

ANNUAL REPORT 2014

**TOWARDS  
A NEW  
DIRECTION!**



 **GREEN DELTA  
INSURANCE**  
marches with time

# TOWARDS A NEW DIRECTION!



**We** are with you.

Silently walking beside you.

You are somebody who fights the status quo.

Spirited, resilient and unafraid.

A first mover and fast mover.

Youthful and young at heart.

Dedicated and disciplined.

Someone who cherishes the essence of enterprise.

With an intrinsic ability to take risks.

You control your destiny.

And take adversity in your stride.

Even as you believe that your small step today  
will secure your tomorrow...

# At Green Delta Insurance Company Limited, we stand by people like you!

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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 31,2014**

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report along with the Audited Financial Statements including Consolidated and Separate Balance Sheet as at December 31, 2014 and Income Statements, Cash Flow Statements and Changes in equity statements for the year ended December 31, 2014 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 29<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Ninth Annual General Meeting of Green Delta Insurance Company Limited will be held at Spectra Convention Center Ltd., House # 19, Road # 7, Gulshan-1, Dhaka-1212 on Tuesday, 24th March 2015 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, 2014 and Audited Accounts thereon;
2. Declaration of 10% Stock and 15% Cash Dividend for the year ended December 31, 2014;
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 2015 and fix their remuneration;
5. To approve appointment of Independent Director

By Order of the Board of Directors



**Syed Moinuddin Ahmed**

Company Secretary

Date: 17.02.2015

## Notes:

1. 01.03.2015 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

## MEET GREEN DELTA

### About

One of Bangladesh's largest and most respected non-life insurance company

#### Products

Product suite comprises of the most extensive range of non-life insurance products in the sector in Bangladesh, suited to a large and varied demographic cross-section

#### Customers

Large and dynamic base of customers

#### Subsidiaries

Operates four wholly-owned subsidiaries engaged in capital market operations (Green Delta Securities Limited and Green Delta Capital Limited)

#### Niche

Constituted GD Assist, a focused partnership with the Malaysian Healthcare Tourism Council and a state-of-the-art insurance academy, Professional Advancement Bangladesh Limited (PABL)

#### Network partners (insurers/re-insurers)

Royal & Sun Alliance, London; Zurich Insurance Company; AXA Corporate Solutions Assurance Limited; ACE Group; Mitsui Sumitomo Insurance Company Limited, Japan; IF PNC, Sweden; Allianz Global Corporate and Specialty and Sampo, Japan.

#### Rating

Rated 'AAA' by CRAB, the highest such score for any insurance company in Bangladesh

#### Repute

The International Finance Corporation (IFC), Washington, picked up an 8% stake in Green Delta Insurance, their only such investment in Southeast Asia (except Pakistan)

#### Headquarters

Head quartered in Dhaka, Bangladesh

#### Branches

39 branches strategically spread across the country

#### Employees

Workforce comprising 595 members; 60 new members added in 2014

#### Listing

Listed on the Dhaka and Chittagong stock exchanges

## Our GDIC

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 and business 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 734 million with a credit rating of AAA 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 International Finance Corporation (IFC) of World Bank Group. With a presence in the strategically important parts of the country, which includes 39 branches, Green Delta Insurance Company 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., Green Delta Securities Ltd., Professional Advancement Bangladesh Limited and GD Assist Limited are four of the direct subsidiaries. GDIC provides stock brokerage services through Green Delta Securities Ltd. (GDSL) and Investment Banking services through Green Delta Capital Ltd. (GDCL). Professional Advancement Bangladesh Limited provides international standard professional trainings, in collaboration with CII, UK and GD Assist Limited is an agency promoting health and marketing services.

Under the charismatic leadership of Mr. Nasir A Choudhury, Advisor and Ms. Farzana Chowdhury, Managing Director and CEO of 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 a glorious journey of 3 decades in the Insurance sector, Green Delta Insurance Company Limited has now become a big family of 15 respected board members, 500+ committed staff, numerous valued clients and thousands of esteemed shareholders. By now, Green Delta has been able to uphold the brand image as a prompt claim settler, superior service provider, and diversified product supplier – almost like a one stop solution provider in the non-life insurance sector in the country.

As a part of the recognition for the contribution in the development of the insurance industry and for maintaining the standard of service, the company has been considered as one of the top 500 companies according to the renowned Rating Agency, Dun Bradstreet Rate Agency of Bangladesh. The company has also been awarded with many national and international awards like – “ICAB National Awards” for Best Published Accounts, ICMAB Best Corporate Award in Insurance category, “Winner” 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 OTHER WAYS, The Platinum Technology Award for Quality & Best trade name by Association Other Ways 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 3 decades - 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.



"The journey of a thousand miles begins with one step."

**Lao Tzu**

He is a 6<sup>th</sup> century Chinese philosopher widely regarded as the founder of Taoism



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## **Towards a new strategy**

Green Delta is focused on maintaining its insurance statesmanship through the launch of new, relevant and contemporary products and services that are among the first in the country of Bangladesh. The Company also expects to forge increasing partnerships/alliances towards developing niche and value added insurance platforms.

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## 1.2 VISION, MISSION STRENGTH AND BELIEF

### OUR VISION

Our vision is to mature into a sustainable and coherent organization, raise competitiveness to the highest level in the insurance industry, maintain high profitability and balanced quantitative growth and exceed customer expectations by offering superior services, embracing innovation and creating a professional corporate culture.

### OUR MISSION

Our mission is to create shareholder value through customer satisfaction and employee commitment to excellence.

### OUR STRENGTH

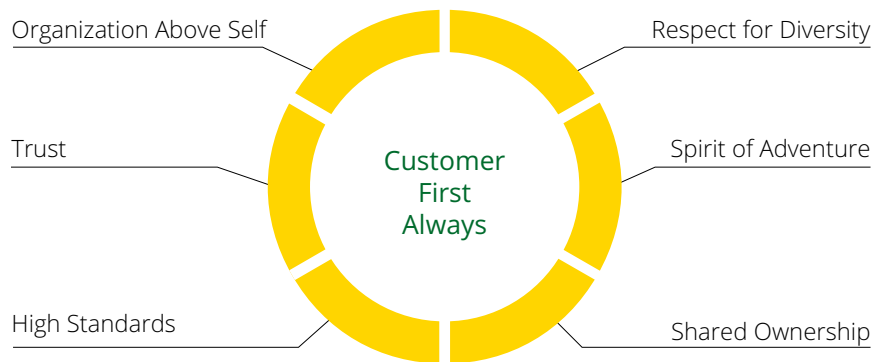
Constant pursuit of suitable strategies has made the company the leading insurer of Bangladesh for over two decades.

### OUR BELIEF

We believe that customer interests must stand at the center of our all activities. We serve their needs by leveraging our robust risk management framework and by providing cost-effective and personalized services.

## 1.3 CORE VALUES AND CODE OF CONDUCT

### CORE VALUES



#### **Customer first always:**

We give first priority to our customers' needs. We look at building enduring relationships even as we align a difference of opinion through the lens of supporting our customer ecosystem.

#### **Organization above self:**

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

#### **Trust:**

We believe that the key essence of teamwork is mutual trust. Trust is fundamental to our business and will guide all our internal as well as external interactions.

#### **High standards:**

We believe that excellence can be achieved only by setting benchmarks that challenge our 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:**

Our business is characterized by the sense of uncertainty and we believe in continuous innovation and creativity to face challenges head-on.

#### **Respect for diversity:**

We believe that diversity is our key strength and we recognize that team members have varying backgrounds, competencies and ideas and constructive action results only when opinions are aligned for common good.

# CODE OF CONDUCT

Our Code of Conduct is based on our values and our purpose is to ensure that all employees, managers and executives within Green Delta Insurance Company Limited 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. We are committed to conduct our business in an ethical, legal and responsible manner. Recognized standards as the Universal Declaration of Human Rights (UDHR) and the International Labor Organization (ILO) conventions were used as references in preparing the Code and include:

## 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.

## 1.4 OVERALL STRATEGIC OBJECTIVE

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

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

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

Finally, our achievements and clients speak for us, which proves that we are on the right track for more than 29 years now.

## 1.5 WHO WE ARE AND WHAT WE DO

### Our Legacy

Green Delta Insurance Company Limited, incorporated as Bangladesh's pioneering non-life insurance company, was established in Dhaka in 1985 under companies act 1913. Actual operations started on 1st January 1986, with a paid up capital of BDT 30.00 million.

### Who We are Today

Green Delta Insurance Company Limited has emerged as a pioneering multi-product Non-life Insurance in Bangladesh with 39 branches and over 500 team members.

### What We Offer

Green Delta Insurance Company Limited offers a wide range of products and Solutions.

### Our Subsidiaries

Green Delta Insurance Company Limited also operates 04(four) wholly-owned subsidiaries in different sector of market through Green Delta Capital Limited(Providing Merchant Banking Services), Green Delta Securities Limited (Providing Brokerage Services), Professional Advancement Bangladesh Limited (Providing Training relating to Insurance) and GD Assist Limited (Value added service for Insurance Industry like: Health service facilitation, Marketing and services etc).

## 1.6 OUR PRODUCT AND SERVICE BASKET

### 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

Bank Assurance

### Retail & SME

Fire and Allied Peril Insurance

Probashi Comprehensive Insurance for Migrant workers

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

Workmen Compensation Insurance

Nibedita- Comprehensive Insurance Policy for Women

### Specialized

Aviation Insurance

Motor Insurance

Engineering Insurance (Erection all Risk, Contractors all Risk, Deterioration of Stock & Boiler & Pressure Vessel Insurance, business interruption)

Crop Insurance

Weather Index Based Insurance

### Investment and Portfolio Management

Underwriting

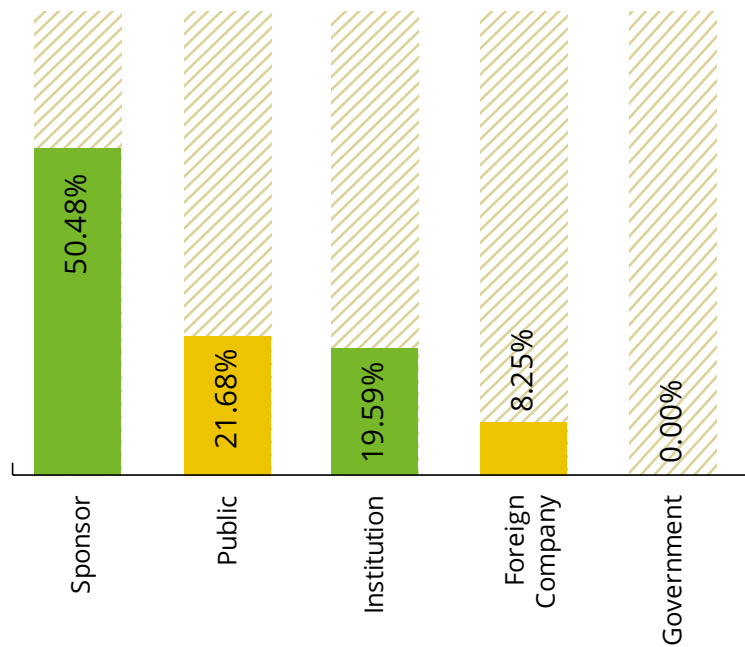
Pre-IPO placement Syndication

Trusteeship

# 1.7 OUR SHAREHOLDING COMPOSITION

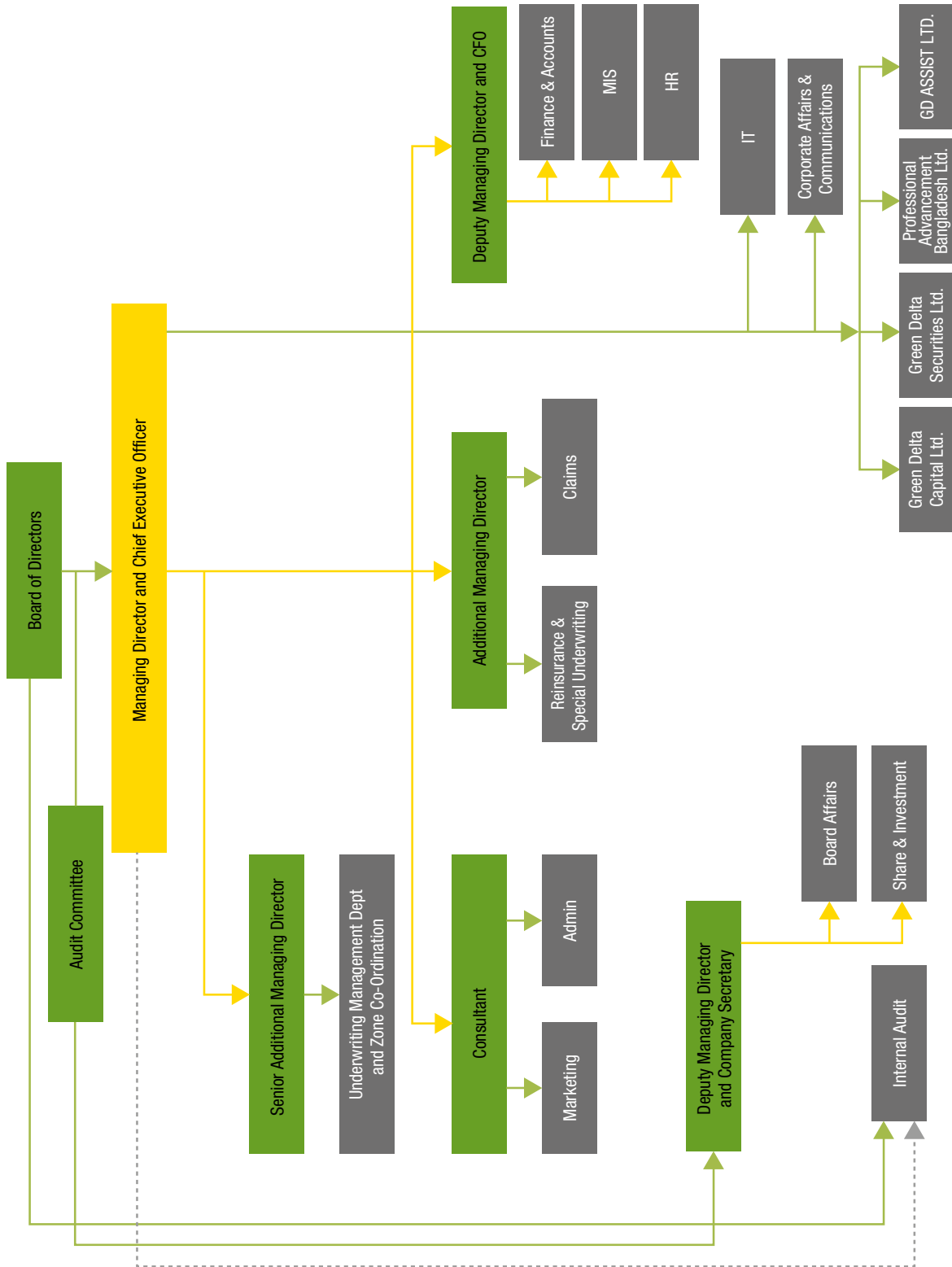
as on 31<sup>st</sup> December, 2014

Status	Share as %
Sponsor	50.48%
Public	21.68%
Institution	19.59%
Foreign Company	8.25%
Government	0.00%
<b>Total</b>	<b>100.00%</b>



**Share Holding Composition of GDIC**

# 1.8 ORGANIZATIONAL CHART (organogram)





# 1.9 KEY FINANCIAL HIGHLIGHTS, 2014

<p><b>Taka 2,681.37 mn</b> 2.60% growth over 2013</p> <p>Gross premium (total revenue income)</p>	<p><b>Taka 2,084.34 mn</b> 2.18% growth over 2013</p> <p>Fixed Asset</p>	<p><b>Taka 2,391.63 mn</b> 8.86% growth over 2013</p> <p>Total Investment</p>
<p><b>Taka 3,684.88 mn</b> 11.85% growth over 2013</p> <p>Total Reserves</p>	<p><b>Taka 305 mn</b> 6.19% growth over 2013</p> <p>Underwriting profit</p>	<p><b>Taka 346.61 mn</b> - 6.98% growth over 2013</p> <p>Claims settled</p>
<p><b>Taka 305.99 mn</b> 6.19% growth over 2013</p> <p>Net income from operations</p>	<p><b>Taka 239.25 mn</b> 3.80% growth over 2013</p> <p>Profit after tax</p>	<p><b>Taka 3.26 mn</b> - 3.80% growth over 2013</p> <p>Earnings per share</p>
<p><b>Taka 4,852.92 mn</b> 6.30 % in 2013</p> <p>Return on equity (RoE)</p>	<p><b>7.8% growth</b> over 2013</p> <p>Solvency ratio</p>	

# 1.10 ACKNOWLEDGING 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

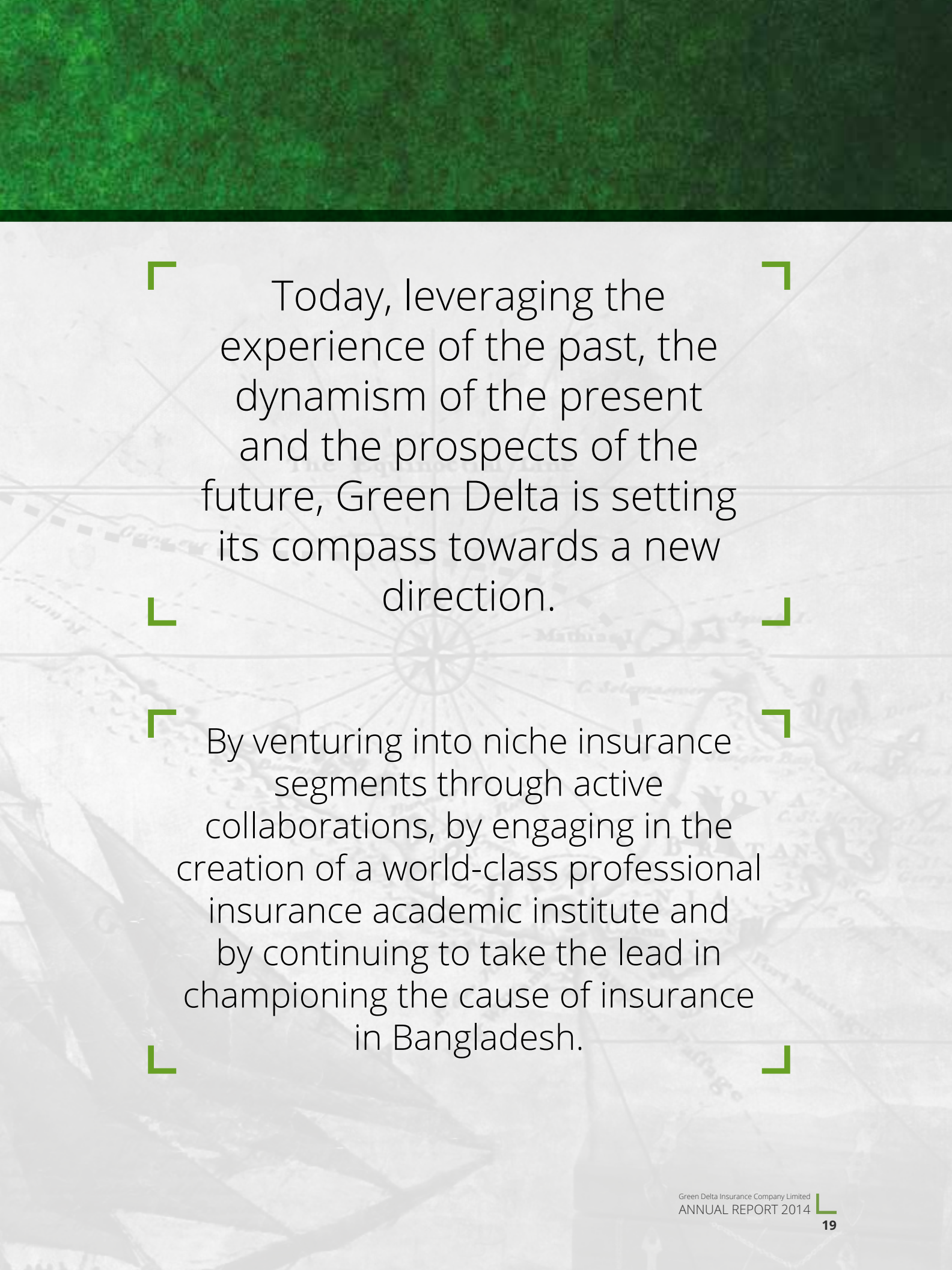


Late Md. Sarqum Ali



Green Delta is the largest and most respected non-life insurance enterprise in Bangladesh.

The Company reported a substantive gross premium collection CAGR of **15.56%** and **6.03%** over the past ten years and five years, respectively, reflecting a consistent track record.



Today, leveraging the experience of the past, the dynamism of the present and the prospects of the future, Green Delta is setting its compass towards a new direction.

By venturing into niche insurance segments through active collaborations, by engaging in the creation of a world-class professional insurance academic institute and by continuing to take the lead in championing the cause of insurance in Bangladesh.

## 2.1 GENERAL REVIEW OF THE PERFORMANCE OF THE COMPANY



### 2.1.1 CHAIRMAN'S COMMUNIQUÉ

We possess a strong and independent Board constituting of experienced national as well as international professionals drawn from different walks of life. They provide guidance and mentorship and are not directly connected with bringing business to the enterprise, ensuring adherence to the highest levels of ethics and transparency.

We also have a robust well-qualified senior management team who bring forth excellence in implementing our vision and strategies as well as provide us with valuable insights of the market dynamics.

## My dear fellow shareholders,

As always, it is a pleasure to welcome you to Green Delta through the pages of this annual report. I consider it my privilege to address you of our plans and prospects and am deeply cognizant of the trust and faith that you have reposed in our enterprise.

I must say that I am truly fascinated by the essence of the word 'enterprise'. The word possesses a true pride of place in the history of our Group, which started off from a small building with just a few employees and a handful of customer accounts. However what we did not have as infrastructure and resources, we more than made up with our tenacious spirit of enterprise, relentless passion to construct a world class business and an unwavering commitment to create an operating model anchored firmly on placing customer interests much ahead of ours.

Today, after almost 30 years of starting our business, I am proud to mention that we have not just emerged as Bangladesh's largest and most respected non-life insurance Company, I am equally proud to mention that we have retained every bit of the passion, tenacity and relentlessness with which we sowed the seeds of our enterprise.

I have often heard that the durability of a Company is repeatedly measured in not just its ability to grow its market share but also in its capacity to maintain and even grow its lead over longer periods of time. I am happy to state that with a dominant and leading 11.90 percent market share of the country's non-life insurance business and that too sustained every year since the past few years since our inception, we have actively demonstrated not just the success of our strategy but also the insurance potential of our country.

It is important for me to mention that we clearly took on a contrarian and differentiated approach to business, cutting the market clutter and unmistakably positioning our USPs around the interests of our customers.

- While most others saw a customer as, well, a customer, we saw potential. We structured our products such that they give our customers the wings to fly and also the cushions to protect negative impacts. We helped them realize the possibilities and enabled them to create the platforms to develop potentially successful and profitable ecosystems.
- We priced our products such that it adequately safeguarded the interests of our customers on the one hand as well risk-mitigated our system from contingencies on the other.

- We focused on customer service through a holistic relationship approach. We created products around their needs and requirements and engaged in 'knowledge-driven' sales rather than 'target-driven'.
- We extensively trained and empowered our ground force; they not only represent the face of our Company among our customers but have also been our ears on the ground, helping us tailor-make contemporary and cutting edge products and solutions.
- We firmly and unwaveringly uphold the highest standards of governance and operate our business within the realms of regulations – both in letter and spirit.
- We possess a strong and independent Board constituting of experienced national as well as international professionals drawn from different walks of life. They provide guidance and mentorship and are not directly connected with bringing business to the enterprise, ensuring adherence to the highest levels of ethics and transparency.
- We also have a robust well-qualified senior management team who bring forth excellence in implementing our vision and strategies as well as provide us with valuable insights of the market dynamics.

In closing, I must tell you that your Company is at the intersection of opportunity and enterprise. Our scalable and secure business model (with gross premium collections rising from Taka 1,601.64 mn in 2009 to Taka 2,681.37 mn in 2014) is embedded in a vastly under penetrated industry with insurance penetration of a mere 1% in one of the most populated countries of the world.

Validating the fact that giving wings to our customers can indeed make a business soar.



**A.Q.M Nurul Absar**

Chairman

Green Delta Insurance Company Limited



## ADVISER COMMUNIQUÉ

Our focus on creating value is adequately captured in how we enable people and businesses manage risk, helping build the foundations for safer, more robust and more resilient communities, societies and economies.

**Statement from Mr. Nasir A. Choudhury,  
Adviser, Green Delta Insurance Limited,  
and a respected global insurance veteran**

## My dear friends,

This annual report may feel different from the reports you have received from us in the past. This report has a much more insightful coverage about us and accurately reflects our enduring commitment to exemplify the importance of insurance, especially relevant for a developing economy like ours. As pioneers of the insurance industry of Bangladesh, the enhanced and extra statutory coverage is also our way of spearheading the sense of transparency within our sector and is a step to better communicate our progress and prospects among our stakeholders.

Much interestingly, the opportunities in our country's insurance sector remains as vast and as under-tapped as when I started out more than half a century ago. Despite being among the most populous countries of the world with a population density (individuals per sq. km) of about 1,200 (World Bank data), insurance penetration is a mere 1% or so. However what gives me the confidence that the scenario is changing much faster today than in the past is that all structural long-term drivers are firmly in place, including the demographic dividend, sustained economic performance despite an unstable political situation, larger share of disposable incomes in household budgets, moderation in inflation putting a downward pressure on rates and easing monetary policy by the Bangladesh Bank. This would be extremely positive for the growth of the insurance industry, going forward.

The Bangladeshi insurance sector continues to evolve as it adapts to the ongoing regulatory as well as socio-economic and political changes. In such a dynamic scenario, I am proud to state that Green Delta Insurance demonstrated the deep strength of its franchise with a growth in its new premium income in 2014. We leveraged our product innovation capabilities and distribution might and also facilitated significant investments in technology solutions to improve the overall customer experience when they connect with us. We justified our claim to be the number one by achieving AAA rating from Credit Rating Agency of Bangladesh (CRAB) which was unseen previously in the insurance industry. Our award winning streak continued all throughout 2014 which glorified our list of achievements even more. We kept growing despite the adversity and launched 2 more subsidiaries- Professional Advancement Bangladesh Limited and GD Assist Limited. Now Green Delta Insurance is a big family with 4 subsidiaries in total. We showed the industry how strong our reinsurance support could be by settling the biggest of claims with ease.

At Green Delta Insurance, we firmly believe that a strong insurance sector can fulfill a significant role in the nation's economic progress by securing the financial wellbeing of customers in the tragic event of a loss. With our rich experience, wide bouquet of products, benchmarked customer-service standards and strong and motivated workforce focused on making a difference, we are well-placed to capitalise on this vast and growing opportunity pool. We are aiming high to spread insurance among every citizen of our country by investing heavily on retail sector. We are here to bring the much anticipated change in the industry, we are here to be the change. As we march towards our 30th Anniversary, we are pushing ourselves to the limit in every step and every moment.

I believe that what differentiates us is our passion for and long-range view of the business that I consider to be the prime reason behind IFC, Washington acquiring an 8% stake that represents among their first such investments in Southeast Asia. It is also an acknowledgment of our tireless quest to spread the assurance of insurance among our countrymen.



**Nasir A. Choudhury**

Adviser & Founding Managing Director  
Green Delta Insurance Company Limited





## 2.1.2 **MANAGING DIRECTOR AND CEO'S ROUND UP**

Our robust franchise, our strong governance standards, our large and innovations-driven product suite and our unparalleled sales channel position us as the thought leaders of Bangladesh's non-life insurance industry and enable us to march forward with confidence on our overarching vision of providing insurance for all.

### **On the performance of the economy in general and the industry in particular**

It is a remarkable fact that the Bangladesh economy, despite the severe effects of political uncertainties and pressures over the past two years, has grown at an average 6% over the past several years on the back of the robust RMG (ready made garments) sector and foreign remittances that constitute the chunk of the national GDP. Hence, it is only a given that once the political storm blows over, the incremental growth will provide strong impetus to optimism that will lift the GDP from its historical growth averages.

Typically, a country's GDP growth is intertwined with its insurance industry, a fact that is especially true for a non-life insurance company. However I must mention that despite the politically-induced slowdown as well as the sporadic instances of violence witnessed across some parts of Bangladesh, we registered a resilient performance in 2014.

### **On the Company's overarching vision of providing insurance for all**

The insurance industry of Bangladesh is at a very nascent stage with extremely low awareness levels. Most of the population of Bangladesh, especially the grassroots, does not even know that there is something called insurance. Concurrent with this are the facts that formal social security is almost non-existent, quality healthcare costs are extremely high and typically out of reach of the masses and in the case of corporate contingencies like accidents and fires, promoters, especially in the M/SME segments tend to lose almost everything without the hope of getting back on their feet.

Entrenched in this market for the past three decades, we understand the value of insurance and realise its immense contribution towards providing financial as well as social security. So when we are saying that our intent is to provide insurance for all, what we are really saying is that we are focused on safeguarding not just the interests of the citizens of our country but ring-fencing the interests of the nation too. We believe that what is good for the country will be good for us too.

### **On the key highlight of 2014**

I am proud to state that our gross premiums (GP) grew by 2.6% in 2014 as compared with the 0.39% growth registered in 2013. This collections growth comes at a time when the business environment is plagued by political as well as economic challenges, loss of an over Taka 80 mn premium – despite the same cover – for an aviation insurance contract on account of extensive

competitive pressures as well as our conscious decision to stay away from the power sector that has witnessed significant rise in claims over the past few years. Hence, despite these challenges we have been able to report a creditable performance.

### **On our key differentiation proposition vis-à-vis the insurance industry in general**

It is undoubtedly our ability to stand by our commitment to our customers and fulfil our responsibility and obligation towards a contract. We consider it our duty to educate our customers of their financial well-being in the event of a contingency or a tragedy and stand by them in their most anxious moments. It is precisely this customer connectedness, embedded deep into the culture of our organisation that perhaps represents our strongest differentiation factor. Though we have all our scientific tools, systems and risk-mitigating strategies in place to quantify a potential claim, once we have appraised a genuine case, we disburse the claim value within the shortest possible time frame, thereby honouring – and validating – our customer commitment.

### **On the claims performance of the Company in 2014**

I am happy that you brought this up. Over the past decade or so, we were in the institution-building mode and focused on growing awareness on the potential benefits of insurance to our countrymen. In doing so, our topline grew substantially from Taka 515.30 mn in 2004 to Taka 2681.37 mn in 2014, positioning us as the largest and most trusted non-life insurance enterprise in Bangladesh. In the next phase of our evolution, which began sometime in early 2013, we are focusing on controlled growth with a concurrent focus on profitability. I am happy to state that this overarching objective is already bearing results as, despite a 2.60% growth in collections, our claims declined by 6.98% in 2014, and that too when we had to settle the biggest claim amount in our history of Taka 103.78 mn for a fire insurance contract for a tobacco major. Hence, overall, 2014 can be summarised as the year during which we focused on the quality of our portfolio and, coupled with a tight control on our operating costs, we recorded a 4.46% growth in our net profit after tax to Taka 239.25 mn.

A case in point is the recently mentioned Taka 103.78 mn claim that we disbursed in November 2014 to a tobacco company. This perhaps is the single-largest claim in the history of the Bangladesh insurance industry and we disbursed the liability within 90 days from claim registry. This also is a reflection of our high solvency/liquidity position.

What we also really value is the fact that we are proactive in our approach to assess a potential account and share our learnings/findings with our clients so that they can not only optimise the premium but also take precautionary steps towards preventing possible hazards. This to me is truly furthering the interests of the customer and the cause of insurance rather than only focusing on increasing our collections.

### **On the investment/treasury front in 2014**

Treasury is a critical function for a life insurance industry and at Green Delta Insurance, our investment philosophy is to not just focus on maximising returns but also ensuring high liquidity within the system.

Though FDR rates in Bangladesh collapsed sharply from 11-12% a year earlier to single-digits in 2014 (on the back of high downward pressures on interest rates due to extensive liquidity in the banking system), impacting our returns, we could offset this deficit by enhancing our equity market returns. Overall, we generated an average of 6.69% return from our treasury corpus in 2014 as compared with 6.35% in 2013. Going forward, we expect to remain consistent in our treasury management philosophy by prudent opportunity selection in the debt and equity markets.

### **On the other corporate developments of 2014**

As thought leaders in the insurance industry in Bangladesh, we are developing products around niche and specific customer needs, identifying their requirements and personalising solutions that protect that financial well-being. For instance we launched Nibedita, the first such product in the non-life insurance industry of Bangladesh that is focused on providing health cover exclusively to women. Women constitute almost 52-53% of our population and to cater to this large and growing segment, the time was just right to launch a product exclusively for them. Nibedita is also not just a standalone health insurance product but an assurance that women can cope with the crisis at hand and are able to restore their confidence. Hence, bundled with the product, we also provide counselling and therapy sessions for their holistic well-being.

We also launched a value-added health insurance product with the added facility of medical evacuation, thereby providing peace of mind to our customers during medical emergencies. I must mention that both these products received favourable response in the market.

During the course of the year, we also launched Shudin, a health insurance program exclusively covering workers in the RMG sector. This product is clearly in response to the Rana Plaza tragedy of 2013 where over 1,100

workers were killed and several others injured when the building, largely comprising RMG factories, collapsed. We are also actively working with the Bangladesh Garments Manufacturers Association (BGMA) and the International Labour Organisation (ILO) to co-develop a policy that is truly effective for the target segment and help them realise the underlying value of insurance.

### **On taking advantage of this underlying opportunity - Professional Advancement Bangladesh Limited**

As the first step towards capitalising on this opportunity, we have created Professional Advancement Bangladesh Limited (PABL) in association with the Chartered Insurance Association (CII) of the UK. The institute was launched in Dhaka in 2014 with the prime objective of extending demand-based training to the employees of Green Delta as well as to external stakeholders.

PABL is focused on creating a strong platform for the insurance sector and creating value as the industry's strategic partner by developing high levels of professionalism, organising effective human capital development programmes, promoting insurance education locally and internationally and addressing national and international issues. PABL is affiliated to the Chartered Insurance Institute of London (CII), the Insurance Institute of India (III) and the National Insurance Academy at Pune in India (NIA).

Overall, PABL emphasises on creating industry-ready professionals who can lead the charge and grow grassroots awareness on the benefits of insurance. Through PABL, we are not just taking the narrow viewpoint of building our own pipeline of talent but are focused on raising the level of water for the insurance industry as a whole. Through PABL, we are also empowering the youth by allowing them to explore the insurance sector as an attractive employment opportunity and at the same time contribute to national development in their own small way.

I am delighted to mention that PABL has provided training as well as placement to 500 students and looks at an intake of 1,000 students in 2015.

### **On the progress of GD Assist**

In a significant breakthrough in the non-life insurance industry of the country, we constituted GD Assist that provides health insurance services for citizens travelling to Malaysia for healthcare. GD Assist represents a unique, first-of-its-kind industry-government partnership created with the broader intent of developing a value-added platform that will drive sales of the core insurance

product. GD Assist is a venture that is at the right place, at the right time when one considers that almost 10,000 tourists travel abroad from Dhaka every single day and that there are eight daily flights connecting Dhaka and Kuala Lumpur.

GD Assist primarily provides value added healthcare services, logistics support and global emergency medical evacuation services. The Company also provides the ideal medical backup for patients of Bangladesh, helping them avail medical facilities in seven hospitals in Malaysia comprising Prince Court Medical Center, Ramsay Sime Darby, Sunway Medical Center, KPJ Healthcare, Institut Jantung Negara (IJN), Pantai Hospitals and HSC Medical Center. GD Assist also makes all the arrangements starting from consultancy, visa processing, ticketing, admittance into hospitals and accommodation and transportation services. In all, the Company represents a one-stop solution for all healthcare needs one requires while travelling abroad. GD Assist is also working with the Malaysia Healthcare Travel Council (MHTC), an initiative of the Malaysian Ministry of Healthcare, to promote Malaysian healthcare in Bangladesh.

As a validation of GD Assist, we have already enlisted 135 customers at the close of 2014, a remarkable achievement when one considers that we formally launched GD Assist only on 23 November 2014. Mr Mahathir Mohamad, the ex-Prime Minister of Malaysia has acknowledged the idea and appreciated the rationale with which GD Assist was incubated.

With the tag line 'Services beyond Borders' GD Assist seeks to emerge as the platform of leadership in healthcare service delivery through integrity, responsibility, professionalism and outstanding customer service. Going forward, we intend to develop GD Assist as an advocacy group that facilitates exchange of ideas in the fields of insurance and healthcare, empowers service providers by exposing them to world class training standards and enables the cross-facilitation of services between institutions and countries.

### **On the other developments of the year**

There are several such developments that I must dwell upon.

- One, Mr Nasir Choudhury, the founder promoter and pioneer of the non-life insurance industry of Bangladesh was felicitated with the prestigious 'Lifetime Achievement Award' by Asian Re, the first Bangladeshi national to be bestowed with this honour. We strongly believe that this distinction is also a growing recognition of the insurance

industry of Bangladesh.

- Two, we received the highest 'AAA' credit rating from CRAB, a testimony of our world-class systems, process, practices and governance standards.
- Three, in line with our evolution and progressive migration into our next orbit of growth, we completely changed our corporate identity to reflect our character of an entity that increasingly draws wisdom from its experience and energy from its youth. This prudent interplay – experience and energy – has the potential to further evolve us into a customer-driven, governance-led and profitability-centric institution.
- Four, we received such prestigious awards as 2013, 2012, and 2011.

