



creating
differentiation

ANNUAL REPORT 2013

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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, 2013

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, 2013 and Income Statements, Cash Flow Statements and Changes in equity statements for the year ended December 31, 2013 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

NOTICE OF THE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Eight Annual General Meeting of Green Delta Insurance Company Limited will be held at Hotel Purbani International, 01 Dilkusha C/A. Dhaka on Saturday, 15th March' 2014 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, 2013 and Audited Accounts thereon;
2. Declaration of 15% Stock and 15% Cash Dividend for the year ended December 31, 2013;
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/Re-appointment of Auditors for the year 2014 and fix their remuneration;
5. Appointment of Managing Director
6. Miscellaneous, if any.

By Order of the Board of Directors



Syed Moinuddin Ahmed
Company Secretary

Date: 05.02.2014

Notes:

1. 17.02.2014 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. 20/- 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 GREEN DELTA AT A GLANCE

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 637.875 million with a credit rating of AA1 and ST1. GDIC holds the proud distinction of being the first ever company to raise its paid up capital to such a level. This is also the 1st Insurance Company in Bangladesh to have equity partnership with IFC. 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 direct subsidiaries. GDIC provides stock brokerage services through Green Delta Securities Ltd. (GDSDL) and investment supports through Green Delta Capital Ltd. (GDCL).

Under the charismatic leadership of Mr. Nasir A Choudhury, Founder Managing Director and Advisor, 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 28 years of glorious journey in the Insurance sector, Green Delta Insurance Company Limited has now become a big family of 14 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

“After 27 years of glorious journey in the Insurance sector, Green Delta Insurance Company Limited has now become a big family of 14 respected board members, 600+ committed staff, numerous valued clients and thousands of esteemed shareholders”

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 28 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.

goals
and
objective

execution

focused

spirit

target oriented

Their quest of summarizing the growth and development takes them to the successful economic

With a view to create differentiation GDC has always been focused and target oriented to meet the objective and hit the goal.



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 clients 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)
Fire and Allied Perils Insurance
Marine Cargo and Hull Insurance

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

Retail & SME

Fire and Allied Peril Insurance
Marine Cargo and Hull Insurance
Personal Accident
Health Insurance
Overseas Mediclaim Insurance
Micro Insurance
Micro Health Insurance
Nibedita-Comprehensive Insurance Policy for Women
Household Insurance
Motor Insurance
Peoples Personal Accident Policy
Comprehensive Travel Insurance

Conventional

Aviation Insurance
Automobile Insurance
Workmen Compensation Insurance
Miscellaneous Insurance
Engineering Insurance (Erection all Risk, Contractors all Risk, Deterioration of Stock & Boiler & Pressure Vessel Insurance, business interruption
Crop Insurance
Nibedita-Comprehensive Insurance Policy for Women
Weather Index Based Insurance

Investment and Portfolio Management

Underwriting
Pre-IPO placement Syndication
Trusteeship



1.4 PRODUCT DIVERSIFICATION AND INNOVATION

Green Delta Insurance is known for its innovation and services. Today's competitive insurance market is driving the market to think and innovate new products and services and GDIC has been doing with its authority. Beside the Traditional insurance portfolio GDIC introduced following personal line of products in last year and some them are in pipeline:-

It is matter of great pride that GDIC has introduced an insurance product first time ever in Bangladesh which is designed only for the females named as Nibedita-Comprehensive Insurance Policy for Women. GDIC has also designed first ever Weather Index Based Insurance for the farmers of Bangladesh which will be launched shortly.

01. Health Insurance
02. Household insurance
03. Nibedita-Comprehensive Insurance Policy for Women
04. Cellular Phone Contingency Insurance
05. Weather Index Based Insurance
06. Personal Accident Insurance Policy for Migrant workers



1.5 CORE VALUES AND CODE OF CONDUCT

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 Labor Organization. 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 Labor

Green Delta Insurance Company Limited does not use forced or compulsory labor, 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 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 28 years now.



1.7 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

Hot line # 01730074299

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

S.F Ahemed & Co.

Chartered Accountants

House # 51(2nd floor)

Road # 9, Block-F

Banani, Dhaka-1213

Tel: (88-02) 98994346, 9870957, 09610998048

Fax: (88-02) 8825135

Email: sfaco@dhaka.net and sfali@connectbd.com and sfaciali@btcl.net.bd

Panel Lawyer

1. Barrister Abdur Razzaque. Abdur Razzaque & Associates
2. Barrister Junayed Ahmed Chowdhury, Vertex Chambers
3. Barrister Rezwana Yusuf, Amicus Curiae
4. Barrister Tanjib-ul-Alam, Tanjib-ul-Alam & Associates
5. Barrister Farzana Begum, Law Shift
6. Barrister Tanzim Karim Chowdhury,

7. Barrister Syed Jawad Quader
8. Barrister Syed Ridwan Husain
9. Advocate Syed Qudrat Ali
10. Advocate Mohammed FaizUllah
11. Advocate Shah Shahidul Alam

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
- 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
- Dhaka Chamber of Commerce and Industry

Network Partner of Overseas Insurers/Reinsurers

- Royal & SunAlliance, London
- Zurich Insurance Co.
- AXA Corporate Solutions Assurance Ltd.
- ACE Group
- Mitsui Sumitomo Insurance Co. Ltd., Japan
- IF PNC, Sweden
- Allianz Global Corporate and Specialty
- Sompo, Japan



1.8 CORPORATE CHRONICLE

| | |
|---------------------------|---|
| 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
- December 20, 2010** = Has been selected for Platinum Technology Award for Quality and Best Trade Name
- December-2010** = First Prize winner of “Best Published Accounts” in the 10th ICAB National Awards 2009

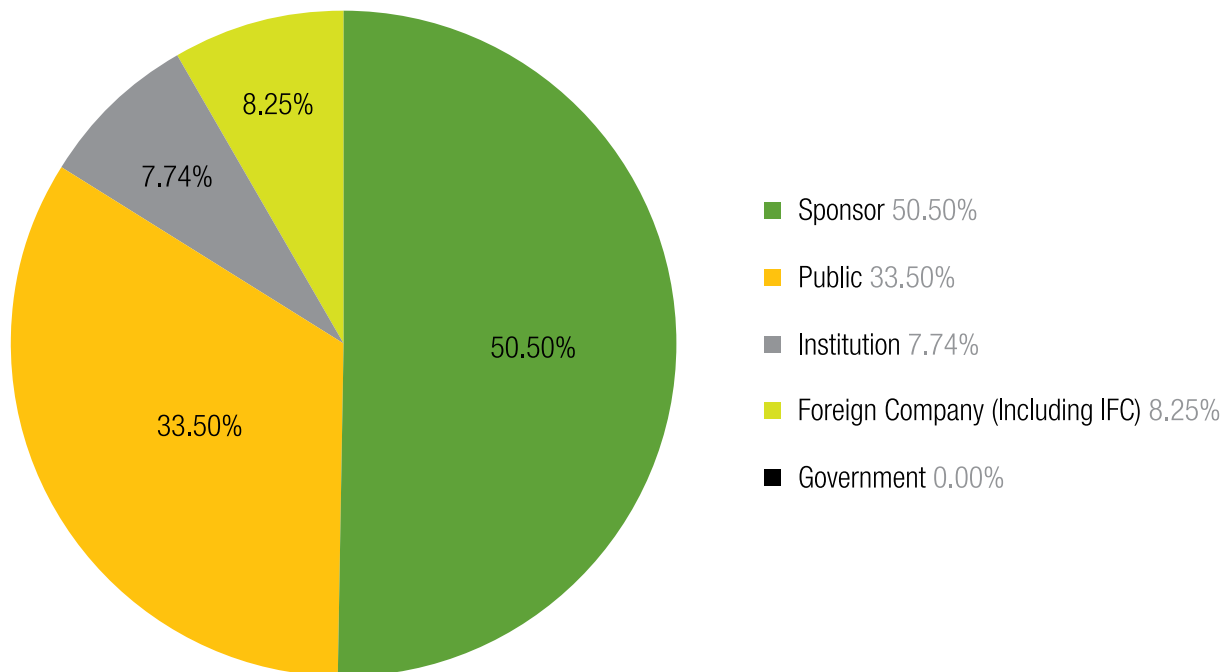
(Non Banking Category-Insurance Sector)

- April-2011** = Has been awarded for The Platinum Technology Award for Quality & Best trade name by by Association OtherWays in Berlin .
- August-2011** = Awarded “The BIZZ Award-2011” by World Business Confederation of Business, USA for Leadership, Excellence in management, Quality and Marketing.
- November-2011** = Awarded “THE DIAMOND EYE AWARD FOR QUALITY & EXCELLENCE “by BID OTHERWAYS
- November-2011** = Awarded “INTERNATIONAL QUALITY CROWN AWARD “by BID INTERNATIONAL IN LONDON
- November-2011** = First Prize in ICMAB Best Corporate Award-2011 in Insurance category.
- 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).
- 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
- March-2013** = Equity Partnership with International Finance Corporation (IFC) of World Bank Group, First Foreign Direct Investment of IFC in the Insurance Sector of Bangladesh
- May, 2013** = Launch of ‘Nibedita’ on pilot basis, a comprehensive insurance scheme solely for women for the first time in Bangladesh
- October, 2013** = Farzana Chowdhury officially takes over as the Managing Director and CEO of GDIC becoming the first ever female MD in the insurance sector of Bangladesh.
- December, 2013** = Awarded “AA1” rating in the long term and “ST-1” rating in the short term respectively by CRAB
- December, 2013** = Officially launched ‘Cellular phone insurance’ for the first time in Bangladesh signing deal with Rialto Technologies



1.9 SHAREHOLDING STRUCTURE

Share Holding Structure of GDIC



1.10 GDIC'S PRESENCE

| SL NO | Name of Branch & Address | SL NO | Name of Branch & Address |
|-------|--|-------|--|
| 01 | Principal Branch Dhaka at Green Delta AIMS Tower (6th Floor) 51-52 Mohakhali C/A, Dhaka-1212 | 20 | Faridpur Branch at 91 Thana Road, faridpur |
| 02 | Gulshan Branch at Shaba House (2nd Floor), House#34, Road#46, Gulshan-2, Dhaka-1212 | 21 | Jessore Branch at 17 Netaji Subash Chandra Road, Gari Khana, Jessore |
| 03 | Dilkusha Branch at Hadi Mansion (8th Floor), 2 Dilkusha C/A, Dhaka-1000 | 22 | Nowapara Branch at Rahman Medical Building, Nowapara Bazar, Jessore |
| 04 | Imamgonj Branch at 77/3, Moulvi bazar (2nd Floor), Lalbagh, Dhaka | 23 | Khulna Branch at I.P.C Roy Road, Khulna |
| 05 | Elephant Road Branch at pearsons Tower, 299 Elephant Road, Dhaka | 24 | Kushtia Branch at Lovely Tower (7th Floor) Room#7, F-4, 55/1, Serajuddowla Road, Kushtia |
| 06 | Bangabandhu Avenue Branch at Green White Bhaban (4th Floor) 28, Bangabandhu Avenue, Dhaka-1000 | 25 | Madaripur Branch at Amin Super market, Puran Bazar, Madaripur |
| 07 | Kawranbazar Branch at the Dhaka Trade Center (5th Floor), Kazi Nazrul Islam Ave, Dhaka | 26 | Barisal Branch at 58 Munnu Super market, Katpatty Road, Barisal |
| 08 | Mohakhali Branch at Red Crescent Concord Tower (2nd Floor), 17 Mohakhali C/A Dhaka | 27 | Pirojpur Branch at Post Office Road, Pirojpur. |
| 09 | Mirpur Branch at Central Plaza (6th Floor) 231, Separa parbota, Mirpur-10, Dhaka | 28 | Bogra Branch at Hafiz Bhaban, Kabir market, Boro Gola Road, Bogra |
| 10 | Shantinagar Branch at Shaan Tower (7th Floor) 24/1, Chamelibagh, Shantinagar, Dhaka | 29 | Dinajpur Branch at Genestola, Dinajpur |
| 11 | Narayangonj Branch at S.T.S Tower (2nd Floor) 55/21 S.M. Maleh Road, Tanbazar, Narayangonj | 30 | Rajshahi Branch at Holding#38 (2nd Floor), Shaheb Bazar, Sonadighir Mor, Ghoramara, Boalia, Rajshahi |
| 12 | Dhaka EPZ Branch at Hasan Apartment, Ganak Bari Savar, Dhaka | 31 | Pabna Branch at Abdus Sattar Biswas market, Traffic More, Abdul Hamid Road, Pabna |
| 13 | Uttara branch at House#2-A, Road#2-B, Sonargaon Janapath, Sector-11, Uttara, Dhaka | 32 | Rangpur Branch at Station Road, Rangpur |
| 14 | Narsingdi Branch at Kamal Building, Sutapatty, Narsingdi | 33 | Bhairab Branch at Cinema Hall Road, Bhairab, Kishorgonj |
| 15 | Principal Branch, Chittagong at Makkah Madinah Trade Centre (MMTC), 3rd Floor, 78 Agrabad C/A, Chittagong-4100 | 34 | Mymensingh Branch at 12 Shaseb Ali Road, Mymensingh |
| 16 | Khatungonj Branch at Golsen Park (3rd Floor) 3/A Ramjay, Mohajan lane, Khatungong, Chittagong | 35 | Tangail Branch at Hazi Mansion (2nd Floor), Kalibari Road, Adalat Para, Tangail-1900 |
| 17 | Sylhet Branch at Madhuban Super Market, Bandar Bazar, Sylhet | 36 | Chandpur Branch at Mir Shopping Complex, J.M. Sen Gupa Road, Chandpur |
| 18 | Moulvi Bazar Branch, Sylhet at Lake View Building, 36 Srimongal Road, Moulvi Bazar, Sylhet | 37 | Chaumuhani Branch at Huq Mansion (2nd Floor) Feni road, Chaumuhani |
| 19 | Hobigonj Branch, Sylhet at Dewan Manjil, Post Office Road, Hobigonj. | 38 | Comilla Branch at Chatti Patti, Rajgaon, Comilla |



1.11 ACKNOWLEDGE THE SPONSORS



Late Md. Shafat Ahmed Chaudhuri
(Founder Chairman)



Nasiruddin Ahmad Choudhury
(Founder Managing Director)



Engr. A.Q.M Nurul Absar



Late Rashid Ahmed



Late Faruk Ahmed Chaudhury



A.Z. Mohammad Hossain



Habibur Rahman



Nurul Huda



Monzurur Rahman



M. Muhibur Rahman



Dr. Kabir Hussain Choudhury



Syed Bazlur Rahman



Md. Mozammel Haq



Al-haj Syed Moazzem Hossain



Dr. M. Aminul Haq



Shamsuddoha Choudhury



Late Al-haj A.M. Idris Ali



Azam J. Chowdhury



Late Md. Sarqum Ali

1.12 COMPOSITION OF BOARD AND ITS COMMITTEE

Board of Directors

| SN | Name | Status |
|-----|-------------------------------|------------------|
| 01. | A.Q.M. NurulAbsar | Chairman |
| 02. | Dilruba Chowdhury | Vice Chairperson |
| 03. | Khurshida Chowdhury | Director |
| 04. | Shamsun Nahar Begum Chowdhury | Director |
| 05. | Arif Ahmed Chowdhury | Director |
| 06. | Mesbah Dilwar Rahman | Director |
| 07. | Iqbal Khan (Jamal) | Director |
| 08. | Razia Rahman | Director |
| 09. | Asif Ahmed Chowdhury | Director |
| 10. | Kamrain Idris Chowdhury | Director |
| 11. | Marufa Anwar | Director |
| 12. | Dr. Niaz Ahmed Choudhury | Director |

Audit Committee

| SN | Name | Status |
|-----|-----------------------|---|
| 01. | Abdul Hafiz Choudhury | Chairman |
| 02. | Dr. Niaz A Choudhury | Member |
| 03. | Marufa Anwar | Member |
| 04. | Razia Rahman | Member |
| 05. | Arif A Chowdhury | Member |
| 06. | Iqbal Khan (Jamal) | Member |
| 07. | Mesbah Delwar Rahman | Member |
| 08. | Nasir A. Choudhury | Advisor |
| 09. | Farzana Chowdhury | Managing Director and CEO as Ex-Officio |

Independent Director

| SN | Name | Status |
|-----|-----------------------|----------------------|
| 01. | Abdul Hafiz Choudhury | Independent Director |
| 02. | Nurul Husain Khan | Independent Director |

Managing Director and CEO

| SN | Name | Status |
|-----|-------------------|---------------------------|
| 01. | Farzana Chowdhury | Managing Director and CEO |

Executive Committee

| SN | Name | Status |
|-----|-------------------------------|---|
| 01. | Dilruba Chowdhury | Chairperson |
| 02. | A.Q. M Nurul Absar | Member |
| 03. | Khurshida Chowdhury | Member |
| 04. | Shamsun Nahar Begum Chowdhury | Member |
| 05. | Asif Ahmed Chowdhury | Member |
| 06. | Kamran Idris Chowdhury | Member |
| 07. | Nurul Husain Khan | Member |
| 08. | Nasir A. Choudhury | Advisor |
| 09. | Farzana Chowdhury | Managing Director and CEO as Ex-Officio |



1.13 DIRECTORS' PROFILE AND THEIR REPRESENTATION ON THE **BOARD OF OTHERS COMPANIES**



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 Bangladesh 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 Chairperson

has obtained BA (Hons) International Business Degree with double major in Finance and French from Regents' University, University of London, United Kingdom in the year 2008.

Currently she is serving the post of Director (Corporate Planning) and Head of Human Resource and Administration at East Coast Group of Companies. She is also the Managing Director of Parkesine Products Ltd. and a permanent Director of Tiger Tours Ltd.

Apart from being a Director on the Board of Green Delta Insurance Co. Ltd., currently Ms. Dilruba Chowdhury is the Vice Chairperson of the company as well as the Chairperson of the Executive Committee.



Shamsun Nahar Begum Chowdhury

is one of the sponsor shareholder Directors of the company. She has been contributing in the corporate governance practices. She has been involved in the family run business since long. She has attended various seminars-symposiums in home and abroad. She has travelled various countries for business purpose. She is also involved with many social work and welfare organizations.



Khurshida Chowdhury

is one of the sponsor shareholder Director of the company. She was born in a respected Muslim family of maiz bhandar sharif of Chittagong. 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 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.



Asif A. Choudhury

studied at the American International School/Dhaka where he completed his junior high school and later on completed College Preparatory Diploma (high school graduation) from TESIS England American School in Surrey, UK. He did his Bachelors in Business Administration (BBA) majoring in Management Information Systems from The American College in London where he graduated with honors (Magna Cum Laude) and then completed Master of Business Administration (MBA) majoring in International Business from the George Washington University in Washington DC, USA. After completing his MBA, he worked for Continental Grain Company, USA at their offices in New York, New Orleans & Minneapolis as merchandiser in training. He also worked for Chase Manhattan Bank Global Asset Management as a Financial Analyst in New York, USA. Mr. Asif Choudhury is presently working in his family business in Bangladesh as Managing Director of Transcon Securities Ltd. (Member Dhaka Stock Exchange) and Executive Director of Continental Travels Ltd. and also Director of Albert David Pharmaceutical Company as well as Director of Green Delta Insurance Company Ltd. He has travelled to many countries and attended various international conferences including Bangladesh Investment Summit 2012 held in Singapore. Mr. Asif Choudhury was awarded International Honorary Citizen certificate from the Mayor of New York Orleans, USA in 1993.



Iqbal Khan (Jamal)

a renewed business man in Bangladesh. He was born in a respected Muslim family of Barisal. Mr. Jamal was very brilliant throughout his student life. He has obtained Diploma in Management from paris, Franch and also obtained a degree on International Marketing from The Hague, Paris. He is presently the Managing Director and CEO of 1) Nafisa Int't Trading (BD) Ltd. (100% Export oriented Garments Buying House). 2) JANN Composite Mills Limited (100% export oriented garments manufacturing). 3) Arshad Embroidery Ltd. (100% exports oriented embroidery manufacturing company for Europe and USA). He is a member of German Chambers of Commerce and Malaysian Chamber of Commerce in Bangladesh.



Arif A. Choudhury

studied at the American International School/Dhaka (AIS/D) for his junior high school and completed high school graduation from TESIS England American School in United Kingdom. He completed Bachelors in Business Administration (BBA) with a major in Management Information Systems (MIS) from The American College in London in 1992 (with Magna Cum Laude honors). Mr. Arif Choudhury did his Masters in Business Administration (MBA) with a major in International Business in 1995 and Master of science (MS) in Project Management in 1998 from The George Washington University, USA. He worked as merchandiser in training for Continental Grain Company in New York, Minneapolis and New Orleans and also worked as financial analyst for Chase Manhattan Bank and American Express Bank in New York. After returning back to Bangladesh, Mr. Arif Choudhury is involved in the family business and is Executive Director of Transcon Securities Ltd (Member Dhaka Stock Exchange) and Managing Director of continental Travels Ltd. He is a Director of Albert David (BD) Ltd. pharmaceutical company and Green Delta Insurance Company Ltd. He has travelled to many countries of the world and has attended various international conferences such as Bangladesh Investment Summit 2012 held in Singapore. Mr. Arif Choudhury was awarded the certificate of International Honorary Citizen for the City of New Orleans by the Mayor of New Orleans, USA in May 1993.



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 Tohmatsu), 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. She studied in Sylhet Government Girls' High School and Sylhet Womens' college. Her father Late Khan Saheb M.A. Latif Chowdhury was a civil servant in Assam-Bangal in British and Pakistan period. MrsRahman has travelled U.K, U.S.A, Saudi Arabia, India, Pakistan, Malaysia and Singapore. She is a well known social worker of Sylhet and working together with her husband Mr. M. MuhiburRahman who is a business and social leader, well over 50 (fifty) years.



Marufa Anwar

is the daughter of Abdul Mussawir Anwar and Muhibun 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 Vascular Surgery from Hamamastu University School of Medicine, under Professor Sukichi Sakaguchi, Japan. He was the Assistant Professor, Department of Vascular 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, Department of Vascular Surgery, Bangabandhu Sheikh Mujib Medical University, Bangladesh.

He is the Councillor-Member of Asian Vascular Society representing Bangladesh since the year 2000. He is also Editor of various international Medical journals. Besides his profession he is also involved in various kinds of social works both home and abroad.



Abdul Hafiz Choudhury, Independent Director

had done his B.Com (Hons) and Masters in Commerce from Dhaka University and Chartered Accountancy from the Institute of Chartered Accountants in England and Wales. He is a fellow member (FCA) of Institute of Chartered Accountants in England and Wales and Institute of Chartered Accountants of Bangladesh (ICAB).

He has been a senior partner (retired from active service) of KPMG Rahman Rahman Huq, Chartered Accountants.

He is a director in the Boards of ICB Islamic Bank Ltd. and New Zealand Dairy Products Bangladesh Ltd. He is also Vice-President of United Nations Association of Bangladesh.

He was past president of Metropolitan Chamber of Commerce and Industries, Dhaka, Past President of the Institute of Chartered Accountants of Bangladesh. He was also a director in the Boards of Bangladesh Bank, Rupali Bank Limited, Dhaka Electric Supply Co. Ltd., Titas Gas Transmission and Distribution Co. Ltd., Jiban Bima Corporation and Dhaka Stock Exchange Ltd.

He is one of the founders of Independent University, Bangladesh (IUB) and was Chairman of its Founding Trust. He is a director in the Trustee Board of IUB.

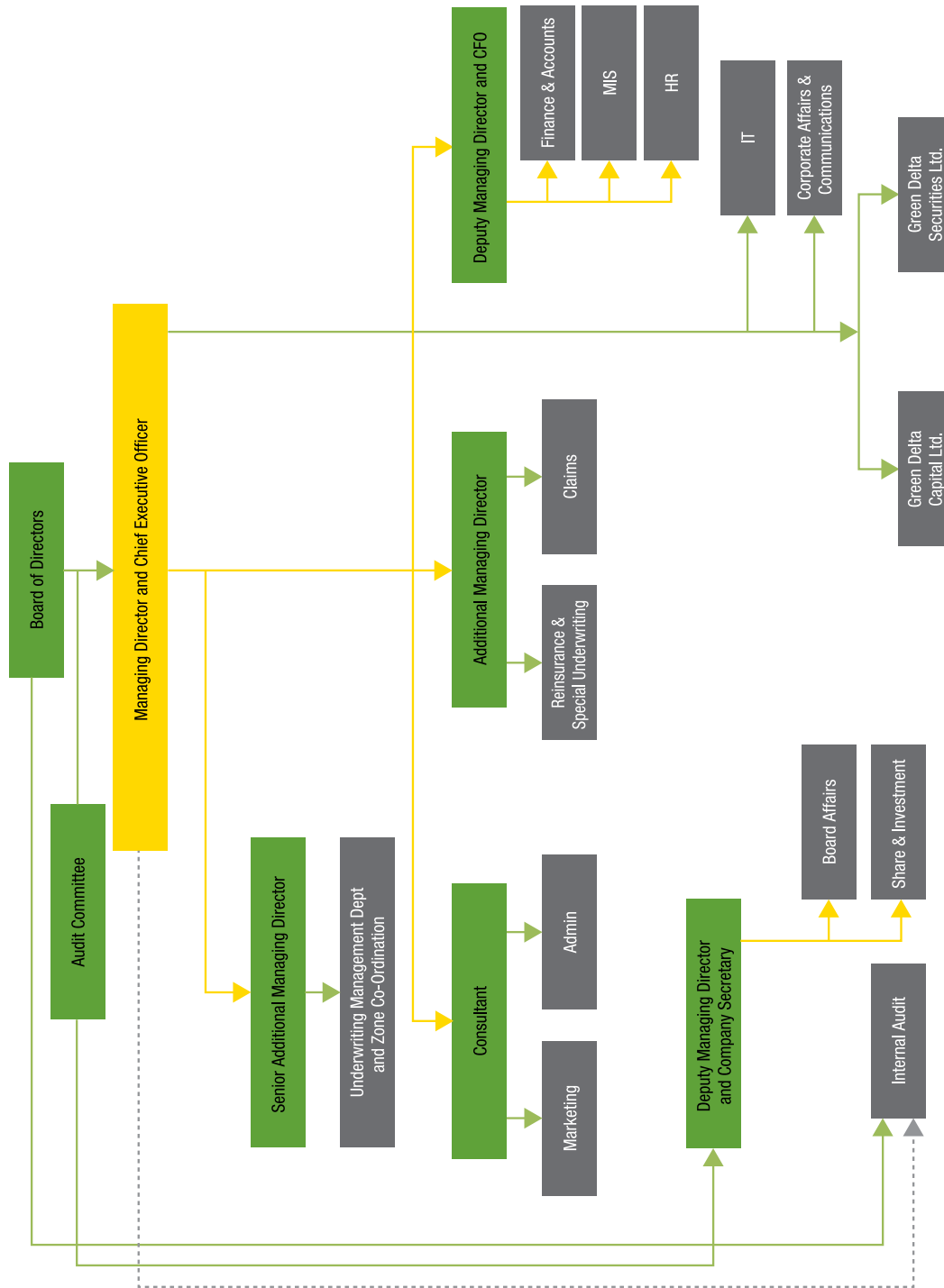
He is a widely travelled man and has travelled to many countries of Asia, Europe, Africa and the USA.



Nurul Husain Khan, Independent Director

started a distinguished career when he joined in the Erstwhile Pakistan Taxation Service in 1957. He was Deputy Secretary, Ministry of Commerce, govt. of Pakistan, when Bangladesh was liberated. On return to Bangladesh in 1973, he had held many important positions, which included secretary to the govt. in different Ministries, Economic Minister, Bangladesh Embassy in Saudi Arabia, consular general of Bangladesh in Karachi, Pakistan. He retired from government service as secretary, Internal Resources Division and Chairman National Board of Revenue in 1992. In the same year he was made founder chairman of Eastern Bank Ltd., a Govt. separated private Bank and continued for 8 years till 2000. He subsequently became founder chairman of Sapro Dental College and Hospital in 2002 and continuing till date. He is one of the founder general members of North South University, where he also acted as first treasurer.

ORGANIZATION'S CHART





It actively embraces its brand image as a good corporate citizen which fosters creativity with strategic planning.

smart

goodwill generator

brand
positioning

strategic

simple

With a view to create differentiation GDC has been expanding its brand loyalty and positioning in a simple but smart manner.

MANAGEMENT
TEAM





Standing Left to Right

- Nazrul Islam
- Md. Mahfuzar Rahman Siddique
- Wafi S M Khan
- Syed Moinuddin Ahmed
- Md. Rafiqul Islam
- Mursalin Ahmed Chowdhury
- T H Forhad
- Nazim Tazik Chowdhury
- Syed Kaiser Ahmed

Sitting Left to Right

- Farid A Choudhuri
- Golam Mustafa
- Farzana Chowdhury
- Nasiruddin Ahmad Choudhuri
- A. S. A. Muiz

2.1 GENERAL REVIEW OF THE PERFORMANCE **OF THE COMPANY**

2.1.1 CHAIRMAN'S REVIEW



Dear fellow shareholders,

Greetings from your company Green Delta Insurance Company Ltd.

Turning a corner

In a year when a general sense of uncertainty was pervasive, we 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 company.

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 remained steady and we gained market share in key lines of business. The company's fiscal 2013 results were impacted by the political environment of the



country, which resulted in an insignificant growth in the collection of gross premium and experiencing the highest volume of claims since inception. Although political situation will continue to impact our business into 2014, Green Delta's core underwriting profit from the insurance businesses are positioned to perform well as the economy continues to improve.

Positive changes

For your Board of Directors, the past 12 months included areas of focus and change – as periods of uncertainty always do. The Board has undertaken a number of measures to improve governance and oversight of the company, and put in place new initiatives designed to increase the possibility of creating value for the shareholders

One of the key areas of focus in 2013 was appointment of a new Managing Director and CEO Ms Farzana Chowdhury, the youngest and first female Managing Director in the insurance industry of Bangladesh. Pursuing to the regulation we made Mr Nasir Choudhury, the front runner for the Green Delta Insurance Company since inception, as Advisor.

In addition to the above, another milestone for Green Delta Insurance Co Ltd is the inclusion of International Finance Corporation (IFC), World Bank group in the equity partner. This indeed a matter of great pride as this deal is a first of its kind not only in Bangladesh but also in Southeast Asia ex Pakistan.

Still, such reviews identify opportunities for improvement. We have made a number of important and meaningful changes towards guiding the company towards more standardized Corporate Governance benchmarks. These changes ensure that we continue to reward appropriate behaviours in line with shareholders' interest, and that the process for measuring performance is transparent to our shareholders.

Looking forward

As representatives of the shareholders, our goal is always top-tier financial performance. Your board feels confident that Green Delta Insurance Co Ltd., with its strong management team, is well positioned for growth in the years to come.

I owe our ability to have coped so well with the past year not least to the support of our shareholders. We would like to make very special mention here of the role played by IFC and the strong backing that we have received from the stakeholders. My thanks extend equally to all

institutional and private investors who have remained loyal to us in the past twelve months. I am also grateful for the trust placed in us by our customers and business partners. It has been particularly gratifying to see our employees meet the challenges of 2013 not only with high motivation, but also with exceptionally great dedication. I would therefore like to thank – also on behalf of my Managing Board colleagues – all the employees of green Delta for their contribution to our company's success and to all of our stakeholders' thank you for your support and confidence.

We look forward with enthusiasm to working with you in the coming year.

With best wishes,

A Q M Nurul Absar
Chairman
Board of Directors

2.1 GENERAL REVIEW OF THE PERFORMANCE **OF THE COMPANY**

2.1.2 MANAGING DIRECTOR AND CEO'S ROUND UP



Dear respected shareholders,

Green Delta Insurance Company Ltd. has maintained a proactive approach to managing your business served us well in 2013, despite another unprecedented year of volatile conditions. In the first quarter of 2013, the financial markets further deteriorated, which compounded the damage done in 2010-2012. Rather than dwell on the causes, we did what we always do: proactively used our capabilities, people and market position to protect and enhance your investment. As we discussed last year, we had three goals for 2013: keeping Green Delta Insurance Company Ltd. stable financially, improving customer loyalty and continuing to reinvent our business with new offerings. We had satisfactory performance on the first two goals and made further progress in aligning our businesses around our customers towards ensuring "Insurance for Everyone".

We started the year with another historic achievement by welcoming International Finance Corporation (IFC) as our equity partner. For IFC, investing in Green Delta Insurance Company Ltd. is the first ever such deal for them in South Asia (Ex Pakistan) region. This deal is also unique and first ever in nature in Bangladesh.

ACHIEVED OUR 2013 FINANCIAL GOALS:

In volatile financial markets, a recession and a period of extreme political instability it was imperative that we keep Green Delta Insurance Co. Ltd. stable financially. Despite a high level of micro economic uncertainties, political instability especially Q4 of 2013, catastrophes and claims, in 2013 we could achieve a stable revenue and profit. We built capital and book value during the year through our proactive approach to investing and managing costs and margins.

- Net income reached to 229.03 million. We believe this



has been a very stable and satisfactory result reflecting the robust financial position in terms of difficulties.

- Operating income was 288.16 million, despite a year of high losses.
- Gross premium collected of BDT 2613.45 million which remain stable
- Net premium stood at BDT 1316.99 million which is a rise of 8.61% from the previous year.
- Net claim settled of BDT 372.60 million which has been very high compared to any previous years.
- EPS stands at BDT 3.69 per share which has reduced a bit but not fell flat despite all the challenges faced.
- Fixed deposit position stood at BDT 1106.16 million which is 25.96% higher than 2012.
- Investment returns for the year was BDT 204.06 million from the total portfolio, as our strategy of staying heavily invested in diversified asset classes has paid off. We achieved these results while lowering secondary capital market exposures and protecting the fixed income investments from the negative impact of higher interest rates.
- Profit before tax was BDT. 285.13 million

EXCEPTIONAL PROGRESS IN IMPROVING CUSTOMER BASE

Customer loyalty is core to achieving our strategic goal of differentiating ourselves to drive long-term growth. We had significant improvement in customer loyalty on an absolute basis, in virtually every market and relative to the competition. This aligns rewards with the responsibility of each employee to treat customers well. We improved accountability so that employees or agents that under perform no longer have the opportunity to represent Green Delta.

With a vision to achieve an increased and diversified customer portfolio, Green Delta Insurance has rolled out a plan to penetrate the retail and SME (Small and Medium Enterprise) segment. With a view to ensure “Insurance For Everyone” to this huge population base of the country, Green Delta Insurance would strategies alternate delivery channel like online premium collection, call centre etc.

LONG TERM GROWTH WILL BE SUPPORTED BY NEW OFFERINGS

New and different products and services we provide for customers will differentiate Green Delta Insurance and lead to long-term profitable growth. While we remain focused on reinvention, the operational focus needed in such a volatile environment resulted in less progress than planned.

To ensure “Insurance for Everyone” – Green Delta Insurance has made an effort to introduce a dedicate department for serving the retail individuals and Small and Medium sized entrepreneurs of the country. Since, awareness regarding insurance is still a challenge in the country, it

is very important to have a strong distribution channel to ensure services at the doorsteps of the customers. Also regular efforts need to be taken to promote the services in the roots level of the country.

Moving into a new technology platform to support the new initiatives and challenges is another core objective of green delta in the coming year. Encouraging the usage of technology more and more in the daily activities would result in a better efficiency in a cost effective manner.

While much has been done, our competitors are on the move, so we will further accelerate these reinvention efforts in 2014 and beyond. The senior management team adapted to this environment and remains a core strength of the company. Although Mr Nasir A. Choudhury, the founder Managing Director has decided to retire after almost 27 years of dedicated service, he is still a great strength for Green Delta as advisor and Green Delta's market leadership, brand and record of success enabled us to strengthen our team.

CREATING SHAREHOLDER VALUE

Total shareholder return was highly volatile throughout 2013. When the financial markets fell during the first quarter of 2013, the stock price plunged sharply. Staying focused on our priorities and financial performance coincided with an increase to a satisfactory level by year- end.

We will stay focused on further increasing the value of your shareholdings despite volatile markets and the recession. Our plan to create shareholder value in 2014 and beyond is focused around three priorities: improving customer loyalty, increase retention and control cost. We have a talented team of employees and visionary Board of Directors to help make this a reality.

FURTHER STRENGTHENING OUR SOCIETAL LEADERSHIP

Institutions such as ours should lead positive change. We are supporting efforts to better prepare Bangladesh for large catastrophes through sustainable initiatives. These efforts improve the communities in which we live and operate and also help improve green Delta's reputation. We are an active member of United Nation's Global Compact. Through practicing and promoting the principals of UNGC we remain a forerunner in the Corporate Social Responsibility league.

We will remain focused in 2014 and beyond on delivering value for our customers and shareholders.

Kind regards,

Farzana Chowdhury

Managing Director and Chief Executive Officer

2.2 PROFILE OF SENIOR MANAGEMENT TEAM



Ms. Farzana Chowdhury

is the Managing Director and Chief Executive Officer of Green Delta Insurance Company Limited. Prior to join this position, she was the Additional Managing Director and Group CFO of the companies. She has a wide experience of more than 15 years in the field of Insurance. She was also an active Board member of GDIC during the period 2002-2008 and Vice Chairman of the Board of Directors of the company for the period 2008-2009. As an active member of Board of Directors, she designed, developed and implemented a successful business model for SME Insurance for SME department of BRAC Bank while she was working there. She is a member of CII (Chartered Insurance Institute), UK.

She completed her Master of Business Administration from Business School, Monash University, Melbourne, Australia (Aus-Aid Scholarship). She earned Diploma from Malaysia Insurance Institute (DMI) in 2013. She served at BRAC Bank as the Head of SME Banking for around 7 years and also worked with Rural Development Program of BRAC for nearly 5 years as Regional Manager.

Ms. Farzana Chowdhury pioneered many insurance products in Bangladesh. She introduced micro health insurance for the garments workers. Crop insurance is another product which she introduced for the first time in the private sector. Also she launched a comprehensive insurance scheme for the women of Bangladesh named Nibedita which is the first of its kind.

Also, she was selected by the US State Department, Washington DC as one of the 17 participants at International Women Leaders Mentoring Partnership program sponsored by US State Department and Fortune 500 companies in 2006. Ms. Chowdhury was assigned to ING Financial Services, a Fortune 500 company in Hartford, CT for 3 months.

Ms. Chowdhury earned many prestigious awards throughout her career for her outstanding contribution in different sectors. Australian Trade Commission awarded her with "Australian Alumni Excellence Award 2012 Bangladesh" in the category of "Business Leadership". Finance Alumni Association of Dhaka awarded her for "Professional Excellence and Leadership in Banking and Insurance Sector" in 2011. "Begum Rokeya Shinning Personality Award" is another major award she received for remarkable contribution towards the development of Small & Medium Enterprises of the country.



Nasiruddin Ahmad Choudhury

has been involved in the Insurance sector for the last 55 years. He has completed his Bachelor's 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, both locally and globally.

He Joined Pakistan Insurance Corporation in September, 1958 and held various senior positions till liberation of Bangladesh. In 1972, immediate after the year Bangladesh was liberated, he 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. Former Chairman of Bangladesh Insurance Association (2001-2004), Mr. Choudhury established Green Delta Insurance Co. Ltd. with few other friends in 1985 as a Sponsor and founder Managing Director & CEO. Till date he is discharging responsibility as the Advisor. Throughout his glorious career, Mr. Nasir A. Choudhury was awarded by many national and international renowned organizations for his outstanding contribution in the insurance industry of Bangladesh.



Farid A Choudhuri

started his career in 1963 with New Jubeli Insurance Company Limited at Karachi. 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 and worked in different capacities. He was raised to the position of Senior Additional Managing Director in 2002 and continues looking after important departments of the company such as Underwriting Management & Zone Co-Ordination and Customer Relationship Department. He acts as next to Managing Director.



Mr. A. S. A. Muiz

is currently the Consultant of Green Delta Insurance Company Ltd. He traversed the vast field of Insurance Well over 4 (Four) decades. 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 like, Lloyds and many more Companies and attended the Chartered Insurance College, London for more than a year. 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.

When he returned home after completion of his training abroad, Mr. A.S.A. Muiz joined Sadharan Bima Corporation and continued working with the organization holding various significant 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 continued 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 (Hon's) 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 (Re-Insurance) of Sadharan Bima Corporation he joined Green Delta Insurance Co. Ltd. in July 2001 as Additional Managing Director.



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 prior to taking over the role at Green Delta Insurance Company 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 under 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 is a fellow of Bangladesh Society for Human Resource Management. He joined Green Delta Insurance Company Limited in the year 2000 and was holding the post of Senior Executive Director, Human Resources and Administration Department till January, 2014. He is currently holding the position of Senior Executive Director of Marketing Department, Head Office, Green Delta Insurance Company Limited.



Nazrul Islam

Senior Executive Director is currently discharging his responsibilities as the Head of Claims Department. Mr. Islam is a veteran insurer working here in Green Delta Insurance Company since its inception in the year 1986. Prior to joining here; he worked for Sadharan Bima Corporation, the one and only government non-life insurance company in Bangladesh.

As an underwriter he poured all his skills, experience & knowledge as Branch In-charge of former Motijheel Branch, Head of Underwriting Management Department (Formerly known as Branch Control Department), Principal Branch, Dhaka with high delicacy and smoothness.

Mr. Islam is empowered with all sorts of 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

after his 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 Reinsurance and Specialized Underwriting division of the company. During his career he attended a number of training, workshop/ seminars on insurance and reinsurance both home and abroad. Mr. Chowdhury is a member of panel of lecturer of Bangladesh Insurance Academy (BIA) and Bangladesh Insurance Association providing training to the insurance professionals working in Non-Life insurance companies in Bangladesh. He is currently holding the post of Senior Executive Director.



T H Forhad

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 to optimized best at the fields he involved with. He is currently serving Green Delta Insurance Co. Ltd. as a Senior Executive Director.



Wafi S M Khan

is the Chief Executive Officer of Green Delta Securities Limited, one of the few renowned brokerage houses of Bangladesh which is also a direct subsidiary of Green Delta Insurance Company Limited. Prior to joining Green Delta Securities, he was the Vice-President and Head of Non-funded Business at The City Bank Limited. Mr. Khan has extensive experience in the banking industry and set benchmarks for others to pursue. He started his glorious career from ANZ Grindlays Bank and gradually earned diversified experience while working with BRAC Bank Limited, American Express Bank Ltd. and The City Bank Ltd. His skills and innovation greatly influenced the retail banking segment positively as he headed various departments under Retail Banking in different organizations. He was directly involved with the launching of numerous retail, card and loan products.

Throughout his career, he has been assessed as a result oriented & strong team player, activator and developer. He has taken up several successful training and workshops held locally and globally on career management & leadership. He has attended various international conferences held in Dubai, Singapore, Thailand, UK and China.

Mr. Khan was awarded by various organizations for his achievements, dedication, hard work, contribution, competency, performance & strong commitment in his professional career. He is the former President of JCI (Dhaka North), Secretary of Rotary Club of Dhaka Metropolitan, Trustee Board Member of Hi Care School, Member of Kurmitola Golf Club, Sylhet Club and Bangkok British Club.



Md. Rafiqul Islam

joined Green Delta Capital Limited in July 2011 as Chief Investment Officer. He is a very well-known professional in the field of Corporate Finance and Investment Banking in Bangladesh as well as international markets, having more than 11 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 Zone-1 and as well as In charge of principle Branch, Dhaka, 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.



Md. Mahfuzar Rahman Siddique

Joined Green Delta Insurance Co. Ltd. as Director Public Relations on 21-07-2013 and has been given charge of the newly created Administration Department on 15th January, 2014. Md. Mahfuzar Rahman Siddique completed M.A. in Political Science from Dhaka University. Joined in the Department of Immigration and Passports under the Ministry of Home affairs, GOB. He Retired as Director I&P in 2010. He Hold current charge of Director General I&P, for about a year. While in the service of GOB, attended training abroad and was included in several govt. delegations at home and abroad. Worked as a guest speaker in the Foreign Service Training Academy of the Ministry of Foreign Affairs from 1996 till 2009.

Since early nineties he had been working as sports organizer. He is an ex member of BCB. Served in the Executive Committees of Table Tennis, Boxing and other sport Federations of Bangladesh. Now he is working as Vice President of Archery Federation and Weight lifting Federation. He was confirmed as National Course Director of NOC, Bangladesh by IOC in 2000. He represented BOA in different world Conferences and Seminars and led sport delegations abroad in Games & Championship. He worked as consultant of BOA to organize Library, Museum Archive and National Olympic Academy. He is working for 2nd term as the Vice Chairman, Discipline Committee of Bangladesh Football Federation. Now he is Honorary Director of NOA, BOA Member of Bangladesh Sports Press Association. Contributes in Dailies and periodicals on Olympism and sports related topics.



2.3 INFORMATION ON HOW THE COMPANY CONTRIBUTED TO ITS RESPONSIBILITIES **TOWARDS THE STAFF**

Contribution towards Staff

Employers have responsibilities for the health and safety of their employees. GDIC believes that health and safety law and its implementation is in the interests of all employees, whether disabled or non-disabled, and of the employer.

GDIC believes in

- Developing a working environment in which employees feel safe and supported to disclose and discuss its impact (including potential barriers to engagement, development and advancement within the workplace) on the management of their disability or long-term health condition;
- Employees to work collaboratively with employers to help manage risk and to discuss positively with their employer about approaches for making reasonable adjustments;
- Health and safety should never be used as a false excuse to justify discriminatory treatment. It will be the exception rather than the rule to exclude disabled people from particular jobs and tasks.

Risk assessments

GDIC maintains a 'duty of care' to ensure, as far as possible, employees' health, safety and welfare while they are at work. It starts with a risk assessment to spot possible health and safety hazards.

GDIC appoints a 'competent person' with health and safety responsibilities usually a member of staff trained in health and safety.

Positive Working Climate

GDIC knows firmly believes the fact that the environment shouldn't encourage workers to harass each other in any way. Therefore GDIC takes the responsibility to create a working climate that fosters respect and fair treatment of every employee regardless of age, race, gender, and ethnicity, country of origin, disability or religion. GDIC never ignores employees who come to you with problems of harassment. Confronting these issues directly can help GDIC avoid allowing a climate of harassment in workplace.

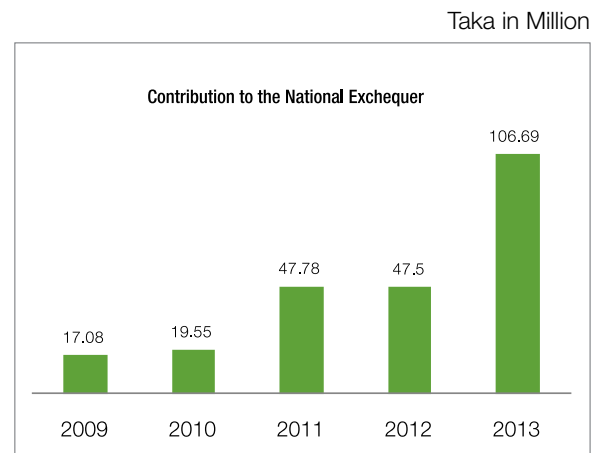
GDIC contributes to its employees by the following ways to ensure an excellent work environment:

- Making the workplace safe and sound
- GDIC has group health insurance for all of its employees with Progressive Life Insurance Co. Ltd.
- GDIC provides transport facility to all its employees
- GDIC provides dining facilities to all the employees and an equal manner is maintained to its all of the employees in the dining hall. The food is also very hygienic and healthy.
- Making sure that ventilation, temperature, lighting, toilet, washing and rest facilities all meet health, safety and welfare requirements

2.4 INFORMATION ON COMPANY'S CONTRIBUTION TO THE NATIONAL EXCHEQUER AND TO THE ECONOMY

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 106.69 million during the year 2013 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-2013 | Figure in BDT |
|--|------------------------|
| TAX Deducted on Various Account | 32,48,062.00 |
| TAX Deducted on Agency Commission | 1,79,41,787.00 |
| VAT Deducted on Various Account | 77,65,054.00 |
| VAT Deducted on Survey Fee | 14,48,112.00 |
| Company TAX | 6,44,73,029.00 |
| TAX Deducted from Salary | 1,18,13,360.00 |
| TOTAL | 10,66,89,404.00 |



2.5 GENERAL REVIEW OF THE FUTURE

PROSPECTS OF INSURANCE

The following factors that may have huge impact to contribute in the field of Future Prospect of Insurance Industry:

Increased population

There is a big opportunity lies ahead for the insurance companies as the population of our country are increasing day by day. Although most of people of our country live under extreme poverty level and want to avoid insurance policy number of potential policy holders in Bangladesh is growing with growth of the population.

Higher GDP

The GDP of our country is increasing than the previous years which results in increase of per capita income. So this growing GDP and income holds bright prospects for insurance companies. With the growth in the income more and more people are now willing to take an insurance policy for safeguarding themselves from any danger.

New business's individual insurance

There are so many new businesses starting every day and manufacturing sector is booming with global demand. Every business is insured under an insurance company to protect its company from any kind of accident. Therefore growing industry, mill, factories are creating better scope for the insurance companies to flourish their business.

Developing mass awareness about insurance

People are now much more conscious about their safety. So they are encouraged to take an insurance policy for making their life free from any unexpected occurrence. Increase in literacy rate is helping predominantly to create awareness among the people regarding taking insurance policy.

Micro insurance

Micro insurance can be a great prospective area for the insurance business in our country. Most of the people of our country are unable to have costly and long term insurance policies. Micro insurance can be provided to individual personnel or to small business owners against little insurance premiums and with easy terms and conditions.

Marriage Insurance

Bangladesh is Muslim country. So marriage plays a vital role in our social life. Now a day's it become costly.

Guardians of daughters as well as sons face this problem that is why they want to overcome this problem. This situation creates a vast opportunity for insurance business in Bangladesh.

Scope of investment

Insurance companies can usually make more profit from investment activities than from their regular insurance business. The private insurance companies are realizing this fact and playing role in the financial market. Insurance companies are making large investment in government bonds, ICB projects and in private sector business. There are opportunities to enhance profit through effective and efficient money management by employing capable and experienced personnel. Scope of investment expansion persists in the areas leasing, housing, health and money market.

Agriculture sector

The economy of Bangladesh is predominantly an agrarian one, with most people engage in farming and fishing. The uncertainty of agriculture due to crop failure caused by climate variation, drought, cyclone, flood and pests affects farmer income as well as government revenue. Furthermore, in the last few years commercialization has occurred in some sections of the agricultural sector. Increase in investment in the agricultural sector is creating a new opportunity for insurance industry.

Development of new policy

SBC has long been the sole reinsurer in Bangladesh and private insurance companies were statutorily compelled to place 100% of their reinsurance business with SBC. In 1990 the government amended the relevant provisions of the insurance Act allowing 50% of all reinsurance of general insurance business to be placed compulsorily with SBC and the rest to private reinsurance companies. About 70% of premium income from general insurance business in Bangladesh is retained locally and the rest 30% goes to reinsurers abroad. Permissions to private insurance companies to act as reinsurers will open up new opportunities to them. This will initiate open competition between the SBC and the private reinsurers within the country and will reduce the reinsurance cost and increase efficiency. This amendment of the existing rules can be another important policy making that will facilitate the insurance business in Bangladesh.



regulatory
compliance

delivered

maintained

harmonized

promised

With a view to create differentiation GDIC has been maintaining the regulatory compliances as promised.

The core beauty of GDIC is the delivery of such a strong regulation in an amazing harmonized way.

3.1 CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Being the foremost non-life insurance brand of Bangladesh, Green Delta Insurance has a lot of responsibilities to fulfill when it comes to CSR. Participating in activities for the betterment of our environment, human rights, culture, sports, and society in general has been a very visible trait of the company. The history of Green Delta Insurance's CSR goes way back, even before the word had become the catch-phrase it is today.

The 10 principles set by UN Global Compact have always been treated with importance. In previous years, GDIC emphasized on environmental issues, labor rights and safety issues through their communication tools. Many issues regarding human rights also came in the picture. For the year 2013, GDIC took initiative to focus primarily on human rights, eyeing the rising concern in this sector. Although it's not the first time GDIC contributed for the betterment of Human Rights in Bangladesh. Rehabilitation of the freedom fighters and the women oppressed during the independence war, wheel chair distribution for the war wounded freedom fighters, supporting the family of a slain police constable, sponsoring children's day programs to nurture hidden talents among the little ones were few of the many initiatives taken by GDIC in the previous years.

