Association OtherWays in Berlin .	November-2011	conferred the 'Certificate of Merit' for the Best Presented Accounts Award 2010 in the category 'Insurance Sector' by the South Asian Federation of Accountants (SAFA).
August-2011	Awarded "The BIZZ Award-2011" by World Business Confederation of Business, USA for Leadership, Excellence in management, Quality and Marketing.	April-2012	Moved to new Head Office (Green Delta AIMS Tower) at 51-52 Mohakhali C/A, Dhaka
		September-2012	Invested in BD Venture Limited, country's first Venture Capital company
		October-2012	Introduced People's personal Accident Policy for the students of South-East University, the first of its kind in Bangladesh
		November-2012	Awarded "AA1" rating in the long term and "ST-1" rating in the short term respectively by CRAB

1.8 | Shareholding Structure



1.9 | Our Branches

Principal Branch, Dhaka

Green Delta AIMS Tower (6th floor)
51-52 Mohakhali C/A, Dhaka
Phone: 9851902, 9851170(PABX)
FAX: 9851124

Gulshan Branch, Dhaka

Sheba House, Northern Side
House No. 34, Road No. 46,
Gulshan-2, Dhaka-1212
Tel: 885-4257, 01714-094154

Imamgonj Branch, Dhaka

77/3 Moulvi Baz ar (2nd Floor), Lalbagh
Dhaka, Tel: 731-1681, 01711-679-041

Elephant Road Branch, Dhaka

299 Elephant Road,
Pearsons Tower, Dhaka
Tel: 862-7237, 01714-071-301
01711-679-039

Nawabpur Branch, Dhaka

Nawabpur Machinery
Market (2nd Floor)
90-90/A Nawabpur, Dhaka
Tel: 712-6095, 01711-541-670

Kawran Bazar Branch, Dhaka

The Dhaka Trade Center (5th Floor)
99 Kaz i Naz rul Islam Avenue, Dhaka
Tel: 912-4450, 01911-344-706

Mohakhali Branch, Dhaka

Red Crescent Concord Tower
(2nd Floor), 17 Mohakhali C/A
Dhaka, Tel: 881-3634
01711-819-481

Shantinagar Branch

Shaan Tower (7th Floor), 24/1,
Chamelibagh, Shantinagar, Dhaka
Tel: 9357210, 8332980

Narayangonj Branch

S.T.S. Tower (2nd Floor)
55/21 S.M Maleh Road,
Tanbazar, Narayangonj
Tel: 763-3945, 01714-088-487

Dhaka EPZ Branch, Savar

Hasan Apartment, Ganak Bari Savar,
Dhaka. Tel: 770-1198, 01714-037-860

Uttara Branch

House No. 2-A, Road No. 2-B
Sonargaon Janapath, Sector-11, Uttara,
Dhaka-1230. Tel: 893-3826 (Phone & Fax)
01715-424-434

Narsingdi Branch

Kamal Building, Suta patty Narsingdi
Tel: (0628) 62014, 01711-676-000

Principal Branch, Chittagong

Faruk Chamber, 1403 Sk. Mujib Road,
Pathantooly, Chittagong,
Tel: (031) 716-233, 723-491
01711-819-474

Khatungonj Branch

Golsen Park (3rd Floor), 3/A, Ramjay
Mohajan Lane, Khatungonj, Chittagong
Tel: (031) 615-601
Fax: (031) 622-360, 01819-317-664

Sylhet Branch

Madhuban Super Market, Bandar Bazar,
Sylhet. Tel: (0821) 714-255, 4011411
01711-356-447

Moulvi Bazar Branch, Sylhet

Lake View Building, 36, Srimongal Road,
Moulvi Bazar, Sylhet, Tel: 01716-441-222

Barisal Branch

58 Munnu Super Market, Katpatty Road,
Barisal, Tel: (0431) 63367, 01714-094-320

Pirojpur Branch

Post Office Road, Pirojpur
Tel: (0631) 62837, 01711-819-482

Faridpur Branch

91 Thana Road, Faridpur
Tel: (0631) 64313, 01714-039-124

Jessore Branch

17 Netaji Subash Chandra Road
Gari Khana Jessore
Tel: (0421) 68737, 01711-819-470

Noapara Branch

Rahman Medical Building
Noapara Bazar, Jessore
Tel: 01714-094-152

Khulna Branch

I.P.C Roy Road, Khulna
Tel (041) 720063, 01711-814-066

Kustia Branch

Lovely Tower (7th Floor),
Room No.-7, F-4,
55/1, Serajuddowla Road, Kustia
Tel: 01716-495607

Madaripur Branch

Amin Super Market,
Puran Bazar, Madaripur,
Tel: 01714-094-165

Bogra Branch

Hafiz Bhaban, Kabir Market
Boro Gola Road, Bogra
Tel: (051) 66677, 01714-094-151

Dinajpur Branch

Ganestola, Dinajpur
Tel: (0531) 63373, 01714-090-481

Rajshahi Branch

Holding No. 381 (2nd Floor)
Shaheb Baz ar, Monichattar
Sonadighir Mor, Ghoramara
Boalia, Rajshai,
Tel: (0721) 776176, 01714-022-151

Pabna Branch

Abdus Sattar Biswas Market
Traffic More
Abdul Hamid Road, Pabna
Tel: (0731) 64709, 01711-819-472

Rangpur Branch

Station Road, Rangpur
Tel: (0521) 65997, 01714-094-150

Bhairab Branch

Cinema Hall Road, Bhairab, Kishorgonj,
Tel: 01714-039-123

Mymensingh Branch

12, Shaheb Ali Road, Mymensingh.
Tel: (091) 67308, 01711-623-964

Tangail Branch

Mobarak Complex (1st Floor)
Mymensingh Road,
Old Bus Stand, Tangail-1900
Tel: (0921) 53436, 01713-060-014

Chandpur Branch

Mir Shopping Complex,
J.M. Sen Gupta Road, Chandpur
Tel: (0841) 65663, 01714-103-698

Chaumuhani Branch

Huq Mansion (2nd Floor)
Feni Road Chaumuhani
Tel: (0321) 51538, 01711-819-480

Comilla Branch

Chatti Patti, Rajgonj, Comilla,
Tel: (081) 65223, 01711-835-513

Habigonj Branch, Sylhet

Dewan Manjil, Post Office Road, Habigonj,
Tel: 01711-861-135

Mirpur Branch

Central Plaza (6th Floor)
231, Senpara Parbata, Mirpur-10, Dhaka-1216

Dilkusha Branch

Hadi Mansion (6th Floor), 2, Dilkusha C/A, Dhaka,
Tel: 9550697

2.1 | Profile of Board of Director's



A. Q. M. Nurul Absar

Chairman

after graduating in Civil Engineering from BUET in the year 1964, he completed his post graduation in Hydraulic Engineering from DELFT University in The Hague, Netherlands. He served the Water and Power Development Authority - WAPDA, in Kuwait for 10 years. His professional experience included designing and constructing hydraulic structures like regulators, pump station and sluice gates. Mr Absar served in reservoir section under the Ministry of Electricity & Water, Kuwait, for 10 years where he was involved in the construction of water reservoirs. Mr. Absar is also the Director of Delta Medical College & Hospital and Delta Life Insurance Co. Ltd.



Dilruba Chowdhury

Vice-Chairman

has obtained her BA (Hons) International Business majoring in Finance from University of Quebec Montreal, Canada.

At present, she is the Managing Director of Parkesine products Limited and Director of East Cost Group, Bangladesh. She has traveled various countries for business purpose. She is also involved with many social works and welfare organizations.



Shamsun Nahar Begum Chowdhury

was born in a respected Muslim family. She has attended various seminars-symposiums in home and abroad. She has traveled various countries for business purpose. She is also involved with many social work and welfare organizations.



Khurshida Chowdhury

was born in a respected Muslim family. Before joining the Board of Directors of GDIC, she played important roles as the Director of Union Capital Ltd. and NASCOM (PVT) Ltd. She has been engaged in various social activities all her life.



Asif A. Choudhury

at present he is looking after family business as Director of Albert David pharmaceuticals Ltd. and Continental travels Ltd. in Bangladesh. He obtained his MBA from The George Washington University, Washington D.C, USA. He has attended many national and international training and conferences and also has traveled various countries for business purpose. He is also involved with many social work and welfare organizations.



Iqbal Khan (Jamal)

has obtained his Diploma in Management from Paris, France and International Marketing from The Hague, Paris. He is presently the Managing Director of Nafisa Int'l Trading (BD) LTD, A renowned Garments Buying House / Sourcing Office for finished garments for export only; JANN Composite Mills Ltd, Manufacturing of Garments, 100% export oriented for Europe and USA and Arshad Embroidery Ltd., 100% export oriented for Europe and USA. He is also the member of German Chambers of Commerce and Malaysian Chamber of Commerce in Bangladesh.



Arif A. Choudhury

at present he is looking after family business as Director of Albert David pharmaceuticals Ltd. and Continental travels Ltd. in Bangladesh. He obtained his MBA from The George Washington University, Washington D.C, USA. He has attended many national and international training and conferences and also has traveled various countries for business purpose. He is also involved with many social work and welfare organizations.



Kamran Idris Chowdhury

was educated in the UK and qualified there as a Chartered Accountant in 1981. He worked for Touche Ross in London (currently Deloitte Touche Tomatsu), prior to returning to Bangladesh and joining A Qasem & Co. Chartered Accountants, the cooperating firm of Price Waterhouse Coopers in Bangladesh. He has attended many national and international training and conferences and also has traveled various countries for business purpose. He is also involved with many social work and welfare organizations.



Mesbah Dilwar Rahman

after obtaining BSc (Hons) from Goldsmiths College (University of London) , till now he is serving as the Marketing Director in ELSATEX Ltd, Importing textile stock (face cloths/ hot towels/bath towels/ bath sheets/ table cloths / bath mats, etc and supplying to Europe.



Razia Rahman

was born in a prominent muslim family of Sylhet. Her father, late Khan Saheb M. A. Latif Chowdhury was a civil servant in Assam-Bengal in the British and Pakistan period. Mrs. Razia Rahman has travelled U.K, USA, Saudi Arabia, India, Pakistan Malaysia and Singapore. She is a well known social worker and her husband is also a social leader.



Marufa Anwar

is the daughter of Abdul Mussawir Anwar and Muhubun Nessa Khatun Chowdhury. She completed her Bachelor of Arts in 1994 and Masters of Arts (Preli) in 1995. She is also involved with many social works and welfare organizations.



Dr. Niaz Ahmed Choudhury

has obtained his Ph.D in Surgery from Hamamatsu University School of Medicine, under professor Sukichi sakaguchi, Japan.

He was the Assistant professor, Department of Surgery, Bangabandhu Sheikh Mujib Medical University, Dhaka and Visiting Professor, Division of Vascular Surgery, Graduate School of Medicine, The university of Tokyo, Japan. Now he is working as Professor, Vascular Surgery, Bangabandhu Sheikh Mujib Medical University, Bangladesh.



Abdul Hafiz Chowdhury

is an FCA and was senior partner of Rahman Rahman huq, a member firm of KPMG International. He has completed his Chartered Accountancy from the Institute of Chartered Accountants in England and Wales in May, 1966.

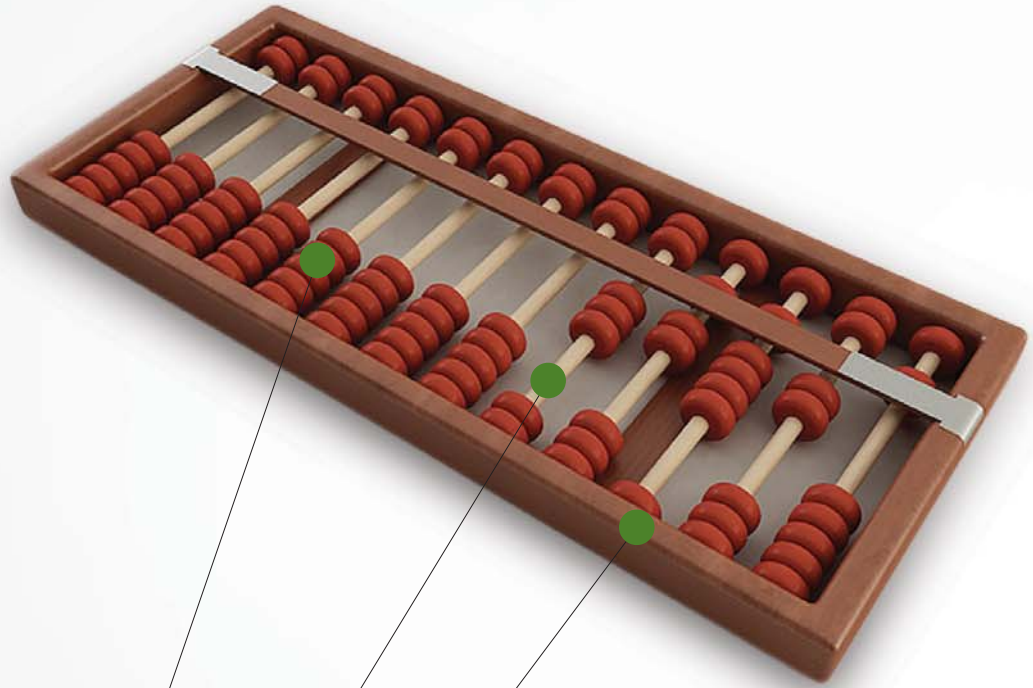
He is currently serving as Director of ICB Islami Bank Ltd. He has also been a Committee Member of Metropolitan Chamber of Commerce and Industry and served as Chairman of its various Committees.



Nurul Husain Khan

started his glorious career in the year 1957. Throughout his career he worked for Government of Bangladesh. Before retiring from government services in 1992, he was the Secretary of the Ministry of Finance, Government of Bangladesh and Chairman of National Board of Revenue. After that, he was assigned in many important positions as the nominee of the government such as, Chairman of Eastern Bank Limited, Director of Bangladesh Bank etc. Currently he is the Chairman of Sapporo Dental College and Hospital which he has been continuing since 2002.

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STRATEGY
DECISION
DYNAMIC

An abacus helps us formulate dynamic strategies by solving operational complexities. This quality of an abacus symbolizes the characteristics of good governance. The good governance practice of Green Delta is similar in nature to that of the abacus. It guides the organization towards the right path bringing success for the organization.

2.2 | Senior Management Team



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Profile of Senior Management Team



Nasiruddin Ahmad Choudhury

has been involved in the Insurance sector for the last 55 years. He has completed his Bachelor degree from Anando Mohon College, Mymensingh and Master's degree in

Islamic History from Dhaka University, Bangladesh. He carries vast experience in the field of insurance business and is widely known in the insurance industry and business circles. He Joined Pakistan Insurance Corporation in September, 1958 and hold various senior position till liberation of Bangladesh. In 1972, immediate after the year Bangladesh was liberated, took responsibility of rebuilding Reinsurance Department of Sadharan Bima Corporation and left Sadharan Bima Corporation as General Manager, Reinsurance in 1983. He was also an Insurance Adviser of Bangladesh Biman and Bangladesh Shipping Corporation for over 15 years and former Chairman of Bangladesh Insurance Association (2001-2004). Mr. Choudhury established Green Delta Insurance Co. Ltd. with few other friends in 1985 as Sponsor and founder Managing Director & CEO. Till date he is discharging responsibility as Managing Director & CEO.

annual report 2012



Farid A Choudhuri

started his career in 1965 with Great Eastern Insurance Company Ltd., Dhaka. He worked for different Committees formed by the Regulators such as Fire Rating Committee, Miscellaneous Rating Committee including different Tariff Framing Committees. Connected with the Insurance educations matters acting as a visiting lecturer for different courses organize by the Bangladesh Insurance Academy and Bangladesh Insurance Association. He also worked in the Technical Committee and Reinsurance Committee of Bangladesh Insurance Association. Mr. Choudhuri joined Green Delta Insurance Co. Ltd. in 1986 Green Delta Insurance Co. Ltd., as Senior Additional Managing Director in 2002 and continues looking after important department of the company such as Underwriting Management & Zone Co-Ordination and Customer Relationship Department. He acts as next to Managing Director.



A.S.A. Muiz

Additional Managing Director of Green Delta Insurance Company Ltd. After his graduation from Dhaka University, he started his Insurance career with the erstwhile Great Eastern Insurance Co. Ltd. in 1969 as a Probationary Officer. He joined Sadharan Bima Corporation after the war of liberation as Assistant Manager in 1973 and went abroad for higher training and exposures and in the process he got associated with giant Insurance Organizations. He also got training with Munich Re, Germany, Swiss Re, Switzerland, and Paris, France and got extensive training in Re-insurance, Engineering and Aviation Re-insurance Placement for about six months. On return home after completion of his training abroad, Mr. A.S.A. Muiz joined Sadharan Bima Corporation and continued working with the said Corporation holding various important and responsible positions till his voluntary retirement in 1997 as Deputy General Manager. Then he joined Green Delta Insurance Co. Ltd., as Marketing Director in 2002 and continues looking after important departments of the company such as HRD, Marketing, Underwriting and Branch Control etc. till date.



Golam Mustafa

is the Additional Managing Director of Green Delta Insurance Co. Ltd. He completed his Bachelors of Commerce (Hons) Degree from Dhaka University, Bangladesh. He started his career as trainee officer in Pakistan Insurance Corporation in January 1965 and was absorbed as Departmental Officer immediately after liberation of Bangladesh in 1971 with Bangladesh Insurance Corporation and subsequently with Sadharan Bima Corporation where he worked in various capacities from 1973 to 2001. After retirement from the service as General Manager of Sadharan Bima Corporation he joined Green Delta Insurance Co. Ltd. in July 2001 as Additional Managing Director.



Farzana Chowdhury

master in Finance from Dhaka University, Bangladesh and MBA graduate (AusAid Scholar) from Monash University, Melbourne, Australia. Prior to joining the Insurance Company, she has served as a successful Banker in the field of SME Banking whilst she was the Senior Vice President & Head of SME Banking (Small & Medium Enterprise) of BRAC Bank Limited. Mrs. Chowdhury carries a diversified experience of Micro Finance with a challenging exposure on pioneering the SME Banking in Bangladesh. She is the Board member of Bangladesh Women Chamber of Commerce and Industry & Board member of Financial Excellence Ltd, Bangladesh. She has also served in the Board of Green Delta Insurance Company as Vice Chairperson prior joining the institution. She joined Green Delta Insurance Company Limited in the year 2009 and currently holding the post of Additional Managing Director & Group Chief Financial Officer of the insurance & subsidiaries; Green Delta Securities Ltd. & Green Delta Capital Ltd.



Nazim Tazik Chowdhury

started his career in 1972 with Janata Insurance Co. Ltd. and in the same year he absorbed in Sadharan Bima Corporation and served till 1985. He has traversed the vast field of insurance well over 3 (Three) decades. Mr. Chowdhury joined Green Delta Insurance Co. Ltd. as an Accounts Executive in 1986 and subsequently re-designated as Deputy Managing Director in 2008 and continues looking after important departments of the company such as Finance & Accounts Department and Human resource.



Syed Moinuddin Ahmed

is a career banker, with an MBA (Major in Finance) from Dhaka University. Starting the career as a management trainee, Mr. Ahmed worked in various roles with several reputed commercial Banks in Bangladesh, before moving to the GDIC Group in 2009. He has resided in and worked in different sectors of Banking for significant periods of his career and prior to taking over the role at Green Delta Ins. Ltd as a Deputy Managing Director and Company Secretary.



Syed Kaiser Ahmed

has completed his B.A (Honors) in Political Science in 1973, M.A in Public Administration in 1974 and L.L.B from Central Law College from Dhaka University. He started his career in 1977 and then till 1999 he worked for different well established companies like The New Dhamai Tea Estates Ltd., High speed Shipbuilding & Heavy Engineering Co. Ltd., Asaf-Tex Ltd. He joined Green Delta Insurance Company Limited in the year 2000 and currently holding the post of Senior Executive Director, Human Resources and Administration Department.



Nazrul Islam

Senior Executive Director is currently responsible as the Head of Claims Department. Mr. Islam is working here in Green Delta Insurance Company since its inception in the year 1986. He worked for Eastern Federal Insurance Corporation. He qualified four subjects ACII London in 1977. He poured all his study skills, experience & knowledge while held in different recognizable positions. Mr. Islam is enriched with insurance knowledge, participated actively in various seminars-symposiums in home and abroad what he optimized best at the fields he involved with.



Mursalin Ahmed Chowdhury

Mursalin Ahmed Chowdhury, after his post-graduate (M.S.S.) degree from the University of Dhaka, he joined Green Delta Insurance Company Limited in December, 1987 as Trainee Executive. Since then he is discharging responsibilities under different capacities in Re-insurance and Specialized Underwriting

Division of the company. During his career he attended a number of training, workshop/seminars on insurance and re-insurance related matters both at home and abroad. Mr. Chowdhury is included in the panel of lecture of Bangladesh Insurance Association (BIA) providing training to the insurance professionals working in non-life insurance companies in Bangladesh. He is currently serving Green Delta Insurance Co. Ltd. as Senior Executive Director.



T H Forhad

has started his career in 1986 as Trainee Executive in Accounts Department of Green Delta Insurance Co. Ltd. and discharging responsibilities under various capacities till date. Mr. Forhad is enriched with insurance knowledge, participated actively in various seminars-symposiums in home and abroad what he optimized best at the fields he involved with. He is currently serving Green Delta Insurance Co. Ltd. as a Senior Executive Director.



Wafi Shafique Menhaz Khan

has joined as Head of Brokerage & CEO of Green Delta Securities Limited in June 2011. He has a long working experience in the financial sector of the country. He started his career at ANZ Grindlays bank and earned diversified experience working with BRAC Bank Ltd., American Express Bank Ltd. and The City Bank Ltd. He has taken several successful training and workshop local & abroad on career management & leadership and also awarded for his achievement, dedication, hard work, contribution, competency, performance & strong commitment. He is the current President of JCIB (Dhaka North) and also the Board Member of Rotary Club of Metropolitan Dhaka and Trustee Board member of HICARE.



Md Rafiqul Islam

Md. Rafiqul Islam has joined as Chief Investment Officer of Green Delta Capital Limited in July 2011. He is very well-known professional in the field of Investment Banking industry and Corporate Finance in Bangladesh as well as international markets, having more than 10 years of extensive experience gained in Debt & Equity Arrangement, Corporate Treasury, Corporate Cash Management, Corporate Advisory and Strategic Management across various sector including power, energy, telecom, textile, RMG, FMCG, pharmaceutical and infrastructure industries. Mr. Islam has a MBA from East West University and he is also Associate Member of CPA (Certified Practicing Accountant) Australia.



Kabir Ahmed Chowdhury

started his insurance career with BGIC in 1985 and joined Green Delta Insurance in November 1986 as a Manager at Comilla. He is enriched with insurance knowledge in marketing and underwriting. He is the founder manager of Comilla, Elephant road and Mohakhali branch. Currently he is the Head of Principle Branch, Dhaka and at the same time he is controlling 3 branches outside of Dhaka. Mr. Kabir completed his graduation in Accounting (Hons) and masters in Finance from Chittagong University in 1983. He participated in various seminars related to insurance development and underwriting, organized by local and international organizations in home and abroad.

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TRUST
TRIBUTE
MOBILITY

A chair is a symbol of authority. Along with this, a chair also interprets faith and honor. This metaphor of a chair represents the characteristics of good governance. The good governance practice of Green Delta is similar in nature to that of the chair. It guides the organization towards the right path bringing success for the organization.

2.3 | General Review of the Performance of the Company

2.3 (i) Chairman's Speech



A Q M Nurul Absar
Chairman

Dear fellow shareholders,
Assalamu Alaikum,

From the Board of Directors of Green Delta Insurance Company Ltd. (GDIC) we are delighted to present the annual report of the company for the financial year ended 31st December 2012.

With continued economic uncertainty, new regulations and evolving consumer expectations to contend with, it seems the only constant is indeed change for the insurance industry. In line with this, for a period of 27 years, your Green Delta Insurance Company has been able to establish a benchmark in the industry for its sustained business growth and strong corporate governance practices.

In 2012 insurers struggle to generate organic growth and bottom-line profits, they also face fundamental problems with reaching evolving markets, enhancing customer experience, and operating efficiently. After a long speculation of exposing towards the global recession – the country's economy has faced the heat in the form of bearish capital market, increased inflation and interest rates, liquidity crisis, credit

crunch and last but not the least decreased remittance flow. Accordingly the recessionary pressure had its impact on the financial sector and insurance industry as well. The industry had to cope with the twin impact of the general economic slowdown and the pricing war under the backdrop of regulatory intervention for better governance.

During the year 2012 GDIC has delivered consecutive growth by achieving a record 10.70% increase in the gross premium to BDT 2603.19 million. The underwriting profit stands at BDT 298.04 million with a staggering growth of 140% compared to last year 2011. This actually refers to the sustainability strength of your Green Delta Insurance Company. But this is not all. The Profit before tax posted 133% growth and shareholders equity rose upto BDT 3858.35 million with a growth of 53.7% compared to 2011. However, some of the other parameters like the return from the capital market investment went down significantly compared to the year 2011.

The Company is quite proud to be the insurer of a number of prestigious corporations in the field of Energy, Manufacturing, Transportation and Trading. It is a matter of great satisfaction for us to note that the Company has established itself as a risk carrier of repute and introduced innovative insurance products in the market to meet the changing requirements of the clients.

We are also proud to inform you that International Finance Corporation (IFC) has shown their keen interest to invest in Green Delta Insurance Company Ltd as equity partner. This has been possible because of your unconditional supports, Board of Directors visionary guidance, management's prudent business drive maintaining an adequate risk return trade off and above all highest level of corporate governance maintained under the leadership of Mr. Nasir A Choudhury, Managing Director and CEO.

While there has been much speculation in many organizations regarding what went wrong, GDIC has continued to be a satisfactory performer. Building diverse revenues has been a key element to our strategy. Our particular combination of selecting strong businesses to underwrite and portfolio diversifications helps produce relatively consistent earnings through economic cycles.

While we are not immune to the affects of the turbulent

economy, we move quickly to identify and address potential problems, and work closely with customers to resolve issues. We are confident our approach to dealing with the economic realities will help us emerge from the economic problems earlier than the industry as a whole, and better positioned to fuel future economic growth.

But while it's relatively easy to identify the challenges facing insurance companies, it's a lot harder to determine how an individual player should respond. Each course of action has its own risks and rewards, but perhaps the one certainty is that doing nothing to change how an insurer operates is usually not a viable option over the long term. Much of the effort of the Board and management of Green Delta Insurance over the past year has been concentrated on effectively progressing and implementing a series of major initiatives. We have supplemented our capital, improved our funding, diversified investment and reduced our costs. These initiatives will continue.

As we make progress on these goals we would like to acknowledge the ongoing support of the many parts of the stakeholders with which we interact, the unstinting commitment of our employees, the support of our customers and the understanding of our investors for whom our promise is to rebuild shareholder value.

We thank all the Directors for their commitment to ensuring the sustainability of the company in these very difficult times and to positioning it for recovery.

We also seize this opportunity to thank Almighty for his mercy and pray to Him to give us perseverance and strength to make further growth thereby meeting the ambitious targets being set by the shareholders, customers, business associates and suppliers.

Last but not the least, we at Green Delta Insurance Company Ltd. indeed, to achieve sustained growth in 2013 and beyond, we will need to keep reinventing ourselves.

Warm regards,



A Q M Nurul Absar
Chairman

2.3 (ii) Managing Director & CEO's Round up



Nasir A Chooudhury

Managing Director and CEO

Dear respected Shareholders

Warm greetings from your Green Delta Insurance Company Ltd. The last several years have been extraordinarily difficult times for insurers to grow their business, with the U.S. and Europe struggling to jump-start their economies and a double-dip recession not out of the question. But the economy is not the sole obstacle confronting carriers. There's also the more fundamental need to change how the industry does business to meet rapidly evolving consumer expectations in terms of products, distribution, service and technology.

To succeed in this demanding environment, Green Delta Insurance tried to come up with creative strategies to generate growth. At the same time, we kept striving to improve operational excellence to squeeze costs out of the system and adapt to domestic and global regulatory reforms. Moreover, we at Green Delta continued to differentiate ourselves in a very competitive market by driving innovation in products and services, defending our brands and winning the war for talent.

Yet even in such uncertain economic times, there are opportunities to generate profitable growth by attracting new customers as well as taking market share away from competitors. Insurers can achieve this by tweaking existing products and launching new ones, reevaluating their distribution systems, reconsidering their marketing strategies and reinventing their customer experience. At the same time, insurers must keep transforming their operations to improve margins and drive more profit to the bottom line. They can adopt new technologies and management strategies to squeeze unnecessary costs out of the system, as well as employ their people and capital more productively. They might also be called upon to integrate operational and capital changes to meet the demands of developing regulatory reform initiatives, both locally and globally. Considering all of these, Green Delta Insurance Company tried to stick with the basics i.e. identify the challenges and preparing ourselves accordingly;

Generating growth: We learn from our mistakes continuously. Hence, being on the growth track has been a built-in culture for Green Delta Insurance Company. Unlike 2011, we focused on our core activities from different dimensions and ensured our targeted results in 2012. We have achieved all the budgeted targets in 2012 starting from collection of premium to profit before tax to underwriting profit. For the last 5 years Green Delta Insurance has been able to post an average 18% plus growth on the top line and an average 26% growth in the bottom line (PBT). Changing market conditions have created opportunities for organic growth. However, Green Delta may also expand with strategic mergers and acquisitions, as well as by moving into emerging markets with faster-growing economies. Closer to home, we may add new distribution outlets and/or enhance their existing channels to capture more market share for their product and service lines.

Clients First: Our business is built on the personal, long-term relationships that clients form with their financial advisors. Through our Think > Plan > Track > approach to financial planning, we start by gaining a complete understanding of clients' individual goals and dreams, and then offer advice to each client. As conditions changed and life events occur, our entire management worked

closely with clients to assess their needs and adjust financial plans accordingly.

This personal connection and long-term focus differentiates GDIC from our competitors and defines our position in the marketplace. While the financial crisis drove many investors to consider changing their financial services provider, we can report that our client and advisor satisfaction and retention rates remained strong, and we grew our core client base — the mass affluent and affluent.

Achieving operational excellence: Green Delta Insurance still have opportunities to improve the bottom-line profitability if we can gain more control on the cost cut initiatives and boost the per head productivity. During the year 2012, Insurance Development and Regulatory Authority (IDRA) has taken some remarkable steps to bring in discipline in the insurance sector of the country starting from commission cap, collection before policy issuance etc. These all combined had a positive impact on the operational performances of the insurance companies. In line with that the fund management of Green Delta Insurance has improved manifold. As a result investment income has increased by 2.8% from 2011; Fixed Deposit position has rose to more than BDT 800 million; underwriting profit went up by 140% to BDT 298.04 million.

Driving innovation: Those insurers that stay ahead of the game with their products, services and operations are more likely to have an edge regardless of the state of the overall economy or their particular market. Green Delta insurance has been able to retain the lead in terms of products and service innovation. For the first time in Bangladesh, Green Delta Insurance Company has been associated with pilot projects for micro insurance, insurance for the people at the bottom of the pyramid and crop insurance. Nonetheless, Green Delta has been working actively in promoting health insurance for the mass.

On the investment stream, Green Delta Insurance also remained a unique example. Green Delta have equity investments in Delta Brac Housing Ltd. Progressive Life Insurance Company Ltd. United Hospital Ltd. FinExcel Ltd. and on the direct subsidiary side with Green Delta

Securities Ltd and Green delta Capital Ltd. In order to make the investment revenue stream more diversified and sustainable, Green Delta Insurance Company Ltd has invested into BD Venture Ltd. and SwissPro AMC BD Ltd. during the year 2012.

For future Green Delta can expand the use of predictive analytics to take a far more quantitative approach in managing everything from claims to distribution to talent recruitment. Moreover, green delta focuses more on enhancing the customer experience by offering additional ways to interact, including through social media and mobile applications. There is also the potential to reach underserved markets, as well as better manage reputational risks through brand resilience initiatives.

Harvesting on Corporate Governance: Better integration of risk management throughout an organization has been another important step for Green Delta Insurance. Our risk management framework extends beyond maintaining strong balance sheet fundamentals. We kept on continuous capacity building training of our underwriters so that good businesses are undertaken to maximize return at minimum cost. For example, as market depreciation and volatility increased the company's potential liability related to variable annuities with living benefits, we revamped our product features and pricing to balance client needs and achieve shareholder return targets. Not only these. Upholding the status to comply with the present regulatory compliances, Green Delta Insurance has been the pioneer in complying the paid capital requirements, Board Size, minimum 2% shareholding by the Board of Directors, appointment of Independent Directors and all other corporate governance instructions by the Bangladesh Securities and Exchange Commission from time to time. Moreover, we have decided to restructure out IT and Internal audit department to ensure a better compliance at a cost effective manner.

Looking ahead: Even in a tough economy, set goals are achievable goals – with this commitment in mind, Green Delta Insurance never thinks to merely hunker down and wait for a broad rebound to boost their bottom lines. Indeed, it's looking as if high unemployment, low interest rates and a volatile investment market may be the "new normal" for quite some time to come. Therefore, we at

Green Delta should remain on the offensive by rethinking and reshaping the status quo so they can excel no matter what state the economy or their particular markets are in. No matter what, we will continue to

- Be Client focused
- Practice and promote Integrity always
- Excellence in all we do
- Uphold the respect for individuals and communities

Acknowledgement: We would like to thank our ever supportive clients, the many individuals and institutions who has continue to keep faith on us and giving us the privilege to serve them. As always, we will continue to stand behind you. We believe, the actions we have taken so far to strengthen our position reflects the long-term commitment we make to you.

We are ever grateful to all our regulatory bodies especially Insurance Development and Regulatory Authority, Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. Bangladesh Bank, Central Depository of Bangladesh Ltd. for their continues support and guidance.

As we reflect on the extraordinary challenges that we have overcome, we are grateful for the dedicated and thoughtful work of our employees. Your Green Delta Insurance Company Ltd. has emerged from this difficult time in a stronger competitive position thanks to their efforts.

We are deeply indebted to our honourable Board of Directors who have been supporting and guiding us with prudent knowledge, experience and vision for the last 26 years.

Finally, we know that these times have been equally trying for our shareholders, so, on behalf of your fellow directors and employees, we would like to thank you for your perseverance and confidence. We will continue to do all we can to reward your trust.

Sincerely,



Nasir A Choudhury
Managing Director and CEO

2.3 (iii) Management's Report & Analysis

With continued economic uncertainty, new regulations and evolving consumer expectations to contend with, it seems the only constant is indeed change for the insurance industry. Rebecca C. Amoroso, vice chairman and U.S. Insurance leader, Deloitte LLP, provides her perspective on how insurers can proactively take on the year ahead.

What are some steps insurance companies can take to manage through the current climate of economic uncertainty?

Regardless of the state of the economy, carriers can expand their business and improve their profitability by staying focused not just on the immediate obstacles they may come across in terms of the business or regulatory climate, but also by continually reinventing themselves so they are positioned to thrive over the long haul.

Many insurers have already made such a proactive approach part of their standard operating procedure. They continually reexamine how they do business, realizing that achieving innovation across the enterprise is part of an ongoing journey — not a final destination.

They regularly reassess their product development and target marketing strategies. They also periodically reevaluate their distribution options, both to fine-tune the productivity of their existing sales force, as well as explore the possibility of adding new channels to reach prospects with different needs and preferences.

The same message applies internally as well. Leading insurers realize that despite the increasing importance of technology, insurance is still a people business and should continuously adapt to the needs of an increasingly diverse and ever-evolving workforce.

Where do insurers go from here to achieve growth?

"To achieve sustained growth in 2013 and beyond, insurers will need to keep reinventing themselves."

While they may come in different forms, there are opportunities to achieve growth in both the L&A and P&C industries. For P&C this could come in the form of mergers and acquisitions, expansion into new markets as well as the addition of alternative distribution channels. Additionally, in an increasingly commoditized market, P&C Insurers looking to pursue organic growth should start thinking

more broadly about how to remain relevant to consumers — with the true winners recognizing the coming tidal wave of changing customer expectations and needs.

For L&A carriers health care reform and the retirement income market may provide opportunities. With millions of consumers prompted to buy health insurance or pay a penalty next year under a new federal mandate, there might be an opportunity to cross-sell life insurance and annuity products via the same channels. Life insurers can take advantage of the new opportunities by focusing their core marketing and underwriting strengths on these growth segments. Another option for L&A players is to explore partnering with health insurers to offer their life, disability and accident products.

Interestingly, only about one-third of those responding to a recent Deloitte survey seek professional advice when planning their retirement, which is a prime reason why 60 percent do not have a formal plan to save and provide income for their post-working lives. Therefore L&A carriers should rethink their approach to gain more trust and generate growth in the retirement savings market.

Indeed, to achieve sustained growth in 2013 and beyond, insurers will need to keep reinventing themselves.

As insurers struggle to generate organic growth and bottom-line profits, they also face fundamental problems with reaching evolving markets, enhancing customer experience, and operating efficiently. What proactive steps can carriers take to address these challenges while setting the stage for more sustained expansion? We'll discuss:

- Upgrading talent, technology, data analytics, and distribution capabilities.
- Coping with the increasingly complex regulatory landscape in the United States and globally.
- Seizing opportunities, such as cracking the code on the retirement income market and direct sales of commercial lines.

Discover actions insurers may consider to employ their people and capital more productively in an increasingly competitive market.

While current conditions are gloomy, Swiss Re's Chief Economist sees brighter prospects for insurance industry into 2013

Unveiling the company's latest Global Insurance Review and Outlook publication in London today, Swiss Re's newly appointed Chief Economist, Kurt Karl, says that low interest rates and the euro debt crisis are proving a headache for the insurance industry. The only bright spot is ongoing robust growth in emerging markets although, here, too, momentum has slowed somewhat. Looking forward to 2013, however, Karl is more optimistic, forecasting a pick-up in investment yields and premiums in the wake of a modest improvement in economic prospects. Filling Karl's shoes in the Americas, Thomas Holzheu has been appointed Chief Economist, North America for Swiss Re.

Political developments bad news for economic stability

According to Karl, the most serious threat for economic stability stems from political developments in Europe and the U.S. He commented: "In Europe, these could result in disorderly sovereign defaults or even exits from the euro monetary union. In addition, there is the political stalemate in the U.S. which is preventing necessary fiscal adjustments which could support growth and bring down the deficit."

While emerging markets have also been negatively impacted by faltering growth in the developed economies, Swiss Re says that tighter monetary policy on the part of several emerging countries has also slowed growth and is keeping the lid on inflation.

Non-life likely to pick up towards the end of 2013

On the non-life front, the economic weaknesses in the U.S. and Europe have dampened premium growth. However, this will improve in 2012 and further in 2013 when it will likely accelerate to 3%. During the same period, premium growth in emerging markets will be between 7% to 9%.

High catastrophe losses over this year will depress profits, but this situation has led to a hardening of reinsurance rates in property cat lines. Low interest rates and government bond yields will squeeze profits throughout most of 2012 and 2013, but an improvement in casualty rates, expected late next year, will help profits.

Life's difficult road

Both global in-force and new business life insurance premiums fell in 2011, although growth will recover in 2012 and return to its long-term average performance in 2013. In the short term, factors such as low investment returns, higher hedging costs and more onerous capital requirements will prevent a return to pre-crisis profitability. Growth in industrialised countries will be driven largely by longevity and large block transactions. All that said, the life industry's capitalisation has improved markedly, so it is in better shape than before the 2007 crisis and is well placed to cope with a challenging future.

Emerging markets still a growth engine

Despite a slowdown in 2011 due to regulatory changes in China and India, the coming two years will see life insurance business in emerging markets returning to its long-term trend of around 8%. Non-life business has benefited, among other things, from rising car ownership and sustained spending on infrastructure. Interesting to note is that the series of natural catastrophes in Asia may have raised risk awareness and encouraged firms to seek adequate insurance coverage. Swiss Re's Chief Economist for Asia, Clarence Wong, expects that the ongoing liberalisation in key emerging markets such as India, China and Russia will hasten the globalisation of emerging insurance markets.

What are some of the major issues facing the insurance sector in 2013?

Both life and annuity (L&A) and property-casualty (P&C) insurers face a series of interdependent challenges in the coming year.

Some of these issues are financial, relating to how insurers can keep boosting their top and bottom lines — whether that means considering alternative investment options in response to low interest rates, or taking advantage of merger or acquisition opportunities to access new markets and achieve economies of scale.

Some are related to marketing, in terms of how carriers might more effectively reach and serve clients, such as capitalizing on the fastest-growing segments in a slowly recovering economy, or making innovation part of their DNA when it comes to product development.

A number involve management conundrums, including how to better leverage technology, or turn enterprise risk management from a compliance requirement into a game-changing differentiator.

Meanwhile, regulatory issues inevitably come to the forefront, challenging carriers to adapt to the changing rules of the game, both here in the United States as well as globally.

And yet the 2013 insurance outlook is a bit of a tale of two industries. The state and direction of the economy is a major factor for insurers of all stripes. But exposure growth is gaining momentum in the P&C sector, with private employment slowly but steadily increasing, auto sales on the rise, the housing market poised for a rebound and much needed pricing increases being achieved. Indeed, the P&C outlook is relatively bullish.

This same economy, however, presents more challenges for life and annuity writers, given stubbornly high unemployment, persistently low interest rates and the competition for a limited pool of discretionary income among cautious prospects.

But while it's relatively easy to identify the challenges facing insurance companies, it's a lot harder to determine how an individual player should respond. Each course of action has its own risks and rewards, but perhaps the one certainty is that doing nothing to change how an insurer operates is usually not a viable option over the long term.

In a year when a general sense of uncertainty was pervasive, the management team at Green Delta Insurance Company Ltd. continued to lay down a foundation for future growth.

In the last 12 months, Green Delta focused on maintaining strong levels of capitalization and a disciplined approach to risk management. In particular, management was effective in addressing our priority of managing down the various risks in the institution.

A focus on customers and growth continued to lead our strategic agenda. The intense customer focus that underlies all our strategic priorities has noticeably taken hold – right across Green Delta group.

Despite last year's difficult environment, our performance has steadily improved. Our employees, led by a capable management team, delivered solid results last year – and, in some cases, very good results. Revenues improved steadily and we gained market share in key lines of business.

Market Share

Market share position reflects the ability to exercise underwriting and pricing discipline as well as the risk management effectiveness of a company in managing its business growth. As a first generation insurer, GDIC is in a better pricing position than insurance companies of other generation. Therefore, GDIC is maintaining a substantial market share over the last two and half decade in spite of tough competition among the private insurance companies. In 2011, the market share of GDIC in case of gross premium has increased to 13.61% from 13.45% in 2010 which placed the Company in 1st position in the industry. The Company also ranked in the 1st position in respect of net premium, investment and total asset which indicate its strong position in the insurance industry of Bangladesh. However, the Company earned BDT 124.17 million underwriting profit in 2011 which placed the Company in 2nd position in the industry.