### **On our spirit of championing the cause of the insurance industry in Bangladesh**

It is an unmistakable irony that while on the one hand Bangladesh is among the most densely populated countries in the world – population of about 160 mn – insurance penetration is among the lowest in the world at about 1%, compared with the world average of about 6.5% (Bloomberg Business). One may interpret this as a written-off case; however at Green Delta Insurance, we spell this scenario as an unparalleled and historic opportunity.

We are also focused on empowering our human resource, especially women, to aspire to top management roles. Though women comprise a majority of the population, there are almost no women heading organizations or in the top tiers across the corporate landscape of Bangladesh. We are actively working on training and grooming women to leadership roles and we believe that their representation will not only add to the diversity but also raise their standing in the society and enable them to become role models for others.

### **On the achievements of our 100% subsidiary, Green Delta Capital**

At Green Delta Capital, we are focused on building our goodwill and ensuring that we are compliant with all the local as well as international laws and regulations. Besides, our focus on bagging quality mandates across diverse deals including IPOs, debt syndication mergers and acquisitions and corporate advisory, resulted in a consistent 61.27% top line growth in 2014 while profitability grew a much sharper 91.23% during the same year. Some of the key accounts executed in 2014 included debt syndication deals for a power project, an FMCG company, a river terminal project and an Islamic bank, including a large preferred stock mandate. We also managed a PE deal for a logistics company. Going

forward, we expect to focus on our pipeline of IPO and debt syndication deals as well as grow awareness for our portfolio management services while keeping a tight lid on our operating costs.

### **On the performance of our second wholly-owned subsidiary, Green Delta Securities**

At Green Delta Securities, we are among the top 30 brokerage houses in the country and the only one to have received the prestigious CFI International Award. We differentiate our bouquet of offerings by bringing forth innovation that can enhance customer convenience. For instance, our revolutionary M-Stock mobile platform provides our customers to trade anytime, anywhere. Besides, we cover our universe of 93 companies and promote our research through Bloomberg, thereby building foreign institutional interest in Bangladeshi equities. I am also happy to note that our portfolio does not have any negative equity and this subsidiary has also been profitable right since inception, despite the massive volatility witnessed across the local stock markets over the last few years (in line with the global slowdown). Over 2015, we intend to grow our customer base and concurrently widen our reach as well. We also expect to arrange two road shows (in Singapore and New York) showcasing the long term potential of Bangladeshi equity markets as well as our world class brokerage platforms.

### **On some of our CSR activities of 2014**

We are proud of our long-time association with the Bangladesh Hockey Federation (BHF) and our proud to have played a key role in encouraging and promoting hockey in the country. During 2014, we provided financial assistance to the tune of Taka 5.7 mn for the renovation of a hostel for the national hockey players at the Maulana Bhasani National Hockey Stadium.

In a heart-wrenching incident recently, a student of the South-East University was killed in an accident. The University was in a state of shock and when we came to know of the incident, we moved with speed. As the University authority to people's personal accident policy from us primarily, we settled the claim as promptly as possible with the aggrieved family and though we just cannot put a financial value to the loss, we showed our deep solidarity and demonstrated the value of insurance in an individual's life.

### **On the outlook for Green Delta Insurance for 2015**

We will continue with our focus on launching new and innovative products that provide a clear and transparent value proposition to our customers – across the value

pyramid. For instance, while we are introducing Probash, a health insurance cover exclusively for migrant workers, we are also launching priority insurance, a model that is typically aimed at customers who hold a high relationship value with us and one that provides them priority services and other conveniences including exclusive lounge access at select national airports.

We are also looking at leveraging the experience and knowledge of IFC, Washington, who acquired a strategic 8% equity stake in Green Delta Insurance in May 2013. We are also building our sales workforce to drive increasing retail insurance sales and build robust relationships with the grassroots, thereby creating high persistency levels, an initiative that is directly aimed at shoring up our profitability.

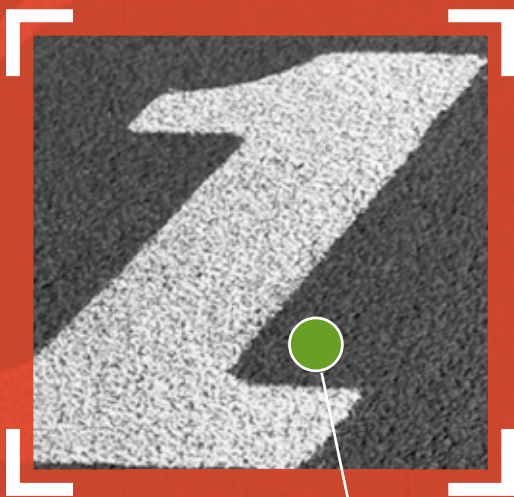
We are actively exploring e-commerce and digital marketing and are trying to understand their potential in terms of interacting with our clients on a real-time basis and enhancing their convenience by inviting them to transact with us on an online platform. We are also enhancing our technology investments, centered on integrating the entire customer relationship cycle and providing us with the information as well as analytics to serve them better.



**Farzana Chowdhury**

Managing Director and Chief Executive Officer

2014 DIVIDEND\*:  
**15%**  
cash  
**10%**  
stock  
\*PROPOSED



“Success is a journey, not a destination. The doing is often more important than the outcome.”

**Arthur Ashe**

He is an American tennis star and the first black male player to achieve world rankings

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## Towards a new start

Green Delta possesses the knowledge of the experienced of the dynamism of the youth, a prudent mix that has not only enabled it to remain at the numero uno position in the non-life insurance industry but has also empowered it with the perspective of taking a fresh start every time in every race.

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For years, we have been asked a singular question: **“Why do I need insurance?”**

Today though, our customers ask us: **“How do I prepare for potential contingencies?”**

This change in question – and the mindset – adequately sums up our 29-year journey in Bangladesh’s non-life insurance industry!

At Green Delta Insurance, we have patiently invested our time, efforts and resources in educating our country on the importance of insurance and creating awareness about its criticality in securing tomorrow.

Today, having been able to sustain our lead as the largest and the most trusted non-life reinsurance network partner to over 8, we are setting our compass towards a new direction.

We are doing so by launching new, contemporary and first-of-its-kind products and solutions, by creating a unique academic insurance institution that will ensure common good and by focusing on embracing the highest governance standards.

Though we have come a long way, we believe that we have miles to go, considering that insurance penetration is a mere 1% in our country and insurance per capita is the lowest in the world.

A health insurance policy that is exclusively available for the women of Bangladesh.

A comprehensive health insurance platform that financially secures our citizens when they visit Malaysia for healthcare purposes.

A dedicated and world-class academic institute for developing industry-ready talent, not just for us but for the insurance industry as a whole.

A strong governance and claims settlement track record, reflecting our robust customer connectedness and support during their times of contingencies.

At Green Delta, we officially launched Nibedita in May, 2014, a health insurance policy with favorable terms and conditions, exclusively for the women of our country. We recognize that women comprise the backbone of any household and it is critical to secure this anchor for the well-being of the entire family as well. Till the close of 2014, we had 2000 customers enrolled under Nibedita, adding 1700 customers during the course of 2014, validating the suitability of the product among the women population of Bangladesh.

We have also joined hands with the Malaysian Healthcare Tourism Council and launched GD Assist, a health insurance platform for Bangladeshis especially traveling to Malaysia for healthcare. GD Assist is first-of-its-kind public-private partnership that aims to provide a holistic range of value-added services and assistance in addition to the core health insurance product. Launched on 23 November 2014, we have enlisted 135 customers under the program.

We have also launched Professional Advancement Bangladesh Limited (PABL), an academic institute that provides benchmarked courses in insurance (both life and non-life) in a contemporary classroom environment. We have also forged program agreements with similar colleges in India and three of our papers have been developed in collaboration with the ASCI, London (Associateship of Chartered Insurance Institute). The full-time faculty also comprises of veterans from Green Delta Insurance and in addition, we also have a well-qualified 30+ member lecture panel. While the first 500 students are undergoing training (starting from June 2014), we expect to double this intake in the upcoming academic season.

At Green Delta, we believe that claims is the ultimate moment of reckoning where we stand by our commitment and obligation to the contract. Over the years, we have fine-tuned claims assessment by leveraging scientific tools and practices to aid us in the appraisal process in addition to associating with reputed third-party surveyors. This proposition has allowed us to carve a distinctive niche for ourselves as we possess one of the lowest claims settlement time frames of 30 days (for genuine cases). Besides, we amply testified our commitment to stand by our customers when we settled a Taka 922.89 mn claim in 2014, which is perhaps the single largest insurance claims payout in the industry in Bangladesh. Concurrent to our claims settlement practice, we have also honed the art of premium and cover appraisal for a contract. The result is that today, we possess a robust-quality portfolio, reflected in the fact that we had 18% lower claims in 2014, representing a significant achievement during politically and economically challenging times.



# At Green Delta Insurance, this is what we are proud of...

... A non-life insurance market share (in terms of gross premiums) of

**11.90%**

... A vibrant **39** branch strategic presence across Bangladesh

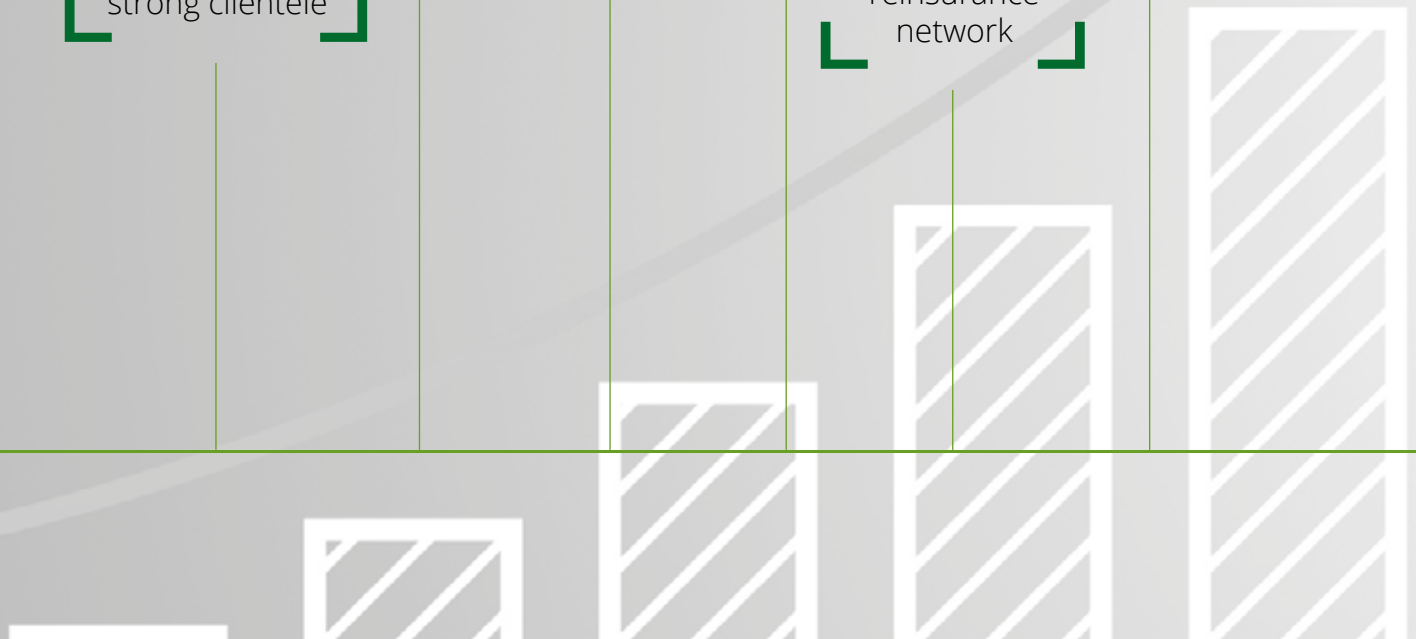
... A claims settlement ratio of

**55.54%**

... A robust and active **96** strong clientele

... A benchmark **10.75%** solvency ratio

... A **08** members strong global reinsurance network



... A **612** member strong workforce

... Strong manpower productivity, reflected in average

of Tk. **4.38** mn per member of premium collection in 2014

... A robust and dynamic treasury practices reflected in an average of

**13.08%** return on the corpus over the past five years

... A central **02** route sales channel

... A strong Balance Sheet reflected in a **00** debt (net) position

... An **08%** equity investment by IFC, Washington (the first such FDI in the sector in Bangladesh), validating our strengths and the potential of the insurance industry of Bangladesh

... An industry leading **30** days claims settlement time (average, for genuine claims)

**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

**October 30, 2004**  
Awarded "A" category insurance Co. By CRISL

**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 Association Other Ways 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 OTHER WAYS

**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).

## 2.2 FROM STEPPING STONES TO MILESTONES

### 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

### 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

### 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

### 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).

### 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

### April, 2014

Formal launching of Nibedita

### May, 2014

Won 2nd prize in ICMAB Best Corporate Award 2013 (Non life insurance category)

### May, 2014

Launching of the 3rd subsidiary of GDIC- Professional Advancement Bangladesh Limited (PABL)

### August, 2014

Received Best Non life Insurance Company Bangladesh award from International Finance Magazine

### October, 2014

Became the first insurance company of Bangladesh to get AAA rating credit accreditation by CRAB

### October, 2014

Launching of the 4th Subsidiary of GDIC- GD Assist Limited

### November, 2014

Received first prize for best presented annual report in insurance sector from ICAB

### November, 2014

Launched GD Health- the first comprehensive health insurance product in Bangladesh with Global Emergency Medical Evacuation

### December, 2014

Received first prize for best presented annual report in insurance sector from SAFA

# Our operating model

Insurance creates the sense of security and provides monetary compensation in the event of a loss. Thereby, insurance creates economic stability and through our prudent risk mitigation practices as well as strategic investment activities we are able to not only facilitate the growth and development of a nation but also create shareholder – and stakeholder – value.

## Operating environment

### I. Market scenario

The Bangladesh insurance industry is highly competitive with the presence of over **45** players and widespread industry fragmentation, reflected in the fact that the top-three players control almost **30.38%** share of the market.

### II. Risk scenario

The dynamic risk landscape of today is marked characterised by rising political and social unrest, leading to rising threat perceptions. However, rising competitive pressures paired with regulatory ceilings

limit the growth of premium values, distorting risk mitigation to some extent.

### III. Opportunity scenario

The Bangladesh insurance industry is one of the least penetrated in the world with a penetration of a mere 1% and that too largely across the urban pockets of the country. Hence, large swathes of the rural (as well as urban) populace are waiting to be tapped. Besides, there is only limited awareness of health insurance; other product insurance is largely unheard of, representing a massive opportunity pool.

### IV. Resource scenario

The ability of an insurance company to reach out to the grassroots and build awareness is of critical importance. Resource shortages, especially at the local level, can impact business prospects.

# Our approach to create sustainable value

## I. Leveraging knowledge for growth

By virtue of an over three decade experience in the non-life insurance industry, we engage in informed selling and further the cause of transparency, thereby ensuring that our customers are fully aware of the terms of the contract. This knowledge-led selling represents a core edge, leading to customer persistency and favourable word of mouth publicity.

## II. Risk-mitigated strategies

We are proactive in identifying risks and their possible impact on our business. We are proactive in assessing potential contracts in our bid to create a quality portfolio. The result is that though on the one hand our

claims declined by **18%** in 2014, our solvency ratio jumped to **9.03%** during the same

period, reinforcing our preparedness to meet future potential liabilities.

## III. Product suite

Our large product suite is suitable for both the masses and niche segments of the population; for institutions as well as for the public at large. This ensures that we broad base our customer segmentation and diversify our risks from an over dependence on a particular segment. Our ability to provide a superior customer experience coupled with our benchmark time lines in disbursing genuine claims has propelled us to Bangladesh's largest and most trusted non-life insurance company.

## IV. Industry stance

At Green Delta Insurance, we have constituted a dedicated insurance academy (Professional Advancement Bangladesh Limited) that seeks to create a pool of knowledgeable and industry-ready insurance professionals. PABL is perhaps the only such institution in the private sector and clearly reflects our role as advancing the country's insurance potential.

## 2.3 PROFILE OF THE COMPANY

### Registered Office

Green Delta Insurance Company Ltd.  
Green Delta AIMS Tower (6<sup>th</sup> floor)  
51-52 Mohakhali C/A, Dhaka 1212, Bangladesh  
Phone: 9851170 (PABX), 9851902  
Fax: 9851124

### Corporate Website

[www.green-delta.com](http://www.green-delta.com)

### Email

[info@green-delta.com](mailto:info@green-delta.com)

### Nature of Business

All kinds of non-life insurance business

### Subsidiaries

#### Green Delta Capital Ltd.

Head Office Address:  
Green Delta AIMS Tower (3<sup>rd</sup> floor)  
51-52 Mohakhali C/A, Dhaka

#### Green Delta Securities Ltd.

Corporate Office Address:  
Green Delta AIMS Tower (2<sup>nd</sup> floor)  
51-52 Mohakhali C/A, Dhaka

#### Professional Advancement Bangladesh Ltd.

Green Delta AIMS Tower (6<sup>th</sup> floor)  
51-52 Mohakhali C/A, Dhaka

#### GD Assist Ltd

Green Delta AIMS Tower (6<sup>th</sup> floor)  
51-52 Mohakhali C/A, Dhaka

### Auditor

S.F Ahmed & Co.  
Chartered Accountants  
House # 51(2nd floor)  
Road # 9, Block-F  
Banani, Dhaka-1213  
Tel: (88-02) 9894346, 9870957, 9894026  
Fax: (88-02) 8825135  
Email: [sfaco@dhaka.net](mailto:sfaco@dhaka.net), [sfali@connectbd.com](mailto:sfali@connectbd.com),  
[sfaciali@btcl.net.bd](mailto:sfaciali@btcl.net.bd)

### Panel Lawyers

1. Barrister Rafiq-ul-Huq, Huq & Company
2. Barrister Abdur Razzaque, Abdur Razzaque & Associates.
3. Barrister Junayed Ahmed Chowdhury, Vertex Chambers
4. Barrister Rezwana Yusuf, Amicus Curiae
5. Barrister Tanjib-ul-Alam, Tanjib-ul-Alam & Associates
6. Barrister Farzana Begum, Law Shift
7. Barrister Tanzim Karim Chowdhury, C.T Karim and Partner
8. Barrister Syed Jawad Quader, Quader Chambers
9. Barrister Syed Ridwan Husain
10. Advocate Syed Quadrat Ali
11. Advocate Mohammed Faiz Ullah
12. Advocate Shah Shahidul Alam
13. Advocate Saikat Ahmed-Al-Bari, Barrister-at-Law.

### Principal Bankers

- 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 Local:

- 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 Employers Federation International Network Partner
- Dhaka Chamber of Commerce and Industry

## Foreign:

- United Nation(s) Global Compact
- Federation of Afro-Asia Insurer and Re-insurers "FAIR"
- Asia Insurance Review
- International Union of Aerospace Insurers (IUAI)
- WIEF Foundation
- Association of Insurers and Re-insurers of Development Congress
- East Asian Insurance Congress
- Informa UK Ltd.

## Network Partner of Overseas Insurers / Re-insurers

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



## 2.4 BRANCH CONNECTIVITY

### List of Branch Offices of Green Delta Insurance Co. Ltd.

- 01. Green Delta Insurance Co. Ltd.**  
Principal Branch  
Green Delta Aims Tower (6<sup>th</sup> floor), 51-52,  
Mohakhali C/A, Dhaka -1212  
Tel: 9851163, Fax-9851164  
Mob: 01711-526-196
- 02. Green Delta Insurance Co. Ltd.**  
Gulshan Branch  
Sheba House  
House No.34, Road No.46, Gulshan-2  
Dhaka-1212  
Tel: 885-4257, 01714-094-154
- 03. Green Delta Insurance Co. Ltd.**  
Imamgonj Branch  
77/3, Moulvibazar (2<sup>nd</sup> Floor)  
Lalbagh, Dhaka  
Tel: 731-1681, 01711-623-107
- 04. Green Delta Insurance Co. Ltd.**  
Elephant Road Branch  
Pearson Tower  
299, Elephant Road, Dhaka  
Tel: 586610892, Fax-966942, 01711-679-039
- 05. Green Delta Insurance Co. Ltd.**  
B.B. Avenue Branch  
Green & White Bhaban  
28, Bangabandhu Avenue, Dhaka  
Tel: 7126095, Fax-7122036  
Mob: 01711-541-670
- 06. Green Delta Insurance Co. Ltd.**  
Kawranbazar Branch  
The Dhaka Trade Center (5<sup>th</sup> floor). 99, Kazi  
Nazrul Islam Avenue, Dhaka  
Tel: 912-4450, 01911-344-706  
Fax: 8115210
- 07. Green Delta Insurance Co. Ltd.**  
Mohakhali Branch  
Red Crescent Concord Tower (2<sup>nd</sup> floor)  
17, Mohakhali C/A, Dhaka  
Tel: 881-3634, 01711-819-481  
Fax - 8828065
- 08. Green Delta Insurance Co. Ltd.**  
Narayangonj Branch  
S.T.S. Tower (2<sup>nd</sup> Floor), 52/21, S.M. Maleh  
Road, Tanbazar, Narayangonj  
Tel: 7633945, 01714-088-487
- 09. Green Delta Insurance Co. Ltd.**  
Dhaka EPZ Branch  
Hasan Apartment Ganak Bari  
Savar, Dhaka  
Tel: 7788346, Fax-7789198
- 10. Green Delta Insurance Co. Ltd.**  
Uttara Branch  
Sophia Villa  
House No. 38 (2<sup>nd</sup> floor), Road No. Garib-E- Newaz  
Avenue, Sector No. 11, Uttara Model Town,  
Dhaka-1230  
Tel: 893-3826 (Phone & Fax)  
01715-424-434, 8991229
- 11. Green Delta Insurance Co. Ltd.**  
Narsingdhi Branch  
Mijan Market (2<sup>nd</sup> floor)  
C & B Road, Narsingdi Bazar, Narsingdi.  
Tel: (0628) 9462014, 01711-676-000
- 12. Green Delta Insurance Co. Ltd.**  
Principal Branch  
Makka Madina Trade Center (3<sup>rd</sup> Floor)  
78, Agrabad C/A, Chittagong  
Tel: (031) 716-233, 723-491, 01711-819-474
- 13. Green Delta Insurance Co. Ltd.**  
Khatungonj Branch  
Mans Trade Center (4<sup>th</sup> Floor)  
Ramjoy Mohajan Lane, Khatungonj, Chittagong  
Tel: (031) 622002, 01819-317-664  
Fax: (031) 622-360
- 14. Green Delta Insurance Co. Ltd.**  
Sylhet Branch  
Madhuban Super Market, Bandar Bazar, Sylhet  
Tel: (0821) 7728230  
01711-356-447
- 15. Green Delta Insurance Co. Ltd.**  
Moulvibazar Branch  
Lake View Building  
36, Sreemongal Road  
Moulvibazar  
Tel: 01716-441-222
- 16. Green Delta Insurance Co. Ltd.**  
Habiganj Branch  
Dewan Monzil, Post Office Road, Habigonj  
Tel: 01711-861-135

- 17. Green Delta Insurance Co. Ltd.**  
Barisal Branch  
58, Munnu Super Market, Katpatty Road,  
Barisal  
Tel: (0431) 63367, 01714-094-320
- 18. Green Delta Insurance Co. Ltd.**  
Pirojpur Branch  
Post Office Road, Pirojpur  
Tel: (0631) 62837,01711-819-482
- 19. Green Delta Insurance Co. Ltd.**  
Faridpur Branch  
91, Thana Road, Faridpur  
Tel: (0631) 64313, Mob:01711341050
- 20. Green Delta Insurance Co. Ltd.**  
Jessore Branch  
17, Netaji Subash Chandra Road, Gari Khana,  
Jessore  
Tel: (0421) 68737, 01711-819-470
- 21. Green Delta Insurance Co. Ltd.**  
Noapara Branch  
Yeasin Plaza (2<sup>nd</sup> Floor), Noapara, Jessore  
Tel: 01714-094-152
- 22. Green Delta Insurance Co. Ltd.**  
Khulna Branch  
1, P.C. Road Road, Khulna  
Tel: (041) 720063, 01711-814-066
- 23. Green Delta Insurance Co. Ltd.**  
Kushtia Branch  
Lovely Tower (7<sup>th</sup> Floor), Room No.7F-4, 55/1,  
Sirauddowla Road, Kushtia  
Tel: (071) 73108, Mob:01719-572295
- 24. Green Delta Insurance Co. Ltd.**  
Madaripur Branch  
Amin Super Market, Madaripur  
Tel: 01714-094-165
- 25. Green Delta Insurance Co. Ltd.**  
Bogra Branch  
Hafiz Bhaban  
Kabir Market  
Boro Gola Road  
Bogra  
Tel: (051) 666-77, 01714-094-151
- 26. Green Delta Insurance Co. Ltd.**  
Dinajpur Branch  
Gonesh, Dinajpur  
Tel: (0531) 63373, 01714-090-481
- 27. Green Delta Insurance Co. Ltd.**  
Pabna Branch  
Abdus Sattar Biswas Market (1<sup>st</sup> Floor), Traffic More  
Abdul Hamid Road, Pabna  
Tel: (0731) 64709, 01711-819-472
- 28. Green Delta Insurance Co. Ltd.**  
Rajshahi Branch  
Holding No.381 (2<sup>nd</sup> Floor), Shaheb Bazar,  
Monichattar, Sonadigir More, Ghoramara, Boalia,  
Rajshahi  
Tel: (0721) 77176, 01714-022-151
- 29. Green Delta Insurance Co. Ltd.**  
Rangpur Branch  
House No.141/1 (3<sup>rd</sup> Floor), Station Road, Rangpur  
Tel: (0521) 65997, 01714-094-150
- 30. Green Delta Insurance Co. Ltd.**  
Bhairab Branch  
Cinema Hall Road, Bhairab, Kishorgonj  
Tel: 01817052957
- 31. Green Delta Insurance Co. Ltd.**  
Mymensingh Branch  
6, Sawdeshi Bazar Road, Mymensingh  
Tel: (091) 67308, Mob: 01611682386,  
01711682386
- 32. Green Delta Insurance Co. Ltd.**  
Tangail Branch  
Hazi Mansion (2<sup>nd</sup> Floor), Kalibari Road, Adalatpara  
Tangail  
Tel: (0921) 53436, 01713-060-014
- 33. Green Delta Insurance Co. Ltd.**  
Chandpur Branch  
Mir Shopping Complex, J.M. Sen Gupta Road,  
Chandpur  
Tel: (0841) 65663, Mob:01714103698
- 34. Green Delta Insurance Co. Ltd.**  
Comilla Branch  
Chati Patty, Rajgonj  
Comilla  
Tel: (081) 65223, 01711-835-513

**35. Green Delta Insurance Co. Ltd.**

Chaumuhani Branch  
Haque Mansion (2<sup>nd</sup> Floor)  
Feni Road  
Chaumuhani  
Tel: (0321) 51538,01711-819-480

**36. Green Delta Insurance Co. Ltd.**

Mirpur Branch  
Central Plaza (6<sup>th</sup> Floor)  
231, Sen Paraparbata  
Mirpur Circle-10, Dhaka  
Tel: 9009923, Fax-8031575  
Mob: 01714-094-312

**37. Green Delta Insurance Co. Ltd.**

Dilkusha Branch  
Hadi Mansion (6<sup>th</sup> Floor)  
2, Dilkusha C/A  
Dhaka-1000  
Tel: 9550697, 9578798  
Mob: 01713-000-070

**38. Green Delta Insurance Co. Ltd.**

Kakrail Branch  
Rupayan Karim Tower  
Apartment No.8/A  
80, V.I.P. Road, Kakrail, Dhaka  
Tel: 9357210, Fax-8332980  
Mob: 0192-838-113

**39. Green Delta Insurance Co. Ltd.**

Syedpur Branch  
Amin Plaza (2<sup>nd</sup> Floor)  
Shaheed Doctor Jahirul Haque Sarak  
Syedpur  
Nilphamari  
Mob: 01190-708-465

## 2.5 GENERAL REVIEW OF THE FUTURE PROSPECTS OF INSURANCE

### Prospects of the Bangladeshi insurance industry

#### Economic growth

Despite a politically and economically challenging environment, the Bangladeshi economy has consistently reported an average of 6% growth over the past few years, making it among the fastest growing economies of the world. Given the high growth and increasing income levels, the household income flowing into insurance is expected to continue to increase over the future.

#### Demographic advantage

In Bangladesh, the working population is expected to rise in the coming years, translating into an increase in the potential customer base for the insurance industry.

#### Insurance penetration and density

Bangladesh's insurance penetration was about 1% in 2014 with an extremely low insurance density. The penetration is far lower when compared with other developed/developing economies and hence there exists potential for growth.

### Health insurance opportunity

In the absence of comprehensive social security schemes, there is a need for health insurance products to provide financial security, especially for the older population. Also, given the rising medical costs, there exists an evident demand for health insurance.

#### Growing entrepreneurship

The Bangladeshi landscape is dotted by small and medium enterprises engaged in multiple industries including iron and steel, FMCG, RMG and power equipment manufacturing, among several others. Hence, there is a clear case for insuring their assets and their resources, providing them with financial as well as operational security in the event of unforeseen events/contingencies.

#### Crop insurance

The Bangladeshi economy has a substantial tilt towards agriculture and a large percentage of its population also works on farms across the country. Bangladesh is also prone to floods and droughts and is also subject to other natural calamities, thus representing a clear case for agricultural crop insurance.

### 3.1 DIRECTOR'S PROFILE AND THEIR REPRESENTATION ON THE BOARD OF OTHER 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 10years 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 Chairman of the company as well as the Chairman of the Executive Committee.



#### Shamsun Nahar Begum Chowdhury

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



### **Khurshida Chowdhury**

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



### **Asif A. Choudhury**

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 TASIS 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 of 1) Nafisa Int't Trading (BD) Ltd.(100% Export oriented Garments Buying House). 2) JANN Composite Mills Ltd. (A Knit Composite Mills). 3) Arshad Embroidery Ltd. (100% exports oriented for Europe and USA) 4. Emon Fashion Ltd. (A Knit Composite Mills). 05. Amstel Fashion Group (100% Export oriented Garments Buying House) and Director of Green Delta Insurance Ltd. He is a member of German Chambers of Commerce, Malaysian Chamber of Commerce in Bangladesh and Baridhara Cosmopolitan Club Ltd.



### **Arif A. Choudhury**

Studied at the American International School/Dhaka (AIS/D) for his junior high school and completed high school graduation from TASIS 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 traveled 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 at the prestigious Rugby School in the UK and qualified in London as a Chartered Accountant in 1981. He is a fellow member (FCA) of the Institute of Chartered Accountants in England and Wales (ICAEW) and Institute of Chartered Accountants of Bangladesh (ICAB).

He worked for Touche Ross in London (currently Deloitte Touche Tohmatsu), prior to returning to Bangladesh in 1988 and joining A Qasem & Co, Chartered Accountants, the member firm of Ernst and Young International in Bangladesh. He was a partner in A Qasem & Co from 1992 up until December 2014 when he retired from partnership, although still maintaining links with the firm.

He has attended many national and international conferences

including the Bangladesh Investment Summit Europe in 2013 and has traveled to various countries in Europe, USA and Asia on business. He is also involved with many social work and welfare organizations, both in the UK and Bangladesh.

He has two sons who were educated privately in the UK, where they both graduated. They are working in the Hospitality Industry and Investment Banking Sectors respectively, both being based in London.



### **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. Mrs Rahman has traveled 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. Muhibur Rahman who is a business and social leader, well over 50 (fifty) years.



### **Marufa Anwar**

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



### **Dr. Niaz A. Choudhury**

has obtained his Ph.D in Vascular Surgery from Hamamastu University Scholl 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 coucellor-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

Abdul Hafiz Choudhury FCA, partner (inactive), a former senior partner of Rahman Rahman Huq, Chartered Accountants (a member firm of KPMG International), was President of the Institute of Chartered Accountants of Bangladesh in 1988. He was also a Council member of ICAB for nine years. Having completed his B.Com (Hons) and M.Com from Dhaka University in 1959 and 1960 respectively, he qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales in 1966. He is a fellow member of Institute of Chartered Accountants in England & Wales and also of the CA Institute of Bangladesh.

He is currently serving as Independent Director in the Boards of ICB Islamic Bank

Ltd. and Chairman of Risk Management Committee and also Internal Control and Compliance Committee of the Bank. He is also an Independent Director in the Boards of Green Delta Insurance Co. Ltd. and Chairman of the Audit Committee. He is also Director in the Boards of Green Delta Securities Ltd., Green Delta Capital Ltd. and New Zealand Dairy Products Bangladesh Ltd.

Hafiz Choudhury is a founder trustee of Independent University, Bangladesh (IUB) and served as its Honorary Treasurer for more than 10 years. He is a member of the Governing Council and Chairman of the Finance Committee of IUB. He was also elected Chairman of the Founding Trust of IUB. He served as Chairman of Business Advisory Services Centre for number of years, a USAID-funded organization set-up to support development of private business enterprises. He was also a Director of the Board of Dhaka Electric Supply Company Limited for over nine years and Titas Gas Transmission and Distribution Co. Ltd. for over six years. He also served as Director in the Boards of Jiban Bima Corporation and Rupali Bank Ltd. for number of years. He was also a Director of the Federation of Bangladesh Chamber of Commerce and Industries. He was serving as Honorary Treasurer of United Nations Association of Bangladesh since 1976 and currently holding the position of Vice President.

A nominated Conciliator for Centre for Settlement of Investment Disputes (ICSID), an affiliate of World Bank based in Washington, USA, Hafiz Choudhury has held many important positions including Director of the Board of Bangladesh Bank for more than three and a half years. He had been an Executive Committee member of Metropolitan Chamber of Commerce and Industry (MCCI) for number of years, served as Chairman of its various committees and was also elected Vice President for two terms. He was elected President of MCCI in 2009.

He is a widely traveled man and has traveled 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 Consul general of Bangladesh in Karachi, Pakistan. He retired from government services 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. sponsored 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 its first Treasurer and continued for five years. He also acted as Independent Director of M/s. Union Capital Ltd. from 2009 to 2014.



#### **Md. Abdul Karim**

Independent Director

Md. Abdul Karim, former Principal Secretary to the Government of Bangladesh, is the Managing Director of Palli Karma-Sahayak Foundation (PKSF). Earlier he served as the Secretary to the Government in the Ministries of Commerce, Fisheries and Livestock, Home Affairs, Communications (Bridges Division) and Finance (Internal Resources Division). He also served as the Economic/ Commercial Counselor of Bangladesh Embassy in Belgium. Mr. Karim was Chairman of the National Board of Revenue and Bangladesh Petroleum Corporation. He was Chairperson of a number of national level committees of various Ministries.

Mr. Karim obtained M.Sc. degree from the University

of Chittagong, Bangladesh and Master of Social Science degree in Development Administration from the University of Birmingham, UK. As the Secretary General of the South East Asian Cooperation (SEACO) Foundation, Mr. Karim is working at civil society level to promote trade and investment among five countries of the South and South East Asian region including Bangladesh. He is a Paul Harris Fellow (PHF) Rotarian and contributes towards improvement of socio-economic condition of the disadvantaged people. Mr. Karim promotes sports and is the President of Bangladesh Table Tennis Federation. He is immediate past President of Bangladesh Scouts (Boy Scouts and Girl Guides) and obtained highest Scout award of Bangladesh. Mr. Karim has traveled to 46 countries. He has lectured at various Universities as guest speaker and authored books and articles on local government and other subjects. Mr. Karim is leading the Palli Karma-Sahayak Foundation (PKSF) to implement sustainable, holistic, people-centred poverty alleviation and rural development programmes in Bangladesh

## 3.2 COMPOSITION OF BOARD AND ITS COMMITTEES

### Board of Directors

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

### Independent Directors

S.N.	Name	Status
01.	Abdul Hafiz Choudhury	Independent Director
02.	Nurul Husain Khan	Independent Director
03.	Md. Abdul Karim	Independent Director

### Managing Director and CEO

S.N.	Name	Status
01.	Farzana Chowdhury	Managing Director and CEO

### Audit Committee

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

### Executive Committee

S.N.	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 Choudhury	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

MANAGEMENT TEAM





**Standing Left to Right**

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

**Sitting Left to Right**

Golam Mustafa  
A. S. A. Muiz  
Farzana Chowdhury  
Nasir A. Choudhury  
Farid A Choudhuri

## 3.3 PROFILE OF SENIOR MANAGEMENT



### Nasiruddin Ahmad Choudhury,

By virtue of an experience of more than half a century in the insurance sector, Mr. Nasiruddin Ahmad Choudhury has pioneered the insurance industry of Bangladesh. He completed his Bachelor's degree from Anando Mohon College, Mymensingh, and Master's degree in Islamic History from Dhaka University, Bangladesh. He is vastly experienced in the field of insurance and is widely respected in the insurance industry and business circles, both locally and globally.

Mr Choudhury joined the Pakistan Insurance Corporation in September, 1958, and held various senior positions till the liberation of Bangladesh. In 1972, immediately after the year Bangladesh was liberated, he took the responsibility of rebuilding

the reinsurance department of the SadharanBima Corporation as a General Manager. Having achieved his objectives, he left in 1983. He was also an Insurance Adviser of Bangladesh Biman and Bangladesh Shipping Corporation for over 15 years. A former Chairman of the Bangladesh Insurance Association (2001-2004), Mr Choudhury established Green Delta Insurance Company Limited with some friends in 1985 as a sponsor and founder Managing Director and CEO. Till date, he is discharging his responsibility as an Advisor. Throughout his glorious career, Mr Choudhury has been awarded by many renowned national and international organizations for his unparalleled contributions to the insurance industry of Bangladesh.



### Farzana Chowdhury

Ms. Chowdhury is the Managing Director and Chief Executive Officer of Green Delta Insurance Company Limited. Prior to this position, she was the Additional Managing Director and Group CFO. Ms Chowdhury enjoys a rich experience of more than 15 years in the field of insurance. She was also an active Board member of GDIC for 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 the Board of Directors, she designed, developed and implemented a successful business model for SME insurance for the SME department of BRAC Bank. She is a member of CII (Chartered Insurance Institute) UK.