A significant CSR project of 2013 was 'SHE' introduced

by our Managing Director and CEO Ms. Farzana Chowdhury. **'Supporting Her Empowerment', 'SHE'** in short, is a Women Empowerment and Development Program by Green Delta Insurance Company Ltd. to facilitate **gender equality and women empowerment in the workplace.** In this male dominant society like ours, this program proved to be effective through- **Open Floor Discussions, Counseling, Mentoring, Career Development, Special Training Program for women etc.** 'SHE' mostly stresses on Corporate Leadership for Gender Equity, Non-discrimination, Safety and well being and Professional Development for Women. Apart from aligning with WEPs Principles, the launch of 'SHE' also accelerated business growth since **a good number of employees generating revenue at GDIC, including the CEO herself, are females.**

Like most other companies of Bangladesh, the percentage of female employees working at Green Delta Insurance was once very low. Although the HR policies of GDIC always treated men and women equally, many women were not motivated enough. Ms. Farzana Chowdhury, who is considered as an archetype for women leadership and empowerment in our country, felt the need of a program to uphold gender equality in the workplace. By



Various initiatives of 'SHE' Program



launching 'SHE' she popularized the concept of women empowerment at Green Delta. Currently this project is being aimed at addressing **gender equality only in the workplace** of GDIC. But the success of the project has inspired everyone to take it to the next level. There are plans to implement 'SHE' in the marketplace as well. Right now, 17% of total employees of Green Delta are women. **Out of the 7 WEPs principles, 'Supporting Her Empowerment' mostly addresses the following ones:**

- **Establish high level corporate leadership for gender equality**
- **Treat all women and men fairly at work- respect and support human rights and nondiscrimination**
- **Ensure the health, safety and well being of all women and men workers**
- **Promote education, training and professional development for women**

The following are the pictures of various initiatives taken under 'SHE' program:

Green Delta Insurance **joined hands with Bangladesh Women Chamber of Commerce and Industry in 2013 to support their dignified causes.** It started with BWCCI-GDIC Progressive award 2012, which gave recognition

to promising female entrepreneurs of Bangladesh. Mr. Nasir A. Choudhury, Advisor of Green Delta Insurance Company Limited said that he is indeed honored to be partnering with BWCCI in this progressive award. He said that GDIC is trying to assist women entrepreneurs financially and requested women entrepreneurs to step into formal sectors more.

Under Human Rights, **GDIC also worked for children.** Like the previous years, this year also we sponsored the **annual Iftar Party of JAAGO.** JAAGO Foundation is a Bangladesh based non-profit organization catering to the education needs of children from socially and economically disadvantaged background. The Iftar party was attended by various corporate and non corporate sponsors and all the children of JAAGO foundation. Previously GDIC also sponsored JAAGO's environment day event and in the near future more CSR projects with them is in the pipeline.

Green Delta Insurance also supported many noble initiatives in the cultural and sports sector. **We sponsored the cultural program organized on the occasion of Rabindronath Tagore's birth Anniversary** held at Gulshan Club. Also many other cultural programs were sponsored to uphold the heritage of Bengali music and culture.



BWCCI-GDIC Progressive Award



JAAGO Iftar Party Co-Sponsored by GDIC



3.2 ENVIRONMENT RELATED INITIATIVES

A natural and clean environment, economical use of resources and respect for people's health and safety all these are getting increasing importance in accordance with this, GDICL is continuously working towards reducing consumption of energy, elimination of use of hazardous substances from its processes and minimizing waste generation. The emphasis is on minimizing paper transitions to the extent possible. One of the key targets for financing manufacturing companies is to reduce their carbon footprint. The focus is on developing environmental portfolio, GDICL is financing as demonstrated its responsibilities as a socially responsible corporate.

It is encouraging Bank and Financial Institution including Non-Banking FI in minimizing paper transactions and installing solar power system, opening up refinance line for solar energy, bio-gas at reduce interest rates.

GDIC fully supports the principles of its commitment to promoting good environmental practice and sustainability of its activities. We are committed to providing quality service in a manner that ensures a safe and healthy

workplace for our employees protecting the environment, conserving energy and natural resources. With these policies in place, we believe that we can achieve a healthy and safe environment. We are committed to do and will:

01. Develop and improve operations and technologies to minimize waste another pollution, minimize health and safety risk, and dispose of waste sagely and responsible.
02. Conserve natural resources by adopting pollution prevention practices. Extending the life of equipment's through preventive maintenance scheduling, purchasing and reworking used equipment etc.
03. Integrate the consideration of environmental concerns and impacts into our decision making and activities.
04. As far as possible, we will try to identify and purchase preferable products, supplies and services for all our daily operational needs that do the least damage to the environment.

3.3 ENVIRONMENTAL AND SOCIAL OBLIGATIONS

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.



3.4 INTEGRATED REPORTING

Key Findings of Global Corporate Sustainability Report

Companies are looking beyond their own walls and addressing society's most urgent sustainability issues because everyone benefits from a better world.

The Global Corporate Sustainability Report 2013 assesses the state of corporate sustainability, looking at policies and practices put in place by companies across the range of issues that define a comprehensive approach to responsible business today: human rights, labour, environment and anti-corruption. This sustainability report identifies both where progress is being made and the numerous challenges that are being faced. Four key findings emerge when analyzing 2012 survey results from nearly 2,000 companies' in 113 countries, as well as previous survey findings since 2008

1. Companies are moving from good intentions to significant action

Survey findings point to a clear gap between the “say” and “do” steps of the Global Compact Management Model. Companies are making commitments, defining goals and setting policies at high rates, but still have much work to do to on the action steps: implement measure and communicate. For example, while 65% of signatories are committing to sustainability at the CEO level, only 35% are training managers to integrate sustainability into strategy and operations.

In many cases, moving into the action steps requires a greater investment of company resources and time. Survey findings show that the longer companies are committed to the Global Compact, the more actions they take in all areas of the Management Model.

2. Large companies still lead the way

Of all the factors that impact sustainability performance, company size has the most significant influence, with small and medium sized enterprises (SMEs) more challenged to move from commitment to action. The gap is significant on nearly all fronts. For example, large companies are twice as likely to have a human rights complaint system or monitor and evaluate their environmental performance.

Smaller companies face fundamental barriers to

sustainability progress. SMEs cite lack of financial resources and lack of knowledge as top barriers, compared to a small minority of large companies. However, the survey has uncovered an encouraging development: Smaller companies are increasingly taking steps to catch up to their “big business” peers.

3. Supply chains are a road block to improved performance

While a majority of companies have established sustainability expectations for their suppliers, they are not tracking compliance or helping suppliers reach goals. While 83% of companies consider adherence to the Global Compact principles by suppliers, only 18% assist them with setting and reviewing goals and just 9% take steps to verify remediation.

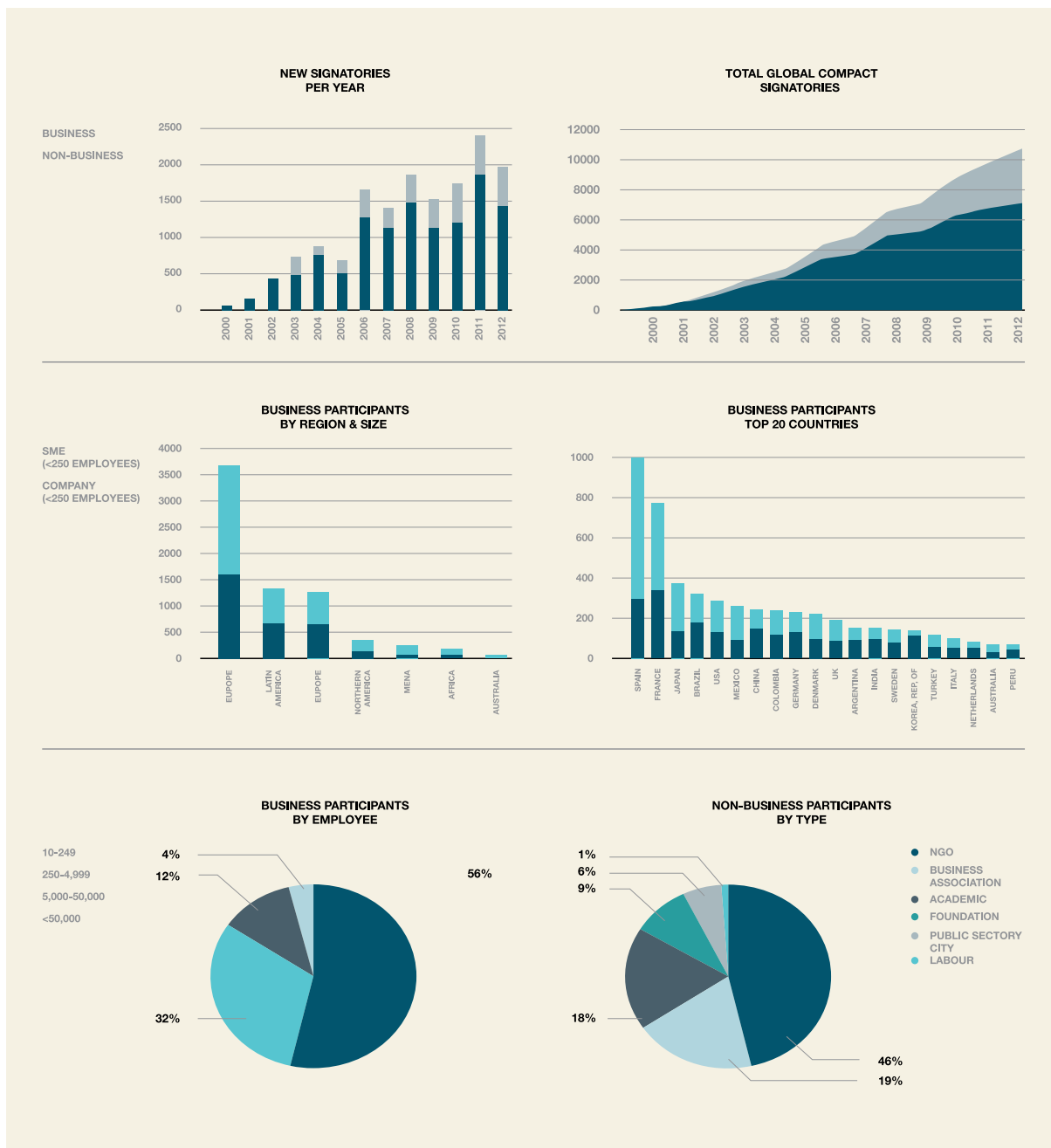
Supplier sustainability ranks as the top barrier for large companies in their advancement to the next level of sustainability performance. The good news here is that large companies, at higher rates than the average survey respondent, are beginning to demand more from their suppliers and have the potential to create a “ripple” effect by showcasing the positive change that can be brought about through responsible purchasing power.

4. Companies see the big sustainability picture

Companies are looking beyond their own walls and addressing society's most urgent sustainability issues because they understand that everyone benefits from a better world. Asked to rank the top global sustainability challenges, companies cited education, poverty eradication, climate change, and growth and employment atop the list. When then asked where they can have positive impact, there was an encouraging correlation with three of the four challenges the same.

Today, 70% of Global Compact companies are advancing broad UN goals and issues, by aligning their core business strategy, tying social investment to core competencies, advocating the need for action, and implementing partnership projects. Momentum is building as companies look for ways to align actions with global development priorities.

GLOBAL COMPACT GROWTH & COMPOSITION



Source: Global Sustainability Report 2013



3.5 REPORT ON GOING CONCERN

Going concern is one the fundamental assumptions in accounting on the basis of which financial statements are prepared. Financial statements are prepared assuming that a business entity will continue to operate in the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly curtail its operational activities.

Bangladesh Accounting Standard BAS-1 requires management to make an assessment of an entity ability to continue as a going concern. Since the going concern assumption is a fundamental principle in the preparation of Financial Statements as per BAS-1, the preparation of the Financial Statements requires Management to assess GDIC's ability to continue as a going concern event if the financial reporting framework doesn't include and explicit requirement to do so.

BSEC's Notification dated 7th August,2012 requires the Directors of all the listed companies to report on its ability to continue as going concern. The time period that the Directors have considered in evaluating the appropriateness of the going concern basis in preparing the Financial Statements for the year ended 31st December, 2013.

Considering the major indicators, the management of GDIC have reached to a conclusion that the Financial Statements for the year-2013 is prepared based on going concern assumption.

3.6 BUSINESS ENVIRONMENT AND ITS LIKELY IMPACT ON THE FINANCIAL PERFORMANCE OF GDIC

Business environment refers to different forces or surroundings that affect business operations. Such forces include customers, competitors, suppliers, distributors, industry trends, substitutes, regulations, government activities, the economy, demographics, and social and cultural factors. Others are innovations and technological developments.

Some statements in this annual report such as GDIC's plans, anticipation, beliefs, expectations etc., are forward looking. These statements involve uncertainties and actual achievement may differ from plan and expectation due to changes in the business environment. Following are some major factors that may affect the business environment:

1. Demographic factors like the population composition, size and location does affect the business environment.
2. Political interventions and environment one way or the other largely affects the business environment.
3. The Legal environment also affects the business environment.
4. Economic factors like, Inflation, interest rate on loans, exchange rate systems.

3.7 HUMAN RESOURCE ACCOUNTING

Human Resource Accounting is the process of identifying and reporting the Investments made in the Human Resources of an Organization that are presently not accounted for in the conventional accounting practices. In simple terms, it is an extension of the Accounting Principles of matching the costs and revenues and of organizing data to communicate relevant information.

Human Resource Accounting on GDIC's Context:

GDIC's HRA seeks to measure the abilities of all employees in a company at all levels to produce value by way of knowledge & capability. As recession forces consumers to stop investment, producers are forced to go for employee curtailment. Hence, it is a time for the companies to go for innovative methods to deal with economizing of staff costs rather than downright down sizing. HRA of GDIC also involves accounting for investment in people & their replacement costs. Information generated by HRA is used for a host of managerial & Strategic decisions like recruitment, turnover, personnel advancement analysis, training and capital budgeting.

Human resource, as it is a key to success, is considered as asset in many organizations and thus related expenditure is treated as investment. The cost of human resource comprises of both capital (asset) and revenue (expenses). GDIC basically emphasis on the following cost to improve its Human Resources namely: Acquisition cost, Development (training) cost, Welfare Cost and Other cost - for instance employee's safety, ex gratia, and incentives.

Training cost comprises of formal training cost, on job training cost, special training cost and development programs In the year-2013, GDIC budgeted for its employee training (home and abroad) as under:

| Type of Training (2013) | Description | Yearly Budget |
|-------------------------|---|--------------------|
| Foreign | Different conference, official tour and meeting purpose | BDT 1,20,00,000.00 |
| Local | Training organized by Bangladesh Insurance Academy, BRAC, Bdjobs, Rapport Bangladesh Intl. Arbitration Center Ltd. etc. | BDT 15,00,000.00 |

GDIC has a mix of enthusiastic youth and experienced seniors who synchronize the efforts to achieve the company's goals.

| Age (years) | Male | Female | Total (Apprx.) |
|--------------|------|--------|----------------|
| 18- 25 | 44 | 10 | 54 |
| 26-35 | 174 | 42 | 216 |
| 36-45 | 148 | 35 | 183 |
| 46-55 | 80 | 13 | 93 |
| 56 and above | 28 | 2 | 30 |

In Bangladesh this concept is struggling (or acceptance and has not been introduced so far as a requirement. Bangladesh like many other countries has not given much consideration to issues related to human resource accounting. Neither the Companies Act nor the Regulators do require the listed companies to prepare HR Accounting to be attached in their annual report but we hope this concept will be spread out over the country very soon.



3.8 APPROACHES TO MOTIVATE EMPLOYEES OF GDIC

Staff retention continues to be a major concern for companies in the current environment. Voluntary employee turnover can negatively impact an organization's productivity and efficiency in several ways and lead to significant financial losses. As a result, staff retention strategies have become critical for keeping qualified, talented employees on the payroll and fostering their commitment to the company.

Given the many negative consequences of staff turnover, specialists agree that organizations should set up staff retention strategies. Although a number of factors could affect employee turnover, most researchers agree that staff retention involves developing employees' commitment to the organization. So a more appropriate term would be "fostering staff loyalty," i.e. making employees want to stay, as opposed to "retaining" them, which implies delaying their departure. Staff retention strategies must therefore aim to develop employee engagement, which often entails their involvement and satisfaction at work, as well as enthusiasm for what they do.

GDIC has taken a sound retention strategy on the following four key elements-Performance, Communication, Loyalty and Competitive Advantage.

1. Performance: Nearly all business owners and managers recognize the significance of having measurable objectives for employees, but this perception usually stops short of relating performance metrics to employee retention. Study after study confirms that people have a deep desire to feel they're succeeding and that their talents and capabilities are being used in a way that makes a difference to the business. When people sense their actions are fulfilling this desire, they begin to develop a sense of belonging and a feeling that your company is their company.

2. Communication: Communication is the second most essential element of employee retention strategy. Specifically a communications process that's structured to inform, emphasize and reaffirm to employees that their workplace contributions are having an impact. As we're dealing very directly with how employees feel about their performance, the company and their work environment,

the question becomes, "How do you know how they feel about these matters?"

Communication which is appropriately done with your staff will grant you with the insights you need in order to know how your employees feel about working for your business. An effective and sensitive communications plan can provide you with insight on exactly what's driving employee morale and how your staff members feel about your company.

3. Loyalty: The third building block in an affluent employee retention strategy is employee loyalty. True loyalty is not an obligatory requirement but an earned response to the trust, respect and commitment shown to the individuals in your company. When you demonstrate loyalty to your employees, they'll reciprocate with commitment and loyalty to your business. Remember that people don't begin their employment with you as loyal employees, but will develop loyalty over time as they're trusted, respected and appreciated by you.

4. Competitive advantage: The fourth and ultimate element in the strategy to retain employees has to do with the competitive advantage. Though that may seem odd at first, think about it: People want to work for a winner. What sets your company apart from your competition? How are you--and as a result, your employees--making a difference in your industry, in your community, and for your customers? Take the time to identify and inform your clients and your employees about your unique competitive advantage. If your product is similar to others in the marketplace, your service can be what distinguishes you. People want to be with a winner...and that includes employees.

In short, retention strategies must be based on finding out the reasons for employees leaving the company. Ideally, the strategies put in place should be aligned with the organization's core values and then personalized to meet employee needs. Offering a good salary is no longer enough to attract and retain personnel. Qualified, talented employees are looking for a fulfilling job where they can put all their skill sets to use in a healthy work environment that makes them feel valued and respected.

3.9 REPORT ON INFORMATION TECHNOLOGY

Background of IT Department of Green Delta: Since the very beginning of the Company till 1998, GDIC had a Computerized General Ledger for Central Accounts Department only. But like most other insurance companies, its' operation was based on standalone PC's and manual system. There was no IT enabled MIS system in place to help GDIC analyse the business figures and to track performance of products, customers, branches, department and people. As a result GDIC was severely handicapped in the field of IT, resulting in inefficiency and improper management negatively impacting its endeavour to maintain its' position at the top of the Insurance fraternity.

Formation of IT Division: Against the backdrop of the above mentioned situation, GDIC management decided in the year 2000 to introduce a modern computer system to cater to future prospects of the Company. As part of that vision, an Information Technology Division was established to make the dream come true.

The information technology's role in the business sector certainly can hardly be over emphasized. It is of utmost importance, which enables businesses effectively and successfully plan, manage, execute strategies which lead to profit. Therefore the mission of this Division is to completely re-engineer and automate GDIC's business processes to *achieve higher productivity, lower cost, improved quality, enhanced service and efficient management.*

IT mainly deals with computer applications which are now completely automated. The technology has not only made communication cheaper, but also much faster.

Information Technology Division has taken pragmatic approaches to bring the technological boon and advancement into GDIC's business process to make it more competitive and adaptive for the 21st century.

The software applications and the hardware devices are the main elements of use in information technology. So a modern and dynamic IT Division was created with three wing like Hardware, Software and Network for its smooth operation and getting the technical advantage. There are seven experienced and professional IT personnel among them three Oracle Certified professional and six of them are CCNA Trained.

Software development & implementation: Software is an important integral part of information technology which relates to computer applications that enable a company to generate, store, program, and retrieve data as and when needed. Insurance Management System (IMS) was developed by GDIC IT professional since 2003 under which all the business process and functionalities were included.

Key Benefits of GDIC IT system: Huge saving in working time in preparing document, Money Receipt and some large informative monthly reports with excellent print quality

- Getting 600 Plus system generated MIS report which helps management to take decisions properly and timely
- Integrated Accounts where 80% Journal Voucher are passing through system as well as Final Accounts report like Balance Sheet, Profit & Loss Account, Revenue Account, General Ledger and Trial Balance are generating automatically through system
- Controlling business procurement through Insurance Management System (IMS) software
- Quick accessing the underwriting documents through IMS for departmental integration with UW dept. like Co-Insurance, Commission, Re-Insurance and Accounts department

On-line Branches: Including Head Office and Local Office 16 (Sixteen) branches are already connected to the Head Office through optical fibre. We have a Data Centre in our head office. We are first insurance company who are using CISCO solution in our Network.

Future Plan: Making all the GDIC branches under on-line as well as redundant solution to operate their daily business smoothly through the system and get all the IT benefits as well.

- Establishing a Disaster Recovery Centre to secure the company's valuable data in a professional manner.
- Have a plan to purchase an International Standard Insurance Software which include Underwriting / Claims / Re-Insurance / MIS / Account / Audit/ CRM module/retail sales solution



- Have a plan for implementing ERP and ISO 27001 Security System
- Higher Training on latest information technology to be provided to the IT professionals for development of new software to meet the users demand by using present technology.

GDIC has highly experienced and trained professionals working on maintaining and developing the company's IT infrastructure. The IT professionals are constantly innovating and producing in-house programs to meet the needs of the company's ever increasing and diversified products and services industry. IT division has successfully implemented a Wide Area Network (WAN) to connect all of the branch offices in greater Dhaka, Chittagong, and Khulna on real time basis, thereby providing seamless connectivity and

prompt customer services.

Conclusion: Information technology provides the ability to process a large amount of information and in a way which presents the information in a clear and concise manner to employees. Anticipated benefits of implementing an information technology system include improvements in profit performance, and a higher degree of accuracy among information within the possible shortest time. Insurance business has made great strides in risk evaluation as well as their calculation and reporting abilities. Much of such analyses can be done by developing new software of risk infrastructure, data model governance and quality. In this perspective IT sector of Green Delta have been playing an important role during the last 16 years and contributing to the economic stability of the company.

3.10 REPORT ON AWARDS AND RECOGNITIONS OF GDIC

Green Delta Insurance awarded by South Asian Federation of Accountants

On 22nd March, 2013, Green Delta Insurance won the 3rd prize for Best Presented Annual report awards and SAARC Anniversary Awards for Corporate Governance Disclosures from South Asian Federation of Accountants (SAFA), an apex body of SAARC. The ceremony took place on Colombo, Sri Lanka. GDIC won this award in the insurance category. This award signifies our Good Corporate Governance Practice.

Ms. Farzana Chowdhury awarded by Sylhet Ratna Foundation



On the 4th of October, 2013, Sylhet Ratna Foundation organized the “Kormobir Shongbordhona o Gunijon Shommelon 2013” event at the BIAM Auditorium in Dhaka. In the ceremony, Sylhet Ratna Foundation awarded 9 successful personalities, from various fields of profession, for their professional achievements. Ms. Farzana Chowdhury, the Managing Director and CEO of Green Delta Insurance Company, was one of the recipients of the honored awards.

Finance Minister of People’s Republic of Bangladesh Mr. Abul Mal Abdul Muhith, MP was present as the chief guest of the event. Other special guests at the event were the Education Minister of People’s Republic of Bangladesh Mr. Nurul Islam Nahid, MP; Former Advisors of Caretaker

Government Brigadier (Retd.) Dr. Abdul Malik; Mr. C M Shofi Sami, President of Jalalabad Association, Dhaka and Dr. A K Abdul Mubin.

Ms. Farzana Chowdhury is the Managing Director and Chief Executive Officer of Green Delta Insurance Company Ltd. Prior to join this position, she was the Additional Managing Director and Group CFO of the companies. She was also an active Board member and Vice Chairman of the Board of Directors of the company for the period 2008-2009. She has a wide experience of more than 15 years in the field of Insurance. She is a member of CII (Chartered Insurance Institute), UK.

Over her lifetime, Ms. Chowdhury also earned many prestigious awards for her outstanding contribution in different sectors. Australian Trade Commission awarded her with “Australian Alumni Excellence Award 2012 Bangladesh.” in the category of “Business Leadership”. Finance Alumni Association of Dhaka awarded her for “Professional Excellence and Leadership in Banking and Insurance Sector” in 2011. “Begum Rokeya Shinning Personality Award” is another major award she received for remarkable contribution towards the development of Small & Medium Enterprises of the country.

Green Delta Insurance awarded 2nd Prize in the 13th ICAB National Award

Green Delta Insurance Company Limited recently won the 2nd Prize in the Insurance category awarded by Institute of Chartered Accountants of Bangladesh for the best presented annual report of 2012. The 13th ICAB National Award giving ceremony was held at the capital recently in presence of the honorable Finance Minister of People’s Republic of Bangladesh Mr. A M A Muhith, MP and many top tier executives from Banks, Insurance Companies, NGOs and other financial institutes and corporate bodies.

Ms. Farzana Chowdhury, Managing Director and CEO of Green Delta Insurance Company Limited received the award on behalf of the company from Finance Minister Mr. A M A Muhith, MP. Green Delta Insurance has always been among the awardees for best presented annual reports in the insurance category for a long time.

ICAB president Md Abdus Salam said the Institute has



been presenting the awards since 2001 in recognition of the best practices in corporate governance and the best presented annual reports.

Mr. Nasir A. Choudhury awarded by 'Protibha Bikash' for his outstanding contribution in the Insurance industry

Advisor of Green Delta Insurance Company Limited
Mr. Nasir A. Choudhury has been awarded by Protibha Bikash for his outstanding contribution in the insurance sector of Bangladesh. In total, 9 dignitaries were awarded in the ceremony held at BRAC Center from different professions. Protibha Bikash honored Mr. Choudhury with the title 'Bima Ratna.'

Mr. Nasir A. Choudhury has a history of 55 years in the insurance industry. He is considered as a legend in this sector for his glorious career and all his extraordinary achievements. He joined Pakistan Insurance Corporation in September, 1958 and held various senior positions till liberation of Bangladesh. In 1972, immediate after the year Bangladesh was liberated, he 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. Former Chairman of Bangladesh Insurance Association (2001-2004), Mr. Choudhury established Green Delta Insurance Co. Ltd. with few other friends in 1985 as



a Sponsor and founder Managing Director & CEO. Till date he is discharging responsibility as the Advisor. Throughout his glorious career, Mr. Nasir A. Choudhury was awarded by many national and international renowned organizations for his outstanding contribution in the insurance industry of Bangladesh.

3.11 EVENTS AND HIGHLIGHTS OF GDIC

Green Delta Insures General Pharma employees with Personal Accident Policy

Green Delta Insurance Company Limited (GDIC) initiates Personal Accident insurance policy for the employees of General Pharmaceuticals Limited. This is the first time the employees of a pharmaceutical company can benefit from this privilege in Bangladesh.

On 23rd January, 2013; a policy handover ceremony was held in the board room of GDIC. Managing Director & CEO of GDIC, Nasir A. Choudhury handed over the policy to the Managing Director of General Pharmaceuticals Ltd. Dr. Momenu IHaq. Other senior officials from both the companies were also present in the ceremony. Around 2500 employees have been covered under this policy.



Managing Director & CEO of Green Delta Insurance Company Limited, Nasir A Choudhury hands over Personal Accident Insurance Policy to the Managing Director of General Pharmaceuticals Ltd. Dr. Momenul Haq

Green Delta Insurance and Maa Takaful, Malaysia join hands

Maa Takaful, a Malaysian Insurance Company in association with AG agencies, have come up with a new product for Bangladeshi workers living in Malaysia for the first time ever. They will be providing insurance coverage for the workers and Green Delta Insurance Company Limited, Bangladesh's leading non-life insurer, will be acting as the claim settlement agency from Bangladesh.

A MoU signing ceremony was held among Green Delta Insurance, Maa Takaful and AG agencies at the head office of GDIC in Dhaka recently. Managing Director &



CEO of Green Delta, Mr. Nasir A Choudhury exchanged documents with Mr. John D' Cruz, Senior Manager of Maa Takaful, after the agreement. Gary Hardyal Singh from AG Agencies and other high officials of Green Delta Insurance Company Limited were also present.

Green Delta Insurance Holds 27th Annual Business Conference



27th Annual Business Conference of Green Delta Insurance Company Limited was held on 20th February, 2013 at the head office in Mohakhali. Chairman of the company and the chief guest, A. Q. M. Nurul Absar delivered the inaugural speech of the conference. Managing Director & CEO of Green Delta Insurance, Nasir A. Choudhury, declared the target for the year 2013. Senior Additional Managing Director, Farid A. Choudhuri; Additional Managing Director, A. S. A. Muiz; Additional Managing Director, Golam Mustafa and Additional Managing Director & Group CFO; Farzana Chowdhury were also present in the dais. All the zonal heads along with other senior officials participated in the conference.



IFC & Green Delta Join for First Foreign Direct Investment in Bangladesh Insurance Sector



IFC, a member of the World Bank Group, has made an equity investment in Green Delta Insurance Company Ltd. (GDIC) of Bangladesh for up to 10 per cent. Through this investment it is expected that global best practices and product offerings shall be available to the insurance industry and the consumers through a market leader in the country.

The two parties signed and exchanged agreements in this regard on 17 March at the head office of Green Delta Insurance Company in Dhaka.

Overall Insurance penetration in Bangladesh is ranked 66th in 2010 with 48th and 93rd places respectively for life and non-life insurances. Lack of awareness has slowed the growth but Green Delta, being one of the market leaders, has been playing an active role in educating people across social spectrums.

Nasir A Choudhury, Managing Director and CEO of Green Delta Insurance Company said,

‘This partnership is especially significant because it would stimulate, among other things, non-life insurance, which was 0.2 per cent of gross domestic product in 2010, standing at 172nd out of 180 countries.’

Rashad Kaldany, Vice President & Chief Operating Officer of IFC and a co-signatory of the partnership, said, ‘as a staunch development partner of the Bangladesh private sector, IFC is committed to explore new areas and help in their advancement.’

Green Delta Insurance Presents- BRAC University business week

BRAC University Business Club (BIZ BEE) organized ‘Green Delta Insurance Company Ltd presents Business Week 2013’ which consisted of a job fair, Ad making workshop and the launching ceremony of ‘VISION’ volume

4 which is the one and only premier magazine of BRAC University Business Club. Nasir A Choudhury, Managing Director and CEO, Green Delta Insurance Company Ltd was the chief guest and Dr. Ainun Nishat, Vice Chancellor, BRAC University (BRACU) was special guest. Other guests included Farzana Choudhury, Additional Managing Director, Golam Mostofa, Additional Managing Director, Farid A Choudhury, Senior Additional Managing Director, and the adviser of the club GM Shafayet Ullah.



Rezaur Razzak, Director of BRAC Business School, inaugurated the programme. In this programme, prominent corporate houses like Green Delta Insurance Company Ltd, Square Group Ltd, Novartis Bangladesh Ltd, Glaxosmithkline Ltd, Banglalink, Cemex Cement Ltd, Crown Cement, GPH Ispat, BRAC EPL, bKash, Eminent Securities Ltd, Sanofi Aventis Bangladesh Ltd, Communication System Ltd, CSL (PBAX), Enroute Consultancy Firm, ICE Media Ltd, Premier Bank Ltd, EMC, Teach For Bangladesh came to contribute.

The main purpose of this job fair was to offer job to the BRACU student who has completed their graduation as well as those who are still studying. The electronic media partner was ATN News, Radio partner was Radio Foorti and Beverage Partner was IFAD Multi Products Ltd.

Green Delta Insurance Holds Its 27th AGM

Green Delta Insurance Company Limited declared 15% stock dividend and 15% cash dividend for its



shareholders for the year ended December 31, 2012. The announcement was made at the 27th Annual General Meeting of the company, held on Thursday, 28th March, 2013, at Hotel Purbani International, Dhaka. The meeting was attended by sponsors, directors and a large number of 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 cooperation towards the growth of the company. Mr. Nasir A. Choudhury, Managing Director and CEO of the Company also thanked all the shareholders for helping Green Delta Insurance march ahead in the industry.

A good number of shareholders spoke in the meeting and highly appreciated the board of directors and management of Green Delta Insurance for their outstanding performance, declaration of attractive stock and cash dividend and publishing and informative Annual Report (2012) of the company.

BWCCI- Green Delta Insurance Progressive Award 2013



Bangladesh Women Chamber of Commerce and Industry (BWCCI) organized its 3rd annual 'Progressive Award' on last Saturday, May 25, 2013 entitled "BWCCI – Green Delta Insurance Progressive Award 2012" in cooperation with Green Delta Insurance Company Limited at Multipurpose Hall, Diploma Engineer's Institute, Kakrail, Dhaka. This year 7 women entrepreneurs from 7 divisions who are also BWCCI members were awarded for their significant achievement in business; they were- Bulbul Chowdhury from Barisal division, Monowara Begum from Chittagong division, Afreen Faruque from Dhaka division, Khadiza Rasul from Khulna division, Farida Begum from Rangpur division, Monira Begum Jonaki from Rajshahi division and Nurun Nahar Baby from

Sylhet division. With them, 2 media representatives also received award this year for their contributions towards women entrepreneurship development in country who are –Farah Tanjee from Somoy media limited in electronic media category and Abu Sazzad from the Independent in print media category. Honorable industries minister Mr. Dilip Barua handed over the awards to the winners which included a trophy, a certificate and prize money of Tk 10,000.

Mr. Nasir A. Choudhury, advisor of Green Delta Insurance Company Limited said that they are indeed honored to be partnering with BWCCI in this progressive award. He said that his organization is trying to assist women entrepreneurs financially and requested women entrepreneurs to step into formal sectors more.

Green Delta Insurance Launches 'Nibedita' - First Ever Insurance Product for Women



Green Delta Insurance Company Limited launched "Nibedita" - the first ever insurance product for women. 'Nibedita' is a comprehensive insurance scheme, with a wide range of coverage of accidental death, bodily injury due to accident, death during child birth etc. It will also have extended coverage for carrying legal expenses incurred for divorce proceedings, trauma allowance for rape, robbery, acid victims etc.

Honorable Minister of Ministry of Industries of Bangladesh Government, Dilip Barua launched the product when founder Managing Director and Chief Adviser of Green Delta Insurance Company Ltd. Nasir A. Choudhury, Acting Managing Director & CEO Farzana Chowdhury, founder President of BWCCI Selima Ahmed and President of BWCCI Sangita Ahmed were present among others. The product was launched at the BWCCI-Green Delta Insurance Progressive Award organized by Bangladesh Women Chamber of Commerce and Industry.

Supporting the women of our country is one of the many initiatives taken by Green Delta. Nibedita has been designed for urban and rural women especially for female entrepreneurs considering affordability, risk and crisis and availability of insurance coverage.

"This product is actually a demand of time. Since 52% of our population is women, we assessed their need and launched this product to safeguard their future as they have multiple challenges to overcome while doing business," Said the CEO of Green Delta Insurance.

Green Delta Insurance Holds 27th Half yearly Business Conference



27th Half Yearly Business Conference of Green Delta Insurance Company Limited was held on 27th July, 2013 at the head office in Mohakhali. Chairman of the company and the chief guest, A. Q. M. Nurul Absar delivered the inaugural speech of the conference. Founder Managing Director & Advisor Mr. Nasir A. Choudhury, Managing Director & CEO (Acting) Farzana Chowdhury, Senior Additional Managing Director, Farid A. Choudhuri; Consultant, A. S. A. Muiz and Additional Managing Director, Golam Mustafa were also present. All the zonal heads, branch managers along with other senior officials participated in the conference.

In the conference, the target set in the annual business conference was discussed and current standing was analyzed by the zonal heads and the branch managers. A presentation on half yearly business performance was presented by Underwriting Management Department. Senior officials from other departments also joined in the insightful discussion for better business growth in the next half of the year.

Crest Exchange between Green Delta Insurance and IFC

Green Delta Insurance Company Limited (GDIC) and International Finance Corporation (IFC) have exchanged crest recently at the head office of GDIC on 5th August, 2013. IFC joined hands with GDIC which is the first foreign investment in Bangladesh insurance sector.



IFC, a member of the World Bank Group, took stake in Green Delta Insurance through an equity investment. With this investment it is expected that global best practices and product offerings shall be available to the insurance industry and the consumers through a market leader in the country. At the crest handover ceremony, GDIC's Founder Managing Director and Advisor Mr. Nasir A. Choudhury, Managing Director and CEO (Acting) Ms. Farzana Chowdhury and Deputy Managing Director and Company Secretary Mr. Syed Moinuddin Ahmed were present. From IFC, Investment Officer Ms. Mahfuza Afroz and Regional Manager for IFC-Bangladesh Mr. Kyle F. Kelhofer were seen.

Ms. Farzana Chowdhury Appointed as Managing Director and CEO of Green Delta Insurance Company Limited

Green Delta Insurance Company Limited announced the appointment of Ms. Farzana Chowdhury as Managing Director and Chief Executive Officer on October 2013. Prior to join this position, she was the Additional Managing Director and Group CFO of the companies. She has a wide experience of more than 15 years in the field of Insurance. She was also an active Board member of GDIC during the period 2002-2008 and Vice Chairman of the Board of Directors of the company for the period 2008-2009. As



an active Board of Directors, she designed, developed and implemented a successful business model for SME Insurance for SME department of Brac Bank while she was working there. She is a member of CII (Chartered Insurance Institute), UK.

She completed her Master of Business Administration from Business School, Monash University, Melbourne, Australia (Aus-Aid Scholarship). She earned Diploma from Malaysia Insurance Institute (DMII) in 2013. She served at BRAC Bank as the Head of SME Banking for around 7 years and also worked with Rural Development Program of BRAC for nearly 5 years as Regional Manager.

Ms. Farzana Chowdhury pioneered many insurance products in Bangladesh. She introduced micro health insurance for the garments workers. Crop insurance is another product which she introduced for the first time in the private sector. Also she launched a comprehensive insurance scheme for the women of Bangladesh named Nibedita which is the first of its kind.

Also, she was selected by the US State Department, Washington DC as one of the 17 participants at International Women Leaders Mentoring Partnership program sponsored by US State Department and Fortune 500 companies in 2006. Ms. Chowdhury was assigned to ING Financial Services, a Fortune 500 company in Hartford, CT for 3 months.

Ms. Chowdhury earned many prestigious awards throughout her career for her outstanding contribution in different sectors. Australian Trade Commission awarded her with "Australian Alumni Excellence Award 2012 Bangladesh." in the category of "Business Leadership". Finance Alumni Association of Dhaka awarded her for "Professional Excellence and Leadership in Banking and Insurance Sector" in 2011. "Begum Rokeya Shinning Personality Award" is another major award she received for remarkable contribution towards the development of Small & Medium Enterprises of the country.

Green Delta Insurance holds 9TH EGM

On the 9th Extra-Ordinary General Meeting, shareholders of Green Delta Insurance Company Limited approved the amendments of Memorandum and Article of Associations. Since the previous Memorandum and Article of Association was based on the Companies Act 1913, the amended Memorandum has been aligned with Companies act 1994. The board felt the need to amend the previous Memorandum of Association and Article of Association to be in line with latest corporate governance guideline. Besides, the board also recommended to raise

its authorized capital from 100 crore to 500 crore which has also been approved on the EGM.



Green Delta Insurance's Chairman, A.Q.M. Nurul Absar presided over the meeting in presence of Managing Director & CEO, Farzana Chowdhury, Advisor, Mr. Nasir A. Choudhury, other Board of Directors and a number of shareholders.

Green Delta Sponsors BYLC Youth Leadership Boot Camp

We all know that GDIC has been supporting people of all ages from the very beginning. Last year we sponsored an event solely dedicated for the youth collaborating with BYLC. Bangladesh youth leadership center (BYLC) is a non-profit organization registered on January 5, 2009. The workshop was known as BYLC Youth Leadership





Boot Camp. It took place on October 5-7, 2013 in Chittagong. 100 students from different universities were chosen to participate in this camp. It was a 3 day programme where the students on the first day explored their own leadership styles by putting leadership theory in practice. On the second day, participants experienced real world challenges and business practices through field visits. And on the last day, participants learned to express themselves through effective resume, cover letter, interview skill and personal action plans.

Green Delta Insurance continues to patronize T20 Corporate Cricket Tournament as the Insurance Partner



Green Delta Insurance Company Limited (GDIC) was the Insurance partner of the T20 Corporate Cricket Tournament 2013. This year GDIC joined hands with Udayachal Club again and provided People's Personal Accident Insurance Policy to 470 players for a whole year. Besides, GDIC also provided health insurance coverage to the man of the match of the semi finals and the final match. The man of the tournament was awarded personal accident policy worth BDT 1,000,000/- (Ten lacs)

The closing ceremony of the T-20 Corporate Cricket Tournament was held at the capital recently. Deputy Managing Director and Company Secretary of Green Delta Insurance Company Limited Syed Moinuddin Ahmed handed over the Personal Accident Policy worth BDT 10 lacs to the Man of the Tournament Mr. Syed Adil Ahmed from Beximco Pharma. Bangladesh Cricket

Board Director Mr. Ahmed Sajjadul Alam Bobi was also seen at the ceremony.

Twenty-eight teams took part in this year's month long tournament which include the country's giant corporate houses.

Green Delta Insurance inks deal with Rialto Technologies for 'Cellular Phone Contingency Insurance Policy'



Green Delta Insurance Company Limited (GDIC) recently signed an agreement with Rialto Technologies Bangladesh Limited for Cellular Phone Contingency Insurance Policy. This is the first time a mobile phone insurance policy in our country has been launched. Under this policy, all the 'Prestigio' branded Smart phones and Tablet PCs sold by Rialto Technologies in Bangladesh will be insured by Green Delta upon buying the product.

A Memorandum of Understanding has been signed between the two parties at the capital recently. Additional Managing Director of Green Delta Insurance Company Limited Mr. Golam Mustafa handed over the insurance policy to the Managing Director of Rialto Technologies Bangladesh Limited Mr. Saifullah Talut Rothin. Managing Director and CEO of GDIC Ms. Farzana Chowdhury, CEO of Green Delta Securities Mr. Wafi S M Khan, Deputy Managing Director and CFO of GDIC Mr. Nazim Tazik Chowdhury, Senior Executive Director of GDIC Mr. T H Forhad, Executive Director of GDIC Mr. Kabir Chowdhury, Director of Rialto Technologies Mr. Azfar Noman Sadique and other high officials of both the companies were present at the ceremony.

4.1 STATEMENT OF

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 specialties its responsibilities and the manner and frequency of meeting and reporting to the Board of Directors.

- There is no “one size it’s 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 behavior 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 behavior 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 is 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.

4.2 BOARD OF DIRECTORS

CHAIRMAN AND CEO

Present Board of Directors, Chairman and Managing Director & CEO of Green Delta Insurance Company Ltd.

| SI No | Name of the Director's | Status |
|-------|----------------------------------|-----------------------------|
| 1 | Abul Quasem Mohammad Nurul Absar | Director & Chairman |
| 2 | Dilruba Chowdhury | Director & Vice Chairperson |
| 3 | Shamsun Nahar Begum Chowdhury | Director |
| 4 | Khurshida Chowdhury | Director |
| 5 | Iqbal Khan (Jamal) | Director |
| 6 | Asif Ahmed Choudhury | Director |
| 7 | Meshbah Delwar Rahman | Director |
| 8 | Arif Ahmed Choudhury | Director |
| 9 | Kamran Idris Chowdhury | Director |
| 10 | Dr. Niaz Ahmed Chowdhury | Director |
| 11 | Razia Rahman | Director |
| 12 | Marufa Anwar | Director |
| 13 | Abdul Hafiz Choudhury | Independent Director |
| 14 | Nurul Husain Khan | Independent Director |
| 15 | Farzana Chowdhury | Managing Director & CEO |

To fulfill the vision it has been dedicatedly formulating its mission and planning in a strategic way.

vision
mission
core values
staunchness

With a view to create differentiation GDC has been strengthening its root through focused vision and core values.

our strength



4.3 AUDIT COMMITTEE, INTERNAL CONTROL & **RISK MANAGEMENT**

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 is 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 monitor 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, counter party, 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, counter party credit-rating limits and diversification limits.

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 multimillion 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.

Counter party Default Risk

Insurance companies rely on being paid by third parties, including the company's reinsurers and investment counterparts. Counter parties 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 COMMITTEE AND OTHER COMMITTEE OF BOARD

Remuneration Committee:

Committee Charter:

Since it is not permitted as per regulatory authority of Insurance Industry, separate committee of Board of Remuneration has not been formed but the Board of Directors and Senior Management of the company time to time evaluate the remuneration paid to level of Employees, Directors and others decide on the issue.

Composition:

The remuneration is decided by the Board of Directors where all the members are non-executive directors. The Managing Director, Deputy Managing Directors, Head of Human Resources, CFO and other related officials work on the issue as per guidance of the Board.

Policies on Remuneration:

Key policies to decide on remuneration include market trend, inflation, job requirement, position in other insurance companies in the same area etc.

Remuneration of Directors, Chairman, Managing Director and Senior Executives:

Honorarium paid to the Directors and others for attending meetings are as follows:

For Board Meeting and Executive Committee /Other Committee Meeting Taka 5000.00 GDIC has provided only the following facilities to the Directors:

- The above Directors are entitled to fees and other benefits for attending the Board, Executive Committee, and Audit Committee Meeting.
- Managing Director & CEO is paid salaries and allowances as per approval of the Board and Insurance Development and Regulatory Authority.
- The senior management is remunerated as per standard pay structure of the Company being approved by the Board

The company has fully complied with Regulatory Authorities instructions in this regard.

Meeting on Remuneration Issues:

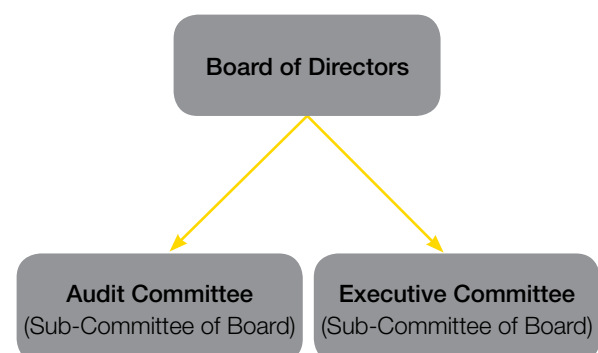
Several meetings of the Executives and related Board Members were held to finalize some benefits paid to the employees during the year 2013

However, the following specific tasks are also performed by the Board of Directors and Senior Management on behalf 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 per schedule;

Other committee of Board:

Board Sub-Committee:





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:

| SN | Name | Status |
|-----|-----------------------|---|
| 01. | Abdul Hafiz Chowdhury | Chairman |
| 02. | Arif A. Choudhury | Member |
| 03. | Razia Rahman | Member |
| 04. | Marufa Anwar | Member |
| 05. | Dr. Niaz A. Choudhury | Member |
| 06. | Iqbal Khan (Jamal) | Member |
| 07. | Mesbah Dilwar Rahman | Member |
| 08. | Nasir A. Choudhury | Member |
| 09. | Farzana Chowdhury | Managing Director and CEO as Ex-Officio |
| 10. | 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:

| SN | Name | Status |
|-----|-------------------------------|-------------|
| 01. | Dilruba Chowdhury | Chairperson |
| 02. | A Q M Nurul Absar | Member |
| 03. | Khurshida Chowdhury | Member |
| 04. | Shamsun Nahar Begum Chowdhury | Member |
| 05. | Kamran Idris Chowdhury | Member |
| 06. | Asif A Chowdhury | Member |
| 07. | Nurul Husain Khan | Member |
| 08. | Farzana Chowdhury | Member |
| 09. | Nasir A. Choudhury | Member |
| 10. | Syed Moinuddin Ahmed | Secretary |

4.6 REPORT ON HUMAN CAPITAL

Human resources

Green Delta is committed to the development and well-being of its employees. The goal is to recruit and retain personnel that possess the competencies and skills required for the Insurance to implement its strategy. In 2013, the Bank made several changes to its organisation to further maximize the efficiency and professional interaction of its staff.

Values at work

The purpose of the Insurance staff policy is to create and maintain an attractive and professionally motivating work atmosphere in Insurance Industry.

Green Delta Insurance Company strongly benefits from having multicultural, well-informed and target-oriented employees who are responsive to the needs of other colleagues, clients and the environment. GDIC's employees are also characterized by a strong ability to meet high performance standards. All of this adds to a supportive working community that values professionalism and best practices.

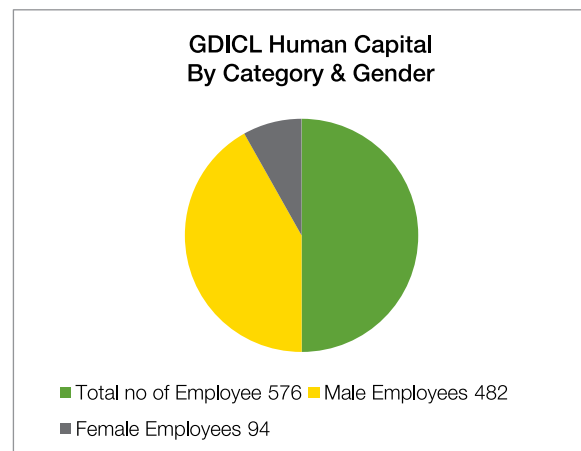
Staff

GDIC views its staff's most valuable capital of the company. Human Capital is the source of the company grows and reaches with the potential business goal. Total no of employee almost 576+ with multicultural environment.

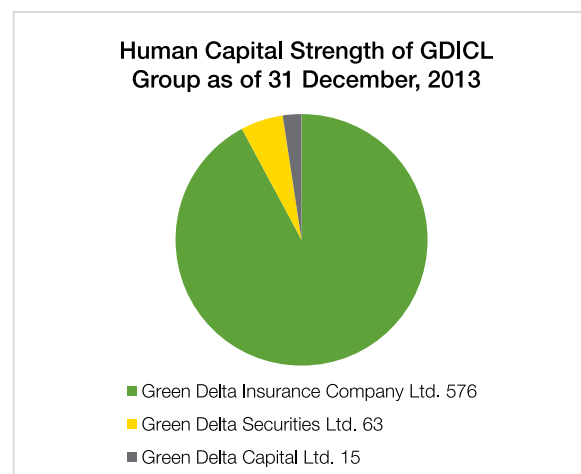
To achieve the Goal by following the principles of merit based:

- With efficient Human Capital achieves marketplace over 28 years in Insurance Industry
- GDICL organizes their human capital with lot of effective Local and International Training
- Ability to attend International Workshop and Seminars
- Effective recruitment policy
- Compare to other insurance company our staffs has excellent standards in business and corporate Governance in Bangladesh the average of GDICL's permanent employees was 21.33% till December.

GDICL Human Capital: there is a large number of human capitals in this organization. GDICL is successfully going since 1985 to till now with challenging and professional human resources. HRD of GDICL providing a professional and cultural environment for its Human Capital. And the working passionately last 28 years for its glorious growth with 38 branches all over in Bangladesh.



Staff Strength of Green Delta: GDICL is growing their business with large number of Human Capital in Green Delta Insurance, Green Delta Securities and Green Delta Capital. GDICL's management introduced several



organizational changes during 2013. The Lending department was reorganized into different business areas



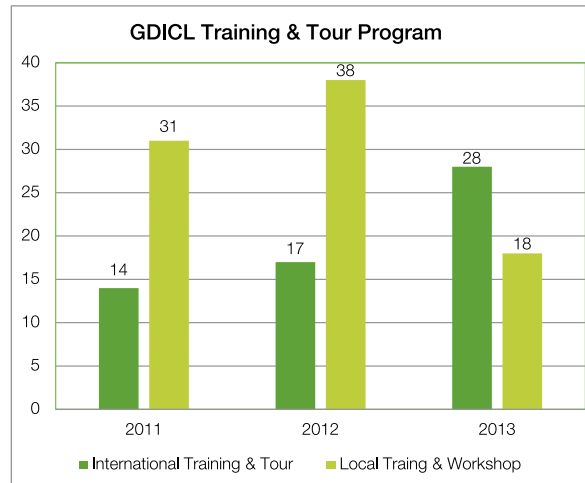
in order to deepen the insurance understanding of the key sectors in the economy and enhance service to clients. Some of new functions for Business Continuity and Security Planning was also established in 2012.

Training and Development: GDICL encourages its employees to develop their skills and performance to implement their professionalism in a variety of ways. Every year GDICL's employees are attending various training, workshop, seminar and tours in local and international areas.

Well-being and safety: GDICL makes every effort to create a safe and healthy working environment for its employees. GDICL takes into consideration circumstances related to work, such as working conditions, the environment and the personal capacities of its employees. GDICL aims to prevent work related mental and physical illness as well as accidents at work. GDICL therefore encourages its teams to establish and maintain an appropriate balance

between their professional and private lives.