(Mil.BDT)	For the year 2011				For the year 2010			
	GDIC	Industry	Market Share (%)	Market Position	GDIC	Industry	Market Share(%)	Market Position
Gross Premium	2351.47	17274.62	13.61	1st	2001.31	14883.94	13.45	1st
Net Premium	862.05	9446.14	9.13	1st	770.31	8222.35	9.37	1st
Underwriting Profit	124.17	2004.82	6.19	2nd	99.67	1262.94	7.89	2nd
Investment	2363.65	9048.84	26.12	1st	2905.3	9557.9	30.4	1st
Total Assets	4464.21	55145.54	8.10	2nd	4741.79	44579.75	10.64	1st

3.1 | Financial Highlights

Figure in million

Particulars/Year	2012	2011 (Re stated)	2010	2009	2008
Gross Premium Income	2603.19	2351.47	2001.31	1601.64	1400.75
Net Premium Income	1212.53	862.04	770.31	726.69	627.21
Net Claims	201.96	122.43	117.51	134.24	117.23
Underwriting Profit	298.04	124.17	99.67	112.51	106.16
Investment Income	135.45	131.80	577.10	224.24	253.29
Profit before Tax	262.67	143.43	562.41	277.65	295.07
Profit after Tax	237.67	134.00	478.76	232.65	245.07
Paid up Capital	510.3	408.24	408.24	408.24	204.12
Share Holder's Equity	3858.35	2510.33	3103.56	2139.76	1718.67
Total Liabilities	1723.25	1953.88	1638.22	1293.32	1153.83
Total Reserves	3348.05	2102.09	2695.33	2094.79	1624.98
Total Assets	5581.61	4464.21	4741.79	3433.07	2872.5
Total Investment	1998.95	2363.65	2905.3	1835.34	1561.55
Fixed Assets (Land & Building)	1978.30	212.94	134.52	38.26	38.14
Earning per Share (EPS) Tk.	Tk.4.66	Tk. 2.60	Tk. 12.31	Tk. 5.70	Tk. 12.01
P/E Ratio	Tk. 16	Tk. 58.57	Tk. 26.53	Tk. 29.3	Tk. 16.51
Book Value per Share (NAVPS)	Tk. 75.61	Tk. 49.19	Tk. 76.02	Tk. 52.41	Tk. 84.19
Market Value Per Share	Tk. 74.50	Tk. 152.40	Tk. 326.50	Tk. 166.98	Tk. 198.22
Required Solvency Margin	343.32	290.66	248.73	198.79	176.98
Available Solvency Margin	2756.01	1383.29	2293.32	1400.11	1092.31
% of Dividend Paid (Cash)	15%	-	40%	25%	-
% of Dividend Paid (Stock)	15%	25%	-	-	100%

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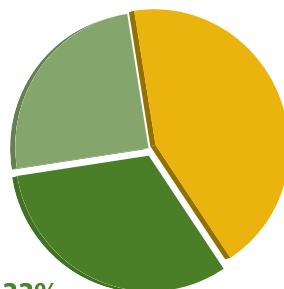
3.2 | Value Added Statement

For the year ended December 31 2012

	Amount in Taka	
	31 Dec. 2012	31 Dec. 2011
Value added		
Gross Premium	2,603,191,838	2,351,469,852
Re-Insurance Ceded	(1,390,655,656)	(1,489,421,241)
	1,212,536,182	862,048,611
Other Income	347,843,331	349,694,780
	1,560,379,513	1,211,743,391
Provision	(299,846,992)	(133,010,229)
Operating expenses excluding staff cost and depreciation.	(210,169,507)	(155,160,940)
Value Added	1,050,363,014	923,572,222
Distribution of Value Addition		
To Employees as remuneration	342,629,125	324,258,614
To Government as taxes	250,000,000	9,420,840
Retained in the business	457,733,889	589,892,768
	1,050,363,014	923,572,222
Retained in the business		
As capital & revenue reserve	436,046,644	584,747,044
As depreciation	21,687,245	5,145,724
	457,733,889	589,892,768
To Employees as remuneration	342,629,125	32.62%
To Government as taxes	250,000,000	23.80%
Retained in the business	457,733,889	43.58%
	1,050,363,014	100.00%

Value Added Statement

For the year ended December 31 2012



Retained in the business **43%**
 To Employees as remuneration **33%**
 To Government as taxes **24%**

3.3 | Market Value Added Statement

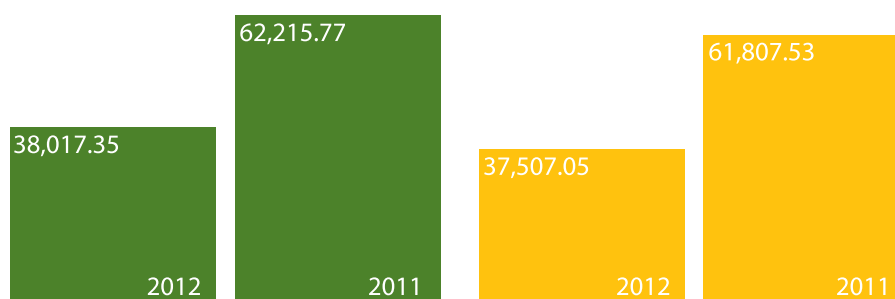
Market Value Added Statement reflects the Company's performance evaluated by the market through the share price of the company. This statement shows the difference between the market value of a company and the capital contributed by investors.

The higher MVA is the better indication. A high MVA indicates the company has created substantial wealth for the shareholders. A negative MVA means that the value of management's actions and investments are less than the value of the capital contributed to the company by the capital market.

The flowing statement shows how the MVA has been calculated for the year ended 31st December 2012 and 2011:

Particulars	Taka in Million	
	2012	2011
Market Value of Shares Outstanding	38,017.35	62,215.77
Book Value of Shares Outstanding	510.30	408.24
Market Value Added	37,507.05	61,807.53

Market Value of Shares Outstanding Market Value Added



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3.4 | Financial Calendar

Green Delta Ins. Co. Ltd. is very much concern of the stakeholders' interest on the company including the potential investors. The following historical information will help our current and potential investors for their decision making:

Financial Calendar to the stakeholders

Events for the year	2012
Publication of Financial Statement for the 1 st quarter	14 th May'2012
Publication of Financial Statement for the Half year	30 th July'2012
Publication of Financial Statement for the 3 rd quarter	22 nd October'2012
Record Date	22 nd March'2012
Dispatching Notice for the Annual General Meeting along with Annual Report	5 th April'2012
Date of AGM	26 th April'2012

3.5 | Communication to Stakeholders

We are committed to open and timely disclosure with all shareholders and regular communication is maintained with various stakeholders in the Group such as:

- institutional investors
- investment analysts
- shareholders
- employees
- communities at large

The board encourages shareholders to attend the general meetings and also provides a full explanation of the effects of resolutions to be proposed. The results of all decisions taken at shareholders' meetings are disseminated by way of written minutes to ensure that all shareholders are timorously informed.

The Group communicates to shareholders in the following way:

Annual report sent to shareholders (Dual medium – English and Bangla)

- Final results published in the newspaper (Dual medium – English and Bangla)
- Interim report published in the newspapers (Dual medium – English and Bangla)
- Annual General Meeting

All financial results and the annual report are also made available on the website.

Green Delta Insurance Company Ltd. announced 25% Stock Dividend for its shareholders for the year 2011. The announcement was made at the 26th Annual General Meeting of the company held on 26th April'2012, at Hotel Purbani International, Dhaka.



The meeting was attended by a large number of Sponsor Directors and Shareholders, and was presided over by Mr. A.Q.M. Nurul Absar, Chairman of the Company.

The Chairman expressed his appreciation towards the shareholders of the company for their continuous support and co-operation towards the growth of the company. He sincerely thanked the shareholders for their constructive suggestions for raising GDIC's profitability, capacity and goodwill.



A good number of shareholders spoke in the meeting and highly appreciate the Board of Directors and Management of GDIC for their excellent performance, Declaration of Dividend and publishing an informative Annual Report-2012 of the company in the coming days.

3.6 | Comparative Shareholding Structure of GDIC

as on 31st December'2012 and 2011

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The shareholding position of various stakeholders, Institutions has increased as compared to its previous year due to its declararion of stock dividend on its exiting paid up share of which comparision is stated below:

Types of Share Holders	2012		2011	
	No. of shares	% of shares	No. of shares	% of shares
Sponsor Shareholders	28,061,793	54.99	2,01,34,380	49.32
Institution other than Sponsors	10,566,834	20.71	42,49,880	10.41
Individuals	12,401,373	24.30	164,39,740	40.27
Total share held	5,10,30,000	100.00	4,08,24,000	100.00

3.7 | Equity statistics of Green Delta Insurance Company Ltd.

Green Delta Insurance Company has maintained a tremendous business growth and policy as compared to its previous years. Its only possible for its efficient and effective policy of Board of Directors, Management Committee and Employees of the company for their contribution to the Company. Every year GDIC declared Stock or Cash or Both dividend on the basis of its own dividend policy while certain factors is considered like: NAVPS, Market Capitalization, EPS etc. The overall Equity Statistics of GDIC important to the Stakeholders is stated below:

Particulars	2012	2011	2010	2009	2008
Number of shares in issue (No)	7,654,500	1,020,600	-	-	20,412,000
NAVPS (BDT)	75.61	49.19	75.88	52.41	84.19
Market Capitalization	586.85	510.3	408.24	408.24	204.12
Shareholders' equity (BDT in million)	3858.35	2510.33	3103.56	2139.76	1718.67

3.8 | Distribution of Shareholdings (as on 31.12.2012)

Green Delta Insurance Company Ltd. has started its journey with paid up capital of Tk. 3.00 lac in 1986. In the year 2004, GDIC declared Right Shares 2:1 for the first time and later on GDIC declared remarkable stock dividend to its shareholders from the year 2004 to 2011. In the year, 2008, GDIC also declared 100% Stock Dividend to its stakeholders. After increasing its paid up capital by way of Stock Dividend, Right Issue the total paid up capital at present stood at: 51 crore 3 lac among various categories of stakeholders. A general scenario of holdings of shares of GDIC in the form of % is stated below:

Types	% of holdings
Sponsor	54.99%
Government	0.00%
Institution	20.42%
Foreign Company	0.28%
Public	24.31%
TOTAL	100%

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BALANCE
PROTECTION
POWER

The power of a pen is needless to explain in words. Rightly said the pen is mightier than the sword. This quality of a pen symbolizes the characteristics of good governance. The good governance practice of Green Delta is similar in nature to that of the pen. It guides the organization towards the right path bringing success for the organization.

3.9 | Shares held by Directors/Executives and Relatives of Directors / Executives / Management

Statement of Shares held by Managing Director and CEO , Company Secretary, Group CFO & Head of Internal Audit

Sl. No	Name	Status	No of shares held as on 31.12.2012	% of total no. of paid-up shares as on 31.12.2012
1	Nasir A. Choudhury	Managing Director and CEO	1,930,600	3.78
2	Farzana Chowdhury	Group Chief Financial Officer	791,100	1.55
3	Syed Moinuddin Ahmed	Company Secretary	Nil	Nil
4	Gazi Shafiqur Rahman	Head of Internal Audit	Nil	Nil

Statement of Shares held by the salaried employees other than the Directors, MD and CEO

Sl. No	Name	Status	No of shares held as on 31.12.2012	% of total no. of paid-up shares as on 31.12.2012
1	A.S.A Muiz	Senior Additional Managing Director	15,000	0.03
2	Nazim Tazik Chowdhury	Deputy Managing Director	25,050	0.05

Statement of Shares held by Directors, Sponsors and their Family/Relatives

Sl. No	Name of sponsors/ promoters and directors	Status and relation with the Directors	No of shares held as on 31.12.2012 (B)	% of total no. of paid-up shares as on 31.12.2012
1	Khurshida Chowdhury	Director	4,792,100	9.39
2	Asif A. Choudhury	Director	1,122,660	2.20
3	Dilruba Chowdhury	Director	1,140,625	2.24
4	Shamsun Nahar Begum Choudhury	Director	1,122,750	2.20
5	Mesbah Dilwar Rahman	Director	1,122,700	2.20
6	A.Q.M. Nurul Absar	Director	1,122,675	2.20
7	Iqbal Khan (Jamal)	Director	1,122,750	2.20
8	Kamran Idris Chowdhury	Director	275,225	0.54
9	Arif A. Choudhury	Director	1,122,660	2.20
10	Razia Rahman	Director	33,125	0.06
11	Marufa Anwar	Director	2,075	0.00
12	Dr. Niaz A. Chowdhury	Director	200	0.00
13	Abdul Hafiz Chowdhury	Independent Director	106,200	0.21
14	M Muhibur Rahman	Sponsor Shareholder & Husband of Razia Rahman	425,350	0.83
15	Farida R. Ahmed	Sponsor Shareholder	219,375	0.43
16	Dr Kabir Hussain Chowdhury	Sponsor Shareholder & Husband of Marufa Rahman	536,625	1.05
17	Dr.M.Aminul Haque	Sponsor Shareholder	237,750	0.47
18	Md. Mozammel Huq	Sponsor Shareholder	337,650	0.66
19	A.Z. Mohammad Hossain	Sponsor Shareholder	661,075	1.30
20	Shamsuddoha Chowdhury	Sponsor Shareholder	425,250	0.83
21	Mohammad Abdus Salam	Sponsor Shareholder	356,625	0.70
22	Syed Bazlur Rahman	Sponsor Shareholder	838,000	1.64

Sl. No	Name of sponsors/ promoters and directors	Status and relation with the Directors	No of shares held as on 31.12.2012 (B)	% of total no. of paid-up shares as on 31.12.2012
23	Nasir A. Choudhury	Sponsor Shareholder & Husband of Khurshida Chowdhury	1,930,600	3.78
24	Waqar A Choudhury	Sponsor Shareholder & Son of Khurshida Chowdhury	926,150	1.81
25	Farzana Chowdhury	Sponsor Shareholder & Daughter of Khurshida Chowdhury	791,300	1.55
26	Azam J Chowdhury	Sponsor Shareholder & Father of Dilruba Chowdhury	425,250	0.83
27	Naima Chowdhury	Sponsor Shareholder & Unty of Dilruba Chowdhury	1,020,700	2.00
28	Tajwar Chowdhury	Sponsor Shareholder & Cousin of Dilruba Chowdhury	120,298	0.24
29	Tanjil Chowdhury	Sponsor Shareholder & Brother of Dilruba Chowdhury	307,125	0.60
30	Tanzeem Chowdhury	Sponsor Shareholder & Cousin of Dilruba Chowdhury	9,300	0.02
31	Fahim Ahmed Faruk Chowdhury	Sponsor Shareholder & Son of Shmasun Nahar Begum Chowdhury	530,100	1.04
32	Fahima Faruk Chowdhury	Sponsor Shareholder & Daughter of Shmasun Nahar Begum Chowdhury	176,550	0.35
33	Habibur Rahman	Sponsor Shareholder & Father of Mesabah Delwar Rahman	153,050	0.30
34	Fahmida R Naser	Sponsor Shareholder	559,825	1.10
35	Tahmina R. Chowdhury	Sponsor Shareholder	559,825	1.10
36	Md. Rafial Alam	Sponsor Shareholder & Brother in Law of A Q M Nurul Absar	170,100	0.33
37	A.Farjad Ahmed	Sponsor Shareholder	60,875	0.12
38	Nadeem A. Chaudhury	Sponsor Shareholder	376,100	0.74
39	Al-Haj Syed Moazzem Hussain	Sponsor Shareholder	1,025,500	2.01
40	Syed Mujibul Hussain	Sponsor Shareholder	1,030,250	2.02
41	Dr.Syed Mukarram Ali	Sponsor Shareholder	680,400	1.33
42	Monowara Ali	Sponsor Shareholder	85,050	0.17
TOTAL			28,061,793	54.99

Useful information for shareholders

The company has adhered to a policy of timely preparation of its Accounts and holding of AGM, as may be noted from the Financial Calendar below:

Date	Particulars	No of shares	Value in Taka
2007	35% Bonus	5,292,000	52,920,000
2008	100% Bonus	20,412,000	204,120,000
2009	-	-	-
2010	-	-	-
2011	25% Bonus	1,020,600	10,206,000
2012 (Proposed)	15% Bonus	7,654,500	76,545,000

3.10 | Redressed of Investors Complaints

Green Delta Insurance Company has a separate Share Department to Communicate with Shareholders, Right Shareholders and other Stakeholders. Investors and others may contact at any time to Share Department for any sort of information and query. To make the AGM more participatory, arranging AGM in a well-known place & convenient time allowing shareholders to speak in the AGM freely and making their valuable proposals and suggestions. Quarries relating to shareholder's transfer of shares change of name and addresses and payment of dividend etc. should be sent to the following address:

Share Department
Green Delta Insurance Company Limited
Green Delta AIMS Tower(6th floor)
51-52 Mohakhali C/A, Dhaka-1212

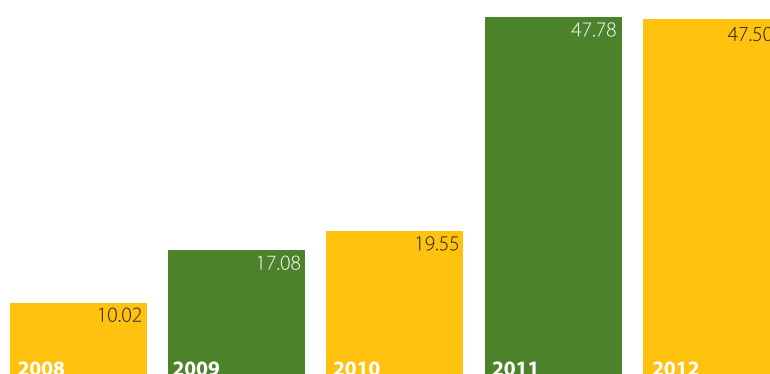
3.11 | Contribution to the National Exchequer

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Green Delta Insurance Limited made significant contribution to the government in boosting its revenue collection. As per the prevailing law of the country, the company being corporate citizen pays tax and vat on its own income. Besides, the company deducts income tax, VAT and excise duty at source from employees, clients and suppliers, and deposits the same to the national exchequer. So, in total GDIC contributed BDT 47.50 crore during the year 2012 to national exchequer as tax, vat, income tax and excise duty deducted at source from employees, clients, and suppliers in the reporting year.

Contribution to the National Exchequer For the year-2012	Figure in BDT
TAX Deducted on Various Account	3,195,397.00
TAX Deducted on Agency Commission	18,751,618.00
VAT Deducted on Various Account	5,808,074.00
VAT Deducted on Survey Fee	1,326,593.00
Company TAX	6,487,588.00
TAX Deducted from Salary	11,934,295.00
TOTAL	47,503,565.00

Contribution to the National Exchequer



4.1 | Report on Corporate Governance

Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, management, and the Board of Directors. Other stakeholders include employees, customers, creditors, suppliers, regulators, and the community at large.

Impact of Corporate Governance

The positive effect of corporate governance on different stakeholders ultimately is a strengthened economy, and hence good corporate governance is a tool for socioeconomic development.

Commonly accepted principles of corporate governance include:

- Rights and equitable treatment of shareholders:
- Interests of other stakeholders:
- Role and responsibilities of the Board:
- Integrity and ethical behavior:
- Disclosure and transparency:

The insurance industry is confronted with certain unique problems in applying governance

principles. Any governance principles adopted by the insurance industry should be flexible enough to take into account the variety of insurers within its purview. Having the right "tone at the top" is one of the most important factors in ensuring the corporate governance. The right "tone at the top" will establish the ethical culture of the corporation and permeate the corporation's relationships with employees, the business community and regulators. Following are some of the standardized best practices of Corporate Governance:

- The Board of Directors should participate in creating the right "tone at the top" and oversee how it is being communicated to all employees and constituents of the corporation.
- It is best practice for a board to have the following committees:
 - an audit committee,
 - an executive committee
 - a compensation committee, and
 - a nominating/corporate governance committee.

Each committee may formally establish a charter that specifies its responsibilities and the manner and frequency of meeting and reporting to the Board of Directors.

- There is no "one size fits all" template for board structures. When appropriate, smaller boards may opt to always meet as the full board with break-out sessions for independent directors to perform committee-type functions.
- Adoption and implementation of a code of ethics is one of the most common practices in corporate governance. It is increasingly expected that all companies will have a code of ethics in place to ensure that employees conduct themselves in a fair and ethical manner. Topics commonly addressed in a code of ethics are as follows:
 - Conflict of interest;
 - Corporate opportunities;
 - Confidentiality;
 - Fair dealing;
 - Protection and proper use of company assets;
 - Compliance with laws, rules and regulations; and
 - Encouraging the reporting of any illegal or unethical behavior

Insurance and Corporate Governance

As regards the insurance sector, the regulatory responsibility to protect the interests of the policyholders demands that the insurers have in place, good governance practices for maintenance of solvency, sound long term investment policy and assumption of underwriting risks on a prudential basis. The emergence of insurance companies as a part of financial conglomerates has added a further dimension to sound Corporate Governance in the insurance sector with emphasis on overall risk management across the structure and to prevent any contagion.

The Role and responsibility of the Board and their Discharge

The specific areas of responsibilities of the Boards of the insurance companies are detailed in the Annexure 1. The Board would primarily concentrate on the direction, control and governance of the insurer and in particular should articulate and commit to a corporate philosophy and governance that will shape the level of risk adoption, standards of business conduct and ethical behaviour of

the company at the macro levels. The Board should also set clear and transparent policy framework for translation of the corporate objectives.

The Role of the Board of Directors

The activities of the Board of Directors are exercised in a manner designed to ensure that the Board effectively sets policies and supervises the operations of the Company.

Management provides the directors with a report in connection with each Board Meeting. This report sets out the Company’s management accounts including key performance indicators since the date of the previous Board meeting, includes a management commentary on the results and on relevant events and decisions, and sets out background information on various subjects including any matter requiring the approval of the Board.

Apart from setting the strategy and direction of the Company, the Board was actively involved in monitoring progress against budgets and plans and, in approving material or significant transactions.

The Board also monitored closely the key risk management policies and processes employed by the GDIC, which are central to the nature of its operations. These policies and processes deal, inter alia, with issues such as:

- (a) the insurance & reinsurance programme maintained by the company, ensuring the right balance between risk and reward and that the level of risk retention, particularly in the event of catastrophe, is consistent with the GDIC’s resources;
- (b) the quality and credit worthiness of the reinsurance counterparties dealt with, to ensure the effectiveness of the reinsurance programme;
- (c) the assessment of pricing strategies in relation to the level of risk assumed and to market conditions generally;
- (d) the measures employed to manage foreign currency risks both in relation to assets and to liabilities;
- (e) the measures taken to ensure a balanced mix of investments and application of the Company’s policy which focused on security, liquidity and maximization of returns;
- (f) the internal controls and other disciplines

maintained, both within Group companies and within agents and other intermediaries, to ensure the proper conduct in good faith of all operations; and

- (g) the level of capital resources supporting each business activity, to ensure adequate solvency both from a regulatory and business perspective.

The Board has direct access to the external auditors of the Company, who attend Board meetings as and when required including those at which the Company’s financial statements are approved after they have been reviewed by the Group Audit Committee. Compliance with statutory and regulatory requirements and with continuing listing obligations is also ensured. In addition to the input of the Compliance and Prevention of Money Laundering Committee, the Board is advised directly, as appropriate, by its appointed stockbrokers and legal advisors.

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company’s expense.

During the period under review, the Board maintained its practice that when a potential conflict of interest may or is perceived to arise in respect of a Director in connection with any transaction or other matter, this interest is declared and the individual concerned refrains from taking part in proceedings or decisions relating to the matter. The Board minutes include a record of such declarations and of the action taken by the individual director concerned. As an exception to this rule, in order that the directors may discharge their responsibilities efficiently and effectively, it was agreed that directors appointed by shareholders need not disclose a conflict of interest or potential conflict of interest where this arises due to a conflict or potential conflict between the Company and the shareholder who appointed such director. In such a case, directors are allowed to participate in the discussions provided that they are required to act honestly and in good faith and always in the best interest of the Company.

The Policy and Procedures regarding conflicts of interest were discussed with the help of panel lawyers.

Discharge of Board Responsibilities:

The Board can delegate its authority to the Board Committees in the discharge of this responsibility but such delegation does not absolve the Board from its primary responsibilities. In this regard, the Board should seek detailed and transparent information flow from the senior

management through well documented agenda notes and also devise appropriate systems to serve as effective monitoring arrangements. As the Boards generally do not meet at frequent intervals, it is imperative that the senior management is clearly made accountable for the two way information flow.

The structure of the Board of Directors should be oriented to setting-up of objectives to meet the expectations of various stakeholders, strategies for their Guidelines on Corporate Governance- fulfillment and for monitoring the achievements. The insurers need to consider interests of all stakeholders, and especially their policyholders as a specific group. Further, since there could arise a conflict of interest amongst the various stakeholders, a key board function is to establish strategies and policies that define ethical individual and corporate behaviour and ongoing, effective processes that ensure adherence to these strategies and policies.

Thus, with a view to being effective, the Board in active consultation with the Management should set strategies and policies to address, at the minimum, a broad range of areas, as indicated below. There should concurrently be arrangements to review the policies from time to time to ensure that they are dynamic.

- Overall direction of the business of the insurer, including projections on the capital requirements, revenue streams, expenses and the profitability. While laying down the projections, the Board must address the expectations of the shareholders and the policyholders;
- Obligation to fully comply with the Insurance Act and the regulations framed there under, and other statutory requirements applicable to it;
- addressing conflicts of interest;
- ensuring fair treatment of policyholders and employees;
- Ensuring information sharing with and disclosures to stakeholders, including investors, policyholders, employees, the regulators, consumers, financial analysts and/or rating agencies;

- establishing channels for encouraging and facilitating employees raising concerns or reporting a possible breach of law or regulations, with appropriate measures to protect against retaliation against reporting employees;
- Developing a corporate culture that recognizes and rewards adherence to ethical standards.

Philosophy of Corporate Governance at Green Delta Insurance Company Ltd.

At Green Delta Insurance Company Ltd., by Corporate governance we basically mean that all of the company's business activities are designed to adhere to the company's code of ethical conduct that promotes:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosures in public reports and documents Compliance with applicable governmental laws, rules, and regulations;
- The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code;
- Accountability for adherence to the code Green Delta Insurance Company Ltd is committed to achieving the highest standards of corporate governance. Towards this end, it continues to adopt the best practices in corporate governance. The Board has also set up Committees to oversee the functions of the Audit Committee and executive Committee. The Audit Committee of the Company is chaired by an independent Director.

Practice of Corporate Governance in Green Delta Insurance Company Ltd.

- Awareness of corporate governance has grown rapidly worldwide in recent years due to increased legislative and regulatory activities as well as evolving best practice recommendations. As a leading insurance company in Bangladesh led by professional people Green Delta is committed in adopting the highest governance standard and

adjusting them as required in protecting the interest of shareholders and policyholders. The Board strictly ensures the right of the Shareholders;

- The power of the Board and the company by-laws ensures an effective Board and duly secures interests of all the Shareholders;
- The Board is responsible for making all kinds of policies and guidelines in respect of strategic, organizational development, accounting & investment matters to ensure transparency & secures interests of the Shareholders;
- Green Delta adopts a declaration that sets the corporate objectives and defines the interest of the company and its shareholders;
- The Board of GDIC acts in line with the defined objectives as guided by the concept of Shareholders value creation;
- GDIC does not have any plan to purchase its own share as anti-takeover defenses. Even the company has no plan to issue shares for the purpose of management and employee stock option plans;
- Green Delta always try to satisfy all the statutory information disclosure requirements and in particular, immediately notify to the public, any information that may have significant impact on the price of its share;
- GDIC provides access to relevant information on its operations and investment risks, including internal arrangement in the area of corporate governance as well as the ownership and control structure of the company;
- The information that GDIC passes to the stakeholders are always extensive enough to allow investors to evaluate the corporate management system from the view point of its effectiveness and due protection of shareholders interests including the interest of minority.

Risk Management Committee (proposed)

It is now well recognized that the sound management of an insurer as in the case of other financial sector entities, is dependent on how well the various risks are managed across the organization. In pursuit of development of a

strong risk management system and mitigation strategies Green Delta Insurance Company Ltd is in the process of setting up a separate Risk Management Committee to lay down the company’s Risk Management Strategy. The risk management functions shall be organized in such a way that it is able to monitor all the risks across the various lines of business of the company and the operating head has direct access to the Board. Conventionally this function is under the overall guidance and supervision of the Chief Risk Officer (CRO) with a clearly defined role. However, we shall organize the function appropriately to the size, nature and complexity of their business keeping in view the need for operative independence of the Head of the risk management function.

Broadly, the Risk Management Committee shall:

1. Assist the management and Board in effective operation of the risk management system by performing specialised analyses and quality reviews;
2. Maintaining a group-wide and aggregated view on the risk profile of the insurer in addition to the solo and individual risk profile;
3. Report to the management and Board details on the risk exposures and the actions taken to manage the exposures;
4. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.
5. “Good corporate governance practices instill the companies to make decisions that ensure longer-term sustainability.
6. More than ever, we need companies that can be profitable as well as achieving environmental, social, and economic value for society.”

4.2 | Present Board of Directors, Chairman and Managing Director & CEO

Name of the Director's	Status
Abul Quasem Mohammad Nurul Absar	Director & Chairman
Dilruba Chowdhury	Director & Vice Chairman
Shamsun Nahar Begum Chowdhury	Director
Khurshida Chowdhury	Director
Iqbal Khan (Jamal)	Director
Asif Ahmed Choudhury	Director
Meshbah Delwar Rahman	Director
Arif Ahmed Choudhury	Director
Kamran Idris Chowdhury	Director
Dr. Niaz Ahmed Chowdhury	Director
Razia Rahman	Director
Marufa Anwar	Director
Abdul Hafiz Chowdhury	Independent Director
Nurul Husain Khan	Independent Director
Nasiruddin Ahmad Choudhury	Managing Director & CEO

4.3 | Audit Committee, Internal Control and Risk Management

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Audit Committee

Audit Committee of Green Delta Insurance Co. Ltd. is a sub-Committee of the Board of Directors and is appointed by the Board of Directors. The Audit committee of GDICL assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of the affairs of the company and in ensuring a good monitoring system within the business. Our audit committee responsible to the Board of Directors. The duties of the Audit Committee clearly set forth in writing.

The formation of Audit Committee of GDICL comply at least requirement as per corporate governance guideline issued by BSEC while Independent Director of Board of Director is a Chairman of Audit Committee. All members of the audit committee is financially literate and the Company Secretary act as a secretary of the committee.

Internal Control

Internal Control system is implemented in GDIC as organization's structure, work and authority flows, people and management information systems, designed to help the organization accomplish specific goal or objectives. In GDIC for implementation Internal Control & Audit Evaluation pursue the following steps:

- Determination of the established controls
- Texts of Transactions
- Evaluation Process
- Application of Substantive Tests
- Documentation of Review
- Reporting to Management
- Follow-up

Risk Management:

Risks of Insurance Operations

The insurance business is based on taking and managing risks. The largest risks pertain to risk selection and pricing, the acquisition of reinsurance cover and the adequacy of technical provisions. Risk management practices- Robust corporate governance requires that an insurance company has a risk management framework which meets three goals:

- (1) identifies systemically all the risks facing the organization;

- (2) develops risk mitigation strategies and;

- (3) manages its risks in an ongoing manner.

Insurance boards and senior managers should be able to identify all risks, manage them in a specialized department, and monitor them through a dedicated risk manager. The internal auditor may report to the risk manager. Within Non-life Insurance, the risk inherent in technical provisions lies mainly in insurance lines characterized by a long claims settlement period. In addition to underwriting risks, a major insurance business risk consists of the investment risk related to the assets covering technical provisions.

Underwriting Risks

By taking out an insurance policy, the policyholder transfers his insurance risk to the insurer. The underwriting risk associated with an individual non-life insurance contract comprises two risk components. The first one is the occurrence of one or more loss events coverable under the contract and the second one is the size of the coverable loss. Both the number of coverable losses and the size of each individual loss are random in nature. The insurance

terms and conditions require the occurrence of a coverable loss to be unforeseeable. On the other hand, the size of a loss sustained by the insured object generally depends heavily, for instance, on the cause of the loss and on the circumstances at the time of loss as well as on the details of the occurrence. In addition, one insurance contract may cover objects whose nature and value vary. The insurance portfolio comprises a very large number of non-life insurance contracts. Because of this large size of the insurance portfolio, the expected number of claims is also great. If there is no connection between loss events, the law of large numbers according to the calculus of probability provides that the larger the number of underwriting risks in the portfolio, the smaller the relative variation in claims expenditure. Since the lack of correlation between underwriting risks is never complete in real life, the insurer's claims risk in proportion to the size of the insurance portfolio never totally disappears, no matter how large the insurance portfolio. The remaining risk due to this correlation between underwriting risks is called non-diversifiable risk. Non-diversifiable risks usually relate to changes in the external operating environment, such as economic fluctuations, which have a systematic effect on the incidence and size of loss in certain groups of insurance contracts. Inflation, for

instance, may increase the size of loss simultaneously in a large part of the Company's insurance portfolio. Changes in the population's general mortality rate would, in turn, be reflected in the whole annuity portfolio in statutory insurance lines. A non-diversifiable risk may, in some cases, also relate to yet unknown and latent risks of loss applying to a large number of insurance contracts, with asbestos claims representing the most well-known examples from the near past. An accumulation of loss due to natural catastrophes or large catastrophes caused by human activity constitutes a specific risk type. In such a case, one catastrophic event may in practice

give rise to simultaneously payable claims for a large number of insured risks at high amounts. The resulting total claims expenditure may be extremely large. However, this risk can be diversified, since the Group operates in the region with a perceived relatively low risk of natural catastrophes, enabling the Group to protect against the risk through reinsurance.

Underwriting Risk Management

The most important tasks within underwriting risk management relate to risk selection and pricing, the acquisition of reinsurance cover, the monitoring of claims expenditure and the analysis of technical provisions. The Underwriting Executives act as the highest decision-making body in charge of underwriting risk. The Non-life Insurance decision-making system contains a description of Non-life Insurance decision-making. Decisions on customer and insurance object selection and risk pricing are made according to the Underwriting Guidelines governing each line of insurance in case the risk involved is below the amount set for the Underwriting Executives. Greater and more severe risks require decisions made jointly by several underwriters or managers. For basic insurance lines, decisions are made on a system-supported basis and customers and the objects of insurance are selected within the powers allowed by instructions specifically approved.

Reinsurance

The level of reinsurance protection has an impact on the need of solvency capital. Only companies with a sufficiently high insurance financial strength rating are accepted as reinsurers. Moreover, maximum limits have

been confirmed for the amounts of risk that can be ceded to any one reinsurer. These limits depend on the nature of the risk involved and on the company's solvency.

Evaluation of Technical Provisions

GDIC Management and Board monitors the adequacy of technical provisions on an annual basis. Technical provisions arising from insurance contracts are determined on the basis of estimated future cash flows. The cash flows comprise claims paid and loss adjustment expenses. The amount of technical provisions has been estimated in such a way that it is, in reasonable probability, sufficient to cover the obligations arising from insurance contracts. This has been performed by estimating an expected value for the technical provision and, after that, by determining a safety loading based on the degree of uncertainty related to the provision. For the provision for unpaid claims, known losses above a provision level and the provision for unpaid claims for annuities are reserved on a case-by-case basis. The provision for unpaid claims for unknown losses and known losses below a case-specific reserve level are reserved collectively using actuarial techniques.

Investment Risks

In insurance business, investments comprise assets covering technical provisions and shareholders' equity. Through controlled investment risks, GDIC aims to achieve the best possible return on the investment portfolio at an acceptable risk level while taking account of the structure of technical provisions and the solvency targets. The most significant investment risks pertain to market, credit and liquidity risks which may materialize in terms of lower-than-expected return on investments or of impaired investments. GDIC mitigates investment risks by diversifying investments as efficiently as possible by asset class, counterparty, sector, geographical area, and by ensuring that the investment portfolio is as liquid as possible. In Non-life Insurance, investment operations are based on investment plans and investment authorizations, confirmed regularly by the Board of Directors, which specify the basic allocation and range of investments by asset class, the organization of investment, risk limits as well as decision-making powers and authority. The Risk Management function monitors daily risk limits set in the investment plan, key risk limits including allocation limits, interest rate and currency limits, counterparty credit-rating

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limits and diversification limits. In addition to the above eight distinct risks need to be managed by insurance companies.

■ Insurance Risk

Insurance risk relates to the types of insurance products the company writes. Some products have a much lower insurance risk than others. For example, products involving many small policies such as household contents insurance are much less risky—systemic events excepted—than products which insure single large risks such as commercial buildings or multi million dollar life insurance policies. Similarly policies with a short duration during which claims can be made (for example, auto insurance) are much less risky than policies where claims can be made for a number of years after the insured event (for example, professional indemnity insurance.) The relative risks are reflected in varying levels of capital which the insurer needs to hold. The higher the risk, the greater amount of capital required to support those risks.

■ Operational Risk

Operational risk refers to all the risks associated with the operating units of an insurance company, such as the underwriting, claims and investment departments. Each department has its own risks which must be managed. For example, when writing a high value life insurance contract, the underwriting department must accept (straight out or with exclusions), decline, or load (accept a risk but charge more for it) the application in accordance with strict internal guidelines. Cross-checks need to be in place to ensure that internal guidelines are duly followed.

■ Liquidity Risk

The company must ensure that it can draw on sufficient cash to meet its liabilities, which are primarily payments of claims and benefits to policyholders. The company must have processes in place to convert investments and other assets into sufficient cash, as needed to meet its liabilities.

■ Strategic Risk

Any strategic initiative carries risks, which must be identified and quantified. Corporate strategies can involve low risk levels (for example, remaining in the same market or distributing the existing product range)

or they can involve elements of high risk (for example, purchasing a competitor or distributing a new and more risky product range.)

■ Contagion and Related Party Risk

When an insurance company is a member of a large group of companies or a conglomerate, it is exposed to some of the risks of the group as a whole. In addition, under stress the owners of the group may divert capital and resources, including management, from the insurance company to other companies of the group. Such diversion may weaken the ability of the insurance company to meet its claims—or develop a long-term competitive strategy.

■ Balance Sheet and Market Risk

Balance sheet and market risk relate to the strength of the company's balance sheet and the degree of risk inherent in the investment portfolio. Low risk assets include government bonds, whereas company shares may be associated with a high-risk category. Risk levels are further influenced by the quality of individual investments as measured by credit ratings from independent ratings agencies.

■ Counterparty Default Risk

Insurance companies rely on being paid by third parties, including the company's reinsurers and investment counterparties. Counterparties may not be able to pay their ongoing obligations (for example, interest on a corporate bond or rent by a lessee) or they may not be able to meet their obligations on time. Also an investment may not be convertible into cash despite a legal obligation to do so (for example, a redeemable preference share) or such conversion to cash may not occur within the contracted time frame.

■ Legal and Regulatory Risk

Insurance companies run the legal risk of being sued for a denial of a claim. Insurers companies can take an aggressive stance on claims payments, leading to low claims payments and high litigation costs. Alternatively they may take a compliant position, which would lead to high claims payments but low litigation costs. Regulatory risk relates to the risk of the company's officers or its agents failing to comply with the rules of the industry regulator.

4.4 | Ethics and Compliance

GDIC has adopted core values, commitments and code of conduct/ethical principles which are strictly followed. The statement of ethics is approved by the Board of Directors and is circulated to all employees. The Board of Directors of GDIC is committed to introduce high level of code of conduct and ethical principles. It also monitors the strict observance the same.

Green Delta Insurance Company Limited is a member of the steering committee of United Nations Global Compact. Being a member, GDIC has to follow certain principles and guidelines set by UN Global Compact. The areas which get attention from UNGC are Human Rights, Labor safety, Anti-corruption and Environment. GDIC has always been very keen to pursue those set of principles.

At Green Delta, employees are treated with great care and respect. All business activities must conform to all applicable national and international legal requirements. Bribery or any other form of anti corruption is treated with 'Zero Tolerance' policy. GDIC never gets engaged with any discriminatory practices. Race, color, sex, religion, political opinion, age, family obligations etc. are never considered

while recruiting. So GDIC promises a workplace free of harassment. Wage is never lower than what should be acceptable. Compensation paid to employees shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits.

No employees are forced to work overtime so there's total probation on forced labor. Freedom of association and collective bargaining can be observed here. The company ensures that the workplace and its environment do not endanger the physical integrity or health of the employees. Women are treated with great respect as well. Special activities can be seen on special days for women. Procedures and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions and effluent treatment shall at least meet legal requirements or exceed them

4.5 | Remuneration and other Committees of Board

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Audit Committee:

The committee is empowered, among other things, to examine any matter relating to the financial affairs of the company to review all audit and inspection reports, internal control system and produces, accounting policies and adherence to compliance requirements, etc.

Composition of Audit Committee:

Name	Status
Abdul Hafiz Chowdhury	Chairman
Kamran Idris Chowdhury	Member
Asif A. Choudhury	Member
Razia Rahman	Member
Marufa Anwar	Member
Nasir A. Choudhury	Managing Director and CEO – Ex Officio Member
Syed Moinuddin Ahmed	Secretary

Executive Committee:

The matter related to ordinary business operations of the company and the matters that the Board of Directors authorizes from time to time are vested on this committee.

Composition of Executive committee:

Name	Status
A Q M Nurul Absar	Chairman
Dilruba Chowdhury	Member
Arif A Choudhury	Member
Iqbal Khan (Jamal)	Member
Marufa Anwar	Member
Dr. Niaz A. Choudhury	Member
Khurshida Chowdhury	Member
Nurul Husain Khan	Member
Nasir A. Choudhury	Managing Director and CEO – Ex Officio Member
Syed Moinuddin Ahmed	Secretary

Executive Committee also looks after the aspects of Remuneration Committee

The Executive Committee of Green Delta Insurance Co. Ltd. comprises of the above mentioned Board of Directors who perform the following specific task behind the remuneration aspects of the employees of the company:

- Recommended/approved yearly increment of employees;
- Recommended /approved yearly incentive of employees;
- Oversee the Annual Confidential Report (ACR) of each employees carefully;
- Any interim benefits of employees;
- Confirmation/ Extension of service period of employee as company policy.

4.6 | Report on Human Capital

Human Capital:

Despite uncertainty in the market, organizations are continuing to look at global growth, mergers and acquisitions, evolving technology, regulatory change, and risk management. The landscape is also being shaped by trends including an aging workforce with multiple generations and the reality of distributed work in the cloud.

At Green Delta Insurance Company limited, we believe organizations can do a much better job at getting their human capital to drive business growth by leveraging advanced analytics to develop talent management and business driven HR strategies to delivery results today and prepare for tomorrow.

GDICL views its employees as the most valuable capital of the organization with the potential to bring superior results if inspired, led, trained and tasked with responsibility in the right way.

To achieve the long cherished objectives by following the principle of merit based recruitment, with this end n view, GDICL has formulated its HR Policy manual for recruitment and Development of Human Resources duly approved by the Board which is being followed up meticulously to ensure right manpower for right position and developing them.

Human Resource Management:

In order to keep pace with additional human resources requirement and to enhance the employment opportunity in the country, periodic requirement is done as per need of the company. In the year 2012, total 72+ employees were recruited.

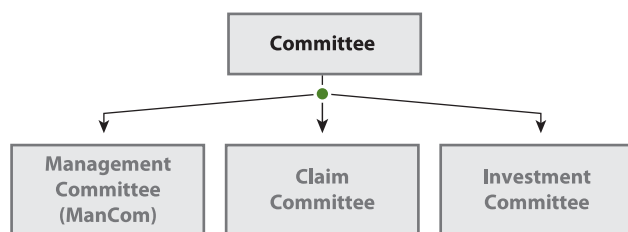
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Being in the insurance business, the company doesn't need to set up factories or other big establishments of that sort. The head office and all the 38 branches have been established keeping all the environmental issues in mind. One of the principles set by UN Global Compact is to follow the environmental guidelines. Being a member, GDIC strictly follows those principles. Till date GDIC haven't faced any environmental obligations from government or any other public organizations. This is definitely something to put up in the book of goodwill of Green Delta.

Since Green Delta Insurance Company Limited strictly maintains certain code of conducts and ethical practices, the chance of facing any social obligation is close to zero. The company has always been transparent regarding its business and delivering its products and services. Settlement of claims in due time is one of the key characteristics of the company which helped a lot in building its reputation as the most preferred non life insurer of the country. All in all, GDIC has established itself as a company which doesn't face any environmental or social obligations from government or non government organizations. The company is setting standards for other corporate bodies to follow in many areas of CSR and environmental/social issues in general.