She completed her Masters in Business Administration from the Business School, Monash University, Melbourne, Australia (Aus-Aid Scholarship). She earned a Diploma from the Malaysia Insurance Institute (DMII) in 2013.

She also served at the BRAC Bank as the Head of SME banking for around 7 years and also worked with the Rural Development Program of BRAC as Regional Manager for nearly 5 years.

Ms Chowdhury has pioneered the launch of several insurance products in Bangladesh. She introduced micro-health insurance for the garment workers and crop insurance for the first time in the private sector. She also launched a comprehensive first-of-its-kind insurance scheme, Nibedita, exclusively for the women of Bangladesh.

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

Ms Chowdhury has earned many prestigious awards throughout her career for her outstanding contribution to different sectors. The Australian Trade Commission awarded her with the 'Australian Alumni Excellence Award 2012, Bangladesh' in the category of Business Leadership. The Finance Alumni Association of Dhaka awarded her for 'Professional Excellence and Leadership in Banking and Insurance Sector' in 2011. The 'Begum Rokeya Shinning Personality Award' is yet another major laurel she received for her remarkable contribution towards the development of small and medium enterprises of the country.



### **Farid A Choudhuri**

Mr Farid Choudhuri started his career in 1963 with the New Jubeli Insurance Company Limited at Karachi. He worked for different committees formed by the regulators such as the Fire Rating Committee and the Miscellaneous Rating Committee, including different Tariff Framing committees. He has also been connected with insurance education as a visiting lecturer for different courses organized by the Bangladesh Insurance Academy and the Bangladesh Insurance Association. He also worked in the Technical Committee and the Reinsurance Committee of Bangladesh Insurance Association.

Mr Choudhuri joined Green Delta Insurance in 1986 and worked in different capacities. He was raised to the position of a 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. He has visited Europe (including the UK), Singapore, Hong Kong and Bangkok for training in insurance and attended different seminars and workshops all over the world. He has also worked in different insurance companies in the Middle East and Sweden.





### **A. S. A. Muiz**

Mr Muiz is a Consultant at Green Delta Insurance (since 2013) and enjoys an entrenched presence in the field of insurance for over four decades. After his graduation from Dhaka University, he started his insurance career at the erstwhile Great Eastern Insurance Co. Ltd in 1969 as a probationary officer. He joined the Sadharan Bima Corporation after the war of liberation as an assistant manager in 1973 and went abroad for higher training and exposure and in the process, got associated with large insurance organizations like Lloyds and attended the Chartered Insurance College, London. He has also trained in Munich Re, Germany; Swiss Re, Switzerland and Paris, France.

When he returned after the completion of his training abroad, Mr. Muiz joined the Sadharan Bima Corporation

and continued working at the organization, holding various significant and responsible positions till his voluntary retirement in 1997 as a Deputy General Manager. He then joined Green Delta Insurance as Director, Marketing, in 2001. At Green Delta Insurance, he has worked in various capacities as in-charge of HR, marketing, underwriting and branch control.



### **Golam Mustafa**

Mr Mustafa is the Additional Managing Director of Green Delta Insurance. He completed his Bachelor of Commerce (Hons) degree from Dhaka University, Bangladesh and started his career as a trainee officer at the Pakistan Insurance Corporation in January, 1965, and was absorbed as a departmental officer immediately after the 1971 liberation of Bangladesh with the Bangladesh Insurance Corporation and subsequently with the Sadharan Bima Corporation where he worked in various capacities from 1973 to 2001. After retirement as General Manager (re-insurance) of Sadharan Bima Corporation, he joined Green Delta Insurance in July, 2001, as Additional Managing Director. His total period of service in the non-life insurance sector is more than 50 years.



### **Nazim Tazik Chowdhury**

Mr Chowdhury started his career in 1972 with the Janata Insurance Co. Ltd and in the same year, he was absorbed in the Sadharan Bima Corporation and served till 1985. He has been in the field of insurance for well over three decades. Mr Chowdhury joined Green Delta Insurance Co. Ltd as an Accounts Executive in 1986 and was subsequently re-designated as Deputy Managing Director in 2008. He continues looking after important departments of the Company such as finance and accounts and human resources.



### **Syed Moinuddin Ahmed**

Mr Moinuddin Ahmed is a banker at heart, with an MBA (Major in Finance) from the Dhaka University. Starting his career as a management trainee, Mr Ahmed worked in various roles with several reputed commercial banks in Bangladesh for significant periods of his career prior to joining the GDIC Group in 2009 and subsequently taking over the role as a Deputy Managing Director and Company Secretary.



### **Syed Kaiser Ahmed**

Mr Kaiser Ahmed completed his B.A. (Honors) in Political Science in 1973, M.A. in Public Administration in 1974 and L.L.B. from the Central Law College (under the Dhaka University). He started his career in 1977 and worked for several well-established companies like the New Dhamai Tea Estates Ltd, High Speed Shipbuilding and Heavy Engineering Co. Ltd and Asaf-Tex Ltd, till 1999. He is a fellow of the Bangladesh Society for Human Resource Management.

Mr Ahmed joined Green Delta Insurance in 2000 and was holding the post of Senior Executive Director, Human Resources and Administration, till January 2014. He is currently holding the position of Senior Executive Director, Marketing.



### **Nazrul Islam**

Mr. Islam is a Senior Executive Director and is currently discharging his responsibilities as the Head of the Claims Department. Mr Islam is a veteran insurer, working at Green Delta Insurance since its inception in 1986. Prior to joining the Company, he has worked in many European countries, including seven years in Germany. He started his insurance carrier with the Sadharan Bima Corporation, the only government non-life insurance company in Bangladesh.

As one of the best insurance underwriters of the country, he enriched his skills, experience and knowledge as branch in-charge of the former Motijheel Branch, heading the Underwriting Management Department (formerly known as the Branch Control Department) at the principal branch, Dhaka.

Mr Islam enjoys tremendous experience in the insurance field and has actively participated in various seminars and symposiums at home and abroad.



### **Md. T H Forhad**

Mr. Forhad started his career in 1986 as a trainee executive in the Accounts Department and, over the years, has been discharging responsibilities under various capacities. Mr. Forhad possesses rich knowledge and experience of insurance and has participated actively in various seminars and symposiums at home and abroad, including countries like Sri Lanka and Malaysia.

Mr. Forhad is currently a Senior Executive Director. He is also a life member of the Noakhali Zila Somity, Founder President of the Lions Club of Bonoful Delta and is the Regional Chairperson of the Lions Club International 315 B2. His work has taken him to several countries including Australia, the UK, the Kingdom of Saudi Arabia, India, Malaysia, Thailand and Singapore.



### **Wafi S M Khan**

Mr Khan is the Chief Executive Officer of Green Delta Securities Limited (a direct subsidiary of Green Delta Insurance Company Limited), one of the few renowned brokerage houses of Bangladesh. Prior to joining Green Delta Securities, he was the Vice-President and Head of non-fund-based business at The City Bank Limited.

Mr Khan possesses extensive experience in the banking industry and has set several benchmarks. He started his career at the ANZ Grindlays Bank and gradually earned diverse experience while working with the BRAC Bank, the American Express Bank and The City Bank Ltd. His skills and ability to innovate have greatly influenced the retail banking segment of the country as he has headed various departments under retail banking across 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 and strong team player, activator and developer. He has taken up several successful trainings and workshops locally as well as globally on career management and leadership. He has also attended various international conferences held in Dubai, Singapore, Thailand, the UK and China.

Mr Khan was awarded by various organizations for his achievements, dedication, hard work, competence, high performance and delivery standards in his professional career. He is the former President of JCI (Dhaka North), Secretary of the Rotary Club of Dhaka Metropolitan, Trustee Board Member of HiCare School and a Member of Kurmitola Golf Club, Sylhet Club and the Bangkok British Club.



#### **Md. Rafiqul Islam**

Mr Islam joined Green Delta Capital Limited in July 2011 as Chief Investment Officer. Prior to joining Green Delta Capital, Mr Islam was Associate Director and Head of Structured Finance at BRAC EPL Investments Limited. He is a well-known professional in the field of corporate finance and investment banking in Bangladesh as well as in international markets, having more than 12 years of extensive experience gained in debt and equity arrangement, corporate treasury, corporate cash management, corporate advisory and strategic management across various sectors including power, energy, telecom, RMG, FMCG, pharmaceuticals, manufacturing and infrastructure industries.

Mr Islam started his career with a major conglomerate in Bangladesh in 2002 and then

moved on to Orascom Telecom (Banglalink) in 2005 where he worked in various departments for 5 years. After moving to BRAC EPL Investments Limited in 2009, he worked in different capacities under structured finance, investment banking, treasury and corporate treasury.

He possesses exceptional interpersonal and leadership skills with the dedication to work with people at all levels and from diverse linguistic and cultural backgrounds. Mr Islam has a MBA degree from the East West University and he is also the Associate Member of CPA (Certified Practising Accountant), Australia.



### **Kabir Ahmed Chowdhury**

Mr Kabir Chowdhury started his insurance career with BGIC in 1985 and joined Green Delta Insurance in November, 1986, as a manager at Comilla. He possesses sound insurance knowledge in marketing and underwriting. He is also the founder manager of Comilla, Elephant Road, and the Mohakhali branch. Currently, he is the Head of Zone-1 and is also in-charge of the principal branch at Dhaka.

Mr Chowdhury completed his graduation in Accounting (Hons) and Masters in Finance from the Chittagong University in 1983. He has participated in various seminars related to insurance development and underwriting, organized by local and international organizations at home and abroad.



### **Md. Mahfuzar Rahman Siddique**

Mr Siddique joined Green Delta Insurance as Director, Public Relations, in 2013 and has been given charge of the newly-created administration department in January, 2014. Mr Siddique completed his MA in Political Science from the Dhaka University. Thereafter, he joined the department of Immigration and Passport (I&P) under the Ministry of Home Affairs, Government of Bangladesh. He retired as Director I&P in 2010, holding the post for about 15 years. He held current charge of Director General for about a year. While in the service of the Government, he attended training sessions abroad and was included in several government delegations. He also worked as a guest speaker in the Foreign Service Training Academy of the Ministry of

Foreign Affairs from 1996 till 2009.

Since the early nineties, Mr Siddique has been working as a sports organizer. He is an ex-member of the BCB. He has also served in the Executive committees of table tennis, boxing and other sporting federations of Bangladesh.

Presently, he is working as the Vice President of the Archery Federation and the Weightlifting Federation. He was confirmed as the 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 and championships. He also worked as a consultant of BOA to organize the library, museum archive and the National Olympic Academy. He is continuing his second term as the Vice Chairman of the Discipline Committee of the Bangladesh Football Federation. He is also the Honorary Director of NOA, BOA and a member of the Bangladesh Sports Press Association. He contributes in dailies and periodicals on Olympics and other sports-related topics. He has also received the Bangladesh Sports Journalists Association Award in 2007 as a sports organizer.

Mr Siddique has also authored a book on the works of literary figures in Bengali titled Swaran (In Remembrance) on the occasion of Ekushey February and International Mother Language Day in 2012.



### **Papia Rahman ACII (UK)**

is the Executive Director and In Charge Professional Advancement Bangladesh Ltd. She started her Career at Green Delta Insurance since 2005 at Reinsurance and Special Underwriting department. She is now working at Underwriting Management Department and also In Charge of Professional Advancement Bangladesh Ltd.

Ms. Papia Rahman ACII (UK) is Associate of Chartered Insurance Institute London. She is the First Lady in Bangladesh who achieved ACII degree. She is also Senior Associate of The Australia and New Zealand Insurance Institute and Associate of Malaysia Insurance Institute. She has completed her Masters in Management and Education from Dhaka University. She also completed Masters in Philosophy (Life Insurance) from Institute of

Business Administration Dhaka University.

She is the member of Fire Rating Committee of Insurance Development & Regulatory Authority and also member of Training Sub Committee of Bangladesh Insurance Association.

She has a experience of more than 15 years in Insurance teaching as well as Insurance Underwriting. She has taken classes major in Insurance in South East University, East West University, MBA & BBA Programme of Institute of Business Administration (IBA), Dhaka University, Bangladesh Insurance Association, and Insurance and Banking Department ,Dhaka University.

## 3.4 BRIEF SUMMARY OF THE BUSINESS AND OTHER RISKS FACING THE ORGANIZATION AND STEPS TAKEN TO EFFECTIVELY MANAGE SUCH RISKS

### Overview

At the heart of Green Delta's operations is its ability to accept, pool (through reinsurance) and mitigate risks for the benefit of policyholders and shareholders. Though active risk management is vital, at the company, we consider it a key sustainable growth driver.

Hence, Green Delta prudently engages in the complete life cycle understanding of the current and potential risks facing its business including identification, assessment and control up to tolerable/permissible limits. We ensure a high level of accountability among all our staff and build their risk exposure into their remuneration structures, ensuring that they study the risk profiles carefully and consistently, ensuring overall organizational value creation.

Our risk appetite is established in the context of our capital, cash flows, investment returns and liabilities arising out of genuine claims. To manage risks in the most superior and cost-effective way, we employ a formalized risk appetite framework to integrate our objectives with return targets, risk controls and capital management.

### Risk governance

Our risk governance structure is based on the principle that each department is responsible for managing the risks inherent in its business with strong central oversight. Each business line is responsible for decisions regarding the business' risk strategy, policies and controls. We have in place an internal audit framework with a risk based internal audit that is designed to provide reasonable assurance to the Board Audit Committee and the Board and senior management about the adequacy and effectiveness of the risk management and control framework.

Besides, review of controls is undertaken by internal audit through execution of internal audits as per risk based audit plans. The internal audit covers auditing of processes, transactions and systems. Key audit observations and recommendations made are reported to the audit committee and implementation of the recommendations is actively monitored.

### Risks facing our business

#### Insurance risks

Insurance risk is the potential claim arising out of natural calamities as well as disasters and catastrophes and the company is under obligation to stand by the terms of the contract engaged into with the insured.

We set insurance premiums after professionals including actuaries (experts who use statistical techniques to set insurance premiums and ensure financial robustness) have analyzed reliable data indicating the frequency ratios of the incidence of insurance claims and other payments. We also conduct simulations based on the set premiums to test our ability to meet potential future coverage obligations towards customers.

At Green Delta, we also manage insurance risks through robust product design by continually reviewing premium pricing on the coverage. Besides, each of our business departments carefully monitor the performance of new products and focus on actively managing each part of the control cycle to minimize risks. Moreover, we also have professional underwriting and third party surveys paired with the active management of operational expenses. Our knowledge-driven workforce also ensures that product specifications are aligned with customer needs. This allows us to meet customer requirements while also delivering value on a sustainable basis. In addition, we employ a robust asset liability management (ALM) system, conduct proper benefit settlement assessments and align to rigorous cost management principles with the aim of responding flexibly to changes in the business environment.

At Green Delta, we also engage in reinsurance as a strategy for diversifying risk and transferring partial risk ownership based on our risk acceptance limits. In such cases, we determine the cede and assume reinsurance details by means of a review conducted by our risk committee after carefully assessing the types and characteristics of risks. We work with a large bouquet of reputed global re-insurers including GIC Re, Asian Re, Malaysian Re, Korean Re and Bhutan Re, among others.

#### Investment risks

Investment risks comprise those that might result out of negative volatility arising in the financial and money markets, including debt and equity, and in market liquidity to buy and sell investments.

At Green Delta Insurance, we manage our exposure to investment risks within acceptable tolerances. Moreover, we have also built high flexibility within the system to prudently switch between debt and equity (while at the same time maintaining high liquidity within the system), thereby taking advantage of consistency in returns. We also manage financial risks by running specific scenario modeling exercises from time to time to gauge the potential impact of political and socio-economic events on our financials.

We manage an AUM (assets under management) with a concurrent philosophy of ensuring long term security, stability and returns of our customer funds. Our investment management teams (drawn from the insights of our capital market teams as well) possesses a cumulative experience of over 12 years in various aspects of the capital markets like research, trading and risk management.

### **Interest rate risks**

The Group's exposure to interest rate risks largely arises from differences between the duration of the Group's liabilities and assets, in particular in relation to the reinvestment of maturing assets to meet the company's commitments, chiefly its insurance liabilities. This exposure can be heightened in products with inherent options/guarantees. Since we embrace a balanced investment management approach, we are able to mitigate interest rate risks.

### **Liquidity risks**

Liquidity risks consist of cash flow and market liquidity risks. While cash flow risks refers to the risk of incurring losses from a deteriorating cash flow position caused by a rapid outflow of funds due to an unexpected event, such as a major natural catastrophe, which would force the disposal of assets at distressed prices. Hence, we ensure that cash or cash equivalent assets are available to cover expected insurance liabilities including any volatility in those liabilities arising from experience variance or from insurance products that permit surrender, withdrawal or other forms of early termination for a cash surrender value.

Market liquidity risks refer to the risk of incurring losses from our inability to make transactions due to market

uncertainties or other factors or being forced to make transactions at unfavorable prices. We deal with market liquidity risks by establishing appropriate transaction limits for each type of assets in line with market conditions. Liquidity risk also occurs more generally in relation to the ability to buy and sell investments. This is a function of the size of our holdings relative to the availability of counter parties willing to buy or sell these holdings at any given time.

### **Operational risks**

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, personnel and systems or from external events. Operational risks also refer to the risk of causing customer inconvenience or incurring losses as a result of administrative errors, other untoward action or malfeasance. To control such risks, we are taking steps to clearly understand such risk across the Company by gathering and analyzing information on instances of administrative errors based on customer complaints as well as instances of erroneous handling. Based on this, we are proactively formulating measures to avoid the recurrence of such instances and confirming the effectiveness of our internal administrative controls.

Our risk and control process is used to identify and assess the impact of operational risks. At Green Delta, we protect against financial losses by purchasing insurance coverage against a range of operational loss events including business disruptions, property damage and internal fraud. The excess amounts and extent of coverage are determined taking into consideration the results of scenario modeling.





“Everything that is done in the world is done by hope.”

## Martin Luther

He is a German Protestant theologian and the principal figure behind the German Reformation



## Towards a new radiance

Insurance is the beacon of hope in turbulent times and Green Delta represents the security of a safe harbor. By virtue of being the largest non-life insurance Company of Bangladesh, Green Delta sends of the strong message that it firmly stands by the customer in the event of contingencies. This is the reason why it possesses one of the lowest claim settlement timeframes in the industry.

## 3.5 INFORMATION ON HOW THE COMPANY CONTRIBUTED TO ITS RESPONSIBILITIES TOWARDS THE STAFF (INCLUDING HEALTH AND SAFETY)

### 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.
- 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.

## 4.1 FINANCIAL HIGHLIGHTS

### Green Delta Insurance Company Ltd. Financial Highlights

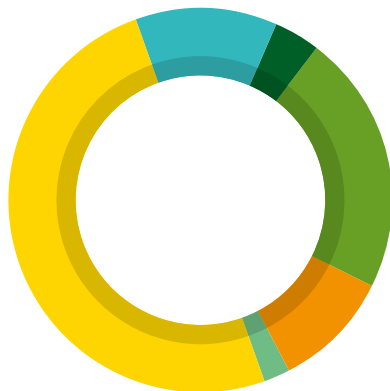
Figure BDT in million

Particulars	2014	2013	2012	2011	2010
Gross Premium Income	2,681.37	2,613.45	2,603.19	2,351.47	2001.31
Net Premium Income	1,222.27	1,316.99	1,212.53	862.04	770.31
Net Claim	346.61	372.60	201.96	122.43	117.51
Underwriting Profit	305.99	288.16	298.04	124.17	99.67
Investment Income	220.74	204.06	135.45	131.80	577.1
Profit before tax	290.65	304.81	262.67	143.43	562.41
Profit after tax	239.25	248.71	237.67	134.00	478.76
Paid up Capital	733.55	637.87	510.30	408.24	408.24
Share Holder's Equity	4,852.92	4,422.41	3,858.35	2,510.33	3103.56
Total Liability	1,746.43	1,882.91	1,723.25	1,953.88	1638.252
Total Reserve	3,684.88	3,294.48	3,177.06	2,102.09	2695.33
Total Asset	6,599.35	6,305.32	5,581.61	4,464.21	4741.79
Total Investment	2,391.63	2,197.01	1,998.95	2,363.65	2905.30
Fixed Asset	2,084.34	2,039.82	1,978.30	212.94	134.52
Earning per Share (EPS) Tk.	Tk. 3.26	Tk. 3.69	Tk. 3.73	Tk. 2.60	Tk.12.31
P/E Ratio (times)	22.73	25.73	19.99	46.45	Tk. 26.53
Book Value per Share (NAVPS)	66.16	71.23	Tk.60.49	Tk. 60.88	Tk. 75.41
Market Value Per Share	Tk.74.10	TK.94.90	Tk.74.50	Tk. 134.00	Tk. 326.50
Required Solvency Margin	331.15	334.09	343.22	224.24	248.73
Available Solvency Margin	3560.39	3265.33	2,756.01	2143.32	2293.32
<b>% of Dividend Paid (Cash)</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>-</b>	<b>40%</b>
<b>% of Dividend Paid (Stock)</b>	<b>10%</b>	<b>15%</b>	<b>15%</b>	<b>25%</b>	<b>-</b>

## 4.2 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 8.49 crore during the year 2014 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 2014	Figure in BDT
TAX Deducted on Various Account	35,68,105
TAX Deducted on Agency Commission	1,88,16,187
VAT Deducted on Various Account	81,71,532
VAT Deducted on Survey Fee	18,75,525
Company TAX	4,21,94,247
TAX Deducted from Salary	1,03,60,733
<b>TOTAL</b>	<b>8,49,86,329</b>



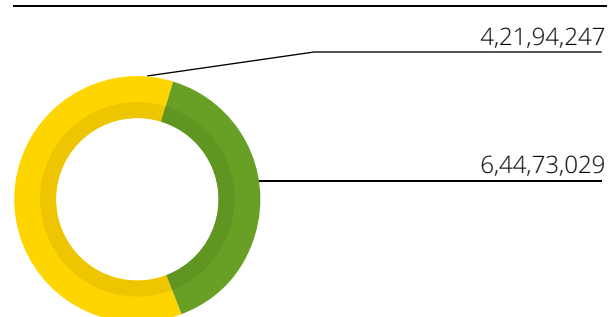
- TAX Deducted on Various Account
- TAX Deducted on Agency Commission
- VAT Deducted on Various Account
- VAT Deducted on Survey Fee
- Company TAX
- TAX Deducted from Salary

## 4.3 GOVERNMENT AS TAXES

The followings are the TAX amount which has been paid by Green Delta over the last 02 years to the Government as Taxes:

Year	Government as TAX
2014	4,21,94,247
2013	6,44,73,029

Government as TAX

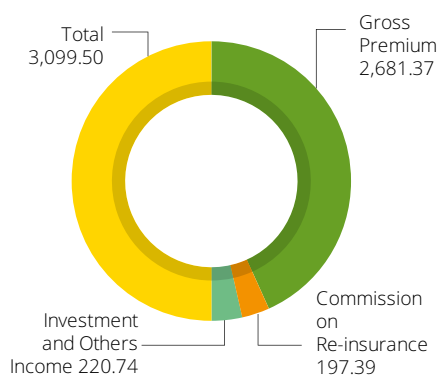


## 4.4 VALUE

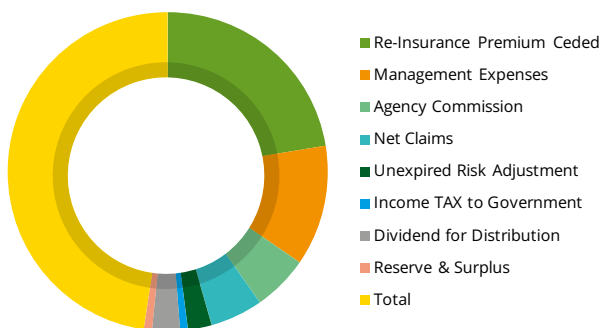
### ADDED STATEMENT

For the Year ended 31st December, 2014

Value Added	Taka in million
Gross Premium	2,681.37
Commission on Re-insurance	197.39
Investment and Others Income	220.74
<b>Total</b>	<b>3,099.50</b>



Distribution of Value Addition	Taka in million
Re-Insurance Premium Ceded	1,459.10
Management Expenses	794.00
Agency Commission	367.47
Net Claims	346.61
Unexpired Risk Adjustment	(157.61)
Income TAX to Government	51.40
Dividend for Distribution	183.39
Reserve & Surplus	55.14
<b>Total</b>	<b>3,099.50</b>



## 4.5 MARKET VALUE

### ADDED STATEMENT

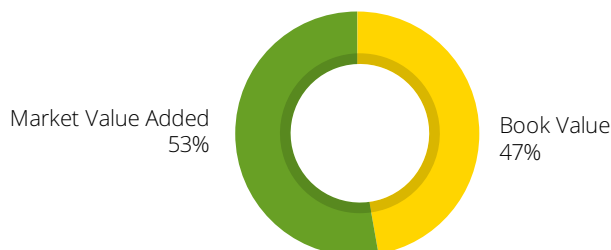
Market Value Added Statement reflects the Company's performance evaluated by the market through the share price of the company. This statement shows the difference between the market value of a company and the capital contributed by investors.

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 2014 and 2013:

#### Market Value Added Statement

Particulars	Number of Share	Value Per Share (Taka)	Total Value (Taka in Million)
Market Value	73,355,625	74.1	5,435.65
Book Value	73,355,625	66.16	4,853.21
Market Value Added			582.44



## 4.6 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 or fall short of required minimum return for Shareholders at comparable risks.

For the year ended 31st December	2014	2013	2012	2011
Average shareholders' equity at the end	2,448,782,609	2,262,563,941	1,708,097,114	1,470,421,080
Cost of equity (%)	9.50%	15.19%	13.45%	13.46%
Net Profit After Tax	239,255,718	248,707,386	237,676,034	134,006,754
Less: Cost of equity	232,634,348	343,683,463	229,739,062	197,918,677
<b>Economic Value Added</b>	6,621,370	(94,976,077)	7,936,972	(63,911,923)

Land revaluation reserve and fair value adjustment of shares were not considered while computing average shareholders' equity.

It is the opportunity cost i.e. the expected risk free return on investments, plus a risk premium. Interest on Bangladesh Government Sanchaya Patra plus 2% risk premium has been assumed to be the cost of equity.

N.B. Cost of equity (%), it is very difficult to calculate for me. So collect from another source.

## 4.7 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

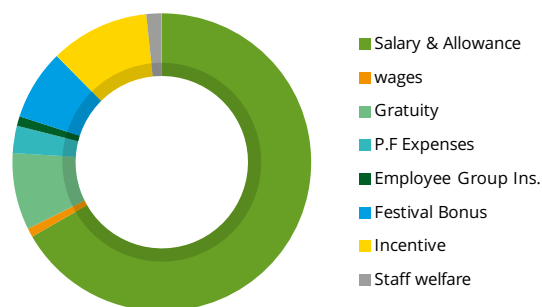
environment. Following are some major factors that may affect the business environment:

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.

## 4.8 EMPLOYEE AS BONUS OR REMUNERATION

The Following Salary & Allowance, Wages, Gratuity, P.F Expenses, Employee Group Ins., Festival Bonus, Incentive, Staff welfare amounting to BDT 418,273,298.00 have been expensed as employee bonus or remuneration.

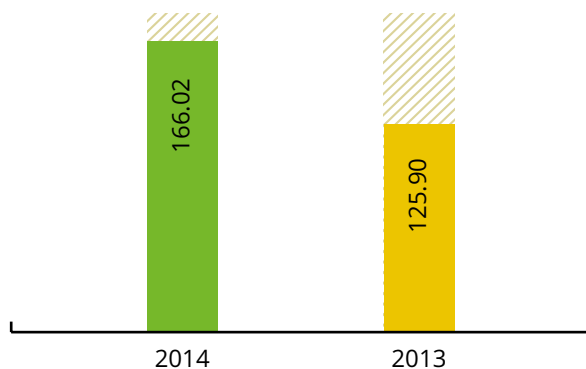
Particulars	Figure in BDT
Salary & Allowance	279,023,372.00
Wages	4,011,692.00
Gratuity	34,745,470.00
P.F Expenses	12,330,686.00
Employee Group Ins.	4,302,855.00
Festival Bonus	31,893,375.00
Incentive	45,000,000.00
Staff welfare	6,965,848.00
Total	418,273,298.00



## 4.9 RETAINED BY ENTITY

Retained by entity of Green Delta Insurance company Limited has increased BDT 40.12 million from the year 2013. The retained by earning of the company in the year 2014 was BDT 166.02 million and the year 2013 was BDT 125.90 million respectively. A competitive analysis both the years is presented below:

Year	Figure BDT in million
2014	166.02
2013	125.90

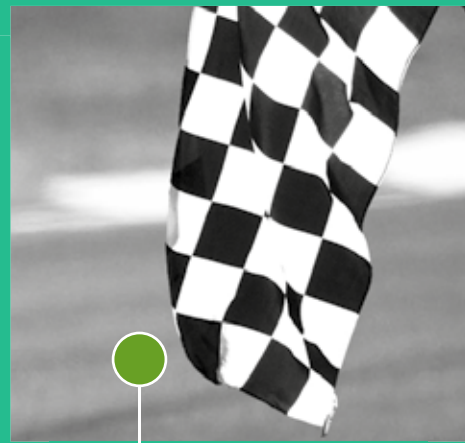




The will to persevere is often the difference between failure and success."

**David Sarnoff**

He is a pioneer of television and radio broadcasting in the US



## Towards a new triumph

At Green Delta, we have fine-tuned our formula of success. We firmly believe that winning is all about doing the right things consistently. It is about navigating through the bends, maneuvering through competition and adjusting the speed as per the track. It is about tenacity, persistence and perseverance.

## 5.1 CORPORATE SOCIAL RESPONSIBILITIES (CSR)

### Green Delta and Bangladesh Hockey League's 3 decades old amity



In the year 1905, under the patronage of Nawab Sir Khawaja Salimullah (1866-1915), hockey was introduced in Bengal. The game was restricted to the Nawab's family circle. During World War II, a team led by the hockey wizard Dhyhan Chand, a member of the Gurkha Regiment, played an exhibition match at Armanitola in Dhaka. With the Partition of Bengal in 1947, the growth of hockey was hampered. A lot of people migrated to India, among them many who played and loved hockey. As a result, hockey turned into a seasonal game. Hockey was played only for two or three months in a year. For the first time, when the country was under Pakistan, the East Pakistan hockey team took part in a number of tournaments including the All Pakistan National Hockey Championship. In 1969, Dhaka successfully hosted the tournament.

The Bangladesh Hockey Federation (BHF) was founded in 1972. The federation acquired full membership of the International Hockey Federation and of the Asian Hockey Federation in 1975. In 1987, a hockey stadium was built in Dhaka, which is now known as the Maulana Bhasani Hockey Stadium. Since then it is the home of hockey and the office of BHF in Bangladesh.

But hockey saw a gradual decline, with the rise of cricket in Bangladesh. Hockey has had earlier beginnings and had a lot to offer in terms of entertainment. But the Hockey Federation failed to organize the Premier Division League in 2011 and there had been no First Division tournaments held in the previous three years. This displayed the incompetence of the organization. Going deeper into the problem, experts say that

the lack of leagues at home has affected the game's proliferation.

In 2012, the Hockey Federation dispelled fears of another 'league-less' year by managing to rope in sponsors. The Federation ensured the Premier Division League for the next three years with a deal of amity with Green Delta Insurance Company- the leading insurance company of Bangladesh.

But it was not enough. It was seen that beside the league, there were many things to do to ensure that the game progressed. One of them was the hostel for the players. It was unhygienic to live and stay in the building. Seeing this, the hostel was renovated by Green Delta; and the new hostel was inaugurated in 2014 at the Maulana Bhasani National Hockey Stadium. The then State Minister for Youth and Sports Biren Sikder, along with Nassir A. Choudhury, founding Managing Director and Adviser of Green Delta Insurance Company Limited inaugurated the hostel for the national hockey players. The renovation work was carried out by the Bangladesh Hockey Federation with the financial assistance from Green Delta at a cost estimation of Taka 5.2 mn for the modernisation of the hostel rooms. However, the actual expenses crossed Taka 5.7 mn. The Minister and the Green Delta officials expressed their satisfaction as also assuring the provision of the extra funds. "Finally we have got a secured hostel," said a happy Mamunur Rahman Chayan, the national hockey team captain.

Preserving the rich heritage of the sport in the country and ensuring its proliferation, Green Delta and the

Bangladesh Hockey League made a friendship 28 years ago. The patronage of the leading insurance company continues. Since the birth of both the companies, GDIC has been supporting BHF through regular sponsorships every year.

The Bangladesh Hockey Federation organized a prize giving ceremony for the Green Delta Premiere Division Hockey League at the capital last year. The event was chaired by the President of BHF and Chief of Bangladesh Air Force Air Marshall Enamul Bari, BBP, nud, psc. Mr Nasir A. Choudhury, Advisor of Green Delta Insurance was the Chief Guest while Managing Director and CEO of the company Ms Farzana Chowdhury was one of the special guests. Among other guests, Mr ASA Muiz, Consultant of Green Delta Insurance, Mr Wafi SM Khan, CEO of Green Delta Securities, Mr Nazim Tazik Chowdhury, DMD and CFO of Green Delta Insurance, Mr Syed Kaiser Ahmed, Senior Executive Director, Mr Nazrul Islam, Senior Executive Director, Mr Md. Mahfuzur Rahman Siddique, Director (PR and Admin) and other senior officials were also present. A souvenir of the Bangladesh Hockey Federation showcasing their glorious achievements was launched at the event. Now, as the connoisseurs say, 'it's time to move on with glory!'

## Extending support towards the family who lost their loving son

Bangladesh is an accident prone country. Although we know that systems ensuring safety are being developed, the fatality rate is not decreasing enough. When an accident occurs, not only is there a loss of lives, people are also struck by disabilities. The accident also causes a loss of dreams.

Recently, a sad incident took place. A student of the South-East University (SEU) was killed in an accident. The incident moved every student and the faculty members of the university. The aggrieved family was in deep shock. But the family was not alone. Green Delta Insurance Company Limited was with them in their time of need.



The Company initiated People's Personal Accident Insurance Policy for the students of the university (SEU). This is the first time when the students of an educational institution can benefit from this privilege in Bangladesh. A Memorandum of Understanding (MoU) was signed between Green Delta Insurance Company Limited and South-East University. It stated that approximately 7,500 students will get the coverage under People's Personal Accident Insurance Policy for a whole year.

After the accident and upon hearing the tragic news, Green Delta Insurance didn't delay. The claim of the student's family was settled as the MoU was signed. The Company believes that it cannot replace the loss by any measure, but it can definitely take responsibility by fulfilling the commitment so that the family can feel that they are not meant to be alone because of losing their loving son. The cheque was handed over to the father of the student in a seminar organized in South-East University on the importance of insurance.

## Green Delta Insurance presents BWCCI Progressive Award 2013

Women constitute half of the country's population who are contributing significantly to the development of the nation. Day by day, women entrepreneurs are encouragingly increasing. Seeing this progress, the Bangladesh Women Chamber of Commerce and Industry (BWCCI) awards excellent entrepreneurs all over the country. Last year, the chamber organized the "BWCCI Progressive Award 2013" ceremony in association with Green Delta Insurance Company Limited and IFAD Group, at Multipurpose Hall, Diploma Engineer's Institute, Kakrail, Dhaka.

Seven women entrepreneurs from 7 divisions were awarded for their significant achievements in business. The name of the entrepreneurs are: Aysha Akter from Barisal division, Shamim Ara Lipy from Chittagong division, Farjana Fatema Borna from Dhaka division, Tanjima Jesmin from Khulna division, Chandona Ghosh from Rangpur division, Moreom Begum from Rajshahi division and Farida Alam from Sylhet division. Along with them, two media representatives received awards for their contributions towards women entrepreneurship development in the country. Imtiaz Shahrar Emon, Senior Reporter from Boishakhi Television was awarded in the electronic media category and Shamsul Hoque Mohammad Miraj from the Daily Samakal in the print media category. The awards included a trophy, a certificate and prize money of Taka 15,000.

Mr Amir Hossain Amu, Honorable Minister, Ministry of Industries was the chief guest at the event. Ms Farzana



Chowdhury, Managing Director and CEO of Green Delta Insurance Company Limited and Mr Tashfeen Ahmed, Director, IFAD Group were guests of honour. Ms Sangita Ahmed, President of the Bangladesh Women Chamber of Commerce and Industry chaired the programme. Ms Selima Ahmad, founder of the Bangladesh Women Chamber of Commerce and Industry and Senior Vice President and Convener of this award programme, Ms Munmun Rahman were also present. In addition to this, 350 women entrepreneurs from all over the country, donor representatives, bank personnel, media representatives, civil society people and the directors of BWCCI Board were also present.

## Showcase Bangladesh

Malaysia is one of the most friendly and major source countries of foreign direct investment (FDI) in Bangladesh. It is our foremost destination of our manpower exports and significant trade partner. With these enormous necessities, Bangladesh-Malaysia Chamber of Commerce & Industry (BMCCI) organized 3rd Showcase Bangladesh 2014 in Kuala Lumpur, Malaysia stepping stone to bridging the trade gap. Green Delta Insurance was the lead sponsor of the event. The members of the Board of Directors of Bangladesh-Malaysia Chamber of Commerce & Industry (BMCCI) led by its President, Nasir A. Choudhury paid a courtesy call to the Hon'ble Foreign Minister Mr. Abul Hassan Mahmood Ali, M.P.

The event was inaugurated by President of BMCCI Mr. Nasir A. Choudhury along with Hon. Dato Lee Chee Leong, Deputy Minister, Ministry of International Trade and Industries of Govt. of Malaysia and other dignitaries.