Green office: GDICL started to offer e-services as an alternative to the traditional paper work in last decade.

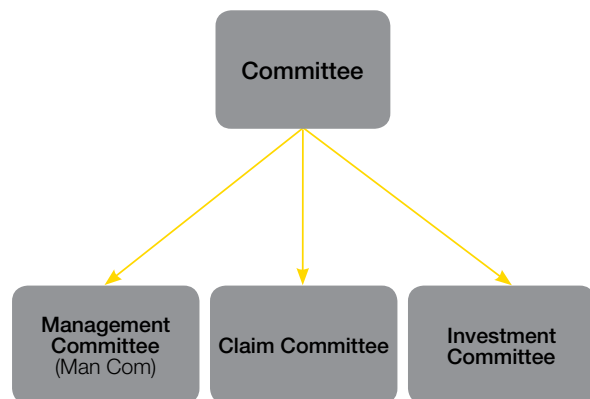


4.7 MANAGEMENT REVIEW & RESPONSIBILITY

Managing Director is the Chief Executive Officer (CEO) of the Company. GDIC has approved organizational structure (Organogram) with clear functional separation and segregation of processing or functioning (front and back office) authorities. This ensures Core Risk Management practice and compliance across the Company. GDIC's functions and plans also consider various regulatory limits and restrictions to be risk compliant.

Management Committee is the main body of the body of management and decision making in the company. Besides, there are Risk Management Wing for designated function and responsibilities. Each of these forums has specific Terms of References (ToR) approved by the Board.

Above all, the company is governed by the rules, regulations, guidelines, directions and policies as applicable for the banking business and operations.



The Management Committee & Responsibility

Management Committee of the company comprises 16 (sixteen) top-level Executives, having many years of experiences and sound knowledge in Insurance Business. It is headed by the Managing Director and CEO of the Company. The committee exerts financial, administrative and business discretionary powers delegated by the Board and is also responsible for implementation of the policies and guidelines approved by the Board. The

Management Committee scrutinizes the issues thoroughly before placing this to the Executive Committee or Board. The Management committee evaluates the performance of the company critically, adopts strategic action plan to achieve various targets of the company set by the Board of Directors.

Composition of Management Committee (ManCom)

| SN | Name |
|-----|--------------------------------|
| 01. | Nasir A. Choudhury as Chairman |
| 02. | Farzana Chowdhury |
| 03. | Farid Ahmed Choudhuri |
| 04. | A S A Muiz |
| 05. | Golam Mustafa |
| 06. | Nazim Tazik Chowdhury |
| 07. | Syed Moinuddin Ahmed |
| 08. | Md. Mahfuzar Rahman Siddique |
| 09. | T.H. Forhad |
| 10. | Nazrul Islam |
| 11. | Syed Kaiser Ahmed |
| 12. | Mursalin A Chowdhury |
| 13. | Wafi Shafiq Menhaz Khan |
| 14. | Md. Rafiqul Islam |
| 15. | 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 | Status |
|-----|--------------------------|-----------|
| 01. | Farzana Choudhury | Chairman |
| 02. | Syed Moinuddin Ahmed | Secretary |
| 03. | Nazim Tazik Chowdhury | Member |
| 04. | T H Forhad | Member |
| 05. | Wafi Shafiq Menhaz Khan | Member |
| 06. | Md. Rafiqul Islam | Member |
| 07. | Md. Warech Miah | Observer |
| 08. | Chinmoy Chakrabarty | Observer |
| 09. | Md. Saifur Rahman Khaled | Observer |

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 | Status |
|-----|--------------------|-------------|
| 01. | Farzana Chowdhury | Chairperson |
| 02. | Nasir A. Choudhury | Member |
| 03. | Golam Mostafa | Member |
| 04. | Nazrul Islam | Member |

Our Management Strategy

Our focus on helping our clients succeed and giving them confidence that they are making the right insurer choices. It also drives our employees to deliver their everyday. Recognizing that a company's first responsibility is to be well managed, we believe that the strength of our business model, balance sheet, risk management framework and leadership team, will continue to generate sustainable growth. We remain steadfastly committed to our strategy, our clients and our shareholders.

Our Priorities in 2014

- Expand our capabilities and reach new clients.
- Develop our business in selected markets to grow with our clients.
- Sustain a culture that focuses on clients, high performance and our people.
- Build deeper client relationships to deliver growth in net income and strong ROE.

4.8 DISCLOSURE BY THE BOARD OF DIRECTORS OR AUDIT COMMITTEE ON EVALUATION OF QUARTERLY REPORT

Declaration of Directors Pursuant To the Disclosure & Transparency

The directors confirmed that to the best of each director's knowledge and belief:

- The quarterly report contained in the operational and financial review includes a fair review of the development and performance of the business and the position of the company, together with a description of principal risks and uncertainties that may face and
- The quarterly report, prepared in accordance with BFRS, give a true and fair view of the assets, liabilities, financial position and results of the company.

Directors' Responsibilities of preparation of Quarterly Financial Statements:

As per regulatory authorities' guidelines, the directors are responsible for preparing the annual report and

companies quarterly financial statements in accordance with applicable laws and regulations. The board confirms that the quarterly financial statements have been prepared according the BFRS and other applicable laws and regulations.

Evaluation of Quarterly Reports

In order to improve disclosure related to the functioning of Board Audit Committees and to enhance the reliability and credibility of financial statements of listed companies the Bangladesh Securities and Exchange Commission (BSEC) requires the audit committee along with the management of the company to review the quarterly and half yearly financial statements prior to placing the same before the Board for approval. The Audit Committee of GDIC reviews the interim financial statements along with management before placing the same to the Board. The Charter of the Audit Committee clearly includes among others the function of reviewing the quarterly and half yearly financial statements of the Company.

Quarterly Report Analysis of GDIC

Taka in Million

| Particulars | 2013 | | | | | 2012 | | | | |
|-------------------------------------|--------|--------|--------|--------|----------|--------|--------|--------|--------|----------|
| | Q1 | Q2 | Q3 | Q4 | Total | Q1 | Q2 | Q3 | Q4 | Total |
| Gross Premium Income | 554.36 | 715.38 | 620.36 | 723.35 | 2,613.45 | 646.34 | 549.42 | 753.81 | 653.62 | 2,603.19 |
| Net Premium Income | 315.96 | 345.16 | 296.99 | 358.88 | 1,316.99 | 300.21 | 272.35 | 264.35 | 375.63 | 1,212.54 |
| Net R/I Commission Earned | 68.38 | 54.72 | 33.05 | 28.15 | 184.30 | 73.55 | 57.60 | 67.76 | 13.48 | 212.39 |
| Add: Investment & Other Income | 37.16 | 29.88 | 40.26 | 96.76 | 204.06 | 22.31 | 23.10 | 36.53 | 53.51 | 135.45 |
| Total Income | 421.50 | 429.76 | 370.30 | 483.79 | 1,705.35 | 396.07 | 353.05 | 368.64 | 442.62 | 1,560.38 |
| M. Expenses with Claims (Allocable) | 237.89 | 343.27 | 263.40 | 379.18 | 1,223.74 | 326.19 | 248.77 | 255.25 | 296.67 | 1,126.88 |
| M. Expenses (Un-allocable) | 24.33 | 39.55 | 74.27 | 53.32 | 191.47 | 18.18 | 77.47 | 26.16 | 49.01 | 170.82 |
| Total Expenses | 262.22 | 382.82 | 337.67 | 432.50 | 1,415.21 | 344.37 | 326.24 | 281.41 | 345.68 | 1,297.70 |
| Net Profit Before TAX | 159.28 | 46.94 | 32.63 | 51.29 | 290.14 | 51.70 | 26.81 | 87.23 | 96.94 | 262.68 |
| Provision for Income TAX | 35.00 | 2.50 | 25.00 | -6.4 | 35.00 | 0.00 | 20.00 | 15.00 | -10.00 | 25.00 |
| Net Profit After TAX | 124.28 | 44.44 | 7.63 | 78.79 | 255.14 | 51.70 | 6.81 | 72.23 | 106.94 | 237.68 |
| EPS | 2.12 | 0.70 | 0.12 | 3.69 | 3.69 | 0.88 | 0.11 | 1.13 | 4.05 | 3.73 |



4.9 INVESTOR 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 become an equity partner which creates our company's value.

Investors Redressal Policy

Investor Complaints constitute an important voice of investor, and this policy details complaint handling through a structured grievance redressal framework. To minimize the recurrence of similar issues in future GDIC will follow the following principles:

- Complaints are treated efficiently and fairly.
- GDIC employees work in good faith and without prejudice, towards the interest of the investors.

- Investors must be treated fairly at all times.

How Do We Redress Investor Complaint

- The company has a designated investor grievances email ID: info@green-delta.com and Hot line numer 01730074299 on which an investor can make a complaint.
- An investor can make a written complain through letter also.
- Designated person shall log in to look after the investor grievances on daily basis.
- A serious complaint must be referred to the CEO and even to Director of company if so warrants
- The Compliance Officer of the company shall review the investor complaint register on weekly basis.

4.10 COMPLIANCE REPORT TO THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (BSEC)

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) The post of Independent Director shall be kept vacant for more than 90 days.
- (iv) 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\
- (v) 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 by the Directors. The Directors Report that:

- Related party Transaction are depicted in Note no 27 in the Notes of Account
- Remuneration of Directors including Independent Director have been show in Notes of Account.
- 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 in page no 100
- The number of Board Meetings and the Attendance of Directors during the year 2013 were as follows:

| Directors Meeting and Attendance | | | |
|---|-------------------------------|----------------------|---------------------------|
| SN | Name of the Directors | Total Meeting | Meeting Attendance |
| 01. | A.Q.M Nurul Absar | 12 | 12 |
| 02. | Diruba Chowdhury | 12 | 10 |
| 03. | Khurshida Chowdhury | 12 | 12 |
| 04. | Shamsun Nahar Begum Chowdhury | 12 | 8 |
| 05. | Razia Rahman | 12 | 6 |
| 06. | Asif Ahemd Choudhury | 12 | 10 |
| 07. | Iqbal Khan (Jamal) | 12 | 9 |
| 08. | Arif Ahemd Choudhury | 12 | 11 |
| 09. | Marufa Anwar | 12 | 5 |
| 10. | Dr. Niaz Ahmed Choudhury | 12 | 11 |
| 11. | Kamran Idris Chowdhury | 12 | 5 |
| 12. | Mesbah Dilwar Rahman | 12 | 6 |
| 13. | Abdul Hafiz Chowdhury | 12 | 10 |
| 14. | Nurul Husain Khan | 12 | 12 |

- The Pattern of shareholding (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, 2013 were as stated in section 6.10
- Brief resume of each of the Directors seeking re-election is annexed-I with this report

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. Report of the audit committee is annexed-II.

4. EXTERNAL/STATUTORY AUDITORS:

The BSEC guidelines are being strictly followed in engaging statutory Auditors

5. SUBSIDIARY COMPANY:

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. Compliance status is annexed-III.

ANNEXURE-I

BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTED /RE-ELECTION IN THE 28TH AGM

FROM THE SPONSOR SHAREHOLDER DIRECTORS:

Dilruba Chowdhury

Vice Chairperson

has obtained BA (Hons) International Business Degree with double major in Finance and French from Regents' University, University of London, United Kingdom in the year 2008.

Currently she is serving the post of Director (Corporate Planning) and Head of Human Resource and Administration at East Coast Group of Companies. She is also the Managing Director of Parkesine Products Ltd. and a permanent Director of Tiger Tours Ltd.

Apart from being a Director on the Board of Green Delta Insurance Co. Ltd., currently Ms. Dilruba Chowdhury is the Vice Chairman of the company as well as the Chairman of the Executive Committee.

Shamsunnahar 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.

Iqbal Khan (Jamal)

a renewed business man in Bangladesh. He was born in a respected Muslim family of Barisal. Mr. Jamal was very brilliant throughout his student life. He has obtained Diploma in Management from Paris, France and also obtained a degree on International Marketing from The Hague, Paris. He is presently the Managing Director and CEO of 1) Nafisa Int'l Trading (BD) Ltd. (100% Export oriented Garments Buying House). 2) JANN Composite Mills Limited (100% export oriented garments manufacturing). 3) Arshad Embroidery Ltd. (100% exports oriented embroidery manufacturing company for Europe and USA). He is a member of German Chambers of Commerce and Malaysian Chamber of Commerce in Bangladesh.

FROM PUBLIC SHAREHOLDER DIRECTOR:

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 Tohmatsu), 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.

FROM INDEPENDENT DIRECTOR:

Abdul Hafiz Chowdhury

had done his B.Com (Hons) and Masters in Commerce from Dhaka University and Chartered Accountancy from the Institute of Chartered Accountants in England and Wales. He is a fellow member (FCA) of Institute of Chartered Accountants in England and Wales and Institute of Chartered Accountants of Bangladesh (ICAB).

He has been a senior partner (retired from active service) of KPMG Rahman Rahman Huq, Chartered Accountants.

He is a director in the Boards of ICB Islamic Bank Ltd. and Newzealand Dairy Products Bangladesh Ltd. He is also Vice-President of United Nations Association of Bangladesh.

He was past president of Metropolitan Chamber of Commerce and Industries, Dhaka, Past President of the Institute of Chartered Accountants of Bangladesh. He was also a director in the Board of Bangladesh Bank, Rupali Bank Limited, Dhaka Electric Supply Co. Ltd., Titas Gas Transmission and Distribution Co. Ltd., Jiban Bima Corporation and Dhaka Stock Exchange Ltd.

He is one of the founders of Independent University, Bangladesh (IUB) and was Chairman of its Founding Trust. He is a director in the Trustee Board of IUB.

He is a widely travelled man and has travelled to many countries of Asia, Europe, Africa and the USA.



ANNEXURE-II

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 Choudhury – Independent Director | Chairman |
| 02. | Iqbal Khan (Jamal) | Member |
| 03. | Niaz A. Choudhury | Member |
| 04. | Arif A. Choudhury | Member |
| 05. | Meshbah Delwar Rahman | Member |
| 06. | Marufa Anwar | Member |
| 07. | Razia Rahman | Member |
| 08. | Farzana Choudhury | Member as Ex-Officio |
| 09. | Nasir A Choudhury | Advisor |
| 10. | Syed Moinuddin Ahmed | Secretary |

The Committee held five (04) meetings during the year 2013 as per following.

| Name of the Meeting | Meeting Held | Date of the Meeting | Attend- ed |
|---------------------------|--------------|---------------------|-------------------------------|
| Audit Commit- tee Meeting | 04(Four) | 13.02.2013 | 89% at- tendance on aver- age |
| | | 04.09.2013 | |
| | | 27.10.2013 | |
| | | 17.12.2013 | |

Invitees to the meetings were Deputy Managing Director & 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 reviewed 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;
- The Audit Committee 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;
- The Audit Committee 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;
- The Audit Committee reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation;
- The Audit Committee reviewed the performance of External Auditors and recommended them for re-appointment;
- The Audit Committee reviewed the Financial Statements/ the Investments made by the subsidiary companies.

Pursuant to Condition # 3.4.1 of the Corporate Governance Guidelines issued by BSEC, the Audit Committee reviewed the Internal Control System and Financial Statements. The Committee did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.

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-III

Compliance Report to BSEC Notification

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

| Condition No. | Title | Compliance Status ("√" in appropriate column) | | Remarks (if any) |
|-----------------|--|---|--------------|------------------|
| | | Complied | Not complied | |
| 1 | BOARD OF DIRECTORS: | | | |
| 1.1 | Board's Size [number of Board members to be 5 – 20] | √ | | |
| 1.2 | Independent Directors | | | |
| 1.2 (i) | Number of Independent Directors [at least 1/5] | | | Under Process |
| 1.2 (ii) | Independent Director (ID) means a director: | | | |
| 1.2 (ii) (a) | Holding no share or holding less than 1% shares | √ | | |
| 1.2 (ii) (b) | Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares | √ | | |
| 1.2 (ii) (c) | Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies | √ | | |
| 1.2 (ii) (d) | Not being member/director/officer of any stock exchange | √ | | |
| 1.2 (ii) (e) | Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market | √ | | |
| 1.2 (ii) (f) | Not being partner/executive at present or during the preceding 3 years of the company's statutory audit firm | √ | | |
| 1.2 (ii) (g) | Not being an ID in more than 3 listed companies | √ | | |
| 1.2 (ii) (h) | Not convicted as defaulter in any loan of a bank or NBFIs | √ | | |
| 1.2 (ii) (i) | Not convicted for a criminal offence | √ | | |
| 1.2 (iii) | To be appointed by BOD and approved in the AGM | √ | | |
| 1.2 (iv) | The post cannot remain vacant for more than 90 days | -- | -- | N/A |
| 1.2 (v) | Laying down of code of conduct of Board members and recording of annual compliance of the code | √ | | |
| 1.2 (vi) | Tenure of ID : 3 years, may be extended for one term | √ | | |
| 1.3 | Qualification of Independent Director | | | |
| 1.3 (i) | Being knowledgeable, having integrity, ability to ensure compliance with laws and make meaningful contribution | √ | | |
| 1.3 (ii) | Being a Business Leader / Corporate Leader/ Bureaucrat/ University Teacher (Economics/Business/Law)/CA/CMA/CS having 12 years of management/ professional experience | √ | | |
| 1.3 (iii) | Prior approval of the Commission in special cases | -- | -- | N/A |
| 1.4 | Appointment of Chairman and CEO, defining their roles | √ | | |
| 1.5 | The Director's Report to Shareholders shall include | | | |



| Condition No. | Title | Compliance Status ("√" in appropriate column) | | Remarks (if any) |
|-------------------|--|---|----|------------------|
| 1.5 (i) | Industry outlook and possible future developments | √ | | |
| 1.5 (ii) | Segment-wise or product-wise performance | √ | | |
| 1.5 (iii) | Risks and concerns | √ | | |
| 1.5 (iv) | Discussion on COGS, Gross Profit and Net Profit Margins | √ | | |
| 1.5 (v) | Discussion on continuity of Extra-Ordinary gain or loss | √ | | |
| 1.5 (vi) | Basis for and a statement of related party transactions | √ | | |
| 1.5 (vii) | Utilization of proceeds from issuing instruments | √ | | |
| 1.5 (viii) | Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc | -- | -- | N/A |
| 1.5 (ix) | Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements | √ | | |
| 1.5 (x) | Remuneration to directors including IDs | √ | | |
| 1.5 (xi) | Fair presentation in financial statements | √ | | |
| 1.5 (xii) | Maintaining proper books of accounts | √ | | |
| 1.5 (xiii) | Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent | √ | | |
| 1.5 (xiv) | Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any | √ | | |
| 1.5 (xv) | Soundness and monitoring of internal control system | √ | | |
| 1.5 (xvi) | Statement regarding ability to continue as going concern | √ | | |
| 1.5 (xvii) | Significant deviations from last year's operating results | -- | -- | N/A |
| 1.5 (xviii) | Summary of key operating/financial data of last 5 years | √ | | |
| 1.5 (xix) | Reason for non declaration of Dividend | -- | -- | N/A |
| 1.5 (xx) | Number of Board meetings and attendance of directors | √ | | |
| 1.5 (xxi) | Pattern of shareholding (along with name wise details) by- | | | |
| 1.5 (xxi) (a) | Parent/Subsidiary/Associate Companies & related parties | √ | | |
| 1.5 (xxi) (b) | Directors, CEO, CS, CFO, HOIA, their spouses & children | √ | | |
| 1.5 (xxi) (c) | Executives (Top 5 salaried employees other than above) | √ | | |
| 1.5 (xxi) (d) | Shareholders holding 10% or more voting interest | √ | | |
| 1.5 (xxii) | In case of the appointment/re-appointment of a director | | | |
| 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 he/she holds directorship and the membership of committees of the board | √ | | |
| 2 | CFO, HEAD OF INTERNAL AUDIT AND CS: | | | |
| 2.1 | Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties | √ | | |
| 2.2 | Attendance of CFO and CS in the meetings of the Board | √ | | |
| 3 | AUDIT COMMITTEE: | | | |
| 3 (i) | Having Audit Committee as a sub-committee of the BOD | √ | | |

| Condition No. | Title | Compliance Status ("√" in appropriate column) | | Remarks (if any) |
|----------------|---|---|----|-------------------|
| 3 (ii) | Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system | √ | | |
| 3 (iii) | Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing | √ | | |
| 3.1 | Constitution of the Audit Committee | | | |
| 3.1 (i) | Audit Committee to be composed of at least 3 members | √ | | |
| 3.1 (ii) | Audit Committee members to be appointed by BOD and at least one Independent Director to be included | √ | | |
| 3.1 (iii) | Audit Committee members to be "financially literate" and at least one to have accounting/financial experience | √ | | |
| 3.1 (iv) | Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month | √ | | |
| 3.1 (v) | The CS to act as the secretary of the Audit Committee | √ | | |
| 3.1 (vi) | No quorum in Audit Committee meeting without one ID | √ | | |
| 3.2 | Chairman of the Audit Committee | | | |
| 3.2 (i) | Chairman to be an ID, selected by the BOD | √ | | |
| 3.2 (ii) | Chairman of audit committee to remain present in AGM | | | Remained on Leave |
| 3.3 | Role of Audit Committee | | | |
| 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 the annual financial statements | √ | | |
| 3.3 (vi) | Review the quarterly and half yearly financial statements | √ | | |
| 3.3 (vii) | Review the adequacy of internal audit function | √ | | |
| 3.3 (viii) | Review statement of significant related party transactions | √ | | |
| 3.3 (ix) | Review Letters issued by statutory auditors | √ | | |
| 3.3 (x) | Review disclosures/statements/declarations about uses of funds raised through IPO/RPO/Rights Issue | √ | | |
| 3.4 | Reporting of the Audit Committee | | | |
| 3.4.1 | Reporting to the Board of Directors | | | |
| 3.4.1 (i) | Reporting on the activities of Audit Committee | √ | | |
| 3.4.1 (ii) (a) | Reporting on conflicts of interests | -- | -- | N/A |
| 3.4.1 (ii) (b) | Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system | -- | -- | N/A |
| 3.4.1 (ii) (c) | Reporting on suspected infringement of laws | -- | -- | N/A |
| 3.4.1 (ii) (d) | Reporting on any other matter to disclose immediately | -- | -- | N/A |
| 3.4.2 | Reporting to BSEC | -- | -- | N/A |
| 3.5 | Reporting to the Shareholders and General Investors | √ | | |
| 4 | EXTERNAL / STATUTORY AUDITORS | | | |



| Condition No. | Title | Compliance Status ("√" in appropriate column) | | Remarks (if any) |
|---------------|--|---|--|------------------|
| 4.00 (i) | Non-engagement in appraisal/valuation/fairness opinions | √ | | |
| 4.00 (ii) | Non-engagement in designing & implementation of FIS | √ | | |
| 4.00 (iii) | Non-engagement in Book Keeping or accounting | √ | | |
| 4.00 (iv) | Non-engagement in Broker-Dealer services | √ | | |
| 4.00 (v) | Non-engagement in Actuarial services | √ | | |
| 4.00 (vi) | Non-engagement in Internal Audit services | √ | | |
| 4.00 (vii) | Non-engagement in services determined by Audit Com. | √ | | |
| 4.00 (viii) | Possessing no share by any partner or employee of the external audit firm during the tenure of assignment | √ | | |
| 4.00 (ix) | Non-engagement in Audit/Certification Services on Compliance of Corporate Governance as required under clause (i) of condition No. 7 | √ | | |
| 5 | SUBSIDIARY COMPANY | | | |
| 5 (i) | Composition of BOD to be similar to holding company | √ | | |
| 5 (ii) | One ID to be in both holding and subsidiary company | √ | | |
| 5 (iii) | Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company | √ | | |
| 5 (iv) | Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed | √ | | |
| 5 (v) | Audit Committee of holding company to review financial statements/ investments of subsidiary company | √ | | |
| 6 | DUTIES OF CEO AND CFO: | | | |
| 6 (i) (a) | To certify that they've reviewed FSs which contain no untrue or misleading statement or omit no material fact | √ | | |
| 6 (i) (b) | To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws | √ | | |
| 6 (ii) | To certify that no transaction is fraudulent, illegal or violation of company's code of conduct | √ | | |
| 7 | REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE: | | | |
| 7 (i) | Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report | √ | | |
| 7 (ii) | To state, in accordance with annexure, in directors' report whether the conditions has been complied with | √ | | |

4.11 CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE GUIDELINES

S. Abdur Rashid FCS

BCom (Hons), MBS (Fin & Banking), MBA (Finance), PGD-HRM, AIPM

Chartered Secretary in Practice

Private Practice Certificate No.: 003

Phone # 01726-533 655, 01193-095 297

E-mail : sarashid12000@yahoo.com

SARashid & Associates (Chartered Secretaries)

Noakhali Tower (10th Floor, 11-F)
55/B Purana Paltan, Dhaka-1000, Bangladesh
E-mail : sarashidnasso@gmail.com

Certificate on Compliance of Corporate Governance Guidelines

[Issued under Condition # 7(i) of Corporate Governance Guidelines of BSEC vide
Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by **Green Delta Insurance Company Limited** ("the Company") for the year ended 31 December 2013. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission ("BSEC").

I have conducted my review in a manner that has provided me a reasonable basis for evaluating the compliances and expressing my opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for expression of opinion on the financial statements or future viability of the Company.

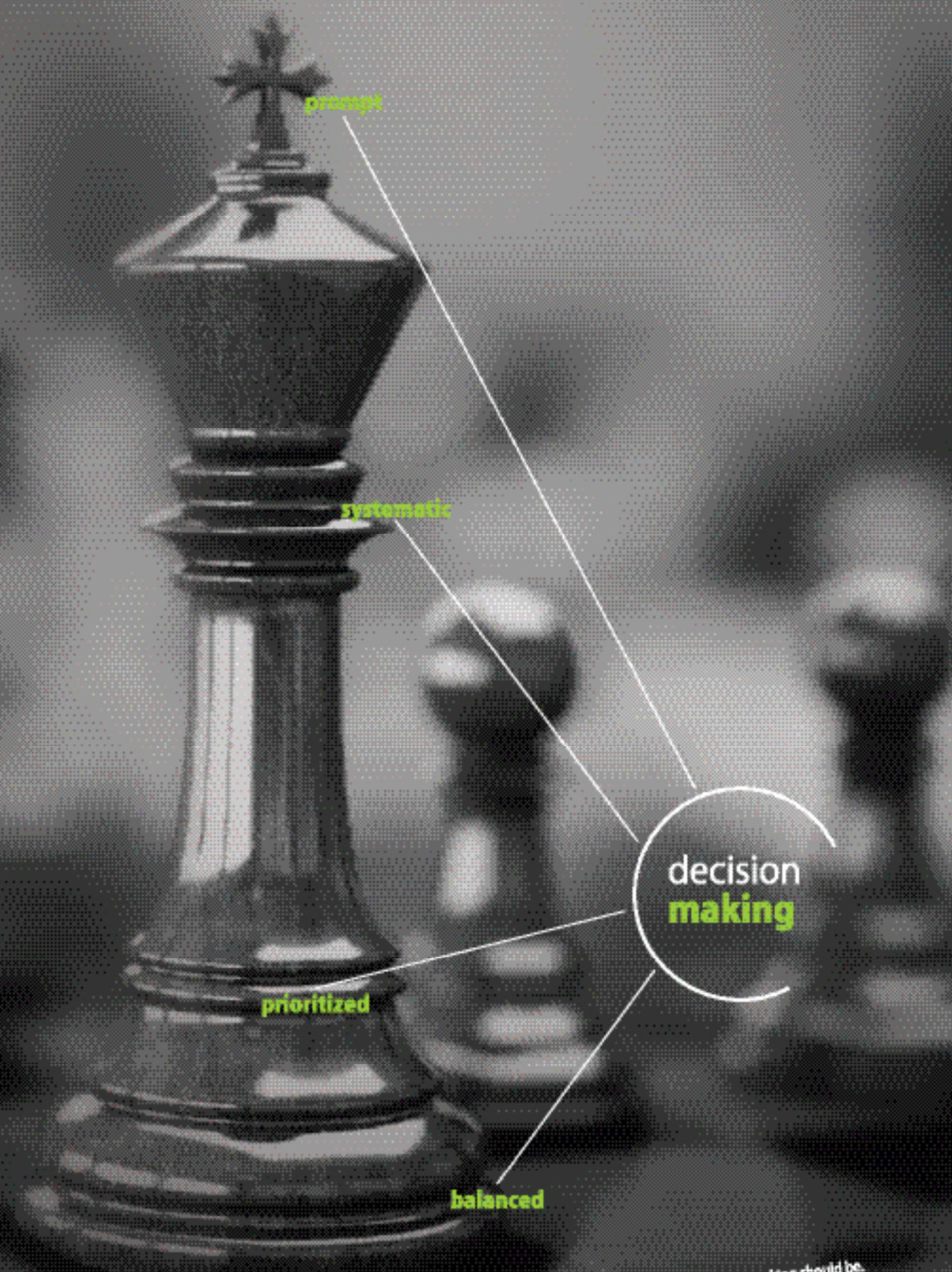
According to the information and explanations provided to me by the Company, I hereby certify that, by the date of issuance of this certificate, the Company has complied with all the conditions of aforesaid Corporate Governance Guidelines of BSEC except the number of Independent Directors.



S. Abdur Rashid FCS



Dhaka, 27 February 2014



prompt

systematic

prioritized

balanced



**decision
making**

With a view to create differentiation GDIC believes that the greater the priority, the more prompt the decision making should be.
This balanced practice results the most systematic decision making practice.



5.1 DESCRIPTION OF THE **RISK MANAGEMENT FRAMEWORK**

Mission and objectives of risk management

The mission of risk management at Green Delta Insurance Company Limited is to promptly identify, measure, manage, report and monitor risks that affect the achievement of strategic, operational and financial objectives. This includes adjusting the risk profile in line with the Company's stated risk tolerance to respond to new threats and opportunities in order to optimize returns.

The Company's major risk management objectives are to:

- Protect the capital base by monitoring that risks are not taken beyond the Company's risk tolerance
- Enhance value creation and contribute to an optimal risk-return profile by providing the basis for an efficient capital deployment
- Support the Company's decision-making processes by providing consistent, reliable and timely risk information
- Protect Company's reputation and brand by promoting a sound culture of risk awareness and disciplined and informed risk taking.

Risk management framework

In order to achieve its mission and objectives, Green Delta relies on its risk management framework.

At the heart of the risk management framework is



a governance process with clear responsibilities for taking, managing, monitoring and reporting risks. The Company articulates the roles and responsibilities for risk management throughout the organization, from the Board of Directors and the Chief Executive Officer (CEO) to its businesses and functional areas, thus embedding risk management in the business.

Company strictly follows the rules, regulations. Rates, advantages, terms, conditions approved by Central Rating Committee and IDRA (Insurance Development & Regulatory Authority)

One of the key elements of the Company's risk management framework is to foster risk transparency by establishing risk reporting standards throughout the company. The Company regularly reports on its risk profile, current risk issues, and adherence to its risk policies and improvement actions both at a local and on a Company level. The Company has procedures in place for the timely referral of risk issues to senior management and the Board of Directors.

Various governance and control functions coordinate to help ensure that objectives are being achieved, risks are identified and appropriately managed and internal controls are in place and operating effectively. This coordination is referred to as "integrated assessment and assurance."

An important element of the Company's risk management framework is a well-balanced and effectively managed remuneration program. This includes a Company-wide remuneration philosophy, robust short- and long-term incentive plans, strong governance and links to the business planning, performance management and risk policies of the Company. Based on the Company's Remuneration Rules, the Board establishes the structure and design of the remuneration arrangements so that they do not encourage inappropriate risk taking.

Through these processes, responsibilities and policies, GDIC embeds a culture of disciplined risk taking across the company. The company continues to consciously take risks for which it expects an adequate return. This approach requires sound judgment and an acceptance that certain risks can and will materialize in the future. At the heart of the risk management framework is a governance process with clear responsibilities for taking, managing, monitoring and reporting risks. The Company articulates the roles and responsibilities for risk management throughout the organization, from the Board of Directors and the Chief Executive Officer (CEO) to its businesses and functional areas, thus embedding risk management in the business.



5.2 RISK MITIGATION METHODOLOGY

Every activity has inherent risks, potential liability and opportunities. Our laws make every person/organization liable for acts or omissions that cause damage to other's property or injury to persons. Those who undertake an enterprise are required to take all reasonable means to reduce the risk of loss by others, demonstrate an ability and attempt to manage risks (due diligence).

Insurance is a method of spreading the risk of one onto the shoulders of many. It has two fundamental characteristics: one is shifting of risk from one individual to a group and the other is sharing of losses on equitable basis by all members of the group. Whilst it becomes somewhat impossible for a man to bear by himself 100% loss to his own property or interest arising out of an unforeseen contingency, insurance is a method which distributes the burden of the loss on a number of persons within the group formed for this particular purpose.

GDIC aims to create security which is the counterpart of risk. Insurance does not take away the risk. The insurance company cannot guarantee that the incident insured against will not happen. The house may still burn down, the car may still be involved in an accident but at least a large element of the cost involved will be met by insurance company.

GDIC evaluate risk management by aligning the risk management model to the business model and focusing on aggregate exposures (gross and net) and product. This allows GDIC to understand it's organization's accumulations across the business model and to mitigate those exposures as economically or efficiently as possible.

GDIC believes that Insurers that regularly evaluate, emphasize, and update their risk management capabilities will be better positioned to meet the expectations of policyholders, shareholders, and regulators, and to leverage their strengths competitively. From this viewpoint GDIC evaluates, adapts and explains risk management capabilities as part of an overall competitive strategy that includes:

- Periodic reevaluation of risk management capabilities in light of leading market practices and changes in business architectures.

- Technical assistance with the execution and management of improvement initiatives
- A review of risk management capabilities for executive management or the board

GDIC communicates technical expertise in a professional manner to the clients and loss adjusters and renders connoisseur counsels to minimize losses. In turn, the loss adjusters and clients can improve the risk to a substantial degree and minimize the possibility of the number of misfortunes. The handling of salvage after loss by the loss adjusters also contributes much to the reduction of losses.

GDIC undertakes pre-insurance surveys of large and complicated risks which thus ultimately facilitates in the defense of national property and wealth through their professionals. Services basically aim at reducing the happening of the casualty itself rather than minimizing the extent of loss after the happening of the casualty.

Besides, GDIC endeavors proper usage of salvage (residue after incidence) with the ultimate object of minimizing the extent of loss which has already occurred thereby contributing to the economy or at least safeguarding the depreciation of the economy.

GDIC goes for pre-underwriting inspection of fire hazards to the insurable property Before accepting risks it is prudent and essential to have the risks of the subject matter to be inspected for underwriting and reinsurance purposes. On the basis of the pre-inspection report the underwriter may recommend segregation of risk by installation of fire proof door to reduce premium, cleanliness of factory premises and to reduce fire hazards. Recommended fire prevention measures not only reduce fire hazards but also help the insured to get rebate on the rate of premium.

Without pre-inspection it is difficult to segregate "risks" and make retention and cession to reinsurers. GDIC assumes pre-inspection of risk which is very helpful for reinsurance purpose as well. Inspection surveyor's advice for risk improvement largely contributes towards reducing the possibility of hazards rather than minimizing the extent of loss after the happening of the casualty.



GDIC almost universally has embarked upon an upgrading of their financial risk management and control systems to reduce their exposure to risk and better manage the amount they accept. Insurance Management of risk is a science though it is one of the most inexact of the social sciences.

Risk management facilitates management to effectively deal with uncertainty and associated risk & opportunity, enhancing the capacity to build value. GDIC always considers and forecasts risk factors well so that risk can be minimized through employing risk management tools. Value maximization encompasses aligning risk appetite & strategy, enhancing risk response decisions, reducing operational surprises and losses, identify and managing multiple and cross enterprise risks, seizing opportunities and improving deployment of capital.

Through their expert professionals GDIC imparts responsiveness with the clients with a view to achieve the objectives how to analyze the risk factors associated with various activities, observe how risk can affect decision making processes, how operational risk can be managed properly with the help of insurance.

GDIC ensures proper risk management of their clients which benefits them as saving resources: time, assets, income, property, and people are all valuable resources that can be saved if fewer claims occur, protecting the reputation and public image of the clientele, preventing or reducing legal liability and increasing the stability of operations, protecting people from harm, protecting the environment, enhancing the ability to prepare for various circumstances, reducing liabilities, assisting in clearly defining insurance needs.

GDIC is among those organizations that are more risk aware appreciate that actively managing risk not only reduce potential problems (threats) but also provide potential opportunities with a competitive advantage. Taking and managing risk is the very essence of business survival and growth. Through its efficient risk management practice, GDIC cannot eradicate risks but the attempt shows that the company is committed to loss reduction or prevention and makes the client a better risk to insure as well.



5.3 DISCLOSURE OF RISK REPORTING

The risk reporting is increasing interest by practicing actuaries, professional bodies and regulators in the light of the financial crisis. However most of risk reporting appears to have focused on the banking, rather than insurance, industry.

The basic legal doctrine that governs most insurance contracts implies that all parties to insurance contract must deal in good faith, i.e. disclose all information relevant to the proposal.

A key fundamental principle underlying this relationship is that presumably all risks pertaining to or underlying the contract are fully disclosed in a neutral, transparent and objective way in order to ensure fair pricing.

Moreover, this fundamental principle concerning the effectiveness of insurance contracting is also a more generalization of the presumed informational efficiency of capital markets that underpins securities regulation and has received much attention by the vast and expanding corporate finance and accounting literatures over the last five decades.

Despite the insurance industry's apparently critical and growing role in the global allocation of risk and transformation of capital, there is little authoritative guidance concerning the form and content of risk reporting in general, or indeed what specific forms of calculation or displays might facilitate more effective decisions about the allocation of risk by various stakeholders. The quality of insurance companies reporting practices, both to external stakeholders and internally, should be of public policy concern for many reasons.

Credit ratings, analysts and other users are concerned about the extent of risk exposure of global insurers following the recent adverse publicity about shortcomings in risk management practices of financial institutions in the run up to the financial crisis (e.g. the issues seen at AIG)

Regulators are increasingly demanding specific risk disclosures related to certain financial instruments in accounting standards. The insurance industry is becoming increasingly politically visible as a risk carrier of last resort as public policy makers in many countries affected by the financial crisis are increasingly seeking to transfer formerly public held risks onto insurance industries (e.g. mandating of privately – insured ,minimum levels of health insurance and pensions coverage).

The actuarial, risk management and accounting

professions and a number of regulators have recently drawn attention to the importance of good practices in risk reporting.

Given the central role that actuaries play both for statutory and business purposes in the analysis of risk management and their expertise in measuring the probability of future events, it is surprising that the topic of risk reporting has received relatively little attention from the actuarial profession to date.

Moreover owing the evolution of integrated financial reporting and risk management systems in complex organisations, it is becoming increasingly important for actuaries to communicate the results of their specialized risk analysis to key stakeholders both within and outside their organisations. Consequently it is becoming increasingly

There is a lack of specific guidance by authoritative regulatory bodies in this area. Therefore, the risk reporting objectives are summarized below;

- i. To summarize current authoritative guidance on insurance risk reporting and review the state of recent related research on this topic as defined broadly.
- ii. To consider what conceptual frameworks, derived either from theory, practice or related industries, and might be applicable to evaluating the quality of existing reporting practices. What alternative perspectives concerning risk management, corporate governance, disclosure effectiveness and accountability could bear on risk reporting environment?
- lii. To report some evidence on recent trends in the scale and scope of risk reporting practices to external stakeholders by multinational insurance enterprises. What are the sources of variations in risk reporting disclosures across multinational insurers? How have these trends evolved over time? What are the key areas of risk disclosure?
- iv. To provide some detailed analysis of best practice risk reporting processes within multinational insurance enterprises. Are internal risk reporting processes effective? Are they fit for purpose in aiding decision making?
- v. Based on the analyses undertaken in steps iii and iv above, to provide some recommendations and public policy implications for enhancing the scope, relevance and user reliability of risk reporting for shareholder, regulatory and internal managerial purposes.



5.4 BRIEF SUMMARY OF THE BUSINESS AND OTHER RISKS FACING BY THE ORGANIZATION AND STEPS TAKEN TO EFFECTIVELY MANAGE SUCH RISK

Analysis by Risk Type

Risk type description

In order to enable a consistent, systematic and disciplined approach to risk management, GDIC categorizes its main risks as follows:

- Strategic – the unintended risk that can result as a by-product of planning or executing a strategy
- Insurance – risk associated with the inherent uncertainty regarding the occurrence, amount or timing of insurance liabilities
- Market – risk associated with the company's balance sheet positions where the value or cash flow depends on financial markets
- Credit – risk associated with a loss or potential loss from counter parties failing to fulfill their financial obligations
- Liquidity – risk that the company does not have sufficient liquidity to meet its obligations when they fall due, or would have to incur excessive costs to do so
- Operational – risk associated with the people, processes and systems of the company, and external events such as outsourcing, catastrophes, legislation, or external fraud.
- Reputation – risk that an act or omission by the Group or any of its employees could result in damage to the company's reputation or loss of trust among its stakeholders

Strategic risk

Strategic risk corresponds to the unintended risk that can result as a by-product of planning or executing the strategy. A strategy is a long term plan of action designed to allow the Company to achieve its goals and aspirations. Strategic risks can arise from:

- Inadequate assessment of strategic plans
- Improper implementation of strategic plans
- Unexpected changes to assumptions underlying strategic plans

Risk considerations are a key element in the strategic

decision-making process. GDIC assesses the implications of strategic decisions on risk-based return measures and risk-based capital in order to optimize the risk-return profile and to take advantage of economically profitable growth opportunities as they arise.

Insurance risk

Insurance risk is the inherent uncertainty regarding the occurrence, amount or timing of insurance liabilities. The exposure is transferred to GDIC through the underwriting process. GDIC actively seeks to write those risks it understands and that provide a reasonable opportunity to earn an acceptable profit. As GDIC assumes certain customer risks, it aims to manage that transfer of risk, and minimize unintended underwriting risks, through such means as:

- Establishing limits for underwriting authority
- Requiring specific approvals for transactions involving new products or where established limits of size and complexity may be exceeded
- Using a variety of reserving and modeling methods to address the various insurance risks inherent in the company's insurance business
- Ceding insurance risk through proportional, non-proportional and specific risk reinsurance treaties.

General insurance risk

General insurance risk includes the reasonable possibility of significant loss due to uncertainty in the frequency of the occurrence of the insured events as well as in the severity of the resulting claims.

The company's underwriting strategy is to take advantage of the diversification of general insurance risks across industries and geographic regions in which the GDIC operates. The company seeks to optimize shareholder value by achieving its mid-term return on equity goals. Doing so necessitates a prudent, stable underwriting philosophy that aims to take advantage of its competitive strengths while avoiding risks with disruptive volatility. At the core of the company's underwriting is a robust governance process. The company's four major processes for underwriting governance –



Underwriting strategy, authorities, referrals and reviews – are implemented.

A fundamental component of managing insurance risk is underwriting discipline. The company sets limits on underwriting capacity, and cascades authority to individuals based on their specific expertise. The company sets appropriate pricing guidelines with a focus on consistent technical pricing across the organization. The company has governance procedures to review and approve potential new products to evaluate whether the risks are well understood and justified by the potential rewards.

The company faces the risk that actual losses emerging on claims provisions may be higher than anticipated. Because of this uncertainty, general insurance reserves are regularly measured, reviewed and monitored. The total loss and loss adjustment expense reserves are based on work performed by qualified and experienced actuaries at all level. To arrive at their reserve estimates, the actuaries take into consideration, among other things, the latest available facts, historical trends and patterns of loss payments, exposure growth, court decisions, economic conditions, in particular inflation, and public attitudes that may affect the ultimate cost of settlement. The monitoring process relies on both company's economic view on inflation and specific claims activity, and feeds into GDIC's underwriting processes such as technical price reviews.

Market risk

Market risk is the risk associated with the company's balance sheet positions where the value or cash flow depends on financial markets. Fluctuating risk drivers resulting in market risk include:

- Equity market prices
- Real estate market prices
- Interest rates and credit spreads
- Currency exchange rates

The company manages the market risk of assets relative to liabilities on an economic total balance sheet basis. It strives to maximize the economic risk-adjusted excess return of assets relative to the liability benchmark taking into account the company's risk tolerance as well as local regulatory constraints.

The company has policies and limits to manage market risk. The company aligns its strategic asset allocation to its risk-taking capacity. The company centralizes management of certain asset classes to control aggregation of risk, and provides a consistent approach to constructing portfolios and selecting external asset

managers. The company also diversifies portfolios, investments and asset managers. The company regularly measures and manages market risk exposure. GDIC has established limits on concentration in investments by single issuers and certain asset classes as well as deviations of asset interest rate sensitivities from liability interest rate sensitivities, and the company limits investments that are illiquid. The Balance Sheet Committee reviews and recommends the company's capital allocation to market risk, while the Asset/Liability Management and Investment Committee reviews and monitors the company's strategic asset allocation and tactical boundaries and monitors the company's asset/liability exposure.

Credit risk

Credit risk is the risk associated with a loss or potential loss from counter parties failing to fulfill their financial obligations. The company manages individual exposures as well as credit risk concentrations. The company's objective in managing credit risk exposures is to maintain them within parameters that reflect the company's strategic objectives and risk tolerance. Sources of credit risk are assessed and monitored, and the company has policies to manage the specific risks within the various subcategories of credit risk. To assess counter party credit risk, the GDIC uses the ratings assigned by external rating agencies, qualified third parties, such as asset managers, and internal rating assessments. When there is a difference among external rating agencies, the company assesses the reasons for the inconsistencies and applies the lowest of the respective ratings unless other indicators of credit quality justify the assignment of alternative internal credit ratings.

Liquidity risk

Liquidity risk is the risk that the company may not have sufficient liquid financial resources to meet its obligations when they fall due, or would have to incur excessive costs to do so. GDIC's policy is to maintain adequate liquidity and contingent liquidity to meet its liquidity needs under both normal and stressed conditions. To achieve this, the company assesses monitors and manages its liquidity needs on an ongoing basis. The company has company-wide liquidity management policies and specific guidelines as to how businesses have to plan, manage and report their liquidity. These include regularly conducting stress tests for all major carriers within the company. The stress tests use a standardized set of internally defined stress events, and are designed to provide an overview of the potential liquidity drain the company would face if it had to recapitalize balance sheets.

Operational risk



Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events such as outsourcing, catastrophes, legislation, or external fraud. GDIC has a comprehensive framework with a common approach to identify, assess, quantify, mitigate, monitor and report operational risk within the company.

- Documents and evaluates loss events above a threshold determined by the GDIC Risk Policy, in a company-wide database. Improvement actions are put in place to avoid recurrence of such operational loss events.
- Conducts operational risk assessments through which operational risks are identified for key business

areas and are qualitatively assessed. Risks identified and assessed above a certain threshold must be mitigated, and escalated in specific reports at the company level. Plans for improvement actions are documented and tracked on an ongoing basis.

Risks to the company's reputation

Risks to the company's reputation include the risk that an act or omission by the company or any of its employees could result in damage to the company's reputation or loss of trust among its stakeholders. Every risk type has potential consequences for GDIC's reputation, and therefore, effectively managing each type of risk helps GDIC reduce threats to its reputation.