4.8 | Management Review & Responsibility



Managing Director is the Chief Executive Officer (CEO) of the company. The company has approved Management committee, Claims Committee, Investment Committee and Organizational Structure (Organogram) with clear functional segregation and segregation of processing/functioning authorities. This ensures Core Risk Management Practice and compliance across the company. Management Committee is the main body of Management and decision making in the company. On the whole, the company is governed by rules, regulations, guidelines, directions and policies as applicable for the Insurance Business and operations.

Management Committee (ManCom)

The Management Committee is tasked with making key decisions of the Company's management and operations, under the official delegation of authority from the Board. The committee is comprised of Senior Executives who are from various key functions and operations of the company.

Composition of ManCom:

SN	Name
01.	Nasir A. Choudhury as Chairman
02.	Farid Ahmed Choudhuri
03.	A S A Muiz
04.	Farzana Chowdhury
05.	Golam Mustafa
06.	Nazim Tazik Chowdhury
07.	Syed Moinuddin Ahmed
08.	T.H. Forhad
09.	Nazrul Islam
10.	Syed Kaiser Ahmed
11.	Mursalin A Chowdhury
12.	Wafi Shafiq Menhaz Khan
13.	Md. Rafiqul Islam
14.	Kabir A Chowdhury

Investment Committee:

To utilize the invested amount of money of various private and public sector in a profitable way, the company has formed an Investment Committee.

Composition of Investment Committee:

SN	Name
01.	Nasir A. Choudhury as Chairman
02.	Farzana Chowdhury
03.	Nazim Tazik Chowdhury
04.	Syed Moinuddin Ahmed
05.	T H Forhad
06.	Wafi Shafiq Menhaz Khan
07.	Md. Rafiqul Islam
08.	Md. Warech Miah
09.	Chinmoy Chakrabarty

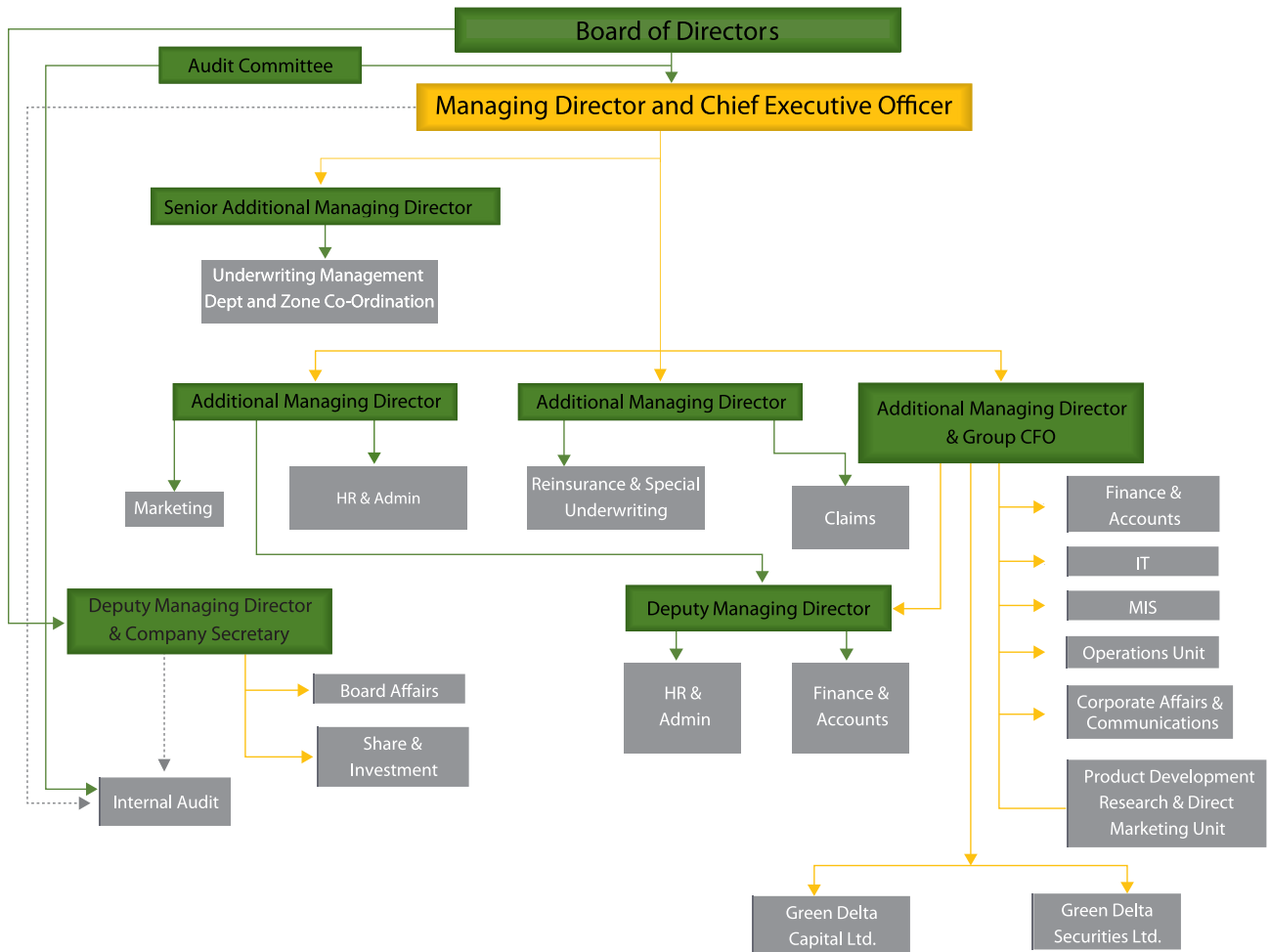
Claim Committee:

The company has formed a Claims Committee to expedite various claims issue against the insurance which is raised from the client corner.

Composition of Claims Committee:

SN	Name
01	Nasir A. Choudhury as Chairman
02.	Golam Mustafa
03.	Farzana Chowdhury
04.	Nazrul Islam

Organogram of Green Delta Insurance Co. Ltd.



4.9 | Investor's Friendly Information

Investment in Green Delta's Share is very reliable due to comfortable capital adequacy, good asset quality excellent financial performance, comfortable liquidity, strong market position & experienced to Management. Beside these, International Finance Corporation (IFC) has expressed their intention to become as an equity partner which creates our company's values.

4.10 | Compliance Report to Bangladesh Securities and Exchange Commission

ANNEXURE-I

The Directors also report that:

- Related party Transaction are depicted in Note no 2.16 & 28 in the Notes of Account
- Remuneration of Directors including Independent Director have been show in P/L accounts.
- The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity
- Proper books of accounts as required by the prevailing law have been maintained
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent
- The financial statements was prepared in accordance with IAS/BAS/IFRS/BFRS
- The internal control system is sound in design and is effectively implemented and monitored
- There is no significant doubt about the company's ability to continue as a going concern
- There is no significant deviation from the operating result of the last year

- Key operating and financial data of last five years have been presented in summarized form
- The number of Board Meeting and the Attendance of Directors during the year 2012 were as follows:

Name of the Meeting	Meeting Held	Attended
Board Meeting	13(thirteen)	89% Presence
Executive Committee Meeting	03 (Three)	on average
Audit Committee Meeting	04(Four)	

- The Pattern of share holding (along with name wise detail) of Parent/Subsidiary/Associated companies and other related parties, Directors, Chief Executives Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children, Executives, shareholders holding 10% or more voting interest in the company as at December 31, 2012 were as stated in ANNEXURE-II

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POSITION
TRANSPARENCY
SUPPORT

Spectacles power our vision and signify our persona. When our natural eyesight tends to deviate, spectacles make everyday friends. This quality of the spectacles symbolizes the characteristics of good governance. The good governance practice of Green Delta is similar in nature to that of the spectacles. It guides the organization towards the right path bringing success for the organization.

Annexure-II

Pattern of Shareholding as on 31st December'2012

SN	Name of the shareholders	Status	Share held	%
i.	Parent/Subsidiary/Associated Companies and other related parties	-	-	-
ii.	Directors			
1	Abul Quasem Mohammad Nurul Absar	Chairman	1,122,675	2.20
2	Dilruba Chowdhury	Vice Chairman	1,140,625	2.24
3	Khurshida Chowdhury	Director	4,792,100	9.39
4	Shamsun Nahar Begum Chowdhury	Director	1,122,750	2.20
5	Asif Ahmed Choudhury	Director	1,122,660	2.20
6	Meshbah Dilwar Rahman	Director	1,122,700	2.20
7	Iqbal Khan (Jamal)	Director	1,122,750	2.20
8	Arif Ahmed Choudhury	Director	1,122,660	2.20
9	Kamran Idris Chowdhury	Director	275,225	0.54
10	Razia Rahman	Director	33,125	0.06
11	Marufa Anwar	Director	2,075	0.00
12	Dr. Niaz Ahmed Chowdhury	Independent Director	200	0.00
13	Abdul Hafiz Chowdhury	Independent Director	106,200	0.21
iii.	Chief Executive Officer, Group Chief Financial Officer, Company Secretary, Head of Internal Audit and Spouse and Minor Children			
1	Nasir A. Choudhury	Managing Director and CEO	1,930,600	3.78
2	Farzana Chowdhury	Group Chief Financial Officer	791,100	1.55
3	Syed Moinuddin Ahmed	Company Secretary	Nil	Nil
4	Gazi Shafiqur Rahman	Head of Internal Audit	Nil	Nil
iv.	Executives			
1	A.S.A Muiz	Senior Additional Managing Director	15,000	0.03
2	Nazim Tazik Chowdhury	Deputy Managing Director	25,050	0.05
v.	Shareholders Holding 10% or more voting interest in the company		-	-

Report on Corporate Governance
Board Of Directors, Chairman and Managing Director & CEO
Audit Committee, Internal Control and Risk Management
Ethics And Compliance
Remuneration and other Committees of Board
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Any other investor friendly information
Compliance Report to Bangladesh Securities and Exchange Commission

Annexure-III

Brief Resume of the Directors who seek re-appointed in the AGM

From the Sponsor Shareholder Directors:

A. Q. M. Nurul Absar, after graduating in Civil Engineering from BUET in the year 1964, he has completed his post graduation in Hydraulic Engineering from DELFT University in The Hague, Netherlands. He served the Water and Power Development Authority - WAPDA, in Kuwait for 10 years. His professional experience included designing and constructing hydraulic structures like regulators pump station and sluice gates. Mr Absar served in reservoir section under the Ministry of Electricity & Water, Kuwait, for 10 years where he was involved in the construction of water reservoirs. Mr. Absar is also the Director of Delta Medical College & Hospital and Delta Life Insurance Co. Ltd.

Asif A. Choudhury, at present he is looking after family business as Director of Albert David pharmaceuticals Ltd. and Continental travels Ltd. in Bangladesh. He obtained his MBA from The George Washington University, Washington D.C, USA. He has attended many national and international training and conferences and also has traveled various countries for business purpose. He is also involved with many social work and welfare organizations.

From Public Shareholder Director:

Dr. Niaz Ahmed Choudhury, has obtained his Ph.D in Surgery from Hamamatsu University School of Medicine, under professor Sukichi sakaguchi, Japan.

He was the Assistant professor, Department of Surgery, Bangabandhu Sheikh Mujib Medical University, Dhaka and Visiting Professor, Division of Vascular Surgery, Graduate School of Medicine, The university of Tokyo, Japan. Now he is working as Professor, Vascular Surgery, , Bangabandhu Sheikh Mujib Medical University, Bangladesh.

From Independent Director:

Nurul Husain Khan started his glorious career in the year 1957. Throughout his career he worked for Government of Bangladesh. Before retiring from government services in 1992, he was the Secretary of the Ministry of Finance, Government of Bangladesh and Chairman of National Board of Revenue. After that, he was assigned in many important positions as the nominee of the government such as, Chairman of Eastern Bank Limited, Director of Bangladesh Bank etc. Currently he is the Chairman of Sapporo Dental College and Hospital which he has been continuing since 2002.

ANNEXURE-IV

Compliance of Notification No. SEC /CMRRCD/2006-158 /134/Admin/44 as on 07 August 2012 stands at 6(including Independent Director) which is within the limits given by BSEC:

1. BOARD OF DIRECTORS:

1.1 Board's Size

The member of the Board Directors within the limits given by BSEC

1.2 Independent Director's:

- (i) In terms of the Provision under this sub-clause the Board of Directors has nominated Mr. Abdul Hafiz Choudhury and Nurul Husain Khan as the Independent Director.
- (ii) The Independent Director, nominated by the Board of Directors meets all the requirement as prescribed under the SEC Notification.
- (iii) In terms of provision of SEC Notification under reference the shareholders in the AGM are required to approve the appointment of Mr. Nurul Husain Khan as an Independent Director.
- (iv) The post of Independent Director shall be kept vacant for more than 90 days.
- (v) The board of Directors has laid down a code of conduct for all members of the Board as follows:
 - (1) They shall maintain honesty and integrity in all affairs.
 - (2) They shall abide by all laws and regulation of the country
 - (3) They shall disclose all matters of conflict of interest.
 - (4) They shall not pursue any business which is competitive to the company
 - (5) They shall not engage in insider trading
 - (6) They shall vacant office if they are convicted by any court of law or become defaulter to any financial institution or become bankrupt
 - (7) They shall not violate any regulation of BSEC/DSE/CSE/IDRA
 - (8) They shall not interfere in any functions of the officials
 - (9) They should become and imbibe 'Green' to others
 - (10) They shall strive for CSR attainment\
- (vi) The tenure of office of the Independent Director as nominated above shall be 3(three) year which may be extended for 1(one) term only.

1.3 Qualification of Independent Director (ID)

- (i) The Independent Director nominated by the Board is highly qualified and knowledgeable person.
- (ii) The recommended ID has more than 15 year's experiences
- (iii) No relaxation of qualification of the ID is required

1.4 Chairman of the Board and Chief Executive Officer

The position of the Chairman of the Board and the Chief Executive Officer stand separate. The roles of the Chairman and CEO & Managing Director are separate.

1.5 The Directors' Report to Shareholders

All the requirement have been fulfilled.

2. CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS).

Three separate persons, each of different specialized discipline, have been appointed. Their role has been defined by the Board. The CFO/CS regularly attend the Board Meeting.

3. AUDIT COMMITTEE:

The Audit Committee, as a sub-Committee of the Board, have been constituted with the Independent Director as Chairman. The Company Secretary acts as Secretary to the Committee. Role of the Audit Committee as per provision of the BSEC regulation, have been duly adopted by the Board. Their reports are being submitted as per BSEC requirements.

4. EXTERNAL/STATUTORY AUDITOR(S):

The BSEC guidelines are being strictly followed in engaging statutory Auditors

5. SUBSIDIARY COMPANY(S):

The BSEC regulation relating to the constitution of the Board of Directors of the subsidiaries have been implemented and their duties are being carried out.

6. DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):

The provision of BSEC regulations are being complied with on regular basis

7. REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:

Requirement on the above are being complied with.

ANNEXURE-V

AUDIT COMMITTEE REPORT

The Audit Committee of the Green Delta Insurance Co. Ltd. is a sub-committee of the Board of Directors and is appointed by the Board of Directors. The Audit Committee comprise of the following Directors:

SN	Name	Status
01.	Abdul Hafiz Chowdhury – Independent Director	Chairman
02.	Shamsun Nahar Begum Chowdhury	Member
03.	Kamran Idris Chowdhury	Member
04.	Asif A. Choudhury	Member
05.	Meshbah Dilwar Rahman	Member
06.	Marufa Anwar	Member
07.	Razia Rahman	Member
08.	Nasir A Choudhury	Managing Director and CEO as Ex. Officio
09	Syed Moinuddin Ahmed	Secretary

The Committee held five (04) meetings during the year 2012 as per following.

Name of the Meeting	Meeting Held	Date of the Meeting	Attended
		08.03.2012	89% attendance on average
		01.10.2012	
		26.12.2012	
Audit Committee Meeting	04(Four)	29.12.2012	

Invites to the meetings were Additional Managing Director & Group CFO, Head of Internal Audit, related Branch Managers & Department Heads. Their presence in the meetings added value as appropriate actions could be taken on the spot for necessary improvement. Deputy Managing Director and Company Secretary who acts as the Secretary to the Committee was also present in the meetings.

Activities of the Audit Committee

- The Audit Committee reviews the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended on 31st December 2012;
- The Audit Committee while reviewing the financial statements ensured that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to insurance business;
- The Audit Committee also reviewed the quarterly and half yearly audited statements of accounts for their proper presentation and accuracy;
- The Audit Committee discussed with the statutory auditors before the audit commences, about the nature and scope of audit as well as had post-audit discussions to address areas of concern;
- Approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;
- Reviewed the Internal Auditors reports and suggested appropriate actions where needed. Internal Auditors were also advised to carryout audit of all the branches in each year;
- Reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation. The Audit Committee is of the view that risk management associated with the insurance business is adequately controlled.



(Abdul Hafiz Chowdhury)
 Chairman, Audit Committee

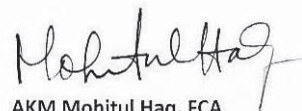
ANNEXURE-VI**Certificate on Compliance with Corporate Governance Guidelines**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE GUIDELINES .**

To the Members of Green Delta Insurance Company Ltd.

This is to certify that Green Delta Insurance Company Ltd. has complied with the conditions of Corporate Governance Guidelines imposed by the Securities and Exchange Commission vide their Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012.

Place -Dhaka.
Date- February 17, 2013



AKM Mohitul Haq, FCA
Partner

Ahmed Zaker & Co.
Chartered Accountants

Compliance Report to BSEC Notification

ANNEXURE-VII

Status of Compliance of Corporate Governance

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification # SEC/CMRRCD/2006-158/134/Admin/44 dated on 07th August, 2012 issued under section 2CC of the SEC, 1969

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.1	Board's Size			
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1.2 (ii) a)	For the purpose of this clause "independent Director" means a director- 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;	√		Subject to re-appointment in 27th AGM
1.2 (ii) b)	who is not a sponsor of the company and is not connected with the company's any sponsor or shareholder who holds one (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not above mentioned shares in the company . Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	√		
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1.2 (ii) d)	who is not a member, director or officer of any stock exchange;	√		
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1.2 (ii) f)	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;	√		
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies;	√		
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBF);	√		
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)	Remarks (if any)
1.2 (iv)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days;		N/A
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded;	√	
1.2 (vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√	
1.3 (i)	Qualification of Independent Director(ID) Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	√	
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences;	√	
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;		N/A
1.4	Chairman of the Board and Chief Executive Officer: The Position of the Chairman of the Board and the Chief Executive Officer of the Companies shall be filled by different Individuals.	√	
1.5 (i)	The Directors' Report to Shareholders: Industry outlook and possible future developments in the industry	√	
1.5 (ii)	Segment-wise or product-wise performance	√	
1.5 (iii)	Risks and concerns	√	
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss		N/A
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√	
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments		N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc		N/A

Condition No.	Title	Compliance Status (Put √ in the appropriate column)	Remarks (if any)
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	√	
1.5 (x)	Remuneration to directors including independent directors	√	
1.5 (xi)	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	√	
1.5 (xii)	Proper books of account of the issuer company have been maintained	√	
1.5 (xiii)	"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"	√	
1.5 (xiv)	"International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed"	√	
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√	
1.5 (xvi)	There are no significant doubts 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 thereof should be disclosed	√	
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained		N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√	
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given		N/A
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed	√	
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares held by:	√	
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details),	√	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)	Remarks (if any)
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details),	✓	
1.5 (xxi) c)	Executives	✓	
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)		N/A
1.5(xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:	✓	
1.5 (xxii) a)	a brief resume of the director	✓	
1.5 (xxii) b)	nature of his/her expertise in specific functional areas	✓	
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board	✓	
2.1	Appointment of Chief Financial Officer CFO), Head of Internal Audit and Company Secretary (CS)	✓	
2.2	Requirement to attend the Board Meetings	✓	
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	✓	
3 (ii)	The Audit Committee shall assist the Board of Directors 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	✓	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	✓	
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	✓	
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director	✓	
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	✓	

Condition No.	Title	Compliance Status (Put √ in the appropriate column)	Remarks (if any)
3.1 (iv)	"When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee"	√	
3.1 (v)	The company secretary shall act as the secretary of the Committee	√	
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√	
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	√	
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√	
3.3 (i)	Oversee the financial reporting process	√	
3.3 (ii)	Monitor choice of accounting policies and principles	√	
3.3 (iii)	Monitor Internal Control Risk management process	√	
3.3 (iv)	Oversee hiring and performance of external auditors	√	
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval	√	
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√	
3.3 (vii)	Review the adequacy of internal audit function	√	
3.3 (viii)	Review statement of significant related party transactions submitted by the management		N/A
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)	Remarks (if any)
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus		N/A
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors	✓	
3.4.1 (ii) a)	report on conflicts of interests	✓	
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system	✓	
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations	✓	
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately	✓	
3.4.2	Reporting to the Authorities	✓	
3.5	Reporting to the Shareholders and General Investors	✓	
4 (i)	Appraisal or valuation services or fairness opinions	✓	
4 (ii)	Financial information systems design and implementation	✓	
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	✓	
4 (iv)	Broker-dealer services	✓	
4 (v)	Actuarial services	✓	
4 (vi)	Internal audit services	✓	
4 (vii)	Any other service that the Audit Committee determines	✓	
4 (viii)	"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"	✓	
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company	✓	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	✓	
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓	

Report on Corporate Governance
Board Of Directors, Chairman and Managing Director & CEO
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Condition No.	Title	Compliance Status (Put √ in the appropriate column)	Remarks (if any)
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√	
6 (i) a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√	
6 (i) b)	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	√	
6 (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 violation of the company's code of conduct	√	
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	√	
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√	

5.1 | Directors' Report

To be a company that customers continue to trust and choose

Dear Shareholders, customers and colleagues:

We, the Board of Directors of your Green Delta Insurance Company Limited are indebted to all our stakeholders to enable us to present the Annual Report along with the Audited Financial Statements for the year ended December 31 2012. With pleasure, in the report, we would touch upon the details of the business operations and achievements of Green Delta Insurance Company Ltd. for the year 2012.

By any measure the year just ended was extraordinary in its challenges, but more notably, in the progress we made in advancing the strategy of the company. The pages of this report are a clear statement of the way we have chosen to compete in each of our businesses and reflect the confidence we have going into the new year.

In the message to shareholders by the Chairman and Managing Director both of them have stressed of turning the corner after what has been a period of economic uncertainty. We would like to build on these words with our own reflection on the financial strength of Green Delta Insurance and the opportunities we see for growth in our business.

Stability cautiously but slowly returning to the financial markets this past year – and we began to see emerging confidence on the part of consumers. We took advantage of the regulatory changes and improved market environment to increase our revenue and reduce the level of risk in key areas, while generating BDT 2.60 billion collections in gross premium. The way in which we managed business, minimized risk and maintained the reputation both locally and globally, has placed us among one of the most respected financial institutions.

Bangladesh: Country Economic Forecast: 2012

Bangladesh remains fairly resilient to the global headwinds. GDP growth accelerated to 6.7% in the 2010/11 fiscal year, the fastest pace since the early 1970s, led by industrial output as exports grew strongly. But with export growth now hit by the weakening world economy and fuel import costs still very high, GDP growth is set to slow to around 6% in 2011/12. Growth will also suffer from energy and raw material supply constraints, which lifted inflation into double digits in 2011 and have rapidly

eroded the current account surplus. Investment in power supply facilities should reduce the incidence of power shortages in 2012, but only by significantly boosting oil imports as argument on contract terms delays significant expansion of offshore gas. Although down from a peak of 12% in September, inflation was 11.6% in January, forcing monetary policy to remain tight. With export demand faltering (the EU takes over 50% of Bangladeshi exports), oil imports rising and workers' remittances slowing, the current account moved into deficit in November and is forecast to post a small deficit in 2011/12 overall. This will be partly offset by rising FDI, with India emerging as a key source, but reserves were down to US\$9.4bn at end January from a peak of US\$11.3bn in April 2011, and the BDT fell 13% against the US\$ in 2011. A fear of renewed political uncertainty in the run-up to the next elections in 2013 still prevails.

While current conditions are gloomy, Swiss Re's Chief Economist sees brighter prospects for insurance industry into 2013

Unveiling the company's latest Global Insurance Review and Outlook publication in London today, Swiss Re's newly appointed Chief Economist, Kurt Karl, says that low interest rates and the euro debt crisis are proving a headache for the insurance industry. The only bright spot is ongoing robust growth in emerging markets although, here, too, momentum has slowed somewhat. Looking forward to 2013, however, Karl is more optimistic, forecasting a pick-up in investment yields and premiums in the wake of a modest improvement in economic prospects. Filling Karl's shoes in the Americas, Thomas Holzheu has been appointed Chief Economist, North America for Swiss Re.

Political developments bad news for economic stability

According to Karl, the most serious threat for economic stability stems from political developments in Europe and the U.S. He commented: "In Europe, these could result in disorderly sovereign defaults or even exits from the euro monetary union. In addition, there is the political stalemate in the U.S. which is preventing necessary fiscal adjustments which could support growth and bring down the deficit."

While emerging markets have also been negatively impacted by faltering growth in the developed economies, Swiss Re says that tighter monetary policy on the part of several emerging countries has also slowed growth and is keeping the lid on inflation.

Non-life likely to pick up towards the end of 2013

On the non-life front, the economic weaknesses in the U.S. and Europe have dampened premium growth. However, this will improve in 2012 and further in 2013 when it will likely accelerate to 3%. During the same period, premium growth in emerging markets will be between 7 and 9%.

High catastrophe losses over this year will depress profits, but this situation has led to a hardening of reinsurance rates in property cat lines. Low interest rates and government bond yields will squeeze profits throughout most of 2012 and 2013, but an improvement in casualty rates, expected late next year, will help profits.

Life's difficult road

Both global in-force and new business life insurance premiums fell in 2011, although growth will recover in 2012 and return to its long-term average performance in 2013. In the short term, factors such as low investment returns, higher hedging costs and more onerous capital requirements will prevent a return to pre-crisis profitability. Growth in industrialised countries will be driven largely by longevity and large block transactions. All that said, the life industry's capitalisation has improved markedly, so it is in better shape than before the 2007 crisis and is well placed to cope with a challenging future.

Emerging markets still a growth engine

Despite a slowdown in 2011 due to regulatory changes in China and India, the coming two years will see life insurance business in emerging markets returning to its long-term trend of around 8%. Non-life business has benefited, among other things, from rising car ownership and sustained spending on infrastructure. Interesting to note is that the series of natural catastrophes in Asia may have raised risk awareness and encouraged firms to seek adequate insurance coverage. Swiss Re's Chief Economist for Asia, Clarence Wong, expects that the ongoing liberalization in key emerging markets such as India, China and Russia will hasten the globalization of emerging insurance markets.

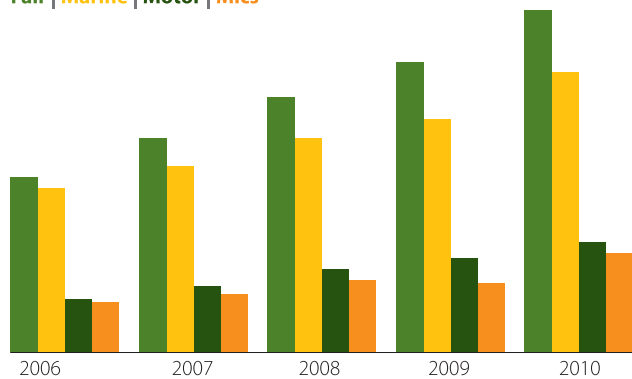
Non-Life Insurance Industry Review

Bangladesh attained a respectable 6.7% growth in gross domestic product (GDP) in FY2011, aided by strong export growth and favorable weather for agricultural production. However, macroeconomic management came under pressure in the first quarter of FY2012, with inflation rising rapidly, a sharp rise in government borrowing from the banking system, and growing pressure on foreign exchange reserves and exchange rate. The balance of payments is under strain owing to increased demand for oil and capital goods imports and elevated levels of commodity prices. Fiscal pressures have emerged due to rising subsidy costs, mainly on account of increased fuel consumption.

Country's insurance business is largely co-related with import as well as credit growth as insurance is mandatory for both import business and commercial lending. Total import showed 51.34 percent growth during February 2011 over the corresponding period of Feb 2010 while credit to the private sector is envisaged to remain at 16.0%.

Industry Gross Premium

Fair | Marine | Motor | Mics



In Bangladesh 43 private insurers and one Government Corporation are operating in the non life insurance sector. Private sector non-life insurance companies earned gross premium of BDT 14,883.94 million in 2010 (2009: BDT 12,284.20 million) recording a growth of 21.2%. In 2010 segment wise gross premium figures show that fire insurance dominates with 41.2% of total gross premium followed by marine insurance business 33.7%. Industry average loss ratio was 20.23%. Loss ratio was high in motor class of business and low in marine. Industry average risk retention ratio was 60.44% in 2010 which was high in motor class of business.

Total assets of private sector non-life insurance companies reached BDT 33,368.62 million in 2010 registering 2.1% growth over previous year. Investment & fixed deposit portfolio grew by 34% in 2010 and stood at BDT 17,107.37 million. Reserve to total assets of the industry was 14.07% in 2010 (2009:12.21%).

Total underwriting profit of the industry in 2010 was BDT 1,262.9 million and underwriting profit margin was 13.84% (2009:15.05%). Total net profit (before tax) was BDT 3,685.1 million and return on assets in the industry was 9.78% (2009: 8.28%).

Corporate Profile

Green Delta Insurance Company Ltd (hereafter called GDIC or the Company) was incorporated in December 1985 as Public Limited Company with an objective to carry out all kind of insurance business other than life insurance. GDIC entered into capital market through public offering of shares and got listed in Dhaka Stock Exchange (DSE) in January 1990. Presently the Company has 38 branches located at different prime locations across the country. The paid up capital of GDIC was BDT 510.3 million against authorized capital of BDT 1,000.0 million as of December 2011. The Company has two subsidiary companies; Green Securities Ltd. and Green Delta Capital Ltd.

Green Delta Securities Ltd. – a subsidiary of Green Delta Insurance Company Ltd. involved in the share brokerage with membership from both Dhaka Stock Exchange and Chittagong Stock Exchange.

Green Delta Capital Ltd. was initially started as a private limited company on February 2010. The name was

changed and started operation as Green Delta Capital Ltd. on September 2011. Principal activity of the Company is to carry out as a merchant banker the company provides corporate advisory, structured finance, underwriting, portfolio management and issue management services.

Green Delta Insurance also have equity investments in Delta Brac Housing Ltd. Progressive Life Insurance Company Ltd. United Hospitals Ltd. BD Venture Ltd. and SwissPro AMC (BD) Ltd.

Operational Review

During 2012, GDIC's gross premium earnings grew by 10.7% whereas net premium grew by 40.66%. Net claim of the Company increased by 64.96% during the same period.

Unlike 2009 and 2010 the revenue of GDIC was not dominated by investment & other income. However, contribution of underwriting profit increased to 140% in 2012 compared to 2011 and the contribution of investment income increased marginally by 2.79% in 2012 resulted from increased Fixed Deposit position and lower capital gain on share market investment. Net profit (before tax) increased by 83.13% resulted from the increased underwriting profit and return from fixed deposits.

For last five years GDIC's solvency margin remained well above the required level. During 2012, available solvency was 8.02 times of required solvency which was 6.3 times in 2011. In 2012, GDIC kept BDT 3348.05 million as total reserve. The Company also maintained reserve for unexpired risk as per regulatory requirement.

At present GDIC has re-insurance treaty agreement with Shadharan Bima Corporation (SBC), General Insurance Corporation of India, Arab Insurance Group, Asian Reinsurance Corporation, J.B. Boda Insurance Services (L) BHD and B.E.S.T Reinsurance against all classes of general insurance business.

The outstanding claims of the Company increased to BDT 18.99 million in 2012 from BDT 62.9 million in 2011. However, adequate liquidity (around 1.5 times in a five years period) and substantial solvency strength of the Company helped it to achieve the market confidence regarding claim paying ability.

In 2012, shareholders' equity of GDIC increased by 53.7%. The Board has issued 15% bonus shares and 15% cash in 2012 subject to approval at the 27th AGM. It is to be mentioned that the Board of GDIC has approved issuing upto 10.0% share of the Company to International Finance Corporation (IFC).

PREMIUM

It is our pleasure to report that in 2012 Green Delta Insurance Company Ltd. experienced another record year of growth in premium earnings. Gross premium income increased by BDT. 251.72 million compared to that of previous year registering a growth of 10.7% whereas the net premium increased by 40.7% as the Company has increased its own risk retention by 26.37%.

In line with the general practices, the underwriting business of Green Delta Insurance Company Ltd. covers

Gross Premium Income



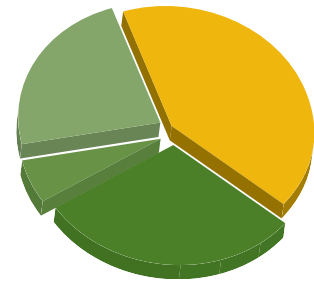
fire insurance, marine insurance, motor insurance and miscellaneous insurance business

Classes of Business & Charges

In the year 2012 Gross premium income increased from fire insurance alone by 5.75% from BDT 1,016.98 million in 2011 to BDT 1,075.48 million in 2012. Of the total gross premium 41% consists of Fire insurance premium. After ceding the reinsurance of BDT 678.76 million, the net premium stood at BDT. 396.71 million, which is 5.85% higher than 2011.

In the year 2012 Gross premium income increased in Marine insurance business by 47.35% from BDT. 528.28

Classes of Business & Charges



Fire **1075.48**
 Marine **778.45**
 Motor **152.53**
 Miscellaneous **596.74**

million in 2011 to BDT. 778.45 million in 2012. Of the total gross premium 29.90% consists of Marine insurance premium. After ceding the reinsurance of BDT 169.61 million, the net premium stood at BDT. 608.84 million, which is 90.90% higher than 2011.

The gross premium income from motor insurance business was increased by 18.31% from BDT. 128.92 million in 2011 to BDT. 152.53 million. Of the total gross premium 5.86% consists of motor insurance premium. In 2012, after ceding the reinsurance premium of BDT 22.36 million the net premium stood at BDT 130.16 million.

Gross premium income decreased from miscellaneous insurance business by 11.89% from BDT. 677.29 million in 2011 to BDT. 596.74 million in 2012 and after ceding the re-insurance premium of BDT. 519.92 million the net premium income from miscellaneous business stood at BDT. 76.82 million which is 44.75% higher than the previous year. Of the total gross premium 22.92% consists of miscellaneous insurance premium.

Out of total premium earned, if the specific contributions by each classes of business are looked, it is found that major contribution made by the fire insurance, followed by miscellaneous, marine and motor.

Segregation of Net Premium

Taka in million

(Mil.BDT)	2012			2011			2010		
	Amount	Total (%)	Growth(%)	Amount	Total(%)	Growth(%)	Amount	Total(%)	Growth(%)
Fire	396.7	32.7	5.8%	374.8	43.5	18.2%	317.2	41.2	-7.6
Marine	608.8	50.2	90.9%	318.9	37.0	10.4%	288.8	37.5	20.6
Motor	130.2	10.7	12.9%	115.3	13.4	16.8%	98.7	12.8	12.6
Misc.	76.8	6.3	44.7%	53.1	6.2	-19.0%	65.5	8.5	16.9
Total	1212.5	100.0	40.7%	862.1	100.0	11.9%	770.2	100.0	6.0

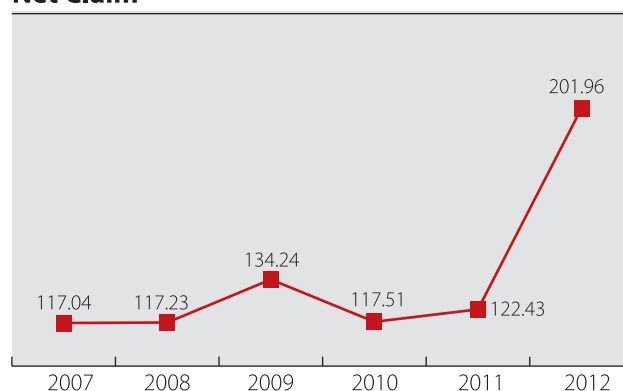
In 2012 GDIC's gross premium reached BDT 2,603.19 million (with a growth of 10.7%) whereas net premium grew by only 40.7% and reached BDT 1,212.54 million at the end of 2012. Similar to other years, fire class of business dominated net premium earnings with 32.72% of total net premium in 2012 followed by marine 50.21%, motor 10.73% and miscellaneous 6.34%.

CLAIM AND LOSS RATIO

During 2012, combined ratio of GDIC decreased by 1.05% mainly resulted from the increase in gross premium. However, loss ratio of the Company increased by 16.78% during the same period.

In 2012 the net claims increased by 65% from 2011. Whereas the increase was 22.43% in the year 2011 from the year 2010. Since the business has grown substantially the claim has also increased. The net claims stand at BDT 201.96 million as at 31st December 2012.

Net Claim



Segregation of Net Claim

(Mil. BDT)	2012			2011			2010		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Fire	128.5	63.6	348.8%	28.64	23.39	(29.35)	40.6	34.5	22.2
Marine	32.3	16.0	-43.2%	56.80	46.39	137.0	23.9	20.4	(46.4)
Motor	31.8	15.8	14.5%	27.81	22.72	(38.60)	45.3	38.5	7.2
Misc.	9.3	4.6	1.7%	9.18	7.50	19.22	7.7	6.6	(45.4)
Total	201.96	100.0	65.0%	122.43	100.0	4.0	117.5	100.0	(12.5)

During 2012, net claim of GDIC grew from BDT 122.43 million to BDT 201.96 million as opposed to the growth of 4.00% in 2011 from BDT 117.51 million in 2010 to BDT 122.43 million. In 2012, the highest claim incurred from marine class of business which covers 15.97% (BDT 32.26 million) of total net claim followed by fire class of business (BDT 128.54 million, 63.65% of net claim).

Profitability

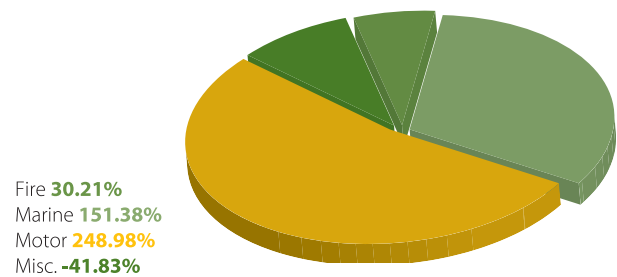
Revenue source of GDIC were underwriting profit and investment & other income.

Underwriting profit

Underwriting profit has tremendously increased as compared to its previous year. The profit has increased about 140% in 2012 whereas in 2011 the profit was 24.58% increased. In 2012, the underwriting profit increased in fire 30.21%, marine 151.38% and motor 248.98% simultaneously miscellaneous growth is increased about 41.83%. on the other hand, investment and other income has increased 2.8% as compared to its previous year whereas in 2011, the investment and other income was downward about 77.16%.

GDIC seeks to underwrite businesses with corporate ethics and strives to create a policyholders base with best possible risk management profile. Customer base is very selective and GDIC remains extremely choosy in partnering with clients. Every business that is underwritten by GDIC must meet strict underwriting guidelines of the company and be reevaluated annually upon renewal. GDIC maintains strong commitments to effective handling of claims.

Underwriting Profit



Underwriting Performance / quality							
%	2012	2011	2010	2009	2008	2007	
Loss Ratio	16.66	14.20	15.3	18.5	18.7	25.9	
Fire	32.40	7.64	12.8	9.7	15.2	28.0	
Marine	5.30	17.81	8.3	18.6	15.5	26.3	
Motor	24.45	24.12	45.9	48.2	22.6	32.4	
Misc.	12.16	17.29	11.8	25.2	61.7	5.8	
Combined Ratio	92.29	118.5	119.2	104.6	104.0	108.4	

Investment Profile

In 2012 the investment portfolio of GDIC decreased by 1% and fell down to BDT 2,877.00 million from BDT 2,905.80 million at the end of 2012. Alike 2011, during 2012 also investment portfolio was dominated by investment in quoted shares which was 52.70% of total investment followed by fixed deposit (30.5%). GDIC has BDT 1,515.9 million invested in quoted shares which were recorded at market price. GDIC's investment in shares was reasonably diversified among shares of different financial institutions,

insurance company and others. It should be mentioned that GDIC maintained BDT 676.43 million investment fluctuation fund at the end of 2012 for the diminishing value of these investment. GDIC also held unquoted shares of 4.8% companies amounting BDT 139.0 million by the end of 2012. The Company invested BDT 107.5 million in GDSL as margin loan for which GDIC accrued BDT 11.55 million as interest income. The investment of GDIC its two direct subsidiaries have increased by almost 7% and reached to BDT 200.00 million.

(Mil. BDT)	2012			2011			2010	
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)
NIB	4.5	0.2	0.0%	4.5	0.2	0.0	4.5	0.1
Fixed Deposit	878.2	30.5	62.0%	542.2	18.6	(16)	648.5	18.2
Quoted Shares	1515.9	52.7	-13.0%	1743.4	60.0	(21)	2,225.6	62.6
Un-quoted Shares	139.0	4.8	60.5%	86.6	3.0	(36)	136.6	3.8
Debentures	5.2	0.2	-25.7%	7.0	0.2	(20)	8.8	0.2
Mutual Funds	-	-	-	200.0	6.9	0.0	200.0	5.6
Investment in Subsidiary	200.0	7.0	-	200.0	6.9	7.0	186.5	5.2
Investment in GDSL as margin loan	107.5	3.7	-6.5%	115	4.0	(14)	135.0	3.8
Others	26.7	0.9	276.1%	7.10	0.2	(14)	8.3	0.2
Total	28770.0	100.0	-1.0%	2905.8	100	(18)	3,553.8	100.0

Segregation of Investment & Other Income						
(Mil.BDT)	2012		2011		2010	
	Amount	Total (%)	Amount	Total (%)	Amount	Total (%)
Interest Income	89.5	66.1	61.5	46.66	66.3	11.5
Dividend	25.5	18.8	12.8	9.71	51.2	8.9
Profit from Sale of Shares	1.3	1.0	39.2	29.74	455.8	79.0
Other Income	19.2	14.2	18.3	13.89	3.8	0.7
Total	135.5	100.0	131.8	100.00	577.1	100.0

Total investment and other income of the Company increased to BDT 135.45 million from BDT 131.80 million in 2012 on the back of reduction of income on the quoted shares investment.

However, despite the above reduction in investment income, the return on assets (ROA) of GDIC is still increasing at faster pace compared to the industry rate.

ROA of GDIC vs. Industry

Moreover, during the year 2011 and 2012, GDIC has made significant investment on the following that are expected to result in substantial investment return and cost reduction in near future:

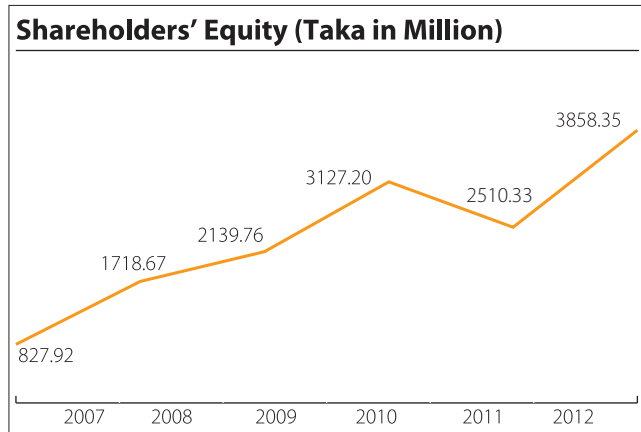
- Investment in Green Delta Aims tower
- Investment in Merchant Banking subsidiary
- Investment in commercial floor space in Dhaka city
- Investment in Financial advisory firm
- Investment in Mutual fund

Capital Adequacy

Paid up capital of the Company reached BDT 510.3 million at the end of 2012. In 2012, shareholder's equity increased by 54.30% on the back of massive decline in the provision for secondary market investment. The shareholders equity stands at BDT 3,858.35 million as at 31st December 2012.