On the second day of the event there was a seminar on Investment opportunities in Bangladesh where Chief Investment Officer of Green Delta Capital Mr. Md. Rafiqul Islam was a panelist.



Honorable Youth and Sports Minister of Malaysia during the Concluding ceremony of the event.



Hon. Dato Lee Chee Leong, Deputy Minister, Ministry of International Trade and Industries of Govt. of Malaysia at Green Delta's stall at the event

## 5.2 ENVIRONMENTAL RELATED INITIATIVES

A clean and green environment, economical use of resources and individual health and safety are becoming increasingly important in today's world.

In response to this national and global priority, Green Delta Insurance Company Limited is continuously working towards reducing energy consumption and minimizing waste generation. The Company is also emphasizing on optimizing paper usage to the extent possible. One of our key targets is to insure/finance manufacturing companies for processes/asset creation that enables them to reduce their carbon footprint. We are also extending finance and insurance services to green companies and hence creating a diverse environmental portfolio, strengthening an enterprise-wide commitment to protect the environment.

The Company is encouraging banks and financial institutions including non-banking FIs in minimizing paper transactions and installing renewable (solar) power systems, opening up refinancing opportunities for solar energy and bio-gas at reduced interest rates.

At Green Delta Insurance, we fully support the principles of promoting good environmental and sustainability practices. We are committed to providing quality services in a manner that ensures a safe and healthy workplace for our employees, protects the environment and conserves energy and natural resources. With this broad framework and policies, we believe that we can achieve a healthy and safe environment. Moreover, our charter includes:

01. Developing and improving operations and technologies to minimize waste, mitigate health and safety risks and dispose-off waste safely and responsibly.
02. Conserving natural resources by embracing environment-friendly practices.
03. Integrating environmental concerns and impacts into our decision-making and day-to-day activities.
04. Identifying and purchasing environment- and safety-compliant products for our daily operational needs.

## 5.3 ENVIRONMENTAL AND SOCIAL OBLIGATIONS

By virtue of being engaged in the insurance business, the Company does not generally come to be perceived as being environmentally unsound. However towards strengthening our brand as being a responsible corporate, we have ensured that our headquarters and our 39 branches are operated keeping all the environmental guidelines in mind.

Being a member of the UN Global Compact (UNGC), Green Delta Insurance strictly follows the stipulations as described in UNGC's charter. To its credit, the Company has not invited any censure from the Government or any other public organization and this is something that we are proud of as it is a reflection of our complete

compliance with all regulatory as well as statutory laws.

Since we strictly align with our Code of Conduct, the chance of facing social obligations is close to nil. We cherish the fact that we have always been transparent regarding our business practices and policies. In particular, claims settlement within stipulated time frames is one of the key anchors of our Company, helping us reinforce our reputation as the largest and most preferred non-life insurer of the country.

Going forward, we will continue to uphold the highest environmental and social standards and faithfully endeavor to solidify our reputation as an institution of character and repute.

## 5.4 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 2014 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 from 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.

## 5.5 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 downsizing. 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-2014, GDIC budgeted for its employee training (home and abroad) as under:

Types of Training (2014)	Description	Yearly Budget
Foreign	Different Conference official tour and meeting purpose	30,00,000.00
Local	Training organized by Bangladesh Insurance Academy, BRAC, BD jobs, Rapport Bangladesh Intl. Arbitration Centre Ltd. PABL etc.	10,00,000.00

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

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.

Age (years)	Male	Female	Total (Approx)
18-25	28	9	37
26-35	136	39	175
36-45	141	32	173
46-55	127	22	149
56 and Above	57	4	61
<b>Total</b>	<b>489</b>	<b>106</b>	<b>595</b>

## 5.6 ANY OTHER GOOD ADDITIONAL DISCLOSURES

### Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability-reporting framework that is widely used around the world. In line with the above, the Bank has started to

incorporate the components of standard disclosures in annual report in the broad areas of Profile Disclosure, Management Approach, Performance Indicators and labor Practices as stipulated in the Content Index of Financial Service Sector Supplement. Although IBBL is yet to initiate the formal disclosure and certification thereof, it complies with most of the disclosure requirements as stated in the Index.

“Arise! Awake! And stop not  
till the goal is reached.”  
**Swami Vivekananda**

He is an Indian spiritual leader and reformer;  
introduced Vedantic philosophy to the US and Europe



## Towards a new goal

At Green Delta, our agility, our responsiveness and the speed of our response is ensuring that we are constantly reinventing ourselves with our eyes fixed on the goal – that of sustaining our market lead and ensuring that we remain a benchmark in customer service.



## 6.1 REPORT ON CORPORATE GOVERNANCE

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

### Impact of Corporate Governance

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

### Commonly accepted principles of corporate governance include:

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

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

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

Each committee may formally establish a charter that

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.

### Board of Directors

#### The Role and responsibility of the Board and their Discharges:

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 counter parties 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.

### **Company's Policy on appointment of Directors Disclosed**

The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994, and the Articles of the Company.

The CEO & Managing Director is appointed by the Board subject to the consent of the shareholders in the Annual

General Meeting (AGM) and approval of the Insurance Development and Regulatory Authority (IDRA). Any change in the members of the Board requires intimation to the IDRA, all scheduled banks and Financial Institutions (FIs), Bangladesh Securities and Exchange Commission (BSEC) and the Stock Exchanges.

### **Adequate representation of non-executive directors**

All directors of the Board are non-executive directors and almost one-fifth is Independent Directors. There are three independent directors appointed by the Board and approved by the shareholders in the AGM. Bangladesh Securities Exchange Commission (BSEC) has also approved their appointment.

### **Independent Director and affirmation of independence**

As per SEC Circular No. SEC/ CMRRCD/ 2006-158/ 134/ Admin/ 44, dated August 07, 2012, the elected directors of the Board of GDIC nominates three independent directors (1/5th of total number of Directors) on the Board of Directors so that the Board contains core skills considered appropriate in the framework of the company. The three independent directors are Mr. Abdul Hafiz Chowdhury, Mr. Nurul Husain Khan and Mr. Md. Abdul Karim.

Among the 03 independent directors Mr. Abdul Hafiz Chowdhury, FCA is professionally a Chartered Accountant and a former senior partner of Rahman Rahman Huq, Chartered Accountants (a member firm of KPMG International).

### **Chairman of the Board CEO of the company are different individuals**

The Chairman of the Board is not the CEO of the company. The Chairman of the Board is elected to the office of chairman by the directors.

### **Role and Responsibility of the Chairman**

- The duties of the Chairman, which is a non-executive role, arise from his senior most position in the Company and his responsibility for presiding over the official business of the Company and the Board.
- While working with the Board, the Chairman shall:
  - (i) ensure that the Board has full governance of the Company's business and affairs and that the Board is alert to its obligations to the Company,

- shareholders, Management, other stakeholders and under the law;
- (ii) set the agenda for discussion at Board Meetings and General Meetings and ensure that adequate time is available for discussion of agenda items;
  - (iii) set the frequency of the Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board;
  - (iv) chair all Board meetings and manage the business of the Board ensuring that the Board adopts a prompt and constructive approach to making decisions;
  - (v) provide strong leadership of the Board and assist it in reviewing and monitoring the aims, strategy, policy and directions of the Company;
  - (vi) communicate with the Board to keep it up-to-date on all major developments, including avoiding surprises through timely discussion of potential developments and ensuring the Board has sufficient knowledge to permit it to comfortably and properly make major decisions when such decisions are required;
  - (vii) recommend the committees of the Board and their composition, review the need for and the performance and suitability of those committees, and make such adjustments as are deemed necessary from time to time;
  - (viii) be entitled to attend all committee meetings;
  - (ix) ensure that Board and committee meetings are conducted in an efficient, effective and focused manner;
  - (x) ensure that the corporate governance of the company is maintained in line with appropriate practice policies agreed by the Board;
  - (xi) annually review Board governance and performance of the Board (leading the process for the Board's annual performance evaluation and the evaluation of its committees and individual directors and acting on the results of such evaluation by recognizing the strengths and weaknesses of the Board);
  - (xii) be the contact person for the expression of individual director concerns;
  - (xiii) foster a culture of openness and engagement by facilitating the effective contribution of all directors, in particular non-executive directors and ensuring constructive relations between executive and non-executive directors;
- (xiv) ensure that new directors participate in a full, formal and tailored induction program and that the development needs of the directors and the Board as a whole are identified and are met to enhance the effectiveness of the Board; and
  - (xv) be available to assist committee chairs in carrying out their responsibilities and in addressing their concerns.
- B. While working with the Management, the Chairman shall:
- (i) act as the principal of the board and counselor for the CEO, including helping to define problems, review strategy, maintain accountability, build relationships, and ensure the CEO is aware of concerns of the Board, shareholders and other stakeholders;
  - (ii) keep under review with the Board the general progress and long-term development of the company and ensuring that effective strategic planning for the company is undertaken by the CEO and endorsed by the Board after discussion, consistent with creating shareholder value and promoting the long term success of the company for the benefit of its members as a whole;
  - (iii) ensure the submission to the Board by the CEO of objectives, policies and strategies for the company, including the company business plan and the annual budget;
  - (iv) monitor progress towards timely and effective achievement and implementation of the objectives, policies and strategies set by the Board and ensure that appropriate decisions are taken promptly by or on behalf of the Board;
  - (v) lead the Board in:
    - (a) formally appraising, monitoring and evaluating the performance of the CEO and make appropriate recommendations to the remuneration committee;
    - (b) ensuring accountability of the CEO;
    - (c) ensuring the implementation of the succession and development plans by the CEO; and
    - (d) as appropriate, review with the CEO his recommendations on performance and remuneration of executive directors and/or senior executives;

- (vi) work with the CEO and Company Secretary to coordinate the agenda, information packages and related events for Board meetings.
  - (vi) ensure that there is appropriate delegation of authority from the Board to Executive Management;
  - (vii) provide advice to the CEO on the allocation of duties to individual directors and assignment of ad hoc responsibilities or special tasks to directors or groups of directors;
- C. Recognizing the CEO as the primary spokesperson, the Chairman shall:
- (i) chair all meetings of shareholders;
  - (ii) undertake public service as agreed with the CEO in connection with the Company's charitable, educational and cultural activities;
  - (iii) participate with CEO, as appropriate, in corporate relations, including relations with the shareholders, customers, government, other companies, the media and stakeholders generally; and
  - (iv) hold meetings with the non-executive directors without the executive directors being present.

### Annual Appraisal

At the beginning of each year, the Board engages in extensive discussions with the CEO & Managing Director and sets financial and non-financial goals. The annual financial budget and job objectives are discussed, reviewed and finalized by the Board at the start of the financial year. The business and financial targets are evaluated each quarter with actual achievements, by the Board. The non-financial achievements are also reviewed by the Board in each quarter.

GDIC has also inaugurated a policy on training of directors and type and nature of training courses organized for directors during the year-2014.

### Appointment and composition of Audit Committees

#### Abstract

1. The Board of Directors of Green Delta Insurance Company Limited shall constitute, and reconstitute from time to time, an Audit Committee as a sub-committee of the Board of Directors.
2. The Audit Committee shall assist the Board of

Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

3. The Audit Committee shall also evaluate whether the Management has established a sound compliance environment and importance of internal control system in the organization, the officials have been given clear directives regarding their duties and responsibilities in these regards and the Management has entire control thereon.
4. The Audit Committee shall be responsible to the Board of Directors and shall be responsible for performing the duties set forth below.

### Constitution of the Audit Committee

1. The Audit Committee shall be composed of at least 3 (three) members, who shall be directors of the company, including at least 1 (one) independent director.
2. The Board of Directors shall appoint members of the Audit Committee. It shall also select 1 (one) member, who shall be an independent director, to be its Chairman. Qualification of the members shall conform to the requirements of the Corporate Governance Guidelines.
3. When the term of service of any member expires or there is any circumstance causing any member to be unable to hold office until expiration of the term of service, thus making the number of the members to be lower than 3 (three), the Board of Directors shall appoint new member(s) to fill the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy (ies) to ensure continuity of the performance of work of the Audit Committee.
4. The company secretary shall act as the Secretary of the Audit Committee.

### Meetings of the Audit Committee

1. The meetings of the Audit Committee shall be presided over by its Chairman.
2. The quorum of a meeting of the Audit Committee shall constitute by majority of members and shall not constitute without at least 1 (one) independent director.
3. The Audit Committee shall hold at least 4 (four) meetings in a year to perform its duties and responsibilities.

4. The Audit Committee may invite the Chief Executive Officer, Head of Internal Audit or any other officials to attend the meeting.
5. The Audit Committee may request the internal and/or external auditors to submit valuation/evaluation report(s) on any specific issue.
6. All the observations/findings/recommendations of the Audit Committee shall be recorded in the minutes of the Committee.
4. The Secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance and shall circulate the minutes of meetings of the Committee to all members of the Committee.

#### **Duties and Responsibilities of the Audit Committee**

1. The Audit Committee shall be responsible for the following duties:-
  - (i) To oversee the financial reporting process of the company.
  - (ii) To monitor choice of accounting policies and principles.
  - (iii) To monitor Internal Control and Risk management processes.
  - (iv) To oversee hiring (appointment) of external auditors.
  - (v) To oversee the performance of external auditors.
  - (vi) To review, along with the management, the annual financial statements before submission to the Board for approval.
  - (vii) To review, along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
  - (viii) To review the adequacy of Internal Audit function.
  - (ix) To review statement of significant related party transactions submitted by the management.
  - (x) To review Management Letters/ Management Report/ Letter of Internal Control Weakness issued by the statutory auditors.
  - (xi) To conduct a post-audit review of the audit findings including any significant suggestions for improvements provided to management by the statutory auditors.
2. The Audit Committee shall review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc framed/issued by the regulatory authorities have been complied with.
3. When money is raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Issue of Right Shares the company, the Audit Committee shall ensure that
  - (i) the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results; and
  - (ii) the company shall, on an annual basis, prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.
4. The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-
  - (a) report on conflicts of interests;
  - (b) suspected or presumed fraud/ irregularity/ material defect in internal control system;
  - (c) suspected infringement of laws, including securities related laws, rules and regulations;
  - (d) any other matter which shall be disclosed to the Board of Directors immediately.
5. If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.
6. The Audit Committee shall prepare a report on activities carried out by itself, including reporting to the Board of Directors, during the year and disclose such report to the Shareholders and General Investors through the annual report of the company.

#### **Performance Review**

- The Audit Committee shall, at least once a year,

consider its own performance and terms of reference to ensure that it is operating at maximum effectiveness and shall recommend any changes necessary to the Board for approval.

- The Board also may review the performance of the Audit Committee and give any suggestion(s) for enhancing its effectiveness.

## **Internal Control and Risk Management**

### **Internal Control:**

Internal control is a process affected by the board of directors, senior management and all levels of personnel. It is not solely a procedure or policy that is performed at a certain point in time, but rather it is continually operating at all levels within the company. The board of directors and senior management are responsible for establishing the appropriate culture to facilitate an effective internal control process and for monitoring its effectiveness on an ongoing basis; however, each individual within an organization must participate in the process. The main objectives of the internal control process can be categorized as follows:

### **Efficiency and effectiveness of activities (performance objectives)**

2. Reliability, completeness and timeliness of financial and management information (information objectives) and 3. Compliance with applicable laws and regulations (compliance objectives)

### **Risk Management Committee (proposed)**

It is now well recognized that the sound management of an insurer as in the case of other financial sector entities, is dependent on how well the various risks are managed across the organization. In pursuit of development of a strong risk management system and mitigation strategies Green Delta Insurance Company Ltd is in the process of setting up a separate Risk Management Committee to lay down the company's Risk Management Strategy. The risk management functions shall be organized in such a way that it is able to monitor all the risks across the various lines of business of the company and the operating head has direct access to the Board. Conventionally this function is under the overall guidance and supervision of the Chief Risk Officer (CRO) with a clearly defined role. However, we shall organize the function appropriately to the size, nature and complexity of their business keeping in view the need for operative independence of the Head of the risk management function.

### **Broadly, the Risk Management Committee shall:**

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

### **Remuneration**

GDIC has a Management Committee (MANCOM) which comprises Managing Director, Deputy Managing Directors, Head of Human Resources Division and some higher officials to review, discuss and decide on important business issues. In addition to the regular roles and responsibilities, the Committee also governs the remuneration related policies. The Committee plays an independent role, makes recommendations to the Board of Directors of the company for its consideration and final approval for any remuneration related policy. The role of the Committee is to assist the Board of Directors to ensure that all employees are remunerated fairly in alignment with the long-term interests of the company and effective remuneration policy, procedures and practices are in place, aligned with the Bank's strategy, and applied consistently for all employee levels.

The Committee performs all the functions necessary to fulfill its roles which include the followings:

- i. Oversees the preparation and maintenance of a remuneration philosophy and policy to promote performance culture
- ii. Monitors the remuneration of Top Executives, Senior Managers and all other Officers
- iii. Reviews the effectiveness of remuneration policy to

ensure that whether the Board's set objectives and expectations are being met

- iv. Ensures that the structure and mix of fixed and variable pay and other elements are in alignment with the overall business objectives
- v. Guides and provides proper direction to HRD during preparation and review of any policy or process related to compensation and benefits
- vi. Reviews the annual salary increment for all employees
- vii. Ensures that all benefits, including retirement benefits and other financial arrangements, are justified, appropriately valued and promoting the performance based reward & recognition

The Committee meets on a regular interval throughout the year. So, if any remuneration related issue needs Committee's attention, it is placed as agenda for necessary review. However, if required meetings are held on need basis to review and discuss any remuneration related issue exclusively. In 2014, a remarkable number of meetings were held by the MANCOM.

## **Philosophy of Corporate Governance at Green Delta**

### **Insurance Company Ltd.**

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

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

## **Practice of Corporate Governance in Green Delta Insurance Company Ltd.**

- Awareness of corporate governance has grown rapidly worldwide in recent years due to increased legislative and regulatory activities as well as evolving best practice recommendations. As a leading insurance company in Bangladesh led by professional people Green Delta is committed in adopting the highest governance standard and adjusting them as required in protecting the interest of shareholders and policyholders. The Board strictly ensures the right of the Shareholders;
- The power of the Board and the company by-laws ensures an effective Board and duly secures interests of all the Shareholders;
- The Board is responsible for making all kinds of policies and guidelines in respect of strategic, organizational development, accounting & investment matters to ensure transparency & secures interests of the Shareholders;
- Green Delta adopts a declaration that sets the corporate objectives and defines the interest of the company and its shareholders;
- The Board of GDIC acts in line with the defined objectives as guided by the concept of Shareholders value creation;
- GDIC does not have any plan to purchase its own share as anti-takeover defenses. Even the company has no plan to issue shares for the purpose of management and employee stock option plans;
- Green Delta always try to satisfy all the statutory information disclosure requirements and in particular, immediately notify to the public, any information that may have significant impact on the price of its share;
- GDIC provides access to relevant information on its operations and investment risks, including internal arrangement in the area of corporate governance as well as the ownership and control structure of the company;
- The information that GDIC passes to the stakeholders are always extensive enough to allow investors to evaluate the corporate management system from the view point of its effectiveness and due protection of shareholders' interests including the interest of minority.



## 6.2 BOARD OF DIRECTORS CHAIRMAN AND MANAGING DIRECTOR & CEO

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 Dilwar 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	Md. Abdul Karim	Independent Director
15	Nurul Husain Khan	Independent Director
16	Farzana Chowdhury	Managing Director & CEO

## 6.3 AUDIT COMMITTEE, INTERNAL CONTROL AND 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 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.

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission Notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 issued under 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director	√		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	√		
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee	√		
3.1 (v)	The company secretary shall act as the secretary of the Committee	√		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		

Condition No.	Title	Compliance Status		Remark (if any)
		Complied	Not Complied	
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	√		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3.4.1 (ii) a)	report on conflicts of interests			N/A
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system			N/A
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations			N/A
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately			N/A
3.4.2	Reporting to the Authorities			N/A
3.5	Reporting to the Shareholders and General Investors	√		

## Internal Control

Internal Control system is implemented in GDIC as organization's structure, or 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 under writing 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 re-insurers. Moreover, maximum limits have been confirmed for the amounts of risk that can be ceded to any one re-insurer. These limits depend on the nature of the risk involved and on the company's solvency.

## Evaluation of Technical Provisions

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

## Investment Risks

In insurance business, investments comprise assets covering technical provisions and shareholders' equity. Through controlled investment risks, GDIC aims to achieve the best possible return on the investment portfolio at an acceptable risk level while taking

account of the structure of technical provisions and the solvency targets. The most significant investment risks pertain to market, credit and liquidity risks which may materialize in terms of lower-than-expected return on investments or of impaired investments. GDIC mitigates investment risks by diversifying investments as efficiently as possible by asset class, 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. In addition to the above eight distinct risks need to be managed by insurance companies.

### • Insurance Risk

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

### • Operational Risk

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

### • **Liquidity Risk**

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

### • **Strategic Risk**

Any strategic initiative carries risks, which must be identified and quantified. Corporate strategies can involve low risk levels (for example, remaining in the same market or distributing the existing product range) or they can involve elements of high risk (for example, purchasing a competitor or distributing a new and more risky product range.)

### • **Contagion and Related Party Risk**

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

### • **Balance Sheet and Market Risk**

Balance sheet and market risk relate to the strength of the company's balance sheet and the degree of risk

inherent in the investment portfolio. Low risk assets include government bonds, whereas company shares may be associated with a high-risk category. Risk levels are further influenced by the quality of individual investments as measured by credit ratings from independent ratings agencies.

### • **Counter-party Default Risk**

Insurance companies rely on being paid by third parties, including the company's re-insurers 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.

## 6.4 ETHICS AND COMPLIANCES

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

### **Dissemination of the statement of ethics and Code of Conduct**

All GDIC employees are required to sign an annual declaration confirming that they have read and

understood the Code of Conduct. Board's commitment to establishing high level of ethics and compliance within GDIC. The GDIC Board acknowledges its responsibility for ensuring that the Company's business activities are conducted in accordance with the highest standards of ethics and compliance. The Board views adherence to ethical standards and compliance as an integral part of the broader Corporate Governance framework and seeks to adopt a holistic approach in ensuring its implementation. As part of this, it has instituted a number of approaches to underline its commitment to high standards of ethical behavior:

- Setting down standards of expected behavior through the formulation and communication of a Company Code of Conduct.
- Installing a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis.
- Positioning Company policies and procedures on ethical foundations to ensure that ethical considerations are integrated in the day-to-day decision making, activities and processes.

In addition to the above, in compliance with the revised Corporate Governance guidelines issued by the BSEC, the Board shall lay down the Code of Conduct of all Board members and annual compliance of the Code has to be recorded. Accordingly, the Board of GDIC designed the Code of Conduct for all the members of the Board and its annual compliance has been recorded.

### **Existence of effective anti-fraud programmes and controls**

In recent times, the Company has come to identify the risk of fraud as one of the emerging issues in the overall risk management framework. Planned anti-fraud initiatives include the introduction of a whistle-blowing mechanism. A whistle-blower policy has already been formulated and placed before the senior management for review and approval. Additionally, emphasis is placed on strengthening existing processes or activity levels and anti-fraud controls are embedded within the overall system of internal controls.

## 6.5 REMUNERATION 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

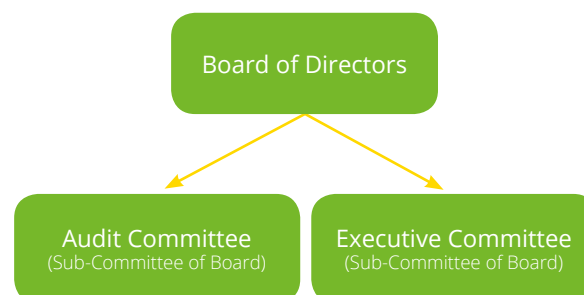
Members were held to finalize some benefits paid to the employees during the year 2014

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.

#### 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 Choudhury	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	Advisor
09.	Farzana Chowdhury	Managing Director & CEO
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 Choudhury	Member
07.	Nurul Husain Khan	Member
08.	Nasir A. Choudhury	Advisor
09.	Farzana Chowdhury	Member
10.	Syed Moinuddin Ahmed	Secretary

“The real voyage of discovery consists not in seeking new landscapes, but in having new eyes.”

**Marcel Proust**

He is a French novelist, essayist and critic



## **Towards a new horizon**

Green Delta is telescopically looking at its business process and practices with the intent of reinforcing the sense of customer service. The Company is minutely appraising the customer relationship cycle and is also looking at strengthening the relationship value with a customer by not only insuring the assets of his business but also providing health insurance to his family.

# 6.6 REPORT ON HUMAN CAPITAL

## Employees: Nurturing our Finest Asset

Green Delta Insurance Company Ltd. (GDICL) is committed to the development with the optimum utilization of its human capital. In 2015, the Green Delta Insurance is doing several changes to its organization to further maximize the efficiency and professional interaction of its valuable staff. The goal is to recruit and retain personnel that possess the competencies and skills required for the Insurance to implement its strategy by offering retraining facilities. At GDIC, a structured Service Rules and Pay Scale Policy is being followed for its entire workforce tire.

## 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. It tries to raise the morale of employees.

The Company strongly benefits from having multicultural, well-informed and target-oriented employees who are responsible to the needs of other colleagues, clients and the environment. GDICL'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 Maintenance

Green Delta Insurance Company Ltd. strongly believes to maintain the competitive edge of the company, the skill of the company's human resources must be developed at the best means for achieving HR objectives. This will ensure greater job satisfaction, which in turn provides further motivation. At the moment, total no of employees almost 700+ with multicultural environment.

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

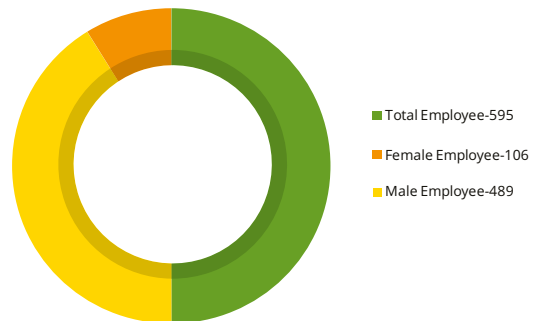
- With efficient Human Capital achieves marketplace over 29 years in Insurance Industry.
- GDICL organizes its human capital with lot of effective Local and International Training, Workshop and Seminars on a continuing basis
- Carried out an effective Recruitment Policy in a systematic manner
- In comparison to other Insurance company, our staff has excellent standards in business and work knowledge as well as understanding and

Corporate Governance practice in Bangladesh the average of GDIC's permanent employees was 25% till December, 2014.

## GDICL Human Capital:

Since 1985 to till now GDICL is successfully going with highly motivated challenging and professional human groups. For its glorious growth, company's Human Resource Department covers the acquisition and retention of competent employees through proper recruitment, selection, placement, utilization and development. Green Delta Insurance has a well structured Organogram having 12 Departments at the Head Office and 39 Branches all over the country.

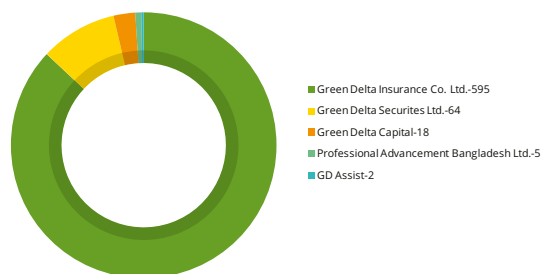
GDICL Human Capital BY Category & Gender



## Total Staff Strength of Green Delta:

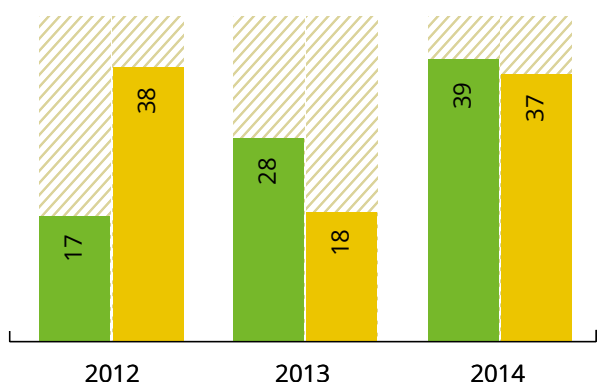
Green Delta Insurance Company Ltd. (GDICL) is growing business with large number of human capital in Green Delta Insurance, Green Delta Securities, Green Delta Capital and Green Delta Assist.. GDICL's management introduces several organizational modifications during 2014. The lending department was reorganized into different business areas in order to deepen the insurance understanding of the key sectors in the economy and enhance service to valued clients. Company's Security planning was established in 2012 and some of new also functions for business continuity.

Human Capital Strength of GDICL Group as of 31<sup>st</sup> Dec. 2014



### Training and Development:

To achieve company's immediate and long term returns, Green Delta Insurance puts great emphasis on regular training of its staff. To assure available services of trained human capital GDICL's Professional Advancement Bangladesh (PABL) was established in 2014. Every year GDICL's employees are attending various training, workshop, seminar and tour in local and international areas.



To develop competent executives, one is through on-the-job experience and the other is through training and education courses away from the job. Both of these methods are used by GDICL in order to development of its executive. Training & Development (T & D) components also expand to include interpersonal skills such as group process facilitation and problem solving.

### Well-Being and Safety:

GDICL makes effort to create a safe and healthy working environment for its employees. The company takes into consideration circumstances related to work, such as working conditions, 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 team to establish and maintain an appropriate balance between their professional and private lives.

### Green Office:

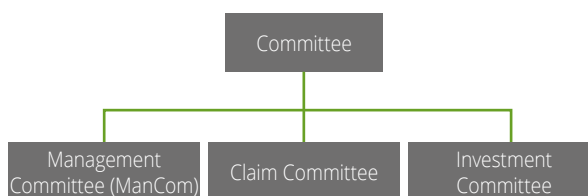
In last decade, GDICL started to offer e-services as an alternative to the traditional paper work.

## 6.7 MANAGEMENT REVIEW AND 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 compresses 15 (fifteen) 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 scrutinize

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.	NazimTazik Chowdhury
07.	Syed Moinuddin Ahmed
08.	Md. T.H. Forhad
09.	Nazrul Islam
10.	Syed Kaiser Ahmed
11.	WafiShafiqMenhaz Khan
12.	Md. Rafiqul Islam
13.	Kabir A Chowdhury
14.	Md. Mahfuzar Rahman Siddique
15.	Papia Rahman

### 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	Chairperson
02.	Syed Moinuddin Ahmed	Secretary
03.	NazimTazik 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
10.	Enayet Karim Parvez	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
01.	Nasir A. Choudhury
02.	Golam Mostafa
03.	Nazrul Islam

### 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 2015:

- 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.

## 6.8 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:

Particulars	2014					2013				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Gross Premium Income	635.91	744.97	544.18	756.31	2,681.37	554.36	715.38	620.36	723.35	2,613.45
Net Premium Income	311.02	295.50	316.05	299.70	1,222.27	315.96	345.16	296.99	358.88	1,316.99
Net R/I Commission Earned	48.52	46.97	57.66	44.24	197.39	68.38	54.72	33.05	28.15	184.30
Investment & Others Income	48.37	36.88	50.09	85.40	220.74	37.16	29.88	40.26	96.76	204.06
Total Income	407.91	379.35	423.80	429.34	1,640.40	421.50	429.76	370.30	483.79	1,705.35
Management Expenses with Claims Agency Commission	301.56	313.81	333.07	287.46	1,235.90	237.89	343.27	263.40	379.18	1,223.74
Management Expenses (Un-allocable)	35.37	49.73	70.23	80.75	236.08	24.33	39.55	74.27	53.32	191.47
Total Expenses	336.93	363.54	403.30	368.21	1,471.98	262.22	382.82	337.67	432.50	1,415.21
Net Profit Before TAX	70.98	15.81	20.50	61.13	168.42	159.28	46.94	32.63	51.29	290.14
Provision for Income TAX	20.00	5.00	5.00	21.40	51.40	35.00	2.50	25.00	(6.40)	56.10
Net Profit After TAX	50.98	10.81	15.50	39.73	117.02	124.28	44.44	7.63	78.79	255.14
EPS	0.70	0.15	0.21	0.54	3.26	2.12	0.70	0.12	0.80	3.69

## 6.9 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 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.

## 6.10 REPORT ON COMPLIANCE TO BANGLADESH SECURITIES AND EXCHANGE COMMISSION (BSEC)

### ANNEXURE-I

#### The Directors also report that:

- Related party Transaction are depicted in Note no 26 in the Notes of Account
- Remuneration of Directors including Independent Director have been show in section 6.5
- 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 65
- The number of Board Meeting and the Attendance of Directors during the year 2014 were as follows:
- 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, 2014 were as stated in ANNEXURE-II

#### Directors Meeting and Attendance

SN	Name of the Directors	Total Meeting	Meeting Attendance
01.	Abul Quasem Mohammad NurulAbsar	10	10
02.	Dilruba Chowdhury	10	7
03.	Khurshida Chowdhury	10	10
04.	Shamsun Nahar Begum Chowdhury	10	9
05.	Asif Ahmed Choudhury	10	10
06.	Meshbah Dilwar Rahman	10	4
07.	Iqbal Khan (Jamal)	10	10
08.	Arif Ahmed Choudhury	10	10
09.	Kamran Idris Chowdhury	10	4
10.	Razia Rahman	10	9
11.	Marufa Anwar	10	6
12.	Dr. Niaz Ahmed Chowdhury	10	7
13.	Abdul Hafiz Choudhury	10	8
14.	Nurul Hussain Khan	10	10
15.	Md. Abdul Karim	10	0 (As he got an approval at the last Board of Director's meeting of the year)

#### Summary on Board Meeting along with its subcommittees:

Name of the Meeting	Meeting Held	Attended
Board Meeting	10(Ten)	89% Presence on average
Executive Committee Meeting	04 (Four)	
Audit Committee Meeting	04(Four)	



## ANNEXURE-II

## Pattern of shareholding as on 31st December, 2014

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka) face value	%
<b>A. Parent/Subsidiary/Associated Companies and other related parties (name wise details)</b>			Nil	Nil	Nil
<b>B. (i) Directors and their spouses and minor children (name wise details)</b>					
1	A.Q.M. Nurul Absar	Director	1,484,737	14,847,370	2.02
2	Dilruba Chowdhury	Director	1,508,475	15,084,750	2.06
3	Khurshida Chowdhury	Director	3,866,643	38,666,430	5.27
4	Asif A. Choudhury	Director	1,484,715	14,847,150	2.02
5	Shamsun Nahar Begum Chowdhury	Director	1,484,836	14,848,360	2.02
6	Mesbah Dilwar Rahman	Director	1,484,769	14,847,690	2.02
7	Iqbal Khan (Jamal)	Director	1,484,836	14,848,360	2.02
8	Kamran Idris Chowdhury	Director	363,984	3,639,840	0.50
9	Arif A. Choudhury	Director	1,484,716	14,847,160	2.02
10	Razia Rahman	Director	43,806	438,060	0.06
11	Marufa Anwar	Director	2,743	27,430	0.00
12	Dr. Niaz A. Chowdhury	Director	264	2,640	0.00
13	Abdul Hafiz Choudhury	Independent Director	140,449	1,404,490	0.19
14	Nurul Huain Khan	Independent Director	-	-	0.00
15	Md. Abdul Karim	Independent Director	-	-	0.00
<b>B. (ii) CFO, Company Secretary &amp; Internal Audit (Co-ordinator) and their spouses and minor children (name wise details)</b>					
1	Nazim Tazik Chowdhury	Chief Financial Officer	40,028	400,280	0.06
2	Syed Moinuddin Ahmed	Company Secretary	-	-	-
3	Md. Jahangir Islam	Internal Audit (Co-ordinator)	-	-	-
<b>C. Executives [Top 5 salaried employees]</b>					
1	Nasir A. Choudhury	Advisor	2,563,218	25,632,180	3.49
2	Farid A. Choudhuri	Addl. Managing Director	-	-	-
3	Golam Mustofa	Addl. Managing Director	-	-	-
4	A.S.A Muiz	Consultant	27,858	278,580	0.04
5	Md. T.H. Forhad	Sr. Executive Director	-	-	-
<b>D. Shareholders holding ten percent (10%) or more voting interest in the company</b>			Nil	Nil	Nil

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

#### **From the Sponsor Shareholder Directors:**

##### **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) major 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) major 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.

##### **A.Q.M Nurul Absar**

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.

##### **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

#### **From Public Shareholder Director:**

##### **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. Mrs Rahman 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. Muhibur Rahman who is a business and social leader, well over 50 (fifty) years.

#### **From Independent Director:**

##### **Md. Abdul Karim**

Md. Abdul Karim, former Principal Secretary to the Government of Bangladesh, is the Managing Director

of Palli Karma-Sahayak Foundation (PKSF). Earlier he served as the Secretary to the Government in the Ministries of Commerce, Fisheries and Livestock, Home Affairs, Communications (Bridges Division) and Finance (Internal Resources Division). He also served as the Economic/Commercial Counsellor of Bangladesh Embassy in Belgium. Mr. Karim was Chairman of the National Board of Revenue and Bangladesh Petroleum Corporation. He was Chairperson of a number of national level committees of various Ministries.

Mr. Karim obtained M.Sc. degree from the University of Chittagong, Bangladesh and Master of Social Science degree in Development Administration from the University of Birmingham, UK. As the Secretary General of the South East Asian Cooperation (SEACO) Foundation, Mr. Karim is working at civil society level to

promote trade and investment among five countries of the South and South East Asian region including Bangladesh. He is a Paul Harris Fellow (PHF) Rotarian and contributes towards improvement of socio-economic condition of the disadvantaged people. Mr. Karim promotes sports and is the President of Bangladesh Table Tennis Federation. He is immediate past President of Bangladesh Scouts (Boy Scouts and Girl Guides) and obtained highest Scout award of Bangladesh. Mr. Karim has travelled to 46 countries. He has lectured at various Universities as guest speaker and authored books and articles on local government and other subjects. Mr. Karim is leading the Palli Karma-Sahayak Foundation (PKSF) to implement sustainable, holistic, people-centred poverty alleviation and rural development programmes in Bangladesh

## Annexure-IV

Compliance of Notification No. SEC/CMRRC/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 number of board members within the limit given by BSEC.