6.1 FINANCIAL HIGHLIGHTS

Taka in Million

| Particulars/Year | 2013 | 2012 | 2011 | 2010 | 2009 |
|------------------------------|----------|-----------|-------------|------------|------------|
| Gross Premium Income | 2613.45 | 2603.19 | 2351.47 | 2001.31 | 1601.64 |
| Net Premium Income | 1316.99 | 1212.53 | 862.04 | 770.31 | 726.69 |
| Net Claims | 372.60 | 201.96 | 122.43 | 117.51 | 134.24 |
| Underwriting Profit | 288.16 | 298.04 | 124.17 | 99.67 | 112.51 |
| Investment Income | 204.06 | 135.45 | 131.8 | 577.1 | 224.24 |
| Profit before Tax | 285.13 | 262.67 | 143.43 | 562.41 | 277.65 |
| Profit after Tax | 229.03 | 237.67 | 134.00 | 478.76 | 232.65 |
| Paid up Capital | 637.87 | 510.30 | 408.24 | 408.24 | 408.24 |
| Share Holder's Equity | 4422.41 | 3858.35 | 2510.33 | 3103.56 | 2139.76 |
| Total Liabilities | 1882.91 | 1723.25 | 1953.88 | 1638.252 | 1293.32 |
| Total Reserves | 3294.49 | 3173.84 | 2102.09 | 2695.33 | 2094.79 |
| Total Assets | 6305.32 | 5581.61 | 4464.21 | 4741.79 | 3433.07 |
| Total Investment | 2197.01 | 1998.95 | 2363.65 | 2905.30 | 1835.34 |
| Fixed Assets | 2039.82 | 1978.30 | 212.94 | 134.52 | 38.26 |
| Earning per Share (EPS) Tk. | Tk.3.69 | Tk.4.05 | Tk. 2.60 | Tk. 12.31 | Tk. 5.70 |
| P/E Ratio | 25.73 | 18.39 | 46.45 | Tk.26.53 | Tk.29.3 |
| Book Value per Share (NAVPS) | Tk.69.33 | TK. 75.61 | Tk. 60.88 | Tk. 75.41 | Tk. 52.41 |
| Market Value Per Share | TK.94.90 | Tk.74.50 | Tk.- 152.40 | Tk. 326.50 | Tk. 166.98 |
| Required Solvency Margin | 334.09 | 343.22 | 224.24 | 248.73 | 198.79 |
| Available Solvency Margin | 3265.33 | 2756.01 | 2143.32 | 2293.32 | 1400.11 |
| % of Dividend Paid (Cash) | 15% | 15% | - | 40% | 25% |
| % of Dividend Paid (Stock) | 15% | 15% | 25% | - | - |

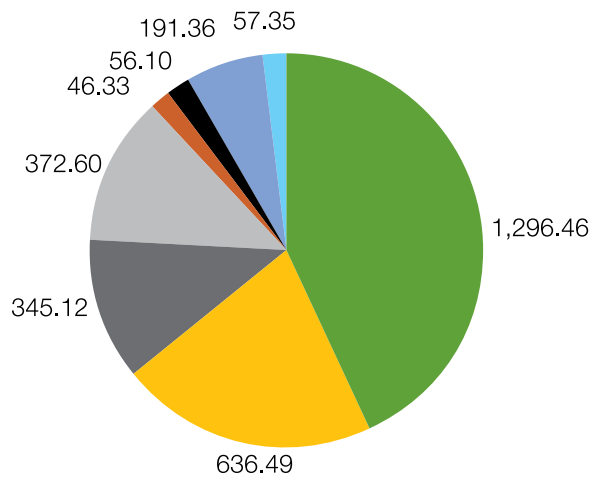
6.2 VALUE ADDED STATEMENT

For the year ended 31st December, 2013

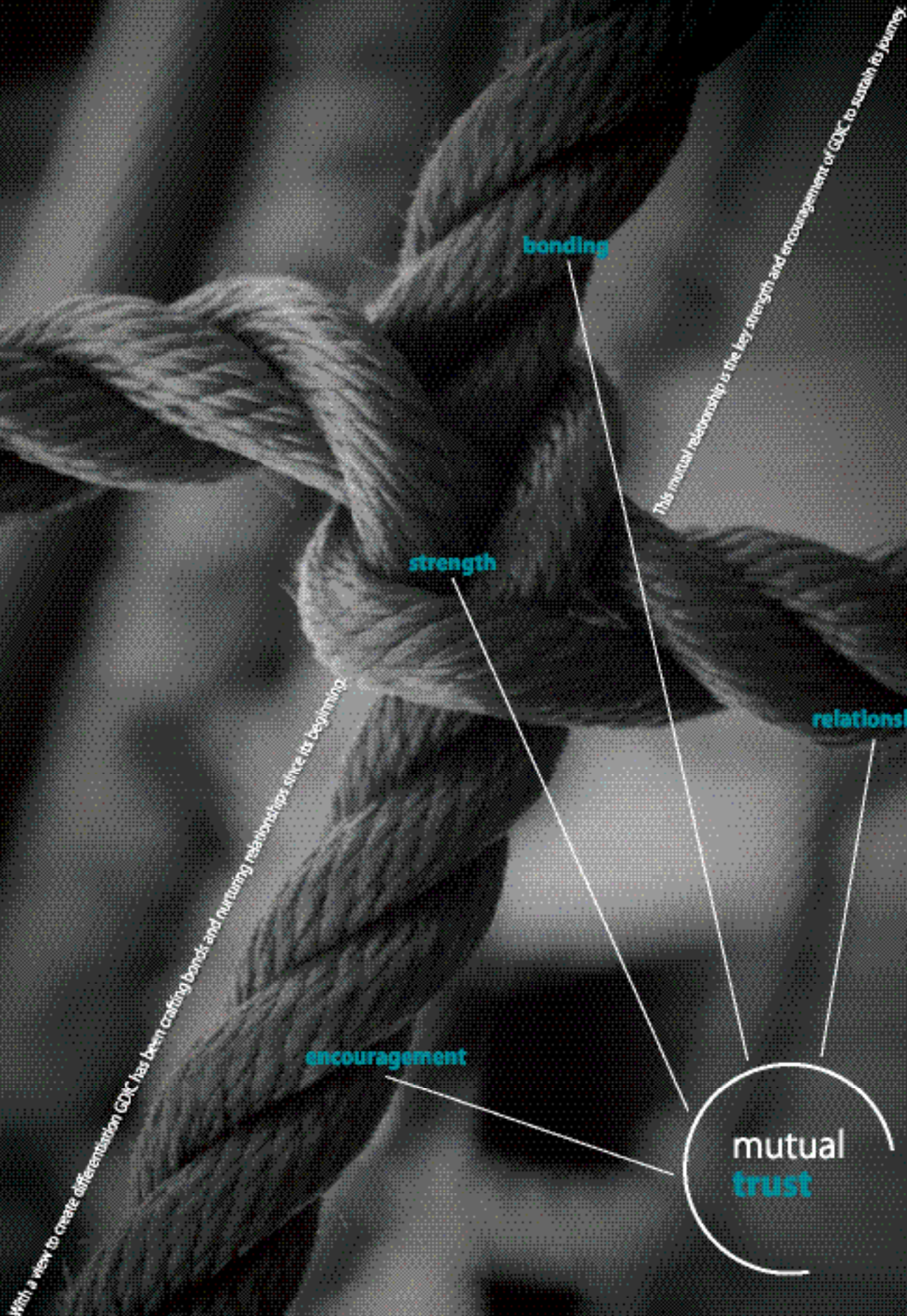
| Value added | Taka in Million |
|------------------------------|-----------------|
| Gross Premium | 2,613.45 |
| Commission on Reinsurance | 184.30 |
| Investment and Others Income | 204.06 |
| Total | 3,001.81 |

For the year ended 31st December, 2013

| Distribution of Value Addition : | |
|----------------------------------|-----------------|
| Re-Insurance Premium Ceded | 1,296.46 |
| Management Expenses | 636.49 |
| Agency Commission | 345.12 |
| Net Claims | 372.60 |
| Unexpired Risk Adjustment | 46.33 |
| Income TAX to Government | 56.10 |
| Dividend for Distribution | 191.36 |
| Reserve & Surplus | 57.35 |
| Total | 3,001.81 |



Value Added Statement



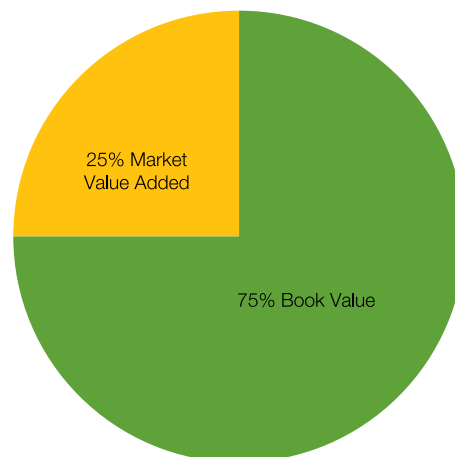
6.3 MARKET VALUE ADDED STATEMENT

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 following statement shows how the MVA has been calculated for the year ended 31st December 2013:

| Particulars | Number of Shares | Tk. in Million | |
|--------------------|------------------|-----------------|-------------|
| | | Value Per Share | Total Value |
| Market Value | 63,787,500 | 94.90 | 6,053.43 |
| Book Value | 63,787,500 | 71.30 | 4,543.58 |
| Market Value Added | | | 1,509.85 |



Market Value Added Statement

6.4 ECONOMIC VALUE ADDED STATEMENT

Economic Value Added (EVA) is a financial performance method to calculate the true economic profit of the company. It provides a measurement of profit of the company of the company's economic success or failure over a period of time. Economic Value Added an estimate of the amount by which earnings exceed of fall short of required minimum return for Shareholders at comparable risks.

| For the year ended 31st December | 2013 | 2012 | 2011 |
|---|---------------|---------------|---------------|
| Average shareholders' equity at the end | 2,262,563,941 | 1,708,097,114 | 1,470,421,080 |
| Cost of equity (%) | 15.19% | 13.45% | 13.46% |
| Net Profit After Tax | 248,707,386 | 237,676,034 | 134,006,754 |
| Less: Cost of equity | 343,683,463 | 229,739,062 | 197,918,677 |
| Economic Value Added | (94,976,077) | 7,936,972 | (63,911,923) |

6.5 FINANCIAL CALENDAR TO THE STAKEHOLDERS

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 | 2013 | 2012 |
|--|--------------------------------|-------------------------------|
| Publication of Financial Statement for the 1st quarter | 12 th May,2013 | 14 th May,2012 |
| Publication of Financial Statement for the Half year | 31 st July,2013 | 30 th July,2012 |
| Publication of Financial Statement for the 3rd quarter | 28 th October,2013 | 22 nd October,2012 |
| Record Date | 27 th February,2013 | 22 nd March,2012 |
| Dispatch of Notice for the Annual General Meeting along with Annual Report | 5 th March,2013 | 5 th April,2012 |
| Date of AGM | 28 th March,2013 | 26 th April,2012 |

6.6 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 15% Stock Dividend and 15% Cash Dividend for its shareholders for the year 2012. The announcement was made at the 27th Annual General Meeting of the company held on 28th March, 2013 at Hotel Purbani International, Dhaka.

27th Annual General 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

A good number of Shareholders were seen at the AGM.

Many of them spoke in the meeting and highly appreciated the Board of Directors and Management of GDIC for their outstanding performance, declaration of Dividend and publishing an informative annual report.



6.7 COMPARATIVE SHAREHOLDING STRUCTURE OF GDIC

as on 31st December' 2013, 2012 and 2011

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

| Types of Shareholders | 2013 | | 2012 | | 2011 | |
|---------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|
| | No of shares | % of Shares | No of shares | % of Shares | No of shares | % of Shares |
| Sponsor Shareholders | 32,215,687 | 50.50 | 28,061,397 | 54.99 | 2,01,34,397 | 49.32 |
| Institution other than Sponsors | 21,368,813 | 33.50 | 10,568,313 | 20.71 | 4,249,778 | 10.41 |
| Individuals | 10,106,000 | 16.00 | 12,400,290 | 24.30 | 16,439,825 | 40.27 |
| Total share held | 63,787,500 | 100 | 5,10,30,000 | 100.00 | 4,08,24,000 | 100.00 |

6.8 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, PS etc. The overall Equity Statistics of GDIC important to the Stakeholders is stated below:

| Particulars | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------------------------------|------------|-----------|-----------|----------|----------|
| Number of shares in issue (No) | 12,757,500 | 7,654,500 | 1,020,600 | - | - |
| NAVPS (BDT) | 69.33 | 75.61 | 49.19 | 75.88 | 52.41 |
| Market Capitalization | 6,053.43 | 586.85 | 510.3 | 408.24 | 408.24 |
| Shareholders' equity (BDT in million) | 4,422.42 | 3,858.35 | 2,510.33 | 3,103.56 | 2,139.76 |

6.9 DISTRIBUTION OF SHAREHOLDINGS

(as on 31.12.2013)

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 firsttime 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 63 crore 78 lac 75 thousand 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 | 50.50 |
| Government | 0.00 |
| Institution | 7.74 |
| Foreign Company (including IFC) | 8.25 |
| Public | 33.51 |
| TOTAL | 100 |

6.10 SHARE HELD BY THE DIRECTORS/EXECUTIVES AND RELATIVES OF DIRECTORS EXECUTIVES/MANAGEMENT

Statement of Shares held by the Managing Director and CEO, Chief Financial Officer (CFO), Company Secretary, and Internal Audit Coordinator.

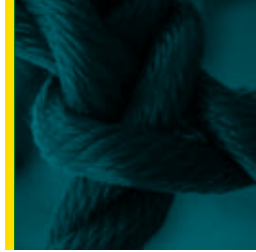
| SN | NAME | STATUS | NO OF SHARES HELD AS ON 31.12.2013 | % OF TOTAL NO OF PAID UP SHARES AS ON 31.12.2013 |
|----|----------------------|--|------------------------------------|--|
| 01 | Farzana Chowdhury | Managing Director and CEO | 912,065 | 1.43 |
| 02 | NazimTazik Chowdhury | Deputy Managing Director and Chief Financial Officer | 28,807 | 0.05 |
| 03 | Syed Moinuddin Ahmed | Company Secretary | Nil | Nil |
| 04 | Gazi Shafiqur Rahman | Internal Audit Coordinator | Nil | Nil |

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

| SN | NAME | STATUS | NO OF SHARES HELD AS ON 31.12.2013 | % OF TOTAL NO OF PAID UP SHARES AS ON 31.12.2013 |
|----|------------|------------|------------------------------------|--|
| 01 | A.S.A Muiz | Consultant | 17,825 | 0.03 |

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 31.12.2013 (B) | % of total no. of paid-up shares as on 31.12.2013 |
|--------|--|---|--|---|
| 1 | Khurshida Chowdhury | Director | 5,510,915 | 8.64 |
| 2 | Asif A. Choudhury | Director | 1,291,058 | 2.02 |
| 3 | Dilruba Chowdhury | Director | 1,311,718 | 2.06 |
| 4 | Shamsun Nahar Begum Choudhury | Director | 1,291,162 | 2.02 |
| 5 | Mesbah Dilwar Rahman | Director | 1,291,105 | 2.02 |
| 6 | A.Q.M. Nurul Absar | Director | 1,291,076 | 2.02 |
| 7 | Iqbal Khan (Jamal) | Director | 1,291,162 | 2.02 |
| 8 | Kamran Idris Chowdhury | Director | 316,508 | 0.50 |
| 9 | Arif A. Choudhury | Director | 1,291,058 | 2.02 |
| 10 | Razia Rahman | Director | 38,093 | 0.06 |
| 11 | Marufa Anwar | Director | 2,386 | 0.00 |
| 12 | Dr. Niaz A. Chowdhury | Director | 230 | 0.00 |
| 13 | Abdul Hafiz Chowdhury | Independent Director | 122,130 | 0.19 |
| 14 | Nurul Huain Khan | Independent Director | - | 0.00 |
| 15 | M Muhibur Rahman | Sponsor Shareholder & Husband of Razia Rahman | 489,152 | 0.77 |



| | | | | |
|--------------|-----------------------------|---|-------------------|--------------|
| 16 | Farida R. Ahmed | Sponsor Shareholder | 252,281 | 0.40 |
| 17 | Dr. Kabir Hussain Choudhury | Sponsor Shareholder & Husband of Marufa Rahman | 617,118 | 0.97 |
| 18 | Dr. M.Aminul Haque | Sponsor Shareholder | 273,412 | 0.43 |
| 19 | Md. Mozammel Huq | Sponsor Shareholder | 388,297 | 0.61 |
| 20 | A.Z. Mohammad Hossain | Sponsor Shareholder | 760,236 | 1.19 |
| 21 | Shamsuddoha Chowdhury | Sponsor Shareholder | 489,037 | 0.77 |
| 22 | Mohammad Abdus Salam | Sponsor Shareholder | 393,318 | 0.62 |
| 23 | Syed Bazlur Rahman | Sponsor Shareholder | 963,700 | 1.51 |
| 24 | Nasir A. Choudhury | Sponsor Shareholder & Husband of Khurshida Chowdhury | 2,220,190 | 3.48 |
| 25 | Waqar A Choudhury | Sponsor Shareholder & Son of Khurshida Chowdhury | 1,065,072 | 1.67 |
| 26 | Farzana Chowdhury | Sponsor Shareholder & Daughter of Khurshida Chowdhury | 912,065 | 1.43 |
| 27 | Azam J Chowdhury | Sponsor Shareholder & Father of Dilruba Chowdhury | 489,037 | 0.77 |
| 28 | Naima Chowdhury | Sponsor Shareholder & Unty of Dilruba Chowdhury | 1,173,805 | 1.84 |
| 29 | Tajwar Chowdhury | Sponsor Shareholder & Cousin of Dilruba Chowdhury | 138,341 | 0.22 |
| 30 | Tanjil Chowdhury | Sponsor Shareholder & Brother of Dilruba Chowdhury | 353,193 | 0.55 |
| 31 | Tanzeem Chowdhury | Sponsor Shareholder & Cousin of Dilruba Chowdhury | 10,695 | 0.02 |
| 32 | Fahim Ahmed Faruk Chowdhury | Sponsor Shareholder & Son of Shmasun Nahar Begum Chowdhury | 609,615 | 0.96 |
| 33 | Fahima Faruk Chowdhury | Sponsor Shareholder & daughter of Shmasun Nahar Begum Chowdhury | 176,532 | 0.28 |
| 34 | Habibur Rahman | Sponsor Shareholder & Father of Mesabah Delwar Rahman | 176,007 | 0.28 |
| 35 | Fahmida R Naser | Sponsor Shareholder | 643,798 | 1.01 |
| 36 | Tahmina R. Chowdhury | Sponsor Shareholder | 643,798 | 1.01 |
| 37 | Md. Rafial Alam | Sponsor Shareholder & Brother in Law of A Q M Nurul Absar | 195,615 | 0.31 |
| 38 | A.Farjad Ahmed | Sponsor Shareholder | 56,006 | 0.09 |
| 39 | Nadeem A. Chaudhury | Sponsor Shareholder | 432,515 | 0.68 |
| 40 | Al-Haj Syed Moazzem Hussain | Sponsor Shareholder | 1,179,325 | 1.85 |
| 41 | Syed Mujibul Hussain | Sponsor Shareholder | 1,184,787 | 1.86 |
| 42 | Dr. Syed Mukarram Ali | Sponsor Shareholder | 782,460 | 1.23 |
| 43 | Monowara Ali | Sponsor Shareholder | 97,807 | 0.15 |
| TOTAL | | | 32,215,815 | 50.50 |

6.11 REDRESSED OF INVESTORS

COMPLAINTS

Green Delta Insurance Company have 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. might be sent to the following:

Share Department

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

6.12 REDRESSED OF CLIENTS

COMPLAINTS

Insurance being a service industry, clients' satisfaction are always our first priority. We take care of them as they are our business partners. We are always ready with our online service and achieve satisfactory business growth in the long run. Being fully aware of this, Green Delta Insurance always attends to its client complaints- whether related to its services or claim settlement. GDIC encourage its clients to come forward withany complaints they may have and the top management is completely accessible to all them. Complaints can be lodged with the management in writing, over telephone, by e-mail or through the web site.

During regular meetings with its clients of various types, the management activity solicits the client's views on the Company's services, shortcoming, if any, and their suggestion. Clients views and complaints are discussed at the management committee meeting held at Head Office and also during meeting with Branch Managers. This aspect also features prominently at the Annual Branch Conference of the Company. Clients may contract for Complaints to the following address:

Underwriting Management Department

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

6.13 USEFUL INFORMATION FOR THE 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 | 15% Bonus | 7,654,500 | 76,545,000 |
| 2013 (Proposed) | 15% Bonus | 9,568,125 | 95,681,250 |

6.14 DIVIDEND POLICY

The Dividend Policy to the company has always been to pay a satisfactory dividend to its shareholders. The Company has maintain minimum Paid up capital as per Insurance Development and Regulatory Authority (IDRA) guidelines. And also reserve required be Risk Based Capital Adequacy 10% of risk weight asset (RWA) of the Company.

Considering the performance of the Company the Board has recommended 15% Stock and 15% Cash for the year ended December 31, 2013 .

A summary of Dividend paid to its shareholder last five years as follows:

| Year | % of Stock Dividend | % of Cash Dividend |
|-----------------|---------------------|--------------------|
| 2013 (Proposed) | 15% | 15% |
| 2012 | 15% | 15% |
| 2011 | 25% | --- |
| 2010 | --- | 40% |
| 2009 | --- | 25% |
| 2008 | 100% | |

6.15 MARKET SHARE INFORMATION OF THE COMPANY'S PRODUCT AND SERVICES

Market share is the percentage of a market accounted for by a specific entity. Increasing market share is one of the most important objectives of business. 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 growth. GDIC's market share has increased in the year 2012 (13.50%-provisional) than that of 2011 (12.22%)

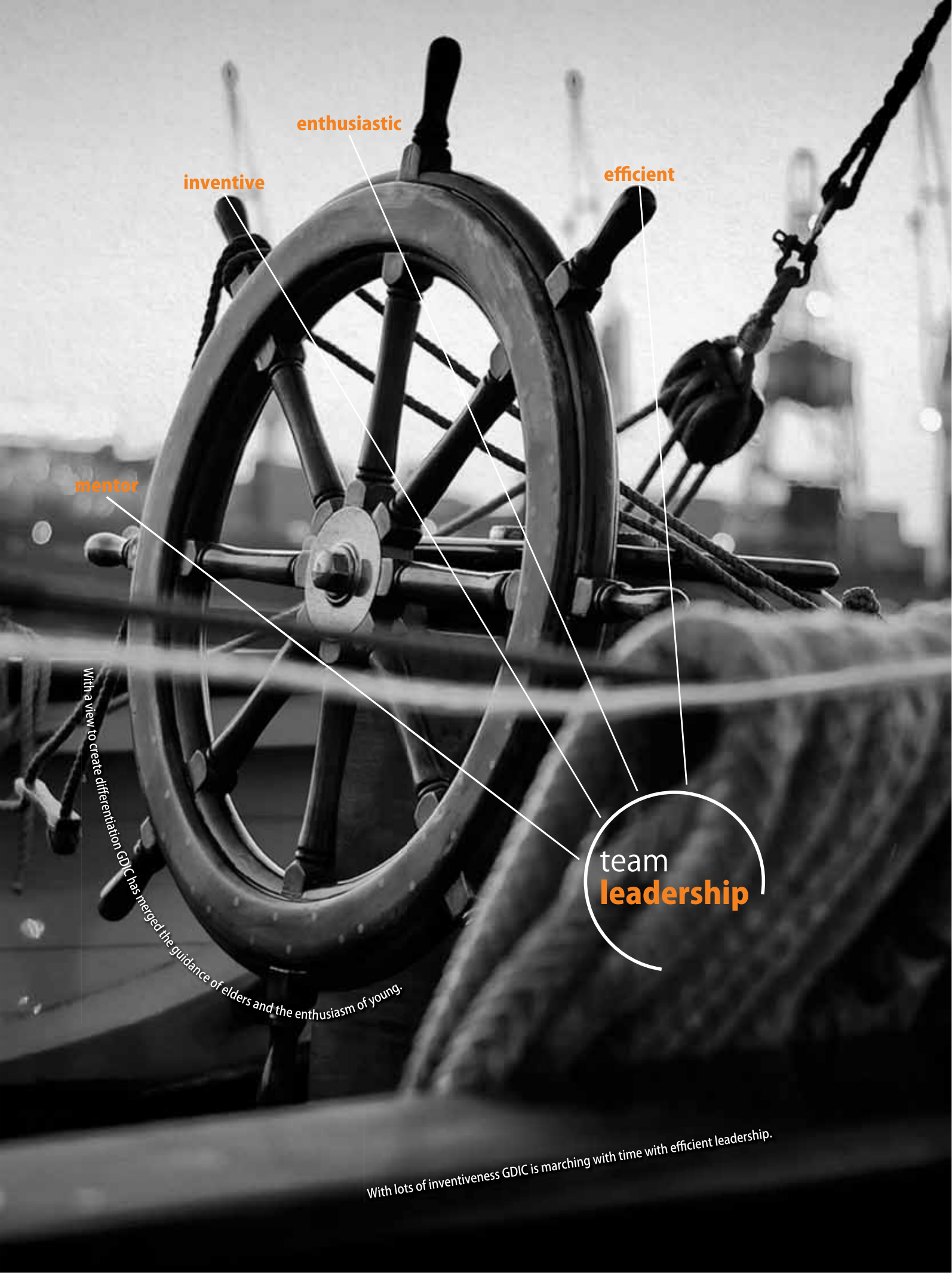
Non-Life Insurance is comprised of more than 43 insurance companies including one state enterprise. No single has a large market share. The top 5 private sector insurers collectively account for a market share of 39.97% (Provisional)

Bangladesh Non-life Insurance market

| Year | Premium (Taka in Million) |
|------|---------------------------|
| 2006 | 9,020 |
| 2007 | 10,653 |
| 2008 | 12,583 |
| 2009 | 13,898 |
| 2010 | 16,544 |
| 2011 | 19,249 |
| 2012 | 19,263 (Provisional) |

Non-Life Companies Market Share in % 2012 (Provisional)

| Company | Percentage (%) |
|----------|----------------|
| GDIC | 13.50% |
| Pioneer | 8.83% |
| Reliance | 7.72% |
| Pragati | 5.98% |
| Rupali | 3.94% |
| Others | 60.03% |



enthusiastic

inventive

efficient

mentor

team
leadership

With a view to create differentiation GDIC has merged the guidance of elders and the enthusiasm of young.

With lots of inventiveness GDIC is marching with time with efficient leadership.



7.1 DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders, customers and colleagues:

At the outset, We, the Board of Directors of your Green Delta Insurance Company Limited would like to thank all of you for your continued patronage and support over the 27 years as in January 2014, Green Delta Insurance Company marked its 28th anniversary. We 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 2013, together with the Auditor's Report thereon for kind consideration and approval of our fellow shareholders. The Board of Directors approved these on 5th February 2014.

In view of the above, the Director's Report has been prepared in compliance with the section 184 of the Companies Act, 1994 (Act No. XVIII of 1994), other relevant rules and notifications from the regulatory bodies. Relevant disclosures and explanations pertaining to issues to ensure compliance, transparency and good corporate governance practices have been made alongwith the details of the business performance, operations and achievements of Green Delta Insurance Company Ltd. for the year 2013.

GLOBAL ECONOMIC OUTLOOK FOR 2014

Global activity strengthened during the second half of 2013, as anticipated in the October 2013 World Economic Outlook (WEO). Activity is expected to improve further in 2014–15, largely on account of recovery in the advanced economies. Global growth is now projected to be slightly higher in 2014, at around 3.7 percent, rising to 3.9 percent in 2015, a broadly unchanged outlook from the October 2013 WEO. But downward revisions to growth forecasts in some economies highlight continued fragilities, and downside risks remain. In advanced economies, output gaps generally remain large and, given the risks, the monetary policy stance should stay accommodative while fiscal consolidation continues. In many emerging market and developing economies, stronger external demand from advanced economies will lift growth, although domestic weaknesses remain a concern. Some economies may have room for monetary policy support. In many others, output is close to potential, suggesting that growth declines partly reflect structural factors or a cyclical cooling and that the main policy approach for

raising growth must be to push ahead with structural reform. In some economies, there is a need to manage vulnerabilities associated with weakening credit quality and larger capital outflows.

Global activity and world trade picked up in the second half of 2013. Recent data even suggest that global growth during this period was somewhat stronger than anticipated in the October 2013 WEO. Final demand in advanced economies expanded broadly as expected—much of the upward surprise in growth is due to higher inventory demand. In emerging market economies, an export rebound was the main driver behind better activity, while domestic demand generally remained subdued, except in China.

Financial conditions in advanced economies have eased since the release of the October 2013 WEO—with little change since the announcement by the U.S. Federal Reserve on December 18 that it will begin tapering its quantitative easing measures this month. This includes further declines in risk premiums on government debt of crisis-hit euro area economies. In emerging market economies, however, financial conditions have remained tighter following the surprise U.S. tapering announcements in May 2013, notwithstanding fairly resilient capital flows. Equity prices have not fully recovered, many sovereign bond yields have edged up, and some currencies have been under pressure.

Turning to projections, growth in the United States is expected to be 2.8 percent in 2014, up from 1.9 percent in 2013. Following upward surprises to inventories in the second half of 2013, the pickup in 2014 will be carried by final domestic demand, supported in part by a reduction in the fiscal drag as a result of the recent budget agreement. But the latter also implies a tighter projected fiscal stance in 2015 (as the recent budget agreement implies that most of the sequester cuts will remain in place in FY2015, instead of being reversed as assumed in the October

2013 WEO), and growth is now projected at 3 percent for 2015 (3.4 percent in October 2013).

The euro area is turning the corner from recession to recovery. Growth is projected to strengthen to 1 percent in 2014 and 1.4 percent in 2015, but the recovery will



be uneven. The pickup will generally be more modest in economies under stress, despite some upward revisions including Spain. High debt, both public and private, and financial fragmentation will hold back domestic demand, while exports should further contribute to growth. Elsewhere in Europe, activity in the United Kingdom has been buoyed by easier credit conditions and increased confidence.

Growth is expected to average 2¼ percent in 2014–15, but economic slack will remain high. In Japan, growth is now expected to slow more gradually compared with October 2013 WEO projections. Temporary fiscal stimulus should partly offset the drag from the consumption tax increase in early 2014. As a result, annual growth is expected to remain broadly unchanged at 1.7 percent in 2014, given carryover effects, before moderating to 1 percent in 2015.

Overall, growth in emerging market and developing economies is expected to increase to 5.1 percent in 2014 and to 5.4 percent in 2015. Growth in China rebounded strongly in the second half of 2013, due largely to an acceleration in investment. This surge is expected to be temporary, in part because of policy measures aimed at slowing credit growth and raising the cost of capital. Growth is thus expected to moderate slightly to around 7½ percent in 2014–15.

Growth in India picked up after a favorable monsoon season and higher export growth and is expected to firm further on stronger structural policies supporting investment.

Many other emerging market and developing economies have started to benefit from stronger external demand in advanced economies and China. In many, however, domestic demand has remained weaker than expected. This reflects to varying degrees, tighter financial conditions and policy stances since mid-2013, as well as policy or political uncertainty and bottlenecks, with the latter weighing on investment in particular. As a result, growth in 2013 or 2014 has been revised downward compared to the October 2013 WEO forecasts, including in Brazil and Russia.

Downward revisions to growth in 2014 in the Middle East and North Africa region, and upward revisions in 2015, mainly reflect expectations that the rebound in oil output in Libya after outages in 2013 will proceed at a slower pace.

In sum, global growth is projected to increase from 3 percent in 2013 to 3.7 percent in 2014 and 3.9 percent in 2015.

Not yet out of the woods

Turning to risks to the forecast, downside risks—old ones discussed in the October 2013 WEO and new ones—remain. Among new ones, risks to activity associated with very low inflation in advanced economies, especially the euro area, have come to the fore. With inflation likely to remain below target for some time, longer-term inflation expectations might drift down. This raises the risks of lower-than-expected inflation, which increases real debt burdens, and of premature real interest rate increases, as monetary policy is constrained in lowering nominal interest rates.

It also raises the likelihood of deflation in the event of adverse shocks to activity. Downside risks to financial stability persist. Corporate leverage has risen, accompanied in many emerging market economies by increased exposures to foreign currency liabilities. In a number of markets, including several emerging markets, asset valuations could come under pressure if interest rates rose more than expected and adversely affected investor sentiment.

In emerging market economies, increased financial market and capital flow volatility remain a concern given that the Fed will start tapering in early 2014. The responses to the related December announcement have been relatively muted in most economies, possibly helped by the Fed's policy communication and re-calibration (including revisions to forward guidance).

Nevertheless, portfolio shifts and some capital outflows are likely with Fed tapering. When combined with domestic weaknesses, the result could be sharper capital outflows and exchange rate adjustments. Turning to policies, ensuring robust growth and managing vulnerabilities remain global priorities despite the expected strengthening of activity.

In advanced economies, policy priorities remain broadly those discussed in the October 2013 WEO. With prospects improving, however, it will be critical to avoid a premature withdrawal of monetary policy accommodation, including in the United States, as output gaps are still large while inflation is low and fiscal consolidation continues. Stronger growth is needed to complete balance sheet repair after the crisis and to lower related legacy risks. In the euro area, the European Central Bank (ECB) will need to consider additional measures toward this end. Measures such as longer-term liquidity provision, including targeted lending, would strengthen demand and reduce financial market fragmentation. Repairing bank balance sheets through the Balance Sheet Assessment exercise and



recapitalizing weak banks and completing the Banking Union by unifying both supervision and crisis resolution will be essential for confidence to improve, for credit to revive, and to sever the link between sovereigns and banks. More structural reforms are needed to lift investment and prospects.

In emerging market and developing economies, recent developments highlight the need to manage the risks of potential capital flow reversals. Economies with domestic weaknesses and partly related external current account deficits appear particularly exposed. Exchange rates should be allowed to depreciate in response to deteriorating external funding conditions. When there are constraints on exchange rate adjustment —because of balance sheet mismatches and other financial fragilities, or large pass-through to inflation because of monetary policy frameworks that lack transparency or consistency in their implementation— policymakers might need to consider a combination of tightening macroeconomic policies and stronger regulatory and supervisory policy efforts. In China, the recent rebound highlights that investment remains the key driver in growth dynamics. More progress is required on rebalancing domestic demand from investment to consumption to effectively contain the risks to growth and financial stability from overinvestment.

Bangladesh outlook for 2013-2104

World Bank forecasts 5.7% GDP growth The GDP (Gross Domestic Product) growth of Bangladesh will be 5.7% in the financial fiscal year of 2013-14 due to political uncertainty in the country. According to the World Bank's report, Bangladesh is far away from its 7.2% GDP target in the 2013-14 fiscal year. World Bank forecast the GDP rate in its half-yearly report titled: "Global Economic Prospects" published on Wednesday.

The WB publishes the report twice a year, one in January and the other in June.

Earlier its June 2013 report showed the global lender forecast that Bangladesh's GDP growth will be 6.1% in 2013-14 fiscal year. Now, the January 2014 report shows the WB forecast as 5.7% GDP growth.

"Political uncertainty and disruptions in the run up to elections in Bangladesh will continue to slow growth to an estimated 5.7 percent in FY2013-14," said the report, adding: "Coupled with earlier safety problems in Garment factories, continued social unrest could adversely affect Bangladesh's manufacturing and export performance."

However, the report said five years after the global financial crisis, the world economy is showing signs of bouncing back this year, pulled along by a recovery in high-income economies.

Bangladesh's GDP growth slowed to 6.0% in FY 2012-13 from 6.2% in FY 2011-12. In the report, the South Asia's GDP growth is projected to improve to 5.7 percent in 2014 and then to rise to 6.3 percent in 2015 and 6.7% in 2016.

The projected pickup will depend critically on ensuring macroeconomic stability, sustaining reforms, and reducing supply-side constraints. Apart from South Asia, the World Bank has projected GDP growth around 3.2% in the global economy in 2014, 3.4% in 2015 and 3.5% in 2016.

Insurance Sector in Bangladesh:

Compared to the overall performance of the global economy, Bangladesh has been able to put up a satisfactory standard in terms of economic growth. Being part of that economy, Bangladesh Insurance market has been able to maintain a sustainable growth in term of bottom line growth and market penetration. Major focus was more on strengthening and enhancing the development of insurance control and legislation. It is expected that the insurance industry will walk in the glorious path of solving issues related to taxation, VAT, enlistment of insurance companies with Banks other related matters.

As per the provisional report, during the year 2012, 43 private non life insurance companies have earned BDT 19,263,01 million. This figure is 11.51% higher than that of the gross premium of 2011. With a combined life and non-life insurance market Bangladesh ranks 85th in the world and has a world market share. This is year, the situation is expected to be better. The gross premium income (GPI) of non-life private sector insurance companies increased from BDT 14883.94 million in 2010 to BDT.17274.12 million in 2011 registering a growth rate of 16.05% .GPI of the year 2012 has not yet been published.

Unfortunately the current state of affairs of general insurance market in Bangladesh is far from satisfactory .The operation of a large number of companies at present is certainly not commensurate with the size of the market that has lead to cutthroat competition and many unhealthy practices which is detrimental to the industry as a whole. Regulatory reforms to modernize strict enforcement thereof and whole hearted adherence to all, are needed to free the industry from unwanted practices and to glorify its dignity. However, therefore is really a ray of hope that



despite political uncertainty, natural calamities, economic slowdown and lack of major investments the insurance premium growth shows a higher growth in 2013. The growth of private sector non-life insurance business was primarily due to the drive given and initiative taken by the private insurers in exploring new avenues while to some extent it was due to increase in project value and commodity prices in the international market.

Classwise performance

PREMIUM

It is our pleasure to report that in 2013 Green Delta Insurance Company Ltd. experienced another record year of growth in premium earnings. Gross premium income increased by BDT. 10.26 million Compared to that of previous year registering a growth of 0.4% whereas the net premium increased by 8.63% as the Company has increased its own risk retention by 8.18% In line with the general practices, the underwriting business of Green Delta Insurance Company Ltd. covers fire insurance, marine insurance, motor insurance and miscellaneous insurance business.

Gross Premium Income

| Year | Gross Premium (Taka in Million) |
|------|---------------------------------|
| 2009 | 1601.64 |
| 2010 | 2001.31 |
| 2011 | 2351.47 |
| 2012 | 2603.19 |
| 2013 | 2613.45 |

Classes of Business & Charges

In the year 2013 Gross premium income increased from fire insurance alone by 19.58% from BDT 1075.48 million in 2012 to BDT 1286.10 million in 2013. Of the total gross premium 49.26% consists of Fire insurance premium. After ceding the reinsurance of BDT 721.25 million, the net premium stood at BDT. 564.9 million, which is 42.4 % higher than 2012.

| Class | Gross Premium (Taka in Million) |
|---------------|---------------------------------|
| Fire | 1286.10 |
| Marine | 711.49 |
| Motor | 168.15 |
| Miscellaneous | 445.23 |

In the year 2013 Gross premium income decreased in Marine insurance business by 8.60% from BDT. 778.45 million in 2012 to BDT. 711.49 million in 2013. Of the total gross premium 27.25% consists of Marine insurance premium. After ceding the reinsurance of BDT 185.38 million, the net premium stood at BDT. 528.6 million, which is 13.17% lower than 2012. The gross premium income from motor insurance business, was increased by 10.24% from BDT. 152.53 million in 2012 to BDT 168.15. million. Of the total gross premium 6.44% consists of motor insurance premium. In 2013, after ceding the reinsurance premium of BDT 14.37 million the net premium stood at BDT 153.8 million.

Gross premium income decreased from miscellaneous insurance business by 25.39% from BDT. 596.74 million in 2012 to BDT. 445.23 million in 2013 and after ceding the re-insurance premium of BDT. 375.45 million the net premium income from miscellaneous business stood at BDT. 69.8 million which is 9.11% lower than the previous year. Of the total gross premium 17.05% 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)

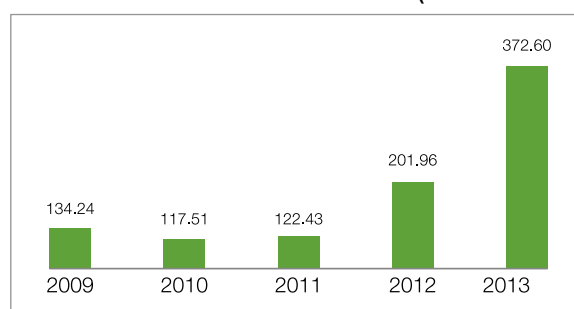
| Mill.BDT | 2013 | | | 2012 | | | 2011 | | |
|----------|--------|----------|-----------|--------|----------|-----------|--------|----------|-----------|
| | Amount | Total(%) | Growth(%) | Amount | Total(%) | Growth(%) | Amount | Total(%) | Growth(%) |
| Fire | 564.9 | 42.9 | 42.4 | 396.7 | 32.7 | 5.8 | 374.8 | 43.5 | 18.2 |
| Marine | 528.6 | 40.1 | -13.2 | 608.8 | 50.2 | 90.9 | 318.9 | 37.0 | 10.4 |
| Motor | 153.8 | 11.7 | 18.1 | 130.2 | 10.7 | 12.9 | 115.3 | 13.4 | 16.8 |
| Misc. | 69.8 | 5.3 | -9.1 | 76.8 | 6.3 | 44.7 | 53.1 | 6.2 | -19 |
| Total | 1317.1 | 100.0 | 38.2 | 1212.5 | 100 | 40.7 | 862.1 | 100.0 | 11.9 |

In 2013 GDIC's gross premium reached BDT 2613.45 million (with a growth of 0.39 %) whereas net premium grew by 38.2% and reached BDT 1317.1 million at the end of 2013. Similar to other years, fire class of business dominated net premium earnings with 42.89% of total net premium in 2013 followed by marine 40.13%, motor 11.68% and miscellaneous 5.30%

CLAIM AND LOSS RATIO (Taka in Million)

| Year | Net Claim |
|------|-----------|
| 2009 | 134.24 |
| 2010 | 117.51 |
| 2011 | 122.43 |
| 2012 | 201.96 |
| 2013 | 372.60 |

Net Claim (Taka in Million)



During 2013, combined ratio of GDIC increased by 11.41% mainly resulted from the increase in net claim. However, loss ratio of the Company increased by 69.81% during the same period. In 2013 the net claims increased by 62.25% from 2012. Whereas the increase was 65% in the year 2012 from the year 2011. Since the business has grown substantially the claim has also increased. The net claims stand at BDT 372.7 million as at 31st December 2013.

Segregation of Net Claim (Taka in Million)

| Mill.BDT | 2013 | | | 2012 | | | 2011 | | |
|----------|--------|----------|-----------|--------|----------|-----------|--------|----------|-----------|
| | Amount | Total(%) | Growth(%) | Amount | Total(%) | Growth(%) | Amount | Total(%) | Growth(%) |
| Fire | 206.7 | 55.5 | (12.8) | 128.5 | 63.6 | 348.8 | 28.64 | 23.4 | (29.35) |
| Marine | 96.8 | 26.0 | 62.3 | 32.3 | 16 | (43.20) | 56.8 | 46.4 | 137 |
| Motor | 49.7 | 13.3 | (15.6) | 31.8 | 15.8 | 14.5 | 27.81 | 22.7 | (38.60) |
| Misc. | 19.5 | 5.2 | 13.7 | 9.3 | 4.6 | 1.7 | 9.18 | 7.5 | 19.22 |
| Total | 372.7 | 100.0 | 47.7 | 201.96 | 100 | 65 | 122.43 | 100.0 | 4.00 |

ROA of GDIC vs. Industry

Moreover, during the year 2012 and 2013, 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 637.8 million at the end of 2013. In 2013, shareholder's equity increased by 14.62% on the back of massive decline in the provision for secondary market investment. The shareholders equity stands at BDT 4422.41 million as at 31st December 2013 .

Shareholder's Equity (Taka in Million)

| Year | Shareholder's Equity |
|------|----------------------|
| 2008 | 1718.67 |
| 2009 | 2139.76 |
| 2010 | 3127.2 |
| 2011 | 2510.33 |
| 2012 | 3858.35 |
| 2013 | 4422.41 |

Solvency Margin

During 2013, GDIC's solvency margin remained above the required level. GDIC's required solvency was BDT 334.09 million whereas the Company's available solvency was BDT 3265.33 million which means the value of assets had been more than the liabilities in that particular period. Therefore, the available solvency was almost 10 times of required solvency in 2013.

Solvency (Taka in Million)

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|-------------------------|---------|--------|--------|--------|--------|
| Available Solvency (AS) | 3265.33 | 2756.0 | 1383.3 | 2663.3 | 1662.0 |
| Required Solvency (RS) | 334.09 | 343.3 | 290.7 | 248.6 | 197.2 |
| AS/RS (times) | 9.77 | 8.0 | 4.8 | 10.7 | 8.4 |

Liquidity Position

In 2013, GDIC's current assets increased by 18.51% whereas current liabilities also decreased 8.69%. As a result current ratio increased to 2.27:1 in 2013 from 2.08:1 in 2012. In 2013, 100.00% of its total liabilities consisted

of current liabilities as there is no long term liability. Liquid assets to total assets increased to by 30.67% in 2013 resulted from the growth of return on investment.

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 2013, risk retention of the Company decreased by 8.18% to 50.39% from 46.58% in 2012.

Risk Retention of GDIC

| % | 2013 | 2012 | 2011 | 2010 | 2009 |
|--------|-------|-------|-------|------|------|
| Fire | 43.92 | 36.89 | 36.85 | 33.5 | 39 |
| Marine | 74.03 | 78.21 | 60.9 | 67.3 | 75.9 |
| Motor | 91.45 | 85.34 | 89.33 | 91.9 | 95.5 |
| Misc | 15.67 | 12.87 | 7.93 | 12.7 | 17.9 |
| Total | 50.39 | 46.58 | 36.86 | 38.5 | 45.4 |

Reserve Adequacy

In 2013, GDIC kept BDT 868.51 million as reserve for exceptional losses which increased by 17.87% over last year. The proportion of reserve for exceptional losses was 0.66 times of net premium and 2.33 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 687.08 million), general reserve (BDT 170.00 million), dividend equalization reserve (BDT 120.00 million) and foreign currency reserve (BDT 2.19 million).

(Taka in Million)

| Year | Reserve Adequacy |
|------|------------------|
| 2008 | 1624.98 |
| 2009 | 2094.79 |
| 2010 | 2695.33 |
| 2011 | 2102.09 |
| 2012 | 3173.84 |
| 2013 | 3294.49 |

RISKS AND CONCERNS

Secure landing : Accruals and Rebuilding

There is complete consensus that the road back is unwieldy and long. Though there are some reports of positive growth from some countries, banks having repaid some part of financial help, markets creeping up, etc, these are few and far between. Colossal gains, consistently over a long period are needed to offset the recent overt losses-no doubt underlining the ultimate catchphrase-easier said than done.

Product Portfolio:

Going back to the root, the financial sector, where most of these aforementioned arguments will create an impact-will witness drastic remodeling in the structure. These institutions under the circumstances, where government involvement has gone up, and consumers are cautious, will have to revamp their product portfolio. The portfolio will have to optimize returns, minimize risk and discourage malpractices.

Risk aversion : With almost all banks and companies re-evaluating their exposure to risks, viability and strength of financial relationships are under scrutiny. Investments and lending deals are under the scanner. Interbank exchanges are cautious, reflected in increased LIBOR. Individual investors are opting for safer investment options, even if that means lower returns.

Slower growth :

Credit availability has squeezed, and interest rates are up.

Liquidity issues are cropping up, and funds to tide over these challenges are hard to come by. Companies are postponing their expansion plans, their working capital requirements are pending, jobs are being cut, and almost all industries predict much slower growth rates in coming quarters. Margins will be affected as almost all sectors are battling for survival.

Likely weakening of USD :

The US was one of the worst affected countries, and the volatility had an adverse impact on the strength of USD. Even during the crisis, a number of companies and countries started on attempts to reduce their over dependence on USD. They have used alternate currencies to invest, to conduct business, and plan to continue diversification for further transactions.

Leaner finds favour :

While job cuts were painful, they did help cut the flab. Job cuts were most rampant in the US, and experts opine that the lean economy may find it easier than others to be back on track.

While the government issue blanket decisions on the financial sector, self discipline by banks and financial institutions will definitely be more effective. Risk management is crucial for survival. These institutions must determine what businesses they would like to engage in and continue with those without getting pressurized by competitors, and other new businesses. Forays into new lines of businesses have to be backed by reason, and be subjected to pre-requisites. Interest rates are determined on risk factors associated with borrowers, which ideally then should not spiral out of control, as borrower profiles are scrutinized and risk is capped. With margins under pressure now, this is more critical than ever. Self regulation and self discipline by the industry will encourage its otherwise slow return to normal

DISCUSSION ON PROFIT AND PROFITABILITY

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 underwriting profit has decreased about 3% in 2013 whereas in 2012 the profit was 140% increased. In 2013, the underwriting profit in fire 21.74 %, marine 76.23% and motor 6.71% , miscellaneous profit has decreased to 4.67%. On the



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

| Class | Underwriting profit |
|---------------|---------------------|
| Fire | 21.74 % |
| Marine | 76.23% |
| Motor | 6.71% |
| Miscellaneous | (4.67)% |

other hand, investment and other income has increased 50.65% as compared to its previous year where as in 2012, the investment and other income was increased about 2.8% . GDIC seeks to underwrite businesses with

Underwriting Performance/Quality (Taka in Million)

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--------------------|--------|-------|-------|-------|-------|-------|
| Loss Ratio (%) | 28.29 | 16.66 | 14.2 | 15.3 | 18.5 | 18.7 |
| Fire | 62.65 | 32.40 | 7.64 | 12.8 | 9.5 | 15.2 |
| Marine | 219.65 | 5.30 | 17.81 | 8.3 | 18.6 | 15.5 |
| Motor | 19.32 | 24.45 | 24.12 | 45.9 | 48.2 | 22.6 |
| Misc. | -13.46 | 12.16 | 17.29 | 11.8 | 25.2 | 61.7 |
| Combined Ratio (%) | 102.82 | 92.29 | 118.5 | 119.2 | 104.6 | 104.0 |

Investment Profile

In 2013 the investment portfolio of GDIC increased by 14.81 % and reached to BDT 3303.14 million from BDT 2,877.00 million at the end of 2013. Alike 2012, during 2013 also investment portfolio was dominated by investment in quoted shares which was 44.98 %of total investment followed by fixed deposit (33.49%)GDIC has BDT 1485.86 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 687.09 million investment fluctuation fund at the end of 2013 for the diminishing value of these investment. GDIC also held unquoted shares of 6.85 % companies amounting BDT 226.28 million by the end of 2013. The Company invested BDT 105.0 million in GDSL as margin loan for which GDIC accrued BDT 10.67 million as interest income. The investment of GDIC its two direct subsidiaries have increased by almost 74.99% and reached to BDT 349.98 million.

Investment Profile:

(Taka in Million)

| | 2013 | | | 2012 | | | 2011 | |
|-----------------------------------|---------|-----------|------------|--------|-----------|------------|--------|-----------|
| | Amount | Total (%) | Growth (%) | Amount | Total (%) | Growth (%) | Amount | Total (%) |
| NIB | 25.0 | 0.76 | 124.00 | 4.5 | 0.2 | 0.0 | 4.5 | 0.2 |
| Fixed Deposit | 1106.16 | 33.49 | 35.27 | 878.2 | 30.5 | 62.0 | 542.2 | 18.6 |
| Quoted Shares | 1485.86 | 44.98 | 27.19 | 1515.9 | 52.7 | -13.0 | 1743.4 | 60.0 |
| Un-Quoted Shares | 226.28 | 6.85 | 46.14 | 139.0 | 4.8 | 60.5 | 86.6 | 3.0 |
| Debentures | 4.34 | 0.13 | 20.70 | 5.2 | 0.2 | -25.7 | 7.0 | 0.2 |
| Mutual Fund | - | - | - | - | - | - | 200.0 | 6.9 |
| Investment in Subsidiaries | 349.98 | 10.60 | 49.00 | 200.0 | 7.0 | - | 200.0 | 6.9 |
| Investment in GDSL as margin Loan | 105.0 | 3.18 | 27.38 | 107.5 | 3.7 | -6.5 | 115 | 4.0 |
| Others | 0.52 | .02 | (0.42) | 26.7 | 0.9 | 276.1 | 7.10 | 0.2 |
| Total | 3303.14 | 100.0 | 32.03 | 2877.0 | 100.0 | -1.0 | 2905.8 | 100 |



Segregation of Investment & Other Income: (Taka in Million)

| | 2013 | | 2012 | | 2011 | |
|----------------------------|--------|-----------|--------|-----------|--------|-----------|
| | Amount | Total (%) | Amount | Total (%) | Amount | Total (%) |
| Interest Income | 130.81 | 64 | 89.5 | 66.1 | 61.5 | 46.66 |
| Dividend | 59.75 | 29 | 25.5 | 18.8 | 12.8 | 9.71 |
| Profit from Sale of Shares | 3.12 | 2 | 1.3 | 1.0 | 39.2 | 29.74 |
| Other Income | 10.37 | 5 | 19.2 | 14.2 | 18.3 | 13.89 |
| Total | 204.06 | 100 | 135.5 | 100.0 | 131.8 | 100.0 |

EXTRAORDINARY GAIN OR LOSS

Green Delta Insurance Company Ltd. in 2010 created a holding company named Green Delta LR Holdings Ltd. to attain some strategic objective reason. But eventually, the company had to be closed down in 2013. As a result Green Delta Insurance had to take a hit of BDT 19.67 million loss in their book.

RELATED PARTY TRANSACTION

In ordinary course of business, related party transactions do takes place with other entities that fall within the definition of related party contained in BAS 24: Related Party Disclosure. A statement on the related party transactions has been disclosed on the note of the accounts # 27.00.

PROCEEDS SHARE ISSUANCE TO IFC

In 2013 the historic deal between Green Delta Insurance Company Ltd and International Finance Corporation (IFC) took place. IFC took 8% equity stake in Green Delta Insurance Company Ltd. Shares were issued to IFC at book value of BDT 10/- and premium were received considering the 6 month average of high-low price. Proceeds received from IFC have kept as Fixed Deposit in several banks.

IPO OF THE COMPANY

Green Delta floated its ordinary shares initially in 1989 through IPO. The net proceeds of IPO used for company's operation activities.

VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS

The year 2013 has been a challenging year for the entire economy. The political insurgency was icing on the cake especially during the last quarter of the year. Not only the revenue but also the claims figure also went haywire for Green Delta. However, due to it's financial solvency and

strength, Green Delta Insurance Co. could successfully overcome the challenges faced during the year 2013. Accordingly, there were some variance in the financial results from quarter to quarter. But they are not a very significant ones. However, the detail figures were given in the segment "Information about Corporate Governance – 4.8 Disclosure by the Board of Directors".

REMUNERATION OF THE DIRECTORS

The details of the Directors including Independent Directors remuneration has been disclosed in the segment "Information about Corporate Governance - 4.5 Remuneration Committee and Other Committee of Board".

APPROPRIATE ACCOUNTING POLICIES

The Board of Directors of the company have ensure the responsibility that the company keeps accounting records with reasonable accuracy. Hence, the financial position of the company truly reflects that the financial statements comply with the Companies Act 1994, Insurance Act 2010 and the BSEC rules 1987.

DISCLOSURE ON IAS/BAS/IFRS/BFRS

The Directors also confirms that the financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and any other International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh.

INTERNAL CONTROL SYSTEM

The Board is responsible for the oversight of Green Delta's business and management, including risk management and putting up internal controls. In exercising its risk management oversight responsibility, the Board regularly reviews management's strategy and the business plans for the company's underwritten businesses, investment portfolio, as well as the corporation's liquidity and use



of capital, the general counsel's assessment of legal, regulatory, and legislative issues, if any. The Internal Audit Department supervised by the Audit Committee plays an integral role in risk management oversight by reviewing a regular reports on audit and inspections. At Green Delta Insurance Company Ltd. we recognize the importance of an risk management culture where the efficient and effective assessment of risk is a formal part of all decision-making and strategic planning. Details have been discussed further in the segment "Risk Management and Control Environment".

COMPLIANCE ON ANTI MONEY LAUNDERING AND CFT

Green Delta Insurance Company has a Board approved policy for Anti Money Laundering and CFT in place. The Group Compliance and the Prevention of Money Laundering Committee is concerned with establishing procedures to ensure compliance with all applicable laws, directives, rules and regulations, and with the prevention, detection and/or resolution of compliance problems. The Company Secretariat and Compliance Unit is responsible for compliance issues for Group Companies and third party clients and reports to the Group Compliance and Prevention of Money Laundering Committee that meet regularly.

GOING CONCERN

In connection with the preparation of this Annual Report the Board has assessed whether Green Delta has the ability to continue as a going concern. In making this assessment, Green Delta has considered:

- The commitment of towards the claims filled and its ability to meet its obligations as they come due;
- Liquidity-related actions and plans to stabilize its businesses and repay the debt outstanding;
- The level of GDIC's realized and unrealized losses and the negative impact of these losses in shareholders' equity and on the capital levels of GDIC's insurance subsidiaries;
- The planned sales of significant subsidiaries;

In considering these items, management made significant judgments and estimates with respect to the potentially adverse financial and liquidity effects of GDIC's risks and uncertainties. The Board also assessed other items and risks arising in GDIC's businesses and made reasonable judgments and estimates with respect thereto. After consideration, management believes that it will have adequate liquidity to finance and operate GDIC's businesses and continue as a going concern for at least the next twelve months.

It is possible that the actual outcome of one or more of management's plans could be materially different or that one or more of management's significant judgments or estimates about the potential effects of the risks and uncertainties could prove to be materially incorrect.

SIGNIFICANT DEVIATION FROM THE LAST YEARS OPERATING RESULTS

Green Delta Insurance Company Ltd. has a long outstanding reputation of being a financially solvent company. This has been possible due to maintenance of highest standard of corporate governance within the industry, prudent accounting policies and cautious underwriting procedures. Hence, the operating results of the company does not vary significantly from year to year. The details of the last five years operating results have been disclosed in the segment "Stakeholders Information – 6.1 Financial Highlights" for your ready reference.