Solvency Margin

During 2012, GDIC's solvency margin remained above the required level. GDIC's required solvency was BDT 343.3 million whereas the Company's available solvency was BDT 2,756.0 million which means the value of assets had been more than the liabilities in that particular period. Therefore, the available solvency was 8 times of required solvency in 2012.



Solvency					
(Mil. BDT)	2012	2011	2010	2009	2008
Available Solvency (AS)	2756.0	1383.3	2,662.3	1,662.0	1,105.3
Required Solvency (RS)	343.3	290.7	248.6	197.2	176.0
AS/RS (times)	8.0	4.8	10.7	8.4	6.3

Liquidity Position

In 2012, GDIC's current assets decreased by 15.99% whereas current liabilities also decreased 6.51%. As a result current ratio increased to 1.97:1 in 2012 from 1.36:1 in 2011. In 2012, 100.00% of its total liabilities consisted of current liabilities as there is no long term liability. Liquid assets to total assets decreased to 60.97% from 90.75% in 2012 resulted from the growth of total asset (25.03%).

Re-insurance Utilization

At present GDIC has re-insurance treaty agreement with Shadharan Bima Corporation (SBC), General Insurance Corporation of India (Rated A- by A.M Best), Arab Insurance Group (Rated B++ by A.M Best), Asian Reinsurance Corporation (rated B by A.M. Best), J.B. Bora Insurance Services (L) BHD and B.E.S.T Reinsurance (rated A by A.M. BEST) against all classes of general insurance business. Usually high retention level signals inadequate reinsurance protection while low retention level hampers profitability.

Risk retention of GDIC was high in motor class of business which was in line with industry scenario. In 2012, risk retention of the Company decreased by 26.37% to 46.58% from 36.86% in 2012.

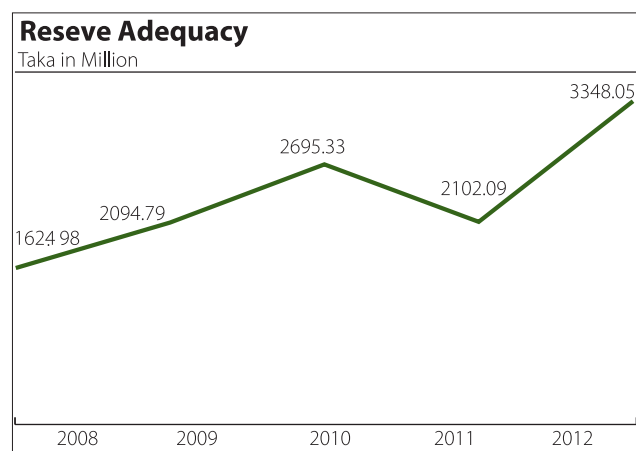
Risk Retention of GDIC vs. Industry

Risk Retention Ratio						
%	2012	2011	2010	2009	2008	2007
Fire	36.89	36.85	33.5	39.0	34.9	27.5
Marine	78.21	60.90	67.3	75.9	80.7	77.1
Motor	85.34	89.33	91.9	95.5	95.9	94.7
Misc.	12.87	7.93	12.7	17.9	13.8	18.0
Total	46.58	36.86	38.5	45.4	44.8	40.7

Reserve Adequacy

In 2012, GDIC kept BDT 736.81 million as reserve for exceptional losses which increased by 19.70% over last year. The proportion of reserve for exceptional losses was 0.61 times of net premium and 3.65 times of net claim in 2012.

To comply with regulatory requirement, GDIC maintains 50% of net premium as reserve for unexpired risk except for marine hull where it maintains 100%. Beside these, GDIC also maintained reserve in form of share value fluctuation reserve (BDT 676.43 million), general reserve (BDT 170.00 million), dividend equalization reserve (BDT 120.00 million) and foreign currency reserve (BDT 3.98 million).



PRODUCTS AND SERVICE

Green Delta Insurance has been the pioneer in introducing innovative products. The year 2012 has not been an exception. From the Green Delta end several new pilot projects like Micro Health Insurance for the people at the bottom of the pyramid, crop insurance etc. have been initiated. As a part of this, Green Delta Insurance is also an active member of the incubator concept that has been initiated by World Marketing Summit (WMS) 2012. Not only these, the product development and research team is continuously striving to offer something needed to the customers.

MANAGEMENT

Senior Management

The management team of GDIC has an experienced management team with wide exposure in insurance industry. Mr. Nasir A. Choudhury, having more than 50 years experience in insurance business is the Managing Director and CEO of the company. The Managing Director is supported by a group of senior professionals comprising of one Senior Additional Managing Director, three AMDs and two DMD. Most of the senior level personnel have considerable experience in operating lines of business that GDIC is engaged in.

Human Resources Management

At present, GDIC has 500+ administrative employees. In 2012, 32 employees left their job and 72 new employees joined the company. GDIC follows a structured service rules and pay scale for its workforce in all tiers. The recruitment of officers in different grade is taken either directly by taking test or interview or by promotions from lower grade to upper grade. In addition, based on consistent target achievement, employees also get promotion in job grade. Different trainings are arranged for them to increase their efficiency. In 2012, the Company sent a total of 142 officials for training, workshop and seminars. Among these, 30 staffs were sent abroad to attend international exposure. Performance appraisal of different employees is measured once every year according to the decision of management.

Management Information System

Green Delta has a separate IT department with 7 trained and experienced professionals who are engaged in developing and maintaining the IT structure of the Company. The Company use internally developed software which is mainly used for underwriting system, auto money receipt system, reinsurance system and personal management information system. IT division also maintained the LAN and WAN connectivity in its head office and branches. For the headoffice the company has made a substantial investment on the network side as a part of strong backbone to support the future business growth.

Internal Control & Delegation of Power

The branches of GDIC work more or less independently in respect of underwriting and issuance of the insurance policies up to a prescribed limit depending on the category of branch office. Only the reinsurance matter is done at the head office level. The agreement with reinsurance companies are negotiated and signed on annual basis and reported to the Executive Committee and the Board.

The Claim Department is located in the Head Office and any claims arising any branches are handled and settled by the Head Office. Managing Director is authorized to settle the claim up to BDT 10.0 million. Beyond BDT 10.0 million, the cases are submitted to Executive Committee for approval, claim adjustment etc. and transmitted to the re-insurers within the stipulated date for confirmation and settlement. Besides, the Company has delegation of administrative and financial powers to various categories of officers which is duly approved by the Board of Directors.

Subsidiary Operations

Over a period of time Green Delta Insurance has taken proactive initiatives to diversify its investment portfolios. Hence, GDIC has equity participation in Delta Brac Housing Finance Corporation Ltd. Progressive Life Insurance Company Ltd. United Hospital Ltd. Finexcel Ltd.

In addition to the above, GDIC has two direct subsidiaries as per following:

- Green Delta Securities Ltd. -- a wholly owned subsidiary of Green Delta LR Holdings Ltd., has been able to post profit of BDT 0.06 Crore only in profit before tax. The only reason behind this result is the fall in the share market in the country. At present there are eight (08) branches and having around 2% of the average daily market share. A detail of the business operation has been given at the later segment of this report.
- Green Delta Capital Ltd. (Merchant Banker) – the approval from SEC received on 1st December 2010. The operation started from June 2011. A detail of the business operation has been given at the later segment of this report.

Green Delta Aims Tower

One of the notable achievements of Green Delta Insurance has been the construction of Green Delta Aims tower. The building is complete. The head office of GDIC shall be relocating to the new building within 1st quarter of 2012. The construction has been state of the art and robust. Entire investment made by GDIC in the construction of the building has been borne without any credit / loan facilities.

CORPORATE SOCIAL RESPONSIBILITY

We mention below few of the major initiatives under the Corporate Social Responsibility banner for the year 2012:

In the framework of its Corporate Social Responsibility, Green Delta Insurance Company Limited (GDIC) has a long relationship with the Shastha Seba Kendra, Badda. Therefore as part of its CSR activity, GDIC has donated an Ultrasonogram Machine worth of Nine Lac Seventy Thousand (BDT 970,000) on June 19, 2012 at their Head office. Mr. Choudhury is a Board of Trustee of Bangladesh Hospital Trust.

As part of Green Delta Insurance Company Limited's long term sustainable strategy the company has also donated BDT 50,000/- per month for 3 years (a total of BDT 600,000.00) to A K Khan Health Care Trust, towards providing treatment to cancer patients. As a socially responsible company, helping the cancer patient will a noble deed.

Green Delta Insurance Company Limited recently donated BDT 2, 00,000 to Srilanka Association of Bangladesh to celebrate Children's Day on 12th October, 2012.

ENVIRONMENT RELATED INITIATIVE

Green Delta Insurance Company Ltd. has always believed in sustainability of whatever it does in line with the corporate ethics. As a part of this, Green Delta Insurance continues to be an active network partner for United Nation Global Compact. Moreover, Green Delta has developed the Social and Environmental Management System (SEMS) as a part of their commitment to International Finance Corporation (IFC) to refrain themselves (GDIC) from covering any sorts of project(s)/ sectors that are prohibited as illegal or non environment friendly.

CREDIT RATING

Green Delta Insurance Company Limited has been awarded AA1 (Pronounced Double A One) rating in the long term and ST-1 in the short term by the Credit rating Agency of Bangladesh Limited for the last 3 consecutive years.

DIVIDEND

At GDIC we believe in our long-term goal to maximize shareholders return on their investment. Keeping this objective in mind, the Board of Directors has recommended 15% stock and 15% cash dividend to the shareholders of the company for the year ended 2012.

CORPORATE GOVERNANCE

Board of Directors

The Board of GDIC consists of 13 members. The members of the Board have exposure to diversified industrial sectors. Mr. A Q M Nurul Absar is the Chairman of the Board. Ms Dilruba Chowdhury is the Vice Chairperson of the Board. During 2012, the Board held 13 meetings. The area of Board's concentration was reviewing the ongoing activities and business strategies and providing general guidelines to the management.

Executive Committee

The executive committee of the Board comprises of 7 members and is headed by Mr. A Q M Nurul Absar.

Audit Committee

The Audit committee comprises of 6 members of the Board and is headed by Mr. Abdul Hafiz Chowdhury. The committee meets to review and monitor performance of various branches, assist management regarding financial reporting and operational activities.

Directors

As per the clauses 96 and 97 of Articles of Association of the company 1/3rd of the Directors from each of the categories (Sponsor, Public and Independent) shall retire from the Board of Directors and simultaneously would be eligible for reelection and reelected under the agenda "Election of Directors in place of those who shall retire by rotation in accordance with the provision of the Articles of Association of the Company."

In view of the above and pursuing to the regulation # 80 of the Company's Act. 1994, considering the longest tenure at the Board of GDIC, the following names have been proposed who shall retire from the Board of Directors at the 27th Annual General Meeting and are eligible to offer themselves for re-election:

Sponsor Directors	Public Director
01. A Q M Nurul Absar	01. Dr. Niaz A. Choudhury
02. Asif A. Choudhury	
03. Iqbal Khan (Jamal)	

Also In accordance with the Articles of Association of the Company, 1/3rd of the Independent Directors shall retire from the office and is eligible to offer him for re-election to be decided by the Board of Directors the Company. Moreover, as per the Bangladesh Securities and Exchange Commission's Corporate guideline dated 7th August 2012 the appointment of additional/new independent Director, if any, needs to be confirmed at the Annual General Meeting. In line with this, The Board of Director of Green Delta Insurance Company appointed Mr Nurul Husain Khan as company's Independent Director vide their 305th meeting held on 15.12.2012. Hence the appointment of Mr. Nurul Hossain Khan to be ratified at the 27th Annual General Meeting under the agenda "Retired/Re Election of

Director". Hence, our following independent Directors shall also retire and is eligible to offer him for re-election:

Independent Director

01. Nurul Husain Khan

After appointment of the new Directors, the total number of members of the present Board would stand at 14 as mentioned below:

A.Q.M. Nurul Absar	Chairman
Dilruba Chowdhury	Vice Chairman
Shamsun Nahar Begum Chowdhury	Director
Khurshida Chowdhury	Director
Arif A. Choudhury	Director
Iqbal Khan (Jamal)	Director
Asif A Choudhury	Director
Dr. Niaz A. Choudhury	Director
Kamran Idris Chowdhury	Director
Razia Rahman	Director
Mesbah Dilwar Rahman	Director
Marufa Anwar	Director
Abdul Hafiz Chowdhury	Independent Director
Nurul Husain Khan	Independent Director

AUDITORS

M/s Ahmed Zaker & Co. (A member firm of Kingston Amith International UK) was selected as the external auditor for the year ended 31.12.2012. Since they have completed 3 years of tenor, as per the regulation the external auditor will be changed. Green Delta Insurance Company received Letter of Interest (LOI) from several audit firms. The Board of Directors, considering the overall position, have selected M/s S F Ahmed and Co.as the external auditor for the company for the year 2013. So, the recommendation to be placed in the 27th Annual General Meeting for approval.

Acknowledgement

We humbly take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to, all of our valued clients, shareholders and well wishers in home and aboard for their wholehearted co-operation and active support in discharging the responsibilities reposed on me and the Board during the year under review.

We would like to express our sincere gratitude to the Ministry of Commerce and the Ministry of Finance, Chief Controller of Insurance, Registrar of Joint Stock Companies and Firms, Securities and Exchange Commission. Government and Non-Government organizations, Sadharan Bima Corporation, Dhaka and Chittagong Stock Exchanges, Bangladesh Insurance Association and all the scheduled banks and Leasing Companies for their sincere support and whole hearted cooperation.

We would also put on record my deep appreciation for the services and loyalty of the executives, officers and employees of the company at all levels without which we could not have achieved this result.

We would like to thank and express gratitude on behalf of the Board of Directors to Mr. Nasir A. Choudhury, Managing Director and CEO for his hard work, commitment and dedication to the welfare of our company. The Board also acknowledges with thanks, the contribution made by the honorable Directors by guiding and giving proper directions from time to time which made GDIC as Hallmark in general insurance industry of Bangladesh.

Last but not the least certainly, we express our sincerest gratitude to all our clients for their loyalty and patronage over the period.

With our very best regards to all our valuable shareholders, we promise to continue the growth with your support.

Thank you all.

On behalf of the Board



A Q M Nurul Absar
 Chairman

5.2 | Report on Internal Audit

The Internal Audit team's terms of reference, as approved by the Board of Directors of each respective company, are modeled mainly on the recommendations of the related regulatory authorities and internal auditing principle & policies. These include, inter alia, the monitoring of the financial reporting process, the monitoring of the effectiveness of the Company's branch performances, efficiency and risk management systems of all departments / units, the monitoring of the statutory audit of the annual and consolidated accounts, the review and monitoring of the independence of the statutory auditor and audit firm, the reviewing of actuarial reports, the management of financial risks, the arm's length nature of related party transactions.

Internal Audit at Green Delta Insurance Company Ltd.

The Internal Audit team reports directly to the Audit Committee and has a shadow reporting to the Managing Director and CEO

Scope of work

Internal Audit team is an independent appraisal function established within the organisation to examine and evaluate its activities. In addition to the regular reporting, the Internal Auditor reports attends the audit committee meetings and Board meetings, if needed. The mission set by the GDIC's Audit Committee for the Internal Auditor is to adopt business process risk-based audits, aimed at ensuring adequate controls and also business process efficiency.

Activities of the Internal Audit Team During-2012

15 (Fifteen) numbers of branches audited as per year plan-2012 & report submitted to audit committee and top management.

The branches are: Principal Branch, Dhaka., Principal Branch, Chittagong, Gulshan Branch, Imamgonj Branch, Dhaka EPZ Branch, Khatungonj Branch, Comilla Branch, Chaumuhani Branch, Chandpur Branch, Barisal Branch, Pirojpur Branch, Faridpur Branch, Mohakhali Branch, Elephant Road Branch, Nawabpur Branch.

The audit team has conducted special audit of the following branches as per standing instruction of management

01) Kushtia Branch

02) Faridpur Branch

03) Khulna Branch

According to the plan, the internal audit team audited head office based departments as per following & report submitted to audit committee and top management.

01) Underwriting Management Department

02) Claims Department

Apart from the above, the audit team performs the following duties on a day-to-day basis:

- Monthly petty cash audit.
- All pre-payment vouchers checked and verified.
- Regular post payment vouchers checked & special report submit to Managemen when required.
- Monthly branches premium reconciliation statement checked and verified with correction.

Report of the Chairman of the Audit Committee

The Audit Committee of the Green Delta Insurance Co. Ltd. is a sub-committee of the Board of Directors and is appointed by the Board of Directors. The Audit Committee comprise of the following Directors:

Chairman
Abdul Hafiz Chowdhury
 Independent Director

Members

- 1. Shamsun Nahar Begum Chowdhury**
Non Executive Director
- 2. Kamran Idris Chowdhury**
Non Executive Director
- 3. Marufa Anwar**
Non Executive Director
- 4. Meshbah Dilwar Rahman**
Non Executive Director
- 5. Asif A Choudhury**
Non Executive Director
- 6. Razia Rahman**
Non Executive Director
- 7. Nasir A Choudhury**
Managing Director and CEO as Ex. Officio

The Committee submits its report directly to the Board of Directors.

The Committee held four (04) meetings during the year 2011 as per following.

Name of the Meeting	Meeting Held	Date of the Meetings	Attended
Audit Committee Meeting	4 (four)	08.03.2012	89%
		01.10.2012	Attendances
		26.12.2012	on average
		29.12.2012	

Invitees to the meetings were Additional Managing Director & Group CFO, Head of Internal Audit, related Branch Managers & Department Heads. Their presence in the meetings added value as appropriate actions could be taken on the spot for necessary improvement. Deputy Managing Director and Company Secretary who acts as the Secretary to the Committee was also present in the meetings.

Activities of the Audit Committee

- The Audit Committee reviews the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended on 31st December 2012;
- The Audit Committee while reviewing the financial statements ensured that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to insurance business;
- The Audit Committee also reviewed the quarterly and half yearly audited statements of accounts for their proper presentation and accuracy;
- The Audit Committee discussed with the statutory auditors before the audit commences, about the nature and scope of audit as well as had post-audit discussions to address areas of concern;
- Approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;
- Reviewed the Internal Auditors reports and suggested appropriate actions where needed. Internal Auditors were also advised to carryout audit of all the branches in each year. Branch audit reports are required to ensure their effectiveness and suggest appropriate information where required;
- Reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation.

The Audit Committee is of the view that risk management associated with the insurance business is adequately controlled.


 (Abdul Hafiz Chowdhury)
 Chairman, Audit Committee

5.3 | Report on Credit Rating

Credit Rating Agency of Bangladesh Limited



Ref: AGL (01)/RCM/121140/2012- 1106

21 November 2012

Mr. Nasir A. Choudhury
 Managing Director and CEO
 Green Delta Insurance Company Limited
 Green Delta AIMS Tower
 51-52 Mohakhali C/A, Dhaka-1212

Subject: Credit Rating - Green Delta Insurance Company Ltd. (Surveillance)

Dear Sir,

We are pleased to inform you that Credit Rating Agency of Bangladesh Ltd. (CRAB) has assigned the following ratings to Green Delta Insurance Company Ltd.:

Particulars	Ratings
Long Term	AA ₁
Short Term	ST-1
Outlook	Stable

The entity rating is valid up to 30 June 2013. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated. We are transmitting to you the copies of rating report.

We hope the Rating Awards will serve the intended purpose of your organization.

Yours Sincerely,

Hamidul Huq
 Managing Director

5.4 | Report on BAPLC

As per SEC Notification # Sec/CMRRCD/2006-161/324 dated on April 11, 2010; we present below Certificate of Memorandum given by BAPLC:



BAPLC
BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES
Block # B, Road #1, House # 17 (8th Floor), Unit-A, Niketan Eastern Housing Complex, Gulshan-1, Dhaka-1212
Phone : 8824926 Fax : 8824926 E-mail : baplc@dhaka.net

বাংলাদেশ প্রসোর্সিয়েশন অব পাবলিকলী লিষ্টেড কোম্পানীজ
BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES
Block # B, Road #1, House # 17 (8th Floor), Unit-A, Niketan Eastern Housing Complex, Gulshan-1, Dhaka-1212
Phone : 8824926 Fax : 8824926 E-mail : baplc@dhaka.net

Ref: BAPLC-CM-054/2012

1st January, 2012

TO WHOM IT MAY CONCERN

Certificate of Membership

This is to certify that GREEN DELTA INSURANCE COMPANY LIMITED is an Ordinary Member of Bangladesh Association of Publicly Listed Companies (BAPLC).

This Certificate remains current until 31st December 2012.



K. M. Abdul Hai
Secretary-General



6.1 | Report on Green Delta Capital Ltd.



Chief Investment Officer's (CIO's) Message

Since the inception of the company, GDCL aspire to provide International Standard investment banking services to its valued clients. Thus, GDCL has initiated its Structured Finance & Corporate Advisory with a vision to be the market leader in the Bangladesh debt capital markets to provide global standard fund raising services for its valued clients i.e. debt syndication, bonds, project financing, Private Equity, and other debt linked products. Also the Corporate Advisory team is dealing with M&A transactions where the team is providing sell side and buy side advisory including searching for potential investors and / or buyers. In year of 2012 Structured Finance team successfully closed a few transactions with combined value of BDT 1,789 Million.

Since the inception

the company, GDCL aspire to provide International Standard investment banking services by providing customized solutions...

GDCL initiated its Equity Origination Department with a vision to provide one-stop services to raise the funds for its valued clients from the capital markets in Bangladesh through Initial Public Offering (IPO), Repeat Public Offering, Rights Issue and Preferred Stocks. Also Equity Origination team dealt with few large transactions with combined value of BDT 3,993 Million.

Also, GDCL's Portfolio Department, retail wing, has commenced its operation from late November 2012, offering Discretionary Portfolio management services. GDCL introduced International Standard Portfolio & Wealth Management software in its Portfolio department where detail investment analysis is possible for each and every individual investors as well as investors can access their investment home page from anywhere in the world with internet access.

In the year 2012 of GDCL's operation, the company achieved 24.87% growth in the bottom line performance as well as 78.79% growth in the top line performance in 2012 compare to 2011. The corresponding Earnings Per Share (EPS) increased from 3.74 in 2011 to 4.67 in 2012 while Net Asset Value (NAV) increased from 96.07 in 2011 to 99.79 in 2012.

GDCL is maintaining adequate risk management culture and policy in order to mitigate the risks of process or the system failure. GDCL is taking continuous and long term approach for building a risk management framework, a set of risk management tools and techniques are also in place to ensure that the company's assets are safe from any appropriation.

We hope to continue to buildup the best corporate culture, strong risk management tools and techniques, business policy, brand reputation and develop more customize our investment banking products & services to accomplish another victorious year in 2013 and beyond.



Md. Rafiqul Islam
Chief Investment Officer

Green Delta Capital Limited (GDCL)

Green Delta Capital Limited (GDCL) is a new breed of Full-Fledged Merchant Bank which is a subsidiary of Green Delta Insurance Company Limited. Licensed and regulated by the Bangladesh Securities and Exchange Commission, GDCL was formed to provide one stop investment banking solution to our valued clients. GDCL was registered in December 2010 and started its operations in July 2011 as a Full-Fledged Merchant Bank with authorized capital of BDT 250 Million.

Whilst GDCL is a relatively new player in the market, it has onboard experienced professionals who understand what it takes to provide successful solutions to our clients. Furthermore, GDCL takes pride in having a solid shareholder with an extensive network. Our highly capable management and deal team coupled with our shareholder provides us with the necessary ingredients to serve our clients better. Our senior management brings a wealth of international experience along with influential relationships and clients. With these GDCL looks to grow and partner with the best of the breed.

Board of Directors

Our Board of Directors is shaped with following professionals:

- Mr. Nasir A Chowdhury
- Mr. Abdul Hafiq Choudhury
- Mr. Nadeem A Chaudhury
- Mr. Abul Qasem Mohammad Nurul Absar
- Mrs. Naima Chowdhury
- Mr. Syed Moinuddin Ahmed, Managing Director, Ex-Officio

Corporate Strategy & Business Belief

We believe in...

- Taking Pride that we are member of Green Delta Insurance Company Limited (GDIC) family
- We always put our clients' interests first, giving our best, because when they succeed, our success will follow.
- People make the difference in our business.
- We promote entrepreneurial spirit and encourage initiative amongst our people.
- We take pride in the professional quality of our work.
- Our mission is to deliver superior returns to our shareholders.
- Transparency and Disclosure.
- Zero tolerance in Compliance, Audit, Regulatory requirements breach and law of the land.
- Embed Performance drives Corporate Culture.
- Response to social and environmental responsibility

Corporate strategy

- Build to Last – Take leadership roles in the industry, offering innovative products and services and consistently outsmarting rivals.
- Providing customized solutions for our clients.
- To become a leading investment bank in Bangladesh with one stop investment banking solution.
- Defined business parameters in line with risk matrix and comprehensive operation manuals and guidance to follow strictly.
- Understanding of the risk matrix and prepare for adverse market scenario.
- Establish the strong relationship with all stakeholders.
- Set attainable and sustainable financial target.
- Identify and recognized the talent and placing the right place for the best out put within the organization.

Corporate Governance

Corporate governance is the system by which companies are directed and controlled by the management in the best interest of all the stakeholders, thereby ensuring greater transparency and better and timely financial reporting.

In GDCL, it is the common practice to review all governance practice to ensure complete transparency and hence the company has established the following roles and responsibilities as discussed below:

Role of the Board of Directors

The board is completely responsible for long term establishment of the organization and to ensure the implementation of the corporate governance at all level. The board duly complies with the guideline provided by the regulatory body, Bangladesh Securities and Exchange Commission. The Board also formulates the strategic objectives and policy framework for the Company.

Role of the Chairman

The Chairman runs the Board and serves as the primary link between the Board and management. The Chairman works with the Managing Director to set the agenda for Board meetings. It is the Chairman's responsibility to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities as directors of the Company.

Role of Managing Director

The Managing Director in Green Delta Capital Limited has the responsibility of office management, team development and setting the directions for the company. As the office bearer he is responsible for scheduling the resources in the manner that helps to attain the business goals which he sets with the management committee. Along with this like any other leader, the MD is also responsible for the development of the Human resources of the company for developing the future leaders who would take the responsibilities to take the business forward.

Role of Chief Investment Officer

The Chief Investment Officer (CIO) is responsible for running the day to day business activities and formulate new business strategies of the company and implementing strategies set by the Board of Directors. He is also responsible for investment solution with optimal return by taking minimum risk. He maintains direct control and overall activities of the business wings.

Management Committee

The Management Committee member is responsible for the strategic and operational plan of the business which eventually governs and shape up the business. The management committee is fully responsible for the functionality of the business and smooth running of the operation. This committee assist the business with the decision making process which are required to manage the market situation and achieve the business objectives.

Investment Committee

The Investment Committee (IC) of the Company is responsible for uniform investment policies and procedures which, while striving to maximize portfolio performance, will keep the management of the portfolio within the bounds of good corporate practice and satisfy the legal requirements of the Company.

Business Units

Structured Finance and Syndication

At Green Delta Capital Limited (GDCL), we believe in innovation and pioneering new ideas. With this mindset, we aim to achieve our high standards and set new benchmarks for ourselves and for the debt capital markets. The Structured Finance department at GDCL provides a one stop debt financing solutions across debt syndication, hybrid debt, and equity-linked products.

Since inception, GDCL aims to provide one stop investment banking solution for its clients by providing world class services. Thus, GDCL is maintaining high level of professional expertise and integrity in its client relationships since inception of its operation. GDCL focuses on a board range of industries including power, manufacturing, RMG, ICT, pharmaceuticals, infrastructure, logistic, Manufacturing, Hospitality & Tourism, Telecom and service sector.

The team focuses on originating, structuring and executing debt financing deals including:

- Syndications (foreign and local currency)
- Corporate Bonds
- Bridge Financing
- Equity-linked products such as raising funds through Preferred Stocks

The Structured Finance team has significant achievements till now and has done business worth BDT 1,789 Million

Equity Origination

Equity Origination Department at GDCL consists of highly trained professionals with expertise in Equity Capital markets, providing one stop Issue Management Services.

The team focuses on originating, structuring and

executing equity financing deals including:

- Initial Public Offering (IPO)
- Underwriting Management
- Repeat Public Offering (RPO)
- Rights Issue Offering
- Other Hybrid Equity financing

The Equity Origination team has significant achievements till now and has done business worth BDT 3,993 Million.

Private Equity

The Private Equity is provided to our clients as an alternative financing solution and alternative investment class where the company does not want to raise fund from the capital market or go for debt funding. The PE team is well equipped to handle deals from Power, Healthcare, RMG, FMCG and infrastructure sectors. Some of the functions carried out by the team under private equity are:

- Arrange Funding for the clients
- Formulating business plan and the business strategy.
- Performing due-diligence
- Screening for and making investments
- Preparing the offer documents
- Providing legal and institutional support
- Assist to meet regulatory requirements
- Balance Sheet Restructuring
- Exit strategy

Merger & Acquisition

The merger & acquisition (M&A) team is responsible to site the companies who are either in the process of buying out another company or are in the process of selling one of its own. The main task involved in this the buy side and sell side advisory.

Corporate Advisory

In order to assist the Clients to reach the desired long-term and/or short-terms financial goals, GDCL provides Corporate Advisory Services which are normally tagged with other Services of GDCL such as Structured Finance or

Equity Origination. Corporate Advisory Services offered to Clients by GDCL generally includes:

- Review of capital structure
- Structuring of the transaction
- Assist in a formal capital planning exercise for Clients
- Thorough Due Diligence for preparation of the offering
- Resolve legal and regulatory issues
- Advise on timing of the placement and offering of the securities
- Establish syndicate of local and foreign equity investors for placements

Portfolio Management

The portfolio management team has launched two products in 2012 mainly on the discretionary side. Currently the team is developing its non-discretionary products and would launch it in 2013. The two discretionary products are:

- a. GD Perform Max
- b. GD Planner

GD perform max is mainly for the young investor who is looking to maximum their investment and is willing to take a calculated amount of risk for it.

On the contrary GD planners are for those investors who invest their savings to get sustainable income and hold on to their position.

These two products are unique in the market and there are not many merchant banks who have come up with products like these. Below are some of the features of the two products:

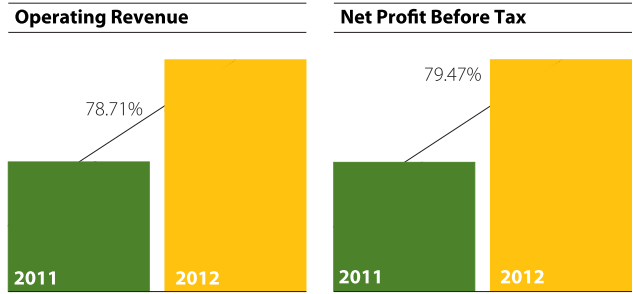
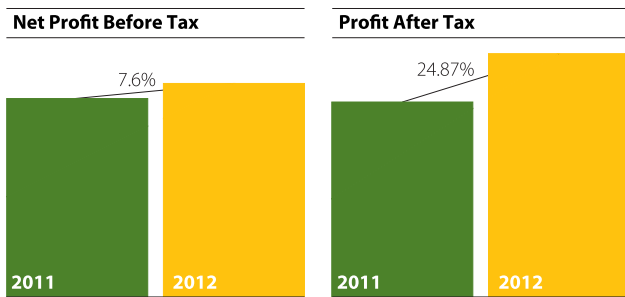
Apart from this the team has already implemented the software for discretionary management and now is in the process of implementation of other phases of the software which would cover the discretionary part, Financial Planning and the customer portal. Some of the unique features of this software is that it has the ability to handle vast amount of clients at the same time, the robustness of the software gives enough flexibility to the portfolio managers to construct various model portfolio which can be operated at the same time while the customer portal will give access to the investors to monitor and manage their portfolio from any location around the world.

Team of Green Delta Capital Ltd.



Financial Highlights

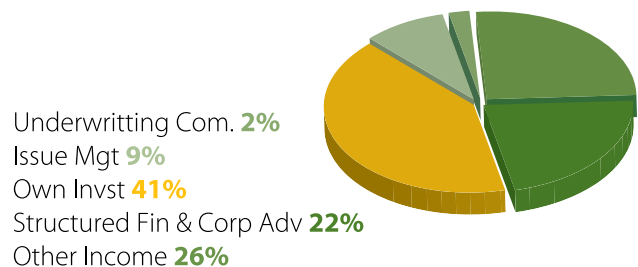
In spite of being a new entrant in the market GDCL has experienced a good year in 2012. The business has delivered substantial number to the group revenue and the profit margin with a growth of 78.71% in revenue compared to 2011. Similarly profit before tax (PBT) and profit after tax (PAT) has a growth of 7.6% and 24.87% respectively.



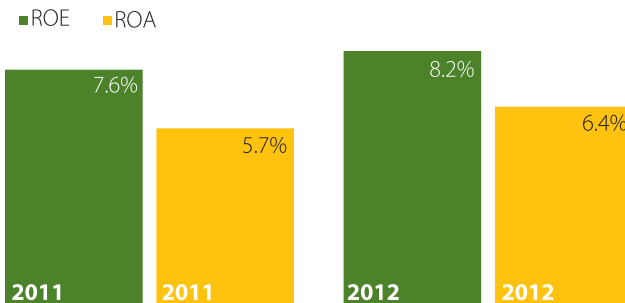
This top line has been contributed by most of the business division with highest contribution was made from the companies own investment which is 46% of the total revenue. Structured finance and corporate advisory has contributed 22% while 11% came from the pocket of Equity origination and Underwritings. On the other hand the treasury function has also contributed quite substantial this year with a pie of 26% of the total revenue. The graphical presentation is shown below:

In 2012 GDCL has also helped the shareholder to grow their capital by 7.6% with Return on Equity of 7.62% and 8.20% in the year 2011 and 2012 respectively. The return on assets is recorded at 5.75% and 6.39% respectively with a growth of 11.16%. A chart below is shown to represent these comparisons.

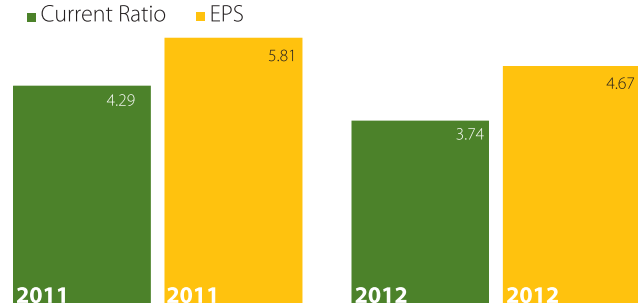
Revenue Contribution



ROE Vs ROA



Current Ratio Vs EPS



Financial Performance

Income Statement for the year ended 2012

Particulars	2012	2011
Total Revenue	26,742,266	14,964,035
Gross Margin	26,728,384	14,892,965
Net Profit After Tax	4,668,023	3,738,241

Balance Sheet for the year ended 2012

Particulars	2012	2011
Non-Current Assets	7,823,166	7,306,425
Current Assets	120,525,818	125,291,731
Total Assets	128,348,985	132,598,156
Shareholders' Equity	106,879,583	102,211,560
Long Term Liabilities	729,176	1,166,672
Current Liabilities	20,740,226	29,219,924
Total Capital Employed	128,348,985	132,598,156

Mandated Deals:

**Working Capital Loan of
BDT 70 Million**



MAKS RENEWABLE ENERGY COMPANY LIMITED

MAK Renewable Energy Co. Ltd.

Local Debt Financing

Mandated Financial Advisor

**Initial Public Offering of
BDT 517.7 million**



Aamra Technologies Ltd.

IPO Management

Mandated Corporate Advisor

**Capital Raising of
BDT 576 million**



Ananta Apparels Ltd.

Capital Raising

**Mandated Issue Manager &
Corporate Advisor**

**Initial Public Offering of
BDT 2,275 million**



Alliance Holdings Ltd.

IPO Management

**Mandated Co-issue Manager &
Corporate Advisor**

**Capital Raising of
USD 15 million**



Ananta Properties Ltd.

Capital Raising

**Mandated Issue Manager &
Corporate Advisor**

**Private Equity of
USD 15 million**



Alliance Holdings Ltd.

Private Equity

**Joint Mandated Lead Arranger &
Issue Manager & Corporate Advisor**

6.2 | Report on Green Delta Securities Ltd.



Message from the Head of Brokerage & CEO

GDSL has a history of responsible business conduct. We strongly believe that real business success is not just about profits measured in numbers but also, as importantly, about how those numbers are achieved. Our corporate strategy reflects our commitment to sustainable business practices and balancing responsibility alongside growth and productivity.

Green Delta Securities Limited is one of the, leading Bangladeshi Stock Brokerage house. 2012 is a crucial year for Bangladesh capital market. But GDSL has succeeded to increase the market share and also upgrade the market position in DSE & CSE ranking list. We have done several agreements

with panel brokerages and different institution clients regarding business. We have launched our new dynamic logo with a vision to fly as high as possible. We are part of Green Delta Group a renowned leading insurance company of Bangladesh.

Our goal is to provide the best service to our clients in terms of trading, technology and other support services. We strive to be the best house and we will achieve this because, we believe, we have the best people.

We want to achieve our success with our clients' success. Whether you are a trader or a Business Finder, an Asset Manager or a White Label, we consider you as our strategic business partner. Our strong know-how and attention to

detail means we can offer revenue-building opportunities for your business through a partnership with us.

As echoed by our corporate values, we understand the importance of integrity and commitment to the client and believe that success comes from having a long-term vision, especially when it comes to building long term relationships. It is our aim to surpass your expectations by providing a secure, reliable and competitive online trading services. Your trust in us is fundamental.

Our advantages allow you to drive trading to the highest level and our support help you fine tune your performance, making sure you investing in right basket.

We look forward to welcoming you at Green Delta Family.



Wafi S M Khan

Head of Brokerage & CEO

Brief profile of the Board of Directors:

Mr. Nasir A. Choudhury, Chairman, is a visionary and highly experienced professional. He has over 50 years of experience in the insurance industry and considered to be a living legend in his field.

Mr. Nadeem Ahmed Chaudhury, is a young dynamic professional having many years experience of heading big organizations like Eastern Housing Ltd; currently he is the Managing Director of Navana Pharmaceuticals Ltd.

Ms. Naima Chowdhury, is a qualified professional having experience of Managing renowned business portfolio of East Coast Group related to real estate. She is also the director of director of East Coast Group, Bangladesh.

Mr. Abul Qasem Mohammad Nurul Absar, is a qualified professional having many years experience of heading big organizations like Green Delta Insurance Co. Ltd. He is also the Sponsor Director of Delta Medical Centre and Sponsor Shareholder of Delta Life Insurance Co. Ltd.

Ms. Farzana Chowdhury, is a qualified professional having working experience directly and indirectly with the insurance sector of the country since 1998. She also worked in the field of micro finance with BRAC and Small and Medium Enterprise (SME) financing with BRAC Bank Ltd. where she has been deeply involved to design, develop and implement insurance coverage for the related beneficiaries

Green Delta Securities at a Glance:

- More than 10,000+ members
- Membership of both Dhaka and Chittagong Stock Exchange
- Comprehensive IT infrastructure for smooth communication among branch offices with strong networking and connectivity
- State of the art software that enables the clients to trade instantly on both DSE and CSE
- Research reports
- Visionary management
- Capable resources/staffs

- Customer services of superior standard

Vision:

To be the preferred brokerage for individuals and institutional clients.

Mission:

Strong commitment to its corporate, institutional and individual clients in serving by maintaining strong compliance practices and presence in the market.

Major Activities of the Firm:

Green Delta Securities Limited offers highest quality service at a competitive price for all the capital market needs. Our services are comprehensive in nature, including brokerage, Settlement, Tele trading, custodian services, VAS.

We provide all types of Brokerage Services through DSE and CSE starting from Beneficiary Account (BO) opening to CDBL related services, notification of corporate announcements like AGM, Cash Dividend, Rights, Bonus etc.

In addition, we provide margin loan through Merchant Banks which can be utilized to purchase securities and maximize clients' profit.



Information Technology

Understanding the importance of well build IT in running the business, GDSL has installed state of the art back office software, uninterrupted data connectivity links across all branches and the stock exchanges, latest hardware and other accessories.

Online Order Placement

We also have an Online Share Order (OSO) software platform through which our clients: both local and international can place their buy/sell orders through online which are then executed in shortest possible time and confirmation are sent thereby.

Tele Trading Center

A tele trading center has been set up to cater the clients in smoother way and to ensure a one stop services.

Settlement

An experienced team to handle all day to day settlement procedures with proper support settlement software. Strong close relationship is also being maintained with the Central Depository of Bangladesh Ltd. (CDBL), the trade settlement body, in order to avoid any unprecedented situation.

Coverage

GDSL is dedicated for the development and expansion of the Capital Market. To encourage the investors from all across the country, GDSL has 7 branch offices across the major parts of the country. And it has plans to open several other branches shortly in some other major strategic locations of Dhaka and Chittagong city very soon.

Panel Brokers

GDSL is enlisted as Panel Brokerage with reputed Merchant Bankers like Trust Bank Limited, Jamuna Bank Limited and BRAC EPL Investment Ltd.