#### 1.2 Independent Director's:

- (i) In terms of the Provision under this sub-clause the Board of Directors has nominated Mr. Abdul Hafiz Choudhury and Nurul Husain Khan as the Independent Director.
- (ii) The Independent Director, nominated by the Board of Directors meets all the requirement as prescribed under the SEC Notification.
- (iii) In terms of provision of SEC Notification under reference the shareholders in the AGM are required to approve the appointment of Mr. Nurul Husain Khan as an Independent Director.
- (iv) The post of Independent Director shall be kept vacant for more than 90 days.
- (v) The board of Directors has laid down a code of conduct for all members of the Board as follows:
  - (1) They shall maintain honesty and integrity in all

affairs.

- (2) They shall abide by all laws and regulation of the country
- (3) They shall disclose all matters of conflict of interest.
- (4) They shall not pursue any business which is competitive to the company
- (5) They shall not engage in insider trading
- (6) They shall vacate office if they are convicted by any court of law or become defaulter to any financial institution or become bankrupt
- (7) They shall not violate any regulation of BSEC/DSE/CSE/IDRA
- (8) They shall not interfere in any functions of the officials
- (9) They should become and imbibe 'Green' to others
- (10) They shall strive for CSR attainment
- (vi) The tenure of office of the Independent Director as nominated above shall be 3(three) year which may be extended for 1(one) term only.

### 1.3 Qualification of Independent Director (ID)

- (i) The Independent Directors appointed are highly qualified and knowledgeable persons.
- (ii) The ID(s) have more than 15 year's experiences

(iii) No relaxation of qualification of the ID(s) 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 as defined by Board.

#### **1.5 The Directors' Report to Shareholders**

All the requirement have been fulfilled.

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

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

#### **3. AUDIT COMMITTEE:**

The Audit Committee, as a sub-Committee of the Board, has been constituted with the Independent Director as Chairman. The Company Secretary acts as Secretary to the Committee. Roles of the Audit Committee as

per provision of the BSEC regulation, has been duly adopted by the Board. The reports are being submitted as per BSEC requirements.

#### **4. EXTERNAL/STATUTORY AUDITORS:**

The BSEC guidelines are being strictly followed in engaging statutory Auditors. Compliance of BSEC guidelines relating to subsidiary companies has been ensured for two old subsidiaries and is under process for two new ones.

#### **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.

## **ANNEXURE-V**

### **AUDIT COMMITTEE REPORT**

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

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

The Committee held four (04) meetings during the year 2014 as per following.

Name of the Meeting	Meeting Held	Date of the Meeting	Attended
Audit Committee Meeting	04(Four)	05.02.2014	86.11 % attendance on average
		06.05.2014	
		22.07.2014	
		26.10.2014	

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 31<sup>st</sup> December 2014;
- 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 carry out 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 reappointment;
- 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 Choudhury)**  
Chairman, Audit Committee

## Annexure-VI

### 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:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1</b>	<b>BOARD OF DIRECTORS:</b>			
1.1	Board's Size [number of Board members to be 5 – 20]	✓		
<b>1.2</b>	<b>Independent Directors</b>			
1.2 (i)	Number of Independent Directors [at least 1/5]	✓		Appointment of one ID would be approved in the AGM
<b>1.2 (ii)</b>	<b>Independent Director (ID) means a director:</b>			
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 NBFI	✓		
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	✓		
<b>1.3</b>	<b>Qualification of Independent Director</b>			
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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1.5</b>	<b>The Director's Report to Shareholders shall include</b>			
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			N/A
1.5 (vi)	Basis for and a statement of related party transactions	✓		
1.5 (vii)	Utilization of proceeds from issuing instruments			N/A
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	✓		
<b>1.5 (xxi)</b>	<b>Pattern of shareholding (along with name wise details) by-</b>			
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	✓		
<b>1.5 (xxii)</b>	<b>In case of the appointment/re-appointment of a director</b>			
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	✓		
<b>2</b>	<b>CFO, HEAD OF INTERNAL AUDIT AND CS:</b>			
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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>3</b>	<b>AUDIT COMMITTEE:</b>			
3 (i)	Having Audit Committee as a sub-committee of the BOD	✓		
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	✓		
<b>3.1</b>	<b>Constitution of the Audit Committee</b>			
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	✓		
<b>3.2</b>	<b>Chairman of the Audit Committee</b>			
3.2 (i)	Chairman to be an ID, selected by the BOD	✓		
3.2 (ii)	Chairman of Audit Committee to remain present in AGM	✓		
<b>3.3</b>	<b>Role of Audit Committee</b>			
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	✓		
<b>3.4</b>	<b>Reporting of the Audit Committee</b>			
<b>3.4.1</b>	<b>Reporting to the Board of Directors</b>			
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 BSE			N/A



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.5	Reporting to the Shareholders and General Investors	✓		
<b>4</b>	<b>EXTERNAL / STATUTORY AUDITORS</b>			
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 Committee	✓		
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	✓		
<b>5</b>	<b>SUBSIDIARY COMPANY</b>			
5 (i)	Composition of BOD to be similar to holding company	✓		Among 4 subsidiary companies, compliance for 2 new companies is under process
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	✓		
<b>6</b>	<b>DUTIES OF CEO AND CFO:</b>			
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	✓		
<b>7</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>			
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	✓		

## 6.11 CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE GUIDELINES

### S. Abdur Rashid FCS

BCom (Hons), MBS (Finance & Banking), MBA (Finance), PGDHRM, AIPM

Chartered Secretary in Practice

Private Practice Certificate No.: 003

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### SARashid & Associates (Chartered Secretaries)

Noakhali Tower (10th Floor, 11-F)  
55/B Purana Pata, Dhaka-1000, Bangladesh  
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#### 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 2014. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission.

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 compliance of the conditions relating to two newly formed subsidiary companies is under process and all other conditions of the Corporate Governance Guidelines have been complied with by the Company.



S. Abdur Rashid FCS



Dhaka, 04 March 2015

# 7.1 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 risks such that they are not taken beyond tolerance levels.
- Enhance value creation and contribute to an optimal risk-return profile by embracing an efficient capital deployment strategy

### Risk management framework



- Support the Company's decision-making processes by providing consistent, reliable and timely risk information
- Protect the Company's reputation and brand by promoting a sound culture of risk awareness and disciplined and informed risk-taking

### Risk management framework

Towards achieving its mission and objectives, Green Delta Insurance relies on its risk management framework.

At the heart of our 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 organisation, from the Board of Directors and the Chief Executive Officer (CEO) to its business and functional areas, thus embedding a robust risk awareness and management culture across the Group.

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

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

Various governance and control functions coordinate to ensure that objectives are being achieved, risks are identified and appropriately mitigated and internal controls are in place and operating effectively. This coordination helps us create an integrated risk assessment and assurance framework.

An important element of this framework comprises a well-balanced and effectively-managed remuneration program. This includes a Company-wide remuneration philosophy, robust short- and long-term incentive plans and strong governance standards with a direct interface with business planning, strategy and performance management departments of the Company. Based on the Company's Remuneration Rules, the Board establishes the structure and designs remuneration arrangements such that they do not encourage inappropriate risk-taking. Through these processes, responsibilities and policies, Green Delta Insurance 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.

## 7.2 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 others' property or lead to personal injury. Those who undertake the responsibility of an enterprise are required to take all reasonable means and measures to reduce the risk of loss and demonstrate an ability and attempt to manage risks (due diligence).

Insurance is a method of taking singular or collective risk ownership of the insured. It has two fundamental characteristics:

- One, ownership of risk from one individual to a group (typically referred to as 'reinsurance').
- Two, sharing of losses on an equitable basis by all members of the group in the eventuality of a possible loss (faced by the insured).

While it becomes somewhat impossible for a person to bear, all by himself, 100% of the loss to his own property or interests arising out of an unforeseen contingency, insurance is a method which distributes the burden (and ownership) of the loss on a number of persons within the group formed for this particular purpose.

Green Delta Insurance's primary business objective is to create the sense of security (for the person who has bought the insurance), which is actually the risk counterpart. It is important to note that insurance does not take away the risk per se and the insurance company cannot guarantee that the incident insured will not happen. However what the insurance company does is that it guarantees that a large element of the cost involved (in the event of a loss) will be met by it.

Green Delta Insurance evaluates risks by aligning the risk management and mitigation model to the business model and focusing on aggregate exposures (gross and net) and products. This allows us to understand the organization's accumulations and enables us to mitigate the exposures as economically and efficiently as possible.

We strongly believe that insurers who regularly evaluate, emphasize and update their risk management capabilities are better positioned to meet the expectations of policyholders, shareholders and regulators and leverage their strengths competitively. Accordingly, Green Delta Insurance evaluates, adapts and explains its risk management capabilities as part of an overall competitive strategy that includes:

- Periodic re-evaluation of our risk management competence in light of leading market practices

and changes in business architectures (as and when required).

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

Green Delta Insurance communicates technical information in a professional manner to its clients and loss adjusters and encourages them to read the fine print. In doing so, it renders counsel to minimize losses. In turn, the loss adjusters and clients can improve their risks by a substantial degree and minimize the possibility of misfortunes. The handling of salvage after loss by the loss adjusters also contributes much to the reduction of losses.

At Green Delta Insurance, we undertake comprehensive pre-insurance surveys of large and complicated risks, which ultimately facilitates in the protection and preservation of properties of national importance as well as wealth through its professional expertise. Our services are proactive and aim at reducing the occurrence of the casualty itself rather than minimizing the extent of loss after the occurrence of the casualty. Besides, we endeavour the proper usage of salvage (residue after incidence) with the ultimate objective of minimizing the extent of loss which has already occurred, thereby contributing to the economy or at least safeguarding the possibility of a loss to the economy.

At Green Delta Insurance, we undertake thorough pre-underwriting inspection of fire hazards to the insurable property before accepting risks. We believe that it is prudent and critical 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 risks by installation of fire-proof doors to reduce premium and cleanliness of factory premises to reduce hazards is strongly recommended. These possible fire prevention measures not only reduce fire hazards but also help the insured get a rebate on the rate of premium.

Without pre-inspection, it is difficult to segregate risks and make retention and cession to re-insurers. We assume pre-inspection of risk which is extremely helpful for reinsurance purposes as well. The inspection surveyor's advice for risk improvement significantly contributes towards reducing the possibility of hazards rather than minimizing the extent of loss after the event of casualty.

At Green Delta Insurance, we have embarked upon upgrading our financial risk management and control systems to reduce our exposure to risks and hence better manage the amount of risk that is acceptable to us. We believe that insurance management of risk is a science though it is one of the most inexact of the social sciences.

Prudent risk management facilitates our management to effectively deal with uncertainty and the associated risks and opportunities, thereby enhancing our capacity to create value. We consistently consider and forecast risk factors such that the risk can be minimized through employing cutting-edge risk management tools. Value maximization encompasses aligning the risk appetite and strategy, enhancing risk-response decisions, reducing operational surprises and losses, identifying and managing multiple and cross-enterprise risks, seizing opportunities and improving capital deployment opportunities.

Through our team of well-qualified and experienced professionals, our proactive client responsiveness helps achieve the objectives of analysing the risk factors associated with various activities, observing how risks can affect decision-making processes and how operational risks can be managed properly with the help of insurance.

At Green Delta Insurance, we adopt a client-centric risk management approach that also assists them in clearly defining their insurance needs. Through this, they are able to potentially save resources including time, assets, income, property and people. These are all valuable resources that can be saved if fewer claims occur, protecting the reputation and public image of our clientele, preventing or reducing their legal liability, increasing the stability of their operations, protecting their people from harm, protecting the environment, enhancing their ability to prepare for various circumstances and reducing their liabilities.

We are among the few 'risk-aware' insurance organizations in the country and appreciate the fact that actively managing risks not only reduces potential threats but also provides potential opportunities with a competitive and sustainable advantage. Taking and managing risk is the very essence of business survival and growth. Though we cannot eradicate risks completely, we believe that our holistic and efficient risk management framework and our future-facing practices and processes, have enabled us to actively demonstrate that we are committed to loss reduction or prevention and are devoted to the cause of insurance in Bangladesh.

## 7.3 DISCLOSURE OF RISK REPORTING

### **Risk reporting:**

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

The basic legal doctrine that governs most insurance contracts implies that all parties bound by the 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 the insurance contract is also a further 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 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 as well as 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 (like the issues witnessed at AIG).

Moreover, 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 publicly held risks onto insurance companies (like mandating privately-insured minimum levels of health insurance and pension coverage).

The actuarial, risk management and accounting

professionals 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.

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

There is a clear lack of specific guidance by authoritative regulatory bodies in this area. Therefore, the risk reporting objectives are mentioned 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 which conceptual frameworks, derived either from theory, practice or related industries, might be applicable to evaluating the quality of existing reporting practices and also define what alternative perspectives concerning risk management, corporate governance, disclosure effectiveness and accountability could bear on the risk reporting environment
- iii. To report some evidence on recent trends in the scale and scope of risk reporting practices to external stakeholders by multinational insurance enterprises including the sources of variations in risk reporting disclosures across multinational insurers, the evolution of these trends over time and the key areas of risk disclosure.
- iv. To provide a detailed analysis of the best practices in risk reporting processes within multinational insurance enterprises to ensure that these are effective and that they are fit for purpose in aiding decision-making.
- v. Based on the analyses undertaken in steps (iii) and (iv), to provide recommendations and public policy implications for enhancing the scope, relevance and user reliability of risk reporting for shareholders and regulatory bodies and for internal managerial purposes.

## 8.1 FINANCIAL CALENDAR TO THE STAKEHOLDERS

Green Delta Insurance 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	2014	2013
Publication of Financial Statement for the 1st Quarter	08.05.2014	12.05.2013
Publication of Financial Statement for the 2nd Quarter	24.07.2014	31.07.2013
Publication of Financial Statement for the 3rd Quarter	29.10.2014	28.10.2013
Record Date	17.02.2014	27.02.2013
Dispatch of Notice for the Annual General Meeting along with Annual Report	23.02.2014	5.03.2013
Date of AGM	15-03-2014	28.03.2013

## 8.2 SHAREHOLDERS AS DIVIDEND AND DIVIDEND POLICY

### Shareholders as Dividend

Green Delta has been declaring good amount of dividend since its inception. As a continuation to declaring dividend GDIC has declared 10% Bonus and 15% Cash dividend to its shareholders for the year 2014. However, the dividend declared status of GDIC over the last 5 years is presented below:

Year	% of Stock Dividend	% of Cash Divided
2014 (proposed)	10%	15%
2013	15%	15%
2012	15%	15%
2011	25%	
2010		40%

### 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.

## 8.3 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 10% Stock Dividend and 15% Cash Dividend for its shareholders for the year 2013. The announcement will be approved at the 29th Annual General Meeting of the company held on 24th March, 2015 at Spectra Convention Center Ltd., Dhaka.

28<sup>th</sup> 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.





## 8.4 COMPARATIVE SHAREHOLDING STRUCTURE OF GREEN DELTA INSURANCE COMPANY LTD.

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:

as on 31st December' 2014, 2013, 2012 and 2011

Types of Shareholders	2014		2013		2012		2011	
	No of shares	% of Shares	No of shares	% of Shares	No of shares	% of Shares	No of shares	% of Shares
Sponsor Shareholders	37,031,557	50.48	32,215,815	50.50	28,061,793	54.99	2,01,34,380	49.32
Institution other than Sponsors	20,421,238	27.84	15,501,151	24.31	10,566,834	20.71	42,49,880	10.41
Individuals	15,902,830	21.68	16,070,534	25.19	12,401,373	24.30	164,39,740	41.27
Total share held	73,355,625	100	63,787,500	100	5,10,30,000	100.00	4,08,24,000	100.00

## 8.5 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	2014	2013	2012	2011	2010
Number of shares in issue (No)	95,681,250	12,757,500	7,654,500	1,020,600	-
NAVPS (BDT)	66.17	69.33	75.61	49.19	75.88
Market Capitalization (BDT in mn)	5,435.60	6,053.43	3,801.73	5,470.42	1,3329
Shareholders' equity (BDT in million)	4,852.92	4,422.42	3,858.35	2,510.33	3,103.56

## 8.6 DISTRIBUTION OF SHAREHOLDINGS

Green Delta Insurance Company Ltd. has started its journey with paid up capital of Tk. 3.00 lac in 1986. In the year 2004, GDIC declared Right Shares 2:1 for the first time and later on GDIC declared remarkable stock dividend to its shareholders from the year 2004 to 2011. In the year, 2008, GDIC also declared 100% Stock Dividend to its stakeholders. After increasing its paid up capital by way of Stock Dividend, Right Issue the total paid up capital at present stood at BDT 733,556,250.00 among various categories of stakeholders. A general scenario of holdings of shares of GDIC in the form of % is stated below:

(as on 31.12.2014)

Types	% of holdings
Sponsor	50.48
Government	0.00
Institution	19.59
Foreign Company	8.25
Public	21.68
<b>TOTAL</b>	<b>100.00</b>

### Useful Information for the Shareholders

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	15% Bonus	9,568,125	95,681,250
2014(Proposed)	10% Bonus	73,355,63	73,355,630

## 8.7 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 & Internal Audit Co-ordinator.

SN	NAME	STATUS	NO OF SHARES HELD AS ON 31.12.2014	% OF TOTAL NO OF PAID UP SHARES AS ON 31.12.2014
01	Farzana Chowdhury	Managing Director and CEO	3,667,782	5.00
02	Nazim Tazik Chowdhury	Deputy Managing Director and Chief Financial Officer	40,028	0.05
03	Syed Moinuddin Ahmed	Company Secretary	Nil	Nil
04	Md. Jahangir Islam	Internal Audit Co-ordinator	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 31.12.2014	% OF TOTAL NO OF PAID UP SHARES AS ON 31.12.2014
01	Nasir A. Choudhury	Advisor	25,63,218	3.49
01	A.S.A Muiz	Consultant	27,858	0.04

### 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 31.12.2014	% of total no. of paid-up shares as on 31.12.2014
1	Khurshida Chowdhury	Director	3,866,643	5.27
2	Asif A. Choudhury	Director	1,484,715	2.02
3	Dilruba Chowdhury	Director	1,508,475	2.06
4	Shamsun Nahar Begum Choudhury	Director	1,484,836	2.02
5	Mesbah Dilwar Rahman	Director	1,484,769	2.02
6	A.Q.M. Nurul Absar	Director	1,484,737	2.02
7	Iqbal Khan (Jamal)	Director	1,484,836	2.02
8	Kamran Idris Chowdhury	Director	363,984	0.50
9	Arif A. Choudhury	Director	1,484,716	2.02
10	Razia Rahman	Director	43,806	0.06
11	Marufa Anwar	Director	2,743	0.00
12	Dr. Niaz A. Chowdhury	Director	264	0.00
13	Abdul Hafiz Chowdhury	Independent Director	140,449	0.19
14	Nurul Huain Khan	Independent Director	-	0.00
15	Md. Abdul Karim	Independent Director	-	0.00
16	M Muhibur Rahman	Sponsor Shareholder & Husband of Razia Rahman	562,524	0.77
17	Farida R. Ahmed	Sponsor Shareholder	290,123	0.40
18	Dr Kabir Hussain Choudhury	Sponsor Shareholder & Husband of Marufa Rahman	709,684	0.97

Sl. No	Name of sponsors/ promoters and directors	Status and relation with the Directors	No of shares held as on	% of total no. of paid-up shares as on
19	Dr.M.Aminul Haque	Sponsor Shareholder	314,423	0.43
20	Md Mozammel Huq	Sponsor Shareholder	446,541	0.61
21	A.Z. Mohammad Hossain	Sponsor Shareholder	874,271	1.19
22	Shamsuddoha Chowdhury	Sponsor Shareholder	562,392	0.77
23	Mohammad Abdus Salam	Sponsor Shareholder	452,315	0.62
24	Syed Bazlur Rahman	Sponsor Shareholder	1,000,255	1.36
25	Nasir A. Choudhury	Sponsor Shareholder & Husband of Khurshida Chowdhury	2,563,218	3.49
26	Waqar A Choudhury	Sponsor Shareholder & Son of Khurshida Chowdhury	1,224,832	1.67
27	Farzana Chowdhury	Sponsor Shareholder & Daughter of Khurshida Chowdhury	3,667,782	5.00
28	Azam J Chowdhury	Sponsor Shareholder & Father of Dilruba Chowdhury	562,392	0.77
29	Naima Chowdhury	Sponsor Shareholder & Unty of Dilruba Chowdhury	1,349,875	1.84
30	Tajwar Chowdhury	Sponsor Shareholder & Brother of Dilruba Chowdhury	159,092	0.22
31	Tanjil Chowdhury	Sponsor Shareholder & Brother of Dilruba Chowdhury	406,171	0.55
32	Tanzeem Chowdhury	Sponsor Shareholder & Brother of Dilruba Chowdhury	10,695	0.01
33	Fahim Ahmed Faruk Chowdhury	Sponsor Shareholder & Son of Shmasun Nahar Begum Chowdhury	701,056	0.96
34	Fahima Faruk Chowdhury	Sponsor Shareholder & daughter of Shmasun Nahar Begum Chowdhury	148,011	0.20
35	Habibur Rahman	Sponsor Shareholder & Father of Mesabah Dilwar Rahman	202,408	0.28
36	Fahmida R Naser	Sponsor Shareholder	740,367	1.01
37	Tahmina R. Chowdhury	Sponsor Shareholder	740,367	1.01
38	Md. Rafial Alam	Sponsor Shareholder & Brother in Law of A Q M Nurul Absar	224,957	0.31
39	A.Farjad Ahmed	Sponsor Shareholder	54,406	0.07
40	Mr. Nadeem A. Chaudhury	Sponsor Shareholder	497,392	0.68
41	Al-Haj Syed Moazzem Hussain	Sponsor Shareholder	1,356,223	1.85
42	Syed Mujibul Hussain	Sponsor Shareholder	1,362,505	1.86
43	Dr.Syed Mukarram Ali	Sponsor Shareholder	899,829	1.23
44	Monowara Ali	Sponsor Shareholder	112,478	0.15
	<b>TOTAL</b>		<b>37,031,557</b>	<b>50.48</b>

## 8.8 REDRESSED OF INVESTORS COMPLAINTS

GDIC is strongly committed to equitable treatment of every shareholder, whether they are major or minority shareholders, institutional investors, or foreign shareholders. To ensure equal treatment of all shareholders, the company created various mechanisms, such as:

Shareholders who are unable to attend the shareholders' meeting, the company provides proxy forms which allow shareholders to specify their vote on each agenda. The proxy forms, which are in accordance with the standard format, are sent along with the annual report.

The shareholders' meetings proceed according to the order of the agenda, without adding new and uninformed agenda, in order to give the opportunity to shareholders to study the information on the given agenda before making a decision. Moreover, there are no changes to the important information in the shareholders' meeting.

The company sees the importance of the consideration of transactions which may have conflict of interest or may be connected or related transactions, and abides by good corporate governance principles, including the rules and regulations of the Bangladesh Securities and Exchange Commission and the Dhaka Stock Exchange and the Chittagong Stock Exchange transactions,

directors, management and those who are related persons do not participate in the consideration to approve such transactions.

The company provides a channel for minority shareholders to propose issues deemed important and appropriate to include in the agenda of the company's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of director.

The company continues to have regular communication with the shareholders through periodic updates of performance and at any other time when it believes it to be in the best interest of shareholders generally.

### Investors' Inquiries

Any queries relating to shareholdings for example transfer of shares, changes of name and address, and payment of dividend should be sent to the following address:

### Share Department

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

## 8.9 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 with any complaints they may have and the top management is completely accessible to all of 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. Client's 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 contact the following address regarding in any Complaints:

### Underwriting Management Department

Head of Underwriting Management Department  
Green Delta Insurance Co. Ltd.  
Green Delta AIMS Tower(6<sup>th</sup> floor)  
51-52, Mohakhali C/A, Dhaka

## 8.10 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 2013. Gross premium was 261,09,67,695 million and in the year 2014 Gross premium was 265,00,00,000 million. So, total Gross premium increased 390,32,305 million and Growth was 1%.

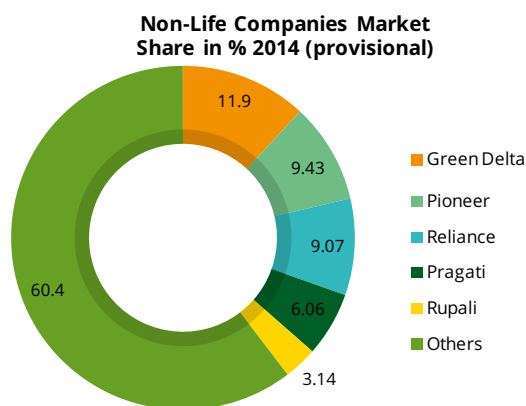
### Market Share Information:

#### Non-Life Companies Market Share in % 2013 and 2014 (provisional)

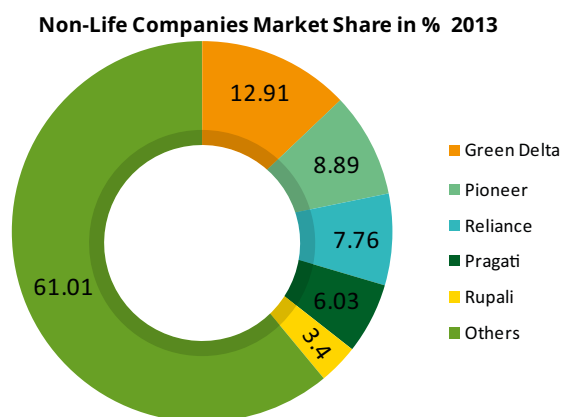
Company	Percentage (%) Year-2014	Percentage (%) Year-2013
Green Delta Insurance Co. Ltd.	11.90	12.91
Pioneer	9.43	8.89
Reliance	9.07	7.76
Pragati	6.06	6.03
Rupali	3.14	3.40
Others	60.40	61.01

#### Private Sector Non-Life Insurance Companies: (Gross premium)

Particulars	Year-2012	Premium Growth (Million TK.)	Premium Growth %	Year-2013	Premium Growth (Million TK.)	Premium Growth %	Year-2014	Premium Growth (Million TK.)	Premium Growth %
Gross Premium	19,456,70	2,182,58	12,63	21,037,53	1,580,83	8,12	22,272,00	1,23447	5,87
Net Premium	11,128,22	9,868,46	17,36	11,813,53	685,31	6,16	-	-	-
Gross Claims	4,320,69	3,428,28	9,96	5,407,82	1,087,13	25,16	-	-	-
Net Claims	2,068,84	2,744,31	14,82	2,466,91	398,07	19,24	-	-	-
Underwriting Profit	3,060,19	2,323,42	53,03	3,109,96	130,77	4,27	-	-	-
Investment	25,513,56	20,660,89	16,18	29,119,19	3,605,63	14,13	-	-	-
Total Assets	48,347,02	39,655,87	14,95	54,874,90	6,527,88	13,50	-	-	-



Source: BIA



Source: BIA

## 9.1 DIRECTORS REPORT TO THE SHAREHOLDERS

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 30 years as in January 2015, Green Delta Insurance Company marked its 29th 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 2014, together with the Auditor's Report thereon for kind consideration and approval of our fellow shareholders. The Board of Directors approved these on 17th February 2015.

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 along with the details of the business performance, operations and achievements of Green Delta Insurance Company Ltd. for the year 2014.

### (I) INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

Despite widespread political demonstrations ahead of national elections in January 2014, GDP growth in FY2014 (ended 30 June 2014) is estimated at 6.1%, half a percentage point higher than projected in ADO 2014. The strong performance came from higher public investment and strong exports. For FY2015, growth is now projected at 6.4%, slightly higher than forecasted earlier, as a revival in worker remittances is expected to bolster private consumption, while private sector investment will pick up on greater political stability. Moreover, the government will continue its efforts to step up project implementation.

### Selected Economic indicators, Bangladesh (%)

	2014		2015	
	ADO 2014	Update	ADO 2014	Update
GDP Growth	5.6	6.1	6.2	6.4
Inflation	7.5	7.4	6.5	6.5
Current acct. bal. (share of GDP)	-0.5	1.0	-1.5	1.5

Source: ADB estimates

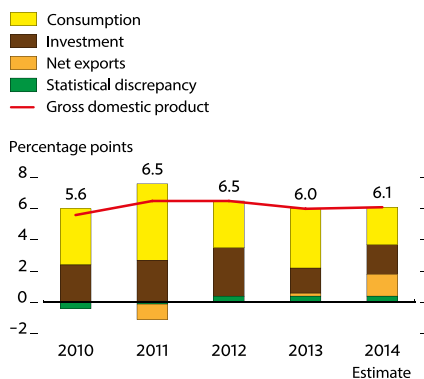
Food prices were high for much of FY2014 because political unrest disrupted supply, pushing inflation up by 60 basis points to an average of 7.4% for the year, or nearly the ADO 2014 forecast. This Update retains the April projection, shared by the central bank, of 6.5% for average inflation in FY2015. Price pressures are expected to soften with easing supply constraints, a better crop outlook, supportive monetary policy, and large public stocks of food grain. Lower international food and oil prices will contribute. Strong expansion in exports outweighed a more moderate rise in imports to narrow the trade deficit in FY2014. Workers' remittances declined slightly but were sufficient to offset the trade deficit and push the current account to a surplus equal to 1.0% of GDP, not the 0.5% deficit that had been projected. While a larger trade deficit is projected for FY2015, remittances are expected to grow by 7.0%, continuing the revival of inflows seen in the second half of the FY2014. With higher remittances, the current account is now projected to post a surplus equal to 1.5% of GDP, rather than the 1.5% deficit projected earlier.

## Bangladesh:

As economic reform took hold, and despite political disruption prior to national elections, growth and exports beat projections. Inflation was slightly below forecast, and the current account posted another surplus in place of the expected deficit. For next year, this Update edges up the growth projection, now expects a current account surplus, and retains the inflation forecast. A higher growth trajectory needs stronger revenues, more infrastructure and human resource spending, spurred private investment, and a solution to the power deficit.

### Updated assessment:

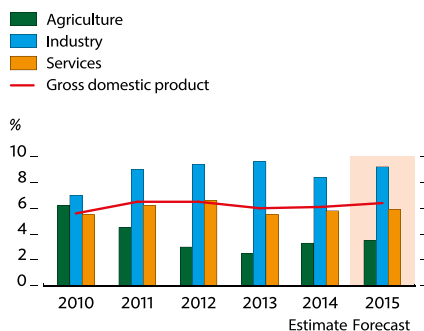
#### 3.2.1 Demand-side contributions to growth



Note: Years are fiscal years ending on 30 June of that year.  
Source: Bangladesh Bureau of Statistics. 2014. National Accounts Statistics June.

[Click here for figure data](#)

#### 3.2.2 GDP growth by sector



Note: Years are fiscal years ending on 30 June of that year.  
Sources: Bangladesh Bureau of Statistics. 2014. National Accounts Statistics June; ADB estimates.

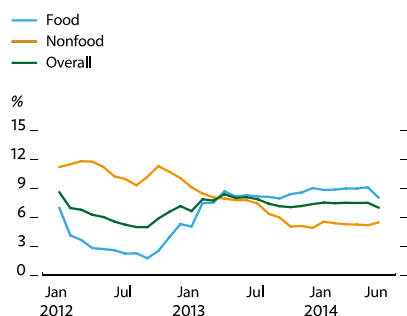
[Click here for figure data](#)

GDP growth in FY2014 (ended 30 June 2014) is provisionally estimated by the authorities at 6.1% (Figure 3.2.1), which is higher than the projection of 5.6% in Asian Development Outlook 2014 (ADO 2014), released in April this year. The outcome is also a touch higher than the 6.0% expansion in FY2013. Growth in investment contributed, as stronger public investment rose to 7.3% of GDP in FY2014 from 6.6% a year ago, offsetting a decline in private investment to 21.4% from 21.8%. Net exports markedly bolstered GDP growth, as expansion in export volume was stronger than that of imports. Consumption grew only moderately on weaker worker remittances. Private investment is held down by infrastructure and skills deficits, and by a continued weak investment climate. The World Economic Forum's Global Competitiveness Report 2014–2015 ranked Bangladesh infrastructure at 127 out of 144 countries surveyed. Its ranking was 125 for higher education and training, and 131 for institutions. Although power generation capacity has expanded in recent years in part through small private providers, power shortages intensified as growing demand outpaced supply. In the World Bank's Doing Business 2014, Bangladesh ranked last among 189 countries on electricity delivery. Political unrest ahead of the January 2014 national elections further dampened investor confidence. Public investment remains below budgeted targets because of weak implementation capacity in line agencies. Despite advantages of location and abundant low-cost labor, foreign direct investment remains low.

On the supply side, agriculture grew briskly by 3.3% in FY2014, up from 2.5% in the previous year (Figure 3.2.2). Helped by good weather and continued government support, crops, horticulture, forestry, and fishing all performed better. Services growth edged up to 5.8%, mainly on increased exports. Supply disruptions and weaker domestic demand caused by political unrest slowed industry growth to 8.4% in FY2014 from 9.6% a year earlier. Manufacturing growth slowed to 8.7% from 10.3%, reflecting weaker domestic goods production even as garment production strengthened. Expansion in electricity output also slowed to 8.2% from 9.7%. However, the pace of construction picked up to 8.6% from 8.0%, reflecting higher government development spending. Year-on-year inflation slowed from 8.1% in June 2013 to 7.0% in October on a decline in food prices as rice supplies rose following a good boro (winter) harvest (Figure 3.2.3). Thereafter until May 2014, inflation hovered close to 7.5% year on year as food prices were elevated by supply disruptions during political unrest before the elections in January 2014, and even for several months later as traders tried to recoup losses. Nonfood inflation

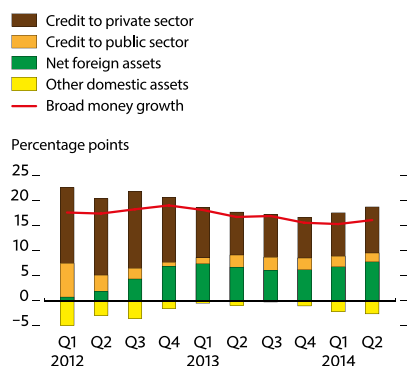


### 3.2.3 Monthly inflation



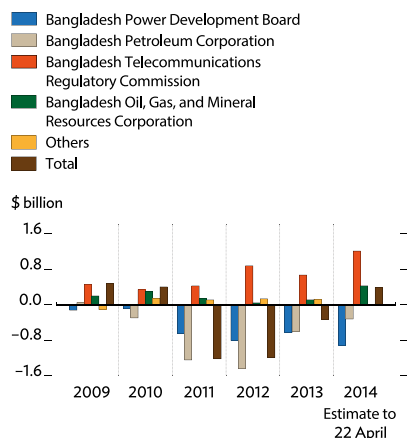
Source: Bangladesh Bank. 2014. Monthly Economic Trends, July. <http://www.bangladesh-bank.org>  
[Click here for figure data](#)

### 3.2.4 Contributions to broad money growth



Sources: Bangladesh Bank. 2014. Monthly Economic Trends, August. <http://www.bangladesh-bank.org>; ADB estimates.  
[Click here for figure data](#)

### 3.2.5 Profits and losses at state-owned enterprises



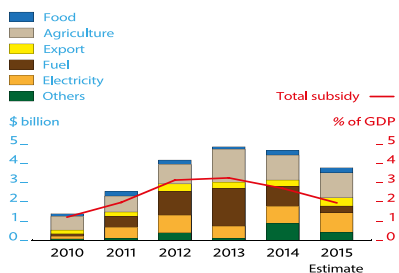
Note: Years are fiscal years ending on 30 June of that year.  
 Source: Ministry of Finance. Bangladesh Economic Review 2014.  
[Click here for figure data](#)

declined, reflecting consumer demand weakened by the fall in remittances and political uncertainty. Annual inflation averaged 7.4% in FY2014, up from 6.8% a year earlier. However, inflation in June 2014 at 7.0% year on year was a percentage point lower than a year earlier because food prices dropped markedly that month. The money supply grew by 16.1% in June 2014, decelerating from 16.7% in June 2013 and lower than the FY2014 monetary program target of 17.0% (Figure 3.2.4). Private credit growth slowed to 12.3% in June 2014, compared with the FY2014 program target of acceleration to 16.5%, as low credit demand reflected political uncertainty and subdued private investment. Another factor was tighter loan approval procedures aimed at improving credit quality. Corporations are allowed to augment domestic bank credit with limited borrowing from foreign sources, and counting this foreign borrowing raises private credit growth to 15.7% in FY2014 from 12.9% a year earlier. Growth in net credit to the government declined to 6.7% in June 2014 from 20.1% in June 2013 as the government is limiting bank financing of the budget under its medium-term economic reform program. Reflecting progress in this effort, both private and official capital inflows have increased in the past 2 years, and net foreign assets have become a larger factor in monetary expansion.

In the face of inflationary pressures, the central bank kept its main policy (repo) rate unchanged at 7.25% during FY2014. The call money rate declined from 7.2% in June 2013 to 6.2% in June 2014, as liquidity pressures in the banking system eased on a strong balance of payments and a consequent build up of foreign exchange reserves. Treasury bill rates also declined because of higher demand from banks as private sector lending slowed. Banks' average lending rate eased to 13.1% in June 2014 from 13.6% a year earlier. The deposit rate fell by a greater margin, thus widening the interest rate spread to 5.3 percentage points in June 2014 from 5.2 in June 2013. Budget revenues grew by 10.4% in FY2014, falling below the target of 19.9%. Growth in taxes on imports was weak at 2.8%, as imports of consumer goods were modest and the larger share of imports were items subject to low duties such as industrial raw materials, capital goods, and food grains. Domestic indirect tax receipts grew by 11.8%, while income tax receipts rose by 15.6%. As a share of GDP, revenues strengthened to 11.6% in FY2014 from 10.7% in the previous year, while total spending stood at 16.0%, limiting the budget deficit to 4.4% of GDP. Domestic sources financed close to 70% of the deficit, and foreign sources the balance.