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 5 YEARS

Green Delta Insurance Co Ltd. has been able to put up a sustainable financials since inception. Over a period of time the financial performance indicators have been the live example for this testament . All the related key financial data/parameters have been disclosed in the segment "Stakeholders Information- 6.1 Financial Highlights"

DIVIDEND

At GDIC we believe in our long-term goal to maximize shareholders return on their investment. To support and ratify our commitment towards this, the Board of Directors has developed and put in place a "Dividend Policy". In line with this objective in mind, the Board of Directors has recommended 30% dividend (@15% cash and @ 15% Stock) to the shareholders of the company for the year ended 2013.

BOARD MEETINGS

The Board of Directors at GDIC has been one of the most important drive force for the company. The company is run by the capable management under the visionary guidelines of the Board of Directors. The Board of Directors meet on a regular basis in the Board of Directors meeting along with the committee meetings. Details have been provided in the segment "Information about Corporate Governance – 4.10 Compliance report to BSEC (annexure)."

SHAREHOLDING PATTERN

Details have been provided in the segment "Information about Corporate Governance – 4.10 Compliance report to BSEC (annexure)."



Subsidiary Operations:

Green Delta Insurance Company Ltd. has two (02) wholly owned subsidiaries name Green Delta Securities Ltd and Green Delta Capital Ltd. A detail of the business operation has been given at the later segment of this annual report.

Employee practice

Green Delta Insurance Company Ltd. is committed to providing equal opportunities to all employees, irrespective of their gender, race, nationality, ethnic origin, religion. GDIC is an inclusive employer and values diversity in its employees. These commitments extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal.

Human Resources — Our corporate goal is to improve staff engagement by measuring and responding to the following:

- > How positively staff members view, and therefore speak of, the organization
- > How likely staff members are to stay with the organization.
- > Their willingness to exert extra effort to achieve business success.

As we introduce new and improved ways of conducting business, we continue to provide the necessary support to staff in order to manage change effectively. We credit the strength of our people for our organization's success. Their understanding of our strategy and goals, as well as their satisfaction with the work they do and how it contributes, are of critical importance throughout our companies. We continue our efforts to create and maintain a highly skilled and motivated workforce. Through our succession planning initiatives, leadership capacity is identified and developed to ensure ongoing success.

Information Technology:

Green Delta Insurance Company Limited (GDIC) has upgraded its IT system successfully for further strengthening and securing the automation of services. GDIC has highly experienced and trained professionals working on maintaining and developing the company's IT infrastructure. The IT professionals are constantly innovating and writing in-house programs to meet the needs of the company. IT division has implemented Local Area Network (LAN) in its Head office and Branch offices. Information and communication technology (ICT) has become indispensable for Insurance Companies in ensuring smooth operation and providing efficient services. GDIC has recognized this fact and the Board of Directors have adopted a comprehensive ICT policy for the company.

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.

Corporate Social Responsibility:

The Board and the management are well aware of their corporate responsibilities to the society. GDIC has initiated various projects and programs. As a part of our corporate social responsibility, GDIC has been sponsoring various sports activities, besides patronizing cultural activities in the country since its inception. GDIC is the proud sponsor of first and second division Hockey League since 1987. Time to time GDIC has been sponsoring national premier Cricket league, numerous seminars and conferences organized by Institute of Chartered Accountants of Bangladesh, Institute of Cost and Management Accountants of Bangladesh, Institute of Chartered Secretaries etc.

Corporate Governance:

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. For the first time, we have covered a detail of corporate governance practices of Green Delta Insurance Company Ltd. later at this report.

Directors:

The Board of Directors of Green Delta Insurance Company Limited is composed of 14 Directors including 2 Independent Directors. Attendance of the Directors in the Board Meetings is depicted on Section 4.10. As per the Corporate Governance Guidelines of BSEC dated 07 August 2012, the Board shall arrange to appoint another Independent Director in compliance with all requirements of the Regulatory Authorities and Articles of Association.

Retirement and Re-election of 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 pursuant 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 28th Annual General Meeting and are eligible to offer themselves for re-election:

| Sponsor Directors | Public Director |
|-----------------------------------|----------------------------|
| 01. Shamsun Nahar Begum Chowdhury | 01. Kamran Idris Chowdhury |
| 02 Iqbal Khan (Jamal) | -- |
| 03 Dilruba Chowdhury | -- |

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 Governance Guidelines 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. Abdul Hafiz Choudhury and Mr. Nurul Husain Khan as company's Independent Director. Now at the 28th Annual General Meeting under the agenda "Election of Director", our following independent Directors shall also retire and is eligible to offer him for re-election:

1. Abdul Hafiz Chowdhury – Independent Director

Brief Resume of each of the Directors seeking re-election is annexed with this report.

Appointment of Managing Director

Ms Farzana Chowdhury has succeeded the founding Managing Director Mr. Nasir A Choudhury. The Board of Directors in its 316th meeting held on 24.10.2013 has appointed Ms Farzana Chowdhury as the Managing Director and Chief Executive Officer of Green Delta Insurance Company Ltd. Subsequently, Insurance Development and Regulatory Authority (IDRA) approved the appointment vide their IDRA/Non-Life/2361/2012-1415 dated 10.10.2013. The same appointment of Farzana Chowdhury as Managing Director and Chief Executive Officer of Green Delta Insurance Company Ltd. to be approved in the 28th Annual General Meeting by the shareholders.

Auditors:

M/s S F Ahmed & Co. Chartered Accountants was selected and appointed as the external auditor for the year ended 31.12.2013. They will retire in the 28th Annual General Meeting. Being eligible under section 212 of the

company's Act 1994 the Auditors have expressed their willingness to continue their office for the 31st December 2014. The Auditors have completed their first year of audit and hence eligible for re appointment. The Audit Committee reviewed the performance of the Auditor and recommended for their re-appointment. The Board of Directors recommended for approval of the appointment of M/s. S F Ahmed & Co. as auditors of the company for the year 2014 with the same fee of BDT 3,00,000/- plus applicable tax.

Acknowledgement:

We 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, Insurance Development and Regulatory Authority, Registrar of Joint Stock Companies and Firms, Bangladesh 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 Ms Farzana Chowdhury, Managing Director and CEO and Mr. Nasir A. Choudhury, Advisor for their 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



7.2 REPORT ON INTERNAL AUDIT

Internal auditing is a catalyst for improving an organization's governance, risk management and management controls by providing insight and recommendations based on analyses and assessments of data and business processes. With commitment to integrity and accountability, internal auditing provides value to governing bodies and senior management as an objective source of independent advice. Professionals called internal auditors are employed by organizations to play the role of a watch dog to ensure the compliance and control of the activities of the organization towards achieving its cherished goal.

Internal auditing activity is primarily directed at evaluating internal control. Internal control is broadly defined as a process, affected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of the following core objectives for which all businesses strive:

- Effectiveness and efficiency of operations.
- Reliability of financial and management reporting.
- Compliance with laws and regulations.
- Safeguarding of Assets

Management is responsible for internal control, which comprises five critical components: the control environment; risk assessment; risk focused control activities; information and communication; and monitoring activities. Managers establish policies, processes, and practices in these five components of management control to help the organization achieve the four specific objectives listed above. Internal auditors perform audits to evaluate whether the five components of management control are present and operating effectively, and if not, provide recommendations for improvement.

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

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. Our scope of work is

designed to ensure the accomplishment of the assigned objectives. Below is a summary of our scope of work:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information;
- Reviewing the adequacy of internal controls;
- Reviewing the systems established to ensure compliance with policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports as to whether the company is in compliance with its goal and objectives.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as per planned.

Activities of the Internal Audit Team during- 2013

15 (fifteen) numbers of branches audited as per year plan-2013 & report submitted to audit committee and top management.

The Branches are: Dilkusha Branch, Narayangonj Branch, Mirpur Branch, Mohakhali Branch, Comilla Branch, Sylhet Branch, Khulna Branch, Banga Bandhu Avenue Branch, Kawran Bazar Branch, Imamgonj Branch, Gulshan Branch, Shantinagar Branch, Chandpur Branch, Khatungonj Branch and Principal Branch, Chittagong.

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

1. Dhaka EPZ Branch
2. Faridpur Branch
3. Principal Branch, Dhaka

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

1. Human Resources & Administrative Department.
2. Finance & Accounts Department.

Over & 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 Management when required.



- Monthly branches premium reconciliation statement checked and verified with correction.

Apart from this, the audit team co-ordinates the major audit observations with other related departments through the “Inter Departmental Co-ordination Meeting” from time to time.

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:

Composition of Audit Committee:

| SN | Name | Status |
|-----|--|----------------------|
| 01. | Abdul Hafiz Choudhury – Independent Director | Chairman |
| 02. | Iqbal Khan (Jamal) | Member |
| 03. | Niaz A. Choudhury | Member |
| 04. | Arif A. Choudhury | Member |
| 05. | Meshbah Delwar Rahman | Member |
| 06. | Marufa Anwar | Member |
| 07. | Razia Rahman | Member |
| 08. | Farzana Choudhury | Member as Ex-Officio |
| 09. | Nasir A Choudhury | Advisor |
| 10. | Syed Moinuddin Ahmed | Secretary |

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

The Committee held four (04) meetings during the year.

| Name of the Meeting | Meeting Held | Date of Meeting | Attendance |
|-------------------------|--------------|---|------------------------------|
| Audit Committee Meeting | 04(four) | 13.02.2013 4.09.2013 27.10.2013 17.12.2013 | 89% Attendance on average |

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 reviewed 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;
- The Audit Committee 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;
- The Audit Committee 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;
- The Audit Committee reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation; and
- The Audit Committee reviewed the performance of External Auditors and recommended them for re-appointment.
- The Audit Committee reviewed the Financial Statements/the Investments made by the subsidiary companies.

Pursuant to Condition # 3.4.1 of the Corporate Governance Guidelines issued by BSEC, the Audit Committee reviewed the Internal Control System and Financial Statements. The Committee did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.

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

Abdul Hafiz Chowdhury
Chairman, Audit Committee

7.3 REPORT ON CREDIT RATING

Credit Rating Agency of Bangladesh Limited



Ref: AGL (01)/RCM/131237/2013-2645

15 December 2013

Ms. Farzana Chowdhury
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.

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 2014. 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 hope the Rating Awards will serve the intended purpose of your organization.

Yours Sincerely,

Hamidul Huq
Managing Director

Sena Kalayan Bhaban, 195 Motijheel Commercial Area, Level: 16, Suite: 1601 & 1602, Dhaka: 1000, Bangladesh
Phone: (88 02) 9571497, 9571238, 9576203, 7125439, 7118615, Fax: (88 02) 9563837, Email: info@crab.com.bd, Web: www.crab.com.bd

7.4 REPORT ON BAPLC

As per SEC Notification # SEC/CMRRCD/2006-161/324 dated on April 11, 2010; we present the below the Certificate of Memorandum given by Bangladesh Association of Publicly Listed Companies (BAPLC):



বাংলাদেশ এজোরসিয়েশন অব পাবলিকলী লিস্টেড কোম্পানীজ
BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES
Block # 8, Road # 1, House # 17 (8th Floor), Unit-A, Niketan Eastern Housing Complex, Gulshan-1, Dhaka-1212
Phone : 8824926 Fax : 9887245. E-mail : baplc@dhaka.net

Ref: BAPLC-CM-052/2013

13th March, 2013

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 2013.

A handwritten signature in black ink, appearing to read 'K. M. Abdul Hai'.

K. M. Abdul Hai
Secretary-General



7.5 SAFA BEST PRESENTED ANNUAL REPORTS AWARD 2012



The Institute of Chartered Accountants of Bangladesh

[Established under the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973)]
CA Bhaban, 100 Kazi Nazrul Islam Avenue, Dhaka-1215, Bangladesh

1/1/ICAB-2014(17)

24 February 2014

Ms. Farzana Chowdhury
Managing Director & CEO
Green Delta Insurance Company Limited
Green Delta AIMS Tower (6th floor)
51-52 Mohakhali
Dhaka-1216

Dear Sir,

Sub: SAFA Best Presented Annual Reports Award 2012

ICAB has the pleasure to inform you that ITAG Committee of SAFA in its final meeting on 19 February 2014 evaluated Best Presented Annual Reports of the **Insurance Sector**; your Company has adjudged as the recipient of **Certificate of Merit** in this category.

We congratulate you for recipient of Certificate of Merit of the Best Presented Annual Reports in the said category among the SAFA Countries. It is expected that SAFA will award the Certificate of Best Presented Annual Reports in Karachi in the SAFA BPA Award Ceremony to be held on 11 March 2014 (tentative).

We hope you will nominate your appropriate members of the management to receive the certificate in Karachi in the said ceremony.

Thanking you,

Sincerely yours,


Showkat Hossain FCA
President-ICAB


Abbas Uddin Khan FCA
Chairman, RCPAR of Council-ICAB



7.6 CLAIM MANAGEMENT (IBNR AND IBNER) WITH AGING THEREOF

GENERAL INSURANCE CLAIMS

Preface:

Before going into the claims, we have to realize first, what it is and how it arises? General Insurance organizes through employment of marketing personnel and the management members must be marketing oriented which means everybody should have vast public relations. So marketing people offers commitment to pay claim when a loss occurs as per terms, conditions of the policy. Hence, offer and acceptance of the contract when matured an insurance documents issued as evidence to the insurance contract. This document/policy has to deal with terms, conditions, provisions, exclusions, exceptions including warranties relating to the class of risks. Insurance policy should maintain clarity as well as correctness in terms of grammar so as to maintain unqualified interpretation which of course avoids misunderstanding & confusions in assessment of loss and determine the proximate cause of loss.

Preparation of policy schedule holds utmost importance to avoid misunderstanding, misconception with the insured. In describing all relevant particulars should be complete in itself and self-explanatory.

Claims in progress:

Staffs and officers of Green Delta Insurance Company Ltd. always alert in 24-hrs to receive claim intimation over phone or email and immediately we advise competent surveyor to rush over there and take all evidence from the very beginning of a mishap until finalization of a report. Meanwhile, we require preliminary report to provide a note of possible liability on the occurrence. On receipt of the relevant papers/documents from the insured/client at the same time receipt of survey report our management put highest effort to fulfill satisfactory claim settlement within the purview of relevant insurance policy. Simultaneously we provide necessary information to reinsurance department to fulfill their part of responsibility with due promptness.

The difference between claims management and claims handling: The key distinction is between management and handling. Claims management encompasses following ideas:

- The carrying out of the entire claims process from notification to review of performance
- Including within the review of performance the monitoring of claims expenses, legal costs and claims settlements
- For self-insurers the review of performance would include attempting to minimize future losses in order to reduce claims cost.

Nevertheless, claims management may define as: the carrying out of the entire claims process with a particular emphasis upon the monitoring and lowering of claims costs.

The phrase 'claims handling' was the traditional term for insurance companies handling the various stages of the claim process. Critically, however, it encompasses none of the risk management issues and instead emphasis the functions of claims review, claim investigation and claim negotiations – arguably the most problematical elements of claims work. We can define claims handling as: the original term for handling the claim process with emphasis upon claim review, investigation and negotiations, but excluding risks management issues.

The Role of Claims Department: The claims department is one of the key departments of an insurance company. The claims department has main roles:

- Strategic role: to provide the insurance/reinsurance company with a high quality of service so that it can differentiate itself from its competitors for even to outsource this function if it is unattainable in-house.
- Cost monitoring role: to ensure that the amount paid on any claim is contained within the parameters of the contractual relationship as far as possible.
- Service: to meet or exceed customers' expectations regarding the quality of service, with particular regard to the speed, manner and economic efficiency of the service.
- Management: to meet or exceed the standards of service set and to operate within budget.

Reinsurance & Claims Handling: the essential difference between insurance claims handling and reinsurance claims handling is that reinsurance claims handling involves negotiation between two insurance specialists in a business environment where a continuing business relationship may exist. Insurance claims handling, in comparison, often involves an insurance specialist negotiating with a member of the public where a continued relationship is unlikely if the claim settlement falls to meet the insured's expectations. However, in the case of large insurance claims, insurance specialists or lawyers are likely to represent both the insured and the insurer. Similarly, where large and/or problematic reinsurance claims are involved, specialists such as reinsurance consultants are likely to be engaged.

Last but not the least; claims department should also bear in mind the undernoted factors, which are vital in claims management as well as claims handling: the factors are detecting fraud, lowering the cost and avoiding litigation.

8.1 REPORT ON

GREEN DELTA CAPITAL LTD. (GDCL)

CIO'S MESSAGE



Investment Banking in Bangladesh is on the verge of reaching the next level which is one step closer to the global standards. The Bangladesh capital and money markets, the two fields where investment bankers are operational, have seen numerous regulatory and functional reforms in the years 2012 & 2013 which are making the markets more efficient and opening doors to new business avenues for investment banks. Green Delta Capital Limited (GDCL) can proudly mention its adaptability to the market reforms through the business the company has achieved in the year 2013.

The year 2013 has been one of the most successful year in terms of business deals signed in a particular year. GDCL successfully managed to bring new business deals worth BDT 7,600 Million under its belt through Structured

Finance & Corporate Advisory (SF & CA) and Equity Origination (EO) services. The new deals to be added to GDCL's credentials are Foreign Loan Syndications, Preference Shares and Private Equity for few of the largest business conglomerates in Bangladesh. Also in terms of enhancing business relationship and partnership, GDCL has reached new heights both in the local and global platform. GDCL's retail wing, Portfolio Management Department, which commenced its operation from November 2012, has ended the year 2013 being stronger as a team and market presence. It introduced a world class Portfolio & Wealth Management software in its Portfolio department where detail investment analysis is possible for each individual investors, who can access their investment home page from anywhere in the world.



The initial target of GDCL was to grow rapidly with the market and become a top tier investment bank of the country through both local and global market presence. GDCL has taken a major step to reach that target in the year 2013. The company has ended the year with a handful of local and global deals in pipeline and a stronger team equipped with better knowledge and intelligence. We hope to continue to buildup best corporate culture, stronger risk management tools and techniques, business policy, brand reputation and developed more customized investment banking products & services to accomplish another victorious year in 2014 and beyond.

Md. Rafiqul Islam
Chief Investment Officer

Board of Directors

Our Board of Directors is formed with following professionals:

- Mr. Nasir A Choudhury
- Mr. A.Q.M. Nurul Absar
- Mrs. Naima Chowdhury
- Mr. Nadeem A Chaudhury
- Ms. Farzana Chowdhury
- Mr. Abdul Hafiz Choudhury

Corporate Strategy & Business belief:

We ...

- Take Pride that we are member of GDIC family
- Always put our clients' interests first, giving our best, because when they succeed, our success will follow
- Believe that 'people' make the difference in our business
- Promote entrepreneurial spirit and encourage initiative amongst our people
- Take pride in the professional quality of our work
- Have set our mission to deliver superior returns to our shareholders
- Believe in Transparency and Disclosure
- Have Zero tolerance in Compliance, Audit, Regulatory requirements breach and law of the land
- Embed ourselves with Performance Driven Corporate Culture
- Understand and respond 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 output 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 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 following of overall business development and target achievement 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 business activities and business strategy 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. He is also responsible to formulate the

long term sustainable business strategy. He is making bridge between foreign DFIs and commercial lenders and GDCL where GDCL is actively involved to close its foreign debt deals.

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

The Structured Finance Department (SFD) provides a combination of investment banking solutions to our clients consisting expert advice, innovative financial solutions – funding through structured financial instruments, outstanding execution and comprehensive access to the debt & capital markets. The SFD of Green Delta Capital Limited (GDCL) aims to set new benchmarks for the company and for the debt capital markets through introduction and execution of funding through alternative financial instruments.

The objective of GDCL is to provide world class services to its clientele and thus, GDCL is maintaining high level of professional expertise and integrity in its client relationships throughout this 3 years of its operation. The SFD team is now better equipped with diversified experience and background after working with various financial instruments in the year 2013. GDCL focuses on a broad range of industries including power, manufacturing, RMG, ICT, healthcare, infrastructure and service sector.

The team focuses on originating, structuring and executing debt financing deals through instruments such as:

- Loan Syndication (local & Foreign)
- Preferred Shares
- Corporate Bonds



- Convertibles & Equity Linked Products
- Asset Backed Securities



GDCL's Deal Team

GDCL's success in the year 2013 was mainly driven by SFD's remarkable achievements for working with deals worth BDT 6,400 Million through Foreign Loan Syndications and Preference Shares. GDCL SFD's focus was on these two financial instruments were mainly because of the demand of its corporate clients. Through these financial instruments, GDCL believes that it will be able to arrange the funding at a very competitive rate than that of the prevailing debt market in Bangladesh.



Signing Ceremony with Summit Alliance Port Limited for foreign debt syndication of US\$ 30 Million



Signing Ceremony held with Otobi Limited to issue US\$ 15 Million preference stock



Managing Director of GDCL, Mr. Syed Moinuddin Ahmed and Managing Director of Otobi Ltd. Mr. Animesh Kundu exchange documents after signing a mandate. Under the agreement, GDCL is now arranging a foreign fund of US\$ 35 Million for Otobi Ltd.



GDCL has signed Memorandum of Understanding on January 7, 2013 with Progress capital , a reputed foreign investment bank based on Thailand for working with foreign currency deals in Bangladesh

Equity Origination

The Equity Origination Department (EOD) at GDCL provides Issue Management Services liaising with BSEC. GDCL's EOD has been reinforced with increased HR strength and new milestone achievements in 2013. The EOD often tags along with SFD for providing arrangement and issue management services together for hybrid financial instruments. Currently the EOD focuses on originating, structuring and executing equity financing deals including:

- Initial Public Offering (IPO)
- Underwriting Management



- Repeat Public Offering (RPO)
- Rights Issue Offering
- Private Capital Issue
- Other Hybrid Equity financing

The Equity Origination team has successfully closed a business deal worth BDT 1,222.5 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 private equity funding
- Formulating business plan and the business strategy
- Performing due-diligence
- Preparing the offer documents
- Providing legal and institutional support
- Assist to meet regulatory requirements
- Exit strategy

In 2013, GDCL has successfully acquired its first private equity deal for a reputed business group through foreign investors worth BDT 1,200 approximately.

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

Our Portfolio Management Team helps the clients to build up their portfolio accounts through managing their funds, to achieve their financial goals through expert advice and make them understand the risk- matrix. Currently we offer the expertise in the following area:

- Discretionary Portfolio Management
- Non- Discretionary Portfolio Management

In 2012, we have launched our Discretionary Portfolio Management Service along with two different schemes: GD Planner and GD Perform Max. These two schemes were designed for the clients who invest their savings to get sustainable income and who is willing to maximize their investment by taking a calculated amount of risk for it. For our valued clients, we invest a significant amount of time and develop new investment strategies for the growth of their investment in portfolio accounts.

For the Non-Discretionary investors, we have designed another scheme for the clients along with some unique features, named “GD MTF” which means “Green Delta Margin Trade Funding”. Through this product we will provide the margin facilities to the clients whenever they have requirement of it. We have designed for the investors who wants to have greater control over their investment decision, but still wants to get the advisory service from us.

Signing Ceremony with BD Venture Ltd. where GDCL has signed a Memorandum of Understanding on August 01,



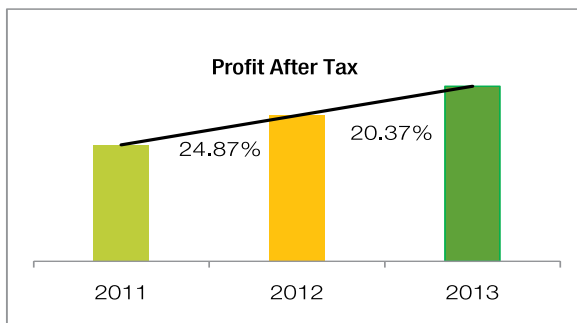
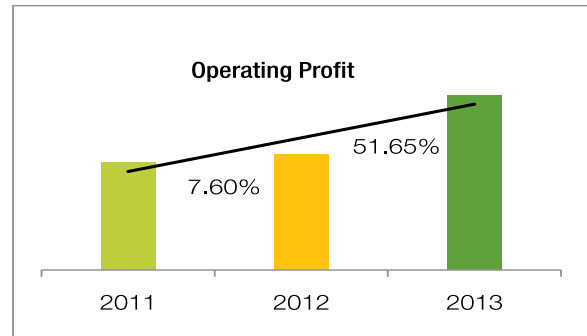
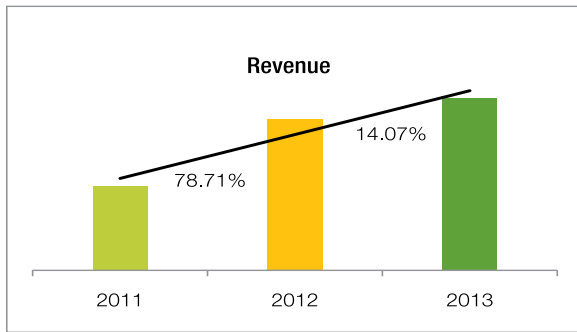
2013, Under the agreement, BD Venture will refer clients to GDCL.



Financial Highlights

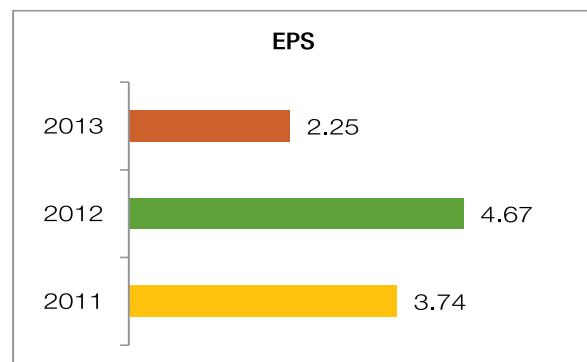
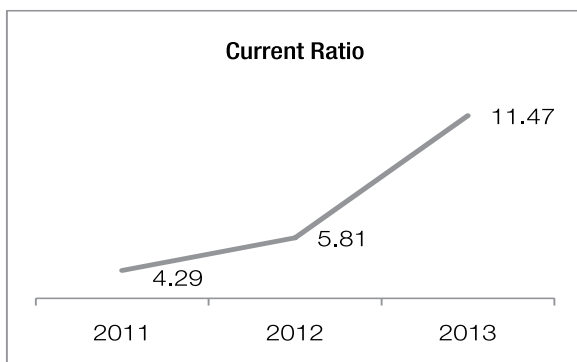
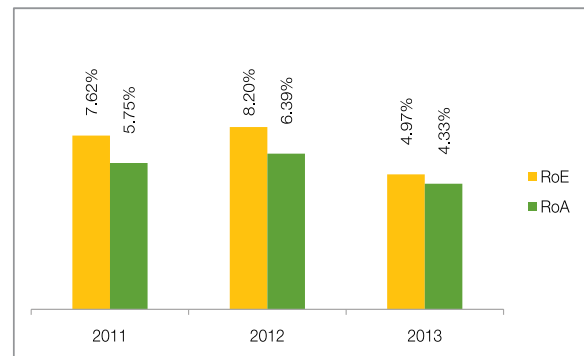
In the 3rd year of operation, GDCL has been able to keep the positive trend of revenue earnings. The business has earned BDT 30.51 Mn revenue in 2013 which is 14.07% more than the previous year.

Likewise, the profit before tax (PBT) and profit after tax (PAT) growth for the year 2013 is 51.65% and 20.37% respectively.



In 2013 GDCL has also helped the shareholder to grow their capital with Return on Equity of 4.97%. The return on assets is recorded at 4.33%. A table below is shown these comparisons.

In 2013, GDCL has increased paid up capital from BDT 10 crore to BDT 25 Crore. Thus, the earning per share (EPS) has been reduced in this year although there is a positive growth of Net Profit.





Financial Performance

Income Statement for the year ended 2013


| Particulars | 2013 | 2012 | 2011 |
|-----------------------------|-------------------|------------------|------------------|
| Total Revenue | 30,505,916 | 26,742,266 | 14,964,035 |
| Profit Before Tax | 10,018,695 | 6,160,390 | 6,970,196 |
| Net Profit After Tax | 5,618,695 | 4,668,023 | 3,738,241 |

Balance Sheet for the year ended 2013

| Particulars | 2013 | 2012 | 2011 |
|---|--------------------|--------------------|--------------------|
| Non-Current Assets | 7,078,987 | 7,823,166 | 7,306,425 |
| Current Assets | 280,142,056 | 120,525,818 | 125,291,731 |
| Total Assets | 287,221,043 | 128,348,985 | 132,598,156 |
| Shareholders' Equity | 262,498,278 | 106,879,583 | 102,211,560 |
| Long Term Liabilities | 291,680 | 729,176 | 1,166,672 |
| Current Liabilities | 24,431,086 | 20,740,226 | 29,219,924 |
| Total Shareholders' Equity & Liabilities | 287,221,043 | 128,348,985 | 132,598,156 |



Credentials: Debt, Equity and Underwriting Deals

| | | | |
|---|--|--|--|
| <p>Foreign Debt Syndication of USD 30 Million</p>  <p>Summit Abaco Port Limited</p> <p>Foreign Debt Syndication</p> <p>Mandated Lead Arranger (Lead Deal)</p> | <p>Foreign Debt Syndication of USD 35 Million</p>  <p>OTOBI Limited</p> <p>Foreign Debt Syndication</p> <p>Mandated Lead Arranger</p> | <p>Initial Public Offering of USD 27.74 Million</p>  <p>Alliance Holdings</p> <p>IPO Management</p> <p>Mandated Co-Issue Manager & Corporate Advisor</p> | <p>Issuance of Preference Stock of USD 15 Million</p>  <p>OTOBI Limited</p> <p>Preference Stock</p> <p>Mandated Issue Manager</p> |
| <p>Capital Raising of USD 7.02 million</p>  <p>Ananta Apparels Ltd.</p> <p>Capital Raising</p> <p>Mandated Issue Manager & Corporate Advisor</p> | <p>Capital Raising Issue USD 15 Million</p>  <p>Alliance Holding Ltd.</p> <p>Private Equity</p> <p>Mandated Co-Issue Manager & Corporate Advisor</p> | <p>Initial Public Offering of USD 6.31 Million</p>  <p>Aamra Technologies Ltd.</p> <p>IPO Management</p> <p>Mandated Corporate Advisor</p> | <p>Working Capital Loan of USD 853,658</p>  <p>HAK Renewable Energy Co. Ltd.</p> <p>Local Debt Financing</p> <p>Mandated Financial Advisor</p> |
| <p>Local Debt Syndication of USD 3.23 Million</p>  <p>InGen Technologies Ltd.</p> <p>Local Debt Syndication</p> <p>Mandated Lead Arranger</p> | <p>Repeat Public Offering of BDT 900 Million</p>  <p>Delta Spinners Limited</p> <p>Repeat Public Offering</p> <p>Underwritten amount: BDT 30 MN</p> | <p>Rights Offer of BDT 5,806.86 Million</p>  <p>Lafarge Surma Cement Ltd.</p> <p>Rights Offer</p> <p>Underwritten Amount: BDT 100 MN</p> | <p>Rights Offer of BDT 1,064.45 Million</p>  <p>Trust Bank Limited.</p> <p>Rights Offer</p> <p>Underwritten Amount: BDT 110 MN</p> |
| <p>Rights Offer of BDT 378.20 Million</p>  <p>Eastland Insurance Co. Limited (EICL)</p> <p>Rights Offer</p> <p>Underwritten Amount: BDT 94.5 MN</p> | <p>Rights Offer of BDT 378.20 Million</p>  <p>United Airways (BD) Limited</p> <p>Rights Offer</p> <p>Underwritten Amount: BDT 112.5 MN</p> | <p>Rights Offer of BDT 2,210.83 Million</p>  <p>Keya Group</p> <p>Keya Cosmetics Limited</p> <p>Rights Offer</p> <p>Underwritten Amount: BDT 10 MN</p> | <p>Rights Offer of BDT 221.65 Million</p>  <p>BRAC Bank Limited</p> <p>Rights Offer</p> <p>Underwritten Amount: BDT 500 MN</p> |

8.2 REPORT ON GREEN DELTA

SECURITIES LIMITED (GDSL)

MESSAGE FROM THE CEO



Welcome to Green Delta Securities Limited (GDSL)

GDSL is always recognized as the most responsible business partner/conduct/associate. We strongly believe that real success of a business is not just about earning profits measured in numbers and reaching the top most level but also keeping our clients content by providing them with the best services. It's also vital how the magic numbers are being scored. Our corporate strategy is sustainable business practices and balancing responsibility along with growth as well as productivity which is reflected in our commitment.

Green Delta Securities Limited is one of the leading Stock Brokerage houses of Bangladesh. We are also

the subsidiary of Green Delta Insurance Company Ltd. which is the most preferred and leading general insurance company of Bangladesh. The year 2013 has been a difficult one for Bangladesh capital market but GDSL did not fall short to perform significantly in terms of market share, maintaining compliance and the market position in DSE & CSE ranking list. We have signed several agreements with panel brokerages and clients from different institutions regarding business. We have launched new services like M-Stock to make trading operation convenient (mobile) for our valuable clients with varieties of features.

Our mission is to provide the best and innovative services



to our valuable clients in terms of trading, technology and other support services. Our vision is to be the number one brokerage house and we believe we can achieve this as we have the most efficient and vibrant team to deliver with sincere efforts and we are capable of sorting out any type of complexities with ease.

We want to achieve our success along with our clients' satisfaction. Whether you are a Trader or a Business Finder, an Asset Manager or a White Label service provider, we always 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 sense of assurance to the clients 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 live up to your expectations by providing secure, reliable and competitive online trading services.

Our advantages allow you to run trading professionally and our support help you fine tune your performance, making sure that you are investing in the right basket and not being misled.

We look forward to welcoming you at Green Delta Family.

Wafi S M Khan
Chief Executive Officer



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. He started his career with Pakistan Insurance Corporation head office at Karachi, Pakistan in 1958. He is the Advisor and also Founder Managing Director of Green Delta Insurance Co. Ltd. the leading General Insurance Co. in Bangladesh since its inception i.e. 1.1.1986. He is also playing the role of Director, Chairman, Sponsor Director and Vice Chairman in different renowned organizations like Delta BRAC Housing Finance Corporation Ltd. , Progressive Life Insurance Co. Ltd., Union Capital Ltd. etc. He received many prestigious awards not only for his contribution in the insurance industry but also in overall economy.

Mr. AbdulHafiz Choudhury, has over 40 years of experience in the corporate world. He is one of the founders and the past Chairman of Independent University, Bangladesh and a senior partner (retired from active service) of KPMG Rahman Rahman Huq, Chartered Accountants. He is a Director in the board of ICB Islamic Bank Ltd, Green Delta Insurance Co. Ltd. and New Zealand Dairy Products Bangladesh Ltd. He is also the Vice President of United Nations Association of Bangladesh.

Mr. Abul Qasem Mohammad Nurul Absar, is a qualified professional having many years of experience in heading big organizations. He is also the Chairman of Green Delta Insurance Co. Ltd. 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. 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.

Mr. Nadeem Ahmed Chaudhury, is a young dynamic professional having many years of experience in heading big organizations like Eastern Housing Ltd; currently he is working as Chief Executive Officer of Bengal Development Corporation Ltd. he is also the Sponsor Director of Enrilco Ltd. He has experience in the Infrastructure Development business of more than 18 years.

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 East Coast Group, Bangladesh.

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. She has done her Masters of Business Administration, Monash Business School, Monash University, Melbourne, Australia, also done Diploma in Insurance from The Chartered Insurance Institute (CII-UK) and from Malaysia Insurance Institute (DMI). She is now the Managing Director & CEO of Green Delta Insurance Co. Ltd.

Green Delta Securities at a Glance:

- More than 4,000+ High Net Worth Clients, 100+ Institutional Clients
- Membership of both Dhaka Stock Exchange 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 Team
- Customer services of superior standard



GDSL Core Team

Vision:

To be the preferred brokerage for individuals and institutional clients.



Mission:

Ensuring the best service by maintaining strong compliance.



GDSL Business Team

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 which can be utilized to purchase securities and maximize clients' profit.

Information Technology

Understanding the importance of well built 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.

M-Stock

GDSL has launched Mobile trading service from August, 2013.

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.



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.



GDSL Family

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. GDSL presently has Seven branches nationwide:



| SL | Branch Location | Mailing Address |
|----|---|---|
| 1 | Corporate Office | Green Delta AIMS Tower (2nd Floor) 51-52, Mohakhali C/A, Dhaka-1212, Tel: 02-9851170, Fax: 02 9898340 |
| 2 | Head Office & Principle Branch | Hadi Mansion (6th Floor), 2, Dilkusha C/A, Dhaka-1000 Tel : 02-9560505, Ext : 101, Fax: 02-9567548 |
| 3 | Principal Branch Annex- Trust (Panel Broker) | Peoples Insurance Bhaban 36, Dilkusha, Dhaka-1000, Tel: 02-7120604 |
| 4 | Principal Branch Annex-Jamuna (Panel Broker) | Hadi Mansion (2nd Floor) 2, Dilkusha C/A, Dhaka-1000, Tel: 9578827 |
| 5 | Gulshan Branch | Sheba House (1st Floor), Northern Side, Plot# 34, Road # 46 Gulshan-2, Dhaka-1212, Tel : 02-8824298, Fax: 02-8824120 |
| 6 | Gulshan-2 Branch | Concord IK Tower (4th Floor), Plot No 2, Block CEN (A) Gulshan North Avenue, Gulshan-2, Dhaka-1212 Tel : 02-8818046-8 ExtL 102 |
| 7 | Motijheel-2 Branch | WW Tower (Level-9), 68 Motijheel C/A, Dhaka. |
| 8 | Sylhet Branch | Sylhet City Center (8th Floor), Zinda Bazar, Sylhet-3100 Tel : 0821-711483, Fax: 880 (821) 714255 |
| 9 | Chittagong Branch | Makka Madina Trade Center (3rd Floor), 78, Agrabad C/A, Chittagong-4100, Tel : 031-2517845-46, Fax: 880 (031) 726273 |

Panel Brokers

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

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.
- Green Delta Capital Limited
- RACE Management Limited
- Rock Asset Management Co. and many others

Our Banking Partners

- Standard Chartered Bank
- Mutual Trust Bank
- BRAC Bank Ltd.
- Pubali Bank Ltd.
- Jamuna Bank Ltd.
- Trust Bank Ltd.
- City Bank Ltd.
- Mercantile Bank Limited
- Mutual Trust Bank Limited

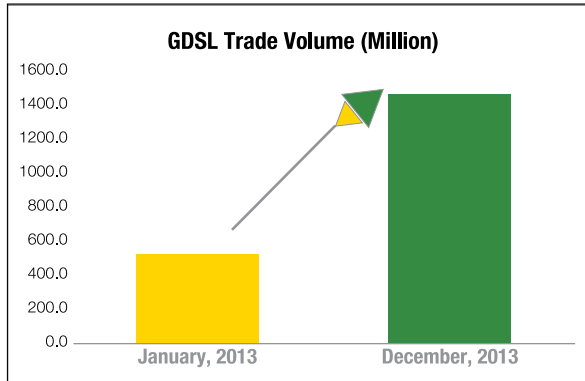
Trade Execution

- A dedicated management team consisting highly skilled professionals, financial and market Analyst
- 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

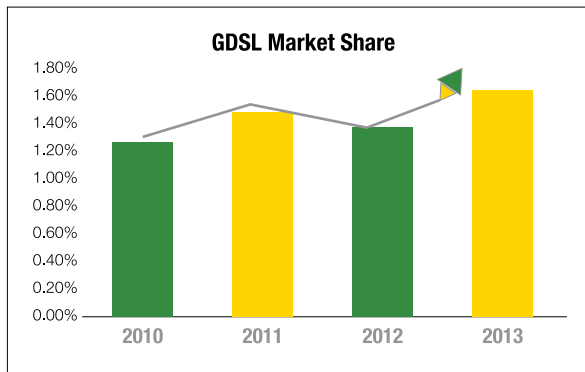


Financial Highlights

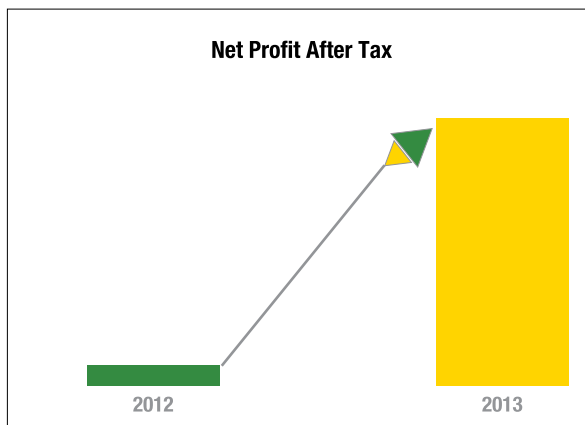
In the year 2013, GDSL became successful to increase the trade volume by 174% from Jan 2013 to Dec 2013, considering the bearish market trend.



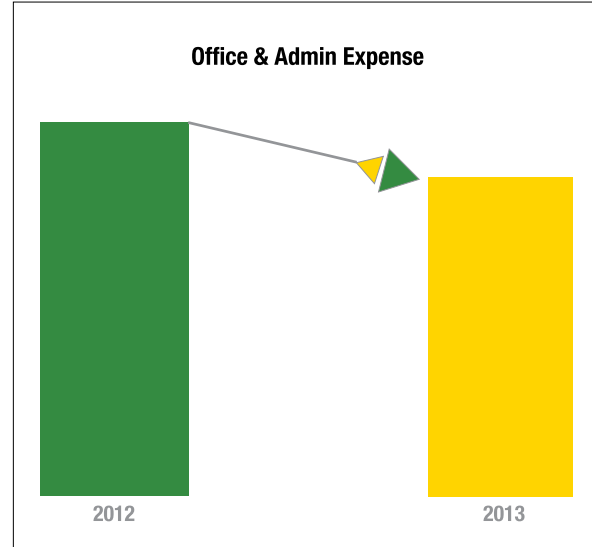
And considering Market share since 2010, it will be noticeable that in 2013, GDSL is successful to achieve the highest Market share.



Net profit after tax of GDSL has increased significantly. Reported net profit after tax in the year 2013 is 10.53 million. Which is 16.45 times higher than reported net profit after tax for the year 2012 (0.64 million).



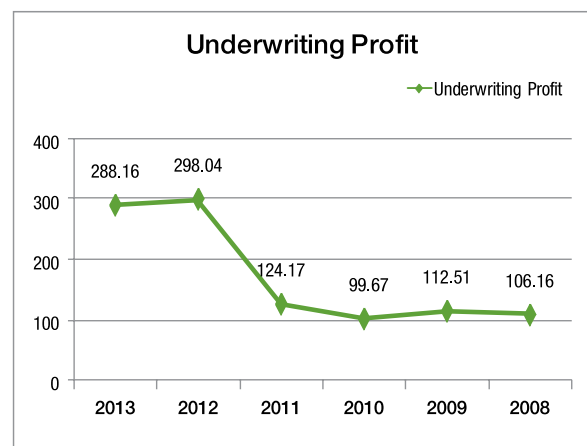
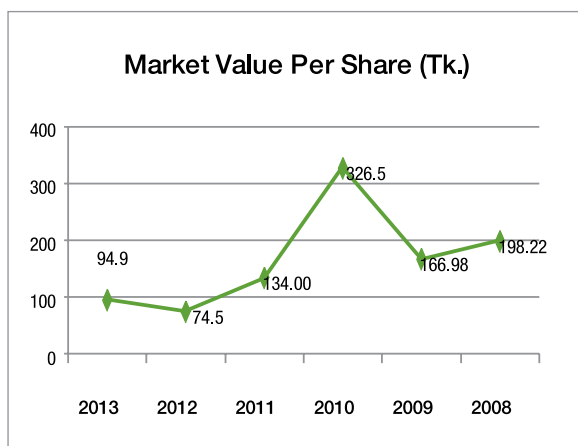
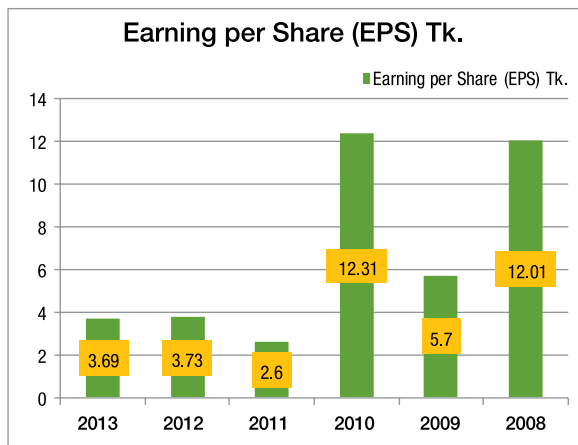
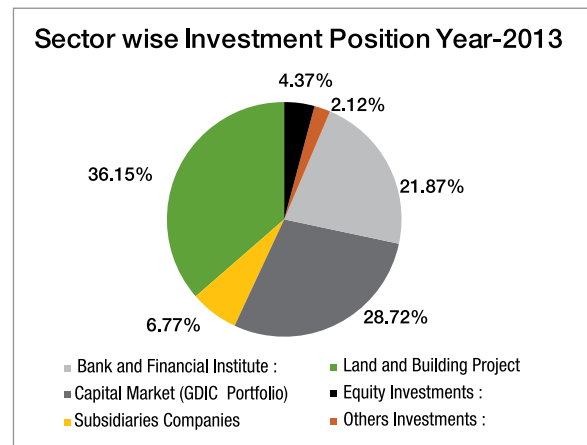
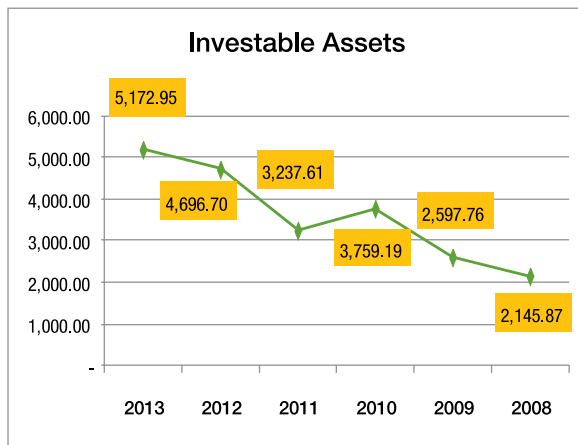
In spite of higher trade, GDSL initiated efficient spending throughout the year. In the year 2013 office and administrative expenses were 51.25% of total reported revenue, which was 17.77% lower than the same of last year, which was 62.33% in the year 2012.