Our Corporate Partners

- LR Global AMC Bangladesh Limited
- Eastern Bank Limited
- Jamuna Bank Limited
- Bummer & Partners- A/c Frontier Fund
- BRAC EPL Investment Ltd.
- Delta BRAC Housing Ltd.
- Progressive Life Insurance Company Ltd.
- Globe Janakantha Group
- Green Delta Insurance Company Ltd.
- RACE Management Limited
- Rock Asset Management Co. and many others

Our Banking Partners

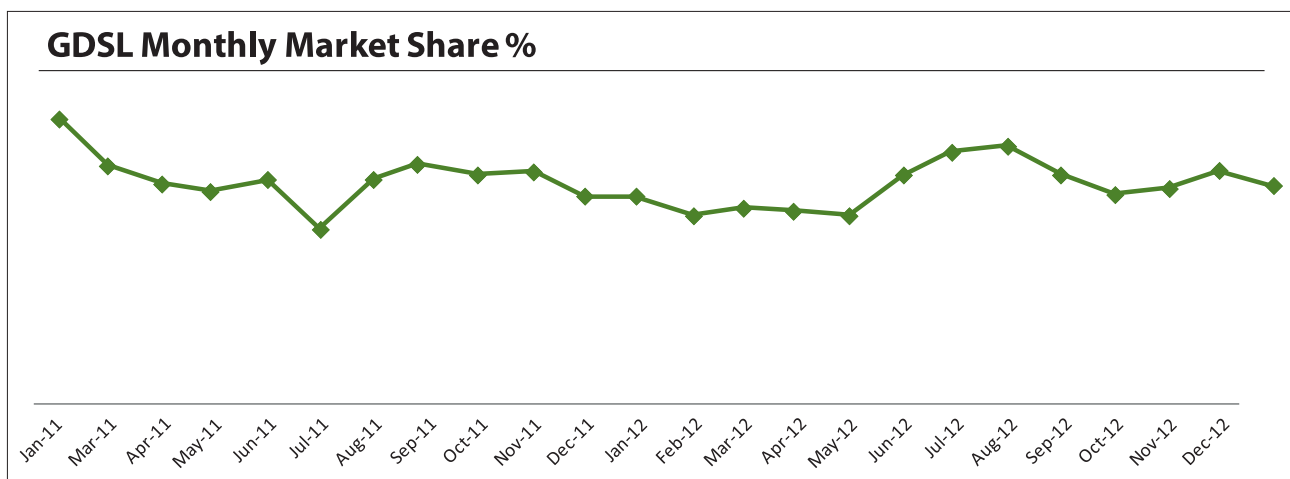
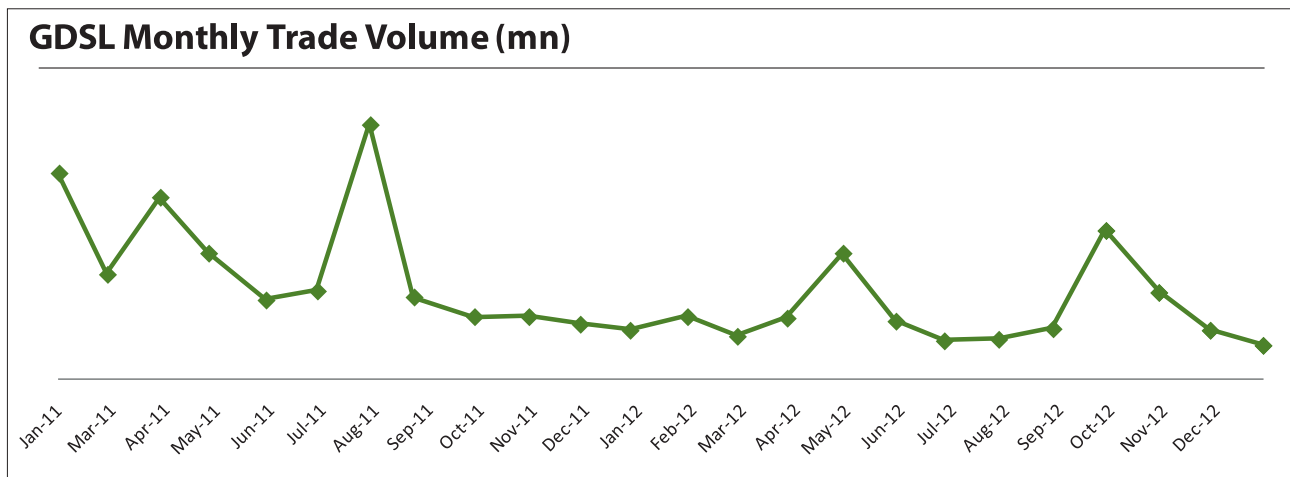
- Standard Chartered Bank
- HSBC
- BRAC Bank Ltd.
- Eastern Bank Ltd.
- Jamuna Bank Ltd.
- Trust Bank Ltd.
- City Bank Ltd.
- Mercantile Bank Limited

Trade Execution

- A dedicated management team consisting highly skilled professionals, Financial and Market Analysts

- A dynamic team of young and professional people both in the front and back office
- Coordinated process to complete the trade cycle in stipulated time
- Proactive approach to risk management and compliance
- A holistic approach to ensure customer service

With the aim to provide the best Financial Services with new and innovative investment products for the capital market investors, Green Delta Securities Ltd. is committed to recruit the resources/staffs of highly proficient and capable' investing in IT infrastructure; ensure efficient customer service and thus taking GDSL closer to achieving its goals to become the premiere firm in the country.



6.3 | Report on CSR

Green Delta Insurance donates an Ultrasonogram Machine to Shastha Seba Kendra, Badda

Green Delta's Corporate Social Responsibility involves taking responsible attitude towards society that goes beyond legal requirements.

In the framework of its Corporate Social Responsibility, Green Delta Insurance Company Limited (GDIC) has a long relationship with the Shastha Seba Kendra, Badda. Therefore as part of its CSR activity, GDIC has donated an Ultrasonogram Machine worth of Nine Lac Seventy Thousand (BDT 970,000) on June 19, 2012 at their Head office. Mr. Choudhury is a Board of Trustee of Bangladesh Hospital Trust.

Mr. Nasir A. Choudhury, Managing Director & CEO of Green Delta Insurance Company Limited to define the Corporate Social Responsibility in his own way as: "To Care, to Share, to Respect".



Mr. Nasir A. Choudhury, Managing Director & CEO of Green Delta Insurance Company Ltd handed over the Cheque to Mr. Azam, Manager of Shastha Seba Kendra, Badda.

Green Delta's donation to A K Khan Health Care Trust

Green Delta's Corporate Social Responsibility involves taking responsible attitude towards society that goes beyond legal requirements.

As part of Green Delta Insurance Company Limited's long term sustainable strategy the company has decided to donate BDT 50,000/- per month for 3 years (a total of BDT 600,000.00) to A K Khan Health Care Trust, towards providing treatment to cancer patients. As a socially responsible company, helping the cancer patient will a noble deed.

Green Delta is proud to be a company that helps people in time of trouble. A company that takes initiatives towards the betterment of society, people and country, when it is much needed.

Mr. Nasir A. Choudhury, Managing Director & CEO of Green Delta Insurance Company Limited to define the Corporate Social Responsibility in his own way as: "To Care, to Share, to Respect".



Mr. Nasir A. Choudhury, Managing Director & CEO of Green Delta Insurance Company Ltd handed over the Cheque to A K Khan Health Care Trust.

Mr. Farid A. Choudhuri, Sr. Additional Managing director, Mr. A S A Muiz, Additional Managing Director and Mr. Syed Kaiser Ahmed, Sr. Executive Director of Green Delta Insurance Company Limited were also present on that occasion.

Green Delta Insurance glorifies Children’s Day celebration

Green Delta Insurance Company Limited recently donated BDT 2, 00,000 to Srilanka Association of Bangladesh to celebrate Children’s Day on 12th October, 2012. A cultural program was organized at ISD auditorium to rejoice the spirit of childhood. It was a day full of colors, smiles, laughter and of course music and dance! The performers were mostly students of Srilankan School in Bangladesh. But the talent those little stars showcased left everyone mesmerized.

Nasir A Choudhury, Managing Director and CEO of Green Delta Insurance Company Limited, was one of the special guests of the program. “It’s not the first time we are supporting the activities for the children and youth,” he said. “GDIC has always been patronizing various aspects of CSR, and children, being the future leaders of the world, will get special attention and care from us.” He enjoyed the program along with few other high officials from GDIC. This marked the commencement of a new relationship between Green Delta Insurance Company Limited and Srilanka Association of Bangladesh.



Green Delta Insurance continues to patronize Hockey League

The opening ceremony of Green Delta Insurance Second Division Hockey League 2012 took place at Moulana Bhashani Hockey Stadium recently. Green Delta Insurance Company Limited has been sponsoring events of Bangladesh Hockey Federation for a long time. Mr. A S A Muiz, Additional Managing Director of GDIC was the chief guest of the ceremony. Other high officials of BHF were also present along with the specials guests from the other sponsors.



Mr. A S A Muiz, Additional Managing Director of Green Delta Insurance Company Limited inaugurated ‘Green Delta Insurance Second Division Hockey League -2012’ as the Chief Guest at Moulana Bhashani Hockey Stadium.





Green Delta Insurance Company Limited sponsored Bijoy Utshob organized by Shuchinta Foundation as a part of promoting our culture and glorious history

Other Notable CSR activities of 2012:

- The covers of all the copies of annual report 2011 was Printed on recycled papers to inspire people to reduce paper consumption
- The theme of Desk Calendar of Green Delta Insurance Company Ltd. was focused on one of the basic principles of UN Global Compact – Human Rights.
- Sponsoring Jaago Foundation BDT 300,000/= as a part of our CSR for environmental issues

6.4 | Awards & Recognitions of GDIC

Green Delta wins the second prize of ICAB for 'Best Presented Annual Report 2011'

The Institute of Chartered Accountants of Bangladesh (ICAB) in October 1, 2012 gave 32 awards to banks, insurance companies, non-government organizations and public sector entities for publishing transparent reports and maintaining good corporate governance.

Green Delta Insurance Company Limited (GDIC) was awarded the second prize of ICAB 'Best Presented Annual Report 2011' in the insurance category under the non-banking sector.

Honorable Commerce Minister GM Quader and President of the institute of Chartered Accountants of Bangladesh MdSyful Islam were also present at the 12th ICAB National Awards Ceremony at Sonargaon Hotel in Dhaka.



Honorable Finance Minister Abul Mal Abdul Muhith, hands over the second prize of ICAB for 'Best Presented Annual Report 2011' to Nasir A. Chowdhury, Managing Director & CEO of Green Delta Insurance Company Limited at a function in Dhaka



Farzana Chowdhury has been selected by the Australian Trade Commission as the winner in the category of "Business Leadership" and honored at the inaugural Australian Alumni Excellence Awards 2012. Professor Gowher Rizvi, Advisor to the Hon'ble Prime Minister (Foreign affairs) was the Chief Guest while Professor Dr. A.K. Azad Chowdhury, Chairman (State Minister) University Grants Commission was the Special Guest in the award giving ceremony.



Mr. Nasir A. Choudhury, Managing Director & CEO of Green Delta Insurance Company Limited honored for serving 50 Years in the field of Insurance by Weekly The Industry on 21st January 2012 at National Press Club Auditorium. Mr. A S A Muiz, Additional Managing Director received the award on behalf of Mr. Nasir A. Choudhury. Mr. A B M Mirza Azizul Islam, Former Advisor, Care Taker Government was present as Chief Guest on that auspicious occasion.



Mr. Nasir A. Choudhury delivering his speech at the 125th anniversary of Sylhet Station Club. He has been awarded with the prestigious 'Sylhet Ratna Award' for his outstanding contribution in the Insurance Industry.



Additional Managing Director and Group CFO of GDIC, Ms. Farzana Chowdhury has been awarded at the 2nd International Conference on Corporate Women Leadership organized by Rapport Bangladesh Ltd.

Nasir A. Choudhury awarded with the gold medal for his outstanding contribution in insurance industry



Mr. Nasir A. Choudhury, Managing director and CEO of Green Delta Insurance Company Limited awarded with the Mustafizur Rahman Khan and Saleha Khanam Trust gold medal for his immense contribution to the country's insurance industry. Barrister Shafique Ahmed, the minister for Law, Justice and Parliamentary Affairs, was present as Chief Guest on that auspicious occasion. The minister also distributed diploma certificates and awards and the Mustafizur Rahman Khan and Saleha Khanam Trust gold medals among the recipients.

Director of Bangladesh Insurance Academy F Kamal Uddin chaired the function that was also addressed by Dhaka University vice-chancellor professor AAMS Arefin Siddique, secretary of the banks and financial institutions division Shafiqur Rahman Patwari, trustee of the Mustafizur Rahman Khan and Saleha Khanam Trust professor Mahfuza Khanam and the four recipients of the gold medals.

6.5 | Events and Highlights

First ever "Micro Health Insurance" Pilot Project Inaugurated



Mr. Nasir A. Choudhury, Managing Director and CEO of Green Delta Insurance Company Limited, and Dr. Md. Mosleh Uddin Sadeque, Executive Director, Institute of Micro Finance (InM), signed an agreement for launching of first ever "Micro Health Insurance" Pilot Project in Bangladesh. Captain (retd) Mazibur Rahman Fakir was also present as the chief guest.



International Women's Day Celebration at GDIC on March, 2012. Additional Managing Director and Group CFO Farzana Chowdhury took initiative to motivate all the female employees of the company by arranging an in-house event.

Green Delta Insurance Company Limited hands over People's Personal Accident Insurance Policy to South-East University for their students

Green Delta Insurance Company Limited (GDIC) initiates People's Personal Accident Insurance Policy for the students of South-East University (SEU). This is the first time the students of an educational institution can benefit from this privilege in Bangladesh.

Being the country's leading and most preferred insurer in non-life sector, GDIC always come up with innovative ideas and realistic products to cater to the needs of time. GDIC understands that students are the potential leaders of the future as well as the nation builders. Youth empowerment can bring about a positive change to develop our nation in time of crisis. So their security and well being should get utmost priority. Keeping this in mind, GDIC partnered with SEU to bring the students under this policy.

On 4th October, 2012, a policy handover ceremony was held in the conference room of South-East University. A Memorandum of Understanding (MoU) was signed between the two parties which stated that approximately 7500 students will get the coverage under People's Personal Accident Insurance Policy for a whole year starting from 1st October, 2012.

Mr. Nasir A. Chowdhury, Managing Director & CEO of Green Delta Insurance Company Limited, expressed his delight on this remarkable milestone set by both GDIC and SEU to safeguard the future of the nation's potential assets. He thanked the university authority for this timely decision which has set footprints for others to pursue. He also said that, Green Delta Insurance has always responded favorably to the demand of the generation. This Initiative has added another feather on the crown and more are soon to follow.

Mr. A. S. A Muiz, Additional Managing Director, Ms. Farzana Chowdhury, Additional Managing Director and Group CFO; Mr. Nazim Tazik Chowdhury, Deputy Managing Director were also present at the ceremony along with other high officials of Product Development & Research Department of GDIC. From SEU's end, Prof. Dr. Anwar Hossain, Vice Chancellor; Lt Col (Retd.) Md. Ali Ambial Haque Khan, Registrar, Mr. S.M. Zahir Uddin Haider, Controller of Accounts & Finance and other high officials of the university authority were present at the ceremony.

As the Country marches forward hoping to see a better tomorrow, GDIC promises to stay beside the future leaders to help reach their desired destination without sudden major bumps on the road. The success story will continue when these students will develop genuine interest on the insurance industry.



Mr. Nasir A. Chowdhury, Managing Director & CEO of Green Delta Insurance Company Limited handed over the People's Personal Accident Insurance Policy for SouthEast University (SEU) students to Prof. Dr. Anwar Hossain, Vice Chancellor of SEU.

Green Delta Insurance tags up with Ibrahim Cardiac Hospital for Hospital Networking and hands over People's Personal Accident Insurance Policy

Green Delta Insurance Company Limited (GDIC) collaborated with Ibrahim Cardiac Hospital and Research Institute (ICHRI) to hand over People's Personal Accident Insurance Policy for the employees of ICHRI. A Memorandum of Understanding was also signed which stated that ICHRI will be working as one of the network hospitals of GDIC from now on.

An agreement signing ceremony was held between the two parties on 22nd October, 2012 at the conference hall of ICHRI. Farzana Chowdhury, Additional Managing Director and CFO of GDIC, handed over the policy to Professor Dr. M A Rashid, CEO of ICHRI. Under the People's Personal Accident Insurance Policy, GDIC will cover 466 employees of ICHRI for a whole year. Also ICHRI will play the role of 'Network Hospital' to provide healthcare service to the clients of GDIC.



Farzana Chowdhury, Additional Managing Director and CFO of Green Delta Insurance Co. Ltd. and Professor Dr. M A Rashid, CEO of Ibrahim Cardiac Hospital and Research Institute, exchange documents after signing the agreement of Healthcare Service delivery and People's Personal Accident Insurance policy

Green Delta Insurance signs MoU with Discovery Tours and Logistic

Recently Green Delta Insurance Company Limited joined hands with Discovery Tours and Logistic. A MoU was signed between the two parties on a ceremony held at GDIC auditorium. According to the agreement, people travelling abroad through Discovery Tours will be automatically insured and this will come as an added benefit with the package provided by Discovery for the travelers.



Additional Managing Director and Group CFO of Green Delta Insurance Company Limited, Farzana Chowdhury exchange documents with Md.Zahirul Alam Bhuiyan (Roman), CEO of Discovery Tours and Logistic, after signing the Memorandum of Understanding on 24th December, 2012.

Green Delta participates in 'T-20 Corporate Cricket Tournament 2012' and becomes the Insurance Partner



GDIC supported this event by participating and providing insurance coverage to all the players of every team for a whole year. Mr. Ashfaq led the GDIC team as the captain and Mr. Shubhasish Barua played as the Vice Captain. Mr. Saadat R. Khan was the team manager. In the first match against Bando Design, Mr. Shah Md. Abdul Wadud (Masum) from Green Delta Insurance Company Ltd. became the man of the match and won a mobile phone from Walton.

This was a very successful event and everyone enjoyed the games to the fullest. These types of events not only provide entertainment but also create sportsmanship among all.

The 2nd T-20 Corporate Cricket Tournament kicked off on November 09, 2012 at Dhaka. 32 renowned corporate bodies participated in this big cricket event. Dhaka Gladiators, the BPL champion was the associate of this tournament. Udayachal Club of Iqbal Road, Mohammadpur was the organizer of this tournament.

Green Delta sponsors the Formal Launching Ceremony of FinExcel



Green Delta Insurance Company Ltd. sponsored FinExcel's formal launching ceremony at Hotel Ruposhi Bangla on December 02, 2012. With the new tagline: "Explore. Experience. Excel"- FinExcel started its official journey as the first Financial Consultancy Organization in Bangladesh. GDIC has investment in this company as well.



Signing Ceremony with Kotler Center for Marketing Excellence (KCME) for Micro Health Insurance Pilot Project for rural people

People's personal accident insurance policy handover ceremony between

Green Delta Insurance and Bangladesh Spring Pati Mistry Kalyan Society

Green Delta Insurance Company Limited handed over the people's personal accident insurance policy to Bangladesh Spring Pati Mistry Kalyan Society. Under this insurance scheme 55 members of the Kalyan Society has been insured, each worth of Tk. 1 Lac. Green Delta has taken the initiative to insure the people from bottom of the pyramid. All the members of the Bangladesh Spring Pati Mistry Kalyan Society are directly exposed to the manual labor and tools, Green Delta helped them to ensure their safety and cover the accidental expenses in the event of any unexpected accident.

Mr. Nazim Tazik Chowdhury, Deputy Managing Director and Mr. Syed Kaiser Ahmed, Senior Executive Director of Green Delta Insurance Company Ltd. were also present along with other senior officials of Green Delta Insurance Company Limited Product Development Unit.



Ms. Farzana Choudhury, Additional Managing Director & Group CFO handing over the Peoples personal accident insurance policy to Mr. Mahub Alam, president of Bangladesh Spring Pati Mistry Kalyan Society .

Signing ceremony between Green Delta Insurance company Limited & United Hospital Limited.



Mrs. Farzana Chowdhury, Additional Managing Director & Group CFO of Green Delta Insurance Company Limited and Dr. Dabir Uddin Ahmed, Director, Clinical Operations of United Hospital Limited exchange documents after signing a Memorandum of Understanding in Dhaka recently. Under the agreement, United Hospital Limited will play role of network hospital for the clients procure Health Insurance from Green Delta.

Mr. Nazim Tazik Chowdhury, Deputy Managing Director alongwith other Officials of Green Delta and United Hospital were also present on that occasion.

Signing ceremony between Green Delta Insurance Company Limited & Apollo Hospital Limited.



Mrs. Farzana Chowdhury, Additional Managing Director & Group CFO of Green Delta Insurance Company Limited and Dr. Sagufa Anwar, General Manager, Business Development of Apollo Hospital Limited exchange documents after signing a Memorandum Of Understanding in Dhaka recently. Under the agreement, Apollo Hospital Limited will play role of network hospital for the clients procure Health Insurance from Green Delta.

People’s Personal Accident Insurance Policy handover ceremony between Green Delta Insurance Company Limited & Niketon Society

Green Delta Insurance Company Limited handed over the People’s Personal Accident Insurance Policy to Niketon Society recently. Under this insurance scheme 285 members of Niketon Society has been insured, each worth Tk. 1 Lac.

Mr. A S A Muiz, Additional Managing Director, Mr. Nazim Tazik Chowdhury, Deputy Managing Director of Green Delta Insurance Mr. Md. Taznur Rahman Chowdhury, Secretary, Niketon Society alongwith other Officials of Green Delta were also present on that occasion.



Mrs. Farzana Chowdhury, Additional Managing Director & Group CFO of Green Delta Insurance Company Limited handing over the People’s Personal Accident Insurance Policy to Engr. Md. Habib Ahsan, President, Niketon Society.

Green Delta Insurance Company Limited Will Work As An Insurance Partner of Health Incubator of World Marketing Summit (WMS) In Bangladesh

Ms. Farzana Choudhury, Additional Managing Director & Group Chief Financial Officer of Green Delta Insurance Company Ltd. (GDIC) along with some other officials from GDIC has participated The World Marketing Summit (WMS) 2012. The WMS is a global initiative of world's influential marketer professor Philip Kotler, co-hosted by the Ministry of Foreign Affairs, Dhaka with the mission of 'Creating a better world through marketing'. The first event took place on March 1, 2 and 3 2012 at Bangabandhu International Conference Centre (BICC), Dhaka. Very high level business people, dignitaries from selected countries had attended and enriched the deliberation with their vision and views.

Green Delta Insurance Company Limited has been chosen as one of the incubators for health insurance sector. The Incubator concept was central to the theme of the World Marketing Summit. The main objective of the incubator approach is to formulate a conceptual framework driven by marketing principles and implement the findings in a real world scenario. Each incubator will have a mix of partners that will contribute both a theoretical point of view as well as a practical point of view. Supervision of each incubator will be done by academic institution of the country selected for field execution and will be supervised by another academic institution. Bangladesh will work as the coordinating country for all the incubators.



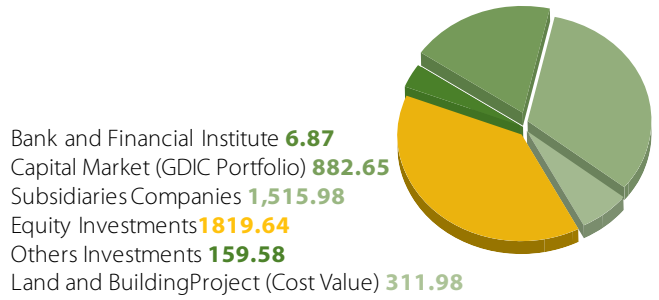


STRENGTH
PACE
SHELTER

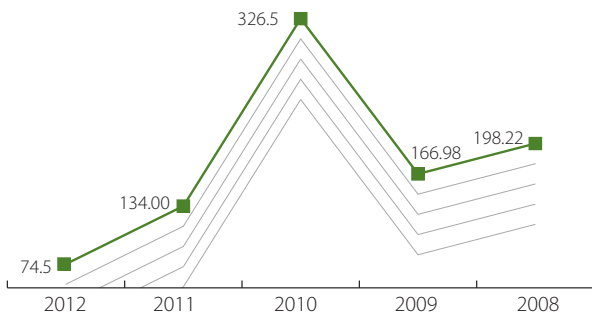
A bearing constrains relative motion between moving parts to only the perfect motion. This quality of a bearing symbolizes the characteristics of good governance. The good governance practice of Green Delta is similar in nature to that of the bearing. It guides the organization towards the right path bringing success for the organization.

7.1 | Graphical Presentation & Profitability Analysis

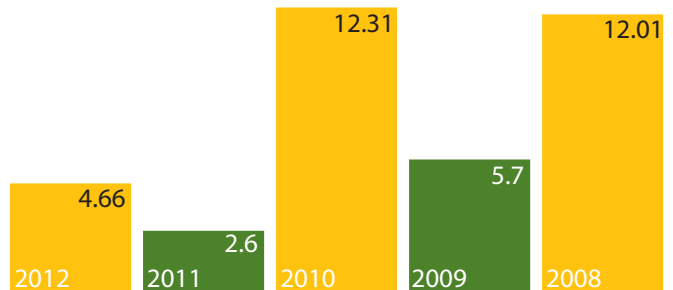
Sector wise Investment Position Year 2012



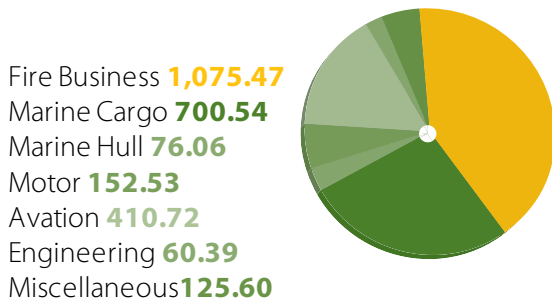
Market Value Per Share (Tk.)



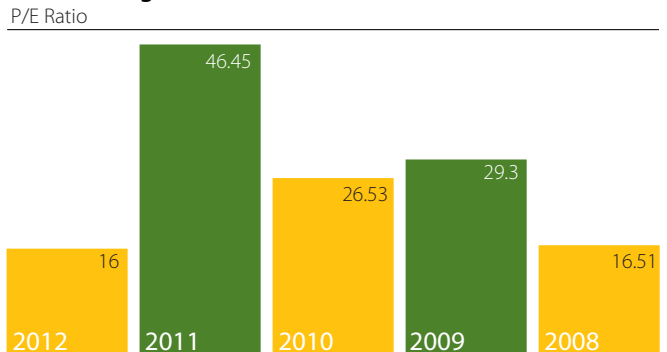
Earning per Share (EPS) Tk.



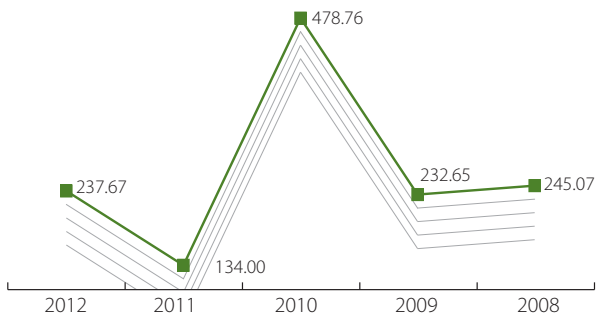
Classes of Business (Year 2012)



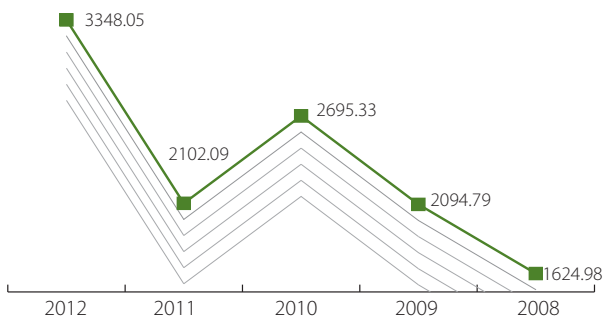
Price Earning Ratio



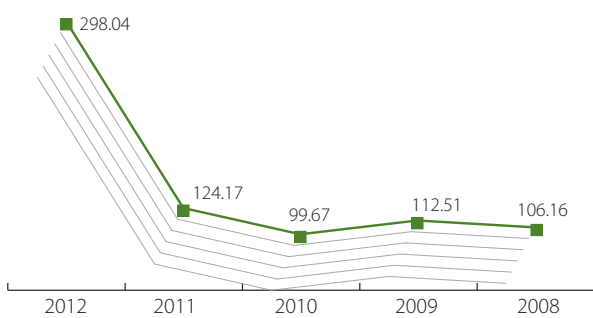
Profit after Tax



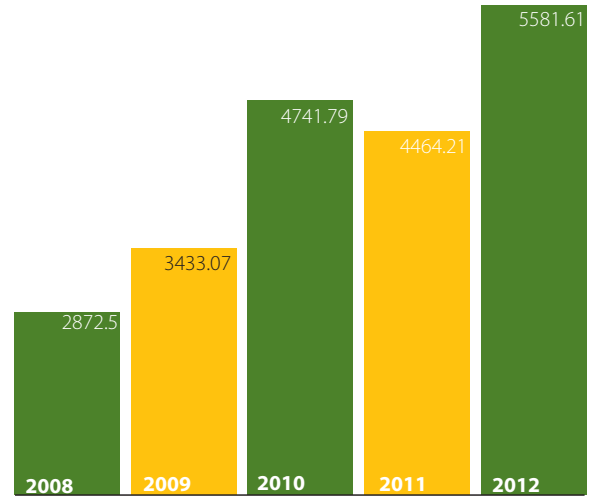
Total Reserves



Underwriting Profit



Total Assets



Profit before Tax



Profitability Analysis of GDIC

Particular	Year -2012	Year -2011	Year -2010	Year -2009	Year-2008
Net Income to Total Asset	4.26%	3.00%	10.60%	6.78%	8.53%
Return On Investment	6.78%	5.64%	17.29%	12.68%	15.69%
Expense Ratio	35.23%	38.23%	40.25%	39.34%	36.91%
Net Claims Ratio	16.66%	14.20%	15.26%	18.47%	18.69%
Current Ratio	1.97:1	1.36:1	1.46:1	1.68:1	1.52:1
Debt Capital Ratio	0.45:1	0.77:1	0.52:1	0.60:1	0.67:1
Combined Ratio (on Gross Premium)	42.99%	43.44%	46.12%	47.72%	45.28%
Earning Per share	BDT 4.66	BDT 2.60	BDT 12.31	BDT 5.70	BDT 12.01

7.2 | Financial Statements of Green Delta Insurance Company Ltd. Independent Auditors' Report

We have audited the accompanying financial statements of Green Delta Insurance Company Limited, which comprise the balance sheet as at December 31, 2012 and the profit and loss account, statement of changes in equity and statement of cash flows for the year then ended and all related Consolidated Financial Statements and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Rules & Regulation Issued by the Insurance Development & Regulatory Authority (IDRA) along with Bangladesh Financial Reporting Standards, Companies Act 1994, Securities & Exchange Rules 1987, and other applicable Rules & Regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated financial position of Green Delta Insurance Company Limited as of December 31, 2012 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards along with other applicable Rules & Regulations.

Report on Other Legal and Regulatory Requirements

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 account 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 Statement of Financial Position (Balance Sheet), Statement of Comprehensive Income (Profit and Loss Account) and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;
- d) the financial position of the Company as at December 31,2012 and the profit for the year then ended have been properly reflected in the Financial Statements, and the Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable in Bangladesh.
- e) the expenditures incurred and payment made thereof during the year were for the purpose of the business of the Company;
- f) As per section 40-C (2) of the Insurance Act 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanation given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under audit have been duly debited to the related Revenue Accounts and the Profit & Loss Account of the Company;
- g) As per regulation 11 of part 1 of the third schedule of the Insurance Act, 1938 as amended, we certify that to the best of our knowledge and information given to us and as shown by its books, the company during the year under audit has not paid any person any commission in any form, outside Bangladesh in respect of its re-insurance business abroad;

Place: Dhaka
Date: February 14, 2012.



Ahmed Zaker & Co.
Chartered Accountants

Consolidated Balance Sheet

As at December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Capital and liabilities			
Share capital			
Authorized	4.00	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up	4.00	510,300,000	408,240,000
Reserve or contingency account:	5.A	3,784,114,976	2,180,512,460
Reserve for exceptional losses		736,813,750	615,560,132
Foreign currency fluctuation		3,979,629	4,556,089
Investment fluctuation fund		676,425,940	1,035,349,545
General reserve		170,000,000	170,000,000
Dividend equalization fund		120,000,000	120,000,000
Revaluation reserve		2,076,895,657	235,046,694
Profit & loss appropriation account	6.A	297,265,466	285,794,303
Non controlling interest	6.B	1,779	1,037
Total shareholders' equity		4,591,682,221	2,874,547,800
Balance of fund accounts:	7.00	611,830,245	433,236,871
Fire insurance business	7.01	197,743,593	186,797,099
Marine insurance business	7.02	311,444,902	163,004,792
Motor insurance business	7.03	64,519,656	57,146,719
Miscellaneous ins. business	7.04	38,122,095	26,288,261
Premium deposit	8.00	37,048,098	24,628,543
Liabilities and provisions:		1,225,647,847	1,666,380,081
Estimated liability in respect of outstanding claims whether due or intimated	9.00.	81,867,599	62,876,816
Amount due to other persons or bodies carrying on insurance business	10.00	578,954,134	858,790,560
Sundry creditors (Including outstanding expenses, taxes & provisions)	11.A	564,826,113	603,973,907
Bank loan	12.A	-	140,738,798
Total liabilities		1,874,526,190	2,124,245,495
Total liabilities & shareholders' equity		6,466,208,411	4,998,793,295

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Assets and properties:			
		3,255,758,771	3,805,563,542
Investment	13.A	2,487,003,405	2,482,055,037
Outstanding premium	14.00	121,285,123	420,395,893
Amount due from other persons or bodies carrying on insurance business	15.00	279,402,044	233,412,642
Sundry debtors (Including advances and deposits)	16.A	368,068,199	669,699,970
Cash and bank balances :			
	17.A	1,213,540,341	956,450,901
Fixed deposits		999,548,196	704,404,675
At banks on STD & current account		209,981,792	250,148,569
Cash in hand		4,010,353	1,897,657
Other accounts			
Land property and office space	18.00	800,000,000	196,227,354
		1,196,909,299	40,551,498
Fixed assets (at cost less depreciation)	19.A	1,193,982,022	38,629,402
Stock of printing, stationery and stamps	20.00	2,635,852	1,630,671
Preliminary expenses	20.A	291,425	291,425
Total assets		6,466,208,411	4,998,793,295

The accompanying notes 1-28 form an integral part of this financial statement.



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



Nasir A Choudhury
Managing Director & CEO



Farzana Chowdhury
Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Consolidated Profit and Loss Account

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Investment income		33,102,363	62,737,592
Income from share business	22.A	15,700,121	32,972,893
Brokerage commission & others (less direct expenses)		41,525,793	77,552,784
Interest & others income	22.B	144,526,247	59,027,637
Total investment income		234,854,524	232,290,906
Fire insurance revenue a/c		131,952,892	101,347,785
Marine insurance revenue a/c		165,368,300	65,788,302
Motor insurance revenue a/c		30,853,209	8,843,351
Misc. insurance revenue a/c		(30,133,447)	(51,806,689)
Total revenue income		298,040,954	124,172,749
Total income		532,895,478	356,463,655
Management expenses	22.C	236,628,172	188,513,361
Director's fee & expenses		1,296,808	1,443,250
Audit fees		306,750	378,375
Preliminary expenses amortized		-	458,692
Depreciation		23,726,489	8,345,750
Total expenditure		261,958,219	199,139,428
Profit before provision & tax		270,937,259	157,324,227
Others provision		1,200,000	825,000
Net profit for the year		269,737,259	156,499,227
Profit attributable to GDIC		269,737,262	156,499,230
Share of non-controlling interest		(3)	(3)
		269,737,259	156,499,227

The accompanying notes 1-28 form an integral part of this financial statement.



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



Nasir A Chowdhury
Managing Director & CEO



Farzana Chowdhury
Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
Company Secretary
Signed as per our separate report of even date

Place: Dhaka
Date: February 14, 2013.


Ahmed Zaker & Co.
Chartered Accountants

Consolidated Profit and Loss Appropriation Account For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Balance Brought Forward from Last year		285,794,303	521,624,397
Net Profit For the Year Brought Down		269,737,262	156,499,230
TOTAL		555,531,565	678,123,627
Reserve for Exceptional Losses	5.01	121,253,618	86,204,861
Provision for Income Tax		19,952,480	28,497,535
Prior Year Adjustment		-	(716,280)
Adjustment for sharing profit of non controlling interest		-	(24,373,632)
Deferred tax Liability/ (Asset) during the year		15,000,000	(579,160)
Dividend Paid :		102,060,000	303,296,000
Cash			163,296,000
Stock		102,060,000	-
General Reserve		-	80,000,000
Dividend Equalization Fund			60,000,000
Balance Transferred to Balance Sheet		297,265,466	285,794,303
TOTAL		555,531,565	678,123,627
Earning Per share(Tk-10/= each)	25.A	4.60	2.52

The accompanying notes 1-28 form an integral part of this financial statement.



A Q M Nurul Absar
 Chairman



Dilruba Chowdhury
 Vice Chairman



Nasir A Choudhury
 Managing Director & CEO



Farzana Chowdhury
 Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
 Company Secretary

Signed as per our separate report of even date



Ahmed Zaker & Co.
 Chartered Accountants

Place: Dhaka
 Date: February 14, 2013.

Consolidated Statement of Cash Flows

For the year ended December 31, 2012

Particulars	Amount in taka	
	31.12.2012	31.12.2011
Cash flows from operating activities:		
Collections from premium and other income	3,190,232,116	3,137,052,417
Payments for management expense, re-insurance and claims	(2,515,672,605)	(3,076,741,804)
Income Tax paid	(38,062,930)	(45,986,389)
Net cash provided by operating activities	636,496,581	14,324,224
Cash flows from investing activities:		
Investment in share	61,350,908	(143,502,027)
Sales of investment	1,771,228	1,771,228
Proceeds from sales of share	1,257,579	39,183,069
Interest received	10,902,636	11,077,952
Income from Office rent	3,050,360	-
Investment in Green Delta Securities Ltd.	7,500,000	20,000,000
Dividend income	25,477,561	12,845,078
Purchase of fixed assets	(250,157,990)	(619,168)
Receivable from Green Delta LR Holding Ltd.	-	18,000,000
Receivable from Green Delta Capital Ltd.	(8,987,973)	533,291
Investment in Green Delta LR Holding Ltd.	-	(18,000,000)
Advance for GD AIMS Tower	(3,100,985)	-
Advance for Office Space bangla Motor	-	(47,848,544)
Office Space at Mirpur	-	(22,061,940)
BRAC Bank Preferred Share	-	50,000,000
Central Depository BD. Ltd (CDBL)	-	5,694,450
Investment in Jalalabad Telecom Ltd.	(52,384,000)	-
Investment in BD Venture	(10,000,000)	-
Investment in Swiss Pro	(9,600,000)	-
Advance Received from Standard Bank	17,131,750	-
Bank Loan	(172,514,717)	69,900,000
Lease Paid	(437,496)	-
Employees Loan Received	267,517	-
Net cash used in investing activities	(378,473,622)	(3,026,613)
Cash flows from financing activities:		
Dividend paid	(832,411)	(163,404,523)
Share Issue	-	-
Client Account	-	-
Net cash used in financing activities	(832,411)	(163,404,523)
Net Increase/(Decrease) in cash & cash equivalents during the year	257,190,548	(152,106,912)
Cash & cash equivalents at the beginning of the year	956,349,793	1,108,456,703
Cash & cash equivalents at the end of the year	1,213,540,341	956,349,791



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



Nasir A Choudhury
Managing Director & CEO



Farzana Chowdhury
Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Consolidated Statement of Changes in Equity

For the year ended December 31, 2012

Particulars	Share Capital	Reserve for Exceptional Losses	General Reserve	Dividend Equalization Fund	Foreign Currency Fluctuation	Revaluation Reserve	Investment Fluctuation Fund	Retained Earnings	Total	Non Controlling Interest	Total
Balance at 1st January 2012	408,240,000	615,560,132	170,000,000	120,000,000	4,556,089	235,046,694	1,035,349,545	285,794,303	2,874,546,763	1,037	2,874,547,800
Appropriation to Reserve (Last Year)									-		-
Revaluation						1,841,848,963		1,841,848,963	1,841,848,963	742	1,841,849,705
Dividend Paid (Last Year)	102,060,000							(102,060,000)	-		-
Profit after Tax								234,784,782	234,784,782		234,784,782
Appropriation to Reserve		121,253,618			(576,460)		(358,923,605)	(121,253,618)	(359,500,065)		(359,500,065)
Balance as on December 31, 2012	510,300,000	736,813,750	170,000,000	120,000,000	3,979,629	2,076,895,657	676,425,940	297,265,466	4,591,680,442	1,779	4,591,682,221



A Q M Nurul Absar
Chairman



Farzana Chowdhury
Additional Managing Director & Group CFO



Dilruba Chowdhury
Vice Chairman



Nasir A Choudhury
Managing Director & CEO



Syed Moinuddin Ahmed
Company Secretary

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Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Balance Sheet

As at December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Capital and Liabilities:			
Share Capital	4.00		
Authorized Share Capital		1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up	4.00	510,300,000	408,240,000
Reserve or Contingency Account:	5.00	3,177,069,026	1,945,465,766
Reserve for Exceptional Losses	5.01	736,813,750	615,560,132
Foreign Currency Fluctuation	5.02	3,979,629	4,556,089
Investment Fluctuation Fund	5.03	676,425,940	1,035,349,545
General Reserve	5.04	170,000,000	170,000,000
Dividend Equalization Fund	5.05	120,000,000	120,000,000
Revaluation Reserve		1,469,849,707	-
Profit & Loss Appropriation Account	6.00	170,983,364	156,620,948
Total Shareholders' Equity		3,858,352,390	2,510,326,714
Balance of Fund Accounts:	7.00	611,830,245	433,236,871
Fire Insurance Business	7.01	197,743,593	186,797,099
Marine Insurance Business	7.02	311,444,902	163,004,792
Motor Insurance Business	7.03	64,519,656	57,146,719
Miscellaneous Ins. Business	7.04	38,122,095	26,288,261
Premium Deposit	8.00	37,048,098	24,628,543
Liabilities and Provisions		1,074,375,218	1,496,019,979
Estimated Liability in Respect of Outstanding Claims whether Due or Intimated	9.00	81,867,599	62,876,816
Amount Due to Other Persons or Bodies Carrying on Insurance Business	10.00	578,954,134	858,790,560
Sundry Creditors (Including Outstanding Expenses, Taxes & Provisions)	11.00	413,553,484	463,722,953
Bank Loan	12.00	-	110,629,650
Total Liabilities		1,723,253,561	1,953,885,393
Total Liabilities & Shareholders' Equity		5,581,605,951	4,464,212,107

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Assets and Properties			
		2,684,522,299	3,538,529,291
Investment	13.00	1,998,955,594	2,363,647,672
Outstanding Premium	14.00	121,285,123	420,395,893
Amount Due from other Persons or Bodies Carrying on Insurance Business	15.00	279,402,044	233,412,642
Sundry Debtors (Including Advances and Deposits)	16.00	284,879,538	521,073,084
Cash and Bank Balances :			
	17.00	918,775,649	712,737,389
Fixed Deposits	17.01	878,156,706	542,183,536
At Banks on STD & Current Account	17.02	36,817,354	169,019,287
Cash in Hand	17.03	3,801,589	1,534,566
		1,978,308,003	212,945,427
Land	18.00	800,000,000	196,227,354
Fixed Assets (at revalued price less Depreciation)	19.00	1,175,672,151	15,087,402
Stock of Printing, Stationery and Stamps	20.00	2,635,852	1,630,671
		5,581,605,951	4,464,212,107

The accompanying notes 1-28 form an integral part of this financial statement.



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



Nasir A Choudhury
Managing Director & CEO



Farzana Chowdhury
Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
Company Secretary
Signed as per our separate report of even date

Place: Dhaka
Date: February 14, 2013.



Ahmed Zaker & Co.
Chartered Accountants

Profit and Loss Account

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Expenses of Management (Not Applicable to any Particular Fund or Account)		147,528,731	105,660,411
		23,290,803	6,888,974
Director's Fee & Expenses		1,296,808	1,443,250
Audit Fees	21.00	306,750	300,000
Depreciation		21,687,245	5,145,724
Net Profit for the year carried down to Profit & Loss Appropriation Account		262,676,034	143,427,594
		433,495,568	255,976,979
Investment & others Income	22.00	135,454,615	131,804,230
Profit & loss transferred From :		298,040,953	124,172,749
Fire Insurance Revenue Account		131,952,891	101,347,785
Marine Insurance Revenue Account		165,368,300	65,788,302
Motor Insurance Revenue Account		30,853,209	8,843,351
Misc. Insurance Revenue Account		(30,133,447)	(51,806,689)
TOTAL		433,495,568	255,976,979

The accompanying notes 1-28 form an integral part of these financial statement.



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Chairman



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Vice Chairman



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Company Secretary
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Place: Dhaka
Date: February 14, 2013.


Ahmed Zaker & Co.
Chartered Accountants

Profit and Loss Appropriation Account

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Balance Brought Forward from Last year		156,620,948	412,115,056
Net Profit For the Year Brought Down		262,676,034	143,427,594
TOTAL		419,296,982	555,542,650
Reserve for Exceptional Losses	5.01	121,253,618	86,204,862
Provision for Income Tax	11.01	10,000,000	10,000,000
Provision for deferred Tax	11.02	15,000,000	(579,160)
Dividend Paid :		102,060,000	303,296,000
Cash		-	163,296,000
Stock		102,060,000	-
General Reserve		-	80,000,000
Dividend Equalization Fund		-	60,000,000
Balance Transferred to Balance Sheet		170,983,364	156,620,948
TOTAL		419,296,982	555,542,650
Earning Per share(Tk-10/= each)		4.66	2.63
P/E Ratio		16.00	58.57

The accompanying notes 1-28 form an integral part of these financial statement.