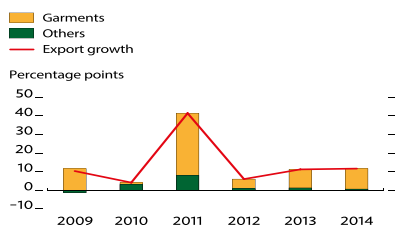
The 48 non financial state-owned enterprises earned a net profit of \$388.9 million in FY2014 to 22 April 2014, reversing a \$328.5 million loss in FY2013 (Figure 3.2.5). The turnaround reflected large profits of \$1.2 billion earned by the Bangladesh Telecommunications Regulatory Commission (from fees collected on the newly launched third generation mobile broadband service and second-generation license renewal fees) and \$425.3 million earned by the Bangladesh Oil, Gas, and Mineral Resources Corporation (from expanded gas and condensate production and production-sharing contracts that have largely completed cost recovery). Bangladesh Petroleum Corporation almost halved its loss to \$320.4 million from \$604.6 million a year earlier, but this was offset as the Bangladesh Power Development Board loss expanded to \$912.6 million from \$628.8 million in the previous year. These two losses together equal \$1.2 billion, or

### 3.2.6 Government subsidies



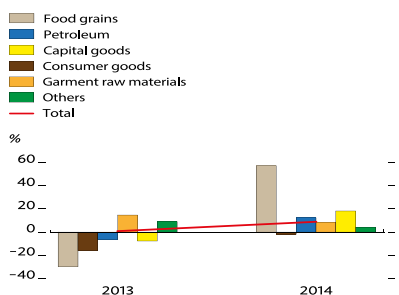
Note: Years are fiscal years ending on 30 June of that year.  
Sources: Ministry of Finance, Medium Term Macroeconomic Policy Statement from 2014–15 to 2016–17; ADB estimates.  
[Click here for figure data](#)

### 3.2.7 Contributions to export growth



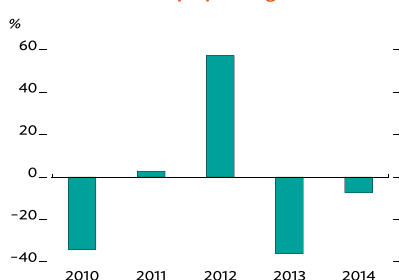
Note: Years are fiscal years ending on 30 June of that year.  
High export growth in 2011 largely reflects an increase in cotton prices by more than 40%.  
Sources: Export Promotion Bureau; ADB estimates.  
[Click here for figure data](#)

### 3.2.8 Growth in imports and components



Note: Years are fiscal years ending on 30 June of that year.  
Source: Bangladesh Bank. <http://www.bangladesh-bank.org>  
[Click here for figure data](#)

### 3.2.9 Overseas employment growth



Note: Years are fiscal years ending on 30 June of that year.  
Source: Bangladesh Bank. 2014. Monthly Economic Trends. July. <http://www.bangladesh-bank.org>  
[Click here for figure data](#)

0.7% of GDP in FY2014. The government is trying to cut such losses and reduce subsidies, which have been rising in recent years. Subsidy-related spending declined marginally in FY2014 to \$4.1 billion (2.4% of GDP) from \$4.2 billion (2.8% of GDP) a year earlier (Figure 3.2.6). The government succeeded in trimming the fuel subsidy, which includes retiring some earlier loans, to \$0.9 billion (0.5% of GDP) from \$1.7 billion (1.1% of GDP) in the previous year. Despite periodic upward adjustments to electricity tariffs, power subsidies rose to \$0.8 billion (0.5% of GDP) from \$0.6 billion (0.4% of GDP) in FY2013, as costly rental power plants using diesel and furnace oil expanded operations. Agriculture subsidies on fertilizer, diesel, and farm electricity declined in FY2014 to \$1.2 billion (0.7% of GDP) from \$1.5 billion (1.0% of GDP) a year earlier. Despite this decline, agriculture remained the largest recipient of subsidy spending in FY2014.

Exports grew by 12.0% in FY2014, up from 10.7% in FY2013 (Figure 3.2.7). After notching up 21.2% in the first quarter, export growth slowed to 16.6% in the first half and further to 12.9% in the first 3 quarters. Despite some disruption to domestic supply chains from political unrest, garment exports—accounting for about four-fifths of total export earnings—grew by 13.8% in FY2014, outpacing 12.7% expansion in FY2013 and reflecting continued strong demand mainly from the European Union. Other exports grew by 3.1%, maintaining the relatively slow pace of the previous 2 years. Imports grew by 8.9% in FY2014, a sharp rise from 0.8% growth in the previous year (Figure 3.2.8). All import categories recovered from low levels in the previous year, with food grains, raw materials for the garment industry, and other imports (mainly other intermediates) recording strong advances. Remittances fell to \$14.2 billion, a 1.6% decline from FY2013 and the first decline since FY2001. One factor was the large drop in overseas job placements, especially to the Middle East, and another was higher transaction costs caused by prolonged political unrest. Remittances declined by 8.5% in the first half of FY2014 but rose by 5.6% in the second half. The number of overseas jobs for Bangladeshi workers declined by 7.3% in FY2014, yet greatly improved on the 36.2% plunge in FY2013 (Figure 3.2.9). Remittances from Saudi Arabia fell by 18.6%, the United Arab Emirates by 5.1%, Kuwait by 6.7%, and the United Kingdom by 9.1%. Remittances from the US rose by 24.9% and from Malaysia by 6.7%.

The trade deficit narrowed marginally to \$6.8 billion in FY2014 from \$7.0 billion a year earlier, as exports grew more strongly than imports. Despite a lower trade deficit, the reduction in remittances and a higher services deficit narrowed the current account surplus to \$1.5 billion (0.9% of GDP) from the \$2.4 billion surplus (1.6% of GDP) in FY2013. Despite the lower current account, larger capital and financial inflows pushed the overall balance of payments up to a surplus of \$5.5 billion in FY2014 from \$5.1 billion in FY2013. The central bank's gross foreign exchange reserves rose sharply to \$21.5 billion at the end of June 2014 (coverage for 5.9 months of imports) from \$15.3 billion a year earlier (Figure 3.2.10). The Bangladesh taka held steady against the dollar in FY2014, appreciating marginally by 0.2%. Because domestic inflation outpaced that of trading partners, the real effective exchange rate rose by 5.6%, indicating some loss in export competitiveness (Figure 3.2.11).

### 3.2.1 Selected economic indicators (%)

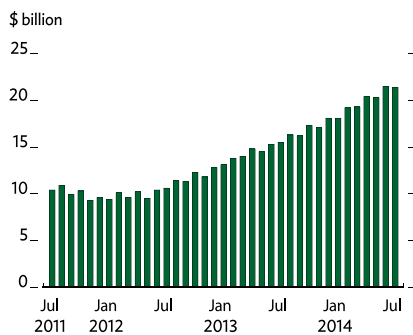
	2014		2015	
	ADO 2014	Update	ADO 2014	Update
GDP growth	5.6	6.1	6.2	6.4
Inflation	7.5	7.4	6.5	6.5
Current acct. bal. (share of GDP)	-0.5	1.0	-1.5	1.5

Source:ADB estimates.

### Future Prospects:

Forecasts for FY2015 are based on several assumptions: The central bank will maintain its cautious monetary policy stance with a view to containing inflation. The government will raise fuel and electricity prices to cut subsidies and keep current spending within the budget target to safeguard spending on infrastructure and human resource development. It will also attain targeted budget revenue and foreign financing and strengthen project implementation. Finally, political stability will be maintained, and weather will be favourable. GDP growth in FY2015 is now projected at 6.4%, slightly higher than the ADO 2014 forecast, as exports and remittances are expected to perform better than projected earlier. Moreover, the government is seen stepping up project implementation, and private investment will likely pick up on post election political stability. Industry growth is expected to improve to 9.2% on higher exports and stronger domestic demand supported by a rise in remittances. The central bank's priority in channeling more credit to small and medium-sized enterprises and to agro-industries should contribute to higher production. Agricultural growth should edge up to 3.5% with continued policy support, as should services output to 5.9% with higher growth in industry and agriculture, a pickup in external trade, and a rise in domestic demand. Ongoing reform aims to lay the foundation for growth that is stronger, inclusive, and environmentally sustainable. To attract foreign and domestic investors, create jobs, and spur growth, the government plans to set up five economic zones capable of providing one-stop service. The introduction of alternative dispute resolution for income tax, value-added tax, and customs duties should reduce the administrative burden and cost of paying taxes. Efforts under way to automate the administration of the judicial system will shorten delays in enforcing contracts, and similar efforts for the processing of exports and imports will speed trade across borders. These measures are expected to improve the business environment.

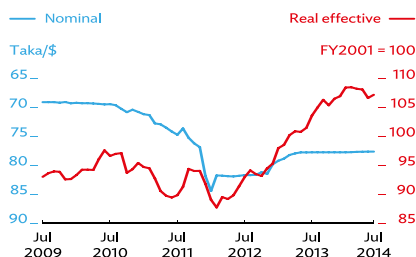
### 3.2.10 Foreign exchange reserves



Source:Bangladesh Bank. 2014. Major Economic Indicators, Monthly Update July. <http://www.bangladesh-bank.org>

[Click here for figure data](#)

### 3.2.11 Exchange rates

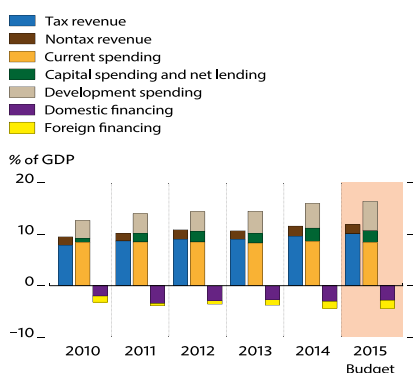


Source:Bangladesh Bank. 2014. Economic Trends July. <http://www.bangladesh-bank.org>

[Click here for figure data](#)

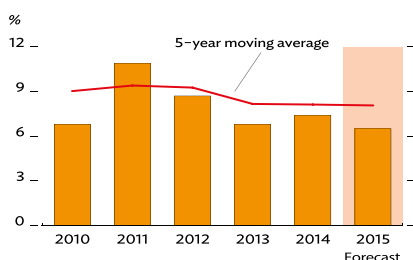
Fiscal reform seeks to encourage voluntary compliance by simplifying and automating the tax payment system and by curbing the discretionary power of tax officials. Progress has been made in implementing the Value Added Tax and Supplementary Duty Act, 2012. In view of the new law's target implementation date of 1 July 2015, a set of draft regulations has been formulated. A taxpayer education program will be launched, and online registration is expected to commence on 1 January 2015. A computerized tax network system will be set up nationwide. To make customs administration more efficient, the Asycuda World clearance system of the Automated System for Customs Data has been introduced at all major customs houses, promising within a year a paperless customs management system operating throughout the country. The FY2015 budget targets 19.3% growth in tax revenue, to lift the tax-to-GDP ratio by 0.5 percentage points to 10.1% (Figure 3.2.12). The budget aims to boost tax revenue largely through ongoing administrative reform. Fully attaining this large growth in tax collection, which is higher than growth in nominal GDP, may be a challenge unless discretionary tax measures are adopted. Public expenditure, both current and under the Annual Development Program, is budgeted to grow by 15.9%, with current spending rising by 14.3% and the program projected to expand by about one-third. Fully implementing such a substantial increase could be difficult, however, in view of continuing limits on staff capacity. The budget deficit target is

### 3.2.12 Fiscal indicators



Note: Years are fiscal years ending on 30 June of that year.  
Source: Asian Development Outlook Database.  
[Click here for figure data](#)

### 3.2.13 Annual inflation



Note: Years are fiscal years ending on 30 June of that year.  
Sources: Bangladesh Bank, 2014, Monthly Economic Trends, July. <http://www.bangladesh-bank.org>; ADB estimates.  
[Click here for figure data](#)

set at 4.4% of GDP, the same as in FY2014, with 64% of deficit financing from domestic sources and balance foreign. While domestic borrowing is assumed to rise modestly by 5.6%, a steeper rise of 30.7% in net foreign borrowing is planned. In its monetary policy statement for the first half of FY2015, issued in late July, the central bank said it would continue to use a ceiling on net domestic assets as the main operating target toward attaining monetary policy objectives. A 15.5% increase in bank credit to the private sector envisaged in the monetary program is expected to accommodate anticipated demand for investment and trade finance. To help contain inflation, the central bank kept its main policy rate unchanged at 7.25%. However, in June 2014 it raised the cash reserve requirement by 50 basis points to absorb part of the excess bank liquidity stemming from the increase in foreign exchange reserves in previous months. The central bank is continuing to improve the performance of state-owned commercial banks by monitoring performance as set out in memorandums of understanding with each bank board. This Update retains the ADO 2014 projection of 6.5% for average inflation in FY2015, the same rate as in the central bank's Monetary Policy Statement (Figure 3.2.13). Price pressures are expected to soften with easing supply constraints, a better crop outlook, a supportive monetary policy, and a large public stock of food grains. Lower food prices on the international market and stable oil prices will contribute. Import growth is projected to be higher in FY2015, at 15.0%, with expected economic improvement and rising investment after the elections. Petroleum imports will rise to fuel the additional small

Source: ADB estimates

## (II) CLASS WISE PERFORMANCE

### PREMIUM

It is our pleasure to report that in 2014 Green Delta Insurance Company Ltd. experienced another record year of growth in premium earnings. Gross premium income increased by BDT. 67.92 million Compared to that of previous year registering a growth of 2.53%. 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
2014	2681.37

### Classes of Business & Charges

In the year 2014 Gross premium income in Fire business decreased by 10.21% from BDT 1286.10 million in

2013 to BDT 1166.95 million in 2014, marine business increased by 25.35 % from BDT 711.49 million in 2013 to BDT 953.09 million in 2014, motor business increased by 4.76 % from BDT 168.15 million in 2013 to BDT 176.56 million in 2014 and miscellaneous business decreased by 15.71 % which is presented below:

Class	Gross premium (Taka in Million)	
	Year-2014	Year-2013
	GDP Growth	6.2
Inflation	6.5	6.5
Current acct. bal. (share of GDP)	-1.5	1.5

Out of total premium earned, if the specific contributions by each classes of business are looked at, it is found major contribution is made by the Marine insurance, followed by Motor and Fire business whereas Miscellaneous had a drop in earnings.

Segregation of Net Premium (Taka in Million)

Mill. BDT	2014			2013			2012		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Fire	294.41	24	(47.88)	564.9	42.9	42.4	396.7	32.7	5.8
Marine	714	58	35.11	528.6	40.1	-13.2	608.8	50.2	90.9
Motor	106.62	9	(30.66)	153.8	11.7	18.1	130.2	10.7	12.9
Misc.	107.07	9	53.46	69.8	5.3	-9.1	76.8	6.3	44.7
Total	1222.27	100	7.19	1317.1	100.0	38.2	1212.5	100	40.7

In the year 2014, the segregation of Net Premium in fire decreased by 47.88 % from BDT 564.9 million in 2013 to BDT 294.41 million in 2014, marine increased by 35.11% from BDT 528.6 million in 2013 to BDT 714 million in 2014, motor decreased by 30.56% from BDT 153.8 million in 2013 to BDT 106.62 million in 2014 and Misc. increased by 53.46 % from BDT 69.8 million in 2013 to BDT 107.07 million in 2014.

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
2014	346.61

In 2014 the net claims dropped by 7.49% from 2013. However, the net claims stand at BDT 346.61 million in 2014 while BDT 372.60 was in 2013.

Segregation of Net Claim (Taka in Million)

Mill. BDT	2014			2013			2012		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Fire	179.68	51.84	(13.07)	206.70	55.5	(12.8)	128.5	63.6	348.8
Marine	46.09	13.30	(52.39)	96.80	26.0	62.3	32.3	16	(43.20)
Motor	32.71	9.44	(34.19)	49.70	13.3	(15.6)	31.8	15.8	14.5
Misc.	88.13	25.43	351.95	19.50	5.2	13.7	9.3	4.6	1.7
Total	346.61	100.00	(7.00)	372.70	100.00	47.7	201.96	100	65

In the year 2014, the segregation of Net Premium in fire decreased by 13.07 % from BDT 206.70 million in 2013 to BDT 179.68 million in 2014, marine decreased by 52.39 % from BDT 96.80 million in 2013 to BDT 46.09 million in 2014, motor decreased by 34.19 % from BDT 49.70 million in 2013 to BDT 32.71 million in 2014 and Misc. increased by 351.95 % from BDT 19.50 million in 2013 to BDT 88.13 million in 2014.

## ROA of GDIC vs. Industry

Moreover, during the year 2013 and 2014, 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 space in Dhaka city
- Investment in Financial advisory firm
- Investment in Mutual fund

## Capital Adequacy

Paid up capital of the Company reached BDT 806.91 million at the end of 2014. The shareholders equity stands at BDT 4,852.92 million as at 31st December 2014.

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
2014	4852.92

## Solvency Margin

During 2014, GDIC's solvency margin remained above the required level. GDIC's required solvency was BDT 331.15 million whereas the Company's available solvency was BDT 3560.37 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 the required solvency in 2014.

	2014	2013	2012	2011	2010
Available Solvency (AS)	3560.37	3265.33	2756.0	1383.3	2663.3
Required Solvency (RS)	331.15	334.09	343.3	290.7	248.6
AS/RS (times)	10.75	9.77	8.0	4.8	10.7

## 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 marine class of business in 2014, whereas motor class of business dropped in the previous year of 2013. In 2014, risk retention of the Company decreased by 4.81% to 45.58% from 50.39% in 2013.

Risk Retention of GDIC

%	2014	2013	2012	2011	2010
Fire	25.23	43.92	36.89	36.85	33.5
Marine	78.01	74.03	78.21	60.9	67.3
Motor	37.19	91.45	85.34	89.33	91.6
Misc.	27.85	15.67	12.87	7.93	12.7
Total	45.58	50.39	46.58	36.86	38.5

## Reserve Adequacy

Year	Reserve Adequacy
2008	1624.98
2009	2094.79
2010	2695.33
2011	2102.09
2012	3173.84
2013	3294.49
2014	3684.88

## (III) RISK AND CONCERN

Risk is an exposure to transaction that may result in a loss with some probability. Risk result from variations and fluctuations in assets, liabilities, incomes and outflow & Inflows of cash etc. while the types and degree of risks an organization may be exposed to, depend upon a number of factors.

Getting risk management right is an essential component of business success of GDIC. The identification, evaluation and management of risk, together with the way we respond to changes in the external operating environment, are key to our success and underpin the robustness of our business plans and strategic objectives, protect our license to operate and our reputation and help create long-term competitive advantage.

## (iv) DISCUSSION ON PROFIT AND PROFITABILITY

### Profitability

Revenue source of GDIC were underwriting profit and investments other income.

### Underwriting profit

Due to political unrest the underwriting profit has increased in the year 2014 about 16.12% in Fire and 5.2% in motor insurance as compared to year-2013 while marine and miscellaneous business has decreased about 1.2% and 20.83% respectively. On the other hand the underwriting performance/ quality has increased BDT 53.19 (fire), BDT 10.03 (marine), BDT 17.11 (motor) while the performance has decreased BDT 62.51 (miscellaneous).

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 re-evaluated annually upon renewal.

Class	Underwriting profit	
	2014 (%)	2013 (%)
Fire	37.86	21.74%
Marine	75.06	76.26%
Motor	11.91	6.71%
Miscellaneous	(24.83)	(4.67)%

Underwriting Performance/Quality (Taka in Million)

	2014	2013	2012	2011	2010	2019
Loss Ratio (%)	28.36	28.29	16.66	14.2	15.3	18.5
Fire	115.84	62.65	32.40	7.64	12.8	9.5
Marine	229.68	219.65	5.30	17.81	8.3	18.6
Motor	36.43	19.32	24.45	24.12	45.9	48.2
Misc.	(75.97)	-13.46	12.16	17.29	11.8	25.2
Combined Ratio (%)	123.32	102.82	92.29	118.5	119.2	104.6

Investment Profile:

(Taka in Million)

Mill. BDT	2014			2013			2012		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
NIB	25	0.71	-	25.0	0.76	124.00	405	0.2	0.0
Fixed Deposit	1105.37	31.61	(0.07)	1106.16	33.49	35.27	878.2	30.5	62.0
Quoted Shares	1729.61	49.46	16.40	1485.86	44.98	27.19	1515.9	52.7	-13.0
Un-Quoted Shares	206.50	5.91	(8.74)	226.28	6.85	46.14	139.0	4.8	60.5
Debentures	-	-	(100)	4.34	0.13	20.70	5.2	0.2	-25.7
Mutual Fund	-	-	-	-	-	-	-	-	-
Investment in Subsidiaries	354.99	10.15	1.43	349.98	10.60	49.00	200.0	7.0	-
Investment in GDSL as margin Loan	75.00	2.14	(28.57)	105.0	3.18	27.38	107.5	3.7	-6.5
Others	0.52	.01	-	0.52	.02	(0.42)	26.7	0.9	276.1
Total	3,496.99	100	5.87	3303.14	100	32.03	2877.0	100.0	-1.0

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

Mill. BDT	2014		2013		2012	
	Amount	Total (%)	Amount	Total (%)	Amount	Total (%)
Interest Income	124.34	56	130.81	64	89.5	66.1
Dividend	52.11	24	59.75	29	25.5	18.8
Profit from Sale of Shares	10.55	5	3.12	2	1.3	1.0
Other Income	33.74	15	10.37	5	19.2	14.2
Total	220.74	100	204.06	100	135.5	100.0

**(V) 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 closed down in 2014. As a result Green Delta Insurance had to take a hit of BDT 19.67 million loss in their book.

**(VI) 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.

**(VII) UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES AND/OR THROUGH ANY OTHER INSTRUMENTS**

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 107- 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.

**(VIII) 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.

**(IX) VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS**

The year 2014 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 2014. 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 in CHAPTER:6".

**(X) REMUNERATION OF THE DIRECTORS**

The details of the Directors including Independent Directors remuneration has been disclosed in the segment "Financial Performance -4.8In CHAPTER: 4 '.

**(XI) THE FINANCIAL STATEMENTS PREPARED BY THE MANAGEMENT OF THE ISSUER COMPANY PRESENT FAIRLY ITS STATE OF AFFAIRS, THE RESULT OF ITS OPERATIONS, CASH FLOS AND CHANGES IN EQUITY**

The Directors also confirmed 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.



## **(XII) PROPER BOOKS OF ACCOUNTS OF THE ISSUER COMPANY HAVE BEEN MAINTAINED**

The Companies Act requires every company to ensure that adequate accounting records are kept, sufficient to show and explain its transactions. Moreover, they must be such as to disclose with reasonable accuracy at any time, the financial position of the company and also enable a balance sheet and profit and loss account to be prepared so as to give a true and fair view of the company's financial position and the profit and loss.

### **According to section 181, the books of accounts must in particular contain:**

- a) all sums of money received and expended by the company and matters in respect of which the receipts and expenditures take place.
- b) all sales and purchases of goods by the company.
- c) the assets and liabilities of the company.
- d) in the case of a company engaged in production, distribution, marketing, transportation, processing, milling, manufacturing, extraction and mining activities; such complete particulars relating to utilization of material, labor and those items of overhead cost as may be necessary to identify their nature. )

The receipts and payments are the primary daily affairs of the company. They must be properly accounted for. A company dealing in goods has to keep statements of stock held at periodic ends with valuation thereof together with the details of such goods sold and purchased. At the end of the accounting year the total assets, debts and liabilities should be arrayed in such a way that would depict a perfect picture of the state of affairs of the company.

The noteworthy new provisions in this section (i.e. sec. 181) are the one at sub-section (2) which says it will not be deemed that proper books have been maintained if a true and fair view of the state of affairs and adequate explanation of transactions are not given. The other one is more caustic which provides at sub-section (5) that all books of account and vouchers of last 12 years are to be well preserved.

## **(XIII) 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.

## **(XIV) DISCLOSURE ON IAS/BAS/IFRS/BFRS**

The Directors 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.

## **(XV) 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".

## **(XVI) 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.

### **(XVII) 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 "Financial Performance- 4.1 Financial Highlights" for your ready reference.

### **(XVIII) 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 "Financial Performance- 4.1 Financial Highlights"

### **(XIX) 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 25% dividend (@15% cash and @ 10% Stock) to the shareholders of the company for the year ended 2014.

### **(XX) 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 in chapter: 06 Compliance report to BSEC (annexure)."

### **(XXI) SHAREHOLDING PATTERN**

Details have been provided in the segment "Information about Corporate Governance – 6.10 Compliance report to BSEC (annexure)."

### **Subsidiary Operations:**

Green Delta Insurance Company Ltd. has four (04) wholly owned subsidiaries name Green Delta Securities Ltd, Green Delta Capital Ltd, Professional Advancement Bangladesh Limited and GD Assist 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 AAA (Pronounced Triple A) rating in the long term and ST-1 in the short term by the Credit rating Agency of Bangladesh Limited in the first ever history in Insurance Industry.

## 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.

## (XX) THE NUMBER OF BOARD MEETING HLED DURING THE YEAR AND ATTENDANCE BY EACH DIRECTORS:

The Board of Directors of Green Delta Insurance Company Limited is composed of 15 Directors including 3 Independent Directors, Attendance of the Directors in the Board Meetings is depicted on Section 6.10As; the Corporate Governance Guidelines of BSEC dated 07 August 2012.

## (XXI) THE PATTERN OF SHAREHOLDING SHALL BE REPORTED TO DISCLOSE THE AGGREGATE NUMBER OF

SHARES (along with name wise details where stated below):

Details is annexed with this report in Chapter: Shareholders corner under section:8.6

## (XXII) APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

A brief resume of the directors, nature of his/her expertise in specific functional areas and name of the companies in which the person also holds the directorship and the membership of committees of the board.

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] eligible for re-election and re-elected under the age Election of Directors in place of those who shall retire rotation in accordance with the provision of the, Association of the Company.

In view of the above and pursuing to the regulation # 80 of the Company's Act. 1994, considering the longest tenure at the Board of GDIC, the following names have been proposed who shall retire from the Board of Directors at the 29th Annual General Meeting and are eligible to offer themselves for re-election:

Sl. No.	Sponsor Directors	Sl. No.	Public Directors
1	A.Q.M Nurul Absar	1	Razia Rahman
2	Arif A. Choudhury		
3	Asif A. Choudhury		

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 Md. Abdul Karimas company's Independent Director. Now at the 29th Annual General Meeting under the agenda "Election of Director", our following independent Directors shall also retire and is eligible to offer himself for re-election:

1. Md. Abdul Karim - Independent Director

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

#### **Auditors:**

M/s S F Ahmed & Co. Chartered Accountants was selected and appointed as the external auditor for the year ended 31.12.2014. They will re-appoint in the 29th Annual General Meeting. Being eligible under section 212 of the company's Act 1994 as the Auditors have expressed their willingness to continue their office for the 31st December 2015. The Auditors have completed their second 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 2015 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 honourable 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 ail 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.

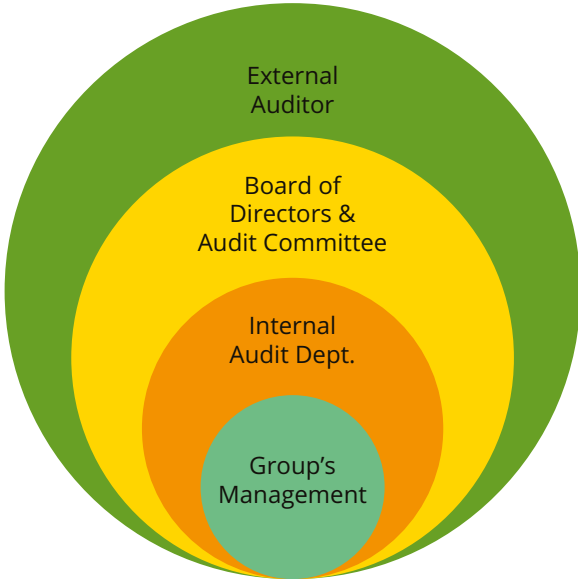
On behalf of the Board



**A Q M Nurul Absar**  
Chairman

# 9.2 REPORT ON INTERNAL AUDIT AND AUDIT COMMITTEE

## Report on Internal Audit



### Assurance at Green Delta Insurance Company Limited

External Auditors are responsible for auditing the Group's financial statements and for auditing Green Delta's compliance with specific regulatory requirements. The Audit Committee regularly meets with the External Auditors.

**Board of Director & Audit Committee:** The Board is ultimately responsible for the supervision of the assurance activities. Audit Committee receives regular updates from the External Auditors and Internal Auditors throughout the year. The Audit Committee approves the annual Audit Plan, reviews reports from the function on its activities and significant risk, control and governance issues, at least every quarter.

Internal Audit Department provides management with information, appraisals, recommendations and counsel regarding the activities examined and other significant issues. Independence is essential to the effectiveness of the internal audit function.

Group Management owns processes, controls and technical reviews related to assurance activities. This includes and is supported by assurance work provided by the management's review functions (e.g., underwriting, actuarial, claims) and the legal and finance functions.

### Role of Internal Audit

Internal Audit Department supports management in its responsibilities and provides confidence that risks are appropriately taken care of and that adequate mitigation actions are implemented. Internal Auditing is an activity; and it is either an Assurance Activity or a Consulting Activity designed to add value to the operations of the organization. It is supposed to manage risk (risk defined) in the organization through risk identification, risk evaluation, control and develop response to the risk.

Consistent with its mission, the Internal Audit Department provides management with information, appraisals, recommendations, and counsel regarding the activities examined and other significant issues.

The department executes an approved audit plan and performs the following tasks in accordance with its overall strategy:

- Verify the existence of assets and recommend proper safeguards for their protection;
- Evaluate the adequacy of the system of internal controls;
- Recommend improvements in controls;
- Assess compliance with policies and procedures and sound business practices;
- Assess compliance with applicable laws and regulations;
- Review operations/programs to ascertain whether results are consistent with established objectives and whether the operations/programs are being carried out as planned;
- Investigate reported occurrences of fraud, embezzlement, theft, waste, etc.

### Internal Audit at Green Delta

Internal Audit Department of Green Delta works as a safety net for the company. We define an internal auditor as a partner, a consultant and a team member. The Internal Audit Team of Green Delta is following every step of operation and working as a shadow of management with the view point that there is no simple checklist showing everything internal auditors can do to add value, because, at times, techniques for adding value are as unique and personalized as the organization for which it works.

## Scope

The scope of work of GDIC's internal auditing activity is to determine whether the organization's framework of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Risk and control information is effectively communicated throughout the organization.
- Significant financial, managerial and operating information is accurate, reliable, and timely.
- Employee actions are in compliance with policies, standards, procedures and applicable laws and regulations.
- Resources are acquired economically, used efficiently and adequately protected.
- Programs, plans and objectives are monitored and achieved in line with the organization's mission.
- Quality and continuous improvement are fostered in the organization's control process.
- Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.
- Information technology controls including systems security controls are in place and are functioning effectively.
- Specific operations, processes and programs are reviewed at the request of management or the Audit Committee.

During the performance of audit work, recommendations for improvement in risk management, control, compliance and governance processes may be identified. This information will be communicated to the appropriate level of management, audit committee and the Board of Director's.

### Activities of Internal Audit Team during-Year 2014

Internal audit team has performed a comprehensive audit in 34(thirty four) nos. of branches out of 37(thirty seven) as per annual audit plan-2014 and consequently report submitted to audit committee and top management.

As a part of annual audit plan the internal audit team

audited head office based departments and subsidiaries as per following and report submitted accordingly.

1. Human Resource Department
2. Finance & Accounts Department
3. Claims Department
4. Underwriting Management Department
5. Green Delta Capital Limited and;
6. Green Delta Securities Limited.

The audit team has conducted special audit in various branches & departments regarding functional and operational activities as per standing instruction of the management on the following issues;

- Special claims audit.
- Market assessment for procurement of stationeries.
- Compliance audit of insurance premium.
- Compliance audit of refund premium.
- Compliance audit of co-insurance premium payment.
- Compliance audit of issuing of policies
- Compliance audit of House Building Loan policy.
- Compliance audit of Use of Pool Cars, Requisitions and Practice.
- IDRA's compliance & regulation policies.
- Furthermore, the audit team performs the following duties on a day-to-day basis;
- Regularly checked and verified all prepayment vouchers
- Monthly post payment vouchers checked and verified
- Monthly petty cash audit and;
- Monthly branches premium reconciliation statement checked verified and report.

### 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	Chairman
02.	Dr. Niaz A Choudhury	Member
03.	Marufa Anwar	Member
04.	Razia Rahman	Member
05.	Arif A Choudhury	Member
06.	Iqbal Khan (Jamal)	Member
07.	Mesbah Dilwar Rahman	Member
08	Nasir A. Choudhury	Advisor
09	Farzana Chowdhury	Managing Director and CEO as Ex-Officio

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

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

Name of the Meeting	Meeting held	Date of Meeting	Attendance
Audit Committee Meeting	04(four)	05.02.2014	86.11% Attendance on average
		06.05.2014	
		22.07.2014	
		26.10.2014	

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

### Activities of the Audit Committee

- The Audit Committee reviews the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended on 31st December 2014;
- The Audit Committee while reviewing the financial statements ensured that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to insurance business;
- The Audit Committee also reviewed the quarterly and half yearly audited statements of accounts for their proper presentation and accuracy;
- The Audit Committee discussed with the statutory

auditors before the audit commences, about the nature and scope of audit as well as had post-audit discussions to address areas of concern;

- Approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;
- Reviewed the Internal Auditors reports and suggested appropriate actions where needed. Internal Auditors were also advised to carryout audit of all the branches in each year. Branch audit reports are required to ensure their effectiveness and suggest appropriate information where required;
- Reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation.

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



**Abdul Hafiz Choudhury**  
Chairman, Audit Committee

## 9.3 REPORT ON CREDIT RATING

Green Delta Insurance Company Ltd. has achieved 'AAA' ratings for the first time ever in Insurance (life & Non life) industry in Bangladesh.

### Credit Rating Agency of Bangladesh Limited



Ref: AGL (01)/RCM/140931/2014- 4157

28 October 2014

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 Report - 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 Limited:

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

The entity rating is valid up to 30 June 2015. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated. We are transmitting you the copies of rating report.

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

Yours Sincerely,

Hamidul Huq  
Managing Director

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



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

Ref: CM-BAPLC/2014-034

24<sup>th</sup> February 2014

### 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 31<sup>st</sup> December 2014.

A handwritten signature in black ink, appearing to read 'K. M. Abdul Hai', is written over a faint, large watermark of the BAPLC logo.

K. M. Abdul Hai

Secretary-General



## 9.5 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 analyses 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 wings 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

- Controlling business procurement through Insurance Management System(IMS) software
- 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
- Quick accessing the underwriting documents through IMS for departmental integration with UW dept. like Co-Insurance, Commission, Re-Insurance and Accounts department
- We are using Human Resource Management Software from Cinch Technologies, UK
- We are using Accounting Management Software name Sage AccPac

**On-line Branches:** Including Head Office and Local Office 19 (Nineteen) 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 online 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.
- Have a plan to implement paperless system.
- Have a plan to implement Document Archiving , Payroll, Fixed Asset & Inventory Management

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 the branch offices in greater Dhaka, Chittagong, Khulna and Sylhet 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 .

## 9.6 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 entities 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, 2014.

Considering the major indicators, the management of GDIC have reached to a conclusion that the Financial Statements for the year-2014 is prepared based on going concern assumption.

### Lifetime Achievement Award to Nasir A Choudhury by AIIA

Mr. Nasir A Choudhury, Advisor and Founder Managing Director of Green Delta Insurance, has a glorious career of more than 5 decades in the insurance sector. His charismatic leadership quality and business skills has earned many prestigious awards and recognitions not just for himself and Green Delta Insurance but also



for the whole insurance industry of Bangladesh. He is considered as an icon for the industry both locally and internationally.

The idol scholar in insurance sector won the prestigious Lifetime Achievement Award on 18th Asia Insurance Industry Awards (AIIA) last year. The ceremony was hosted by Asia Insurance review in Singapore. This is the first time any Bangladeshi Insurance Professional received this award. This lifetime achievement award by AIIA has added another feather in the icon's crown of achievements. Mr. Choudhury expressed his enchantment on this recognition and wished this award brightens the face of insurance sector in Bangladesh.

AIIA has become a much sought after mark of excellence and peer group endorsement for insurance players and professionals in the market. A total of 33 distinguished judges, drawn from a cross section of industry leaders, regulators and experts, presided over the selection process.

### Green Delta receives ICMAB Award

Green Delta Insurance has an outstanding performance, strong corporate governance. It is now recognized both locally and internationally. Last year, Green Delta Insurance Company Limited won ICMAB Best Corporate Award 2013 in second position in the non life/general

insurance category. The festive program was organized by The Institute of Cost and Management Accountants of Bangladesh (ICMAB) at the capital. That year a total of 38 leading corporates of the country received awards in different categories. Honorable Minister for Finance Abul Maal Abdul Muhith MP was the Chief Guest of the program. He distributed the awards among the recipients.

Managing Director and CEO of Green Delta Insurance



Company Limited Ms. Farzana Chowdhury received the award. Leaders of business community, members of ICMAB and different professional bodies, bureaucrats and elites of the city attended this program. ICMAB President Mr. Mohammed Salim FCMA, Chairman, ICMAB Best Corporate Award Selection and Branding Committee Mr. Muzaffar Ahmed FCMA and ICMAB Secretary, Mr. Jamal Ahmed Choudhury FCMA were also on the dais.