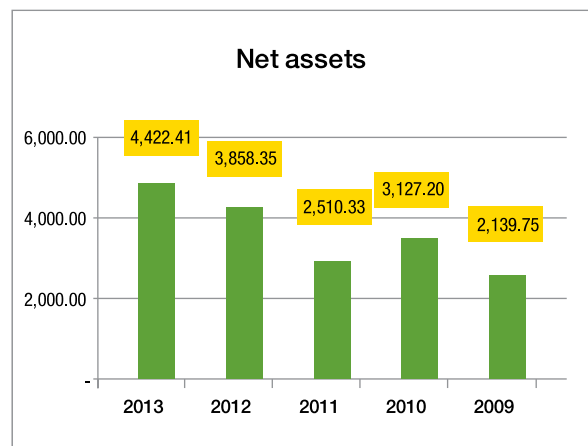
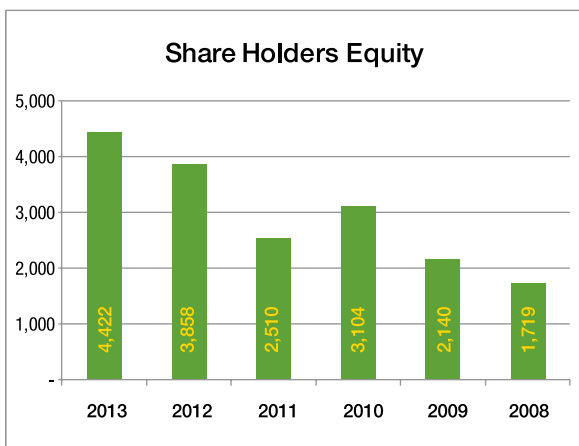
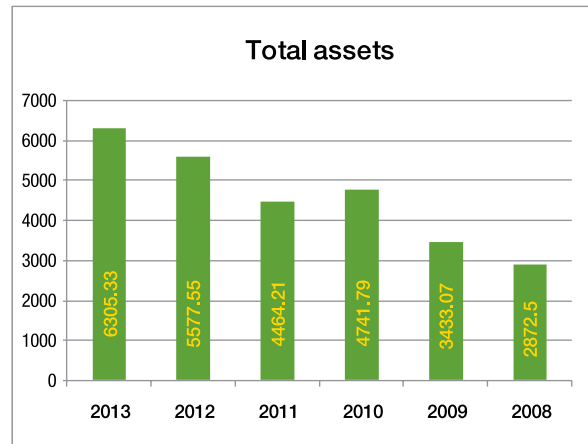
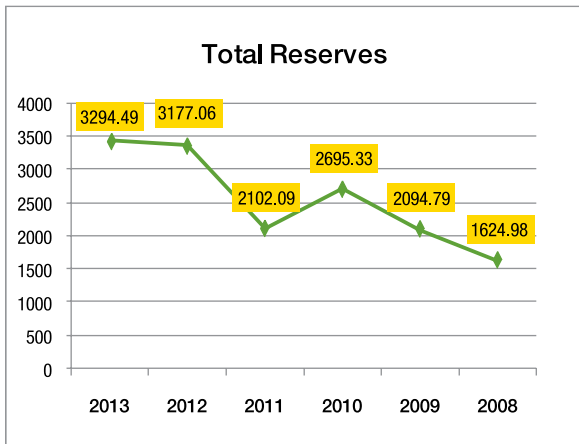
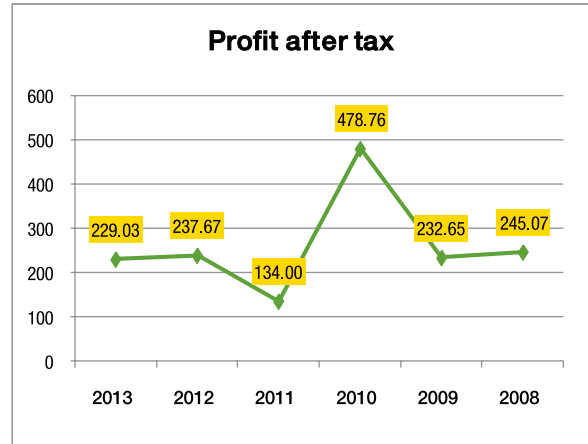
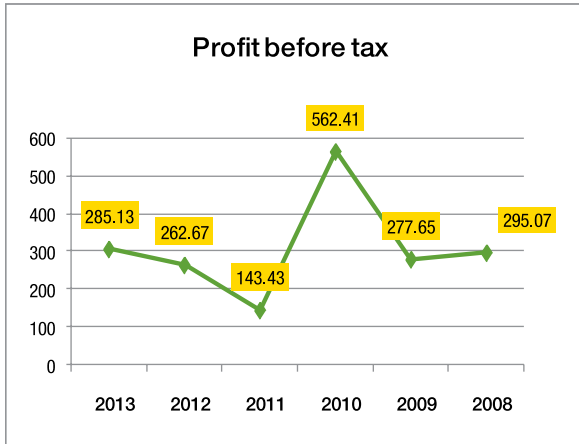


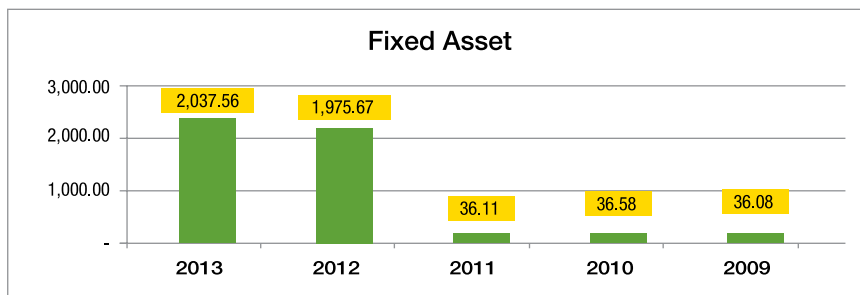
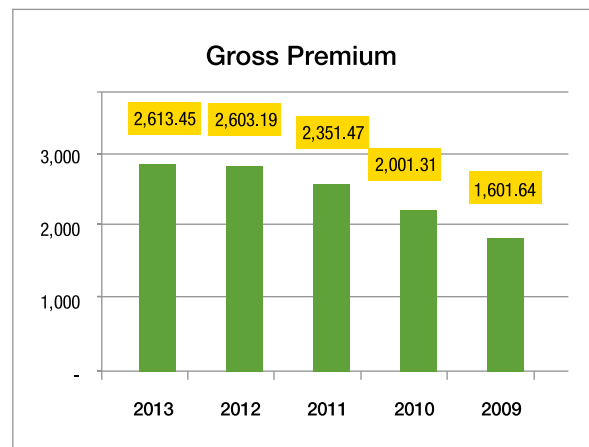
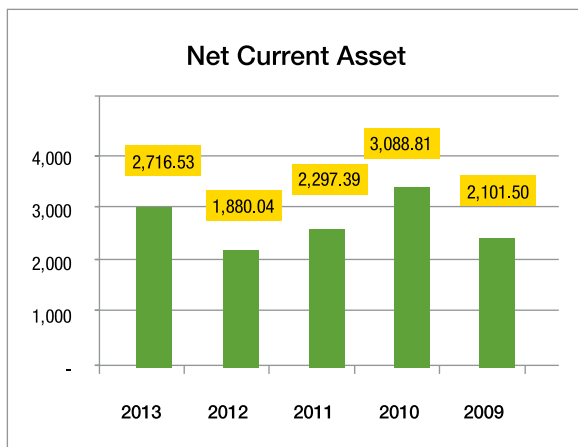
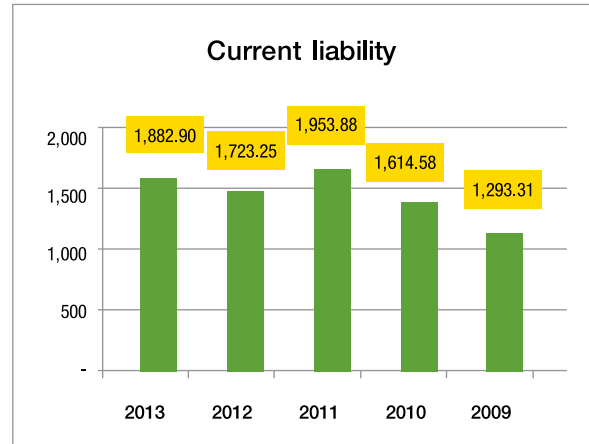
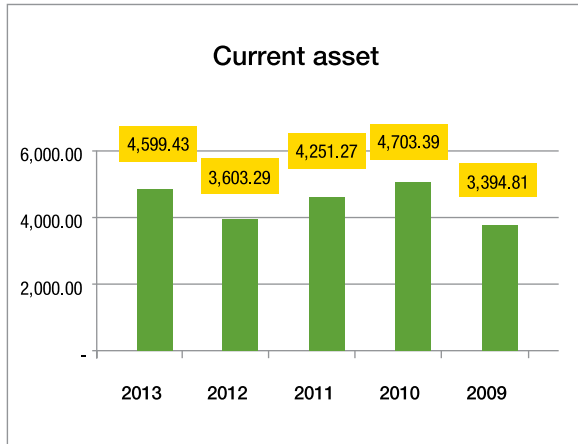
With the aim to provide the best Financial Services with new and innovative investment products for the capital market investors, Green Delta Securities Ltd. is committed to recruit the resources/staffs of highly proficient and capable' investing in IT infrastructure; ensure efficient customer service,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

9.1 GRAPHICAL PRESENTATION AND PROFITABILITY ANALYSIS

Taka in Million







Profitability / Performance and Liquidity Ratio (Calculation as %)

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|--------|--------|--------|--------|--------|
| Gross Profit Ratio | 23.14 | 21.66 | 16.64 | 73.01 | 38.21 |
| Return on Capital Employed | 3.93 | 4.18 | 2.72 | 15.98 | 9.30 |
| Current Ratio | 2.27 | 2.09 | 2.18 | 2.91 | 2.62 |
| Debt Capital Ratio | 29.86 | 30.87 | 43.77 | 34.22 | 37.67 |
| PE Ratio | 25.73 | 19.99 | 46.45 | 26.53 | 29.3 |
| Earning Before Interest, Depreciation & Tax | 338.65 | 305.12 | 161.01 | 562.75 | 285.85 |



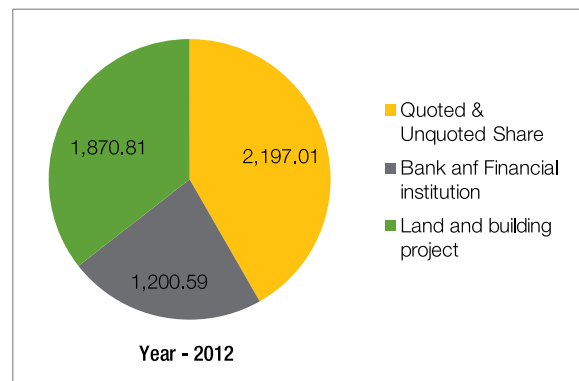
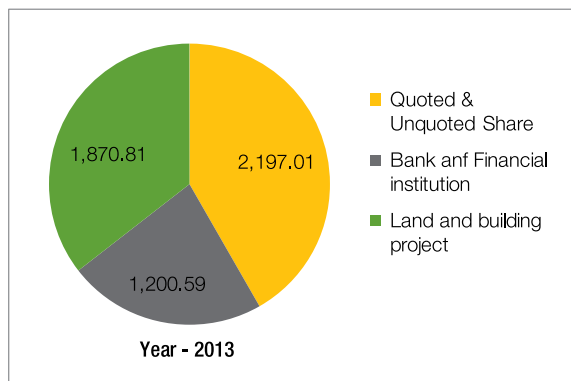
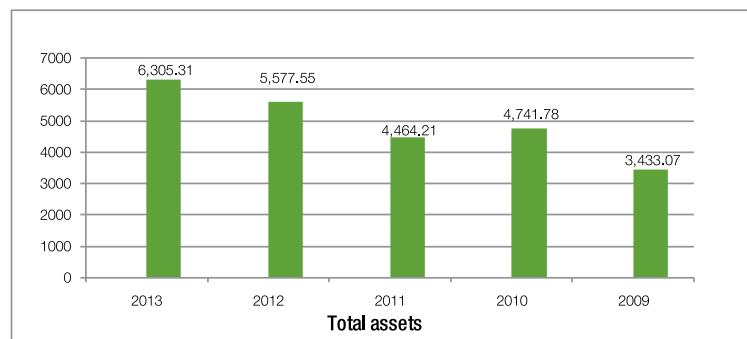
9.2 REVIEW OF ASSETS QUALITY

Taka in Million

Green Delta Insurance always focuses on the superior assets quality so that these will bring highest value to the Company, ensure satisfactory return to the stakeholders and ensure sustainable development. To perform the said objectives, company has the policy to review of its assets periodically and as a result of continuous monitoring and

development of the assets quality, company could achieve the hefty growth for the past years. Following figures showing five years growth of the assets may demonstrate how the company maintains its assets quality to increase value to the company.

| Position of Total Assets | | | | | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Particulars | 2013 | 2012 | 2011 | 2010 | 2009 |
| Investment | 2,197.01 | 1,998.95 | 2,363.65 | 2,905.30 | 1,835.34 |
| Cash and Cash Equivalent | 1,200.59 | 918.77 | 712.74 | 742.81 | 822.47 |
| Fixed Assets | 2,039.81 | 1,978.31 | 212.94 | 134.52 | 38.26 |
| Other Assets | 867.90 | 681.52 | 1,174.88 | 959.15 | 737.00 |
| Total | 6,305.32 | 5,577.55 | 4,464.21 | 4,741.78 | 3,433.07 |



| Particulars of assets | Year -2013 | | | Total(%) | Growth (2012-2013) | Year -2012 | | | Total(%) |
|--|-----------------|-----------------|-----------------|----------------|-----------------------|-----------------|-----------------|-----------------|----------------|
| | Short term | Long term | Total | | | Short term | Long term | Total | |
| Government Bond | - | 25.00 | 25.00 | 0.40% | 456% | - | 4.50 | 4.50 | 0.08% |
| Investment in Quoted Share | 1,485.86 | - | 1,485.86 | 23.57% | -2% | 1,515.98 | - | 1,515.98 | 27.18% |
| Investment in subsidiaries companies | - | 349.98 | 349.98 | 5.55% | 75% | - | 199.98 | 199.98 | 3.59% |
| Equity investment of non listed securities | - | 226.31 | 226.31 | 3.59% | 37% | - | 165.25 | 165.25 | 2.96% |
| Debtenture and others | 109.86 | - | 109.86 | 1.74% | -3% | 113.24 | - | 113.24 | 2.03% |
| Sub Total | 1,595.72 | 601.29 | 2,197.01 | 34.84% | 10% | 1,629.22 | 369.73 | 1,998.95 | 35.84% |
| Fixed Deposit (FDR) | 1,106.16 | - | 1,106.16 | 17.54% | 26% | 878.15 | - | 878.15 | 15.74% |
| Cash and bank balance | 94.43 | - | 94.43 | 1.50% | 132% | 40.62 | - | 40.62 | 0.73% |
| Sub Total | 1,200.59 | - | 1,200.59 | 19.04% | 31% | 918.77 | - | 918.77 | 16.47% |
| Office space | | 425.87 | 425.87 | 6.75% | 14% | | 373.73 | 373.73 | 6.70% |
| Building | - | 644.94 | 644.94 | 10.23% | 0% | | 645.91 | 645.91 | 11.58% |
| Sub Total | - | 1,070.81 | 1,070.81 | 16.98% | 5% | - | 1,019.64 | 1,019.64 | 18.28% |
| Land | - | 800.00 | 800.00 | 12.69% | 0% | - | 800.00 | 800.00 | 14.34% |
| Plant, Vehicle and Equip-ment | - | 166.27 | 166.27 | 2.64% | 7% | - | 156.03 | 156.03 | 2.80% |
| Other Assets | 868.39 | 2.25 | 870.64 | 13.81% | 27% | 681.51 | 2.63 | 684.14 | 12.27% |
| Total assets | 3,664.70 | 2,640.62 | 6,305.32 | 100.00% | 13% | 3,229.50 | 2,348.03 | 5,577.55 | 100.00% |



9.3 ACCOUNTING RATIOS PERTAINING TO **INSURANCE SECTOR**

| Accounting Ratios Pertaining to Insurance Sector (Calculation as %) | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 |
| Reinsurance Premium Ceded on Gross Premium | 49.61 | 53.42 | 63.34 | 61.51 | 54.63 |
| R/I Commission Earned on Gross Premium | 7.05 | 8.16 | 9.27 | 8.06 | 8.73 |
| R/I Commission Earned on Net Premium | 13.99 | 17.52 | 25.28 | 20.93 | 19.24 |
| Net Claim Incurred on Gross Premium | 14.26 | 7.76 | 5.21 | 5.87 | 8.38 |
| Net Claim Incurred on Net Premium | 28.29 | 16.66 | 14.20 | 15.25 | 18.47 |
| Underwriting Result on Gross Premium | 11.03 | 11.45 | 5.28 | 4.98 | 7.02 |
| Underwriting Result on Net Premium | 21.88 | 24.58 | 14.40 | 12.94 | 15.48 |
| Management Expense (Revenue) on Net Premium | 88.60 | 78.21 | 105.44 | 104.99 | 97.05 |
| Combined Ratio on Gross Premium | 51.82 | 42.99 | 43.44 | 46.12 | 47.72 |
| Combined Ratio on Net Premium | 102.83 | 92.29 | 118.50 | 119.83 | 105.19 |

9.4 DISCLOSURES PERTAINING TO SOLVENCY MARGIN

GREEN DELTA INSURANCE COMPANY LIMITED

Assets, Liabilities and Solvency Margin

For the year ended as at 31 December 2013

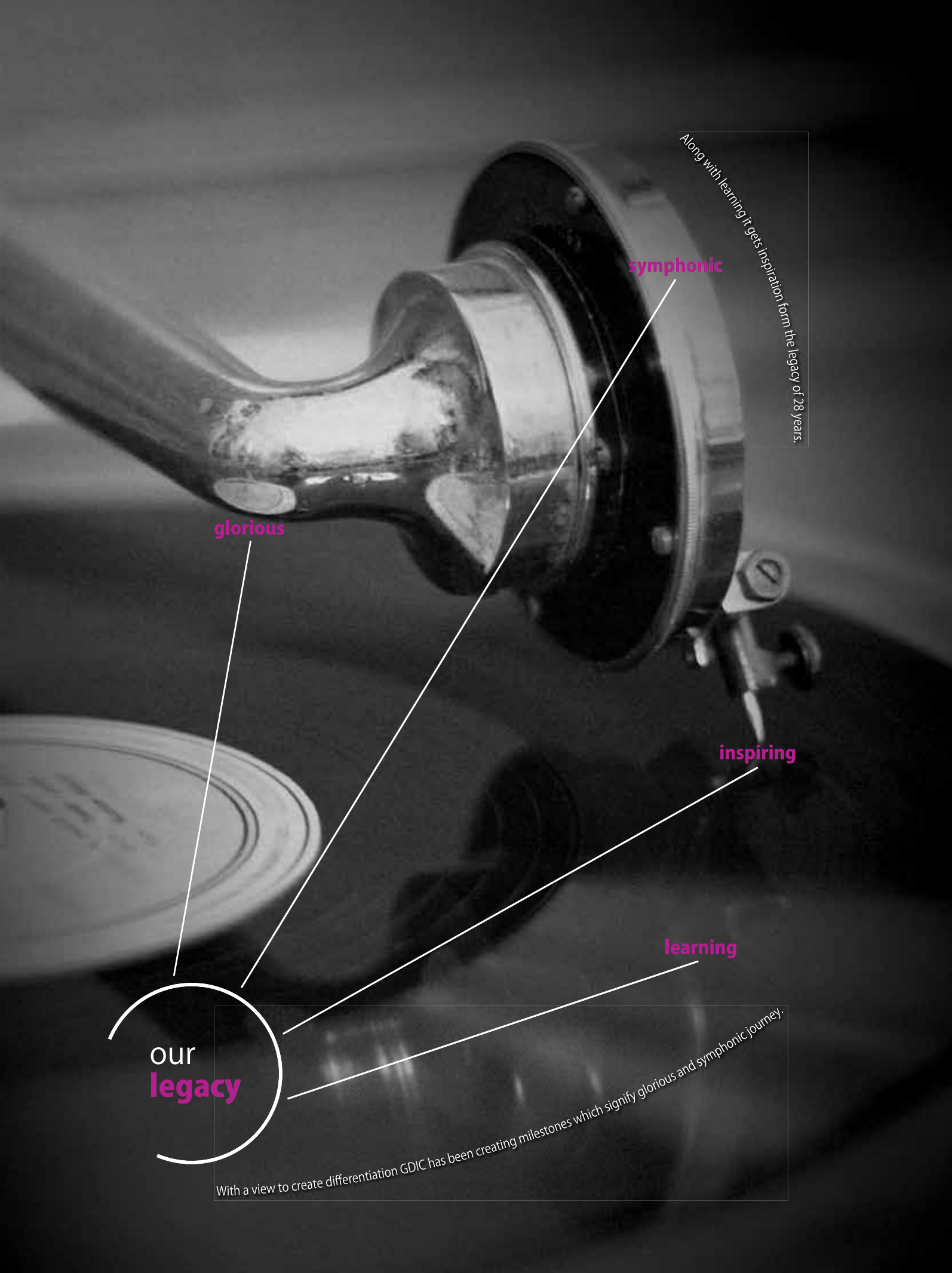
(Taka in million)

| SI | Class of Business | Net Premium | Gross Premium | Factor | G.P. after application of Factor | 20% of GPF | 20% of NP | 20% of (NP & GPF) which is higher |
|-------|-------------------|-------------|---------------|--------|----------------------------------|------------|-----------|------------------------------------|
| 1 | Fire | 564.85 | 1,286.10 | 0.50 | 643.05 | 128.61 | 112.97 | 128.61 |
| 2 | Marine Cargo | 522.36 | 634.75 | 0.70 | 444.33 | 88.87 | 104.47 | 104.47 |
| 3 | Marine Hull | 6.23 | 79.23 | 0.50 | 39.62 | 7.92 | 1.25 | 7.92 |
| 4 | Motor | 153.78 | 168.15 | 0.85 | 142.93 | 28.59 | 30.76 | 30.76 |
| 5 | Misc | 69.77 | 445.22 | 0.70 | 311.65 | 62.33 | 13.95 | 62.33 |
| Total | | 1,316.99 | 2,613.45 | | | | | 334.09 |

| Total Assets as per Balance Sheet | | 6,305.33 |
|-----------------------------------|-----------------|----------|
| Less : | | |
| Amount due from others | 405.48 | |
| Outstanding premium | 130.67 | |
| Furniture & Fixture | 50.89 | |
| | 587.04 | |
| (A) Total Assets | 5,718.29 | |

| Total Liabilities | |
|------------------------------|-----------------|
| Sundry Creditors | 457.54 |
| Amount due to others | 376.69 |
| Provision for income tax | 56.10 |
| Deposit Premium | 35.96 |
| Reserve for Unexpired risk | 658.16 |
| Reserve for exceptional loss | 868.51 |
| (B) Total Liabilities | 2,452.96 |

- Solvency Margin Available (A - B) 3,265.33
- Required Solvency Margin 334.09



Along with learning it gets inspiration from the legacy of 28 years.

symphonic

glorious

inspiring

learning

our
legacy

With a view to create differentiation GDIC has been creating milestones which signify glorious and symphonic journey.

9.5 INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF **GREEN DELTA INSURANCE COMPANY LTD.**

We have audited the accompanying consolidated as well as the separate financial statements of **Green Delta Insurance Company Limited** and its Subsidiaries prepared from separate financial statements which comprise the Consolidated Balance Sheet as at December 31, 2013, and the Consolidated Profit and Loss Account, Consolidated Profit and Loss Appropriation Account, Consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The Financial statements as at December 31, 2013 of the subsidiaries, namely Green Delta Capital Limited and Green Delta Securities Limited were not audited by us. Financial Statements of those subsidiaries have been audited by other auditors, whose reports have been furnished to us and our opinion, in so far it relates to the amounts included in respect of the Company's Subsidiaries, is based solely on those reports of the other auditors.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Green Delta Insurance Company Limited in accordance with Bangladesh Financial Reporting Standards(BFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Company that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements of the Company. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements of the Company, 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 consolidated financial statements of the Company 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 consolidated and separate financial statements of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

In the year 2010 Green Delta Insurance Company Limited booked for purchase 18,304.804 square feet floor space 8th floor with 5 car parking spaces, of the project titled "Rupayan Trade Center" at Bangla Motor, Dhaka. Subsequently an amount of Tk. 197,462,815 was paid to the developer company M/s Rupayan Housing Estate in 30 installments out of total 31 installments within the year 2012. The above mentioned properties having book value Tk. 184,500,679 has been revalued at Tk.333,926,136 as on June 30, 2012 by an independent valuer named "Asian Surveyors Limited". The property was considered in accounts as a non-current asset including its revaluation gains amounting of Tk. 136,463,321. But till the December 31, 2013 the construction work of the project had not been completed. Moreover, the ownership and title of the floor space had not been transferred to Green Delta Insurance Company Limited. The Company has capitalized and revalued this asset without considering the recognition and measurement criteria contained in "BAS – 16: Property, Plant and Equipment". This is constituted a departure from BAS - 16. As a result, the fixed assets of the Company had been overstated by Tk. 333,926,136 and revaluation reserve inflated by Tk. 136,463,321. The impact was overstatement of Net Assets Value (NAV) by Tk. 2.10 per share in 2013 and Tk. 2.70 per share in 2012.

Opinion

In our opinion, except for the effects of matters described above in the basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the **Green Delta Insurance Company Limited and its Subsidiaries** as at December 31, 2013 and the results of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and complies with the Companies Act 1994, the Insurance Act 1938 (as amended in 2010), Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations with the exception of the mandatory compliance with the Insurance Act 1938 mentioned in Note- 2.20.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- c) As per Section 63(2) of the Insurance Act 2010, in our opinion 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 report have been duly debited to the Revenue Accounts and Profit and Loss Accounts of the Company ;
- d) the information and explanations required by us have been received and found satisfactory;
- e) as per regulation 11 of part 1 of the third schedule of the Insurance Act, 1938 , in our opinion to the best of our information and as shown by its books, the company during the year under report has not paid any persons any commission in any form outside Bangladesh in respect of any its business re-insured abroad;
- f) the Statement of Financial Position and the Statement of Comprehensive Income of the Company dealt with by the report are in agreement with the books of account and returns;
- g) the expenditure was incurred for the purpose of the Company's business; and
- h) the Company has complied with relevant laws and regulations pertaining to reserves.

Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Consolidated Balance Sheet

As at December 31, 2013

| Particulars | Notes | Amount in Taka | |
|---|-------------|----------------------|----------------------|
| | | 2013 | 2012 (Restated) |
| Capital and liabilities | | | |
| Share capital | | | |
| Authorized capital | 3.00 | 1,000,000,000 | 1,000,000,000 |
| Issued, subscribed and paid-up capital | 3.00 | 637,875,000 | 510,300,000 |
| Share premium | | 364,150,080 | - |
| Reserve or contingency account | 4.B | 3,901,534,253 | 3,780,884,835 |
| Reserve for exceptional losses | | 868,512,659 | 736,813,750 |
| Foreign currency fluctuation | | 2,914,724 | 3,979,629 |
| Investment fluctuation fund | | 687,088,167 | 676,425,940 |
| General reserve | | 170,000,000 | 170,000,000 |
| Dividend equalization fund | | 120,000,000 | 120,000,000 |
| Revaluation reserve | | 2,053,018,703 | 2,073,665,516 |
| Profit & loss appropriation account | 5.A | 273,086,344 | 287,295,570 |
| Non controlling interest | 5.B | 344 | 1,779 |
| Total shareholders' equity | | 5,176,646,021 | 4,578,482,184 |
| Balance of fund accounts | 6.00 | 658,163,955 | 611,830,246 |
| Fire insurance business | | 281,874,870 | 197,743,593 |
| Marine insurance business | | 265,351,755 | 311,444,902 |
| Motor insurance business | | 76,171,042 | 64,519,656 |
| Miscellaneous insurance business | | 34,766,288 | 38,122,095 |
| Premium deposit | 7.00 | 35,960,887 | 37,048,098 |
| Liabilities and provisions | | 1,390,501,403 | 1,234,795,680 |
| Estimated liability in respect of outstanding claims whether due or intimated | 8.00 | 226,197,377 | 81,867,599 |
| Amount due to other persons or bodies carrying on insurance business | 9.00 | 376,691,619 | 578,954,134 |
| Sundry creditors (Including outstanding expenses, taxes & provisions) | 10.A | 715,358,919 | 573,973,947 |
| Bank overdraft | 11 | 72,253,488 | - |
| Total liabilities | | 2,084,626,245 | 1,883,674,024 |
| Total liabilities & shareholders' equity | | 7,261,272,266 | 6,462,156,208 |

| Particulars | Notes | Amount in Taka | |
|--|-------|----------------------|----------------------|
| | | 2013 | 2012 (Restated) |
| Assets and properties | | 3,663,288,254 | 3,251,706,568 |
| Investment | 12.A | 2,576,351,967 | 2,487,003,405 |
| Outstanding premium | 13.00 | 130,668,575 | 121,285,123 |
| Amount due from other persons or bodies carrying on insurance business | 14.00 | 405,482,881 | 279,402,044 |
| Sundry debtors (including advances and deposits) | 15.A | 550,784,831 | 364,015,996 |
| Cash and cash equivalent | 16.A | 1,542,658,763 | 1,213,540,341 |
| Other accounts | | | |
| Land property and office space with building project | 17.00 | 800,000,000 | 800,000,000 |
| | | 1,255,325,249 | 1,196,909,299 |
| Fixed assets (at cost less depreciation) | 18.A | 1,251,593,480 | 1,193,982,022 |
| Intangible assets | 18.01 | 1,473,050 | - |
| Stock of printing, stationery and stamps | 19.00 | 2,258,719 | 2,635,852 |
| Preliminary expenses | 19.A | - | 291,425 |
| Total assets and properties | | 7,261,272,266 | 6,462,156,208 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Consolidated Profit and Loss Account

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|--|-------|--------------------|--------------------|
| | | 2013 | 2012 (Restated) |
| Investment income | | 68,274,302 | 33,102,363 |
| Income from share business | 21.A | 5,835,257 | 15,700,121 |
| Brokerage commission & others less direct expenses | | 59,863,728 | 41,525,793 |
| Interest & others income | 21.B | 179,823,925 | 144,526,247 |
| Total investment income | | 313,797,212 | 234,854,524 |
| Fire insurance revenue account | | 62,650,750 | 131,952,892 |
| Marine insurance revenue account | | 219,654,051 | 165,368,300 |
| Motor insurance revenue account | | 19,326,882 | 30,853,209 |
| Miscellaneous insurance revenue account | | (13,468,910) | (30,133,447) |
| Total revenue income | | 288,162,772 | 298,040,954 |
| Total income | | 601,959,984 | 532,895,478 |
| Management expenses | 21.C | 213,099,208 | 236,628,172 |
| Director's fee & expenses | | 1,277,122 | 1,296,808 |
| Audit fees | | 345,000 | 306,750 |
| Depreciation | | 49,527,354 | 23,726,489 |
| Total expenditure | | 264,248,684 | 261,958,219 |
| Profit before provision & tax | | 337,711,300 | 270,937,259 |
| Others provision | | 3,900,000 | 1,200,000 |
| Net profit for the year | | 333,811,300 | 269,737,259 |
| Profit attributable to GDICL | | 333,811,063 | 269,737,262 |
| Share of non-controlling interest | | 237 | (3) |
| | | 333,811,300 | 269,737,259 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Consolidated Profit and Loss Appropriation Account

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|---|-------------|--------------------|--------------------|
| | | 2013 | 2012 (Restated) |
| Balance brought forward from last year | | 303,125,067 | 285,794,303 |
| Net profit for the year brought down | | 333,811,300 | 269,737,262 |
| Total | | 636,936,367 | 555,531,565 |
| Reserve for exceptional losses | 4.01 | 131,698,909 | 121,253,618 |
| Provision for income tax | | 47,566,358 | 19,952,480 |
| Deferred tax liability/ (asset) during the year | | 21,380,369 | 15,000,000 |
| Adjustment for GDSL | | 14,316,608 | - |
| Dividend paid : | | 153,090,000 | 102,060,000 |
| Cash | | 76,545,000 | - |
| Stock | | 76,545,000 | 102,060,000 |
| Profit for the period of continuing operation | | 117,008,477 | 11,471,163 |
| Less : Loss of discontinued business (Green Delta LR Holding) | | 19,675,601 | - |
| Balance transferred to balance sheet | | 249,208,522 | 297,265,466 |
| Total | | 636,936,367 | 555,531,565 |
| Earning per share(Tk-10/= each) | 24.A | 3.72 | 4.00 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants


Consolidated Statement of Cash Flows

For the year ended December 31, 2013

| Particulars | Amount in Taka | |
|---|----------------------|----------------------|
| | 2013 | 2012 |
| Cash flows from operating activities | | |
| Collections from premium and other income | 2,636,490,008 | 3,190,232,116 |
| Payments for management expense, re-insurance and claims | (2,617,819,947) | (2,515,672,605) |
| Income tax paid | (77,887,891) | (38,062,930) |
| Net cash provided by operating activities | (59,217,830) | 636,496,581 |
| Cash flows from investing activities | | |
| Investment in share | 23,077,606 | 61,350,908 |
| Sales of investment | 5,073,678 | 1,771,228 |
| Income from share trading | 3,125,202 | 1,257,579 |
| Interest received | (5,834,154) | 10,902,636 |
| Income from office rent | 8,811,959 | 3,050,360 |
| Investment in Green Delta Securities Ltd. | - | 7,500,000 |
| Dividend income | 59,748,500 | 25,477,561 |
| Purchase of fixed assets | (110,660,035) | (250,157,990) |
| Sales of fixed assets | 2,250,000 | - |
| Receivable from Green Delta LR Holding Ltd. | 8,200,000 | - |
| Receivable from Green Delta Capital Ltd. | 65,314 | (8,987,973) |
| Investment in Green Delta LR Holding Ltd. | 3,100,985 | - |
| Purchase of National Bond | (40,000,000) | - |
| Investment in Heritage Life Ins. | (19,500,000) | - |
| Energypac Power Generation | (4,972,000) | - |
| ACME Laboratories | (26,000,000) | (3,100,985) |
| Green Delta Capital Ltd. | (150,000,000) | - |
| Share issue to IFC | 51,030,000 | - |
| Premium received from IFC | 364,150,080 | - |
| Investment in Jalalabad Telecom Ltd. | - | (52,384,000) |
| Investment in BD Venture | (10,000,000) | (10,000,000) |
| Investment in Swiss Pro | (600,000) | (9,600,000) |
| Advance received from Standard Bank | - | 17,131,750 |
| Bank loan | 143,965,071 | (172,514,717) |
| Lease paid | (437,496) | (437,496) |
| Employees loan received | 173,824 | 267,517 |
| Net cash used in investing activities | 304,768,534 | (378,473,622) |
| Cash flows from financing activities: | | |
| Dividend paid | (66,042,474) | (832,411) |
| Share issue | 150,000,000 | - |
| Client account | - | - |
| Net cash from financing activities | 83,957,526 | (832,411) |
| Net increase/(decrease) in cash & cash equivalents during the year | 329,508,230 | 257,190,548 |
| Cash & cash equivalents at the beginning of the year | 1,213,150,534 | 956,349,793 |
| Cash & cash equivalents at the end of the year | 1,542,658,763 | 1,213,540,341 |



A Q M Nurul Absar
Chairman



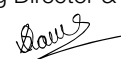
Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Syed Moinuddin Ahmed
Company Secretary

S. F. Ahmed & Co.

S. F. Ahmed & Co.
Chartered Accountants

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014


Consolidated Statement of Changes in Equity

For the year ended December 31, 2013

| Particulars | Share Capital | Share Premium | 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 January 01, 2013 (Restated) | 510,300,000 | - | 736,813,750 | 170,000,000 | 120,000,000 | 3,979,629 | 2,076,896,869 | 676,425,940 | 297,265,475 | 4,591,681,673 | 1,779 | 4,591,683,452 |
| Discontinuation of GDHL | | | | | | | | | (119,402,645) | (119,402,645) | (1,672) | (119,404,317) |
| Green Delta Securities | | | | | | | | | 138,462,158 | 138,462,158 | | 138,462,158 |
| Less: Prior year adjustment | | | | | | | | | (27,516,646) | (27,516,646) | | (27,516,646) |
| Revaluation adjustment during the period | | | | | | | (23,878,165) | | 23,878,165 | - | | - |
| Share issue to IFC | 51,030,000 | 364,150,080 | | | | | | | - | 415,180,080 | | 415,180,080 |
| Stock dividend paid for the year 2012 | 76,545,000 | | | | | | | | (76,545,000) | - | | - |
| Cash dividend paid for the year 2012 | | | | | | | | | (76,545,000) | (76,545,000) | | (76,545,000) |
| Loss from discontinued business | | | | | | | | | (19,675,601) | (19,675,601) | | (19,675,601) |
| Profit after tax | | | | | | | | | 264,864,337 | 264,864,337 | 237 | 264,864,574 |
| Appropriation to reserve | | | 131,698,909 | | | (1,064,905) | | 10,662,227 | (131,698,909) | 9,597,322 | | 9,597,322 |
| Balance as on December 31, 2013 | 637,875,000 | 364,150,080 | 868,512,659 | 170,000,000 | 120,000,000 | 2,914,724 | 2,053,018,704 | 687,088,167 | 273,086,344 | 5,176,645,678 | 344 | 5,176,646,021 |



A Q M Nurul Absar
Chairman



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Syed Moinuddin Ahmed
Company Secretary
S. F. Ahmed & Co.

S. F. Ahmed & Co.
Chartered Accountants

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014

Balance Sheet

As at December 31, 2013

| Particulars | Notes | Amount in Taka | |
|---|-------------|----------------------|----------------------|
| | | 2013 | 2012 (Restated) |
| Capital and liabilities | | | |
| Share capital | | | |
| Authorized share capital | 3.00 | 1,000,000,000 | 1,000,000,000 |
| Issued, subscribed and paid-up capital | 3.00 | 637,875,000 | 510,300,000 |
| Share premium | | 364,150,080 | - |
| Reserve or contingency account | 4.00 | 3,294,487,092 | 3,173,838,885 |
| Reserve for exceptional losses | 4.01 | 868,512,659 | 736,813,750 |
| Foreign currency fluctuation fund | 4.02 | 2,914,724 | 3,979,629 |
| Investment fluctuation fund | 4.03 | 687,088,167 | 676,425,940 |
| General reserve | 4.04 | 170,000,000 | 170,000,000 |
| Dividend equalization fund | 4.05 | 120,000,000 | 120,000,000 |
| Revaluation reserve | 4.06 | 1,445,971,542 | 1,466,619,565 |
| Profit & loss appropriation account | 5.00 | 125,904,367 | 161,013,468 |
| Total shareholders' equity | | 4,422,416,539 | 3,845,152,352 |
| Balances of funds & accounts | | | |
| 6.00 | 6.00 | 658,163,955 | 611,830,246 |
| Fire insurance business | | 281,874,870 | 197,743,593 |
| Marine insurance business | | 265,351,755 | 311,444,902 |
| Motor insurance business | | 76,171,042 | 64,519,656 |
| Miscellaneous insurance business | | 34,766,288 | 38,122,095 |
| Premium deposit | 7.00 | 35,960,887 | 37,048,098 |
| Liabilities and provisions | | 1,188,785,127 | 1,083,523,052 |
| Estimated liability in respect of outstanding claims whether due or intimated | 8.00 | 226,197,377 | 81,867,599 |
| Amount due to other persons or bodies carrying on insurance business | 9.00 | 376,691,619 | 578,954,135 |
| Sundry creditors (including outstanding expenses, taxes & provisions) | 10.00 | 513,642,643 | 422,701,318 |
| Bank overdraft | 11.00 | 72,253,488 | - |
| Total liabilities | | 1,882,909,969 | 1,732,401,396 |
| Total liabilities & shareholders' equity | | 6,305,326,508 | 5,577,553,748 |

| Particulars | Notes | Amount in Taka | |
|--|-------|----------------------|----------------------|
| | | 2013 | 2012 (Restated) |
| Assets and properties | | | |
| | | 3,064,915,129 | 2,680,470,096 |
| Investment | 12.00 | 2,197,012,664 | 1,998,955,594 |
| Outstanding premium | 13.00 | 130,668,575 | 121,285,123 |
| Amount due from other persons or bodies carrying on insurance business | 14.00 | 405,482,881 | 279,402,044 |
| Sundry debtors (including advances and deposits) | 15.00 | 331,751,009 | 280,827,335 |
| Cash and cash equivalents | 16.00 | 1,200,593,454 | 918,775,649 |
| | | 2,039,817,925 | 1,978,308,003 |
| Land | 17.00 | 800,000,000 | 800,000,000 |
| Fixed assets & intangible assets | 18.00 | 1,237,559,206 | 1,175,672,151 |
| Stock of printing, stationery and stamps | 19.00 | 2,258,719 | 2,635,852 |
| Total assets and properties | | 6,305,326,508 | 5,577,553,748 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



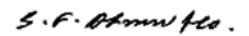
Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014



S. F. Ahmed & Co.
Chartered Accountants

Profit and Loss Account

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|---|-------|--------------------|--------------------|
| | | 2013 | 2012 (Restated) |
| Expenses of management (not applicable to any particular fund or account) | | 144,959,662 | 147,528,731 |
| | | 42,456,920 | 23,290,803 |
| Director's fee & expenses | | 1,277,122 | 1,296,808 |
| Audit fees | 20.00 | 345,000 | 306,750 |
| Depreciation | | 40,834,798 | 21,687,245 |
| Net profit for the year carried down to profit & loss appropriation account | | 304,810,589 | 262,676,034 |
| Total | | 492,227,171 | 433,495,568 |
| Investment & others income | 21.00 | 204,064,397 | 135,454,615 |
| Profit & loss transferred from : | | 288,162,774 | 298,040,953 |
| Fire insurance revenue account | | 62,650,751 | 131,952,891 |
| Marine insurance revenue account | | 219,654,050 | 165,368,300 |
| Motor insurance revenue account | | 19,326,883 | 30,853,209 |
| Miscellaneous insurance revenue account | | (13,468,910) | (30,133,447) |
| Total | | 492,227,171 | 433,495,568 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

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Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Profit and Loss Appropriation Account

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|--|-------|--------------------|--------------------|
| | | 2013 | 2012 (Restated) |
| Balance brought forward from last year | | 157,783,326 | 156,620,948 |
| Net profit for the year brought down | | 304,810,589 | 262,676,034 |
| Total | | 462,593,915 | 419,296,982 |
| Reserve for exceptional losses | 4.01 | 131,698,909 | 121,253,618 |
| Provision for income tax | 10.01 | 34,722,833 | 10,000,000 |
| Provision for deferred tax | 10.02 | 21,380,369 | 15,000,000 |
| Dividend paid : | | 153,090,000 | 102,060,000 |
| Cash | | 76,545,000 | - |
| Stock | | 76,545,000 | 102,060,000 |
| Profit for the period of continuing operation | | 117,008,478 | 116,422,416 |
| Less : Loss from discontinued business (Green Delta LR Holding) | | 19,675,601 | - |
| Balance transferred to balance sheet | | 102,026,203 | 170,983,364 |
| Less : Prior year adjustment | | - | (13,200,038) |
| Total | | 462,593,915 | 419,296,982 |
| Earning Per share(Tk-10/= each) | | 3.69 | 4.05 |
| P/E Ratio | | 25.73 | 18.39 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Consolidated All Business Revenue Account For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|--|-------|----------------------|----------------------|
| | | 2013 | 2012 |
| | | 1,166,790,499 | 948,290,571 |
| Claims under policies less re-insurance | 22.00 | 372,601,653 | 201,964,817 |
| Agency commission | | 345,121,709 | 342,659,411 |
| Expenses of management | | 449,067,137 | 403,666,343 |
| Profit transferred to profit & loss account | | 288,162,769 | 298,040,953 |
| Balance of accounts at the end of the year as shown in the balance sheet | 6.00 | 658,163,955 | 611,830,245 |
| Total | | 2,113,117,223 | 1,858,161,769 |
| Balance of account at the beginning of the year | | 611,830,245 | 433,236,871 |
| Gross premium | | 2,613,453,255 | 2,603,191,838 |
| Re-insurance premium | | (1,296,464,167) | (1,390,655,656) |
| Net premium | 23.00 | 1,316,989,088 | 1,212,536,182 |
| Commission on re-insurance ceded | | 184,297,890 | 212,388,716 |
| Total | | 2,113,117,223 | 1,858,161,769 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



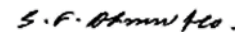
Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014



S. F. Ahmed & Co.
Chartered Accountants

Fire Insurance Revenue Account

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|--|-------|--------------------|--------------------|
| | | 2013 | 2012 |
| | | 553,774,867 | 413,746,068 |
| Claims under policies less re-insurance | 22.00 | 206,624,805 | 128,540,735 |
| Expenses of management | | 192,436,207 | 131,986,759 |
| Agency commission | | 154,713,855 | 153,218,574 |
| Profit transferred to profit & loss account | | 62,650,751 | 131,952,891 |
| Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks) | | 281,874,870 | 197,743,593 |
| Total | | 898,300,488 | 743,442,552 |
| | | 898,300,488 | 743,442,552 |
| Balance of account at the beginning of the year | | 197,743,593 | 186,797,099 |
| Premium less re-insurance | 23.00 | 564,851,945 | 396,714,821 |
| Commission on re-insurance ceded | | 135,704,949 | 159,930,632 |
| Total | | 898,300,488 | 743,442,552 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Motor Insurance Revenue Account

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|--|-------|--------------------|--------------------|
| | | 2013 | 2012 |
| | | 126,067,771 | 96,569,735 |
| Claims under policies less re-insurance | 22.00 | 49,638,587 | 31,825,353 |
| Expenses of management | | 52,491,230 | 43,399,672 |
| Agency commission | | 23,937,954 | 21,344,710 |
| Profit transferred to profit & loss account | | 19,326,883 | 30,853,209 |
| Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks) | | 76,171,042 | 64,519,656 |
| Total | | 221,565,696 | 191,942,600 |
| | | 221,565,696 | 191,942,600 |
| Balance of account at the beginning of the year | | 64,519,656 | 57,146,719 |
| Premium less re-insurance | 23.00 | 153,776,246 | 130,163,096 |
| Commission on re-insurance ceded | | 3,269,793 | 4,632,785 |
| Total | | 221,565,696 | 191,942,600 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Marine Insurance Revenue Account

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|---|-------|--------------------|--------------------|
| | | 2013 | 2012 |
| | | 386,339,363 | 327,062,089 |
| Claims under policies less re-insurance | 22.00 | 96,790,852 | 32,262,312 |
| Expenses of management | | 180,360,481 | 202,676,299 |
| Agency commission | | 109,188,030 | 92,123,478 |
| Profit transferred to profit & loss account | | 219,654,050 | 165,368,300 |
| Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks) | | 265,351,755 | 311,444,902 |
| Total | | 871,345,168 | 803,875,291 |
| | | 871,345,168 | 803,875,291 |
| Balance of account at the beginning of the year | | 311,444,902 | 163,004,792 |
| Premium less re-insurance | 23.00 | 528,589,602 | 608,835,377 |
| Commission on re-insurance ceded | | 31,310,664 | 32,035,122 |
| Total | | 871,345,168 | 803,875,291 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO




Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014



S. F. Ahmed & Co.
Chartered Accountants

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|---|-------|--------------------|--------------------|
| | | 2013 | 2012 |
| | | 100,608,498 | 110,912,679 |
| Claims under policies less re-insurance | 22.00 | 19,547,409 | 9,336,417 |
| Expenses of management | | 23,779,219 | 25,603,613 |
| Agency commission | | 57,281,870 | 75,972,649 |
| Profit transferred to profit & loss account | | (13,468,910) | (30,133,447) |
| Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks) | | 34,766,288 | 38,122,095 |
| Total | | 121,905,876 | 118,901,327 |
| | | 121,905,876 | 118,901,327 |
| Balance of account at the beginning of the year | | 38,122,095 | 26,288,261 |
| Premium less re-insurance | 23.00 | 69,771,296 | 76,822,889 |
| Commission on re-insurance ceded | | 14,012,485 | 15,790,177 |
| Total | | 121,905,876 | 118,901,327 |

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



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Statement of Changes in Equity

For the year ended December 31, 2013

| Particulars | Share Capital | Share Premium | Reserve for Exceptional Losses | General Reserve | Dividend equalization fund | Foreign Currency Fluctuation | Investment Fluctuation Fund | Revaluation Reserve | Retained Earnings | Total |
|---|--------------------|--------------------|--------------------------------|--------------------|----------------------------|------------------------------|-----------------------------|----------------------|--------------------|----------------------|
| Balance as on January 01, 2013 (Restated) | 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 |
| Less: Prior year adjustment | - | - | - | - | - | - | - | - | (13,200,038) | (13,200,038) |
| Transfer for 2012 | - | - | - | - | - | - | - | (3,230,142) | 3,230,142 | - |
| Transfer for 2013 | - | - | - | - | - | - | - | (20,648,023) | 20,648,023 | - |
| Share issue to IFC | 51,030,000 | 364,150,080 | - | - | - | - | - | - | - | 415,180,080 |
| Stock dividend paid for 2012 | 76,545,000 | - | - | - | - | - | - | - | (76,545,000) | - |
| Cash dividend paid for 2012 | - | - | - | - | - | - | - | - | (76,545,000) | (76,545,000) |
| Loss from discontinued business | - | - | - | - | - | - | - | - | (19,675,601) | (19,675,601) |
| Profit after tax | - | - | - | - | - | - | - | - | 248,707,387 | 248,707,387 |
| Appropriation to reserve | - | - | 131,698,909 | - | - | (1,064,905) | 10,662,227 | - | (131,698,909) | 9,597,322 |
| Balance as at December 31, 2013 | 637,875,000 | 364,150,080 | 868,512,659 | 170,000,000 | 120,000,000 | 2,914,724 | 687,088,167 | 1,445,971,542 | 125,904,367 | 4,422,416,539 |



A Q M Nurul Absar
Chairman



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Diruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Syed Moinuddin Ahmed
Company Secretary

Dated, Dhaka,
February 05, 2014

Signed as per our separate report of even date

S. F. Ahmed & Co.
Chartered Accountants

Statement of Cash Flows

For the year ended December 31, 2013

| Particulars | Amount in Taka | |
|---|----------------------|----------------------|
| | 2013 | 2012 |
| Cash flows from operating activities: | | |
| Collections from premium and other income | 2,612,258,818 | 3,024,239,503 |
| Payments for management expense, re-insurance and claims | (2,499,752,050) | (2,474,183,070) |
| Income from office rent | 8,816,810 | 3,050,360 |
| Interest received | 13,032,620 | 10,902,636 |
| Income tax paid | (55,833,913) | (20,436,257) |
| Net cash from operating activities | 78,522,285 | 543,573,172 |
| Cash flows from investing activities: | | |
| Investment in share | 46,557,162 | 51,491,354 |
| Sales of investment | 885,614 | 1,771,228 |
| Income from share trading | 3,125,202 | 1,257,579 |
| Advance received from Green Delta Securities | 2,500,000 | 7,500,000 |
| Dividend income | 59,748,500 | 25,477,561 |
| Purchase of fixed assets | (104,521,863) | (246,629,365) |
| Sales of fixed assets | 2,250,000 | - |
| Receivable from Green Delta LR Holding | (234,488) | - |
| Receivable from Green Delta Capital | 65,314 | (8,987,973) |
| Advance for GD Aims Tower | 3,100,985 | (3,100,985) |
| Purchase of national bond | (20,500,000) | - |
| Investment in Heritage Life Insurance | (19,500,000) | - |
| Energypac Power Generation | (4,972,000) | - |
| ACME Laboratories | (26,000,000) | - |
| Investment in Green Delta Capital | (150,000,000) | - |
| Investment in Jalalabad Telecom Ltd. | - | (52,384,000) |
| Investment in BD Venture | (10,000,000) | (10,000,000) |
| Investment in Swiss Pro BD Ltd | (600,000) | (9,600,000) |
| Advance Received from Standard Bank Ltd. | - | 17,131,750 |
| Bank loan | 72,253,488 | (110,629,650) |
| Net cash used in investing activities | (145,842,086) | (336,702,501) |
| Cash flows from financing activities: | | |
| Paid Up Capital (received from IFC) | 51,030,000 | - |
| Share Premium (received from IFC) | 364,150,080 | - |
| Dividend paid | (66,042,474) | (832,411) |
| Net cash from financing activities | 349,137,606 | (832,411) |
| Net Increase/(Decrease) in cash & cash equivalents during the year | 281,817,805 | 206,038,260 |
| Cash & cash equivalents at the beginning of the year | 918,775,649 | 712,737,389 |
| Cash & cash equivalents at the end of the year | 1,200,593,454 | 918,775,649 |
| Net Operating Cash Flows per Share (NOCFS) | 1.23 | 10.65 |



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

Notes to the Financial Statements

As at and for the year ended 31 December 2013

1. Legal status and nature of the company

(a) Legal status and country of operation

Green Delta Insurance Company limited was incorporated as a public limited company as on December 14, 1895 and obtained the Certificate of Commencement of Business as on January 01, 1986 under the Companies Act 1913 which was amended in 1994. The company obtained licensed from the Controller of Insurance in 1986. They went for public issue in 1990 and the shares of the company are listed in both Dhaka and Chittagong Stock Exchange in Bangladesh.

The company has investment in two subsidiaries. The details of the investments are provided in Note 'C'.

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

(b) Nature of business

The principal activities of the company is to offer general insurance products includes fire and allied perils insurance, marine cargo and hull insurance, aviation insurance, automobile insurance and miscellaneous insurance. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident. Non-life healthcare contracts provide medical cover to policyholders. Revenue under above activities is derived primarily from insurance premiums.

(c) Subsidiary companies

Green delta Insurance Company Limited is a parent company of two subsidiary companies namely Green Delta Securities Limited and Green Delta Capital Limited details of which are given below:

Green Delta Securities Limited (GDSL): GDSSL is wholly owned subsidiary company of Green Delta Insurance Company Ltd which was incorporated on July 28, 2010 with the Registrar of Joint Stock Companies & Firms. The Company is takeover by GDIC in the year 2013 and the company's present share holding position is 99.999% and 0.0001% by an individual shareholder.

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. Subsequently, the company was renamed as Green Delta Capital Limited on September 04, 2011. The company's present share holding position is 99.999% and 0.0001% by an individual shareholder.

(d) Structure, content and presentation of financial statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by per requirement of Insurance Act 1938 and BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- i) Balance sheet as at December 31, 2013;
- ii) Profit and Loss Account for the year ended December 31, 2013;
- iii) Profit and Loss Appropriation Account for the year ended December 31, 2013;
- iv) Statement of Changes in Equity for the year ended December 31, 2013;
- v) Statement of Cash Flows for the year ended December 31, 2013;
- vi) Consolidated all Business Revenue Account for the year ended December 31, 2013;

- vii) Fire Insurance Revenue Account for the year ended December 31, 2013;
- viii) Motor Insurance Revenue Account for the year ended December 31, 2013;
- ix) Marine Insurance revenue Account for the year ended December 31, 2013;
- x) Miscellaneous Insurance Revenue Account for the year ended December 31, 2013 and
- xi) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2013.

2. Summary of significant accounting policies & basis of preparation

A summary of the principle accounting policies which have been applied consistently (Unless otherwise stated), is set out below:

2.01 Basis of preparation

The Financial Statements has been prepared on going concern and accrual basis under historical cost convention. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the Insurance Act 1938 (as amended in 2010) the Insurance Rules 1958 and in conformity with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 (as amended in 1997), the listing rules of Dhaka and Chittagong Exchange and other applicable laws & regulations in Bangladesh and practice generally followed by the insurance sector. The Balance sheet has been prepared in accordance with Part-I and "Form A "in Part II of the First Schedule. The revenue account for fire, marine and miscellaneous business has been prepared in accordance with "Form F" in Part II of the Third Schedule. Statement of Cash Flows and Statement of Changes in Equity has been prepared in accordance with BFRS.

2.02 Basis of Consolidation

The financial statements of the Corporation and its subsidiaries have been consolidated in accordance with Bangladesh Accounting Standard (BAS)-27 "Consolidated and Separate Financial Statements". The consolidation of the financial statements has been made after eliminating all intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions and dividends.

The consolidated financial statements comprise the financial statements of the Group as at 31 December each year.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Losses within a subsidiary are attributed to any non-controlling interest, even if this results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary

- Derecognizes the carrying amount of any non-controlling interest

- Derecognizes the cumulative translation differences recorded in equity

- Recognizes the fair value of the consideration received

- Recognizes the fair value of any investment retained

- Recognizes any surplus or deficit in profit or loss

- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate

2.03 Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Green Delta Insurance Company Limited be unable to continue as a going concern.

2.04 Functional and Presentation currency

These financial statements are presented in Taka, which is the company's functional currency except as indicated.

2.05 Use of estimates and judgments

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

2.06 Materiality and aggregation

Each material item as considered by management significant has been presented separately in financial statements. No amount has been set off unless the GDICL has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.07 Foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange differences are recognized currency fluctuation reserve.

2.08 Property, Plant and equipments

a. Recognition and measurement

The cost of an item of property, plant and equipments shall be recognized as an assets if, and only if is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of an existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit & Loss account during the financial period in which they are incurred.

Property plant and equipment have been revalued in the year 2012 under "Current Cost Method" by an independent valuer naming " Asian Survey" to reflect the fair value (prevailing market price). As the fair value of the assets do not differ significantly from its carrying amount as at December 31, 2013 so no revaluation has been made as on that date.

b. Depreciation

Fixed assets are recorded at historical cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment. Depreciated is charged on straight line method using the following rates on all fixed assets:

| Category of assets | Rates depreciation per annum |
|---------------------------|-------------------------------------|
| Furniture & Fixtures | 10% |
| Equipment | 15% |
| Vehicles | 20% |
| Building | 1% |
| Land | Nil |

Depreciation on newly acquired assets are calculated for the whole year irrespective of the date of acquisition and no depreciation is charged for the year in which the assets are disposed off.

c. Sale of Fixed Assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and carrying amount of the asset and is recognized in profit or loss account as per provision of BAS 16 Property, Plant & Equipments.

d. Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as an expenses in the income statement.

2.09 Sales and Lease Back Finance

Pursuant to BAS - 17 "Leases" fixed asset (motor vehicle) acquired under sales and lease back finance is accounted for at the lower of present value of minimum lease payments under the lease agreement and the fair value of asset. The related obligation under the lease is accounted for as liability. Finance charges are allocated to accounting period in manner so as to provide a constant rate of charge on the outstanding liability.

2.10 Intangible assets

Intangible assets (computer software) are recorded at historical cost less accumulated amortization. These are amortized on straight line method using the rate at 15%.