A Q M Nurul Absar
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Company Secretary

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Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Consolidated All Business Revenue Account

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
		948,290,571	908,961,045
Claims Under Policies Less Re-Insurance	23.00	201,964,817	122,432,155
Agency Commission		342,659,411	414,512,997
Expenses of Management		403,666,343	372,015,893
Profit Transferred to Profit & Loss Account		298,040,953	124,172,748
Balance of Accounts at the end of the year as shown in the Balance Sheet	7.00	611,830,245	433,236,871
TOTAL		1,858,161,769	1,466,370,664
Balance of Account at the Beginning of the Year		433,236,871	386,431,503
Gross Premium		2,603,191,838	2,351,469,852
Re-Insurance Premium		(1,390,655,656)	(1,489,421,241)
Net Premium	24.00	1,212,536,182	862,048,611
Commission on Re-Insurance Ceded		212,388,716	217,890,550
TOTAL		1,858,161,769	1,466,370,664

The accompanying notes 1-28 form an integral part of these financial statement.



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



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Managing Director & CEO



Farzana Chowdhury
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Company Secretary

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Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Fire Insurance Revenue Account

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
		413,746,068	392,952,706
Claims Under Policies Less Re-Insurance	23.00	128,540,735	28,638,706
Expenses of Management		131,986,759	161,859,018
Agency Commission		153,218,574	202,454,982
Profit Transferred to Profit & Loss Account		131,952,891	101,347,785
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	7.01	197,743,593	186,797,099
TOTAL		743,442,552	681,097,590
		743,442,552	681,097,590
Balance of Account at the Beginning of the Year		186,797,099	158,443,222
Premium Less Re-Insurance	24.00	396,714,821	374,782,367
Commission on Re-Insurance Ceded		159,930,632	147,872,001
TOTAL		743,442,552	681,097,590

The accompanying notes 1-28 form an integral part of these financial statement.



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



Nasir A Choudhury
Managing Director & CEO



Farzana Chowdhury
Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
Company Secretary

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Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Marine Insurance Revenue Account

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
		327,062,089	270,440,175
Claims Under Policies Less Re-Insurance	23.00	32,262,312	56,800,411
Expenses of Management		202,676,299	137,526,729
Agency Commission		92,123,478	76,113,035
Profit Transferred to Profit & Loss Account		165,368,300	65,788,302
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	7.02	311,444,902	163,004,792
TOTAL		803,875,291	499,233,269
		803,875,291	499,233,269
Balance of Account at the beginning of the Year		163,004,792	146,495,619
Premium Less Re-Insurance	24.00	608,835,377	318,919,587
Commission on Re-Insurance Ceded		32,035,122	33,818,063
TOTAL		803,875,291	499,233,269

The accompanying notes 1-28 form an integral part of these financial statement.



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



Nasir A Choudhury
Managing Director & CEO



Farzana Chowdhury
Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
Company Secretary

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Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Motor Insurance Revenue Account

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
		96,569,735	101,260,713
Claims Under Policies Less Re-Insurance	23.00	31,825,353	27,809,146
Expenses of Management		43,399,672	49,735,986
Agency Commission		21,344,710	23,715,581
Profit Transferred to Profit & Loss Account		30,853,209	8,843,351
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	7.03	64,519,656	57,146,719
TOTAL		191,942,600	167,250,783
		191,942,600	167,250,783
Balance of Account at the beginning of the Year		57,146,719	48,926,838
Premium Less Re-Insurance	24.00	130,163,096	115,275,893
Commission on Reinsurance Ceded		4,632,785	3,048,052
TOTAL		191,942,600	167,250,783

The accompanying notes 1-28 form an integral part of these financial statement.



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



Nasir A Choudhury
Managing Director & CEO



Farzana Chowdhury
Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
Company Secretary
Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
		110,912,679	144,307,451
Claims Under Policies Less Re-Insurance	23.00	9,336,417	9,183,892
Expenses of Management		25,603,613	22,894,160
Agency Commission		75,972,649	112,229,399
Profit Transferred to Profit & Loss Account		(30,133,447)	(51,806,689)
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	7.04	38,122,095	26,288,261
TOTAL		118,901,327	118,789,023
		118,901,327	118,789,023
Balance of Account at the beginning of the Year		26,288,261	32,565,824
Premium Less Re-Insurance	24.00	76,822,889	53,070,764
Commission on Re-Insurance Ceded		15,790,177	33,152,435
TOTAL		118,901,327	118,789,023

The accompanying notes 1-28 form an integral part of these financial statement.



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



Nasir A Choudhury
Managing Director & CEO



Farzana Chowdhury
Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Statement of Cash Flows

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Cash flows from operating activities:			
Collections from premium and other income		3,024,239,503	2,664,265,298
Payments for management expense, re-insurance and claims		(2,474,183,070)	(2,517,780,468)
Income Tax paid		(20,436,257)	(45,986,389)
Net cash provided by operating activities		529,620,176	100,498,441
Cash flows from investing activities:			
Investment in share		51,491,354	(83,687,751)
Sales of investment		1,771,228	1,771,228
Proceeds from sales of share		1,257,579	39,183,069
Interest received		10,902,636	11,077,952
Income From Office Rent		3,050,360	
Investment Received Green Delta Securities		7,500,000	20,000,000
Dividend income		25,477,561	12,845,078
Purchase of fixed assets		(246,629,365)	(4,678,545)
Receivable from Green Delta LR Holding		-	18,000,000
Receivable from Green Delta Capital		(8,987,973)	533,291
Investment in Green Delta LR Holding Ltd.		-	(18,000,000)
Advance for GD Aims Tower		(3,100,985)	
Advanc for Office Space Bangla Motor		-	(47,848,544)
Office Space at Mirpur		-	(22,061,940)
BRAC Bank Preferred Share		-	50,000,000
Central Depository BD. Ltd (CDBL)		-	5,694,449
Investment in Jalalabad Telecom Ltd.		(52,384,000)	-
Investment in BD Venture		(10,000,000)	-
Investment in Swiss Pro BD Ltd		(9,600,000)	-
Advance Received from Standard Bank Ltd.		17,131,750	-
Bank Loan		(110,629,650)	50,000,000
Net cash used in investing activities		(322,749,505)	32,828,287
Cash flows from financing activities:			
Dividend paid		(832,411)	(163,404,523)
Net cash used in financing activities		(832,411)	(163,404,523)
Net Increase/(Decrease) in cash & cash equivalents during the year		206,038,260	(30,077,795)
Cash & cash equivalents at the beginning of the year		712,737,389	742,815,182
Cash & cash equivalents at the end of the year		918,775,649	712,737,389



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



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Managing Director & CEO



Farzana Chowdhury
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Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka

Date: February 14, 2013.

Statement of Changes in Equity

For the year ended December 31, 2012

Particulars	Share Capital	Reserve for Exceptional Losses	General Reserve	Dividend equalization fund	Foreign Currency Fluctuation	Investment Fluctuation Fund	Revaluation Reserve	Retained Earnings	Total
Balance at 1st January 2012	408,240,000	615,560,132	170,000,000	120,000,000	4,556,089	1,035,349,545	-	156,620,948	2,510,326,714
Appropriation to Reserve (Last Year)								-	-
Revaluation made during the period							1,469,849,707		1,469,849,707
Dividend Paid (Last Year)	102,060,000	-	-	-	-	-		(102,060,000)	-
Profit after Tax								237,676,034	237,676,034
Appropriation to Reserve									-
		121,253,618			(576,460)	(358,923,605)		(121,253,618)	(359,500,065)
Balance as on December 31, 2012	510,300,000	736,813,750	170,000,000	120,000,000	3,979,629	676,425,940	1,469,849,707	170,983,364	3,858,352,390



A Q M Nurul Absar
Chairman



Farzana Chowdhury
Additional Managing Director & Group CFO



Dilruba Chowdhury
Vice Chairman



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Managing Director & CEO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka

Date: February 14, 2013.

Notes to the financial statements and significant accounting policies

As at and for the year ended December 31, 2012

Graphical Presentation & Profitability Analysis
Financial Statements of Green Delta Insurance Company Ltd.
Green Delta Capital Ltd.
Green Delta L.R Holdings Ltd.
Green Delta Securities Ltd.
Glossary
Standard Disclosure Index
Proxy Form & Attendance Slip

1. Legal status and nature of the company

Legal form and status of the company

Green Delta Insurance Company Limited was incorporated as a public limited company in Bangladesh on December 14, 1985 under the Companies Act 1913 as amended in 1994 and commenced its operation on January 01, 1986. The certificate of commencement of Insurance business was obtained from the Controller of Insurance, (now IDRA) Government of People's Republic of Bangladesh. The Company is listed in both Dhaka & Chittagong Stock Exchange as a publicly traded Company

Address of registered office and place of business of the company

The registered office of the Company is located at Green Delta AIMS Tower, 51-52 Mohakhali C/A, Dhaka-1212, Bangladesh. The operations of the Company are being carried out through its 38 Branches located in all over Bangladesh.

Principal activities of the company

The principal object of the company is to carry on all kinds of insurance, guarantee, and indemnity business other than life insurance business.

2. Significant accounting policies

As per the requirements of BAS 1: "Presentation of Financial Statements" the Financial Statements have been prepared on the basis of going-concern concept under generally accepted accounting principles according to the historical cost convention. Requirements as to disclosure of financial information warranted by the Insurance Act 1938 have been adhered to in presenting financial statements. Such financial statements comprises the Statement of Financial Position (Balance Sheet), Statement of Comprehensive Income (Profit and Loss Account) and Revenue Accounts for specific classes of insurance business in the form set forth in the first, second and third schedule of the Insurance Act 1938 as amended 2010 in compliance with the Companies Act, 1994

In addition, the Securities and Exchange rules, 1987 (as amended in 1997) requires the production of Statement of Cash Flow and Statement of Changes in Shareholders Equity as a part of the Annual Report. The Securities and Exchange Commission (SEC) of Bangladesh regulates financial reporting practices of listed companies. Listed Companies are required to comply with SEC's accounting and disclosure requirements. The Rules 1987 as amended in 1997, requires listed companies to follow Bangladesh Accounting Standards (BSA) Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Specific accounting policies selected and applied for significant transactions and events are depicted below:

2.1 Basis of preparation

The financial statements are prepared using the accrual basis of accounting except for the cash flow information where the material class of similar item has been presented separately. As per the requirements of BAS 1: "Presentation of Financial Statements". The figures in the financial statements have been rounded off to the nearest taka.

2.2 Branch Accounting

The Company has thirty eight (38) branches under its umbrella without having any overseas branch during the year

ended December 31, 2012. The accounts of the branches are maintained and consolidated at the head office level. Only petty cash books are being maintained at the respective branches for meeting day to day expenses.

2.3 Public Sector Business

As per Government decision with effective 1st April 1990, all the Public Sector Insurance Business is being underwritten jointly by Sadharan Bima Corporation and 43 other private sector Insurance companies on co-insurance basis. Out of total general insurance business, 50% being underwritten by Sadharan Bima Corporation and the balance are shared equally by 43 private sector Insurance Companies.

The Company's share of Public Sector Business is accounted for in the year in which the complete statement of accounts from Sadharan Bima Corporation is received. As such the company's share of public sector insurance business has been considered and accounted for on the basis of certified statement received from Sadaran Bima Corporation for the year 2012.

2.4 Investment in Subsidiaries

The company is a parent company of two subsidiary companies namely Green Delta LR Holdings Limited and Green Delta Capital Limited details of which are given below:

Green Delta LR Holdings Limited (GDLRH): GDLRH is wholly owned subsidiary company of Green Delta Insurance Company Ltd which was incorporated on 28th July, 2010 with the Registrar of Joint Stock Companies & Firms .

Green Delta Capital Limited (GDCL): GDCL is a wholly owned subsidiary of Green Delta Insurance Company Limited. GDCL previously named as Green Delta LR Financial Service Limited was incorporated as a private company limited by shares on February 24, 2010 with the Registrar of Joint Stock Companies & Firms.

Nature of the business of the subsidiaries: The principal object of the subsidiary companies are to carry on trade business of indentures, dealers , traders, brokers, importers and exporters , provide merchant banking services , underwriting , manage distribute and issue of securities , stock , shares, bonds, debentures, debenture stock, undertake financial and commercial obligation, merchants exporter and alike all other business.

2.5 Basis of Consolidation:

The financial statements of the Company and its subsidiary as mentioned in note no. 2.4 have been consolidated in accordance with Bangladesh Accounting Standard-27 "Consolidation and Separate Financial Statements". The total profit of the company and its subsidiary are shown in the Consolidated Statement of Comprehensive Income (Profit and Loss Account) with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as ' Non-controlling Interest". All assets and liabilities of the Company and of its subsidiary are shown in the consolidated Statement of Financial Position (Balance sheet). The interest of Non-controlling shareholders of subsidiaries shown separately in the Consolidated Statement of Financial Position (Balance Sheet) under the heading of "Non-Controlling Interest"

2.6 Statement of Cash Flow

Statement of Cash Flow is prepared in accordance with BAS 7: "Statement of Cash Flows", the Statement of Cash Flow shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash

equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

According to BAS 7: "Statement of Cash Flows", cash comprises cash in hand and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of BAS 7 and BAS 1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

2.7 Statement of changes in equity

The statement of changes in equity is prepared in accordance with BAS 1: "Presentation of Financial Statements".

2.8 Fixed assets

a) Valuation of Fixed Assets

All fixed assets are stated at cost less accumulated depreciation as per BAS 16: "Property, Plant and Equipment". The cost of acquisition of an asset comprise its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

b) Recognition of Fixed Assets

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the items can be measured reliably. Normal expenditure incurred after the assets have been put into operation such as repairs and maintenance other than major replacements, renewals and or betterment of the assets are charged off as revenue expenditure in the period in which it is incurred.

c) Depreciation on Fixed Assets

Depreciation is charged on Fixed assets has been calculated on all assets using straight line method in accordance with BAS-16 "Property, Plant and Equipment" at varying rates depending on the class of assets. Full depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged from the month of disposal.

Methods and rates of depreciation are consistently applied in relation to previous year and depreciation rates are as follows:

Furniture & Fixtures	10%
Office & Electrical Equipment	15%
Vehicles	20%
Building	1%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and recognized in the statement of comprehensive income.

d) Impairment of Assets

In each year the management assess whether there is any indication that the assets may be impaired in accordance with BAS 36: "Impairment of Assets" considering the current economic situations. Management concludes that there is no such indication exists.

e) Revaluation Reserve:

Fixed assets were revalued by the company as on June 30, 2012 which was conducted by a professional independent valuer ASIAN Surveyors Ltd. In order to reflect the fair picture of the company in the present market condition on the basis of market availability and physical condition of those fixed assets and the gain arises due to the revaluation were transferred to the revaluation reserve account as per BAS 16 "Property, Plant and Equipments".

2.9 Financial Instruments

Derivative:

According to BFRS 7: "Financial Instruments: Disclosures", the company was not a party to any derivative contract (financial instruments) at the Balance Sheet date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

2.10 Provision for income tax

BAS 12: "Income Taxes" and Income Tax ordinance 1984 have been used for the calculation of deferred tax and current tax expense respectively. Provision for income tax represents the sum of the current tax expense and deferred tax expenses.

a) Current tax expense

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted on the balance sheet date.

b) Deferred tax expense

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized.

Deferred tax has been calculated and charged or credited to profit and loss appropriation account.

2.11 Reserve or Contingencies

a) Reserve for Exceptional Losses

As per Insurance Act 1938 as amended 2010, 10% statutory reserve is maintained out of profit by the company to meet any possible future claims.

b) Foreign Currency Fluctuation Fund

The Company maintained a Foreign Currency (FC) Account with the Pubali Bank Ltd for the overseas transactions and creates a reserve for Foreign Currency Fluctuation to avoid future losses due to change in foreign currency translation rate.

c) Investment Fluctuation Fund

The Company made investments in the capital market in a large portfolio and income generate from the investment (realized gain and dividend received) is credited to the Statement of Comprehensive income. Unrealized capital gain if any is transferred to the Investment Fluctuation Fund subsequently.

d) General Reserve

The Company did not create a general reserve from the current period's profit to avoid future contingency.

e) Dividend Equalization Fund

Dividend Equalization Fund is created for making proposed and approved dividend payments consistently to the shareholders in the event of worst business situation of the company.

2.12 Revenue recognition

The revenue is recognized after satisfying all the conditions for revenue recognition as provided BAS 18: "Revenue" in compliance with BFRS 4 "Insurance Contract". Detailed income wise policy for revenue recognition is given as under:

a) Premium Income

The income from premium is comprised of the total amount of premium earned on various classes of insurance business during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Private and Public Sector, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the Company. While preparing the final statement of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year, whether due or intimated have also been duly reflected in order to arrive at the net underwriting profit for the year.

b) Investment Income

Interest income on investments is recognized on accrual basis using effective interest rate as per BAS-18 "Revenue". Portfolio gain on investments in shares is recognized as income and credited to investment income in the profit and loss statement as per BAS- 39 "Financial Instrument: Recognition". Capital gain is recognized when it is realized and recognized as income and credited to investment income in the profit and loss statement as per BAS-39 " Financial Instrument: Recognition ". Capital gain is recognized when it is realized.

c) Dividend income

Dividend income has been accounted for only when the right to receive the dividend is established.

2.13 Employee Benefits

Green Delta Insurance Company Ltd. Offers a number of benefit plans which includes Contributory Provident Fund, Gratuity Fund, Hospitalization Benefit and also Profit and Festival Bonus which have been accounted for in accordance with the provision of Bangladesh Accounting Standard -19, "Employee Benefit." Bases of enumerating the above benefits schemes operated by the company are outlined below:

a) Contributory Provident Fund

The Company operates a contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is funded by equal contribution from the Company and the employees. This fund is invested separately from the Company's assets.

b) Gratuity Scheme

GDIC has a funded gratuity for all eligible employees who have completed minimum 10 (Ten) years of continuous service with the company. This scheme was approved by the National Board of Revenue (NBR) and is administered by an independent Board of Trustee. This fund is invested separately from the Company's assets. Required amount of gratuity is calculated on the basis, of last basic depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the end of the respective year.

c) Medical Assistance

In addition to the above core benefit schemes GDIC also support Medical Assistance Annual health checkup benefit and death & disability benefit to his employees as per their requirement.

d) Home Loan and Transport Assistance

To secure long term commitment of deserving employees GDIC introduced Employees Home Loan and Transport facilities. An employee served in the company for a continuous period of five years (3 years for the employees started from the position of AVP and above) is entitled to avail the loan to purchase residential apartment, purchase of land and construction of house thereon etc. Interest rate of the said loan is ranging from 10 to 15 percent.

e) Incentive Bonus

The company has resorted a policy namely Incentive Bonus Scheme for its employees who meets certain criteria based on their annual performance ascertained on net profit after Tax with the approval in the Annual General Meeting and the paid amount are accounted for the year to which same relates.

2.14 Foreign currency transaction

a) Functional and presentational currency

Financial statements of the company are presented in Bangladeshi Taka, which is the company's functional and presentational currency.

b) Foreign currency translation

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transaction as per BAS 21: “The Effects of Changes in Foreign Exchange Rates”.

2.15 Borrowing costs

Interest on borrowings of fund from different sources is recognized as financial expenses according to BAS 23: “Borrowing Costs”. Interest represents amount paid and accrued up to the end of the year.

2.16 Related party transactions

The related party is the party who has the significant power in the management process and cast significant power in the company’s affairs and the management duly identified the party is related to the company and discloses the transactions of the related party as per BAS 24: “Related Party Disclosures”

2.17 Earnings per share (EPS)

The company calculates earnings per share (EPS) in accordance with BAS 33: “Earnings Per Share”.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

For calculation of basic earnings and weighted average number of ordinary shares outstanding during the period, the following formulas have been used:

Sl. No.	Particulars	Individual GDIC	Consolidated
a)	Earnings attributable to the ordinary shareholders	237,676,034	234,784,781
b)	Number of Ordinary Shares	51,030,000	51,030,000
c)	Earnings Per Share	4.66	4.60

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 after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary share issued during the period multiplied by a time-weighted factor. The time-weighting factor is the number of days the specific shares outstanding as a proportion of the total number of days during the year.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the period, as there was no scope for dilution during the period under review.

2.18 Provision for liabilities

According to BAS 37: "Provision, Contingent Liabilities and Contingent Assets" the company recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

2.19 Events after Reporting Period

As per BAS 10: "Events After Reporting Period" there was no adjusting event after reporting period of such importance, non-disclosure of which may affect the ability of the users of the financial statements to make proper evaluations and decisions.

3.00 Additional information on financial statements

3.1 Responsibility for preparation and presentation of financial statements

The Board of Directors is responsible for the preparation and presentation of the financial statements under Insurance Act 2010 and BAS-1 "Presentation of Financial Statements".

3.2 Components of the financial statements

Following the Insurance Act 2010 and BAS 1: "Presentation of Financial Statements", the company's complete set of financial statements includes the following components:

- a) Statement of Financial Position (Balance Sheet) as at December 31, 2012.
- b) Statement of Comprehensive Income (Profit & Loss Account) for the period ended December 31, 2012.
- c) Statement of Cash Flows for the year ended December 31, 2012.
- d) Statement of Changes in Equity for the year ended December 31, 2012.
- e) Notes to the Financial Statements and significant accounting policies.

3.3 Uncertainties for use of estimates in preparation of financial statements

The preparation of financial statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of other information at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as depreciation on fixed assets, accrued expenses and income taxes.

3.5 Comparatives

Previous year's figure has been restated and rearranged whenever necessary due to fair presentation in the Financial Statements as per BAS 8 "Accounting Policies, Changes in Accounting Estimate and Errors"

3.6 Reporting period

Financial statements of the company cover for the year January 01, 2012 to December 31, 2012.

Amount in Taka	
31.12.2012	31.12.2011

4.00 Authorised Share Capital

100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000
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Classification of Shareholders by Holdings as on 31st December, 2012.

Class Interval	No of Shareholders	No of Shares	% of Holdings
Less than 500 Shares	4,245	769,161	1.51%
501 - 5,000	1,579	2,243,381	4.40%
5,001 - 10,000	101	706,970	1.39%
10,001 - 20,000	60	838,125	1.64%
20001 - 30000	29	699,347	1.37%
30001 - 40000	20	714,725	1.40%
40,001 - 50,000	16	717,900	1.41%
50,001 - 60,000	8	439,000	0.86%
60,001 - 70,000	10	647,387	1.27%
70,001 - 80,000	10	728,887	1.43%
80,001 - 90,000	9	761,775	1.49%
90,001 And Above	94	41,763,342	81.84%
Total	6,181	51,030,000	100.00%

5.00 Reserve or contingency account

Reserve for Exceptional Losses	736,813,750	615,560,132
Foreign Currency Fluctuation	3,979,629	4,556,089
Investment Fluctuation Fund	676,425,940	1,035,349,545
General Reserve	170,000,000	170,000,000
Dividend equalization fund	120,000,000	120,000,000
Revaluation reserve	1,469,849,707	-
Closing Balance	3,177,069,026	1,945,465,766

5.01 Reserve for Exceptional Losses

Opening Balance	615,560,132	529,355,271
Addition during the year (10% of net premium income)	121,253,618	86,204,861
Closing Balance	736,813,750	615,560,132

5.02 Foreign Currency Fluctuation

Opening Balance	4,556,089	2,632,340
Addition / (Less) during the year	(576,460)	1,923,749
Closing Balance	3,979,629	4,556,089

Amount in Taka	
31.12.2012	31.12.2011

5.03 Investment Fluctuation Fund

Opening Balance	1,035,349,545	1,601,222,993
Less During the year	(358,923,605)	(565,873,448)
Closing Balance	676,425,940	1,035,349,545

5.04 General Reserve

Opening Balance	170,000,000	90,000,000
Addition during the year (From Last year Retain Earnings)	-	80,000,000
Closing Balance	170,000,000	170,000,000

5.05 Dividend Equalization Fund

Opening Balance	120,000,000	60,000,000
Addition during the year (From Last year Retain Earnings)	-	60,000,000
Closing Balance	120,000,000	120,000,000

5.A Consolidated Reserve or contingency Account

Green Delta Insurance Company	3,177,068,419	1,945,465,766
Green Delta LR Holding Limited	607,046,557	235,046,929
Green Delta Capital Limited	-	-
Closing Balance	3,784,114,976	2,180,512,695

6.00 Profit and Loss Appropriation Account

Opening Balance (Accumulated Un distributed Profit)	156,620,948	412,115,055
Add: Net Profit for the year	262,676,034	143,427,594
Less : Reserve for Exceptional Losses (10% of Net Premium)	(121,253,618)	(86,204,861)
Less : Provision for Income Tax	(10,000,000)	(10,000,000)
Add: Provision for Deferred Tax	(15,000,000)	579,160
Less : Dividend Paid	(102,060,000)	(163,296,000)
Less : Transfer to General Reserve	-	(80,000,000)
Less : Transfer to Dividend Equalization Fund	-	(60,000,000)
Closing Balance	170,983,364	156,620,948

6.A Consolidated Profit and Loss Appropriation Account

Green Delta Insurance company	170,983,364	156,620,948
Green Delta Capital Limited	6,879,576	2,211,558
Green Delta LR Holding Limited	119,402,526	126,961,797
Closing Balance	297,265,466	285,794,303

Amount in Taka	
31.12.2012	31.12.2011

6.B Non-Controlling Interest

Green Delta Capital Limited	107	102
Green Delta LR Holdings Limited	1,672	935
Closing Balance	1,779	1,037

7.00 Balance of Fund Account

Fire Insurance business (Revenue Account Note no.7.01)	197,743,593	186,797,099
Marine Insurance business (Revenue Account Note no.7.02)	311,444,902	163,004,792
Motor Insurance business (Revenue Account Note no.7.03)	64,519,656	57,146,719
Misc. Insurance business (Revenue Account Note no.7.04)	38,122,095	26,288,261
Closing Balance	611,830,245	433,236,871

Reserve for unexpired risks has been made on premium income excluding Public Sector Business at the following rates :

Particulars	Total Premium (Without PSB)	%	Balance of Fund	
Fire	395,487,186	50%	197,743,593	186,797,099
Marine Cargo	589,224,851	50%	294,612,426	152,289,593
Marine Hull	16,832,476	100%	16,832,476	10,715,200
Motor	129,039,311	50%	64,519,656	57,146,719
Miscellaneous	76,244,190	50%	38,122,095	26,288,260
Total	1,206,828,014		611,830,245	433,236,871

8.00 Premium Deposits

Marine Cargo	37,048,098	24,628,543
	37,048,098	24,628,543

This represents the amount of premium deposited with the Company against cover notes for which no policy has been issued up to the end of the year.

9.00 Estimated Liability in Respect of Outstanding Claims whether Due or Intimated

Fire	48,149,117	18,094,229
Marine Cargo	18,880,534	28,628,545
Marine Hull	448,998	448,998
Motor	7,189,504	5,511,355
Miscellaneous	7,199,446	10,193,689
Closing Balance	81,867,599	62,876,816

Amount in Taka	
31.12.2012	31.12.2011

10.00 Amount Due to Other Persons or Bodies Carrying on Insurance Business

This represents the amount payable to Sadharan Bima Corporation and other Re-Insurers and private sector insurance companies on account of re-insurance and co-insurance premium as at December 31, 2012.

Payable against Co-Insurance Premium	39,504,655	124,592,150
Amount due to SBC	214,190,722	257,181,125
Overseas Re-Insurer	325,258,758	477,017,286
Closing Balance	578,954,134	858,790,561

11.00 Sundry Creditors

Liability for Expenses	8,829,966	7,780,866
Others Payable	196,232,457	162,992,495
Provision for Income Tax (Note : 11.01)	181,212,739	279,838,859
Deferred Tax Payable/(Asset): (Note : 11.02)	13,061,018	(1,938,982)
Unclaimed Dividend	14,217,304	15,049,715
Closing Balance	413,553,484	463,722,953

11.01 Provision for Income Tax

Opening Balance	279,838,859	269,838,859
Less ; Adjustment of Provision for Tax against Advance Tax	108,626,120	-
Add ; Addition during the year	10,000,000	10,000,000
Closing Balance	181,212,739	279,838,859

11.02 Deferred Tax Payable/(Asset)

Opening Balance	(1,938,982)	(1,359,822)
Less : Adjustment during the Year	15,000,000	(579,160)
Closing Balance	13,061,018	(1,938,982)

11.A Consolidated Sundry Creditors

Green Delta Insurance Company Ltd.		413,553,484	463,722,953
Green Delta Capital Limited	21,469,402		-
Less: Inter Company Transaction			30,386,596
Payable to GDIC	9,170,962	12,298,440	(332)
Green Delta LR Holding Limited	316,289,588		290,220,735
Less: Inter Company Transaction			
Loan From GDIC (Margin Loan)	107,500,000		(115,000,000)
Payable to GDIC (Management Expenses)	28,593,492		(22,931,366)
Interest Payable on Margin loan	33,021,907		(34,224,679)
Payable to GDIC	8,200,000	138,974,189	(8,200,000)
Closing Balance		564,826,113	603,973,907

Amount in Taka	
31.12.2012	31.12.2011

12.00 Bank Loan

Opening Balance	110,629,650	51,663,875
Add ; Loan Received during the period	-	50,000,000
Add ; Interest Charge during the Period	16,598,123	8,965,775
Less : Paid During the Year (Principal & Interest)	(127,227,773)	-
Closing Balance	-	110,629,650

The total due amount has been paid to the The Mercantile Bank Limited, account no.001451, Elephant Road branch,Dhaka-1205 in favor of the company.

12.A Consolidated Bank Loan

Green Delta Insurance Company Ltd.	-	110,629,650
Green Delta LR Holding Limited	-	30,109,148
Closing Balance	-	140,738,798

13.00 Investment

Investment Bond (Govt Bond)	4,500,000	4,500,000
Shares Listed on DSE & CSE (Market Price)	1,515,985,404	1,743,390,254
Debentures	5,224,800	6,996,028
Jalalabad Telecom Ltd.	82,384,000	30,000,000
Green Delta AIMS Ltd.	4,500,000	4,500,000
United Hospital	56,100,000	56,100,000
Investment in GDSL as Loan (Note no,13.1)	107,500,000	115,000,000
Beximco Pharma Preferred Share	522,700	522,700
Green Delta LR Holding Ltd. (Paid up Capital)	99,999,900	99,999,900
Green Delta Capital Limited (Paid up Capital)	99,999,900	99,999,900
Green Delta Mutual Fund	-	150,000,000
Green Delta LR Global Mutual Fund	-	50,000,000
Financial Excellence	1,500,000	1,500,000
CDBL	1,138,890	1,138,890
BD Venture	10,000,000	-
Swiss Pro BD Ltd.	9,600,000	-
Closing Balance	1,998,955,594	2,363,647,672

Adequate provision has been made against fluctuation of share price.

13.01 Investment in GDSL as Margin Loan

Margin Loan of Green Delta Securities Ltd.	107,500,000	115,000,000
Closing Balance	107,500,000	115,000,000

The amount was invested in GDSL as margin loan and bearing 10 % interest annually.

Amount in Taka	
31.12.2012	31.12.2011

13.A Consolidated Investment

Investment of Green Delta Insurance Co. Ltd.	1,998,955,594	2,363,647,672
Less: Inter Company Transaction		
Paid up Capital of Green Delta Capital Ltd.	99,999,900	(99,999,900)
Green Delta LR Holdings Ltd.	99,999,900	(99,999,900)
Loan of Green Delta Securities Ltd.	107,500,000	1,691,455,794
Investment of Green Delta Capital Ltd.		48,490,941
Investment of Green Delta LR Holdings Ltd.		747,056,670
Closing Balance	2,487,003,405	2,482,055,037

14.00 Outstanding Premium

Outstanding premium represents instalments due as on the Balance Sheet date on account of Marine & Aviation Business.

Marine Hull	23,302,547	29,870,130
Aviation Hull	97,982,576	390,525,763
Closing Balance	121,285,123	420,395,893

15.00 Amount due from other Persons or Bodies Carrying on Insurance Business

This represents the amount receivable from private sector Insurance Companies on account of Co-insurance premium and claim as on December 31, 2012.

Co-Insurance Premium receivable	47,255,259	98,383,137
Co-Insurance Claim receivable	5,325,117	5,210,845
Amount due from Overseas Re-Insurer	226,821,668	129,818,660
Closing Balance	279,402,044	233,412,642

16.00 Sundry Debtors (Including Advance and Deposits)

Advance Rent	5,387,060	5,078,967
Advance Salary	481,920	573,740
Car Lease for Employees(Advance)	13,051,589	16,756,497
Other Advances	264,288,015	338,016,519
Security Deposit	1,670,954	2,070,954
Office Space at Bangla Motor (Rupayan)	-	158,576,407
Closing Balance	284,879,538	521,073,084

Amount in Taka	
31.12.2012	31.12.2011

16.A Consolidated Sundry Debtors

Green Delta Insurance Company Ltd.	284,879,538	521,073,084
Less: Inter Company Transaction		
Receivable from Green Delta Capital Ltd.	9,170,962	(101,440)
Receivable from Green Delta Securities Ltd.	28,593,496	(22,931,266)
Receivable from GDLR Holding Securities Ltd.	8,200,000	(8,200,000)
Interest Rece. from Green Delta Securities Ltd.	33,021,902	205,893,178
Green Delta LR Holding Limited	149,294,678	203,966,104
Green Delta Capital Limited	12,880,343	10,118,167
Closing Balance	368,068,199	669,699,970

17.00 Cash & Cash Equivalent

Fixed Deposits	878,156,706	542,183,536
At Banks on STD & current account	36,817,354	169,019,287
Cash in hand	3,801,589	1,534,566
Closing Balance	918,775,649	712,737,389

17.A Consolidated Cash & Cash Equivalent

Green Delta Insurance Company Ltd.	918,775,649	712,737,389
Green Delta LR Holding Limited	235,610,158	186,130,560
Green Delta Capital Limited	59,154,534	57,481,844
Cash in Transit (Inter Company Transaction to GDCL)	-	101,108
Closing Balance	1,213,540,341	956,450,901

18.00 Land

Land at Cost Price	21,036,075	21,036,075
Add . Value increase for Revaluation	778,963,925	-
Closing Balance	800,000,000	21,036,075

Land has been revalued by a professional re-valuer namely Asian Surveyors Ltd. as per decision of the Board of Directors and stated at new revalued price of the land measuring 6 (Six) khatha and 4 (four) Chataks situated at 51, Mohakhali C/A, Dhaka-1212.

Amount in Taka	
31.12.2012	31.12.2011

19.00 Fixed Assets (at cost less depreciation)

	Furniture & Fixtures	Office & Electrical Equipment	Vehicles	Building	Total
Cost					
As at January 1, 2012	25,459,478	46,071,993	2,353,267	-	73,884,738
Additions during the period	33,082,636	10,412,317	17,788,000	430,103,254	491,386,207
Revaluation	(9,362,551)	4,150,316	38,995,733	592,983,787	626,767,285
As at December 31, 2012	49,179,563	60,634,626	59,137,000	1,023,087,041	1,192,038,230
Depreciation					
As at January 1, 2012	19,305,134	37,447,120	2,045,078	-	58,797,332
Charge during the period	4,677,876	6,322,626	7,240,937	3,445,805	21,687,243
Less : Revaluation Adjustment	(21,524,032)	(39,222,149)	(3,372,315)		(64,118,496)
As at December 31, 2012	2,458,978	4,547,597	5,913,700	3,445,805	16,366,079
Written Down value at December 31, 2012	46,720,585	56,087,029	53,223,300	1,019,641,236	1,175,672,151
Written Down value at December 31, 2011	6,154,344	8,624,872	308,186	-	15,087,402

19.A Consolidated Fixed Assets (at cost less depreciation)

This is made up as follows :

Green Delta Insurance Company Ltd.	1,175,672,151	15,087,402
Green Delta LR Holding Limited	10,486,705	16,235,575
Green Delta Capital Limited	7,823,166	7,306,425
Closing Balance	1,193,982,022	38,629,402

20.00 Stock of Printing, Stationery & Stamps

Printing	1,584,294	1,025,600
Stationery	20,155	22,438
Insurance Policy Stamps	1,031,403	582,633
Closing Balance	2,635,852	1,630,671

20.A Consolidated Preliminary Expenses

Green Delta LR Holding Limited	291,425	291,425
Green Delta Capital Limited	-	-
Closing Balance	291,425	291,425

Amount in Taka	
31.12.2012	31.12.2011

21.00 Audit Fees

Statutory audit	156,750	150,000
Half yearly Audit	150,000	150,000
Closing Balance	306,750	300,000

22.00 Investment and Others Income

Interest on FDR & STD	89,546,062	61,462,434
Net profit from Shares Trading	1,257,579	39,183,069
Interest on National Bond	382,500	421,798
Underwriting Commission	538,522	324,450
Dividend Income	25,477,561	12,845,077
Interest Income from GDSL	11,548,611	13,315,278
Co-Ins Service Charges	3,627,189	2,392,999
Sundry Income	26,231	1,859,125
Rental Income	3,050,360	-
Closing Balance	135,454,615	131,804,230

22.A Consolidated Income from Share Business

Green Delta Insurance Company Ltd.	1,257,579	39,183,069
Green Delta LR Holding Limited	3,422,471	(7,480,576)
Green Delta Capital Limited	11,020,071	1,270,400
	15,700,121	32,972,893
Less : Inter Company Income (Stock Dividend)	-	-
Closing Balance	15,700,121	32,972,893

22.B Consolidated Interest & Others Income

Green Delta Insurance Company Ltd.	101,094,673	31,158,727
Green Delta LR Holding Limited	48,155,490	34,008,311
Green Delta Capital Limited	6,824,695	7,175,877
	156,074,858	72,342,915
Less: Inter Company Transaction	11,548,611	13,315,278
Closing Balance	144,526,247	59,027,637

22.C Consolidated Management Expenses

Green Delta Insurance Company Ltd.	147,528,731	105,660,411
Green Delta LR Holding Limited	82,105,420	89,402,191
Green Delta Capital Limited	18,542,632	6,768,034
	248,176,783	201,830,636
Less: Inter Company Transaction	11,548,611	13,315,278
Closing Balance	236,628,172	188,515,358

Amount in Taka	
31.12.2012	31.12.2011

23.00 Claims under Policies less Re-insurance

Particulars	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total
Claims Paid during the year	98,485,847	42,010,323	-	30,147,204	12,330,660	182,974,034
Claims Outstanding at the end of the year	48,149,117	18,880,534	448,998	7,189,504	7,199,446	81,867,599
Claims Outstanding at the beginning of the year	(18,094,229)	(28,628,545)	(448,998)	(5,511,355)	(10,193,689)	(62,876,816)
Total amount (Year - 2012)	128,540,735	32,262,312	-	31,825,353	9,336,417	201,964,817
Total amount (Year- 2011)	28,638,706	56,455,482	344,929	27,809,146	9,183,892	122,432,155

24.00 Premium Less Re-Insurance

Class of Business	On Direct Business	On Re-ins Accepted	On Re-ins. Ceded	Total
Fire	1,075,478,210	-	(678,763,389)	396,714,821
Marine Cargo	700,539,830	-	(108,492,194)	592,047,636
Marine Hull	76,071,895	1,834,743	(61,118,897)	16,787,741
Motor	152,527,616	-	(22,364,520)	130,163,096
Miscellaneous	596,739,544	-	(519,916,656)	76,822,888
Total amount (December 31, 2012)	2,601,357,095	1,834,743	(1,390,655,656)	1,212,536,182

25.00 Earning Per Share (EPS)

$$\text{EPS} = \frac{\text{Net Profit after Tax}}{\text{Total No. of Shares Outstanding during the year}}$$

$$= \frac{237,676,034}{51,030,000} \quad \text{Tk. 4.66} \quad \text{Tk.2.63}$$

$$\text{Consolidated EPS} = \frac{\text{Consolidated Net Profit after Tax}}{\text{Total No. of Shares Outstanding during the year}}$$

$$= \frac{234,784,782}{51,030,000} \quad \text{Tk. 4.60} \quad \text{Tk.2.52}$$

Amount in Taka	
31.12.2012	31.12.2011

26.00 Net Assets Value

The offer price of the common stock of Green Delta Insurance Co. Ltd. has been determined on the basis of net assets value, the break up is given below

A. Assets.		
Investment	1,998,955,594	2,363,647,672
Outstanding Premium	121,285,123	420,395,893
Amount due to other persons or bodies carrying on Insurance Business	279,402,044	233,412,642
Sundry Debtors	284,879,538	521,073,084
Cash and Bank Balance	918,775,649	712,737,389
Land , Fixed Asset & Others	1,978,308,003	212,945,427
Total Assets	5,581,605,951	4,464,212,107
B. Liabilities		
Balance of Fund Accounts	611,830,245	433,236,871
Premium Deposit	37,048,098	24,628,543
Estimated liability in respect of outstanding claims whether due or intimated	81,867,599	62,876,816
Amount due to other persons or bodies carrying on Insurance Business	578,954,134	858,790,561
Sundry Creditors	413,553,484	463,722,953
Bank Loan	-	110,629,650
Total Liability	1,723,253,561	1,953,885,394
Net Assets (A - B)	3,858,352,390	2,510,326,713
Number of weighted average shares outstanding during the year	51,030,000	51,030,000
Net Assets Value per share	75.61	49.19

27.00 Even after Balance Sheet Date :

The Board of Directors in their meeting held on February 14 ,2013 have recommended for Cash Dividend 15% and Stock dividend 15% per share on outstanding share capital.

28.00 Related Party Transaction

Transaction with related parties as per BAS-24 are presented below:

Name of the Related Party	Nature of Relationship	Nature of Transaction	Balance as on December 31, 2012
Green Delta LR Holding Limited	Subsidiary	Loan	198,959,941
Green Delta Capital Limited	Subsidiary	Loan	9,170,962
Jalalabad Telecom Limited	Share holder	Investment	82,384,000

Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Annexure-I

Name of the BAS	BAS no	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied
Earnings per Shares	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	Applied
Agriculture	41	N/A
Name of the BFRS	BFRS no	Status
First Time Adaption of BFRS	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	Applied
Insurance Contracts	4	Applied
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosure	7	Applied
Operating Segments	8	N/A

Form "AA"

Classified Summary of Assets as at December 31, 2012.

Sl. No.	Class of Assets	Book Value Taka
1	Investment Bond	4,500,000
2	Shares Listed on Dhaka Stock Exchange Ltd.	1,515,985,404
3	Beximco Pharma Preferred Share	522,700
4	Green Delta AIMS (Paid up Capital)	4,500,000
5	Debentures	5,224,800
6	Jalalabad Telecom Ltd.	82,384,000
7	United Hospital	56,100,000
8	Green Delta LR Holding	99,999,900
9	Investment in GDSL as Margin Loan	107500000
10	Green Delta LR Financial Service Ltd.	99,999,900
11	Financial Excellence Ltd.	1,500,000
12	Central Depository BD. Ltd	1,138,890
13	BD Venture	10,000,000
14	Swiss Pro BD Ltd.	9,600,000
15	Fixed Deposit	878,156,706
16	Cash at Bank on STD and Current Account	36,817,354
17	Cash and Cheque in Hand and on Transit	3,801,589
18	Outstanding Premium	121,285,123
19	Amount due from other persons or bodies carrying on Insurance Business	279,402,044
20	Sundry Debtors (including advance and deposits)	284,879,538
21	Land Property	800,000,000
22	Fixed Assets (at cost less depreciation)	1,175,672,151
23	Stock of Stationery and Stamps	2,635,852
TOTAL		5,581,605,951



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairman



Nasir A Choudhury
Managing Director & CEO



Farzana Chowdhury
Additional Managing Director & Group CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

7.3 | Financial Statements of Green Delta Capital Ltd. Auditors' Report

We have audited the accompanying financial statements of Green Delta Capital Limited, which comprise the statement of financial Position as at December 31, 2012 and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, Companies Act 1994, Securities and Exchange Commission Rule 1987 and other Laws and Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Green Delta Capital Limited as of December 31, 2012 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Securities and Exchange Commission Rule 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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 account 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 Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts;

Place: Dhaka
Date February 14, 2013.