Green Delta Insurance has an outstanding performance, strong corporate governance. It is now recognized both locally and internationally. Last year, Green Delta Insurance Company Limited won ICMAB Best Corporate Award 2013 in second position in the non life/general insurance category. The festive program was organized by The Institute of Cost and Management Accountants of Bangladesh (ICMAB) at the capital. That year a total of 38 leading corporates of the country received awards in different categories. Honorable Minister for Finance Abul Maal Abdul Muhith MP was the Chief Guest of the program. He distributed the awards among the recipients.

Managing Director and CEO of Green Delta Insurance Company Limited Ms. Farzana Chowdhury received the award. Leaders of business community, members of ICMAB and different professional bodies, bureaucrats and elites of the city attended this program. ICMAB

President Mr. Mohammed Salim FCMA, Chairman, ICMAB Best Corporate Award Selection and Branding Committee Mr. Muzaffar Ahmed FCMA and ICMAB Secretary, Mr. Jamal Ahmed Choudhury FCMA were also on the dais.

### **BMCCI Honors Mr. Nasir A. Choudhury with excellence award**

There are many people in the world, but the few are distinguished and cherished. Of them, Mr. Nasir A. Choudhury is a man of well reputation in the insurance sector. Last year, Mr. Nasir, Adviser of Green Delta Insurance Company Limited was awarded with BMCCI Excellence Awards 2013 in the category of 'Best Performance in the Financial Sector (Insurance)'. The prestigious award has accorded by Bangladesh Malaysia Chamber of Commerce and Industry (BMCCI). In 2014, three business leaders were awarded for significant contribution in their respective fields.

Special guest of the event was Malaysian High Commissioner in Dhaka H.E Norlin binti Othman and Managing Director & CEO of Robi Axiata Limited Mr. Supun Weersasinghe was the guest of honor. Congratulating the winners, the guests addressed their achievements and encouraged the entrepreneurs of Bangladesh to follow the acts of these successful people. Beside Mr. Nasir, the other recipients of the awards were Mr. Slahuddin Kasem Khan, Managing Director of A.K. Khan & Co. Ltd and Mr. Abdul Matlub Ahmad, Chairman of Nitol Niloy Group. The award ceremony was attended by members and former presidents of BMCCI, Foreign dignitaries from different embassies and foreign organizations, top management of various financial institutes and dignitaries from Government and non government sectors of Bangladesh.



### **Lions Club Award**

Ms. Farzana Chowdhury is a prominent insurance personality of the country. She is the first and youngest female Managing Director and CEO of Bangladesh from any Banking and Insurance Institutes. Last year, Ms. Farzana received Lions Club Award in recognition of distinguished achievements in fulfilling the mission of Lions Club International.

The award giving ceremony was held at 'women's Symposium' in the capital. Chief guest of the ceremony, Ln. Sheikh Kabir Hossain MJF, Hon'ble Past International Director of Lions Club International handed her the award. Ms. Farzana Chowdhury was the Keynote Speaker of the symposium. She pointed out on the importance of women development in national and international show ground. She expressed her delight on receiving the award and wished to continue her initiatives to patronize women empowerment and leadership in Bangladesh.



### **Green Delta Insurance receives IFM award**

International Finance Magazine (IFM) is an online resource that helps readers understand the forces that drive the market better. It is the audience for financial community worldwide and includes top decision makers and influencers in the financial industry. The magazine integrates deep domain knowledge with sharp analysis which covers Banking, Islamic Finance Asset Management, Wealth Management, Hedge Funds, Pension Funds and Emerging Markets.

Green Delta Insurance, the leading and only AAA rated non life insurance company from Bangladesh has completed its 29th year in the insurance industry. Last year, the company had won an award from IFM as Best Non Life Insurance Company, Bangladesh. The research team of IFM found Green Delta to be a strong contender for this award and the judging panel decided to announce Green Delta as the Winner in the non life insurance category after analysing their excellent track record.



Green Delta Insurance is the first non life insurance company from Bangladesh to receive this award. The prestigious IFM award has marked another milestone

for Green Delta. Managing Director and CEO of Green Delta Ms. Farzana Chowdhury, received the award on behalf of the company.

### **Green Delta Insurance awarded 1<sup>st</sup> Prize in the 14<sup>th</sup> ICAB National Award in the Insurance Category**

Green Delta Insurance is the only AAA rated insurance company in Bangladesh. It is now well reputed and significantly recognized in the world of insurance sector. Every year, the company presents its best annual reports in the insurance category for a long time. For this reputation, Green Delta Company Limited won the 1st prize of The 14th ICAB National Award in the Insurance category. The prestigious award was given by Institute of Chartered Accountants of Bangladesh for the best presented annual report of 2013.

The 14th ICAB National Award giving ceremony was held at the capital, Dhaka. Honorable Finance Minister of People's Republic of Bangladesh Mr. A M A Muhith, MP was present at the ceremony. Many top tier executives from Banks, Insurance Companies, NGOs and other financial institutes and corporate bodies were attended



the ceremony as well. 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 receives First Prize in Insurance sector from South Asian Federation of Accountants (SAFA)**

Green Delta Insurance, the leading and only AAA rated non life insurance company from Bangladesh has completed its 29th year in the insurance industry. International insurance researchers say, the company presents its best annual report and corporate

governance disclosures. As a recognition of the characteristics, Green Delta Insurance Company limited won the first prize under insurance sector from South Asian Federation of Accountants (SAFA) Last year.

Mr. Wafi S M Khan, Senior Executive Director of Green Delta Insurance and CEO of Green Delta Securities received the prestigious award on behalf of the company. The ceremony was held at Bhubaneswar, India. Green Delta Insurance was the only company from Bangladesh to receive a first prize in the award ceremony. Green Delta was a strong contender for this award and the judging panel decided to announce Green Delta as the Winner after analysing the company's excellent track record.



## 9.8 EVENTS AND HIGHLIGHTS OF GDIC

### Green Delta Initiative to strengthen its corporate Governance practice



Corporate governance is now a pressing issue which ushers in to restore public confidence in companies and markets. These days, it is not enough for a company to merely be profitable; it also needs to demonstrate good corporate citizenship. In contemporary business corporations, the main external stakeholder groups are shareholders, debt holders, trade creditors, suppliers, customers and communities affected by the corporation's activities. Internal stakeholders are the board of directors, executives, and other employees. Much of the contemporary interest in corporate governance is concerned with mitigation of the conflicts of interests among stakeholders. An important theme of governance is the nature and extent of corporate accountability.

But under developed countries like Bangladesh are not in this fair practice in a modest manner. Here Green Delta Insurance Company took the step. The company took initiative to strengthen its corporate governance practices by arranging training for the Board and Management Committee members in association with International Finance Corporation (IFC). Green Delta arranged a workshop in 2014 at the capital of Bangladesh, Dhaka. The company signed an agreement with IFC. Under this agreement, IFC will conduct workshops for the Board of Directors and Senior Management of Green Delta Insurance Company Limited.





This was the first time in Bangladesh such an initiative was being taken by both GDIC and IFC. Managing Director and CEO of Green Delta Insurance Company Limited Ms. Farzana Chowdhury and Country Manager for IFC Bangladesh, Nepal and Bhutan, Mr. Kyle F. Kelhofer signed the agreement on behalf of the respective companies. Advisor of Green Delta Insurance Mr. Nasir A. Choudhury and other high officials from both the organizations were present at the occasion.

### **Sad and Untimely demise of Mr. Mursalin A. Chowdhury**



Human being is mortal. But it's not straightforward to lose loved ones. It's heartbroken, sad and demise. Mr. Mursalin A. Chowdhury, our beloved colleague breathed his last on 20th February, 2014 suffering from a heart attack. The Green Delta family is heartbroken at this irreplaceable loss. Our deepest condolences to the bereaved family and may his soul rest in eternal peace.

Mursalin Ahmed Chowdhury was born in 1st December of 1962. He was the Senior Executive Director of Green Delta Insurance Company Limited. 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 was 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 was a member of panel of lecturers of Bangladesh Insurance Academy (BIA) and Bangladesh Insurance Association providing

training to the insurance professionals working in Non-Life insurance companies in Bangladesh.

His death shook the Green Delta Family as the death was very untimely and he was maintaining a very healthy lifestyle. After his death GDIC arranged a small internal event where all his family members were present. All the employees shared their memories with Mr. Mursalin on the program. Also an audio visual was made remembering his days in GDIC. A memory book was created where all the employees wrote their comments.

### **IFIC Bank and Green Delta Insurance signs agreement**

Mobile banking is a necessity now a day. Green Delta Insurance signed an agreement with IFIC Bank mobile banking service last year. From now on, Green Delta agents can get their salary and commission as well as collection of premiums using IFIC mobile banking service.

The signing ceremony was held at IFIC Bank's head office last year. Mr. Sarwar Shah, Managing Director of IFIC Bank and Ms. Farzana Chowdhury, Managing Director of Green Delta Insurance Company signed the agreement and exchanged related documents.



Matiul Hasan, Deputy Managing Director (Business) of IFIC Bank, Mr. S. M. Abdul Hamid, Deputy Managing Director and CFO, Mr. M . M. Haikel Hashmi, Deputy Managing Director and Chief Risk Officer, Mr. Mohammad Monirul Islam, Head of Mobile Banking, Ms. Tasnuva Tarek, Mobile Banking Division head, Mr. Syed Moinuddin Ahmed, Deputy Managing Director and Company Secretary of Green Delta Insurance, Oasif S.M. Khan, CEO of Green Delta Securities Limited were seen at the ceremony.



### Green Delta Insurance Holds its 28<sup>th</sup> AGM

Green Delta Insurance is showing its splendid and outstanding performance in the insurance sector. The appreciation is coming forward as per expectation. Last year, the company declared 15% stock dividend and 15% cash dividend for its shareholders for the year ended December 31, 2013. The announcement was made at the 28th Annual General Meeting of the company. Sponsors, directors and a large number of shareholders attended the meeting. It 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.

The Managing Director and CEO of Green Delta Insurance,

Ms. Farzana Chowdhury also addressed at the AGM to the shareholders. Ms. Chowdhury 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, strong corporate governance, declaration of attractive stock and cash dividend and publishing an informative Annual Report (2013) of the company.

### Green Delta Insurance Holds 28<sup>th</sup> Annual Business Conference

Green Delta Company is the leading non-life insurer in Bangladesh for decades. At the capital, 28th Annual Business Conference of the company was held last



year. Chairman of the company and the chief guest, A. Q. M. Nurul Absar delivered the inaugural speech of the conference. Managing Director and CEO of Green Delta Insurance, Farzana Chowdhury declared the target for the year 2014. Advisor of the company Mr. Nasir A Chowdhury also gave his insights regarding the business status of the company. Senior Additional Managing Director, Farid A. Choudhuri; and Consultant, A. S. A. Muiz; were also present in the dais. All the Management Committee members, Zonal Heads, Branch Managers, along with other senior officials participated in the conference. The conference ended with a colorful Borshoboron Program which included Baishakhi Fair, Cultural show followed by dinner for all the employees.



### Green Delta Borshoboron 1421

Green Delta Insurance always honors and celebrates the diversity of the culture of Bangladesh. Pahela Baishakh is one of them of our glorious culture. Last year, Green Delta Insurance celebrated Pahela Baishakh 1421 with a grand borshoboron program on 13<sup>th</sup> April at Gulshan Shooting Complex. The program was attended by all the employees of Green Delta from all over the country.

Renowned artists performed in the program. There was also a carnival in the program where employees took up stalls to sell and display pahela baishakh items like sarees, kamiz, Punjabi, food items, ornaments, toys etc. Among other attractions- monkey dance, fortune telling parrot, balloon shooting were prominent. The

management handed over special prizes to the branch managers and zonal heads who reached their business targets. The program ended with a raffle draw where the 1<sup>st</sup> prize was return ticket of Dhaka-Bangkok-Dhaka.

### Nibedita- Every Woman's Partner

National poet of Bangladesh Kazi Nazrul Islam mentioned, the half achievement of the world came with the hands of women. The United Nation conveys message that, empowering women to participate fully in economic life across all sectors is essential to build stronger economies, achieve internationally agreed goals for development and sustainability and improve the quality of life for women, men, families and communities. In efforts to move on gender



equality and empower women, the private sector is a key associate. Research signifying that gender diversity helps businesses perform better signals that self-interest and common interest can come together. Now a day, it appears as a doctrine that it is must to establish high-level corporate leadership for gender equality and promote equality through community initiatives and advocacy as well.

Bangladesh had begun to ensure these needs long ago. But, as a matter of fact, the achievements are not adequate till now. Keeping the needs of the society, Green Delta Insurance Company Limited launched Nibedita- the first Insurance product for the women in Bangladesh. Nibedita is a comprehensive insurance scheme catering to the needs of urban and rural women of our country. This product comes with a wide range of coverage for accidental death, bodily injury due to accident, death during child birth etc. It also has extended coverage and trauma allowance for acid victims, rape, robbery etc. Managing Director and CEO of Green Delta Insurance Ms. Farzana Chowdhury tells elaborately on this product. "Green Delta Insurance Company Ltd. has created a platform for growth, corporate governance, youth leadership and specially women empowerment. 52% of our population is women today and when it comes to human rights, women are always the ones that get neglected and their rights are frequently violated. Nibedita has been launched keeping the needs of the females of our nation in mind."

Nibedita was launched in 2013 on pilot basis. Now it has hit the market officially. Successful female entrepreneur and eminent media personality Ms. Shomi Kaiser is the first woman who avail this product. Green Delta honoured her with an award for being the encouraging woman.

**Nibedita is every woman's partner. If one comes forward to avail the product, some questions will be asked.**

1. Have you any physical or other defect or weakness of any kind to the best of your knowledge and belief?
2. What injuries, diseases or illness do you have?
3. Has any Company or Insurer in respect of life injury, disease or illness insurance declined or repaired special terms to insure you?
4. Do you wish to insure against accident resulting from (These risks can only be insured by special agreement):

- (a) Polo
- (b) Hunting
- (c) Mountaineering
- (d) Motor Cycling (as driver or passenger)
- (e) Racing of any kind other than on foot

5. Approximately how many journeys as a passenger of a scheduled airline will you make yearly?
6. Have you any other life or Personal Accident Insurance?

Nibedita's objectives is to providing affordable comprehensive insurance. Only females can get coverage from this product. It ensures the best available insurance facilities and best insurance service in urban and rural areas. The woman who wants to self dependent, Nibedita is the right product for her.

**How this policy's scope of cover?**

It's now not a difficulty to know. Nibedita covers accidental death, bodily injury due to accident causing permanent or partial disability. One can die or be a disabled person due to insect, snakes or animal bites. Death or bodily injury may happen due to flood, earthquake, landslide, cyclone and other natural calamities. One family might be devastated due to riot and strike, civil commotion. A child birth or caesarean operation at the time of child birth could bring the fatalities. Nibedita will give the full coverage in these kinds of helplessness. Besides these, Nibedita offers some extended coverage. Due to fire/ lightning, riots, storm, typhoon, flood, cyclone and earthquake, one's household goods/personal effects could be damaged. The insurance product will be there. Trauma allowance in case of rape, road bully, robbery, acid victim is also a part of Nibedita.

**key information of the insurance Product**

Nibedita product is affordable for all women. The net premium starts from 580/- per person (including VAT). Maximum cover of up to worth BDT 10, 00, 000 (Ten Lakh Taka). Nibedita assures hassle free claim management. As well as, Nibedita has some major exclusions. Nibedita will not cover pre existing disability. Death, injury or disablement arising from or trussing from or traceable to whilst under the influence of intoxication, liquor and drugs are not convincing also. Death or injury caused by convulsions of nature, suicide, intentional self injury, insanity War, invasion, foreign army, hostilities, civil war, Rebellion, revolution, insurrection, mutiny, lockout, military or usurped power will not be covered. Nibedita

will not consider A group of malicious persons acting on behalf of or in connection with any organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority, Nuclear reaction, nuclear radiation or radioactive contamination.

## Workshop on Anti Money Laundering

Money laundering is a act of criminal offence in all over the world. We don't have another choice to strengthen our system and conscience to fight the criminalities. To raise awareness on Anti Money Laundering, Professional Advancement Bangladesh Limited (PABL) organized a day long workshop for Green Delta Insurance Company



Limited at the capital last year. This is the first time such an initiative had been taken in the non life insurance sector of our country.

Mr. Nasir A. Choudhury, Advisor of Green Delta Insurance Company Limited was the chief guest of the workshop while Mr. Md. Quddus Khan, Member and Acting Chairman of the Insurance Development and Regulatory authority was the guest of honor. Ms. Farzana Chowdhury, Managing Director and CEO of Green Delta Insurance Company Limited, who is also the Director of PABL was the day chair. The workshop was attended by Management Committee members, Branch Anti Money Laundering Compliance Officers (BAMLCO) and Underwriters from Green Delta Insurance Company Limited. Senior officials from BFIU, Bangladesh Bank and IDRA gave presentations on the related topic.

## Green Delta meets Bangladesh Bank Governor

Green Delta Insurance Company Limited has an excellent record in insurance sector. But, the achievements were not come without the support and

blessing of the conscientious persons of our country. Last year, the leading general insurance company of Bangladesh called a meeting with The Governor of Bangladesh Bank Mr. Atiur Rahman. In the meeting, Managing Director and CEO of Green Delta Insurance Ms. Farzana Chowdhury and Mr. Atiur discussed their ongoing and upcoming products and projects.

Ms. Farzana highlighted their products namely Nibedita- Comprehensive Insurance Scheme for women, Niramoy-Micro health insurance for the rural people, Corporate Health Insurance, personal accident insurance for migrant workers and Crop insurance. She stressed on the shortcomings of our insurance industry and how they can be overcome with the support of Bangladesh Bank. Mr. Atiur Rahman gave assurance to stretch their supportive hand toward the development of this sector.

The meeting was also attended by Syed Moinuddin Ahmed, Deputy Managing Director and Company Secretary of Green Delta Insurance, Mr. T H Forhad, Senior Executive Director of Green Delta Insurance, Mr. Shubasish Barua, Deputy Senior Vice President of Green Delta Insurance, Mr. Azizur Rahman, General Manager, Human Resource Department of Bangladesh Bank and other high officials from Bangladesh Bank.

## AAA Rating

An insurance company's credit rating assesses the ability of the insurers concerned to honor policy-holder claims and obligations on time. Last year, Green Delta Insurance Company Ltd. had been awarded the highest level of rating accreditation that is AAA by the credit rating company CRAB. Green Delta is the only insurance company known to be awarded by this highest level of rating in the country. AAA means - Insurance Companies rated 'AAA' have extremely strong financial security characteristics. 'AAA' is the highest Insurer Financial Strength Rating assigned by CRAB.

Green Delta thinks, this achievement has been possible because of the visionary guidelines from the Board of Directors as well as outstanding planning and executions by the Advisor Managing Director and CEO and the entire Management. The company signifies dedicated hard work of each members of the GD family including subsidiaries Green Delta Securities, Green Delta Capital, Professional Advancement BD and GD Assist. The insurance family pleased to convey their gratitude to its ever supportive clients, stakeholders, policy makers, regulators and partners from both national and international level.



## Corporate night in Chittagong Branch

Green Delta Insurance Company makes success in its goal. It's not possible without the valuable contributions of its stakeholders and well wishers. GDIL recognizes this importance. In this perspective, The Company organizes events like corporate nights to amuse the partners to be more enthusiastic, keen and associated.



In August 2014, the leading non life general insurer of the country organizes a corporate night for its valuable corporate business partners in the Peninsula Chittagong. The business partners of the company were swift to response. They attended the event in a speedy and humble manner. The guests of the evening were a large number of corporate business partners mostly from Chittagong region.

The Managing Director and CEO of the company Ms. Farzana Chowdhury was officially introduced to the guests of the evening. Mr. Nasir A Choudhury, Advisor, Mr. A S A Muiz Consultant and notable business icons spoke in the event. The Program was followed by dinner and cultural program performed by local talented artists of Chittagong.

## Half Yearly Business Conference 2014

How an insurance company can succeed? So it is thinkable. Insurance sector is promising in Bangladesh. It goes without saying that, a success can be achieved by a reflecting policy and a better performance status. Insurance companies have to make sure the best performance based on their customer demands. On that demand, they need to sum up their activities and growth.



Green Delta Insurance Company Limited is committed to perform well and make their stakeholders satisfactory. In order to ensure that promise, the company assesses its own work regularly. In every half year, the company arranges a conference. In August 18, 2014, a conference was held at the head office of Green Delta Insurance Company's head office in Mohakhali.

In the conference, there was a thriving discussion about the target set in the annual business conference. Current standing of the company was analysed also as well. Zonal heads and the branch managers were insightful enough. They presented their half yearly business performance. In that enthusiastic dialogue, discussants locate the company's goal for the next half of the year. The management was convinced. So they endorsed their work in encouragement.

The Half Yearly Business Conference was cherished by the inaugural speech of the chairman of Green Delta Insurance Company Limited, A. Q. M. Nurul Absar. He was the chief guest of the program. Advisor Mr. Nasir A. Choudhury, Managing Director & CEO Farzana Chowdhury, Senior Additional Managing Director, Farid A. Choudhuri; Consultant, A. S. A. Muiz and Additional Managing Director, Golam Mustafa were also present. Other senior officials participated in the conference.

### **Green Delta Insurance hands over Nibedita policy to Ms. Shafina Rahman, Governor of Rotary International District 3281 (Dhaka)**



Nibedita is a comprehensive insurance scheme catering to the needs of urban and rural women of our country. Last year, Green Delta handed over Nibedita policy to

Ms. Shafina Rahman, Governor of Rotary International District 3281 (Dhaka). Ms. Shafina Rahman is the first woman governor of a rotary district in the country. Managing Director and CEO of Green Delta Insurance Ms. Farzana Chowdhury, who is the first female Managing Director and CEO in the Banking and Insurance industry of Bangladesh, handed her the policy.

Ms. Shafina Rahman encouraged every woman present at the policy handover ceremony to avail Nibedita policy to safeguard their future. Green Delta Insurance Company Limited launched Nibedita- the first Insurance product solely for the women in Bangladesh.

### **Green Delta Insurance Launches GD Health**

Malaysian health treatment is globally convincing today. The doctors of the country are competent in the treatment and management of diseases. They are a health system equipped superbly as the doctors are with state-of-the-art medical equipment and technology. Many people of Bangladesh are traveling to Malaysia to seek better health treatment. Green Delta Insurance Company Limited, the only AAA rated non life insurance company of Bangladesh are helping these people with their support in this principle.

Last year, Green Delta Insurance Company Limited and Malaysia Healthcare Travel Council signed an agreement to give health support for the people of Bangladesh. Accordingly, GD Assist, a subsidiary of



GDIC has partnered with some of the top hospitals in Malaysia to provide Malaysian healthcare services. The launching ceremony of the product named GD Health was organized in the capital last year. GD Health, the first ever comprehensive insurance scheme in Bangladesh offering Global Emergency Medical Evacuation Services targeting corporate, professionals and entrepreneurs. Ms. Rupali Chowdhury, Managing Director of Berger Paints is the first customer of the insurance scheme.

Honorable Minister for Health and Family Welfare of People's Republic of Bangladesh, Mr. Mohamed Nasim MP was the chief guest of the event. While the honorable State Minister of Finance of People's Republic of Bangladesh, Mr. M A Hannan MP, H.E Norlin Binti Othman, High Commissioner of Malaysia in Bangladesh, Mr. M Shefaque Ahmed, Actuary; Chairman of Insurance Development and Regulatory Authority and Mr. Nasir A Choudhury, President of BMCCI graced the occasion as special guests.

Ms. Farzana Chowdhury, Managing Director and CEO of Green Delta Insurance who is also the Director of GD Assists hailed about the image of 'GD Health' and the joint collaboration of Green Delta and MHTC. She mentioned that, the insurance family has been always a pioneer in innovative insurance product addressing the national issues. GD health is no different from that. Green Delta is hopeful to give the best possible services to the people with their prompt claim settlement process and global emergency medical evacuation services. Representing MHTC, Ms. Dolly Lim, Senior Manager in-charge claimed of the betterment of the health system of Malaysia. She mentioned that Malaysia certainly has what it takes to compete against the world's best in healthcare travel with their numerous medical offerings.

## Green Delta Hands over health insurance policy to National Hockey Players

Green Delta has a long relationship with Bangladesh Hockey Federation. The company has taken initiative to strengthen the scenario of hockey players. Last year the hostel of the hockey players were renovated with the assistance of Green Delta. The company is the proud sponsor of hockey league. Last year, Green Delta insurance company Limited inked a deal with Bangladesh Hockey Federation regarding Health Insurance.

Under this agreement, all the players of national hockey team will get health insurance coverage. This is the first of its kind policy handover in the Bangladesh insurance industry. The signing ceremony took place at the capital, Dhaka. Managing director and CEO of Green Delta Insurance Ms. Farzana Chowdhury handed over the policy to Air Marshall Muhammad Enamul Bari, ndu, psc.





## 10.1 CLAIM MANAGEMENT AND DETAILS OF OUTSTANDING CLAIMS (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 under noted factors, which are vital in claims management as well as claims handling; the factors are detecting fraud, lowering the cost and avoiding litigation.

## 10.2 DISCLOSURE PERTAINING TO SOLVENCY MARGIN

### GREEN DELTA INSURANCE COMPANY LIMITED

Assets, Liabilities and Solvency Margin  
For the year ended as at 31 December 2014

(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	294.41	1,166.95	0.50	583.48	116.70	58.88	116.70
2	Marine Cargo	987.41	881.13	0.70	616.79	123.36	197.48	123.36
3	Marine Hull	26.76	71.96	0.50	35.98	7.20	5.35	7.20
4	Motor	106.62	176.57	0.85	150.08	30.02	21.32	30.02
5	Misc	107.07	384.76	0.70	269.33	53.87	21.41	53.87
<b>Total</b>		<b>1,522.27</b>	<b>2,681.37</b>					<b>331.15</b>

Total Assets as per Balance Sheet		6,599.36
Less :		
Amount due from others	477.60	
Outstanding premium	72.04	
Furniture & Fixture	49.89	
		599.53
<b>(A) Total Assets</b>		<b>5,999.83</b>

Total Liabilities	
Sundry Creditors	448.65
Amount due to others	407.14
Provision for income tax	51.40
Deposit Premium	40.96
Reserve for Unexpired risk	500.55
Reserve for exceptional loss	990.74
<b>(B) Total Liabilities</b>	<b>2,439.44</b>

- Solvency Margin Available (A - B) 3,560.39
- Required Solvency Margin 331.15

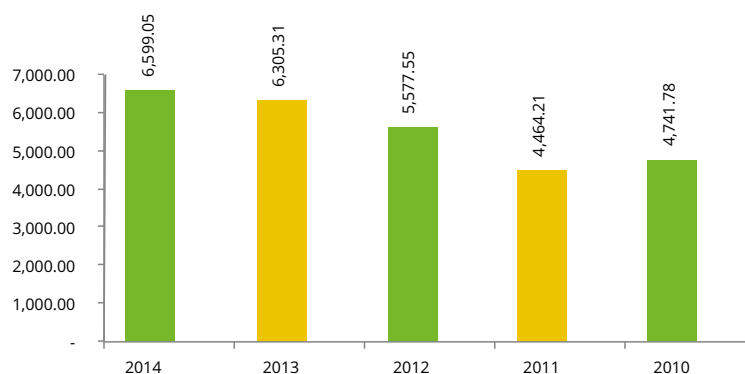
## 10.3 ACCOUNTING RATIOS PERTAINING TO INSURANCE SECTOR

Accounting Ratios Pertaining to Insurance Sector	2014	2013	2012	2011	2010
(% ) of Reinsurance Premium Ceded on Gross Premium	54.42%	49.61%	53.42%	63.34%	61.51%
R/I Commission Earned on Gross Premium	7.36%	7.05%	8.16%	9.27%	8.06%
R/I Commission Earned on Net Premium	16.15%	13.99%	17.52%	25.28%	20.93%
Net Claim Incurred on Gross Premium	12.93%	14.26%	7.76%	5.21%	5.87%
Net Claim Incurred on Net Premium	28.36%	28.29%	16.66%	14.20%	15.25%
Underwriting Result on Gross Premium	11.41%	11.03%	11.45%	5.28%	4.98%
Underwriting Result on Net Premium	25.03%	21.88%	24.58%	14.40%	12.94%
Management Expense (Revenue ) on Net Premium	45.59%	34.10%	33.29%	43.15%	41.28%
Combined Ratio on Gross Premium	56.22%	51.82%	42.99%	43.44%	46.12%
Combined Ratio on Net Premium	123.32%	102.83%	92.29%	118.50%	119.83%

## 10.4 REVIEW OF ASSETS QUALITY

### Position of Total Assets :

Particulars	2014	2013	2012	2011	2010
Investment	2,391.63	2,197.01	1,998.95	2,363.65	2,905.30
Cash & Cash Equivalent	1,181.47	1,200.59	918.77	712.74	742.81
Fixed Assets	2,084.34	2,039.81	1,978.31	212.94	134.52
Other Assets	941.61	867.90	681.52	1,174.88	959.15
Total	6,599.05	6,305.31	5,577.55	4,464.21	4,741.78

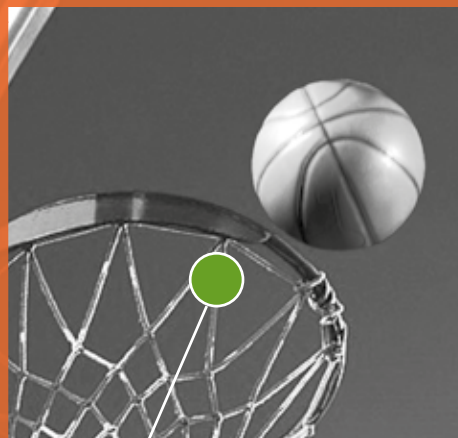


Particulars of assets	Year -2014			Total(%)	Growth (2013-2014)	Year -2013			
	Short term	Long term	Total			Short term	Long term	Total	
Investable assets	Government Bond		25	25.00	0.40%	0%	-	25.00	25.00
	Investment in Quoted Share	1729.62		1,729.62	27.43%	16%	1,485.86	-	1,485.86
	Investment in subsidiaries companies		355	355.00	5.63%	1%	-	349.98	349.98
	Equity investment of non listed securities		167.11	167.11	2.65%	-26%	-	226.31	226.31
	Debenture and others	114.9		114.90	1.82%	5%	109.86	-	109.86
	Sub Total	1,844.52	547.11	2,391.63	37.93%	9%	1,595.72	601.29	2,197.01
	Fixed Deposit (FDR)	1105.38		1,105.38	17.53%	0%	1,106.16	-	1,106.16
	Cash and bank balance	76.09		76.09	1.21%	-19%	94.43	-	94.43
	Sub Total	1,181.47	-	1,181.47	18.74%	-2%	1,200.59	-	1,200.59
	Office space		473.85	473.85	7.52%	11%		425.87	425.87
Building		637.4	637.40	10.11%	-1%	-	644.94	644.94	
Sub Total	-	1,111.25	1,111.25	17.62%	4%	-	1,070.81	1,070.81	
Other Assets	Land		800	800.00	12.69%	0%	-	800.00	800.00
	Plant, Vehicle and Equipment		170.46	170.46	2.70%	3%	-	166.27	166.27
	Other Assets	941.89	2.65	944.54	14.98%	8%	868.39	2.25	870.64
<b>Total assets</b>	<b>3,967.88</b>	<b>2,631.47</b>	<b>6,599.35</b>			<b>5%</b>	<b>3,664.70</b>	<b>2,640.62</b>	<b>6,305.32</b>

“Growth is never  
by mere chance;  
it is the result of  
forces working  
together.”

**James Cash  
Penney**

He is an American founder of the iconic  
J.C. Penny departmental store chain



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## **Towards a new trajectory**

At Green Delta, we are aiming for our next phase of growth by embracing innovation, by customizing products and tailor-making solutions, by spreading increasing awareness about the importance of insurance, by right-pricing our offerings and by establishing a world-class insurance academy that will create industry-ready professionals.

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## 11.1 REPORT ON GREEN DELTA CAPITAL LIMITED

### CIO'S MESSAGE



**Md. Rafiqul Islam**  
Chief Investment Officer

Investment banking in Bangladesh plays a vital role in overall economy of Bangladesh. To develop industrial and commercial sector, it is mandatory to have a sound investment banking system. Since the inception of Green Delta Capital Limited (GDCL), the company can proudly mention its adaptability to the investment banking sector of Bangladesh.

Year 2014 has become a more successful year than previous years. With the proper execution of ongoing deals, GDCL has managed to bring new deals 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. GDCL also boost its relationship and partnership in local as well as global platform.

GDCL's retail wing, Portfolio Management Department, which commenced its operation from November 2012, has create a stronger market presence in the year 2014. With an active team effort, the Portfolio Management Department successfully provides world class investment analysis solution for its valued clients.

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. In the year 2014, GDCL has become closer to reach this goal. At the end of the year, there are a handful of local and global deals in pipeline and a stronger team equipped with better knowledge and intelligence.

We hope to continue to build up best corporate culture, stronger risk management tools and techniques, business policy, brand reputation and develop more customized investment banking products & services to accomplish another victorious year in 2015 and beyond.

#### Board of Directors

**Our Board of Directors is formed with following professionals:**

- Mr. Nasir A Chowdhury
- 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.



GDCL Team

- 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
- 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 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.

### 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**

Syed Moinuddin Ahmed, Managing Director of Green Delta Capital Limited has the following 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 Team:**



### **Structured Finance**

The Structured Finance Department (SFD) provides all financing services for corporate clients consisting expert advice, innovative financial solutions – funding through structured financial instruments, outstanding execution and comprehensive access to the debt & capital markets.

Within just 4 years of operation, GDCL has already set a new benchmarks for the company and also being reputed in the market by introducing and executing fund through various alternative financial solution.

The well-resourced SFD team is maintain a high level of professional expertise and integrity in its client relationships since the inception of GDCL.

GDCL focuses on a board 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

After implementing its successful adaptation and transformation strategy over the last three years GDCL has maintained profitability with new deals worth of BDT 5,960 Million in 2014.

GDCL mainly focuses on Foreign Syndication deals and has become one of the best investment bank in the country as an arranger of to provide this service. GDCL also worked with local deals such as preference share and capital raising deal where successfully attain the regulatory approval.



*Signing ceremony with Union Capital Limited to issue the preference share of BDT 500 million*



*Signing Ceremony with PRAN-RFL Group for foreign debt syndication of US\$ 35 Million*

## Equity Origination

Since the inception of GDCL, the Equity Origination Department (EOD) provides Issue Management Services liaising with BSEC. The Issue Management team has wide experience in managing the different types of issues across various industries. 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

## Private Equity

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

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

## Merger & Acquisition

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

## Corporate Advisory

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

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

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

## Portfolio Management

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
- Discretionary Portfolio Management Service

Investors can avail our services through our discretionary investment scheme: GD Perform-Max and GD Planner. These two schemes are designed to make differences since we prefer investor's flexibility and choice while making investment decision.

- GD Planner- protection of investment with long term vision

GD Planner has been designed with an aim to utilize the fund of investors who likes to invest in Equity market for a long term and who want continuous profit with minimum risk bearing. We invest as much as minimal possible in Equity Stock to protect the investment and diversify the portfolio with the view to minimization of risk principle.

- GD Perform Max- Portfolio with Maximum Growth & Return

GD Perform-Max scheme is a Discretionary Product to utilize the fund of risk taker who likes to invest in Equity market particularly in the high growth stocks to

earn more. We invest in stocks with High Growth and Strong Fundamental to diversify the portfolio with the maximization of profit principle.

## Major Features of Discretionary Account:

- Professional management of client's investment portfolio
- Opportunity for clients to get higher return by investment in the stock market
- Continuous monitoring of capital market changes & active management
- Risk control & portfolio performance reviews on a regular basis
- Investors are to choose their investment scheme (Products) according to their need and strategy will be developed accordingly
- Investors have their consent over taking margin loan; however, the loan ratio will be determined by the PM (Portfolio Manager) based upon the questionnaire data
- PM to collect dividend and bonus shares on behalf of clients
- Keeping the securities in safe custody
- Subscription of the rights issues by PMs
- Quarterly reporting of portfolio statements
- Personalized counseling by Relationship Managers

## Non-Discretionary Portfolio Management Service

We offer non-discretionary portfolio management service for those clients who wish to enjoy a greater degree of participation in the management of their investments. Investors can avail our non- discretionary service through GDMTF (Green Delta Margin Trade Funding).

- GDMTF – a Portfolio Scheme that best suits you

GDMTF is a unique portfolio scheme that has been designed for the individual as well as institutional client(s) to help them construct their portfolio for return maximization. Through this scheme, investors can avail Margin Loan facilities along with a competitive interest rate and loan ratio.