2.11 Investment in share

Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition investments in marketable ordinary shares have been valued at market price on an aggregate portfolio basis. Investment in non marketable shares have been valued at cost. Full provision for diminution in value of shares as on closing of the year on aggregate portfolio basis is made in the financial statements.

2.12 Cash and cash equivalents

Cash and cash equivalents consist of cash, cash in clearing account, FDR and bank balances.

2.13 Cash Flow Statements

Cash flow statement is prepared in accordance with BAS-7 "Statement of Cash Flows". Cash flows from operating activities have been presented at "Direct Method" .

2.14 Revenue recognition

Gross premiums

Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period. They are recognized in the year on which the policy issued. Re-insurance premium are deducted from the gross premium to present the net premium income from insurance business.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated as required by the Insurance Act 1938 as amended in 2010. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

Re-insurance commission

Re-insurance commission are recognized as revenue over the period in which the related services are performed.

Investment income

Interest income is recognized in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

Interest income

Interest income from loans - secured is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset (Loans-secured) to that asset's net carrying amount.

All other interest income is recognized on accrual basis except interest of the loan accounts considered as non-performing. Interest income is suspended and full provision is made against the interest receivables on all non-performing loans when the installments are outstanding and considered doubtful of recovery on the basis of qualitative judgment.

Dividend income and profit/(loss) on sale of marketable securities

Dividend income is recognized on accrual basis in the period in which the dividend is declared and approved in AGM 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 and loss is incurred.

Interest on Fixed Deposit

Interest income from fixed deposit is recognized on an accrual basis in the period in which the income is accrued.

2.15 Benefits, claims and expenses recognition

Gross benefits and claims

General insurance and health claims include all claims occurring during the year and related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

2.16 Retirement benefit costs

i) Gratuity Fund

The Company has a funded gratuity scheme for all eligible employees who complete minimum 10 years of confirmed service with the Company. Required amount of gratuity is calculated on the basis of last basic pay depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the respective financial year. This scheme is approved by the National Board of Revenue (NBR) and administered by an independent Board of Trustees.

Following benefits are payable on retirement, death or leaving service:

- Less than 10 year of confirmed service - Nil
- Confirmed service between 10 to 15 years - One month's last drawn basic pay for every completed year of service.
- On completion of 15 years confirmed service and above - Two month's last drawn basic pay for every completed year of service subject to maximum 50 times of basic pay.

As has been referred to in Notes-10 of the financial statements the company made provision on a lump sum basis instead of actual calculation or the actuarial valuation.

ii) Contributory provident fund

The Company has a contributory provident fund for its regular employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is contributed equally by the Company and the employees.

iii) 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.

iv) 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.

v) 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.

2.17 Taxation

Income tax on earnings for the year comprises current and deferred tax and is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

Current tax

Current tax is the expected tax payable on taxable income for the year, based on tax rates (and tax laws) which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognized as a liability (or asset) to the extent that it is unpaid (or refundable).

Provision for income tax has been made at best estimate keeping in view the provisions of Income Tax Ordinance 1984 and amendment made thereto from time to time. Applicable rate of income tax for the company is 42.5%.

Deferred tax

The Corporation accounted for deferred tax as per BAS - 12 "Income Taxes". Deferred tax is accounted for using the comprehensive tax balance sheet method. It is generated by temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences. They are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets associated with these interests are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which to utilize the benefits of the temporary difference.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realized or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the corporation at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

2.18 Provision for outstanding claims

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date.

2.19 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 generated from the investment (realized gain and dividend received) is credited to the Profit & Loss Account. Unrealized capital gain if any is transferred to the Investment Fluctuation Fund subsequently.

d) General Reserve

The Company creates a General Reserve from the current year 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.

2.20 Disclosure of departure from few requirements of BAS/BFRS due to mandatory compliance of Insurance Act's requirements

a) The Green Delta Insurance Company Limited management has followed the principles of BAS & BFRS consistently in preparation of the financial statements to that extent as applicable to the GDICL. Some requirements of Insurance Act 1938 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of BAS and BFRS. As such the GDICL has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of IDRA, Bangladesh which are disclosed below along with financial impact where applicable:

b) As per Insurance Act 1938 as amended 2010 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provisions have been made by netting off any unrealized gain/(loss) arising at the Balance sheet date. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or other comprehensive income respectively.

c) General Provision on Insurance Premium and Re-Insurance Premium are followed as per As per Insurance Act 1938 as amended 2010. However such general provision cannot satisfy the conditions of provision as per BAS 37. At the year end the GDICL has recognized provision of Tk. 658,163,955 as balance of fund and liabilities in the Balance Sheet under liabilities.

d) Insurance Act 1938 has issued templates for financial statements which will strictly be followed by all General and Life Insurance Company. The templates of financial statements issued by Insurance Act do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the GDICL does not prepare the other comprehensive income statement. However the GDICL does not have any elements of OCI to be presented.

e) As per IDRA guidelines financial instruments are categorized, recognized and measured differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 have not been made in the accounts.

2.21 Interest expense

The Company has incurred interest and related expenses on account of overdraft, finance lease and short term loan. In terms of provision of the Bangladesh Accounting Standard (BAS) -1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

2.22 Earnings per share

Earnings Per Share (EPS) has been calculated in accordance with Bangladesh Accounting Standard - 33 "Earnings Per Share" and shown on the face of profit and loss account and computation shown in Note: 24.

Basic earning per share:

This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding for the year.

Basic earnings:

This represents earnings for the period ended on December 31, 2013 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 shares issued (as bonus share) during the year multiplied by a time weighting factor. The time-weighting factor is the numbers of days the specific shares are outstanding as a proportionate of the number of days in the year.

Diluted earnings per share

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. There was no such commitment during the year and accordingly no dilution is required in the year 2013.

2.23 Accounting for changes in accounting estimates

BAS - 8 states that the effect of a change in an accounting estimate is to be applied prospectively by inclusion in the current accounting period and, if relevant, in future accounting period. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change.

2.24 Related party disclosure

"As per Bangladesh Accounting Standards (BAS) 24 ""Related Party Disclosures"", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note: 27."

2.25 Events after the balance sheet date

There is no material adjusting or non adjusting events after the balance sheet date.

2.26 Contingent liabilities and contingent assets

The company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements. A contingent liability is probable obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not within the control of the company or present obligation that is not recognize because outflow of resources is not likely or obligation cannot be measured reliably.

2.27 Branch accounting

The Company has 38 branch offices with no overseas branch as on December 31, 2013. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

2.28 Consistency of Presentation

In accordance with the BFRS framework for the presentation of financial statements together with BAS 1 and BAS 8, Green Delta Insurance Company Limited applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of BAS-8. We however have applied the same accounting and valuation principles in 2013 as in financial statements for 2012.

2.29 Comparative Information

Comparative information has been disclosed in respect of the period ended December 31, 2013 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Figures of the year 2012 have been restated and rearranged whenever considered necessary to ensure comparability with the current period.

2.30 Director Responsibility

The Board of Director takes the responsibility for the preparation and presentation of the financial Statements.

2.31 Authorization date for issuing Financial Statements

The financial statements were authorized by the Board of Directors on February 05, 2013 for public issue.

2.32 General

a) Figures appearing in these Financial Statements have been rounded off to the nearest Taka.

b) Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

2.33 Reporting Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's financial currency. A sizeable amount have however been received in foreign currency.

2.34 Reporting Period

The financial period under audit of the company covering (12) twelve months from of January 01, 2013 to December 31, 2013.

3.00 Authorised share Capital:

100,000,000 Ordinary Shares of Tk. 10 each

Issued, subscribed & paid up capital

63,787,500 ordinary shares of Tk. 10 each

| Amount in Taka | |
|--------------------|--------------------|
| 2013 | 2012 |
| 1,000,000,000 | 1,000,000,000 |
| 637,875,000 | 510,300,000 |

Classification of shareholders by holdings as on December 31, 2013.

| Range of share holding | No. of Shareholders | No. of Shares | % of Holdings | Value of Share in Taka |
|------------------------|---------------------|-------------------|----------------|------------------------|
| Less than 500 Shares | 4,901 | 760,485 | 1.19% | 7,604,850 |
| 501 - 5,000 | 1,913 | 2,777,602 | 4.35% | 27,776,020 |
| 5,001 - 10,000 | 140 | 1,023,475 | 1.64% | 10,234,750 |
| 10,001 - 20,000 | 76 | 1,045,505 | 1.25% | 10,455,050 |
| 20001 - 30000 | 31 | 799,385 | 0.50% | 7,993,850 |
| 30001 - 40000 | 9 | 319,345 | 1.06% | 3,193,450 |
| 40,001 - 50,000 | 15 | 676,892 | 0.78% | 6,768,920 |
| 50,001 - 60,000 | 9 | 500,643 | 0.84% | 5,006,430 |
| 60,001 - 70,000 | 8 | 534,701 | 0.93% | 5,347,010 |
| 70,001 - 80,000 | 8 | 590,869 | 0.91% | 5,908,690 |
| 80,001 - 90,000 | 7 | 580,501 | 0.91% | 5,805,010 |
| 90,001 and above | 102 | 54,178,097 | 84.94% | 541,780,970 |
| | 7,219 | 63,787,500 | 100.00% | 637,875,000 |

4.00 Reserve or contingency account

Reserve for exceptional losses (Note: 4.01)

Foreign currency fluctuation (Note: 4.02)

Investment fluctuation fund (Note: 4.03)

General reserve (Note: 4.04)

Dividend equalization fund (Note: 4.05)

Revaluation reserve (Note: 4.06)

Total

| | |
|----------------------|----------------------|
| 868,512,659 | 736,813,750 |
| 2,914,724 | 3,979,629 |
| 687,088,167 | 676,425,940 |
| 170,000,000 | 170,000,000 |
| 120,000,000 | 120,000,000 |
| 1,445,971,542 | 1,466,619,565 |
| 3,294,487,092 | 3,173,838,884 |

4.01 Reserve for exceptional losses

Opening balance

Addition during the year (10% of net premium income)

Sub Total

| | |
|--------------------|--------------------|
| 736,813,750 | 615,560,132 |
| 131,698,909 | 121,253,618 |
| 868,512,659 | 736,813,750 |

4.02 Foreign currency fluctuation

Opening balance

Add / (less) during the year

Sub Total

| | |
|------------------|------------------|
| 3,979,629 | 4,556,089 |
| (1,064,905) | (576,460) |
| 2,914,724 | 3,979,629 |

| | | Amount in Taka | |
|-------------|--|----------------------|----------------------|
| | | 2013 | 2012 |
| 4.03 | Investment fluctuation fund | | |
| | Opening balance | 676,425,940 | 1,035,349,545 |
| | Add/(less) during the year | 10,662,227 | (358,923,605) |
| | Sub Total | 687,088,167 | 676,425,940 |
| 4.04 | General reserve | | |
| | Opening balance | 170,000,000 | 170,000,000 |
| | Addition during the year | - | - |
| | Sub Total | 170,000,000 | 170,000,000 |
| 4.05 | Dividend equalization fund | | |
| | Opening balance | 120,000,000 | 120,000,000 |
| | Addition during the year | - | - |
| | Sub Total | 120,000,000 | 120,000,000 |
| 4.06 | Revaluation reserve | | |
| | Opening balance | 1,466,619,565 | - |
| | Addition during the year | - | 1,469,849,707 |
| | Less: Transfer to retained earnings | (20,648,023) | (3,230,142) |
| | Sub Total | 1,445,971,542 | 1,466,619,565 |
| 4.A | Consolidated revaluation reserve | | |
| | Green Delta Insurance Company | 1,445,971,542 | 1,466,619,565 |
| | Green Delta Securities Limited | 607,047,161 | 607,045,951 |
| | Sub Total | 2,053,018,703 | 2,073,665,516 |
| 4.B | Consolidated reserve or contingency account | | |
| | Green Delta Insurance Company | 3,294,487,092 | 3,173,838,884 |
| | Green Delta Securities Limited | 607,047,161 | 607,045,951 |
| | Total | 3,901,534,253 | 3,780,884,835 |

| | | Amount in Taka | |
|-------------|--|--------------------|--------------------|
| | | 2013 | 2012 |
| 5.00 | Profit and loss appropriation account | | |
| | Opening Balance (accumulated un distributed profit) | 161,013,468 | 156,620,948 |
| | Add: Net profit for the year | 304,810,589 | 262,676,034 |
| | Less : Reserve for exceptional losses (10% of net premium) | (131,698,909) | (121,253,618) |
| | Less : Provision for income tax | (34,722,832) | (10,000,000) |
| | Less : Deferred tax provision | (21,380,369) | (15,000,000) |
| | Less : Dividend paid (for-2012) | (153,090,000) | (102,060,000) |
| | Less : Loss from discontinued business (Green Delta LR Holding) | (19,675,601) | - |
| | Less: Prior year adjustment | - | (13,200,038) |
| | Add: Transfer from revaluation reserve | 20,648,023 | 3,230,142 |
| | Total | 125,904,367 | 161,013,468 |
| 5.A | Consolidated profit and loss appropriation account | | |
| | Green Delta Insurance company | 125,904,367 | 161,013,468 |
| | Green Delta Capital Limited | 12,498,169 | 6,879,576 |
| | Green Delta LR Holding Limited | - | 119,402,526 |
| | Green Delta Securities Ltd. | 134,683,808 | - |
| | Total | 273,086,344 | 287,295,570 |
| 5.B | Non-controlling interest | | |
| | Green Delta Capital Limited | 109 | 107 |
| | Green Delta LR Holdings Limited | - | 1,672 |
| | Green Delta Securities Ltd. | 235 | - |
| | Total | 344 | 1,779 |
| 6.00 | Balance of fund account | | |
| | Fire Insurance business | 281,874,870 | 197,743,593 |
| | Marine Insurance business | 265,351,755 | 311,444,902 |
| | Motor Insurance business | 76,171,042 | 64,519,656 |
| | Misc. Insurance business | 34,766,288 | 38,122,095 |
| | Total | 658,163,955 | 611,830,246 |

Above business insurance accounts maintained as reserve for unexpired risks based on following percentages on premium income excluding Public Sector Business at the following rates :

| Particulars | Total Net Premium (without SBC) | % | Balance of Fund | |
|---------------|---------------------------------|------|--------------------|--------------------|
| Fire | 563,749,741 | 50% | 281,874,870 | 197,743,593 |
| Marine Cargo | 518,228,919 | 50% | 259,114,460 | 294,612,426 |
| Marine Hull | 6,237,295 | 100% | 6,237,295 | 16,832,476 |
| Motor | 152,342,085 | 50% | 76,171,042 | 64,519,656 |
| Miscellaneous | 69,532,575 | 50% | 34,766,288 | 38,122,095 |
| Total | 1,310,090,615 | | 658,163,955 | 611,830,245 |

| | Amount in Taka | |
|------------------------------|-------------------|-------------------|
| | 2013 | 2012 |
| 7.00 Premium deposits | | |
| Marine cargo | 35,960,887 | 37,048,098 |
| Total | 35,960,887 | 37,048,098 |

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.

8.00 Estimated liability in respect of outstanding claims whether due or intimated

| | | |
|---------------|--------------------|-------------------|
| Fire | 163,048,307 | 48,149,117 |
| Marine Cargo | 33,819,662 | 18,880,534 |
| Marine Hull | 448,998 | 448,998 |
| Motor | 11,886,929 | 7,189,504 |
| Miscellaneous | 16,993,481 | 7,199,446 |
| Total | 226,197,377 | 81,867,599 |

9.00 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, 2013.

| | | |
|--------------------------------------|--------------------|--------------------|
| Payable against co-insurance premium | 26,465,061 | 39,504,655 |
| Amount due to SBC | 70,725,335 | 214,190,722 |
| Overseas re-insurer | 279,501,223 | 325,258,758 |
| Total | 376,691,619 | 578,954,135 |

10.00 Sundry creditors

| | | |
|---|--------------------|--------------------|
| Liability for expenses | 9,727,780 | 8,829,966 |
| Others payable | 228,818,075 | 205,380,291 |
| Provision for income tax (Note : 10.01) | 215,935,571 | 181,212,739 |
| Deferred tax liabilities/(asset) (Note : 10.02) | 34,441,387 | 13,061,018 |
| Unclaimed dividend | 24,719,830 | 14,217,304 |
| Total | 513,642,643 | 422,701,318 |

10.01 Provision for income tax

| | | |
|--|--------------------|--------------------|
| Opening balance | 181,212,739 | 279,838,859 |
| Less : Adjustment of provision for tax against advance tax | - | (108,626,120) |
| Add : Addition during the year | 34,722,832 | 10,000,000 |
| Sub Total | 215,935,571 | 181,212,739 |

10.02 Deferred tax liability/(asset)

| | | |
|-----------------------------------|-------------------|-------------------|
| Opening balance | 13,061,018 | (1,938,982) |
| Less : Adjustment during the year | 21,380,369 | 15,000,000 |
| Sub Total | 34,441,387 | 13,061,018 |

| | | Amount in Taka | |
|--|---|----------------------|----------------------|
| | | 2013 | 2012 |
| 10.A | Consolidated sundry creditors | | |
| | Green Delta Insurance Company Ltd. | 513,642,643 | 422,701,318 |
| | Green Delta Capital Limited | 15,617,218 | 12,298,440 |
| | Green Delta Securities Limited | 186,099,058 | 138,974,189 |
| | Total | 715,358,919 | 573,973,947 |
| 11.00 | Bank overdraft | | |
| | Mercantile Bank (SOD -1894) | 72,253,488 | - |
| | Total | 72,253,488 | - |
| The total due amount has been received from the Mercantile Bank Limited, Mohakhali branch, account no. SOD-1894, Dhaka-1212 in favor of the company. | | | |
| 12.00 | Investment | | |
| | Investment in Government Bond | 25,000,000 | 4,500,000 |
| | Investment in Debentures | 4,339,186 | 5,224,800 |
| | Investment in quoted shares | 1,485,856,088 | 1,515,985,404 |
| | Equity Investment as unquoted share: | | |
| | Jalalabad Telecom Ltd. | 82,384,000 | 82,384,000 |
| | Green Delta AIMS Ltd. | 4,500,000 | 4,500,000 |
| | United Hospital | 56,100,000 | 56,100,000 |
| | Beximco Pharma Preferred Share | 522,700 | 522,700 |
| | Green Delta LR Holding Ltd | - | 99,999,900 |
| | Green Delta Capital Limited | 249,999,900 | 99,999,900 |
| | Financial Excellence | 1,500,000 | 1,500,000 |
| | CDBL | 1,138,890 | 1,138,890 |
| | BD Venture | 20,000,000 | 10,000,000 |
| | Swiss Pro BD Ltd. | 10,200,000 | 9,600,000 |
| | Green Delta Securities Ltd. | 99,999,900 | |
| | Heritage Life Insurance Company Ltd. | 19,500,000 | - |
| | Other Investments | | |
| | Investment in GDSL as Margin Loan (Note: 12.1) | 105,000,000 | 107,500,000 |
| | Energypac Power Generation Ltd. | 4,972,000 | - |
| | The ACME Laboratories Ltd. | 26,000,000 | - |
| | Total | 2,197,012,664 | 1,998,955,594 |
| 12.01 | Investment in GDSL as margin loan | | |
| | Margin Loan of Green Delta Securities Ltd. | 105,000,000 | 107,500,000 |
| | Sub Total | 105,000,000 | 107,500,000 |
| The amount was invested in GDSL as margin loan @ 10 % interest annually. | | | |
| 12.A | Consolidated investment | | |
| | Investment of Green Delta Insurance Co. Ltd. | 1,742,012,864 | 1,691,455,794 |
| | Investment of Green Delta Capital Ltd. | 71,970,497 | 48,490,941 |

| | | Amount in Taka | |
|--------------|---|----------------------|----------------------|
| | | 2013 | 2012 |
| | Investment of Green Delta LR Holdings Ltd. | - | 747,056,670 |
| | Investment of Green Delta Securities Ltd. | 762,368,606 | - |
| | Total | 2,576,351,967 | 2,487,003,405 |
| 13.00 | Outstanding premium | | |
| | Outstanding premium represents installments due as on the Balance Sheet date on account of Marine & Aviation Business. | | |
| | Marine hull | 16,335,576 | 23,302,547 |
| | Aviation hull | 114,332,999 | 97,982,576 |
| | Total | 130,668,575 | 121,285,123 |
| 14.00 | 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, 2013. | | |
| | Co-insurance premium receivable | 32,242,715 | 47,255,259 |
| | Co-insurance claim receivable | 5,082,439 | 5,325,117 |
| | Amount due from overseas re-insurer | 368,157,727 | 226,821,668 |
| | Total | 405,482,881 | 279,402,044 |
| 15.00 | Sundry debtors (including advance and deposits) | | |
| | Advance rent | 4,970,204 | 5,387,060 |
| | Advance salary | 514,761 | 481,920 |
| | Car lease for employees(advance) | 9,161,004 | 13,051,589 |
| | Other advances | 314,284,046 | 260,235,812 |
| | Security deposit | 1,859,954 | 1,670,954 |
| | Accrued interest | 961,040 | - |
| | Total | 331,751,009 | 280,827,335 |
| 15.A | Consolidated sundry debtors | | |
| | Green Delta Insurance Company Ltd. | 274,604,800 | 201,840,975 |
| | Green Delta LR Holding Limited | - | 149,294,678 |
| | Green Delta Securities Limited | 249,609,792 | - |
| | Green Delta Capital Limited | 26,570,239 | 12,880,343 |
| | Total | 550,784,831 | 364,015,996 |
| 16.00 | Cash and cash equivalent | | |
| | Fixed deposits | 1,106,165,429 | 878,156,706 |
| | STD and current account | 92,687,502 | 36,817,354 |
| | Cash in hand | 1,740,523 | 3,801,589 |
| | Total | 1,200,593,454 | 918,775,649 |

| | Amount in Taka | |
|---|----------------------|----------------------|
| | 2013 | 2012 |
| 16.A Consolidated cash and cash equivalent | | |
| Green Delta Insurance Company Ltd. | 1,200,593,454 | 918,775,649 |
| Green Delta LR Holding Limited | - | 235,610,158 |
| Green Delta Capital Limited | 181,601,320 | 59,154,534 |
| Green Delta Securities Limited | 160,463,989 | - |
| Total | 1,542,658,763 | 1,213,540,341 |

17.00 Land property & office space

| | | |
|------------------------|--------------------|--------------------|
| Land at cost price | 800,000,000 | 21,036,075 |
| Add: Revaluation value | - | 778,963,925 |
| Total | 800,000,000 | 800,000,000 |

Land property has revalued as per decision of the board and stated at new revalued price which was measuring 6 (Six) khatha and 4 (four) chataks situated at 51, Mohakhali C/A , Dhaka-1212.

| | Furniture & Fixtures | Office & Electrical Equipments | Vehicles | Building | Total |
|--|----------------------|--------------------------------|----------|----------|-------|
|--|----------------------|--------------------------------|----------|----------|-------|

18.00 Fixed Assets (at cost less depreciation)

Cost

| | | | | | |
|--------------------------------|-------------------|-------------------|-------------------|----------------------|----------------------|
| As at January 01, 2013 | 49,179,563 | 60,634,626 | 59,137,000 | 1,023,087,041 | 1,192,038,230 |
| Less : Prior Year adjustment | | (1,317,000) | - | - | (1,317,000) |
| Additions during the year | 10,097,075 | 7,391,258 | 28,977,200 | 57,640,330 | 104,105,863 |
| Disposal during the year | - | - | (2,250,000) | - | (2,250,000) |
| As at December 31, 2013 | 59,276,638 | 66,708,884 | 85,864,200 | 1,080,727,371 | 1,292,577,093 |

Depreciation

| | | | | | |
|--------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| As at January 01, 2013 | 2,458,978 | 4,547,606 | 5,913,700 | 3,445,805 | 16,366,089 |
| Charge during the year | 5,927,664 | 10,006,333 | 17,172,840 | 7,468,012 | 40,574,848 |
| Disposal during the year | - | - | (450,000) | - | (450,000) |
| As at December 31, 2013 | 8,386,642 | 14,553,939 | 22,636,540 | 10,913,817 | 56,490,937 |

Sub total

| | | | | | |
|---|-------------------|-------------------|-------------------|----------------------|----------------------|
| Sub total | 50,889,996 | 52,154,945 | 63,227,660 | 1,069,813,554 | 1,236,086,156 |
| Written down value of Intangible assets (Note 18.1) | - | - | - | - | 1,473,050 |
| Written down value at December 31, 2013 | 50,889,996 | 52,154,945 | 63,227,660 | 1,069,813,554 | 1,237,559,206 |
| Written down value at December 31, 2012 | 46,720,585 | 56,087,029 | 53,223,300 | 1,019,641,236 | 1,175,672,151 |

| | | Amount in Taka | |
|--------------|--|----------------------|----------------------|
| | | 2013 | 2012 |
| 18.01 | Intangible assets (computer software) | | |
| | Opening balance | 1,317,000 | - |
| | Add : Addition during the year | 416,000 | 1,317,000 |
| | Less : Amortization during the year (15%) | 259,950 | - |
| | Sub Total | 1,473,050 | 1,317,000 |
| 18.A | Consolidated fixed assets (at cost less depreciation) | | |
| | Green Delta Insurance Company Ltd. | 1,236,086,156 | 1,175,672,151 |
| | Green Delta Securities Ltd. | 8,428,336 | - |
| | Green Delta LR Holding Limited | - | 10,486,705 |
| | Green Delta Capital Limited | 7,078,988 | 7,823,166 |
| | Total | 1,251,593,480 | 1,193,982,022 |
| 19.00 | Stock of printing, stationery & stamps | | |
| | Printing | 1,389,310 | 1,584,294 |
| | Stationery | 34,476 | 20,155 |
| | Insurance policy stamps | 834,933 | 1,031,403 |
| | Total | 2,258,719 | 2,635,852 |
| 19.A | Consolidated preliminary expenses | | |
| | Green Delta LR Holding Limited | - | 291,425 |
| | Total | - | 291,425 |
| 20.00 | Audit fees | | |
| | Statutory audit | 345,000 | 156,750 |
| | Half yearly Audit | - | 150,000 |
| | Total | 345,000 | 306,750 |
| 21.00 | Investment and others income | | |
| | Interest on FDR & STD | 117,759,634 | 89,546,062 |
| | Net profit from shares trading | 3,125,202 | 1,257,579 |
| | Interest on National Bond | 2,386,021 | 382,500 |
| | Underwriting commission | 859,769 | 538,522 |
| | Dividend income | 59,748,500 | 25,477,561 |
| | Interest Income from GDSL | 10,670,833 | 11,548,611 |
| | Co-ins service charges | 456,383 | 3,627,189 |
| | Sundry income | 615,846 | 26,231 |
| | Rental income | 8,442,209 | 3,050,360 |
| | Total | 204,064,397 | 135,454,615 |

| | | Amount in Taka | |
|-------------|--|--------------------|--------------------|
| | | 2013 | 2012 |
| 21.A | Consolidated income from share business | | |
| | Green Delta Insurance Company Ltd. | 3,125,202 | 1,257,579 |
| | Green Delta LR Holding Limited | - | 3,422,471 |
| | Green Delta Securities Ltd. | 1195843 | - |
| | Green Delta Capital Limited | 1,514,212 | 11,020,071 |
| | | 5,835,257 | 15,700,121 |
| | Less : Inter company income (stock dividend) | - | - |
| | Total | 5,835,257 | 15,700,121 |
| 21.B | Consolidated interest & others income | | |
| | Green Delta Insurance Company Ltd. | 130,816,488 | 101,094,673 |
| | Green Delta LR Holding Limited | - | 48,155,490 |
| | Green Delta Securities Ltd. | 39,553,277 | - |
| | Green Delta Capital Limited | 20,124,993 | 6,824,695 |
| | | 190,494,758 | 156,074,858 |
| | Less: Inter company transaction | 10,670,833 | 11,548,611 |
| | Total | 179,823,925 | 144,526,247 |
| 21.C | Consolidated management expenses | | |
| | Green Delta Insurance Company Ltd. | 144,959,662 | 147,528,731 |
| | Green Delta LR Holding Limited | - | 82,105,420 |
| | Green Delta Securities Ltd. | 62,587,463 | - |
| | Green Delta Capital Limited | 18,071,321 | 18,542,632 |
| | | 225,618,446 | 248,176,783 |
| | Less: Inter company transaction | 12,519,238 | 11,548,611 |
| | Total | 213,099,208 | 236,628,172 |

22.00 Claims under policies less re-insurance

| | Fire | Marine Cargo | Marine Hull | Motor | Miscellaneous | Total |
|---|--------------------|-------------------|----------------|-------------------|-------------------|--------------------|
| Claims paid during the year | 91,725,615 | 81,056,337 | 795,387 | 44,941,162 | 9,753,374 | 228,271,875 |
| Claims outstanding at the end of the year | 163,048,307 | 33,819,662 | 448,998 | 11,886,929 | 16,993,481 | 226,197,377 |
| Claims outstanding at the beginning of the year | (48,149,117) | (18,880,534) | (448,998) | (7,189,504) | (7,199,446) | (81,867,599) |
| Total amount (Year - 2013) | 206,624,805 | 95,995,465 | 795,387 | 49,638,587 | 19,547,409 | 372,601,653 |
| Total amount (Year- 2012) | 128,540,735 | 32,262,312 | - | 31,825,353 | 9,336,417 | 201,964,817 |

| Amount in Taka | |
|----------------|------|
| 2013 | 2012 |

23.00 Premium less re-insurance

| Class of business: | On Direct Business | On Re-ins Accepted | On Re-ins. Ceded | Total Amount in 2013 | Total Amount in 2012 |
|---|----------------------|--------------------|------------------------|----------------------|----------------------|
| Fire | 1,286,104,519 | - | (721,252,574) | 564,851,945 | 396,714,821 |
| Marine Cargo | 634,746,415 | - | (112,390,722) | 522,355,693 | 592,047,636 |
| Marine Hull | 76,741,245 | 2,485,561 | (72,992,897) | 6,233,909 | 16,787,741 |
| Motor | 168,149,988 | - | (14,373,742) | 153,776,246 | 130,163,096 |
| Miscellaneous | 445,225,528 | - | (375,454,232) | 69,771,296 | 76,822,888 |
| Total amount (December 31, 2013) | 2,610,967,695 | 2,485,561 | (1,296,464,167) | 1,316,989,088 | 1,212,536,182 |

24.00 Earning per share (EPS)

Basic earning per share (EPS) on net profit after tax (Par value of Tk.10)

Earnings attributable to ordinary shares:

Profit as per profit & loss account

Less: Income tax provision

Less: Deferred tax expenses

Less: Loss from discontinued business

| | | |
|----------|--------------------|--------------------|
| | 3.69 | 4.05 |
| A | 229,031,787 | 237,676,034 |
| | 304,810,589 | 262,676,034 |
| | 34,722,832 | 10,000,000 |
| | 21,380,369 | 15,000,000 |
| | 19,675,601 | - |

Weighted average number of shares:

B **62,095,821** **58,684,500**

| Weighted average number of shares: | No. of shares | Weight | Weighted Average Number of shares as at 31.12.2013 | Weighted Average Number of shares as at 31.12.2012 |
|---|-------------------|--------|--|--|
| Shares outstanding as on January 01, 2013 | 51,030,000 | 365 | 51,030,000 | 51,030,000 |
| Bonus share issued during the year | 7,654,500 | 365 | 7,654,500 | 7,654,500 |
| New share issued in 2013 | 5,103,000 | 244 | 3,411,321 | - |
| | 63,787,500 | | 62,095,821 | 58,684,500 |

Basic earnings per shares

C=(A/B) =

(Per value of Tk.10)

Earnings attributable to ordinary shareholders

Weighted average number of shares

| | |
|-------------|-------------|
| 229,031,795 | 237,676,034 |
| 62,095,821 | 58,684,500 |
| 3.69 | 4.05 |

| | | Amount in Taka | |
|-------------|--|--------------------|--------------------|
| | | 2013 | 2012 |
| 24.A | Consolidated earning per share (EPS) | | |
| | Earnings attributable to ordinary shares: | A | |
| | | 230,872,127 | 234,784,782 |
| | Profit as per profit & loss account | 333,811,063 | 269,737,262 |
| | Less: Income tax provision | 47,566,358 | 19,952,480 |
| | Less: Deferred tax expenses | 21,380,369 | 15,000,000 |
| | Less: Adjustment for GDSL | 14,316,608 | |
| | Less: Loss from discontinued business | 19,675,601 | - |
| | Consolidated net profit after tax | 230,872,127 | 234,784,782 |
| | Consolidated EPS = $\frac{\text{Consolidated net profit after tax}}{\text{Total no. of shares outstanding during the year}}$ | 62,095,821 | 58,684,500 |
| | | 3.72 | 4.00 |

25.00 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 | 2,197,012,664 | 1,998,955,594 |
| Outstanding premium | 130,668,575 | 121,285,123 |
| Amount due to other persons or bodies carrying on insurance business | 405,482,882 | 279,402,044 |
| Sundry debtors | 331,751,009 | 284,879,538 |
| Cash and bank balance | 1,200,593,454 | 926,779,720 |
| Land , fixed asset & others | 2,039,817,925 | 1,978,308,003 |
| Total assets | 6,305,326,509 | 5,589,610,022 |

B. Liabilities

| | | |
|---|----------------------|----------------------|
| Balance of fund accounts | 658,163,955 | 611,830,245 |
| Premium deposit | 35,960,887 | 45,052,169 |
| Estimated liability in respect of outstanding claims whether due or intimated | 226,197,377 | 81,867,599 |
| Amount due to other persons or bodies carrying on insurance business | 376,691,619 | 578,954,134 |
| Sundry creditors | 513,642,643 | 413,553,484 |
| Bank loan | 72,253,488 | - |
| Total liabilities | 1,882,909,969 | 1,731,257,632 |

Net Assets (A - B)

| | | |
|--|----------------------|----------------------|
| Net Assets (A - B) | 4,422,416,540 | 3,858,352,390 |
| Number of weighted average shares outstanding during the year | 63,787,500 | 51,030,000 |
| Net assets value per share | 69.33 | 75.61 |

26.00 Prior year adjustment:

Prior year adjustment has been made for previous year's error or omission by total amount of Tk. 13,200,038. The financial statements of 2012 have been restated to correct this error. The effect of the restatement on those financial statements is summarised below. There is no effect in 2013.

26.01 Lease rental was adjusted incorrectly against lease obligation:

Lease rental was adjusted incorrectly against lease obligation by the total amount of Tk. 9,147,834 in the financial statements of 2012. Accordingly in the last year the lease obligation was understated and lease rental expenses was overstated. The financial statements of 2012 have been restated to correct this error through opening retained earnings as prior year adjustment.

26.02 Prior year expenditure incorrectly charged as current year revenue expenditure:

An expenditure which was relate to the year 2010 was wrongly charged as revenue expenditure in the year 2013. The financial statements of 2012 have been restated to correct this error through opening retained earnings as prior year adjustment.

27.00 Related party transactions

The Company has centred into transactions with other entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard-24 "Related Party Disclosure". The terms of related party transaction are not significantly different from those that could have been obtained from their parties. The significant related party transactions are as follows:

| | | | Amount in Taka |
|--|--------------|---------------------------|-----------------|
| Name of the Party | Relationship | Nature of Transaction | Closing balance |
| Green Delta Securities Ltd. | Subsidiaries | Intercompany Credit @ 10% | 105,000,000 |
| Green Delta Capital Ltd. and Green Delta Securities Ltd. | Subsidiaries | Rental Income | 1,848,405 |

28.00 Number of employees

During the year under audit, there were 522 employees for the full year and 72 employees for less than full year.

Annexure-I

Status of compliance of Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards.

| Name of the BAS | "BAS No." | Status |
|---|-----------|---------|
| Presentation of financial statements | 1 | ** |
| Inventories | 2 | N/A |
| Cash flow statement | 7 | Applied |
| Accounting policies, change in accounting estimates and errors | 8 | Applied |
| Events after the balance sheet date | 10 | Applied |
| Construction contracts | 11 | N/A |
| Income taxes | 12 | Applied |
| Property, plant and equipment | 16 | Applied |
| Lease | 17 | Applied |
| Revenue | 18 | Applied |
| Employee benefits | 19 | Applied |
| Accounting for government grants and disclosure of governments assistance | 20 | Applied |
| The effect of change in foreign exchange rates | 21 | Applied |
| Borrowing cost | 23 | Applied |
| Related party disclosure | 24 | Applied |
| Accounting and reporting by retirement benefits plan | 26 | Applied |
| Consolidated and separate financial statements | 27 | Applied |
| Investment in associates | 28 | N/A |
| Investment in joint ventures | 31 | N/A |
| Financial instruments: disclosure and presentations | 32 | ** |
| Earning per share | 33 | Applied |
| Interim financial reporting | 34 | Applied |
| Impairment of assets | 36 | Applied |
| Provision, contingent liabilities and contingent assets | 37 | Applied |
| Intangible assets | 38 | Applied |
| Financial instruments: recognition and measurement | 39 | ** |
| Investment property | 40 | N/A |
| Agriculture | 41 | N/A |
| Name of the BFRS | BFRS No. | Status |
| Share base payment | 2 | N/A |
| Business combination | 3 | N/A |
| Insurance contracts | 4 | ** |
| Non-currents assets held for sale and discontinued operation | 5 | N/A |
| Exploration for and evaluation of mineral resources | 6 | N/A |
| Financial instruments : disclosure | 7 | ** |
| Operating segment | 8 | N/A |

**Green Delta Insurance Company Limited management has followed the principles of BAS & BFRS consistently in the preparation of the financial statements to that extent as applicable to Insurance Company. Some of the standards have not been complied with, about which IDRA has special guideline.

Form "AA"

Classified Summary of Assets as at December 31, 2013

| Sl. No. | Class of Assets | Book Value Taka |
|--------------|--|----------------------|
| 1 | Investment in government bond | 25,000,000 |
| 2 | Shares listed on DSE & CSE (market price) | 1,485,856,088 |
| 3 | Debentures | 4,339,186 |
| 4 | Jalalabad Telecom Ltd. | 82,384,000 |
| 5 | Green Delta AIMS Ltd. (paid up capital) | 4,500,000 |
| 6 | United Hospital | 56,100,000 |
| 7 | Investment in GDSL as margin loan (Note: 12.1) | 105,000,000 |
| 8 | Beximco Pharma preferred share | 522,700 |
| 9 | Green Delta Capital Limited (paid up capital) | 249,999,900 |
| 10 | Financial Excellence | 1,500,000 |
| 11 | CDBL | 1,138,890 |
| 12 | BD Venture | 20,000,000 |
| 13 | Swiss Pro BD Ltd. | 10,200,000 |
| 14 | Green Delta Securities Ltd | 99,999,900 |
| 15 | Heritage Life Insurance Company Ltd. | 19,500,000 |
| 16 | Energypac Power Generation Ltd. | 4,972,000 |
| 17 | The ACME Laboratories Ltd. | 26,000,000 |
| 18 | Fixed deposit | 1,106,165,429 |
| 19 | Cash at bank on STD and current account | 94,428,025 |
| 20 | Outstanding premium | 130,668,575 |
| 21 | Amount due from other persons or bodies carrying on insurance business | 405,482,881 |
| 22 | Sundry debtors (including advance and deposits) | 331,751,009 |
| 23 | Land property | 800,000,000 |
| 24 | Fixed assets (at cost less depreciation) | 1,237,559,206 |
| 25 | Stock of stationery and stamps | 2,258,719 |
| TOTAL | | 6,305,326,508 |



A Q M Nurul Absar
Chairman



Dilruba Chowdhury
Vice Chairperson



Farzana Chowdhury
Managing Director & CEO



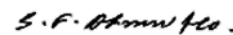
Nazim Tazik Chowdhury
Deputy Managing Director & CFO



Syed Moinuddin Ahmed
Company Secretary

Signed as per our separate report of even date

Dated, Dhaka;
February 05, 2014



S. F. Ahmed & Co.
Chartered Accountants

With a view to create differentiation GPC has been managing through a dynamic and loyal team.

dedicated

enthusiastic

skilled

dynamic

team
members

The enthusiasm and dedication of this team leads to the recognition of most effective governance practice in the country.

9.6 AUDITOR'S REPORT

FINANCIAL STATEMENTS OF GREEN DELTA CAPITAL LTD.

To the Shareholders of Green Delta Capital Limited

We have audited the accompanying financial statements of Green Delta Capital Limited, which comprise the statement of financial Position as at December 31, 2013 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, 2013 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;

Date: February 2, 2014.

Place: Dhaka


Ahmed Zaker & CO.
Chartered Accountants

Statement of Financial Position

As at December 31, 2013

| Particulars | Notes | Amount in Taka | |
|----------------------------------|-------|--------------------|--------------------|
| | | 31.12.2013 | 31.12.2012 |
| APPLICATION OF FUNDS | | | |
| Non-Current Assets | | 7,078,987 | 7,823,166 |
| Property, Plant & Equipment | 4 | 2,972,331 | 2,263,862 |
| Lease Assets | 5 | 962,492 | 1,312,496 |
| Intangible Assets | 6 | 3,144,164 | 4,246,808 |
| Current Assets | | 280,142,056 | 120,525,817 |
| Advances, Deposits & Prepayments | 7 | 9,797,727 | 6,295,737 |
| Investment in shares (at cost) | 8 | 71,970,497 | 48,490,941 |
| Accounts Receivable | 9 | 15,651,104 | 5,289,374 |
| Loan to Employees | 10 | 1,121,408 | 1,295,232 |
| Investment In FDR | | 179,500,000 | 49,500,000 |
| Cash and cash equivalents | 11 | 2,101,320 | 9,654,534 |
| Current Liabilities | | 24,431,086 | 20,740,225 |
| Payable to GDIC | 12 | 9,249,002 | 9,170,962 |
| Payable to GDSL | 13 | 3,846,669 | 4,078,733 |
| Accounts Payable | 14 | 3,248,514 | 2,569,281 |
| Other Provision | 15 | 2,171,299 | 1,505,647 |
| Provision for Income Tax | 16 | 5,915,602 | 3,415,602 |
| Net Current Assets | | 255,710,970 | 99,785,592 |
| Total Assets | | 262,789,958 | 107,608,759 |
| SOURCE OF FUNDS | | | |
| Shareholders equity | | 262,498,278 | 106,879,583 |
| Share Capital | 17 | 250,000,000 | 100,000,000 |
| Retained Earnings | 18 | 12,498,278 | 6,879,583 |
| Long Term Liabilities | | | |
| Lease Obligation | 19 | 291,680 | 729,176 |
| Total Capital Employed | | 262,789,958 | 107,608,759 |

The above notes (1-26) form an integral part of these financial statement.



Chairman



Director



Managing Director



Manager (Accounts & Finance)



Chief Investment Officer

Signed as per our separate report of same date.

Date: February 2, 2014
Place: Dhaka


Ahmed Zaker & CO.
Chartered Accountants

Statement of Comprehensive Income

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|--|-------|-------------------|-------------------|
| | | 31.12.2013 | 31.12.2012 |
| Income: | | | |
| Operating Income | 20 | 8,866,711 | 8,897,500 |
| Realised Gain on share trading | 21 | 1,514,212 | 11,020,071 |
| Other Income | 22 | 20,124,993 | 6,824,695 |
| Total Operating Income (A) | | 30,505,916 | 26,742,266 |
| Operating Expenses: | | | |
| Operating & Direct Charges | 23 | 9,837 | 13,882 |
| Office & Administrative Expenses | 24 | 17,840,971 | 18,152,722 |
| Financial Expenses | 25 | 220,513 | 376,028 |
| Total Operating Expenses (B) | | 18,071,321 | 18,542,632 |
| Profit before depreciation & provisions (A-B) | | 12,434,595 | 8,199,634 |
| Less: Depreciation & Write Off | 26 | 2,415,900 | 2,039,244 |
| Profit Before Tax | | 10,018,695 | 6,160,390 |
| Other Provision | | 1,900,000 | 1,200,000 |
| Provision for taxation | | 2,500,000 | 292,367 |
| Net Profit After Tax | | 5,618,695 | 4,668,023 |

The above notes (1-26) form an integral part of these financial statement.


Chairman


Director


Managing Director


Manager (Accounts & Finance)


Chief Investment Officer

Signed as per our separate report of same date.

Date: February 2, 2014
Place: Dhaka


Ahmed Zaker & CO.
Chartered Accountants

Statement of Changes In Equity

For the year ended December 31, 2013

| Particulars | Share Capital | Proposed Stock Dividend | Revaluation Reserve | Retained Earnings | Total Shareholders Equity |
|-----------------------------|--------------------|-------------------------|---------------------|-------------------|---------------------------|
| Opening Balance | 100,000,000 | - | - | 6,879,583 | 106,879,583 |
| Addition during the year | 150,000,000 | - | - | - | 150,000,000 |
| Net profit during the year | - | - | - | 5,618,695 | 5,618,695 |
| Closing Balance 2013 | 250,000,000 | - | - | 12,498,278 | 262,498,278 |

For the year ended December 31, 2012

| 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 |
| Closing Balance 2012 | 100,000,000 | - | - | 6,879,583 | 106,879,583 |



Chairman



Director



Managing Director



Manager (Accounts & Finance)



Chief Investment Officer

Signed as per our separate report of same date.

Date: February 2, 2014
Place: Dhaka



Ahmed Zaker & CO.
Chartered Accountants

Statement of Cash Flows

For the year ended December 31, 2013

| Particulars | Amount in Taka | |
|---|----------------------|---------------------|
| | 31.12.2013 | 31.12.2012 |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Cash Collected from Turnover | 20,144,186 | 28,685,802 |
| Cash Paid to Customers, Suppliers, Employees & others | (22,282,451) | (13,061,359) |
| Income Tax Paid | - | (519,353) |
| Net Cash flow from/(used) Operating Activities | (2,138,265) | 15,105,090 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Property, Plant & Equipment addition during the year | (1,671,721) | (2,563,200) |
| Investment in FDR | (130,000,000) | (49,500,000) |
| Investment | (23,479,556) | 9,200,779 |
| Net Cash flow from /(Used) in Investing Activities: | (155,151,277) | (42,862,421) |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Employee loan adjustment | 173,824 | 267,517 |
| Loan Paid/Received | - | (19,900,000) |
| Lease Paid | (437,496) | (437,496) |
| Share issued | 150,000,000 | - |
| Net Cash used in Financing Activities: | 149,736,328 | (20,069,979) |
| D. Net Increase/(Decrease) in cash & cash equivalents during the year (A+B+C): | (7,553,214) | (47,827,310) |
| E. Cash & cash equivalents at the beginning of the year | 9,654,534 | 57,481,844 |
| Cash & cash equivalents at the end of the year | 2,101,320 | 9,654,534 |

Notes to the Financial Statements and significant accounting policies

For the year ended December 31, 2013

1. Legal status and nature of the company

Legal form and status 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, 2013 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 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:

Rates

| | |
|--------------------------|------|
| Furniture and fixtures | 10 % |
| Office equipment | 20% |
| Leasehold motor vehicles | 20% |
| Office Renovation | 20% |
| Computers | 33% |
| Software | 20% |

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 Accrual 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, 2013.
- b) Statement of Comprehensive Income for the year ended December 31, 2013.
- c) Statement of Changes in Equity for the year ended December 31, 2013.
- d) Statement of Cash Flows for the year ended December 31, 2013.
- 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 The Board of Director has declared 4% Stock dividend for the Year 2013. Proposed Dividend has not been recognized as a liability in the Balance Sheet in accordance with Bangladesh Accounting Standard (BAS)-10 "Events after the reporting Period"

3.5 Reporting period

Financial statements of the company cover a year from January 1, 2013 to December 31, 2013.