Ahmed Zaker & Co.
Chartered Accountants

Statement of Financial Position

As at December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
APPLICATION OF FUNDS			
Non-Current Assets		7,823,166	7,306,425
Property & Equipment	4	2,263,862	340,415
Lease Assets	5	1,312,496	1,662,500
Intangible Assets	6	4,246,808	5,303,510
Current Assets		120,525,818	125,291,731
Advances, Deposits & Prepayments	7	6,295,737	1,322,509
Investment in shares (at cost)	8	48,490,941	57,691,720
Accounts Receivable	9	5,289,374	7,232,910
Loan to Employees	10	1,295,232	1,562,749
Cash and cash equivalents	11	59,154,534	57,481,844
Current Liabilities		20,740,226	29,219,924
Payable to GDIC	12	9,170,962	332
Payable to GDSL	13	4,078,734	4,055,368
Accounts Payable	14	2,569,281	1,315,989
Short Term Loan GDSL	15	-	19,900,000
Other Provision	16	1,505,647	825,000
Provision for Income Tax	17	3,415,602	3,123,235
Net Current Assets		99,785,592	96,071,807
Total Assets		107,608,759	103,378,232
SOURCE OF FUNDS			
Shareholders equity		106,879,583	102,211,560
Share Capital	18	100,000,000	100,000,000
Retained Earnings	19	6,879,583	2,211,560
Long Term Liabilities			
Lease Obligation	20	729,176	1,166,672
Total Capital Employed		107,608,759	103,378,232

The above notes (1-27) form an integral part of these financial statement.



Chairman



Director



Managing Director



Group CFO



Chief Investment Officer

Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants

Date: February 14, 2013.

Statement of Comprehensive Income

for the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Income:			
Operating Income	21	8,897,500	6,037,500
Realised Gain on share trading	22	11,020,071	1,270,400
Other Income	23	6,824,695	7,656,135
Total Operating Income (A)		26,742,266	14,964,035
Operating Expenses:			
Operating & Direct Charges	24	13,882	71,070
Office & Administrative Expenses	25	18,152,722	6,792,159
Financial Expenses	26	376,028	480,258
Total Operating Expenses (B)		18,542,632	7,343,487
Profit Before Depreciation & Provisions (A-B)		8,199,634	7,620,548
Less: Depreciation & Write Off	27	2,039,244	650,352
Profit Before Tax		6,160,390	6,970,196
Other Provision		1,200,000	825,000
Provision for taxation		292,367	3,123,235
Prior year Adjustment			716,280
Net Profit After Tax		4,668,023	3,738,241

The above notes (1-27) form an integral part of these financial statement.



Chairman



Group CFO



Director



Managing Director



Chief Investment Officer

Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants


Place: Dhaka
Date: February 14, 2013.

Statement of Changes In Equity

As at December 31, 2012

Amount in Taka

Particulars	Share Capital	Proposed Stock Dividend	Revaluation Reserve	Retained Earnings	Total Shareholders Equity
Opening Balance	100,000,000	-	-	2,211,560	102,211,560
Net profit during the year	-	-	-	4,668,023	4,668,023
Proposed Stock Dividend Paid	-	-	-	-	-
Reserve for Revaluation	-	-	-	-	-
Closing Balance	100,000,000	-	-	6,879,583	106,879,583



Chairman



Group CFO



Director



Managing Director



Chief Investment Officer

Signed as per our separate report of even date



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Statement of Cash Flows

for the year ended December 31, 2012

Particulars	Amount in taka	
	31.12.2012	31.12.2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Collected from Turnover	28,685,802	7,731,125
Cash Paid to Customers, Suppliers, Employees & others	(13,061,359)	5,255,773
Income Tax and Other Provision Paid	(519,353)	
Net Cash flow from/(used) Operating Activities	15,105,090	2,475,352
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets addition during the year	(2,563,200)	(6,891,097)
Investment	9,200,779	(57,691,720)
Net Cash flow from /(Used) in Investing Activities:	6,637,579	(64,582,817)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Employee loan adjustment	267,517	-
Loan Paid/Received	(19,900,000)	19,900,000
Lease Paid	(437,496)	-
Share issued	-	-
Net Cash used in Financing Activities:	(20,069,979)	19,900,000
D. Net Increase/(Decrease) in cash & cash equivalents during the year (A+B+C):	1,672,690	(42,207,465)
E. Cash & cash equivalents at the beginning of the year	57,481,844	99,689,309
Cash & cash equivalents at the end of the year	59,154,534	57,481,844

Notes to the Financial Statements and Significant Accounting Policies

For the year ended December 31, 2012

Graphical Presentation & Profitability Analysis
Financial Statements of Green Delta Insurance Company Ltd.
Green Delta Capital Ltd.
Green Delta L.R Holdings Ltd.
Green Delta Securities Ltd.
Glossary
Standard Disclosure Index
Proxy Form & Attendance Slip

1. Legal status and nature of the company

Green Delta Capital Limited was incorporated with the Registrar of Joint Stock Companies & Firms vide registration no. C- 827406/10 dated February 24, 2010 as a private company limited by shares namely Green Delta LR Financial Service Limited. Subsequently the company renamed as Green Delta Capital Limited in September 4, 2011.

Registered office and place of business of the company

The Registered office of the company is situated at Green Delta AIMS Tower (3rd Floor), 51-52 Mohakhali, Dhaka-1212.

Principal activities of the company

The principal object of the company is to carry on trade, business of indentures, dealers, traders, brokers, importers and exporters and operate and provide merchant banking services, underwrite, manage distribute issue of securities, stocks, shares, bonds, debentures, debenture stock and investment Instruments.

2. Significant accounting policies

As per the requirements of BAS 1: "Presentation of Financial Statements" financial statements comprise a statement of financial position at the end of the year, a statement of comprehensive income for the year, a statement of changes in equity for the year, a statement of cash flows for the year, liquidity statement, and relevant notes to the financial statements and disclosures.

Financial statements are made as of December 31, 2012 and are prepared under the historical cost convention on generally accepted accounting principles on going concern basis. Financial statements have been prepared in accordance with the measurements and recognition requirements of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

Adopted International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable rules and regulation have been used as a model for the presentation and disclosure framework to provide additional information and analysis of the key items in the financial statements except as the company considers disclosures inappropriate.

Specific accounting policies selected and applied for significant transactions and events are depicted below.

1.1 Basis of preparation

The financial statements are prepared using the accrual basis of accounting except for the cash flow information where the material class of similar item has been presented separately. As per the requirements of BAS 1: "Presentation of Financial Statements". The figures in the financial statements have been rounded off to the nearest taka.

2.2 Property, Plant and Equipment

i) Recognition and measurement

Owned assets

Items of own property and equipments are measured at cost less accumulated depreciation and any

accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (BAS) 16 "Property, Plant and Equipments".

Leasehold assets

Leasehold assets of which the company assumes substantially all the risks and rewards of ownership are accounted for as finance leases and capitalized at the inception of the lease at fair value of the leased property or at the present value of the minimum lease payments, whichever is lower as per Bangladesh Accounting Standard (BAS) 17 "Leases". The corresponding obligation under the lease is accounted for as liability.

ii) Subsequent expenditure on property and equipment

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.

iii) Depreciation

Depreciation is charged to amortize the cost of assets, over their estimated useful lives, using the straight-line method in accordance with BAS-16 "Property, Plant and Equipment". Depreciation is charged on additions of date when the related assets are put into use and no depreciation is charged from the month of disposal. Asset category wise depreciation rates are as follows:

Furniture and fixtures	10.00%
Office equipment	20.00%
Leasehold motor vehicles	20.00%
Computers	33.00%
Software	20.00%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the profit and loss account.

Depreciation methods, useful lives and residual values, if any are reviewed at the balance sheet date.

2.3 Cash flow statement

Cash flow statement is prepared in accordance with BAS 7: "Cash Flow Statement", the cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

According to BAS 7: "Cash Flow Statements", cash comprises cash in hand and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of BAS 7 and BAS 1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

2.4 Tax Expenses

BAS 12: "Income Taxes" and Income Tax ordinance 1984.

Current tax expense

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2.5 Revenue recognition

The revenue is recognized after satisfying all the conditions for revenue recognition as provided BAS 18: "Revenue". Detailed income wise policy for revenue recognition is as under:

a) Interest income on loans, advances and leases

Interest on loans is recognized as income at the time of its becoming receivable from the client.

b) Other operating income

Income classified as other income has been accounted for on cash basis.

2.6 Financial Instruments:

Derivative:

According to BFRS 7: "Financial Instruments: Disclosures", the company was not a party to any derivative contract (financial instruments) at the Balance Sheet date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative:

A non-derivative financial instrument comprises of accounts and other receivable, borrowings and other payables and is shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

Accounts Receivable

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current year's account.

Creditors and Accrued Expenses

Liabilities are recognized for amounts to be paid in future for goods and services received, whether or not billed by the supplier.

2.7 Borrowing costs

Interest on borrowings of fund from different sources is recognized as financial expenses according to BAS 23: "Borrowing Costs". Interest represents amount paid and accrued up to the end of the period.

2.8 Related party transactions

The management has duly identified the party related to the company and disclosed the transactions of the related party as per BAS 24: "Related Party Disclosures"

2.9 Provision for liabilities

According to BAS 37: "Provision, Contingent Liabilities and Contingent Assets" the company recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

3. Additional information on financial statements

3.1 Responsibility for preparation and presentation of financial statements

The Board of Directors is responsible for the preparation and presentation of the financial statements under section 183 of the Companies Act 1994 and BAS-1 "Presentation of Financial Statements".

3.2 Components of the financial statements

Following the BAS 1: "Presentation of Financial Statements", the company's complete set of financial statements includes the following components:

- a) Statement of Financial Position as at December 31, 2012.
- b) Statement of Comprehensive Income for the year ended December 31, 2012.
- c) Statement of Changes in Equity for the year ended December 31, 2012.
- d) Statement of Cash Flows for the year ended December 31, 2012.
- e) Notes to the Financial Statements and significant accounting policies.

3.3 Uncertainties for use of estimates in preparation of financial statements

The preparation of financial statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of other information at the date of the financial statements and revenues and expenses during the year reported. Actual results could differ from those estimates.

3.4 Reporting period

Financial statements of the company cover a year from January 1, 2012 to December 31, 2012.

Amount in Taka	
31.12.2012	31.12.2011

4.00 Property & Equipment

Cost:		
Opening balance	387,217	716,280
Add: Addition during the year	2,563,200	170,937
Less: Assets transfer as Intangible software	-	500,000
	<u>2,950,417</u>	<u>387,217</u>
Less: Disposal during the year	56,500	-
Total Cost	2,893,917	387,217
Less: Accumulated depreciation:		
Opening balance	46,802	-
Add: Charged during the year	589,468	46,802
	<u>636,270</u>	<u>46,802</u>
Less: Adjustment	6,215	-
Total Accumulated depreciation	630,055	46,802
Written Down Value	2,263,862	340,415
Details of fixed assets is given in Schedule-A/1		

5.00 Lease Assets (Car):

Opening Balance Union Capital (Car for ED)	1,750,000	-
Add: Addition	-	1,750,000
Total	1,750,000	1,750,000
Less:		
Opening Depreciation	87,500	-
Add: charged during the year	350,004	87,500
Total	437,504	87,500
	<u>-</u>	<u>-</u>
Total as at 31 December 2012	1,312,496	1,662,500

6.00 Intangible Assets:

Opening Balance	5,470,160	-
Add: Addition during the year	43,070	4,970,160
Add: Transfer from Fixed Assets	-	500,000
Total	5,513,230	5,470,160
Less:		
Opening Amortization	166,650	-
Add: Charge During the Year	1,099,772	166,650
	<u>1,266,422</u>	<u>166,650</u>
	<u>-</u>	<u>-</u>
Total as at 31 December 2012	4,246,808	5,303,510

Amount in Taka	
31.12.2012	31.12.2011

7.00 Advances, Deposits & Prepayments

Advances Loan to Employee	7.01	50,000	-
TDS from Interest Income Bank	7.02	189,542	174,076
TDS from Interest Income FDR	7.03	1,654,378	946,433
TDS from Interest Underwriting Commission	7.04	8,500	-
T & T Deposits	7.05	2,000	2,000
CDBL Security Deposits	7.06	200,000	200,000
TDS from Dividend Income	7.07	15,140	-
Advance to MILES Software Ltd.	7.08	4,114,177	-
Advace to Infobase Ltd.	7.09	62,000	-
Total as at 31 December 2012		6,295,737	1,322,509

7.01 Advances Loan to Employees

Opening Balance	-	-
Add: Addition during the year	50,000	-
Total	50,000	-
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	50,000	-

7.02 TDS from Interest Income Bank

Opening Balance	174,076	-
Add: Addition during the yaer	15,466	174,076
Total	189,542	174,076
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	189,542	174,076

7.03 TDS from Interest Income FDR

Opening Balance	946,433	501,778
Add: Addition during the year	707,945	444,655
Total	1,654,378	946,433
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	1,654,378	946,433

7.04 TDS from Interest Underwriting Commission

Opening Balance	-	-
Add: Addition during the year	8,500	-
Total	8,500	-
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	8,500	-

Amount in Taka	
31.12.2012	31.12.2011

7.05 T & T Deposits

Opening Balance	2,000	2,000
Add: Addition during the year	-	-
Total	2,000	2,000
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	2,000	2,000

7.06 CDBL Security Deposit

Opening Balance	200,000	-
Add: Addition during the year	-	200,000
Total	200,000	200,000
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	200,000	200,000

7.07 TDS from Dividend Income

Opening Balance	-	-
Add: Addition during the year	15,140	-
Total	15,140	-
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	15,140	-

7.08 Advances to MILES Software Ltd.

Opening Balance	-	-
Add: Addition during the year	4,114,177	-
Total	4,114,177	-
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	4,114,177	-

7.09 Advances to Infobase Ltd

Opening Balance	-	-
Add: Addition during the year	62,000	-
Total	62,000	-
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	62,000	-

8.00 Investment in Share (at cost):

Investment in Shares at cost	48,490,941	42,113,955
Investment in Share Underwriting Agreement	-	15,577,765
Total as at 31 December 2012	48,490,941	57,691,720

Amount in Taka	
31.12.2012	31.12.2011

9.00 Accounts Receivable:

Interest Receivable FDR	9.01	2,384,797	4,105,470
Receivables from Ananta Group for Issue & Corporate		402,500	-
Receivables from Flora Tele for Issue & Corporate		1,590,500	1,816,940
Receivable from MAKS Renewable Energy Co Ltd.		-	275,000
Receivable from InGen Technology Ltd.		911,577	1,035,500
Total as at 31 December 2012		5,289,374	7,232,910

9.01 Interest Receivable FDR

Opening Balance		4,105,470	-
Add: Addition during the year		5,132,699	4,105,470
Total		9,238,169	4,105,470
Less: Adjustment made during the year		6,853,372	-
Total as at 31 December 2012		2,384,797	4,105,470

10.00 Loan to Employees

Car Loan	10.01	1,295,232	1,523,808
Mobile Loan	10.02	-	38,941
Total as at 31 December 2012		1,295,232	1,562,749

10.01 Car Loan

Opening Balance		1,523,808	-
Add: Addition during the year		-	1,600,000
Total		1,523,808	1,600,000
Less: Adjustment made during the year		228,576	76,192
Total as at 31 December 2012		1,295,232	1,523,808

10.02 Mobile Loan

Opening Balance		38,941	-
Add: Addition during the year		-	62,272
Total		38,941	62,272
Less: Adjustment made during the year		38,941	23,331
Total as at 31 December 2012		-	38,941

11.00 Cash and cash equivalents:

Cash in Hand	11.01	962	17,558
Cash at Bank	11.02	2,747,347	3,023,916
FDR		49,500,000	54,255,000
Ledger Balance from GDSL		6,906,225	185,370
Total as at 31 December 2012		59,154,534	57,481,844

Amount in Taka	
31.12.2012	31.12.2011

11.01 Cash in hand:

Cash in hand	962	17,558
Total as at 31 December 2012	962	17,558

11.02 Cash with bank:

Eastern Bank Limited AC. No. 1011220001064	7,721	2,990,680
SCB (Operation) 01-1146314-01	269,234	33,236
SCB (Operation) 02-1146314-01	2,346,175	-
MCBL (Operation)011313100000777	124,217	-
Total as at 31 December 2012	2,747,347	3,023,916

12.00 Payable to GDIC:

Temporary amount	12.01	9,143,250	-
Interest Payable against PF	12.02	-	332
Various Expenses Payable GDIC		27,712	-
Total as at 31 December 2012		9,170,962	332

12.01 Temporary amount

Opening Balance	-	-
Add: Addition during the year	10,000,000	
Total	10,000,000	-
Less: Adjustment made during the year	856,750	
Total as at 31 December 2012	9,143,250	-

12.02 Interest Payable against PF

Opening Balance	332	-
Add: Addition during the year	-	1,990
Total	332	1,990
Less: Adjustment made during the year	332	1,658
Total as at 31 December 2012	-	332

13.00 Payable to GDSL:

Salary & Allowances	13.01	1,269,284	1,269,283
Other Manufacturing Expenses	13.02	2,025,515	2,025,515
Preliminary Expenses	13.03	206,870	206,870
Office Rent	13.04	345,000	345,000
Interest Payable on Term Loan	13.05	-	208,700
Common Cost Allocation	13.06	232,065	-
Total as at 31 December 2012		4,078,734	4,055,368

Amount in Taka	
31.12.2012	31.12.2011

13.01 Salary & Allowances:

Opening Balance	1,269,284	1,269,283
Add: Addition during the year	-	-
Total	1,269,284	1,269,283
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	1,269,284	1,269,283

13.02 Other Management Expenses:

Opening Balance	2,025,515	2,025,515
Add: Addition during the year	-	-
Total	2,025,515	2,025,515
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	2,025,515	2,025,515

13.03 Preliminary Expenses:

Opening Balance	206,870	206,870
Add: Addition during the year	-	-
Total	206,870	206,870
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	206,870	206,870

13.04 Office Rent:

Opening Balance	345,000	345,000
Add: Addition during the year	-	-
Total	345,000	345,000
Less: Adjustment made during the year	-	-
Total as at 31 December 2012	345,000	345,000

13.05 Interest Payable on Term Loan:

Opening Balance	208,700	-
Add: Addition during the year	-	389,144
Total	208,700	389,144
Less: Adjustment made during the year	208,700	180,444
Total as at 31 December 2012	-	208,700

13.06 Common Cost Allocation:

Opening Balance	-	-
Add: Addition during the year	1,036,083	-
Total	1,036,083	-
Less: Adjustment made during the year	804,018	-
Total as at 31 December 2012	232,065	-

Amount in Taka	
31.12.2012	31.12.2011

14.00 Accounts Payable:

Audit Fees	14.01	57,500	26,125
TDS Payable	14.02	16,076	2,000
VAT Payable	14.03	1,214,226	834,420
Current Portion of Lease Obligation	14.04	437,496	437,496
Accrued expenses & other payable	14.05	19,135	15,948
Payable to Party	14.06	335,479	-
Payable for Expenses		126,082	-
Management Fees (Holdings) Payable		99,175	-
Payable to Clients	14.07	264,112	-
Total as at 31 December 2012		2,569,281	1,315,989

14.01 Audit Fees:

Opening Balance		26,125	-
Add: Addition during the year		57,500	26,125
Total		83,625	26,125
Less: Paid during the year		26,125	-
Total as at 31 December 2012		57,500	26,125

14.02 TDS Payable:

Opening Balance		2,000	-
Add: Addition during the year		29,095	2,000
Total		31,095	2,000
Less: Paid during the year		15,019	-
Total as at 31 December 2012		16,076	2,000

14.03 VAT Payable:

Opening Balance		834,420	-
Add: Addition during the year		1,091,719	834,420
Total		1,926,139	834,420
Less: Paid during the year		711,913	-
Total as at 31 December 2012		1,214,226	834,420

14.04 Current Portion of Lease Obligation:

Opening Balance		437,496	-
Add: Addition during the year		-	437,496
Total		437,496	437,496
Less: Paid during the year		-	-
Total as at 31 December 2012		437,496	437,496

Amount in Taka	
31.12.2012	31.12.2011

14.05 Accrued expenses & other payable

Accrued expenses & other payable	19,135	15,948
Total as at 31 December 2012	19,135	15,948

14.06 Payable to Party

Payable to CDBL	500	-
Payable to Ananna Stationary	2,552	-
Payable to Global Brand Pvt. Ltd.	75,000	-
Payable to Green Delta Aims Ltd.	90,606	-
Payable to Spice Catering Ltd.	55,028	-
Payable to Radiant Cleaning & Pest Control	10,043	-
Payable to Daiyan Food & Beverage	1,750	-
Other Payable	100,000	-
Total as at 31 December 2012	335,479	-

14.07 Payable to Clients:

Client Payable Account (Discretionary)	264,112	-
Total as at 31 December 2012	264,112	-

15.00 Short term Loan: (GDSDL)

Opening Balance	19,900,000	-
Add: Addition during the year	-	21,000,000
Total	19,900,000	21,000,000
Less: Paid during the year	19,900,000	1,100,000
Total as at 31 December 2012	-	19,900,000

16.00 Other Provision:

Opening Balance	825,000	-
Add: Addition during the year	1,200,000	825,000
Total	2,025,000	825,000
Less: Paid during the year	519,353	-
Total as at 31 December 2012	1,505,647	825,000

17.00 Provision for Income Tax:

Opening Balance	3,123,235	-
Add: Addition during the year	292,367	3,123,235
Total	3,415,602	3,123,235
Less: Paid during the year	-	-
Total as at 31 December 2012	3,415,602	3,123,235

Amount in Taka	
31.12.2012	31.12.2011

18.00 Share Capital:

Authorized Share Capital: Taka 25,00,00,000

The Authorized Share Capital with which the Company has ventured is taka 25,00,00,000 (Twenty Five Crore) divided into 25,00,000 ordinary shares of taka 100 each.

Paid up Capital: Taka 10,00,00,000

This represents the paid up capital of the company with 10,00,000 Ordinary Shares of taka 100 each subscribed and paid by the following sponsor shareholders and directors of the company.

Particulars	Amount in Taka
Green Delta Insurance Co. Ltd	99,999,900
Nasir A. Choudhury	100
	100,000,000

19.00 Retained Earnings

Opening Balance	2,211,560	(1,526,681)
Add: Addition during the year	4,668,023	3,738,241
Total as at 31 December 2012	6,879,583	2,211,560

20.00 Lease Finance under Lease Obligation:

Opening Balance	1,166,672	-
Add: Addition during the year	-	1,750,000
	1,166,672	1,750,000
Less: Paid during the year	437,496	145,832
Less: Current Portion of Lease	-	437,496
Total as at 31 December 2012	729,176	1,166,672

21.00 Operating Income

Structured Finance and Corporate Advisory	6,000,000	1,750,000
Issue Management Fees	1,762,500	200,000
Co-Issue Management Fees, Head Office	750,000	3,750,000
Underwriting Commission	385,000	337,500
Total	8,897,500	6,037,500

22.00 Realised Gain on share trading

Realized gains on own Share Investment	11,020,071	1,270,400
Total	11,020,071	1,270,400

Amount in Taka	
31.12.2012	31.12.2011

23.00 Other Income:

Dividend Income	215,965	350,960
Interest Income on FDR	6,375,094	5,540,125
Interest Income on STD Balances	154,662	1,740,766
Interest Income on Staff Loan	72,852	-
Management Fee, GD perfor-Max	4,848	24,284
Documentation Charge, GD perfor-Max	1,000	-
Performance Fees GD Perfomax	52	-
Brokerage Commission, GD Perform Max	222	-
Total	6,824,695	7,656,135

24.00 Operating & Direct Expenses:

Portfolio Expenses	13,882	71,070
Total	13,882	71,070

25.00 Office & Administrative Expenses:

Salaries and Allowances	7,166,528	2,156,795
Provident Fund Expenses	328,354	49,725
Festival bonus	681,000	453,030
Office Rent	220,870	-
Insurance premium	47,105	55,560
Electricity expenses	425,747	-
Telephone expenses	1,871	5,817
Mobile Allowances	216,427	74,178
Mobile Bill	-	119,423
Audit Fees	57,500	26,125
Printing and stationery expenses	144,820	59,873
Office maintenances	165,363	5,267
Software maintenance fees	64,082	-
License and renewal fees	139,600	116,505
Registration Fees	-	167,964
Car Repair and maintenances	419,305	61,800
Membership and renewal fees	100,000	150,000
Data Connectivity Expenses - Branch-Dept	224,526	6,004
Training and development expenses	207,509	1,262,331
Conveyances	62,002	8,385
Computer Accessories	47,987	15,901
Traveling expenses	70,063	16,395
Foreign travel expenses	351,752	329,011
Paper, Books and yearicals	3,830	2,990
Fuel costs	45,000	10,625
Entertainment expenses	122,230	31,871

	Amount in Taka	
	31.12.2012	31.12.2011
Management Fees	5,878,073	-
Board Meeting Expenses	124,505	55,380
Advertisement Expenses	78,075	500,000
Car Allowances	376,000	172,000
Other Allowances for Employees	-	748,850
All outsourcing (Office support staffs & Others/Lunch)	95,733	-
Web Development	12,000	-
Other expenses	50,285	-
RJSC & Govt. Fees	-	65,000
Legal & Professional Fees	220,140	12,000
CDBL Charges	4,440	2,300
Driver Salary	-	32,000
Uniform & Dress	-	19,054
Total	18,152,722	6,792,159

26.00 Financial Expenses:

Interest on lease finance	154,944	51,648
Interest on Term Loan (GDSDL)	127,633	389,144
Bank Charges	93,451	37,476
Interest on PF (GDSDL)	-	1,990
Total	376,028	480,258

27.00 Depreciation & Written Off:

Furniture and fittings	7,276	46,802
Computer	525,848	-
Office equipment	56,344	-
Motor vehicles	350,004	166,650
Systems and softwares	1,099,772	87,500
Preliminary Expenses	-	349,400
Total	2,039,244	650,352

Schedule of Property Plant & Equipment

For the year ended December 31, 2012

Schedule - A/1

Sl. No	Name of the Assets	COST			Rate	DEPRECIATION			W.D.V		
		Initial	Addition	Disposal		Total	Charged during the year	Adjustment		Total	
1	Furniture and Fittings	44,080	80,500	-	10%	124,580	3,023	7,276	-	10,299	114,281
2	Office Equipment	61,030	907,770	-	20%	968,800	12,206	56,344	-	68,550	900,250
3	Computer	282,107	1,574,930	56,500	33%	1,800,537	31,573	525,848	6,215	551,206	1,249,331
	Total Taka	387,217	2,563,200	56,500		2,893,917	46,802	589,468	6,215	630,055	2,263,862

Amortization Schedule

For the year ended December 31, 2012

Sl. No	Name of the Assets	COST			Rate	DEPRECIATION			W.D.V		
		Initial	Addition	Disposal		Total	Charged during the year	Adjustment		Total	
1	Software	5,470,160	43,070	-	20%	5,513,230	166,650	1,099,772	-	1,266,422	4,246,808
	Total Taka	5,470,160	43,070	-		5,513,230	166,650	1,099,772	-	1,266,422	4,246,808

Lease Asset Schedule

For the year ended December 31, 2012

Sl. No	Name of the Assets	COST			Rate	DEPRECIATION			W.D.V		
		Initial	Addition	Disposal		Total	Charged during the year	Adjustment		Total	
	Car Lease	1,750,000	-	-	20%	1,750,000	87,500	350,004	-	437,504	1,312,496
	Total Taka	1,750,000	-	-		1,750,000	87,500	350,004	-	437,504	1,312,496

Graphical Presentation & Profitability Analysis
Financial Statements of Green Delta Insurance Company Ltd.
Green Delta Capital Ltd.
Green Delta L.R Holdings Ltd.
Green Delta Securities Ltd.
Glossary
Standard Disclosure Index
Proxy Form & Attendance Slip



CHANGE
FOCUS
FORESEEABILITY

A binocular helps us view distant objects. The proper mechanism of its ocular and objective lenses makes the focus of the viewer smoother and better. This quality of a binocular symbolizes the characteristics of good governance. The good governance practice of Green Delta is similar in nature to that of the binocular. It guides the organization towards the right path bringing success for the organization.

7.4 | Financial Statements of Green Delta L R Holdings Ltd. Auditors' Report

We have audited the accompanying financial statements of **Green Delta LR Holdings Limited**, which comprise the Statement of Financial Position as at December 31, 2012 and the Statement of Comprehensive Income, statement of changes in equity, statement of cash flows for the year then ended and all related Consolidated Financial Statements and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards, Companies Act 1994, Securities and Exchange Commission Rule 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Green Delta LR Holding Limited as of December 31, 2012 and of its consolidated financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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 account 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 Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts;

Emphasis of Matter

We draw attention to note no -2.13 enclosed in the financial statements regarding Going Concern matters.

Place: Dhaka
Date: February 14, 2013



Ahmed Zaker & Co.
Chartered Accountants

Consolidated Statement of Financial Position

As at December 31, 2012

Graphical Presentation & Profitability Analysis
Financial Statements of Green Delta Insurance
Company Ltd.
Green Delta Capital Ltd.
Green Delta L.R Holdings Ltd.
Green Delta Securities Ltd.
Glossary
Standard Disclosure Index
Proxy Form & Attendance Slip

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Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Non-Current Assets		757,834,800	392,242,445
Property & Equipment	4.a	10,486,705	16,235,575
Investment	5.a	747,056,670	375,715,445
Preliminary Expenses	6.a	291,425	291,425
Current Assets		384,904,836	390,096,664
Advances, Deposits and Prepayments	7.a	10,210,213	20,453,535
Account Receivable	7.b	139,084,465	183,512,569
Cash and cash equivalents	8.a	235,610,158	186,130,560
Total Assets		1,142,739,636	782,339,109
Shareholders equity & Liabilities			
Shareholders equity		826,449,202	462,008,855
Share Capital	9.0	100,000,000	100,000,000
Retained Earnings	10.a	119,402,645	126,961,926
Revaluation Reserve		607,046,557	235,046,929
Non Controlling Interest	10.b	846	473
Total Shareholder Equity		826,450,048	462,009,328
Long Term Liabilities		116,638,688	115,000,000
Loan From GDIC (Margin Loan)		116,638,688	115,000,000
Current Liabilities		199,650,900	205,329,783
Accounts Payable	11.a	118,548,676	82,560,222
Payable to GDIC	12.a	27,654,804	27,231,538
Interest Payable (GDIC)		33,021,904	34,224,679
Term Loan		-	30,109,146
Liabilities for Expenses	13.a	2,886,686	6,218,160
Provisions	13.b	17,538,830	24,986,036
Total Equity & Liabilities		1,142,739,636	782,339,109

The accompanying notes 1-16 form the integral part of these Financial Statements.



Chairman



Director



Group CFO



Chief Operating Officer

Signed as per our separate report of same date.



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Consolidated Statement of Comprehensive Income

for the year ended December 31, 2012

Particulars	Amount in taka	
	31.12.2012	31.12.2011
Operating Income:		
Revenue from Brokerage	41,300,746	73,739,535
Interest Income	32,051,102	34,008,311
Dividend Income from (Dealer)	1,075,965	1,275,158
Capital Gain from Investment in Shares	2,346,506	(7,480,576)
Other Operating Income	16,104,388	11,581,251
Total Operating Income	92,878,707	113,123,679
Less: Direct Expenses	8,672,453	13,734,432
Gross Profit	84,206,254	99,389,247
Less: Office and Administrative Expenses	69,793,588	62,992,958
Less: Financial Expenses	12,311,832	29,469,849
Profit/(Loss) before Tax	2,100,834	6,926,440
Less: Provisions	9,660,114	15,374,299
Provision for Taxation	9,660,114	15,374,299
Other Provision		-
Profit/(Loss) after tax	(7,559,280)	(8,447,859)
Profit attributable to GDLRH	(7,559,281)	(8,447,860)
Non Controlling Interest	1	1
Profit after tax	(7,559,280)	(8,447,859)

The accompanying notes 1-16 forms the integral part of these Financial Statements.



Chairman



Director



Group CFO



Chief Operating Officer

Signed as per our separate report of same date.

Place: Dhaka
Date: February 14, 2013.



Ahmed Zaker & Co.
Chartered Accountants

Consolidated Statement of Cash Flows

for the year ended December 31, 2012

Particulars	Amount in taka	
	31.12.2012	31.12.2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Collected from Turnover	137,306,811	465,055,994
Cash Paid to Customers, Suppliers, Employees & others	(28,428,176)	(329,573,199)
Tax Paid	(17,107,320)	-
Net Cash flow from Operating Activities	91,771,315	135,482,795
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets Addition during the period	(965,425)	(10,950,474)
Investment	658,775	(2,122,556)
Net Cash flow/(Used) from Investing Activities:	(306,650)	(13,073,030)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loan Received/Paid	(30,109,148)	(179,153,642)
Share Issued received	-	-
Loan from GDIC	1,638,688	(20,000,000)
Client Accounts	-	-
Interest Paid	(13,514,607)	(3,077,775)
Net Cash used in Financing Activities:	(41,985,067)	(202,231,417)
Net increase/(decrease) in cash & cash equivalents	49,479,598	(79,821,652)
D. Opening Cash & Cash Equivalent	186,130,560	265,952,212
Closing Cash and Cash Equivalent	235,610,158	186,130,560

Consolidated Statement of Changes in Equity

For the year ended December 31, 2012

Particulars	Share Capital	Non-Controlling Interest	Revaluation Reserve	Retained Earnings	Total Shareholders Equity
Net profit for the period ended 2012		1	-	(7,559,281)	(7,559,280)
Revaluation during the period		372	371,999,628		372,000,000
Balance as at January 01, 2012	100,000,000	473	235,046,929	126,961,926	462,009,328
Balance as at December 31, 2012	100,000,000	846	607,046,557	119,402,645	826,450,048


Chairman


Director


Group CFO


Chief Operating Officer

Signed as per our separate report of same date.

Place: Dhaka

Date: February 14, 2013.


Ahmed Zaker & Co.
Chartered Accountants

Statement of Financial Position


As at December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
ASSETS:			
NON-CURRENT ASSETS:		100,539,489	100,554,614
Property & Equipment	4.00	248,164	263,289
Investment in GDSL	5.00	99,999,900	99,999,900
Preliminary Expenses	6.00	291,425	291,425
CURRENT ASSETS:		948,460	5,380,463
Loan to Employees	7.00	558,653	1,047,620
Cash and Cash Equivalent	8.00	389,807	4,332,843
		101,487,949	105,935,077
Shareholder Equity & Liabilities			
Shareholder Equity		80,940,625	89,149,660
Share Capital	9.00	100,000,000	100,000,000
Retained Earnings	10.00	(19,059,375)	(10,850,340)
CURRENT LIABILITIES:		20,547,324	16,785,417
Liabilities for Expenses	11.00	1,137,222	37,222
Payable to GDIC	12.00	8,200,000	8,200,000
Payable to GDSL & GDCL	13.00	11,210,102	8,548,195
		101,487,949	105,935,077

The accompanying notes 1-16 form an integral part of these financial statement.



Chairman



Director



Group CFO



Chief Operating Officer

Signed as per our separate report of same date.



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Statement of Comprehensive Income

For the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Income			
Operating Income	14.00	-	-
Other Income	15.00	10,182,814	43,696
Total Income (A)		10,182,814	43,696
Expenses			
Operating Expenses	16.00	18,391,849	9,010,790
Total Expenses (B)		18,391,849	9,010,790
Net Profit/ (Loss) (A-B)		(8,209,035)	(8,967,094)

The accompanying notes 1-16 form an integral part of these financial statement.



Chairman



Director



Group CFO



Chief Operating Officer

Signed as per our separate report of same date.



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Statement of Cash Flows

For the year ended December 31, 2012

Particulars	Amount in taka	
	31.12.2012	31.12.2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Collected from Turnover	10,182,814	43,696
Cash Paid to Customers, Suppliers, Employees & others	(14,595,777)	20,699,249
Net Cash used in Operating Activities	(4,412,963)	(20,655,553)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets Addition during the period	(19,040)	(263,289)
Investment		12,500,000
Net Cash from Investing Activities:	(19,040)	12,236,711
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loan to employee	488,967	
Share issued received		(1,047,620)
Net Cash from Financing Activities:		13,700,000
D. Net Increase in Cash & Cash equivalents during the year (A+B+C):	488,967	12,652,380
E. Cash & Cash Equivalent at the beginning of the year	(3,943,036)	4,233,538
Cash and Cash Equivalents at the end of the year	4,332,843	99,305
	389,807	4,332,843

Statement of Changes in Equity

For the Half year ended December 31, 2012

Particulars	Share Capital	Proposed Stock Dividend	Revaluation Reserve	Retained Earnings	Total Shareholders Equity
Balance as at January 01, 2012	100,000,000	-	-	(10,850,340)	89,149,660
Net profit for the year ended December 31, 2012				(8,209,035)	(8,209,035)
Balance as at December 31, 2012	100,000,000	-	-	(19,059,375)	80,940,625


Chairman


Director


Group CFO


Chief Operating Officer

Signed as per our separate report of same date.


Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Schedule of Property & Equipment

As at December 31, 2012

Schedule -A/1

Sl. No	Name of the Assets	COST				Rates	DEPRECIATION				W.D.V
		Initial	Addition	Disposal	Total		Opening	Charged during the period	Disposal	Total	
1	Computer & Accessories	99,600	-	-	99,600	15%	-	14,940	-	14,940	84,660
2	Furniture & Fixtures	163,689	-	-	163,689	10%	-	16,369	-	16,369	147,320
3	Telephone	-	19,040	-	19,040	15%	-	2,856	-	2,856	16,184
	Total Taka	263,289	19,040	-	282,329		-	34,165	-	34,165	248,164

Notes to the Financial Statements and Significant Accounting Policies

As at and for the year ended December 31, 2012

1. Legal status and nature of the company

Legal form and status of the company

Green Delta LR Holding Limited, a private company limited by shares was incorporated on July 25, 2010 with the Registrar of Joint Stock Companies & Firms through issuance of certificate of incorporation No. C- 85989/10.

Registered office and place of business of the company

The Registered office of the company is situated at Hadi Mansion (6th Floor), 2 Dilkusha C/A, Dhaka-1000.

Principal activities of the company

The principal object of the company is to carry on trade, business of indentures, dealers, traders, brokers, importers and exporters and operate and provide merchant banking services, underwrite, manage distribute issue of securities, stocks, shares, bonds, debentures, debenture stock, undertake financial & commercial obligation, merchants, exporter and like all other business.

2. Significant accounting policies

As per the requirements of BAS 1: "Presentation of Financial Statements" financial statements comprise a statement of financial position at the end of the year (Balance sheet), a statement of comprehensive income for the year, a statement of changes in equity for the year, a statement of cash flows for the year, liquidity statement, and relevant notes to the financial statements and disclosures.

Financial statements are made as of December 31, 2012 and are prepared under the historical cost convention on generally accepted accounting principles on going concern basis. Financial statements have been prepared in accordance with the measurements and recognition requirements of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

Adopted International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable rules and regulation have been used as a model for the presentation and disclosure framework to provide additional information and analysis of the key items in the financial statements except as the company considers disclosures inappropriate.

Specific accounting policies selected and applied for significant transactions and events are depicted below:

2.1 Basis of preparation

The financial statements are prepared using the accrual basis of accounting except for the cash flow information where the material class of similar item has been presented separately. As per the requirements of BAS 1: "Presentation of Financial Statements". The figures in the financial statements have been rounded off to the nearest taka.

2.2 Investment in Subsidiaries

The company is the parent company of subsidiary company namely Green Delta Securities Limited details of which is given below:

Green Delta Securities Limited (GDSL) It is wholly owned subsidiary company of Green Delta Insurance Company Ltd which was incorporated on 28th July, 2010 with the Registrar of Joint stock companies & firm's. This Company subsequently takeover the GDSL from the GDIC and the Company owned 99.999% and .0001% share by a shareholder of the total 100% share holdings.

Nature of the business of the subsidiaries The principal activities and nature of the business of Green Delta Securities Ltd was to establish as brokerage house with a view to cope the business needs of the stock buying and selling in the market as a member of the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) under the aegis of operating Stock broker and Stock dealer.

2.3 Basis of Consolidation:

The financial statements of the Company and its subsidiary as mentioned in note no. 2.2 have been consolidated in accordance with Bangladesh Accounting Standard-27 "Consolidation and Separate Financial Statements". The total profit of the company and its subsidiary are shown in the Consolidated Statement of Comprehensive Income with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as 'Non-controlling Interest'. All assets and liabilities of the Company and of its subsidiary are shown in the consolidated Statement of Financial Position. The interest of Non-controlling shareholder of subsidiaries shown separately in the Consolidated Statement of Financial Position under the heading of "Non-Controlling Interest".

2.4. Cash flow statement

Cash flow statement is prepared in accordance with BAS 7: "Cash Flow Statement". The cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

According to BAS 7: "Cash Flow Statements", cash comprises cash in hand and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of BAS 7 and BAS 1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

2.5 Provision for income tax

BAS 12: "Income Taxes" and Income Tax ordinance 1984.

a) Current tax expense

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The company's liability for current tax has not been calculated due to loss sustaining during the year.

2.6 Revenue recognition

The revenue is recognized after satisfying all the conditions for revenue recognition as provided BAS 18: "Revenue". Detailed income wise policy for revenue recognition is as under:

2.7 Foreign currency transaction.

a) Functional and presentational currency

Financial statements of the company are presented in Bangladesh Taka, which is the company's functional and presentational currency.

b) Foreign currency translation

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transaction as per BAS 21: "The Effects of Changes in Foreign Exchange Rates".

2.8 Borrowing costs

Interest on borrowings of fund from different sources is recognized as financial expenses according to BAS 23: "Borrowing Costs". Interest represents amount paid and accrued up to the end of the year.

2.9 Related party transactions

The management has duly identified the party related to the company and disclosed the transactions of the related party as per BAS 24: "Related Party Disclosures"

2.10 Earnings per share (EPS)

The company calculates earnings per share (EPS) in accordance with BAS 33: "Earnings Per Share".

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

2.11 Provision for liabilities

According to BAS 37: "Provision, Contingent Liabilities and Contingent Assets" the company recognizes the provision in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

2.12 Derivatives

According to IFRS 7: "Financial Instruments: Disclosures", the company was not a party to any derivative contract (financial instruments) at the Balance Sheet date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

2.13 Going Concern:

As per Bangladesh Accounting Standard, a company is required to make assessment at the end of each year to assess its capability to continue as going concern. Management of the company makes such assessment each year. The management of the company has in their mind to liquidate the company in the following year but no initiative has been taken, thus the financial statements has been prepared on the assumption that the company will not continue for its operation in the foreseeable future.

3. Additional information on financial statements

3.1 Responsibility for preparation and presentation of financial statements

The Board of Directors is responsible for the preparation and presentation of the financial statements under section 183 of the Companies Act 1994 and BAS-1 "Presentation of Financial Statements".