Explanatory notes to the Financial Statements

For the Year ended December 31, 2013

| | | Amount in Taka | |
|-------------|---|------------------|------------------|
| | | 31.12.2013 | 31.12.2012 |
| 4.00 | Property, Plant & Equipment | | |
| | Cost: | | |
| | Opening balance | 2,893,917 | 387,217 |
| | Add: Addition during the year | 1,671,721 | 2,563,200 |
| | | 4,565,638 | 2,950,417 |
| | Less: Disposal during the year | | 56,500 |
| | Total Cost | 4,565,638 | 2,893,917 |
| | Less: Depreciation: | | |
| | Opening balance | 630,055 | 46,802 |
| | Add: Charged during the year | 963,252 | 589,468 |
| | | 1,593,307 | 636,270 |
| | Less: Adjustment | | 6,215 |
| | Accumulated depreciation | 1,593,307 | 630,055 |
| | Written Down Value | 2,972,331 | 2,263,862 |
| | Details of Property, Plant & Equipment is given in Schedule-A/1 | | |
| 5.00 | Lease Assets (Car): | | |
| | Opening Balance Union Capital (Car for ED) | 1,750,000 | 1,750,000 |
| | Add: Addition | - | - |
| | Total | 1,750,000 | 1,750,000 |
| | Less: | | |
| | Opening Depreciation | 437,504 | 87,500 |
| | Add: charged during the year | 350,004 | 350,004 |
| | Total | 787,508 | 437,504 |
| | | 962,492 | 1,312,496 |
| | Details of Lease Assets (Car) is given in Schedule-A/1 | | |
| 6.00 | Intangible Assets: | | |
| | Opening Balance | 5,513,230 | 5,470,160 |
| | Add: Addition during the year | | 43,070 |
| | Total | 5,513,230 | 5,513,230 |
| | Less: | | |
| | Opening Amortization | 1,266,422 | 166,650 |
| | Add: Charge during the Year | 1,102,644 | 1,099,772 |
| | | 2,369,066 | 1,266,422 |
| | Total | 3,144,164 | 4,246,808 |
| | Details of Intangible Assets is given in Schedule-A/1 | | |

| | | Amount in Taka | | |
|-------------|--|----------------|------------------|------------------|
| | | 31.12.2013 | 31.12.2012 | |
| 7.00 | Advances, Deposits & Prepayments : | | | |
| | Advances Loan to Employee | 7.01 | 240,000 | 50,000 |
| | TDS from Interest Income Bank | 7.02 | 190,122 | 189,542 |
| | TDS from Interest Income FDR | 7.03 | 3,138,901 | 1,654,378 |
| | TDS from Interest Underwriting Commission | 7.04 | 8,500 | 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 | 75,329 | 15,140 |
| | TDS from Fees Income | 7.08 | 84,200 | - |
| | Advance to MILES Software Ltd. | 7.09 | 4,114,177 | 4,114,177 |
| | Advace to Infobase Ltd. | 7.10 | 180,500 | 62,000 |
| | Advance to Office staff for Expenses | 7.11 | 1,126,698 | - |
| | Advance expenses (TA/DA) | | 87,300 | - |
| | Advance to Business object Solution Ltd. | | 150,000 | - |
| | Advances to other | | 200,000 | - |
| | | | 9,797,727 | 6,295,737 |
| 7.01 | Advances Loan to Employees | | | |
| | Opening Balance | | 50,000 | - |
| | Add: Addition during the year | | 480,000 | 50,000 |
| | Total | | 530,000 | 50,000 |
| | Less: Adjustment made during the year | | 290,000 | - |
| | | | 240,000 | 50,000 |
| 7.02 | TDS from Interest Income Bank | | | |
| | Opening Balance | | 189,542 | 174,076 |
| | Add: Addition during the yaer | | 580 | 15,466 |
| | Total | | 190,122 | 189,542 |
| 7.03 | TDS from Interest Income FDR | | | |
| | Opening Balance | | 1,654,378 | 946,433 |
| | Add: Addition during the year | | 1,484,523 | 707,945 |
| | Total | | 3,138,901 | 1,654,378 |
| 7.04 | TDS from Interest Underwriting Commission | | | |
| | Opening Balance | | 8,500 | - |
| | Add: Addition during the year | | - | 8,500 |
| | Total | | 8,500 | 8,500 |

| | | Amount in Taka | |
|-------------|---|------------------|------------------|
| | | 31.12.2013 | 31.12.2012 |
| 7.05 | T & T Deposits | | |
| | Opening Balance | 2,000 | 2,000 |
| | Add: Addition during the year | - | - |
| | Total | 2,000 | 2,000 |
| 7.06 | CDBL Security Deposit | | |
| | Opening Balance | 200,000 | 200,000 |
| | Add: Addition during the year | - | - |
| | Total | 200,000 | 200,000 |
| 7.07 | TDS from Dividend Income | | |
| | Opening Balance | 15,140 | - |
| | Add: Addition during the year | 60,189 | 15,140 |
| | Total | 75,329 | 15,140 |
| 7.08 | TDS from Fees Income | | |
| | Opening Balance | - | - |
| | Add: Addition during the year | 84,200 | - |
| | Total | 84,200 | - |
| | Less: Adjustment made during the year | - | - |
| | | 84,200 | - |
| 7.09 | Advances to MILES Software Ltd. | | |
| | Opening Balance | 4,114,177 | - |
| | Add: Addition during the year | - | 4,114,177 |
| | Total | 4,114,177 | 4,114,177 |
| 7.10 | Advances to Infobase Ltd | | |
| | Opening Balance | 62,000 | - |
| | Add: Addition during the year | 118,500 | 62,000 |
| | Total | 180,500 | 62,000 |
| 7.11 | Advance to Office staff for Expenses | | |
| | Opening Balance | - | - |
| | Add: Addition during the year | 3,361,513 | - |
| | Total | 3,361,513 | - |
| | Less: Adjustment made during the year | 2,234,815 | - |
| | | 1,126,698 | - |

| | | Amount in Taka | |
|--------------|---|-------------------|-------------------|
| | | 31.12.2013 | 31.12.2012 |
| 8.00 | Investment in Share (at cost): | | |
| | Investment in Shares at cost | 52,470,497 | 48,490,941 |
| | Investment in Share (Heritage Life Ins. Co. Ltd.) | 19,500,000 | - |
| | | 71,970,497 | 48,490,941 |
| 9.00 | Accounts Receivable: | | |
| | Interest Receivable on FDR | 9,621,315 | 2,384,797 |
| | Receivables from Ananta Group for Issue & Corporate | - | 402,500 |
| | Receivables from Flora Tele for Issue & Corporate | 1,590,500 | 1,590,500 |
| | Receivable from Investment (Heritage Life) | 900,000 | - |
| | Receivable from InGen Technology Ltd. | 911,577 | 911,577 |
| | Receivable from Green Delta Insurance Co. Ltd. (PF) | 191,958 | - |
| | Receivable from Green Delta Insurance Co. Ltd. | 138,503 | - |
| | Receivable from SAPL SF & CA (others) | 46,073 | - |
| | Receivable from OTOBI | 1,775,220 | - |
| | Receivable from Financial Express Resech | 120,000 | - |
| | Receivable from Broker GDSL (Discretionary) | 355,958 | - |
| | | 15,651,104 | 5,289,374 |
| 9.01 | Interest Receivable on FDR: | | |
| | Opening Balance | 2,384,797 | 4,105,470 |
| | Add: Addition during the year | 15,314,932 | 5,132,699 |
| | Total | 17,699,729 | 9,238,169 |
| | Less: Adjustment made during the year | 8,078,414 | 6,853,372 |
| | | 9,621,315 | 2,384,797 |
| 10.00 | Loan to Employees | | |
| | Car Loan | 1,066,656 | 1,295,232 |
| | Mobile Loan | 54,752 | - |
| | | 1,121,408 | 1,295,232 |
| 10.01 | Car Loan: | | |
| | Opening Balance | 1,295,232 | 1,523,808 |
| | Add: Addition during the year | - | - |
| | Total | 1,295,232 | 1,523,808 |
| | Less: Adjustment made during the year | 228,576 | 228,576 |
| | | 1,066,656 | 1,295,232 |
| 10.02 | Mobile Loan: | | |
| | Opening Balance | | 38,941 |
| | Add: Addition during the year | 90,048 | - |
| | Total | 90,048 | 38,941 |
| | Less: Adjustment made during the year | 35,296 | 38,941 |
| | | 54,752 | - |

| | | Amount in Taka | | |
|--------------|--|----------------|------------------|------------------|
| | | 31.12.2013 | 31.12.2012 | |
| 11.00 | Cash and cash equivalents: | | | |
| | Cash in Hand | 11.01 | 90,333 | 962 |
| | Cash at Bank | 11.02 | 1,379,943 | 2,747,347 |
| | Ledger Balance from GDSL | | 631,044 | 6,906,225 |
| | | | 2,101,320 | 9,654,534 |
| 11.01 | Cash in hand: | | | |
| | Cash in hand | | 90,333 | 962 |
| | | | 90,333 | 962 |
| 11.02 | Cash with bank: | | | |
| | Eastern Bank Limited AC. No. 1011220001064 | | 1,697 | 7,721 |
| | SCB (Discretionary) 01-1146314-01 | | 73,924 | 269,234 |
| | SCB-IP A/C (Non-Discretionary) 01-1146314-03 | | 219,437 | |
| | SCB (Own Investment) 01-1146314-02 | | 69,956 | - |
| | SCB (Operation) 02-1146314-01 | | 933,589 | 2,346,175 |
| | MCBL (Operation)01131310000777 | | 81,340 | 124,217 |
| | | | 1,379,943 | 2,747,347 |
| 12.00 | Payable to GDIC: | | | |
| | Temporary loan | 12.01 | 9,143,250 | 9,143,250 |
| | Various Expenses Payable GDIC | | 105,752 | 27,712 |
| | | | 9,249,002 | 9,170,962 |
| 12.01 | Temporary loan | | | |
| | Opening Balance | | 9,143,250 | - |
| | Add: Addition during the year | | 1,593,079 | 10,000,000 |
| | Total | | 10,736,329 | 10,000,000 |
| | Less: Adjustment made during the year | | 1,593,079 | 856,750 |
| | | | 9,143,250 | 9,143,250 |
| 13.00 | Payable to GDSL: | | | |
| | Salary & Allowances | | 1,269,284 | 1,269,283 |
| | Management Expenses | | 2,025,515 | 2,025,515 |
| | Preliminary Expenses | | 206,870 | 206,870 |
| | Office Rent | | 345,000 | 345,000 |
| | Common Cost Allocation | | - | 232,065 |
| | | | 3,846,669 | 4,078,733 |

| | | Amount in Taka | |
|--------------|---|------------------|------------------|
| | | 31.12.2013 | 31.12.2012 |
| 14.00 | Accounts Payable: | | |
| | Audit Fees | 14.01 57,500 | 57,500 |
| | TDS Payable | 14.02 9,702 | 16,076 |
| | VAT Payable | 14.03 609,775 | 1,214,226 |
| | Current Portion of Lease Obligation | 14.04 437,496 | 437,496 |
| | Accrued expenses & other payable | 14.05 21,025 | 19,135 |
| | Other Payables | 14.06 1,499,858 | 335,479 |
| | Payable for Expenses | - | 126,082 |
| | Management Fees (Holdings) Payable | - | 99,175 |
| | Payable to Brokerage | 32,309 | - |
| | Payable to Clients | 14.07 580,849 | 264,112 |
| | | 3,248,514 | 2,569,281 |
| 14.01 | Audit Fees: | | |
| | Opening Balance | 57,500 | 26,125 |
| | Add: Addition during the year | 57,500 | 57,500 |
| | Total | 115,000 | 83,625 |
| | Less: Paid during the year | 57,500 | 26,125 |
| | Closing Balance | 57,500 | 57,500 |
| 14.02 | TDS Payable: | | |
| | Opening Balance | 16,076 | 2,000 |
| | Add: Addition during the year | 46,307 | 29,095 |
| | Total | 62,383 | 31,095 |
| | Less: Paid during the year | 52,681 | 15,019 |
| | Closing Balance | 9,702 | 16,076 |
| 14.03 | VAT Payable: | | |
| | Opening Balance | 1,214,226 | 834,420 |
| | Add: Addition during the year | 422,789 | 1,091,719 |
| | Total | 1,637,015 | 1,926,139 |
| | Less: Paid during the year | 1,027,240 | 711,913 |
| | Closing Balance | 609,775 | 1,214,226 |
| 14.04 | Current Portion of Lease Obligation: | | |
| | Opening Balance | 437,496 | 437,496 |
| | Add: Addition during the year | 437,496 | 437,496 |
| | | 874,992 | 874,992 |
| | Less: Paid during the year | 437,496 | 437,496 |
| | Total | 437,496 | 437,496 |

| | | Amount in Taka | |
|--------------|--|------------------|------------------|
| | | 31.12.2013 | 31.12.2012 |
| 14.05 | Accrued expenses & other payable | | |
| | Accrued expenses & other payable | 21,025 | 19,135 |
| | Total | 21,025 | 19,135 |
| 14.06 | Other Payables | | |
| | Payable to CDBL | 1,507 | 500 |
| | Payable to Ananna Stationary | 3,573 | 2,552 |
| | Payable to Global Brand Pvt. Ltd. | - | 75,000 |
| | Payable to Green Delta Aims Ltd. | 67,063 | 90,606 |
| | Payable to Spice Catering Ltd. | 16,815 | 55,028 |
| | Payable to Radiant Cleaning & Pest Control | 9,975 | 10,043 |
| | Payable to Daiyan Food & Beverage | - | 1,750 |
| | Payable to Progress Capital Ltd. | 1,372,175 | - |
| | Other Payable | 28,750 | 100,000 |
| | Total | 1,499,858 | 335,479 |
| 14.07 | Payable to Clients: | | |
| | Client Payable Account | 580,849 | 264,112 |
| | Total | 580,849 | 264,112 |
| 15.00 | Other Provision: | | |
| | Opening Balance | 1,505,647 | 825,000 |
| | Add: Addition during the year | 1,900,000 | 1,200,000 |
| | Total | 3,405,647 | 2,025,000 |
| | Less: Paid during the year | 1,234,348 | 519,353 |
| | Closing Balance | 2,171,299 | 1,505,647 |
| 16.00 | Provision for Income Tax: | | |
| | Opening Balance | 3,415,602 | 3,123,235 |
| | Add: Addition during the year | 2,500,000 | 292,367 |
| | Total | 5,915,602 | 3,415,602 |
| | Less: Paid during the year | - | - |
| | Closing Balance | 5,915,602 | 3,415,602 |
| 17.00 | 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.

| | Amount in Taka | |
|--|----------------|------------|
| | 31.12.2013 | 31.12.2012 |

Paid up Capital: Taka 25,00,00,000

This represents the paid up capital of the company with 25,00,000 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 | | 249,999,900 |
| Nasir A. Choudhury | | 100 |
| | | 250,000,000 |
| 18.00 Retained Earnings | | |
| Opening Balance | 6,879,583 | 2,211,560 |
| Add: Addition during the year | 5,618,695 | 4,668,023 |
| Closing Balance | 12,498,278 | 6,879,583 |
| 19.00 Lease Finance under Lease Obligation: | | |
| Opening Balance | 729,176 | 1,166,672 |
| Add: Addition during the year | - | - |
| | 729,176 | 1,166,672 |
| Less: Current portion of Lease obligation | 437,496 | 437,496 |
| Closing Balance | 291,680 | 729,176 |
| 20.00 Operating Income | | |
| Structured Finance and Corporate Advisory | 8,866,711 | 6,000,000 |
| Issue Management Fees | - | 1,762,500 |
| Co-Issue Management Fees, Head Office | - | 750,000 |
| Underwriting Commission | - | 385,000 |
| | 8,866,711 | 8,897,500 |
| 21.00 Realised Gain on share trading | | |
| Realized gains on own Share Investment | 1,514,212 | 11,020,071 |
| | 1,514,212 | 11,020,071 |
| 22.00 Other Income: | | |
| Dividend Income | 310,979 | 215,965 |
| Interest Income on FDR | 17,448,988 | 6,375,094 |
| Interest Income on STD Balances | 5,795 | 154,662 |
| Interest Income on Staff Loan | 72,852 | 72,852 |
| Management Fee, GD perfor-Max | 25,409 | 4,848 |
| Documentation Charge, GD perfor-Max | 1,000 | 1,000 |
| Performance Fees GD Performax | 21,775 | 52 |
| Brokerage Commission, GD Perform Max | 18,307 | 222 |
| Income from Publication Reserch | 626,100 | - |

| | Amount in Taka | |
|--|-------------------|------------------|
| | 31.12.2013 | 31.12.2012 |
| Interest Income from Investment (Heritage Life) | 900,000 | - |
| Management Fee | 121 | - |
| Bo Account opening Fee | 500 | - |
| Brokerage commission | 870 | - |
| Misc. Inome | 692,297 | - |
| | 20,124,993 | 6,824,695 |
| 23.00 Operating & Direct Expenses: | | |
| Portfolio Expenses | 9,837 | 13,882 |
| | 9,837 | 13,882 |
| 24.00 Office & Administrative Expenses: | | |
| Salaries and Allowances | 10,119,908 | 7,494,882 |
| Festival bonus | 849,200 | 681,000 |
| Office Rent | 951,768 | 220,870 |
| Insurance premium | 61,802 | 47,105 |
| Electricity, Utility & Services | 888,946 | 425,747 |
| Telephone expenses | 13,637 | 1,871 |
| Mobile Allowances | 226,556 | 216,427 |
| Audit Fees | 57,500 | 57,500 |
| Printing and stationery expenses | 110,120 | 144,820 |
| Postage & Courier | 12,262 | - |
| Office maintenances | 311,245 | 165,363 |
| Software maintenance fees | 62,548 | 64,082 |
| License and renewal fees | 67,000 | 139,600 |
| Car Repair and maintenances | 360,000 | 419,305 |
| Membership and renewal fees | 100,000 | 100,000 |
| Data Connectivity Expenses - Branch-Dept | 241,316 | 224,526 |
| Training and development expenses | 71,760 | 207,509 |
| Conveyances | 117,943 | 62,002 |
| Computer Accessories | 32,655 | 47,987 |
| Traveling expenses | 28,198 | 70,063 |
| Foreign travel expenses | 285,237 | 351,752 |
| Paper, Books and yearicals | 4,572 | 3,830 |
| Fuel costs | 35,237 | 45,000 |
| Entertainment expenses | 225,545 | 122,230 |
| Management expenses | 902,530 | 5,878,073 |
| Board Meeting expenses | 103,530 | 124,505 |
| Advertisement expenses | 20,000 | 78,075 |
| Car Allowances | 376,000 | 376,000 |
| Staff food expenses | 317,486 | 95,733 |
| Web Development | 250,460 | 12,000 |
| RJSC & Govt. Fees | 144,360 | - |
| Legal expenses | 5,000 | 220,140 |
| CDBL Charges | 8,384 | 4,440 |
| Repair expenses | 47,510 | - |
| Cartidge & Tonner | 28,000 | - |

| | Amount in Taka | |
|--|-------------------|-------------------|
| | 31.12.2013 | 31.12.2012 |
| Recruitment & HR Cost | 80,505 | - |
| Misceallenous Expense | 53,227 | 50,285 |
| Driver Salary | 144,000 | - |
| Uniform & Dress | 125,024 | - |
| | 17,840,971 | 18,152,722 |
| 25.00 Financial Expenses: | | |
| Interest on lease finance | 154,944 | 154,944 |
| Interest on Term Loan (GDSDL) | - | 127,633 |
| Bank Charges | 65,569 | 93,451 |
| | 220,513 | 376,028 |
| 26.00 Depreciation & Written Off: | | |
| Furniture and fittings | 13,122 | 7,276 |
| Computer | 597,060 | 525,848 |
| Office equipment | 193,764 | 56,344 |
| Office Renovation | 159,306 | - |
| Motor vehicles | 350,004 | 350,004 |
| Systems and softwares | 1,102,644 | 1,099,772 |
| | 2,415,900 | 2,039,244 |

Schedule of Property Plant & Equipment For the year ended December 31, 2013

Schedule -A/1

| Sl. No | Name of the Assets | COST | | | Rate | DEPRECIATION | | | W.D.V | | |
|--------|------------------------|------------------|------------------|----------|------------------|--------------|----------------|-------------------------|----------|------------------|------------------|
| | | Initial | Addition | Disposal | | Total | Opening | Charged during the year | | Adjustment | Total |
| 1 | Furniture and Fittings | 124,580 | 39,905 | - | 164,485 | 10% | 10,299 | 13,122 | - | 23,421 | 141,064 |
| 2 | Office Equipment | 968,800 | 30,000 | - | 998,800 | 20% | 68,550 | 193,764 | - | 262,314 | 736,486 |
| 3 | Computer | 1,800,537 | 8,737 | - | 1,809,274 | 33% | 551,206 | 597,060 | - | 1,148,266 | 661,008 |
| 4 | Office Renovation | - | 1,593,079 | - | 1,593,079 | 20% | - | 159,306 | - | 159,306 | 1,433,773 |
| | Total Taka | 2,893,917 | 1,671,721 | - | 4,565,638 | | 630,055 | 963,252 | - | 1,593,307 | 2,972,331 |

Amortization Schedule For the year ended December 31, 2013

Schedule -A/1

| Sl.No | Name of the Assets | COST | | | Rate | DEPRECIATION | | | W.D.V | | |
|-------|--------------------|------------------|----------|----------|------------------|--------------|------------------|-------------------------|----------|------------------|------------------|
| | | Initial | Addition | Disposal | | Total | Opening | Charged during the year | | Adjustment | Total |
| 1 | Software | 5,513,230 | - | - | 5,513,230 | 20% | 1,266,422 | 1,102,644 | - | 2,369,066 | 3,144,164 |
| | Total Taka | 5,513,230 | - | - | 5,513,230 | | 1,266,422 | 1,102,644 | - | 2,369,066 | 3,144,164 |

Lease Asset Schedule For the year ended December 31, 2013

Schedule -A/1

| Sl.No | Name of the Assets | COST | | | Rate | DEPRECIATION | | | W.D.V | | |
|-------|--------------------|------------------|----------|----------|------------------|--------------|----------------|-------------------------|----------|----------------|----------------|
| | | Initial | Addition | Disposal | | Total | Opening | Charged during the year | | Adjustment | Total |
| 1 | Car Lease | 1,750,000 | - | - | 1,750,000 | 20% | 437,504 | 350,004 | - | 787,508 | 962,492 |
| | Total Taka | 1,750,000 | - | - | 1,750,000 | | 437,504 | 350,004 | - | 787,508 | 962,492 |

9.7 AUDITOR'S REPORT

FINANCIAL STATEMENTS OF GREEN DELTA SECURITIES LTD.

We have audited the accompanying financial statements of Green Delta Securities Limited, which comprise the statement of financial position as at December 31, 2013 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, Bangladesh 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, 2013 and of the results of its operations and its statement of cash flows for year then ended and comply with the Companies Act 1994, Bangladesh 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;

Emphasis of Matter

Revaluation reserve represents the amount of gain on revaluation on Investment in Stock Exchange for acquisition of membership of DSE and CSE for the year 2012. In the event of demutualization of membership value which was transformed into shares with lesser value (Face Value) the difference in value has not been accounted for during the year.

Place: Dhaka

Date: February 2, 2014



Ahmed Zaker & CO.
Chartered Accountants

Statement of Financial Position

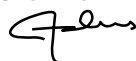
As at December 31, 2013

| Particulars | Notes | Amount in Taka | |
|---|-------|--------------------|--------------------|
| | | 31.12.2013 | 31.12.2012 |
| SOURCES OF FUNDS | | | |
| Shareholders equity | | | |
| | | 841,731,207 | 845,509,322 |
| Share Capital | 4.00 | 100,000,000 | 100,000,000 |
| Retained Earnings | 5.00 | 134,684,043 | 138,462,158 |
| Revaluation Reserve | 6.00 | 607,047,164 | 607,047,164 |
| Long Term Liabilities | | | |
| Loan From GDIC | 7.00 | 114,138,688 | 116,638,688 |
| Total Capital Employed | | 955,869,895 | 962,148,010 |
| APPLICATION OF FUNDS | | | |
| Non-Current Assets (A) | | | |
| | | 679,928,336 | 662,238,541 |
| Property, Plant & Equipment | 8.00 | 8,428,336 | 10,238,541 |
| Investment in Stock Exchange for Membership | 9.00 | 642,000,000 | 642,000,000 |
| Investment in Bond | 10.00 | 29,500,000 | 10,000,000 |
| Current Assets (B) | | | |
| | | 500,942,387 | 490,223,148 |
| Advances, Deposits and Prepayments | 11.00 | 14,509,258 | 9,651,560 |
| Receivable from Clients | 12.00 | 211,657,826 | 109,223,589 |
| Receivable from DSE & CSE | 13.00 | 11,784,907 | 25,724,057 |
| Investment in shares (at cost) | 14.00 | 90,868,606 | 95,056,670 |
| Accounts Receivable | 15.00 | 11,657,801 | 15,346,922 |
| Cash and cash equivalents | 16.00 | 160,463,989 | 235,220,351 |
| Current Liabilities (C) | | | |
| | | 225,000,828 | 190,313,680 |
| Payable to Clients | 17.00 | 85,399,703 | 116,866,200 |
| Payable to DSE & CSE | 18.00 | 4,207,498 | 1,739,857 |
| Payable to GDIC (Management Expenses) | 19.00 | 8,311,563 | 19,454,804 |
| Interest Payable (GDIC) | 20.00 | 32,085,100 | 33,021,904 |
| Overdraft | 21.00 | 71,654,202 | (57,381) |
| Liabilities for Expenses | 22.00 | 1,202,628 | 1,749,466 |
| Provision for Income Tax | 23.00 | 16,560,427 | 13,034,394 |
| Other Provision | 24.00 | 5,579,707 | 4,504,436 |
| Net Current Assets (D)=(B-C) | | 275,941,559 | 299,909,468 |
| Total Assets (E)=(A+D) | | 955,869,895 | 962,148,010 |

The above notes (1-32) form an integral part of these financial statement



Chairman



Head of Finance



Director



Chief Executive Officer

Signed as per our separate report of same date.

Place: Dhaka

Date: February 2, 2014



Ahmed Zaker & CO.
Chartered Accountants

Statement of Comprehensive Income

For the year ended December 31, 2013

| Particulars | Notes | Amount in Taka | |
|---|-------|-------------------|-------------------|
| | | 31.12.2013 | 31.12.2012 |
| Operating Income: | | | |
| Revenue from Brokerage | 25.00 | 49,915,223 | 41,300,746 |
| Interest Income | 26.00 | 39,553,277 | 32,051,102 |
| Dividend Income from (DLR) | 27.00 | 973,071 | 1,075,965 |
| Capital Gain/(Loss) from Investment in Shares | 28.00 | 1,195,843 | 2,346,506 |
| Other Operating Income | 29.00 | 7,755,556 | 5,921,574 |
| Total Operating Income | | 99,392,970 | 82,695,893 |
| Less: Direct Charges | 30.00 | 7,646,833 | 8,672,453 |
| Gross Profit | | 91,746,137 | 74,023,440 |
| Less: Office and Administrative Expenses | 31.00 | 50,934,149 | 51,547,839 |
| Less: Financial Expenses | 32.00 | 17,929,970 | 12,165,732 |
| Profit/(Loss) before Tax | | 22,882,019 | 10,309,870 |
| Less: Provisions | | 12,343,526 | 9,660,114 |
| Provision for Taxation | 23.00 | 10,343,526 | 9,660,114 |
| Other Provision | 24.00 | 2,000,000 | - |
| Profit/(Loss) After Tax | | 10,538,493 | 649,756 |

The above notes (1-32) form an integral part of these financial statement.



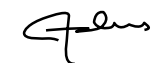
Chairman



Director



Chief Executive Officer



Head of Finance

Signed as per our separate report of same date.

Place: Dhaka
Date: February 2, 2014


Ahmed Zaker & CO.
Chartered Accountants

Statement of Changes in Equity For the year ended December 31, 2013

Amount in taka

| Particulars | Share Capital | Proposed Stock Dividend | Revaluation Reserve | Retained Earnings | Total Shareholders Equity |
|--|--------------------|-------------------------|---------------------|--------------------|---------------------------|
| Balance as at January 01, 2013 | 100,000,000 | | 607,047,164 | 138,462,158 | 845,509,322 |
| Adjustment made for Under Provision of Tax | | | | (14,118,008) | (14,118,008) |
| Adjustment made during the year | | | | (198,600) | (198,600) |
| Net profit for the year | | | | 10,538,493 | 10,538,493 |
| Balance as at December 31, 2013 | 100,000,000 | - | 607,047,164 | 134,684,043 | 841,731,207 |

For the 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 | | 235,047,164 | 137,812,402 | 472,859,566 |
| Net profit for the year | | | - | 649,756 | 649,756 |
| Reserve for Revaluation | | | 372,000,000 | - | 372,000,000 |
| Balance as at December 31, 2012 | 100,000,000 | - | 607,047,164 | 138,462,158 | 845,509,322 |


Chairman


Head of Finance


Director


Chief Executive Officer

Place: Dhaka
Date: February 2, 2014

Signed as per our separate report of same date.


Ahmed Zaker & CO.
Chartered Accountants

Statement of Cash Flows

For the Year ended December 31, 2013

| Particulars | Amount in Taka | |
|---|----------------------|---------------------|
| | 31.12.2013 | 31.12.2012 |
| Cash Flow from Operating Activities: | | |
| Cash Received from Customers and others | 14,587,004 | 104,353,390 |
| Cash Paid to Customers, Suppliers, Employees & others | (97,850,958) | (11,602,078) |
| Income Tax paid & other Provision & Adjustment | (22,058,829) | (17,107,320) |
| Net Cash (used) /flows from operating activities | (105,322,783) | 75,643,992 |
| Cash Flow from Investing activities : | | |
| Acquisition of Property,Plant & Equipment | (4,466,451) | (946,385) |
| Investment | 4,188,064 | 658,775 |
| Investment in Bond & Others | (19,500,000) | - |
| Net Cash flows from Investing activities: | (19,778,387) | (287,610) |
| Cash Flow from Financing activities: | | |
| Share Capital | - | - |
| Loan to GDCL | - | 19,900,000 |
| Loan from GDIC | (2,500,000) | 1,638,688 |
| Overdraft | 71,711,583 | (30,166,529) |
| Interest | (18,866,774) | (13,305,907) |
| Dividend paid | - | - |
| Net Cash (used) /flows from Financing activities: | 50,344,809 | (21,933,748) |
| Net increase/(decrease) in cash & cash equivalents | (74,756,361) | 53,422,634 |
| Add: Cash & Cash equivalents at the beginning of the year | 235,220,351 | 181,797,717 |
| Cash & Cash equivalents at the end of the year | 160,463,989 | 235,220,351 |



Chairman



Head of Finance



Director



Chief Executive Officer

Signed as per our separate report of same date.

Place: Dhaka
Date: February 2, 2014


Ahmed Zaker & CO.
Chartered Accountants

Notes to the Financial Statements

For the year ended December 31, 2013

1. Significant Accounting Policies and other Material information:-

Legal form of the Enterprise:

The company namely Green Delta Financial Services Ltd. (GDFSL) 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 GDFSL 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 (Except investment in Stock Exchange membership)
- 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, 2013 on the transactions held at the time of stock buying and selling made.

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 represents the amount 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).

2.8) Events after the Reporting date:

As per BAS-10 "Event after the Balance Sheet Date" are those event favorable and unfavorable, that occur between the

end of the reporting year and the date when the financial statements are authorized for issue. Two types of event can be identified:

- those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after balance sheet date); and
- those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

The Board of Directors has proposed 5% Stock Dividend on the paid up capital of the company's shareholders which is to be confirmed in the next Annual General Meeting (AGM) by the shareholders.

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, 2013.
- b) Statement of Comprehensive Income for the year ended December 31, 2013.
- c) Statement of Changes in Equity for the year ended December 31, 2013.
- d) Statement of Cash flows for the year ended December 31, 2013.
- 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 year from January 01, 2013 to December 31, 2013.

| | | Amount in Taka | |
|-------------|--|--------------------|-------------------------|
| | | 31.12.2013 | 31.12.2012 |
| 4.00 | Share capital | | |
| 4.01 | Authorized Capital | | |
| | Two Million (2,000,000) ordinary shares of Tk.100/- each | | |
| | 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/- each fully paid | 100,000,000 | 100,000,000 |
| 4.03 | Shareholding Position of the Company | | |
| | Name of Share Holder | | Number of Shares |
| | Green Delta Insurance Company 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, 2013 | 138,462,158 | 137,812,402 |
| | Add: Addition during the Period | 10,538,493 | 649,756 |
| | Less: Prior Year Adjustment | (14,316,608) | |
| | Less: Proposed Stock/Cash Dividend | - | - |
| | Balance as at December 31, 2013 | 134,684,043 | 138,462,158 |
| 6.00 | Revaluation Reserve | | |
| | Balance as at January 01, 2013 | 607,047,164 | 235,047,164 |
| | Add: Addition during the year | - | 372,000,000 |
| | Balance as at December 31, 2013 | 607,047,164 | 607,047,164 |
| | 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 . | | |
| 7.00 | Loan from GDIC (Margin Loan & DLR) | | |
| | Balance as at January 01, 2013 | 116,638,688 | 115,000,000 |
| | Addition during the year | | 10,000,000 |
| | Paid during the year | (2,500,000) | (8,361,312) |
| | Balance as at December 31, 2013 | 114,138,688 | 116,638,688 |
| | 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 | |
|--------------|---|--------------------|--------------------|
| | | 31.12.2013 | 31.12.2012 |
| 8.00 | Property, Plant & Equipment | | |
| | Cost: | | |
| | Opening balance | 23,138,156 | 22,390,025 |
| | Add: Addition during the year | 4,466,451 | 946,385 |
| | Less: Adjustment | - | 198,254 |
| | Total Cost | 27,604,607 | 23,138,156 |
| | Less: Accumulated depreciation: | | |
| | Opening balance | 12,899,615 | 6,417,739 |
| | Add: Charged during the year | 6,276,656 | 6,522,100 |
| | Less: Adjustment | - | 40,224 |
| | Accumulated depreciation | 19,176,271 | 12,899,615 |
| | Written Down Value as at December 31,2013 | 8,428,336 | 10,238,541 |
| | Details of Property & Equipment is given in Annexure-A/1 | | |
| 9.00 | Stock Exchanges Membership | | |
| | Dhaka Stock Exchange Limited - Membership | 362,000,000 | 362,000,000 |
| | Chittagong Stock Exchange Limited - Membership | 280,000,000 | 280,000,000 |
| | Balance as at December 31, 2013 | 642,000,000 | 642,000,000 |
| 10.00 | Investment in Bond & Others | | |
| | Investment in Bond (Trust Bank Ltd.) | 10,000,000 | 10,000,000 |
| | Investment in Heritage Life Insurance | 19,500,000 | - |
| | Balance as at December 31, 2013 | 29,500,000 | 10,000,000 |
| 11.00 | Advances, Deposits and Prepayments | | |
| | Office rent (Advances) | 1,676,660 | 888,116 |
| | Advance to Employee (Mobile) | - | 14,511 |
| | Advance to Employee (Salary) | 468,492 | 87,910 |
| | Advance to Employee (PF) | 7,800 | 34,006 |
| | Advance to Employee (Car) | 1,000,000 | |
| | TDS on FDR Interest & Bond | 2,761,260 | 1,187,644 |
| | TDS On Bond | 125,000 | 125,000 |
| | TDS on Dividend of DLR | 646,141 | 208,743 |
| | Tax on Transaction (Note-11.01) | 7,823,905 | 6,817,493 |
| | Advance to Party (Note-11.02) | - | 288,137 |
| | Balance as at December 31, 2013 | 14,509,258 | 9,651,560 |

| | | Amount in Taka | |
|--------------|--|------------------|------------------|
| | | 31.12.2013 | 31.12.2012 |
| 11.01 | Tax on Transaction | | |
| | Balance as at January 01, 2012 | 6,817,493 | 15,374,299 |
| | Add: Addition during the year | 7,823,905 | 6,817,493 |
| | | 14,641,398 | 22,191,792 |
| | Less: Adjusted during the year | 6,817,493 | 15,374,299 |
| | Balance as at December 31, 2013 | 7,823,905 | 6,817,493 |

As per Section 82 (C) of ITO 1984, the company made a provision for income tax Taka 78,23,905 against turnover tax applying a rate of 0.050% for the year 2013

| | | | |
|--------------|--|----------|----------------|
| 11.02 | Advance to Party | | |
| | Advances to Spectrum | | 288,137 |
| | Balance as at December 31, 2013 | - | 288,137 |

| | | | |
|--------------|---|--------------------|--------------------|
| 12.00 | Receivable from Clients | | |
| | Receivable from clients for share trading | 211,657,826 | 109,223,589 |
| | Balance as at December 31, 2013 | 211,657,826 | 109,223,589 |

| | | | |
|--------------|--|-------------------|-------------------|
| 13.00 | Receivable from DSE & CSE | | |
| | DSE | 9,626,982 | 25,539,312 |
| | DSE Dealer | 159,750 | - |
| | CSE | 1,998,175 | 184,745 |
| | Balance as at December 31, 2013 | 11,784,907 | 25,724,057 |

| | | | |
|--------------|--|-------------------|-------------------|
| 14.00 | Investment in Shares | 90,868,606 | 95,056,670 |
| | Balance as at December 31, 2013 | 90,868,606 | 95,056,670 |

The above amount represents investment made in the different portfolio and shown at cost value as current assets during the year.

| | | | |
|--------------|--|-------------------|-------------------|
| 15.00 | Accounts Receivable | | |
| | Green Delta Insurance Co. Ltd. (Provident Fund) | 1,174,979 | 2,803 |
| | Green Delta Insurance Co. Ltd. (Car Sale Proceeds) | 1,494,791 | - |
| | Nascom Pvt. Ltd. | 21,851 | 21,851 |
| | Green Delta Capital Ltd. | 3,846,667 | 3,964,448 |
| | Green Delta LR Holdings Ltd. | - | 11,210,102 |
| | Receivable from Party | 5,086,081 | - |
| | Receivable from Employees & others | 33,432 | 147,718 |
| | Balance as at December 31, 2013 | 11,657,801 | 15,346,922 |

| | | Amount in Taka | |
|----------------|---|--------------------|--------------------|
| | | 31.12.2013 | 31.12.2012 |
| 16.00 | Cash and Cash Equivalents | | |
| | Cash in hand (16.01) | 62,838 | 207,802 |
| | Cash at bank (16.02) | 160,401,151 | 235,012,549 |
| | Balance as at December 31, 2013 | 160,463,989 | 235,220,351 |
| 16.01 | Cash in hand | | |
| | Head Office | 60,996 | 204,199 |
| | Chittagong | (2,183) | - |
| | Sylhet | - | 67 |
| | Khatungonj | 4,025 | 3,536 |
| | Balance as at December 31, 2013 | 62,838 | 207,802 |
| 16.02 | Cash at bank | | |
| | Pubali Bank Ltd. A/C # STD-1816 | 288,626 | 278,607 |
| | City Bank Ltd. Islami Banking Br. A/C # 3101063925001 | 144,311 | 142,510 |
| | Mutual Trust Bank Ltd. Sylhet Br. A/C # 0023-0210002631 | 32,537 | 33,807 |
| | Mutual Trust Bank Ltd. Sylhet Br. A/C # 792 | 8,927 | 10,093 |
| | Pubali Bank Ltd. Dewanhat Br. CTG A/C # STD-255 | 880 | 1,015 |
| | Pubali Bank Ltd. Dewanhat Br. CTG A/C # CD-22824 | - | 221 |
| | HSBC A/C # 001-275445-011 | - | 506,623 |
| | Trust Bank Ltd. A/C # 0017-021010007009 | 8,422 | 924,475 |
| | Standard Chartered Bank A/C # 01-1053200-01 | 8,231,253 | 5,706,693 |
| | Standard Chartered Bank A/C # 01-1053200-02 | 84,760,967 | 147,967,981 |
| | Standard Chartered Bank A/C # 01-1053200-03 | 6,408,790 | 7,157,457 |
| | Standard Chartered Bank A/C # 02-1053200-01 | - | (10,000) |
| | Standard Chartered Bank A/C # 02-1053200-02 | - | (10,000) |
| | Marcentile Bank Ltd. A/C # 011311100007952 | 31,084 | 411,577 |
| | FDR A/C (Note-16.02.1) | 60,485,354 | 71,891,490 |
| | Balance as at December 31, 2013 | 160,401,151 | 235,012,549 |
| 16.02.1 | FDR A/C | | |
| | Trust Bank Ltd. A/C # 0017-0330015050 | 6,205,812 | 5,579,479 |
| | Jamuna Bank Ltd, FDR-2987 | - | 6,049,412 |
| | The City Bank Ltd-25001 | - | 2,485,060 |
| | BRAC Bank A/C #1501301898188004 | 6,174,175 | 5,580,565 |
| | BRAC Bank A/C #1501301898188003 | 13,111,467 | 11,831,417 |
| | BRAC Bank A/C #1501301898188002 | 13,362,272 | 12,044,527 |
| | BRAC Bank A/C #1501301898188001 | 13,631,628 | 12,321,029 |
| | Brac Bank SME # 1524301 | - | 5,000,000 |
| | SCB Bank 91053200001 | 8,000,000 | - |
| | Lanka Bangla # 3650 | - | 11,000,000 |
| | Balance as at December 31, 2013 | 60,485,354 | 71,891,490 |

| | | Amount in Taka | |
|--|--|-------------------|--------------------|
| | | 31.12.2013 | 31.12.2012 |
| 17.00 | Payable to Clients | | |
| | Payable to clients for share trading. | 85,399,703 | 116,866,200 |
| | Total | 85,399,703 | 116,866,200 |
| 18.00 | Payable to DSE & CSE | | |
| | DSE | 4,173,673 | 82,206 |
| | CSE | 33,825 | 1,657,651 |
| | Balance as at December 31, 2013 | 4,207,498 | 1,739,857 |
| 19.00 | Payable to GDIC (Management Expenses) | | |
| | Balance as at January 01, 2013 | 19,454,804 | 19,031,538 |
| | Add: Addition during the year | 4,132,550 | 5,661,182 |
| | Less: Adjustment during the year | (15,275,791) | (5,237,916) |
| | Balance as at December 31, 2013 | 8,311,563 | 19,454,804 |
| <p>Above amount represents payable to GDIC for meeting day to day management expense, which were expended by the GDIC on behalf of GDSL.</p> | | | |
| 20.00 | Interest Payable (GDIC) | | |
| | Balance as at January 01, 2012 | 33,021,904 | 34,224,679 |
| | Add: Addition during the year | 10,670,835 | 11,548,611 |
| | | 43,692,739 | 45,773,290 |
| | Less: Adjustment during the year | 11,607,639 | 12,751,386 |
| | Balance as at December 31, 2013 | 32,085,100 | 33,021,904 |
| 21.00 | Bank Loan (Overdraft) | | |
| | Loan from Bank (BRAC bank) | 71,654,202 | (57,381) |
| | Balance as at December 31, 2013 | 71,654,202 | (57,381) |

This represents the interest and 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%.

| | | Amount in Taka | |
|--------------|--|-------------------|-------------------|
| | | 31.12.2013 | 31.12.2012 |
| 22.00 | Liabilities for Expenses | | |
| | Payable to Dr. K.M Maqsudur Rahaman | 19,851 | 19,976 |
| | Payable to Executive Machines Ltd. | 17,000 | 17,000 |
| | Payable to Green Delta AIMS Tower | 26,000 | 26,000 |
| | Payable to Spice Catering | 25,320 | 19,080 |
| | Payable to Brac EPL | - | 33,470 |
| | Payable to Others | 153,639 | 322,976 |
| | Payable to Fulkuchi | - | 3,336 |
| | CDBL Charges Payable (22.01) | 211,368 | 64,177 |
| | payable to GDIC(Lease Obligation of Car) | 653,125 | 1,065,625 |
| | TDS and VAT Payable (22.02) | 96,325 | 177,826 |
| | Balance as at December 31, 2013 | 1,202,628 | 1,749,466 |
| 22.01 | CDBL Charges Payable: | | |
| | Balance as at January 01, 2013 | 64,177 | 475,132 |
| | Add: Addition during the year | 3,888,511 | 64,177 |
| | Less: Adjustment during the year | (3,741,320) | (475,132) |
| | Balance as at December 31, 2013 | 211,368 | 64,177 |
| 22.02 | TDS and VAT Payable: | | |
| | Salary | 44,850 | 94,237 |
| | House rent TDS (Gulshan, TBL & Khatungonj)&Suppliers | 11,266 | 11,786 |
| | TDS payable on suppliers | 12,232 | 19,934 |
| | House rent VAT(Gulshan, TBL & Khatungonj)& Suppliers | 27,977 | 51,869 |
| | Balance as at December 31, 2013 | 96,325 | 177,826 |
| 23.00 | Provision for Tax | | |
| | Balance as at January 01, 2013 | 13,034,394 | 18,748,579 |
| | Add: Provision during the year | 10,343,526 | 9,660,114 |
| | | 23,377,920 | 28,408,693 |
| | Less: Paid during the year | - | - |
| | | 23,377,920 | 28,408,693 |
| | Less: Adjusted during the year | 6,817,493 | 15,374,299 |
| | Balance as at December 31, 2013 | 16,560,427 | 13,034,394 |

Provision amounting to Taka 10,343,526 has been made on account of current year's Income Tax payable to Govt. authority.

| | | Amount in Taka | |
|--------------|--|-------------------|-------------------|
| | | 31.12.2013 | 31.12.2012 |
| 24.00 | Other Provision | | |
| | Balance as at January 01, 2013 | 4,504,436 | 6,237,457 |
| | Add: Addition during the year | 2,000,000 | - |
| | Less: Adjustment during the year | 924,729 | 1,733,021 |
| | Balance as at December 31, 2013 | 5,579,707 | 4,504,436 |
| 25.00 | Revenue from Brokerage | | |
| | Commission (Annexure A) | 49,915,223 | 41,300,746 |
| | Total | 49,915,223 | 41,300,746 |
| 26.00 | Interest Income | | |
| | Interest Income on Margin Loan | 29,183,563 | 19,265,731 |
| | Interest from Loan to Employee and GDLRFSL | 4,824 | - |
| | Interest from Bond | 1,250,000 | 1,250,000 |
| | Interest from Investment in Heritage Life | 1,293,417 | |
| | Interest on Bank and FDR Accounts | 7,821,473 | 11,535,371 |
| | Balance as at December 31, 2013 | 39,553,277 | 32,051,102 |
| 27.00 | Dividend Income from DLR | 973,071 | 1,075,965 |
| | | 973,071 | 1,075,965 |
| 28.00 | Capital (Loss)/Gain from Investment in Shares | | |
| | Realized gain/(Loss) from share trading | 1,195,843 | 2,346,506 |
| | Balance as at December 31, 2013 | 1,195,843 | 2,346,506 |
| 29.00 | Other Operating Income | | |
| | Service Charges on Margin Loan & LRFSL | 18,000 | 3,000 |
| | BO Account opening Fee | 238,300 | 268,500 |
| | CDBL Fees | 4,248,773 | 4,743,587 |
| | Other income | 3,250,483 | 906,487 |
| | Balance as at December 31, 2013 | 7,755,556 | 5,921,574 |
| 30.00 | Direct Charge | | |
| | Hawla Charge (Annexure A) | 646,150 | 636,840 |
| | Laga charge (Annexure A) | 3,088,730 | 2,688,987 |
| | CDBL Charge | 3,911,953 | 5,346,626 |
| | Balance as at December 31, 2013 | 7,646,833 | 8,672,453 |

31.00 Office & Administrative Expenses

| | Amount in Taka | |
|--|-------------------|-------------------|
| | 31.12.2013 | 31.12.2012 |
| Salary & Allowances | 22,466,878 | 20,254,898 |
| Festival Bonus | 1,900,000 | 1,696,400 |
| Printing & Stationery | 797,437 | 690,733 |
| Conveyance & Travel | 647,994 | 841,960 |
| Rent (Office rent) | 5,622,359 | 4,762,931 |
| Telephone, Mobile & Trunk-Call | 115,131 | 99,494 |
| Entertainment | 151,726 | 761,463 |
| Business Development (Fair & Others) | 153,391 | 246,446 |
| Advertisement Expenses | 15,600 | 432,748 |
| Electrical & Utility Exp. | 2,197,376 | 1,516,887 |
| Office Maintenance | 1,333,509 | 1,601,924 |
| Audit Fees | 57,500 | 52,250 |
| Professional fees | 12,500 | 215,000 |
| Stamps expense | 66,595 | 62,230 |
| Software Maintenances | 399,364 | 411,643 |
| Computer Accessories | 105,670 | 151,944 |
| Fuel (Car) | 14,375 | - |
| Generator Fuel | 357,255 | 394,277 |
| Repair, Renewal & Maintenance | 190,773 | 204,548 |
| Postage & Courier, Telegram | 13,887 | 16,496 |
| Photocopy | 10,376 | 3,869 |
| Books, Papers & Periodicals | 53,885 | 48,261 |
| Authorized Representative Expenses | 3,000 | 6,700 |
| Renewal. Fees (Dealer & Broker) | 44,000 | 44,000 |
| Renewal. Fees (Trade License) | 20,385 | 18,500 |
| Data Connectivity Expenses | 3,993,764 | 3,981,639 |
| Board Meeting Expenses | 97,100 | 128,100 |
| Subscription | 48,000 | 22,300 |
| DSE & CSE Conference & Training fees | 4,700 | 4,700 |
| Training Expenses | 62,880 | 113,225 |
| Interest Expenses of Lased Car | 146,100 | 146,100 |
| Insurance Premium | 128,085 | 104,181 |
| Investor Protection Fund | 7,336 | 6,473 |
| Corporate Allowances | 35,408 | - |
| Mobile Allowance | 670,947 | 639,151 |
| Car Maintenance Allowances | 936,000 | 913,000 |
| Depreciation | 6,276,656 | 6,481,876 |
| Misc. Expenses | 30,471 | 59,000 |
| Management Expenses | 325,460 | 4,197,305 |
| Tour Expenses (Domestic) | 309,120 | 50,979 |
| Food Expenses (Company Part) | 215,235 | 109,410 |
| Uniform & Dress | 50,200 | 45,600 |
| Foreign Travel | 690,196 | - |
| Staff Bus Expenses (Company Part) | 19,550 | 9,200 |
| Charge for Suspension | 76,846 | - |
| M-Stock Expenses | 59,129 | - |
| Balance as at December 31, 2013 | 50,934,149 | 51,547,839 |

32.00 Financial expenses

Bank Charge & Commission
Interest Expenses (GDIC)
Interest Expenses (SCB)
Interest Expenses (BRAC Bank Loan)
Balance as at December 31, 2013

| Amount in Taka | |
|-------------------|-------------------|
| 31.12.2013 | 31.12.2012 |
| | |
| 397,478 | 155,431 |
| 10,670,833 | 11,548,611 |
| 478,678 | 461,690 |
| 6,382,981 | - |
| 17,929,970 | 12,165,732 |

Dhaka+Chittagong+Sylhet

Transaction Date: 01/01/2013 to 31/12/2013

Annexure A
Amount in taka

| Date | Total Transactions | Commission | Howla | Laga | Tax AMT | CDBL | Total Expenses | Net Earnings |
|-----------------|-----------------------|-------------------|----------------|------------------|------------------|------------------|-------------------|-------------------|
| January, 2013 | 529,164,102 | 1,710,171 | 32,238 | 104,344 | 264,582 | 132,291 | 533,455 | 1,176,716 |
| February, 2013 | 1,234,672,774 | 3,957,433 | 55,620 | 244,243 | 617,336 | 308,668 | 1,225,868 | 2,731,566 |
| March, 2013 | 617,993,951 | 1,998,931 | 34,756 | 121,842 | 308,997 | 154,498 | 620,094 | 1,378,837 |
| April, 2013 | 591,689,925 | 1,955,810 | 34,330 | 116,729 | 295,845 | 147,922 | 594,826 | 1,360,984 |
| May, 2013 | 966,140,083 | 3,113,322 | 53,014 | 192,282 | 483,070 | 241,535 | 969,901 | 2,143,421 |
| June, 2013 | 2,014,595,351 | 6,304,696 | 80,086 | 398,697 | 1,007,298 | 503,649 | 1,989,729 | 4,314,966 |
| July, 2013 | 2,817,903,704 | 8,859,353 | 84,634 | 557,841 | 1,408,952 | 704,476 | 2,755,903 | 6,103,450 |
| August, 2013 | 1,326,187,900 | 4,232,588 | 40,198 | 262,600 | 663,094 | 331,547 | 1,297,439 | 2,935,148 |
| September, 2013 | 1,612,975,674 | 5,161,997 | 63,966 | 318,471 | 806,488 | 403,244 | 1,592,169 | 3,569,828 |
| October, 2013 | 667,977,901 | 2,149,060 | 32,154 | 131,513 | 333,989 | 166,994 | 664,650 | 1,484,410 |
| November, 2013 | 1,817,631,695 | 5,771,506 | 72,100 | 356,569 | 908,816 | 454,408 | 1,791,893 | 3,979,613 |
| December, 2013 | 1,450,877,088 | 4,700,355 | 62,892 | 283,587 | 725,439 | 362,719 | 1,434,636 | 3,265,719 |
| Total | 15,647,810,147 | 49,915,223 | 645,988 | 3,088,718 | 7,823,905 | 3,911,953 | 15,470,564 | 34,444,659 |

Total transaction

15,647,810,147

Gross Commission

49,915,223

Reversal Entry of Commission/ Rounding Up Difference

Gross Commission After Reversal

49,915,223

Total Howla+Laga+Tax

11,558,611

Net Commission

38,356,611

Schedule of Property, Plant & Equipment As at December 31, 2013

Annexure-B

| Sl. No | Name of the Assets | COST | | | Rate | DEPRECIATION | | | W.D.V | |
|--------|-----------------------|-------------------|------------------|----------------------|------|-------------------|------------------|---------------------------|-------------------|------------------|
| | | Initial | Addition | Adjustment /Disposal | | Total | Opening | "Charged during the year" | | Adjustment |
| 1 | Computer Software | 3,133,570 | 56,000 | - | 50% | 3,133,570 | 18,975 | - | 3,152,545 | 37,025 |
| 2 | Computer | 3,711,364 | 423,800 | - | 30% | 2,421,455 | 1,200,876 | - | 3,622,331 | 512,833 |
| 3 | Telephone | 166,620 | - | - | 30% | 89,191 | 50,543 | - | 139,734 | 26,886 |
| 4 | Office Space Purchase | 600,000 | - | - | 10% | 271,500 | 60,668 | - | 332,168 | 267,832 |
| 5 | I.P.S | 115,977 | - | - | 30% | 62,445 | 35,176 | - | 97,621 | 18,356 |
| 6 | Office Equipments | 2,108,183 | - | - | 30% | 790,372 | 639,479 | - | 1,429,851 | 678,332 |
| 7 | Air Conditioner | 1,009,800 | - | - | 30% | 597,280 | 306,308 | - | 903,588 | 106,212 |
| 8 | U.P.S | 197,668 | - | - | 30% | 162,848 | 39,861 | - | 202,709 | (5,041) |
| 9 | Computer Server | 1,586,890 | 425,000 | - | 30% | 972,625 | 557,147 | - | 1,529,772 | 482,118 |
| 10 | Furniture & Fixtures | 1,101,697 | - | - | 30% | 527,412 | 334,180 | - | 861,592 | 240,105 |
| 11 | Office Renovation | 6,741,248 | 3,467,854 | - | 30% | 2,776,589 | 2,383,848 | - | 5,160,437 | 5,048,665 |
| 12 | Motor Vehicle | 1,650,000 | - | - | 20% | 426,343 | 333,667 | - | 760,010 | 889,990 |
| 13 | Mobile Sets | 87,045 | 93,797 | - | 30% | 29,012 | 34,410 | - | 63,422 | 117,420 |
| 14 | Projector | 928,094 | - | - | 30% | 638,974 | 281,518 | - | 920,492 | 7,602 |
| | | 23,138,156 | 4,466,451 | - | | 12,899,615 | 6,276,656 | - | 19,176,271 | 8,428,336 |

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- 2013

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| ■ Core values and code of conduct/ethical principles | 11 |
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| Management Report and analysis including Director's Report / Chairman's Review/ CEO's Review etc. | |
| ■ A general review of the performance of the company | 30 |
| ■ Description of the performance of the various activities / products / segments of the company and its group companies during the period under review. | 112 |
| ■ A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks | 94 |
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| ■ 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 | |
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Green Delta Insurance Co. Ltd.

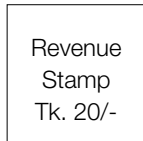
Green Delta AIMS Tower (6th floor), 51-52 Mohakhali C/A, Dhaka
Phone: 9851902, 9851170(PABX) FAX: 9851124 www.green-delta.com

PROXY FORM

I/ We
of
being a member of Green Delta Insurance Company Limited do hereby appoint
Mr./ Mrs./ Miss.
of or (falling his/her)
Mr./ Mrs./ Miss.
of
as my/ our proxy, to vote for me/ us and on my/ our behalf at the 28th Annual General Meeting of the company to be held on Saturday March 15, 2014 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.

N.B: As per BSEC Notification # SEC/CMRRCD/2009-193/154 dated October 24, 2013 "No benefit in Cash or kind, other than in the form of Cash Dividend or Stock Dividend, shall be paid to the holders of equity Securities."



Green Delta Insurance Co. 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 28th Annual General Meeting of the Company being held on Saturday, March 15, 2014 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.

N.B: As per BSEC Notification # SEC/CMRRCD/2009-193/154 dated October 24, 2013 "No benefit in Cash or kind, other than in the form of Cash Dividend or Stock Dividend, shall be paid to the holders of equity Securities."