3.2 Components of the financial statements

Following the BAS 1: "Presentation of Financial Statements", the company's complete set of financial statements includes the following components:

- a) Statement of Financial Position as at December 31, 2012.
- b) Statement of Comprehensive Income for the year ended December 31, 2012.
- c) Statement of Cash Flows for the year ended December 31, 2012.
- d) Notes to the Financial Statements and significant accounting policies.

3.3 Uncertainties for use of estimates in preparation of financial statements

The preparation of financial statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of other information at the date of the financial statements and revenues and expenses during the year reported. Actual results could differ from those estimates.

3.4 Reporting period

Financial statements of the company covering the year from January 01, 2012 to December 31, 2012.

Amount in Taka	
31.12.2012	31.12.2011

4.00 Property & Equipment

Cost:		
Opening Balance as on January 1 , 2012	263,289	-
Add: Addition during the year	19,040	282,329
	282,329	282,329
Less: Depreciation Charge during the year	34,165	-
Written Down Value	248,164	282,329

A schedule of property & equipment is given in Annexure-A/1

4.a Consolidated Property & Equipment

Green Delta LR Holdings Ltd.	248,164	263,289
Share of Green Delta Securities Ltd.	10,238,541	15,972,286
	10,486,705	16,235,575

5.00 Investment in Green Delta Securities Ltd. (GDSDL)

Opening Balance as on January 1,2011	99,999,900	99,999,900
Addition during the year	-	-
	99,999,900	99,999,900

This represents the investment made in the paid up capital of Green Delta Securities Ltd. of 999,999 Ordinary Shares of taka 100 each representing 100% (Approx) of total holding.

5.a Consolidated Investment

Green Delta LR Holdings Ltd.	99,999,900	99,999,900
Green Delta Securities Ltd.	747,056,670	375,715,445
	847,056,570	475,715,345
Less: Inter Company Investments	99,999,900	99,999,900
	747,056,670	375,715,445

6.00 Preliminary Expenses

Incorporation expenses of the company	151,425	151,425
Registration Fees	140,000	140,000
	291,425	291,425

The above amount represents the expenses incurred primarily in the process of incorporation of the company. The amount is subject to amortization.

6.a Consolidated Preliminary Expenses

Green Delta LR Holdings Ltd.	291,425	291,425
Share of Green Delta Securities Ltd.	-	-
	291,425	291,425

Amount in Taka	
31.12.2012	31.12.2011

7.00 Loan to Employee (Car)

Opening Balance as on January 01,2012	1,047,620	-
Addition during the year		1,100,000
Adjustment made during the year	488,967	52,380
	558,653	1,047,620

7.a Consolidated Advances, Deposit and Prepayments

Green Delta LR Holdings Ltd.	558,653	1,047,620
Share of Green Delta Securities Ltd.	9,651,560	19,405,915
	10,210,213	20,453,535

7.b Consolidated Accounts Receivable:

Green Delta LR Holdings Ltd.	-	-
Share of Green Delta Securities Ltd.	150,294,567	192,060,764
	150,294,567	192,060,764
Less: Intercompany transaction	11,210,102	8,548,195
	139,084,465	183,512,569

8.00 Cash & Cash Equivalent

16.01 Cash in Hand	-	-
16.02 Cash at Bank	389,807	4,332,843
	389,807	4,332,843

8.01 Cash in hand: Taka Nil

8.02 Cash with bank:

BRAC Bank Limited	-	-
STD A/C NO. 1501201872705001	389,807	4,332,843
	389,807	4,332,843

Bank balance has been confirmed with that of the Bank Statement Balance.

8.a Consolidated Cash & Cash Equivalent

Green Delta LR Holdings Ltd.	389,807	4,332,843
Share of Green Delta Securities Ltd.	235,220,351	181,797,717
	235,610,158	186,130,560

Amount in Taka	
31.12.2012	31.12.2011

9.00 Share Capital:

Authorized Share Capital: Taka 20,00,00,000

The Authorized Share Capital with which the Company was incorporated taka 20,00,00,000 (Twenty Crore) divided into 20,00,000 ordinary shares of taka 100 each.

Paid up Capital: Taka 10,00,00,000

This represents the paid up capital of the company with 10,00,000 Ordinary Shares of taka 100 each subscribed and paid by the following sponsor shareholders and directors of the company.

Particulars	No of shares	Amount in Taka
Green Delta Insurance Co. Ltd	999,999	99,999,900
Nasir A. Choudhury	1	100
	1,000,000	100,000,000

10.00 Retained Earnings

Opening Balance as on 1 January 2012	(10,850,340)	(1,883,246)
Addition During the year	(8,209,035)	(8,967,094)
Balanace as on December 31,2012	(19,059,375)	(10,850,340)

10.a Consolidated Retained Earnings

Share of Green Delta Securities Ltd.	138,462,158	137,812,404
Green Delta LR Holdings Ltd.	(19,059,375)	(10,850,340)
	119,402,783	126,962,064
Less: Share of Non Controlling Party	138	138
	119,402,645	126,961,926

10.b Non Controlling Interest

		Re-stated
Non Controlling Interest	846	473
	846	473

11.00 Liabilities for Expenses

VAT at Source	13,000	13,000
Tax at Source	24,222	24,222
Salary	1,100,000	-
	1,137,222	37,222

11.a Consolidated Accounts Payable

Green Delta LR Holdings Ltd.	-	-
Share of Green Delta Securities Ltd.	118,548,676	82,560,222
	118,548,676	82,560,222

Amount in Taka	
31.12.2012	31.12.2011

12.00 Payable to Green Delta Insurance Co. Ltd. (GDIC)

Opening Balance as on 1 January 2012	8,200,000	26,200,000
Addition during the year	-	-
Adjustment made during the year	-	18,000,000
	8,200,000	8,200,000

The above amount is payable for the investment made in the equity of Green Delta Securities Ltd. which was acquired from the Green Delta Insurance Company Limited in consideration of Taka 99,999,900 only.

During the year shares of LR Global Assests Management Ltd. was transferred back to GDIC.

12.a Consolidated Payable to GDIC,GDSL,GDCL

Green Delta LR Holdings Ltd.	19,410,102	8,200,000
Share of Green Delta Securities Ltd.	19,454,804	19,031,538
	38,864,906	27,231,538
Less: Intercompany transaction	11,210,102	-
	27,654,804	27,231,538

13.00 Payable to Green Delta Securities Ltd. (GDSL)

For Bank Deposit	100,000	100,000
For Share Transfer	1,600,229	1,600,229
For Legal & Professional Fees	200,000	200,000
Various Office Expenses (GDSL)	9,018,448	6,356,541
For Preliminary expenses	291,425	291,425
	11,210,102	8,548,195

13.a Consolidated Liabilities for Expenses

Green Delta LR Holdings Ltd.	1,137,220	37,222
Share of Green Delta Securities Ltd.	1,749,466	6,180,938
	2,886,686	6,218,160

13.b Consolidated Provisions

Green Delta LR Holdings Ltd.	-	-
Share of Green Delta Securities Ltd.	17,538,830	24,986,036
	17,538,830	24,986,036

14.00 Operating Income

	-	-
--	---	---

15.00 Other Income

Management Fees	10,079,297	-
Interest Income on Car Loan	103,517	16,696
Revised audit fees as income	-	27,000
	10,182,814	43,696

Amount in Taka	
31.12.2012	31.12.2011

16.00 Operating Expenses

Salary & Allowances	11,387,590	3,029,550
Providend Fund	626,250	82,900
Festival Bonus / Performance Bonus	1,064,300	720,815
Car Allowances	964,000	115,000
Conveyances	49,057	3,320
Printing & Supplies	337,703	6,855
Repair & Maintenance	4,000	59,316
Repair & Maintenance (Car)	-	42,650
Office Maintenances	98,020	3,400
Share Transfer fees	-	300,000
Corporate Advisory Services (Next Cap. Ltd)	-	294,920
Mobile Allowances	-	55,642
Business Development/Sponsorship	25,000	2,037,793
Advertisement	-	800,000
Legal (RJSC & Govt) and Professional Fees	23,919	435,000
Trade License Renewal Fees	6,700	16,855
Insurance Premium (Car)	35,574	34,268
Registration Fees (Car)	-	21,000
Car Lease Expenses	1,413,360	471,120
Mobile Expenses	168,453	74,098
Data Connectivity Expenses	26,088	3,064
Fuel Expenses (Car)	26,255	63,084
Business Development Allowance	525,000	131,250
Special Allowances	447,000	111,750
House Maintenance Allowance	108,000	27,000
Utility Allowances	36,000	9,000
Computer Accessories	24,316	-
Training expenses	12,300	-
Membership Expenses	-	58,750
Depreciation	34,165	-
Bank Charge	2,158	2,390
Incentive bonus	77,624	-
Entertainment	22,720	-
Electric bill	16,223	-
Tour expenses	733,076	-
Food expenses	40,075	-
Staff bus expenses	13,800	-
Office rent & Utility	41,325	-
Telephone & Fax	1,798	-
	18,391,849	9,010,790

7.5 | Financial Statements of Green Delta Securities Ltd. Auditors' Report

We have audited the accompanying financial statements of **Green Delta Securities Limited**, which comprise the statement of financial position as at December 31, 2012 and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, Securities and Exchange Commission Rule 1987, Dhaka Stock Exchange Rule 1954, Chittagong Stock Exchange Rule 1995 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the state of the affairs of the Green Delta Securities Limited as of December 31, 2012 and of the results of its operations and its statement of cash flows for year then ended and comply with the Companies Act 1994, Securities and Exchange Commission Rule 1987, Dhaka Stock Exchange Rule 1954, Chittagong Stock Exchange Rule 1995 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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 account 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 Statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts;

Place: Dhaka
Date: February 14, 2013



Ahmed Zaker & Co.
Chartered Accountants

Statement of Financial Position

As at December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
SOURCES OF FUNDS			
Shareholders equity		845,509,322	472,859,566
Share Capital	4.00	100,000,000	100,000,000
Retained Earnings	5.00	138,462,158	137,812,402
Revaluation Reserve	6.00	607,047,164	235,047,164
Long Term Liabilities			
Loan From GDIC	7.00	116,638,688	115,000,000
Total Capital Employed		962,148,010	587,859,566
APPLICATION OF FUNDS			
Non-Current Assets (A)		662,238,541	295,972,286
Property & Equipment	8.00	10,238,541	15,972,286
Investment in Stock Exchange for Membership	9.00	642,000,000	270,000,000
Investment in Bond	10.00	10,000,000	10,000,000
Current Assets (B)		490,223,148	488,979,841
Advances, Deposits and Prepayments	11.00	9,651,560	19,405,915
Receivable from Clients	12.00	109,223,589	146,677,347
Receivable from DSE & CSE	13.00	25,724,057	12,829,761
Investment in shares (at cost)	14.00	95,056,670	95,715,445
Accounts Receivable	15.00	15,346,922	12,444,956
Loan to GDCL	16.00	-	19,900,000
Interest Receivable from GDCL	17.00	-	208,700
Cash and cash equivalents	18.00	235,220,351	181,797,717
Current Liabilities (C)		190,313,680	197,092,561
Payable to Clients	19.00	116,866,200	82,443,051
Payable to DSE & CSE	20.00	1,739,857	117,171
Payable to GDIC (Management Expenses)	21.00	19,454,804	19,031,538
Interest Payable (GDIC)	22.00	33,021,904	34,224,679
Term Loan	23.00	(57,381)	30,109,148
Liabilities for Expenses	24.00	1,749,466	6,180,938
Provision for Income Tax	25.00	13,034,394	18,748,579
Other Provision	26.00	4,504,436	6,237,457
Net Current Assets (D)=(B-C)		299,909,468	291,887,280
Total Assets (E)=(A+D)		962,148,010	587,859,566

The above notes (1-34) form an integral part of these financial statement



Chairman



Director



Group CFO



Head of Brokerage & CEO

Signed as per our separate report of same date.



Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka

Date: February 14, 2013.

Statement of Comprehensive Income

for the year ended December 31, 2012

Particulars	Notes	Amount in taka	
		31.12.2012	31.12.2011
Operating Income:			
Revenue from Brokerage	27.00	41,300,746	73,739,535
Interest Income	28.00	32,051,102	34,008,311
Dividend Income from (DLR)	29.00	1,075,965	1,275,158
Capital Gain/(Loss) from Investment in Shares	30.00	2,346,506	(7,480,576)
Other Operating Income	31.00	5,921,574	11,537,555
Total Operating Income		82,695,893	113,079,983
Less: Direct Charges	32.00	8,672,453	13,734,432
Gross Profit		74,023,440	99,345,551
Less: Office and Administrative Expenses	33.00	51,401,739	53,982,168
Less: Financial Expenses	34.00	12,311,832	29,469,849
Profit/(Loss) before Tax		10,309,870	15,893,535
Less: Provisions		9,660,114	15,374,299
Provision for Taxation	25.00	9,660,114	15,374,299
Profit/(Loss) After Tax		649,756	519,236

The above notes (1-34) form an integral part of these financial statement


Chairman


Director


Group CFO


Head of Brokerage & CEO

Signed as per our separate report of same date.

Place: Dhaka
Date: February 14, 2013.


Ahmed Zaker & Co.
Chartered Accountants

Statement of Changes in Equity

For the year ended December 31, 2012

Particulars	Amount in Taka				
	Share Capital	Proposed Stock Dividend	Revaluation Reserve	Retained Earnings	Total Shareholders Equity
Balance as at January 01, 2012	100,000,000		235,047,164	137,812,402	472,859,566
Net profit for the period			372,000,000	649,756	372,649,756
Balance as at December 31, 2012	100,000,000	-	607,047,164	138,462,158	845,509,322


Chairman


Director


Group CFO


Head of Brokerage & CEO

Signed as per our separate report of same date.


Ahmed Zaker & Co.
Chartered Accountants

Place: Dhaka
Date: February 14, 2013.

Statement of Cash Flows

for the year ended December 31, 2012

Particulars	Amount in taka	
	31.12.2012	31.12.2011
Cash Flow from Operating Activities:		
Cash Received from Customers and others	104,353,390	465,064,457
Cash Paid to Customers, Suppliers, Employees & others	(11,602,078)	(265,527,761)
Income Tax paid & other Provision	(17,107,320)	(35,942,028)
Net Cash (used) /flows from operating activities	75,643,992	163,594,668
Cash Flow from Investing activities :		
Acquisition of Fixed Assets	(946,385)	(10,687,185)
Investment	658,775	(4,622,556)
Investment in Bond	-	(10,000,000)
Net Cash flows from Investing activities:	(287,610)	(25,309,741)
Cash Flow from Financing activities:		
Share Capital	-	-
Loan to GDCL	19,900,000	(20,108,700)
Loan from GDIC	1,638,688	-
Loan to GDIC	-	(20,000,000)
Term Loan	(30,166,529)	(179,153,642)
Interest	(13,305,907)	(3,077,775)
Dividend paid	-	-
Net Cash (used) /flows from Financing activities:	(21,933,748)	(222,340,117)
Net increase/(decrease) in cash & cash equivalents	53,422,634	(84,055,190)
Add: Cash & Cash equivalents at the beginning of the year	181,797,717	265,852,907
Cash & Cash equivalents at the end of the year	235,220,351	181,797,717

Notes to the Financial Statements

For the year ended December 31, 2012

1. Significant Accounting Policies and other Material information:-

Legal form of the Enterprise:

The company namely Green Delta Financial Services Ltd. (GDFSLS) was initially incorporated as private limited company with the issuance of certificate of incorporation bearing no.C-54350(1356)/05 on 16.10.2005 by the Registrar of Joint Stock Companies & Firms. With a view to streamline the business policy, the management of the GDFSLS changed the name and style under the banner of Green Delta Securities Ltd. (GDSL) effective September 13, 2009.

Registered Office of the Company:

Registered Office of the Company is situated at Hadi Mansion (6th Floor), 2 Dilkusha C/A, Dhaka-1000.

Principal activities and nature of the business:

The principal activities and nature of the business of Green Delta Securities Ltd was to establish as brokerage house with a view to cope with the business needs of the stock buying and selling in the market as a member of the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) under the aegis of operating Stock broker and Stock dealer.

2) Basis of Presentation of the Financial Statements:

The following underlying assumptions, measurements, base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statement as per BAS-1.

- i) Historical cost convention
- ii) Accrual except Cash flow Statement
- iii) Bangladesh Accounting Standard
- iv) Going concern
- v) Related party transaction
- vi) Company Act, 1994
- vii) Securities and Exchange rule 1987
- viii) Dhaka Stock Exchange rule 1954
- ix) Chittagong Stock Exchange rule 1995

2. 1) Recognition of Property & Equipment and Depreciation:

In accordance with the Bangladesh Accounting Standard adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as BAS 16 'Property Plant and Equipments, fixed assets have been accounted for using the straight-line depreciation method. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on all fixed assets has been applied consistently year to year at the following rate.

a) Computer Software	50%
b) Computer	30%
c) Telephone	30%
d) Office Space Purchased	10%
e) I.P.S	30%
f) Office Equipments	30%
g) Air Conditioner	30%
h) U.P.S	30%
i) Computer Sarver	30%
j) Furniture & Fixture	30%
k) Office Renovation	30%
l) Motor Vehicle	20%
m) Mobile sets	30%
n) Projector	30%

Full year's depreciation has been charged in the year of acquisition and no depreciation is charged in the year of disposal.

2.2) Revenue Recognition:

Revenue is recognized only when it is probable that the economic benefit of such transaction has been derived as per "BAS-18".

Brokerage commission

Brokerage commission is recognized as income when selling or buying order executed.

Interest Income from margin loan

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis.

Dividend income and profit/ (loss) on sale of marketable securities

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

Income from Bank deposit

Income from short term bank deposit & FDR are recognized when the amount is credited by the bank in the accounts.

2.3) Taxation:

Current Tax:

The company's trading income is subject to deduction of tax at source which is at the rate of 0.05% for the year ended, 2012 on the transactions held at the time of stock buying and selling made. The income tax will be assessed as is done in case of other company without application of 82 C due to addition of 82 C clause (6) of I.T.O 1984.

Deferred Taxation:

The company has not recognized any deferred Tax for the year ended, as required under Bas-12, Income Taxes.

2.4) Client Accounts:

Client accounts contain the amounts which are paid by the company at the time of trading of shares and stocks in the house which is recognized in the account as current assets as per IASB Framework.

2.5) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits held with banks and financial instruments and short term liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

2.6) Cash Flow Statements:

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standards (BAS) 7, "Cash flow statement" under direct method.

2.7) Investment in Shares:

The company by virtue of obtaining the license as stock dealer from the Securities and Exchange Commission has invested in the listed securities in its own name and such investment in the listed Securities has been incorporated at cost against which adequate provision has not been made with a bid to reduce its possible losses under its investment portfolio as prescribed in the Bangladesh Accounting Standard (BAS)-25.

3) Information on Financial Statement:

Responsibility for preparation and presentation of financial statements:

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements according to the Bangladesh Accounting Standard BAS-1 "Presentation of Financial Statements".

Components of the Financial Statements:

Following are the component of the financial statements.

- a) Statement of Financial Position as at December 31, 2012.
- b) Statement of Comprehensive Income for the year ended December 31, 2012.
- c) Statement of Changes in Equity for the year ended December 31, 2012.
- d) Statement of Cash flows for the year ended December 31, 2012.
- e) Notes to the financial statements and Explanatory notes.

General

- i) Previous year's figure has been rearranged wherever necessary to conform current year's presentation.
- ii) The figure has been rounded off to the nearest Taka.
- iii) The financial Statement has been prepared covering the period from January 01, 2012 to December 31, 2012.

Amount in Taka	
31.12.2012	31.12.2011

4.00 Share capital

4.01 Authorized Capital

Two Million (2,000,000) ordinary shares of Tk.100/- each		200,000,000
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The authorized share capital of the company is Taka 200 Million (two hundred million) divided into 2,000,000 (Two Million) ordinary shares of Taka 100/- each.

4.02 Issued, subscribed and paid up Capital

(1,000,000) One Million ordinary Shares of Tk. 100.00 each fully paid	100,000,000	100,000,000
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4.03 Shareholding Position of the Company

Name of Share Holder	Number of Shares	
Green Delta LR Holdings Ltd.	999,999	999,999
Nasir A Choudhury	1	1
	1,000,000	1,000,000

5.00 Retained Earnings

Balance as at January 01, 2012	137,812,402	137,293,166
Add: Addition during the Period	649,756	519,236
Less: Proposed Stock/Cash Dividend	-	-
Balance as at December 31, 2012	138,462,158	137,812,402

6.00 Revaluation Reserve

Balance as at January 01, 2012	235,047,164	235,047,164
Add: Addition during the year	372,000,000	-
Balance as at December 31, 2012	607,047,164	235,047,164

Revaluation reserve represents the amount of gain on revaluation on Investment in Stock Exchange for obtaining membership of DSE and CSE. Revaluation were made on above mentioned Investment as at June 30,2012 during the year .

7.00 Loan from GDIC (Margin Loan & DLR)

Balance as at January 01, 2012	115,000,000	135,000,000
Addition during the year	10,000,000	
Paid during the year	(8,361,312)	(20,000,000)
Balance as at December 31, 2012	116,638,688	115,000,000

The loan amount has been received from the GDIC as margin loan bearing interest @ 10% per annum which is being paid by the company regularly and charged the sum in the income statement.

Amount in Taka	
31.12.2012	31.12.2011

8.00 Property & Equipment

Cost:		
Opening balance	22,390,025	11,702,840
Add: Addition during the year	946,385	10,687,185
Less: Disposal during the year	-	-
Less: Adjustment	198,254	-
Total Cost	23,138,156	22,390,025
Less: Accumulated depreciation:		
Opening balance	6,417,739	3,518,665
Add: Charged during the year	6,522,100	2,899,074
Less: Adjustment	40,224	-
Accumulated depreciation	12,899,615	6,417,739
Written Down Value	10,238,541	15,972,286

Details of Property & Equipment is given in Annexure-A/1

9.00 Investment in the Stock Exchanges for Membership

Dhaka Stock Exchange Limited - Membership	362,000,000	200,000,000
Chittagong Stock Exchange Limited - Membership	280,000,000	70,000,000
Balance as at December 31, 2012	642,000,000	270,000,000

Above amounts were invested in the shares of DSE and CSE to obtain authorization for dealing by the company as brokerage agent.

10.00 Investment in Bond

Investment in Bond (Trust Bank Ltd)	10,000,000	10,000,000
Balance as at December 31, 2012	10,000,000	10,000,000

11.00 Advances, Deposits and Prepayments

Office rent (Advances)	888,116	1,877,612
Advance to Employee (Mobile)	14,511	
Advance to Employee (Salary)	87,910	1,193,159
Advance to Employee (PF)	34,006	51,562
TDS on FDR Interest	1,312,644	666,469
TDS on Dividend of DLR	208,743	242,814
Tax on Transaction (Note-11.01)	6,817,493	15,374,299
Advance to Party (Note-11.02)	288,137	-
Balance as at December 31, 2012	9,651,560	19,405,915

Amount in Taka	
31.12.2012	31.12.2011

11.01 Tax on Transaction

Balance as at January 01, 2011	15,374,299	21,895,006
Add: Addition during the year	6,817,493	15,374,299
	22,191,792	37,269,305
Less: Adjusted during the year	15,374,299	21,895,006
Balance as at December 31, 2012	6,817,493	15,374,299

As per Section 82 (C) of ITO 1984, the company made a provision for income tax Taka 33,18,593 against turnover tax applying a rate of 0.050% for the year 2012

11.02 Advance to Party

Advances to Spectrum	288,137	-
Balance as at December 31, 2012	288,137	-

12.00 Receivable from Clients

Receivable from clients for share trading	109,223,589	146,677,347
Balance as at December 31, 2012	109,223,589	146,677,347

13.00 Receivable from DSE & CSE

DSE	25,539,312	7,712,705
DSE Dealer	-	-
CSE	184,745	5,117,056
Balance as at December 31, 2012	25,724,057	12,829,761

14.00 Investment in Shares

Balance as at January 01, 2012	95,715,445	91,092,889
Addition during the year	-	4,622,556
Adjustment during the year	(658,775)	-
Balance as at December 31, 2012	95,056,670	95,715,445

The above amount represents investment made in the different portfolio and shown at cost value as non-current assets during the year.

15.00 Accounts Receivable

Other Receivable	2,803	2,803
Nascom Pvt. Ltd.	21,851	21,851
Green Delta Capital Ltd.	3,964,448	3,846,667
Green Delta LR Holdings Ltd.	11,210,102	8,548,195
Receivable from Employee(PF)	-	25,440
Receivable from Employee & others	147,718	-
Balance as at December 31, 2012	15,346,922	12,444,956

Amount in Taka	
31.12.2012	31.12.2011

16.00 Loan to GDLRFSL

Balance as at January 01, 2012	-	-
Add: Addition during the year	19,900,000	21,000,000
	19,900,000	21,000,000
Less: Adjusted during the year	19,900,000	1,100,000
Balance as at Decemeber 31, 2012	-	19,900,000

17.00 Interest Receivable from GDLRFSL

Balance as at January 01, 2012	208,700	-
Add: Addition during the year	-	389,144
	208,700	389,144
Less: Adjusted during the year	208,700	180,444
Balance as at December 31, 2012	-	208,700

18.00 Cash and Cash Equivalents

Cash in hand (18.01)	207,802	244,395
Cash at bank (18.02)	235,012,549	181,553,322
Balance as at December 31, 2012	235,220,351	181,797,717

18.01 Cash in hand

Head Office	204,199	226,421
Chittagong	-	2,875
Sylhet	67	5,046
Khatungonj	3,536	10,053
Balance as at December 31, 2012	207,802	244,395

18.02 Cash at bank

Pubali Bank Ltd. A/C # STD-1816	278,607	269,087
City Bank Ltd. Islami Banking Br. A/C # 3101063925001	142,510	140,321
Mutual Trust Bank Ltd. Sylhet Br. A/C # 0023-0210002631	33,807	4,668,371
Mutual Trust Bank Ltd. Sylhet Br. A/C # 792	10,093	6,855
Pubali Bank Ltd. Dewanhat Br. CTG A/C # STD-255	1,015	1,261,754
Pubali Bank Ltd. Dewanhat Br. CTG A/C # CD-22824	221	7,352,527
HSBC A/C # 001-275445-011	506,623	509,233
Trust Bank Ltd. A/C # 0017-021010007009	924,475	1,199,895
AB Bank Ltd, A/C No.-4005779222000	-	9,999,799
Standard Chartered Bank A/C # 01-1053200-01	5,706,693	1,291,638
Standard Chartered Bank A/C # 01-1053200-02	147,967,981	39,730,500
Standard Chartered Bank A/C # 01-1053200-03	7,157,457	7,362,543
Standard Chartered Bank A/C # 02-1053200-01	(10,000)	(10,000)

	Amount in Taka	
	31.12.2012	31.12.2011
Standard Chartered Bank A/C # 02-1053200-02	(10,000)	(10,000)
Marcentile Bank Ltd. A/C # 011311100007952	411,577	-
FDR A/C (Note-18.02.1)	71,891,490	107,780,799
Balance as at December 31, 2012	235,012,549	181,553,322

18.02.1 FDR A/C

Trust Bank Ltd. A/C # 0017-0330015050	5,579,479	5,000,000
Jamuna Bank Ltd, FDR-2987	6,049,412	5,420,967
National Bank Ltd, FDR-006755015685	-	11,640,147
The City Bank Ltd-25001	2,485,060	2,225,949
The Trust Bank Ltd-112547	-	10,000,000
The City Bank Ltd-195727	-	10,100,000
SIBL (2000000*13)	-	26,000,000
BRAC Bank A/C #1501301898188004	5,580,565	5,000,000
BRAC Bank A/C #1501301898188003	11,831,417	10,581,951
BRAC Bank A/C #1501301898188002	12,044,527	10,772,556
BRAC Bank A/C #1501301898188001	12,321,029	11,039,229
Brac Bank SME # 1524301	5,000,000	-
Lanka Bangla # 3650	11,000,000	-
Balance as at December 31, 2012	71,891,490	107,780,799

19.00 Payable to Clients

Payable to clients for share trading.	116,866,200	82,443,051
Total	116,866,200	82,443,051

20.00 Payable to DSE & CSE

DSE	82,206	117,171
CSE	1,657,651	-
Balance as at December 31, 2012	1,739,857	117,171

21.00 Payable to GDIC (Management Expenses)

Balance as at January 01, 2012	19,031,538	27,176,668
Add: Addition during the year	5,661,182	3,325,386
Less: Adjustment during the year	5,237,916	11,470,516
Balance as at December 31, 2012	19,454,804	19,031,538

Above amount represents payable to GDIC for meeting day to day management expense, which were expended by the GDIC on behalf of GDSL.

Amount in Taka	
31.12.2012	31.12.2011

22.00 Interest Payable (GDIC)

Balance as at January 01, 2011	34,224,679	31,146,904
Add: Addition during the year	11,548,611	13,315,275
	45,773,290	44,462,179
Less: Adjustment during the year	12,751,386	10,237,500
Balance as at December 31, 2012	33,021,904	34,224,679

23.00 Bank Loan (Term Loan)

Loan from Bank (BRAC bank)	(57,381)	30,109,148
Balance as at December 31, 2012	(57,381)	30,109,148

This represents the interest on overdraft loan amount previously sanctioned by the BRAC Bank Ltd. A/C no. 1501201898188001 & A/C no 1501601898188001 in favor of the company at a rate of 14.25%. The installment amounting to TK. 30,049,122/- has been paid off during the year.

24.00 Liabilities for Expenses

Payable to Dr. K.M Maqsudur Rahaman	19,976	19,700
Payable to First News	-	45,000
Payable to Executive Machines Ltd.	17,000	17,000
Payable to Green Delta AIMS Tower	26,000	63,000
Payable to Spice Catering	19,080	-
Payable to Brac EPL	33,470	-
Payable to Others	322,976	-
Payable to Fulkuchi	3,336	-
CDBL Charges Payable (24.01)	64,177	475,132
Other Payable to GDIC (24.02)	-	3,899,725
payable to GDIC(Lease Obligation of Car)	1,065,625	1,478,125
TDS and VAT Payable (24.03)	177,826	183,256
Balance as at December 31, 2012	1,749,466	6,180,938

24.01 CDBL Charges Payable:

Balance as at January 01, 2012	475,132	1,579,971
Add: Addition during the year	64,177	475,132
Less: Adjustment during the year	475,132	1,579,971
Balance as at December 31, 2012	64,177	475,132

24.02 Other Payable to GDIC:

PF Payable	-	3,808,057
Car Loan Adjust (Mrs. Sharmin)	-	71,428
Car Loan Interest (Mrs. Sharmin)	-	20,240
Balance as at December 31, 2012	-	3,899,725

Amount in Taka	
31.12.2012	31.12.2011

24.03 TDS and VAT Payable:

Salary	94,237	113,826
House rent TDS (Gulshan, TBL & Khatungonj)&Suppliers	11,786	9,651
TDS payable on suppliers	19,934	18,649
House rent VAT(Gulshan, TBL & Khatungonj)& Suppliers	51,869	41,130
Balance as at December 31, 2012	177,826	183,256

25.00 Provision for Tax

Balance as at January 01, 2012	18,748,579	39,316,308
Add: Provision during the year	9,660,114	15,374,299
	28,408,693	54,690,607
Less: Paid during the year		14,047,022
	28,408,693	40,643,585
Less: Adjusted during the year	15,374,299	21,895,006
Balance as at December 31, 2012	13,034,394	18,748,579

Provision amounting to Taka 15,374,299 has been made on account of current year's Income Tax payable to Govt. authority.

26.00 Other Provision

Balance as at January 01, 2012	6,237,457	8,691,458.00
Less:Adjustment during the year	1,733,021	2,454,001
Balance as at December 31, 2012	4,504,436	6,237,457

27.00 Revenue from Brokerage

Commission (Annexure A)	41,300,746	73,739,535
Total	41,300,746	73,739,535

28.00 Interest Income

Interest Income on Margin Loan	19,265,731	27,730,175
Interest from Loan to Employee and GDRLFSL	-	412,410
Interest from Bond	1,250,000	332,192
Interest on Bank and FDR Accounts	11,535,371	5,533,534
Total	32,051,102	34,008,311

29.00 Dividend Income from DLR

Dividend Income from DLR	1,075,965	1,275,158
Total	1,075,965	1,275,158

Amount in Taka	
31.12.2012	31.12.2011

30.00 Capital (Loss)/Gain from Investment in Shares

Realized gain/(Loss) from share trading	2,346,506	(7,480,576)
Balance as at December 31, 2012	2,346,506	(7,480,576)

31.00 Other Operating Income

Service Charges on Margin Loan	3,000	-
BO Account opening Fee	268,500	338,300
CDBL Fees	4,743,587	8,163,762
Other income	906,487	3,035,493
Balance as at December 31, 2012	5,921,574	11,537,555

32.00 Direct Charge

Hawla Charge (Annexure A)	636,840	870,068
Laga charge (Annexure A)	2,688,987	4,591,118
CDBL Charge	5,346,626	8,273,246
Balance as at December 31, 2012	8,672,453	13,734,432

33.00 Office & Administrative Expenses

Salary & Allowances	19,188,508	21,163,736
Provident Fund Expenses	1,066,390	1,041,775
Festival Bonus	1,696,400	1,659,470
Printing & Stationery	690,733	881,273
Conveyance & Travel	841,960	551,569
Rent (Office rent)	4,762,931	4,622,599
Telephone, Mobile & Trunk-Call	99,494	114,224
Entertainment	761,463	5,203,266
Business Development (Fair & Others)	246,446	916,608
Advertisement Expenses	432,748	1,542,343
Electrical & Utility Exp.	1,516,887	906,146
Office Maintenance	1,601,924	1,161,726
Audit Fees	52,250	7,500
Professional fees	215,000	825,000
Legal & Advocacy Fees	62,230	58,596
Software Maintenances	411,643	410,792
Computer Accessories	151,944	239,908
Fuel (Car)	-	212,755
Generator Fuel	394,277	262,020
Repair, Renewal & Maintenance	204,548	484,030
Postage & Courier, Telegram	16,496	23,645
Photocopy	3,869	8,432
Books, Papers & Periodicals	48,261	84,881

	Amount in Taka	
	31.12.2012	31.12.2011
Authorized Representative Expenses	6,700	34,200
Renewal. Fees (Dealer & Broker)	44,000	30,000
Renewal. Fees (Trade License)	18,500	37,680
Data Connectivity Expenses	3,981,639	3,941,723
Board Meeting Expenses	128,100	46,800
Subscription & Donation	22,300	21,710
DSE & CSE Conference & Training fees	4,700	61,000
Training Expenses	113,225	207,300
Rental Expenses (Lease)	-	942,240
Insurance Premium	104,181	98,003
Investor Protection Fund	6,473	18,891
Corporate Allowances	-	27,000
House Maintenance	-	81,000
Mobile Allowance	639,151	696,422
Special allowance	-	335,250
Business Development Allowance	-	393,750
Car Maintenance Allowances	913,000	356,175
Depreciation	6,481,876	2,899,074
Misc. Expenses	59,000	33,944
Management Expenses	4,197,305	-
Tour Expenses (Domestic)	50,979	-
Food Expenses (Company Part)	109,410	-
Uniform & Dress	45,600	60,527
Staff Bus Expenses (Company Part)	9,200	-
Priliminary Expenses Written Off	-	109,292
Provident Fund Interest Expenses	-	247,894
Corporate Social Responsibility	-	920,000
Balance as at December 31, 2012	51,401,739	53,982,168

34.00 Financial expenses

Bank Charge & Commission	155,431	92,123
Interest Expenses of Car	146,100	48,700
Interest Expenses (Pubali Bank Loan)	-	3,108,924
Interest Expenses (GDIC)	11,548,611	13,315,275
Interest Expenses (BRAC Bank Loan)	461,690	12,904,827
Balance as at December 31, 2012	12,311,832	29,469,849

Dhaka+Chittagong+Sylhet

Transaction Date: 01/01/2012 to 31/12/2012

Annexure A Amount in taka

Date	Total Transactions	Commission	Howla	Laga	Tax AMT	CDBL	Total Expenses	Net Earnings
January, 2012	1,074,965,057	3,322,537	59,350	212,008	537,483	268,741	1,077,582	2,513,696
February, 2012	726,703,486	2,256,880	44,858	142,998	363,352	181,676	732,883	1,705,672
March, 2012	1,047,008,242	3,141,583	54,914	206,474	523,504	261,752	1,046,645	2,356,690
April, 2012	2,143,057,505	6,354,530	89,250	422,007	1,071,529	535,764	2,118,551	4,771,744
May, 2012	996,153,596	2,936,662	46,702	196,967	498,077	249,038	990,784	2,194,916
June, 2012	649,196,515	2,029,227	35,202	127,845	324,704	162,299	650,051	1,541,476
July, 2012	687,264,019	1,966,639	37,920	135,395	343,632	171,816	688,763	1,449,692
August, 2012	854,667,001	2,471,246	39,442	168,440	427,334	213,667	848,882	1,836,031
September, 2012	2,546,718,711	7,922,178	99,114	502,477	1,273,359	636,680	2,511,630	6,047,228
October, 2012	1,490,626,881	4,562,068	62,220	294,016	745,313	372,657	1,474,206	3,460,519
November, 2012	841,264,021	2,582,109	36,034	166,213	420,632	210,316	833,195	1,959,230
December, 2012	577,148,080	1,756,901	31,834	114,147	288,574	144,287	578,842	1,322,346
Total	13,634,773,114	41,302,560	636,840	2,688,987	6,817,493	3,408,693	13,552,013	31,159,241

Total transaction

13,634,773,114

Gross Commission

41,302,560

Reversal Entry of Commission

1,814

Gross Commission After Reversal

41,300,746

Total Howla+Laga+Tax

10,143,320

Net Commission

31,157,426

Schedule of Property & Equipment

As at December 31, 2012

Annexure-A/1

Sl No.	Name of the Assets	COST				Rate	DEPRECIATION				W.D.V
		Initial	Addition	Adjustment / Disposal	Total		Opening	Charged during the year	Adjustment	Total	
1	Computer Software	3,133,570	-	-	3,133,570	50%	2,201,592	931,978	-	3,133,570	0
2	Computer	3,717,818	191,800	198,254	3,711,364	30%	1,326,872	1,134,807	40,224	2,421,455	1,289,909
3	Telephone	127,620	39,000	-	166,620	30%	47,971	41,220	-	89,191	77,429
4	Office Space Purchase	600,000	-	-	600,000	10%	211,500	60,000	-	271,500	328,500
5	I.P.S	56,078	59,899	-	115,977	30%	33,645	28,800	-	62,445	53,532
6	Office Equipments	1,585,597	522,586	-	2,108,183	30%	268,889	521,483	-	790,372	1,317,811
7	Air Conditioner	1,009,800	-	-	1,009,800	30%	294,340	302,940	-	597,280	412,520
8	UPS	197,668	-	-	197,668	30%	103,544	59,304	-	162,848	34,820
9	Computer Server	1,586,890	-	-	1,586,890	30%	496,560	476,065	-	972,625	614,265
10	Furniture & Fixtures	1,028,597	73,100	-	1,101,697	30%	208,367	319,045	-	527,412	574,285
11	Office Renovation	6,741,248	-	-	6,741,248	30%	754,217	2,022,372	-	2,776,589	3,964,659
12	Motor Vehicle	1,650,000	-	-	1,650,000	20%	96,343	330,000	-	426,343	1,223,657
13	Mobile Sets	87,045	-	-	87,045	30%	2,900	26,112	-	29,012	58,033
14	Projector	868,094	60,000	-	928,094	30%	371,000	267,974	-	638,974	289,120
		22,390,025	946,385	198,254	23,138,156		6,417,739	6,522,100	40,224	12,899,615	10,238,541

7.6 | Glossary

Terms	Meaning
Cash Basis	Recognizing the effects of transactions and events when receipt or payment of cash or cash equivalent occurs.
Cash Equivalents	Sort-term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk in change in value
Consolidated Financial Statements	Financial Statements of Group presented as those of a single Company
Depreciation	Depreciation is the allocation of the depreciable amount of an asset over its estimated useful life. Depreciation for the accounting period is charged to net profit or loss for the period directly or indirectly.
Gross Dividend	The portion of profit distributed to shareholders inclusive of tax withheld
Intangible Asset	An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purpose.
Interest Cost	The sum of monies accrued and payable to the sources of borrowed working capital
Interest in suspense	Interest income of non-performing portfolio; these interests are accord but not considered as part of income.

Standard Disclosure Index

Disclosure Checklist to the Key Sections of the Annual Report- 2012

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Corporate Objectives, Values & Structure Clarity and presentation:	
■ Vision and Mission	9
■ Overall strategic objectives	10
■ Core values and code of conduct/ethical principles	12
■ Profile of the Company	14
■ Director's profiles and their representation on Board of other companies & Organization Chart	20
Management Report and analysis including Director's Report / Chairman's Review/ CEO's Review etc.	
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■ Description of the performance of the various activities / products / segments of the company and its group companies during the period under review.	10
■ A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	59
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■ Information on company's contribution to the national exchequer & to the economy	53
Appropriateness of Disclosure of Accounting policies and General Disclosure	
■ Disclosure of adequate and properly worded accounting policies relevant to assets, liabilities, Income and expenditure in line with best reporting standards.	147-154
■ Any Specific accounting policies	N/A
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■ Changes in accounting policies/Changes in accounting estimates	N/A
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■ Quality of the Report/ Layout of Contents	
■ Cover and printing including the theme on the cover page	
■ Appropriateness and effectiveness of photographs and their relevance	
■ Effectiveness of Charts and Graphs	
■ Clarity, simplicity and lucidity in presentation of Financial Statements	
Timeliness in issuing Financial Statements and holding AGMs	
(Approval of Financial Statements by BOD within 2 months of the end of Reporting Period)	
■ 3 months time to produce the Annual Report and hold AGM are considered reasonable for full marks	
■ Delay after the initial period of 3 months - deduction of 2 marks is to be made for each month	
■ If the period is over 6 months – no marks shall be awarded	
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গ্রীন ডেল্টা ইন্স্যুরেন্স কোম্পানী লিমিটেড
Green Delta Insurance Company Ltd.

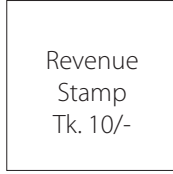
Green Delta AIMS Tower (6th floor), 51-52 Mohakhali C/A, Dhaka
Phone: 9851902, 9851170(PABX) FAX: 9851124 www.green-delta.com

PROXY FORM

I/ We
of
being a member of Green Delta Insurance Company Limited do hereby appoint
Mr./ Mrs./ Miss.
of
or (failing his/her)
Mr./ Mrs./ Miss.
of
as my/ our proxy, to vote for me/ us and on my/ our behalf at the 27th Annual General Meeting of the company to
be held on Thursday March 28, 2013 at 11.00 a.m. at Hotel Purbani International Ltd. 01 Dilkusha C/A, Dhaka and any
adjournment thereof or at any ballot to be taken in consequence thereof.

Signed this day of

Signature of proxy Signature of shareholder



Folio No

BO A/C No

Note

1. This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the company registered office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholders should agree with the Specimen signature registered with the Company.



গ্রীন ডেল্টা ইন্স্যুরেন্স কোম্পানী লিমিটেড
Green Delta Insurance Company Ltd.

Green Delta AIMS Tower (6th floor), 51-52 Mohakhali C/A, Dhaka
Phone: 9851902, 9851170(PABX) FAX: 9851124 www.green-delta.com

ATTENDANCE SLIP

I hereby record my attendance at the 27th Annual General Meeting of the Company being held on March 28, 2013 at
11.00 a.m. at Hotel Purbani International Ltd. 01 Dilkusha C/A, Dhaka.

Name of the Member/ Proxy

Folio or BO A/C No

Signature Date

Note

Shareholders' attending meeting in person or by proxy are requested to complete the Attendance slip and hand it over
the entrance of the meeting hall.