## Major Features of GDMTF

- GDMTF Clients have discretionary power to make their buy and sell decisions from the securities approved by the portfolio manager
- Collecting dividend and bonus shares on behalf of clients
- Subscription of the rights issues
- Keeping the securities in safe custody
- All the securities purchased for the Clients shall remain in lien in favor of the Portfolio Manager
- Fund management fee is one of the lowest in the industry
- No trigger selling without discussion with the client

## Financial Highlights:

### Comprehensive Income Statement:

Particulars	2014	2013	2012	2011
Total Revenue	49,199,608	30,505,916	26,742,266	14,964,035
Profit Before Tax	19,158,747	10,018,695	6,160,390	6,970,196
<b>Net Profit After Tax</b>	<b>12,958,747</b>	<b>5,618,695</b>	<b>4,668,023</b>	<b>3,738,241</b>

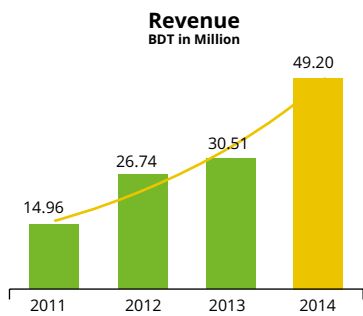
### Statement of Financial Position:

Particulars	2014	2013	2012	2011
Non-Current Assets	14,537,222	7,078,987	7,823,166	7,306,425
Current Assets	295,021,651	280,142,056	120,525,818	125,291,731
<b>Total Assets</b>	<b>309,558,873</b>	<b>287,221,043</b>	<b>128,348,985</b>	<b>132,598,156</b>
Shareholders' Equity	275,457,025	262,498,278	106,879,583	102,211,560
Long Term Liabilities	-	291,680	729,176	1,166,672
Current Liabilities	34,101,848	24,431,086	20,740,226	29,219,924
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>309,558,873</b>	<b>287,221,043</b>	<b>128,348,985</b>	<b>132,598,156</b>

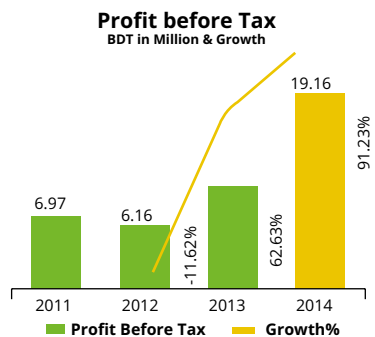
### Equity Parameters:

Particulars	2014	2013	2012	2011
Authorized Share Capital	1,000,000,000	250,000,000	250,000,000	250,000,000
Paid up Capital	260,000,000	250,000,000	100,000,000	100,000,000
No. of Share Outstanding	26,000,000	2,500,000	1,000,000	1,000,000
Earning Value Per Share (EPS)	0.50	2.25	4.67	3.74

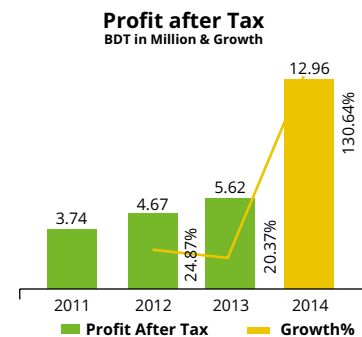
## Graphical Presentation:



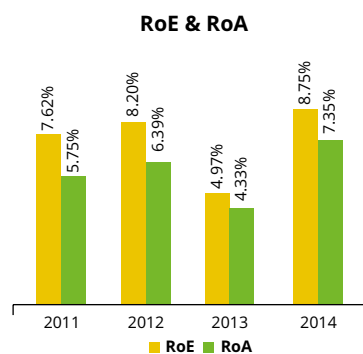
In the 4th year of operation, GDCL has shown a sharp growth of revenue earnings. The business has earned BDT 49.20 Million revenue in 2014 which is 61.28% more than the previous year.



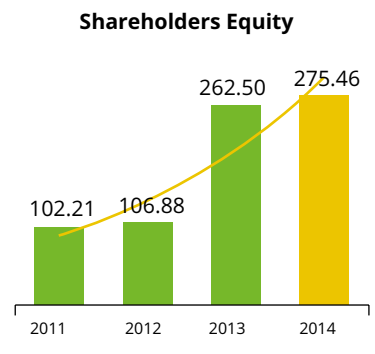
Higher growth of total revenue (61%) over total expenses (46%) contributes high growth of PBT.



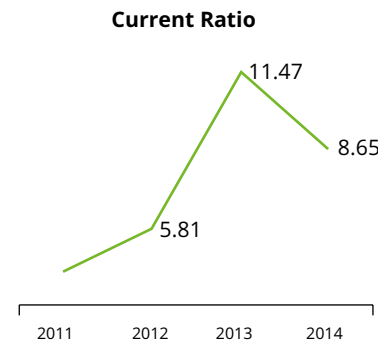
Cost control and accurate tax provision increase PAT growth by 130.64% in 2014.



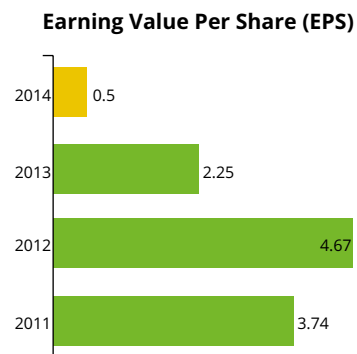
In 2014 GDCL has also facilitated the shareholder to grow their capital with Return on Equity of 8.75%. The return on assets is recorded at 7.35%.



Equity increased by BDT 12.96 Million in 2014.



Due to the increase of current liability in the form of Non- Discretionary client deposit in portfolio management, Current ratio fell in 2014.



Decrease in EPS is due to the conversion of face value per share (BDT 100 to BDT 10), even though the company's Net profit after tax increase by 7.34 million which indicate 130.64% growth.

## Credentials

**Foreign Debt Syndication of USD 35 Million**



**MAX Group**


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Foreign Debt Syndication

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Mandated Lead Arranger (Current Deal)

**Foreign Debt Syndication of USD 35 Million**



**PRAN-RFL Group**

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Foreign Debt Syndication

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Mandated Lead Arranger (Current Deal)

**Foreign Debt Syndication of USD 30 Million**



**Summit Alliance Port Limited**


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Foreign Debt Syndication

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Mandated Lead Arranger (Current Deal)

**Foreign Debt Syndication of USD 35 Million**



**Otobi Limited**


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Foreign Debt Syndication

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Mandated Lead Arranger (Current Deal)

**Issuance of Preference Stock of BDT 500 Million**



**United Capital Limited (UCL)**


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Preference Stock

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Mandated Issue Manager (Current)

**Issuance of Preference Stock of BDT 1,200 Million**



**Otobi Limited**

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Preference Stock

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Mandated Lead Arranger (Current)

**Initial Public Offering of USD 27.74 Million**



**Alliance Holding Ltd.**

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IPO Management

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Mandated Co-issue Manager & Corporate Advisor

**Foreign Debt Syndication of USD 3.17 Million**



**InGen Technologies Ltd.**

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Foreign Debt Syndication

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Mandated Lead Arranger

**Local Debt Syndication of USD 3.23 Million**



**InGen Technologies Ltd.**

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Local Debt Syndication

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Mandated Lead Arranger

**Capital Raising Issue USD 15 Million**



**Alliance Holding Ltd.**


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Private Equity

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Mandated Co-issue Manager and Corporate Advisor

**Capital Raising of USD 7.02 Million**



**Ananta Apparels Ltd.**

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Capital Raising

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Mandated Issue Manager & Corporate Advisor

**Working Capital Loan of USD 853,658**



**MAK Renewable Energy Co. Ltd**


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Local Debt Syndication

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Mandated Lead Arranger

**Initial Public Offering of USD 6.31 Million**



**Aamra Technologies Ltd.**

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IPO Management

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Mandated Corporate Advisor

## CEO'S MESSAGE



**Wafi S M Khan**  
Chief Executive Officer

“Green Delta Securities Limited is the 1st and only brokerage house from Bangladesh to have received the prestigious CFI Award in 2014”

Green Delta Securities Limited, one of the leading Stock Brokerage houses of the country, set foot in the capitalized brokerage business in the year 2006. Green Delta Securities is a 100% subsidiary of Green Delta Insurance Company Limited. Within a short period of time GDSL has succeeded to find itself among the league of state of the art securities companies of Bangladesh offering full-fledged global standard brokerage services for retail and institutional clients.

GDSL is always acknowledged as the most accountable business partner, conduct and associate. Our mission is to provide the best and innovative services to our valuable clients in terms of trading, technology and other support services. 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 satisfied by providing them with the best services. It's also vital how the magic numbers are being scored. Our corporate strategy is justifiable business practices and balancing accountability along with growth as well as productivity which is reflected in our commitment.

This is a matter of honour that in 2014 the visionary board members and the management team have taken the company to greater heights with their 'Go Getter' strategies and experience in the financial sector of the country. Green Delta Securities Limited is the 1st and only brokerage house from Bangladesh to have received the prestigious CFI Award in 2014 as the "Best Stockbroker in Bangladesh". We believe that we can achieve even more prestigious awards in the near future with our most efficient and vibrant team.

The year 2014 has been a difficult year for Bangladesh capital market like the previous year because of the political unrest. Despite all those obstacles, GDSL performed significantly well in terms of market share and maintaining compliance. GDSL has been successful in reaching the Top 30 houses in DSE & CSE ranking list.

We believe our clients are our utmost priority and we always consider them as our strategic business partner. We want to accomplish our success along with our clients and with our solid proficiency and attention to details we can offer revenue-building prospects for your business. Success comes from having a long-term vision, especially when it comes to building long term relationships. As resonated by our corporate values, we understand the importance of integrity and sense of assurance of our clients. Our compensations allow you to run transaction professionally and our support will help you to adequate your performance, making sure



that you are investing in the right basket and not being misled.

Green Delta Securities is closer to achieving its goal to become the finest brokerage house of the country. Green Delta believes in intelligence at work to maximize growth and profitability both for the clients and the organization itself. They inspire the clients to be more focused on their trading and have a clearer vision while investing.

It is our ambition to live up to your prospects by providing secure, reliable and competitive online trading services. We look forward to welcoming you at Green Delta Family in 2015 and we will remain focused in this year and beyond for a prosperous year with you.

## Board of Directors

Our Board of Directors is formed with following professionals:

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

## Our Vision

To be the preferred brokerage for individuals and institutional clients.

## Our Mission

Ensuring the best service by maintaining strong compliance.

## GDSL At a Glance

Established	16 October, 2005
Member of	Dhaka Stock Exchange (059) & Chittagong Stock Exchange (130)
No of Offices	10
No of Clients	More than 5,000+ High Net Worth Clients 100+ Institutional Clients
No of Employee	80
Market share	<>2.00%

## Our Strengths

- Brand Value of Green Delta Group
- Visionary Management
- Young & dedicated employee team
- Research Publications
- Comprehensive IT infrastructure
- Customer service of Superior standard

## Comparative Advantage

- Best Stock Broker 2014- CFI Award
- Dedicated team for Institutional and HNW clients&Foreign Investors
- Free Accidental Insurance Policy for the account holder and nominee

## Corporate Governance

GDSL always reviews corporate governance practices to ensure complete transparency and hence 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 Security 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 CEO 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 Chief Executive Officer

The CEO is responsible for overall business development, 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 team and business team.

## Core Team



The Core team members are responsible for the strategic and operation plan of their respective service departments which eventually governance and shape up the business. The core team is fully responsible for the functionality of the service departments and smooth running of the operation.

## Business Team



The Business team members are responsible for the strategic and business plan to achieve business target. The business team consists of Branch Managers, Stock Brokers, Business Development Officers and Customer Service Officers who are abundantly dedicated for achievements of the business target and smooth operations of the branches.

## "Best Stock Broker" CFI Awards 2014

CFI.co award programs identify individuals and organizations that truly add value. They want to demonstrate through these programs the many ways in which the economies of the world are converging: best practice can be found everywhere around the globe and we can all learn from each other. CFI then brings into focus the critical eye of a combined 170 years of business leadership and experience in financial journalism to make informed award decisions.



*Green Delta Securities Limited is the 1<sup>st</sup> and only brokerage house from Bangladesh to have received the prestigious CFI Award in 2014.*

## 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, and Bonus etc.

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



## Our Services

- All types of Brokerage Services on both the platform of DSE and CSE
- Trade Execution for Retail, Institutional and Foreign Clients
- Comprehensive portfolio statements
- Efficient Customer services
- Full service Depository participant(DP) of Central Depository Bangladesh Ltd. (CDBL) for Beneficiary Account (BO) opening & CDBL related services
- M-Stock- Trading facility in Mobile Platform
- Tele trading
- Online Trading Facilities (Under Development)



Chief Executive Officer of GDSL, Mr. Wafi S M Khan and Managing Director & CEO of CAPM Advisory Limited, Mr. Adel Ahmed documents after signing panel brokerage agreement.



Chief Executive Officer of GDSL, Mr. Wafi S M Khan and Managing Director & CEO of Abaci Investment Limited, Mr. Mushfiq Ul Qyauoom exchange documents after signing panel brokerage agreement.

## We provide Panel Broker Services to:

- BRAC EPL Investment Ltd
- Green Delta Capital Limited
- Trust Bank Panel Broker
- Jamuna Bank Investment Limited
- CAPM Advisory
- ABACI Investment Limited



## Our Offices:

- Corporate Office
- Head Office
- Principal Branch
- Gulshan Branch
- Gulshan-2 Branch
- Chittagong Branch
- Sylhet Branch.
- Khatungonj Branch

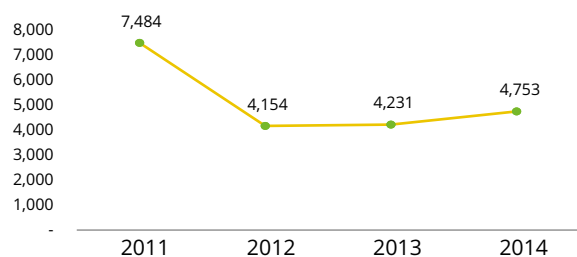
## Our Banking Associates:

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

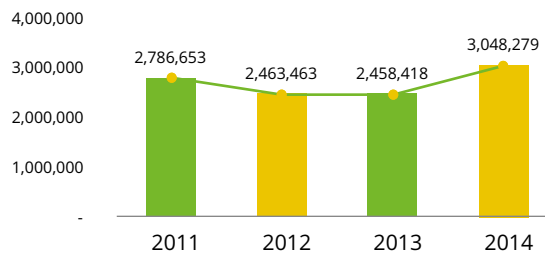
## Performance Highlights:

### Trade Performance:

#### DSE Index Movement



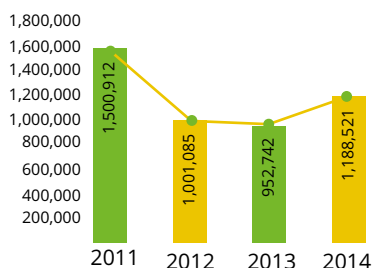
#### DSE Av. Market Capital (mn)



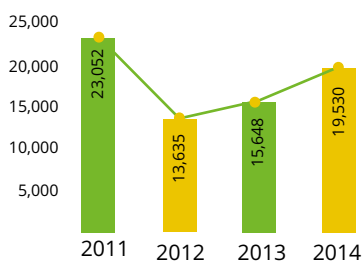
In the year 2014, GDSL kept its growth in market share. Average Market Share of GDSL became 1.81%, which was 10% higher than that of previous year (Market share was 1.64% in the year 2013).

## Financial Performance:

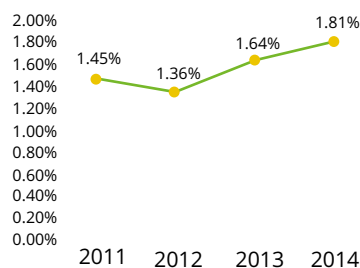
#### DSE Trade



#### GDSL Trade

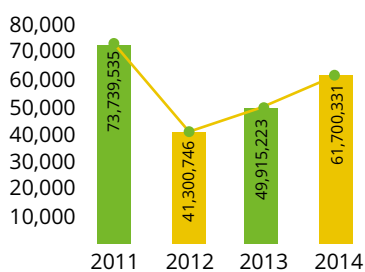


#### GDSL Market Share

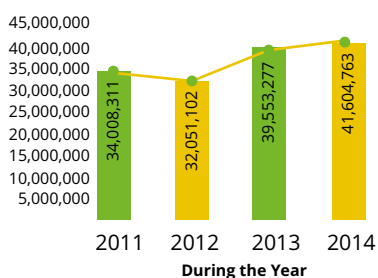


## Earning Performance:

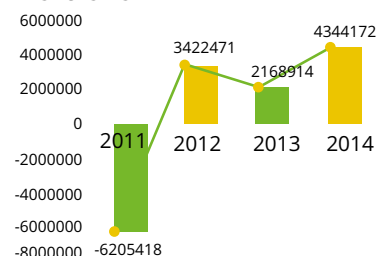
### Commission Revenue



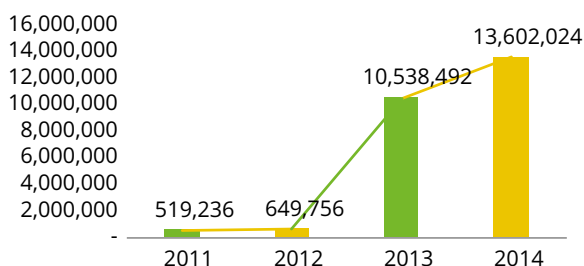
### Margin Income



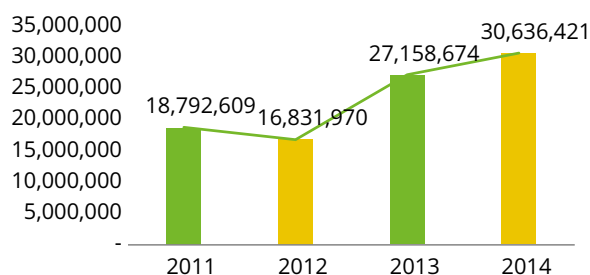
### Performance on Investment Portfolio



### Net Profit



### Earning Before Depreciation & Tax



## Financial Performance

### Income Statement for the year ended 31<sup>st</sup> December

Particulars	2014	2013	2012	2011
Total Operating Income	121,863,590	99,392,970	82,695,893	113,079,983
Profit before Tax	27,177,713	22,882,018	10,309,870	15,893,535
Profit After Tax	13,602,024	10,538,492	649,756	519,236

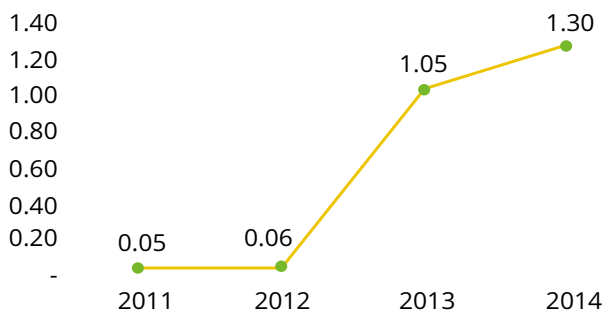
### Balance Sheet as on 31st December

Particulars	2014	2013	2012	2011
Non Current Assets	653,389,834	679,928,336	662,238,541	295,972,286
Current Assets	598,304,282	500,942,387	490,223,149	488,979,841
<b>Total Assets</b>	<b>1,251,694,116</b>	<b>1,180,870,723</b>	<b>1,152,461,690</b>	<b>784,952,127</b>
Share Holders Equity	855,333,231	841,731,207	845,509,322	472,859,566
Long Term Liabilities	84,138,688	114,138,688	116,638,688	115,000,000
Current Liabilities	312,222,197	225,000,828	190,313,680	197,092,561
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>1,251,694,116</b>	<b>1,180,870,723</b>	<b>1,152,461,690</b>	<b>784,952,127</b>

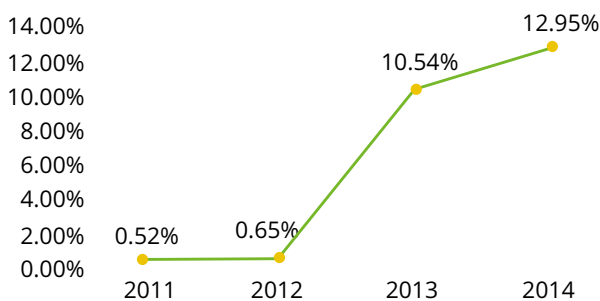
## Earnings Per Share & Return On Investment:

In the year 2014, GDSL kept her growth in EPS (Earning Per Share) and ROI (Return on Investment) as well. EPS and ROI for the year 2014 is 1.30 and 12.95% respectively. Considering earlier years both the EPS and ROI increased significantly.

### Earning Per Share



### Return on Investment



#### Corporate Office

Green Delta AIMS Tower (2nd Floor)  
51-52, Mohakhali C/A, Dhaka-1212  
Tel:02-9851902, Fax:02 9898340

#### Head Office & Principle Branch

Hadi Mansion (6<sup>th</sup> Floor)  
2, Dilkusha C/A, Dhaka-1000  
Tel: 9567505, Ext: 101,  
Fax: 880 (2) 9559205

#### Principal Branch Annex- Trust

(Panel Broker)  
Peoples Insurance Bhaban  
36, Dilkusha, Dhaka-1000

#### Principal Branch Annex-Jamuna

(Panel Broker)  
Hadi Mansion (2nd Floor)  
2, Dilkusha C/A, Dhaka-1000,  
Tel: 7172821

#### Motijheel-2 Branch

WW Tower (Level-9),  
68 Motijheel C/A, Dhaka.

#### Gulshan Branch

Sheba House (1<sup>st</sup> Floor)  
Northern Side, Plot# 34, Road #  
46, Gulshan-2, Dhaka-1212  
Tel: 8824120, Fax: 880 (2) 8824298

#### Gulshan-2 Branch

Concord IK Tower  
(4<sup>th</sup> Floor)Plot No 2, Block CEN (A)Gulshan  
North Avenue, Gulshan-2, Dhaka  
Tel: 8826676, Fax: 880 (2) 9895689

#### Sylhet Branch

Sylhet City Center (8<sup>th</sup> Floor)  
Zinda Bazar, Sylhet 3100  
Tel: 0821-2831757,  
Fax: 880 (821) 714255

#### Agrabad (Ctg) Branch

Makka Madina Trade Center  
(3<sup>rd</sup> Floor)78, Agrabad C/A,  
Chittagong-4100 Tel: 031-2517845-46,  
Fax: 880 (031) 726273

#### Khatungonj Branch

Aybu Trade Centre Level-8,  
1269/ B Sheikh MujibRoa, Agrabad  
C/A, Chittagong

## 11.3 REPORT ON PROFESSIONAL ADVANCEMENT BANGLADESH LTD. (PABL)

### MESSAGE FROM THE DESK OF IN-CHARGE



**Papia Rahman ACII (UK)**  
In Charge

Green Delta Insurance Company Limited launched a training institute named 'Professional Advancement Bangladesh Limited (PABL)' in Association with Chartered Insurance Association (CII), UK. The institute was launched in a ceremony held at the capital on 26.04.2014. The prime objective of this training institute would be to extend demand based trainings to the employees of Green Delta Insurance as well as external stakeholders. The company is governed by an Advisory Board comprises of a group of knowledgeable, experienced and reputed personalities from the Insurance industry of Bangladesh.



Advisor of Green Delta Insurance and Chairman of Professional Advancement Bangladesh Limited Mr. Nasir A Choudhury said, "We have been creating professionals since the very beginning at Green Delta Insurance and with the formation Professional Advancement Bangladesh Limited now we can offer a strong platform for professional development specially at the insurance sector."

Managing Director and CEO of Green Delta Insurance who is also the Director of PABL Ms. Farzana Chowdhury said, "The insurance sector always felt the need of a professional training institute like this and it has been a dream for us to launch the same. With the launch of this training institute, professionals from the different financial institutes all over the country can advance their career further by being enrolled in a course offered by PABL."

PABL has started journey from 19-05-2014 with getting Insurance Development and Regulatory Authority (IDRA) green signal. The total paid up capital of PABL as of now is BDT 100,00,000 and the authorized capital is BDT 500,00,000 respectively (01.03.2015).

#### **Mission:**

Creating the strong platform for the insurance sector and adding value as strategic partners with the insurance community by :

- Creating the High level of Professionalism.
- Arranging effective Human Capital Development Programs.
- Promoting Insurance education locally and internationally.
- Addressing National and International issues.

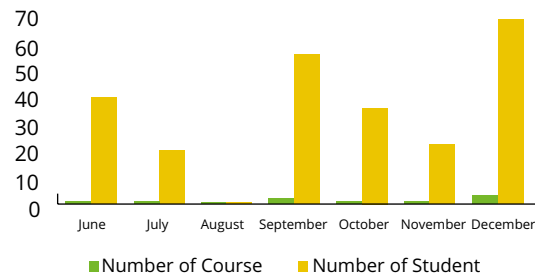
**Vision:**

To be the best insurance human capital development center and create strong International Insurance and Financial skilled insurance professional.

**Affiliations of Professional Advancement Bangladesh Ltd.**

- Chartered Insurance Institute London (CII)
- Insurance Institute of India (III)
- National Insurance Academy Pune India (NIA)

**PABL Course of 2014**



*CII Examination (Certificate in Insurance)*



*Corporate governance training*



*GIF Bangladesh Index Insurance Training (Swiss Re)*



*MDs of Insurance Companies at Workshop on Health Insurance jointly organized with Insurance Institute of India*



*Opening of PABL's new office premises*



*Round table discussion on HR Challenges and issues in insurance sector*



*Train the Trainers, training program by CII*



*Underwriters' Training Program for Green Delta Insurance*



*Participants from non life and life insurance companies during the launching ceremony of PABL*



*PABL Team*



## 11.4 REPORT ON GD ASSIST LTD.

# MESSAGE FROM THE DESK OF IN CHARGE



**Syed Moinuddin Ahmed**  
In Charge

A health system delivers health care services to meet the health needs of target populations. There is a wide variety of this kind of systems around the world. Implicitly, nations must design and develop health systems in accordance with their needs and resources. It's often said, the planning of healthcare systems has been evolutionary rather than revolutionary.

A good healthcare system includes quality, efficiency, acceptability and equity. Where as many countries like Bangladesh are not capable enough to maintain these universal goals.

Knowing that necessity, GD Assist Limited, a subsidiary of Green Delta Insurance Company, launched a system with the association of many hospitals of Malaysia. It came into being to provide Value Added Healthcare services, Logistics support, Global Emergency Medical Evacuation services etc.

We aim to be the platform of leadership in healthcare service delivery through Integrity, responsibility, professionalism and outstanding Customer Service.

By holding the hands of the top notch Malaysian Hospitals GD Assist will act as a one stop solution for all the healthcare needs that one requires while travelling abroad for this purpose.

We are also working with MHTC- Malaysia Healthcare Travel Council, which is an initiative of Ministry of Healthcare Malaysia, to promote Malaysian Healthcare in Bangladesh.

### GD Assist at a Glance:

With the tag line "Services beyond Borders," the new company aims at bringing the world class value added services at the people's doorsteps.

GD Assist will help its customers to avail themselves of medical facilities in seven particular hospitals in Malaysia.

By joining hands with the top class hospitals of Malaysia GD Assist will be able to provide the ideal medical backup for the patients of Bangladesh. GD Assist will help its customers to avail themselves of medical facilities in seven particular hospitals in Malaysia they are Prince Court Medical Center, Ramsay Sime Darby, Sunway Medical Center, KPJ Healthcare, Institut Jantung Negara (IJN), Pantai Hospitals and HSC Medical Center.

GD Assist will also make all the arrangements starting from Consultancy, VISA processing, Ticketing to Admission in Hospitals, Accommodation and Transportation etc.

### Milestone

- Incorporation 16<sup>th</sup> June 2014
- Launching of GD Assist 16<sup>th</sup> October 2014
- Health Care Expo GD Assist 23<sup>rd</sup> November 2014

## Events and Highlights



Green Delta Ins launches new subsidiary at 16/10/2014 Venue: Spectra Convention Center



Healthcare expo GD Assist on 23 Nov, 2014 at Pan Pacific Sonargaon Dhaka



Official signing ceremony with Pantai Gleneagles



Official Signing ceremony with Princecourt Medical Center.



KPJ Healthcare Berhad, Health Care



Official Signing Ceremony Ramsay Sime Darby





*Sunway Medical Center, Sunway*



*Institut Jantung Negara (IJN)*



*Signing Ceremony of Memorandum of Understanding for the Cooperation on Health Services between HSC Medical Center (KL) Sdn Bhd*



*Malaysia Healthcare Expo 2014*



*GD ASSIST Team*

## 12.1 GRAPHICAL SEGMENT INFORMATION

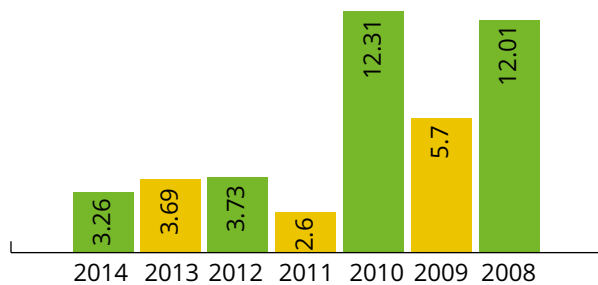
At Green Delta, our ability to stay true to our focus on reinforcing our customer propositions has not only enabled us to report improvements across most key financial metrics in 2014 but also allowed us to build a robust-quality business portfolio that enhances the sense of security on the one hand and scalability on the other.

Going forward into 2015, though we expect key macro-economic challenges to persist, we believe that our

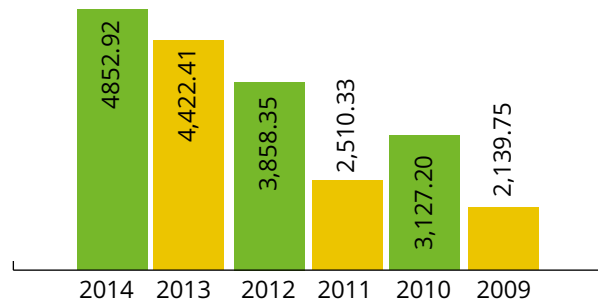
ability to raise the bar and set our compass towards newer directions will help us report a sustainable performance over the years down the line.

01. EPS
02. Net assets
03. Shareholders' fund
04. Return on shareholders' fund

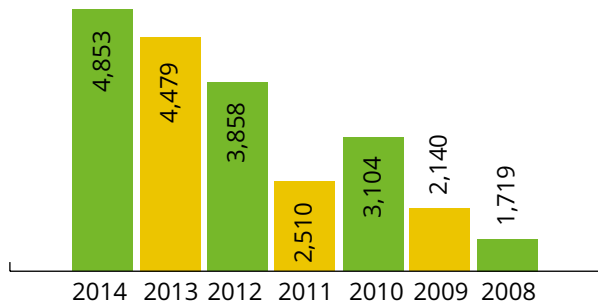
### Earning per Share (EPS) Tk.



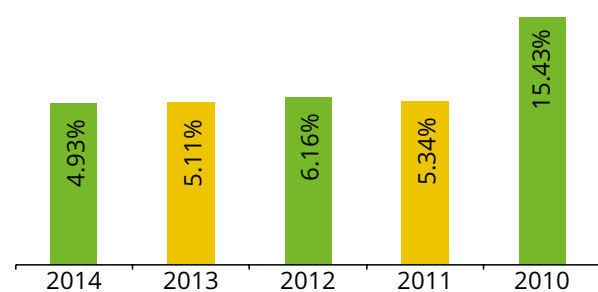
### Net Assets



### Share Holder's Fund



### Return on Share Holders Fund

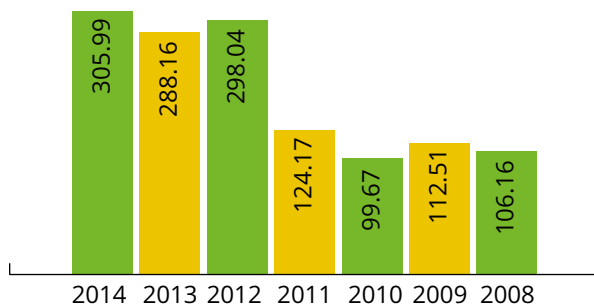


## 12.2 GRAPHICAL PRESENTATION OF VERTICAL ANALYSIS

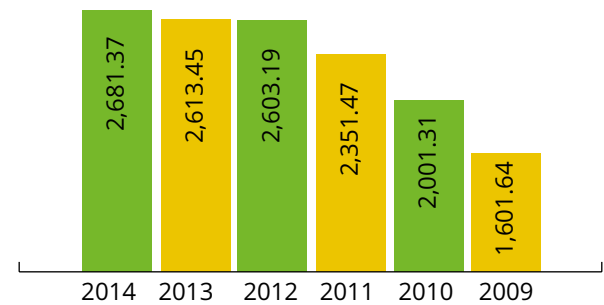
### Operating Performance

■ Total Revenue ■ Operating Profit ■ Profit Before TAX ■ Profit After TAX

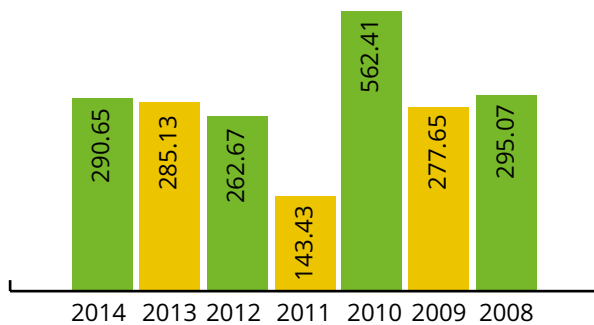
#### Underwriting Profit (Operating Profit)



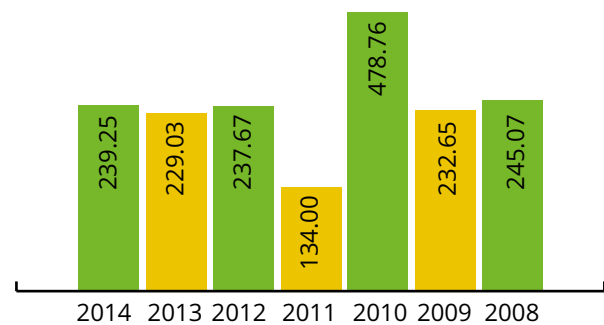
#### Gross Premium (Total Revenue)



#### Profit Before Tax



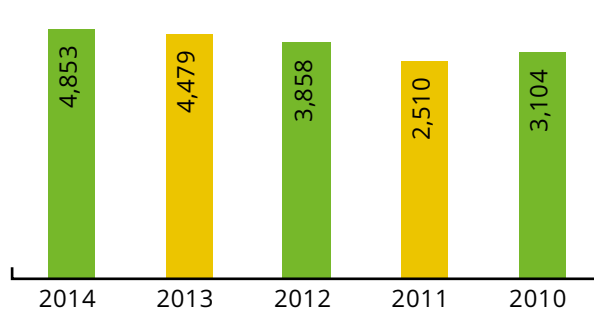
#### Profit after Tax



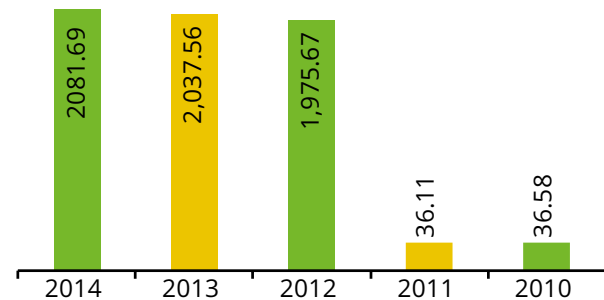
### Statement of Financial Position

■ Shareholders Equity ■ Property Plant & Equipment ■ Net Current Assets ■ Current Liabilities

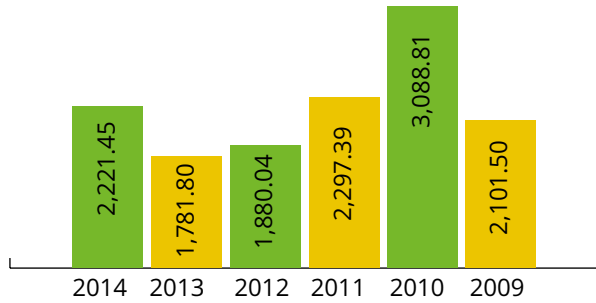
#### Share Holders Equity



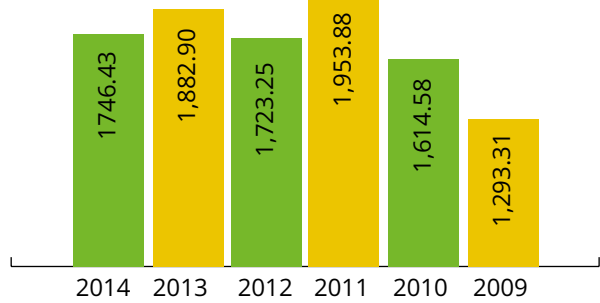
#### Property Plant & Equipment



### Net Current Assets



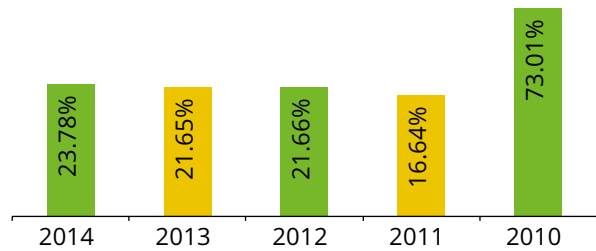
### Current Liability



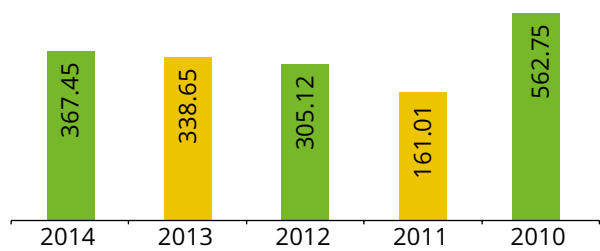
## Profitability/Dividends/Performance and Liquidity Ratios

■ Gross Profit Ratio ■ Earnings before Interest, Depreciation and TAX ■ Price Earnings Ratio ■ Current Ratios ■ Return on Capital Employed ■ Debt Equity Ratio

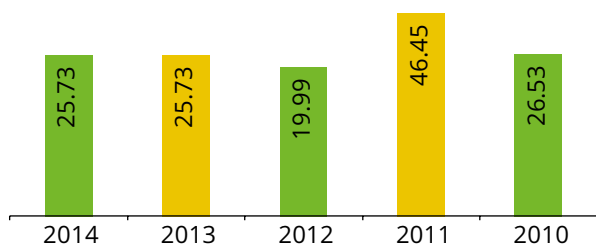
### Gross Profit Ratio



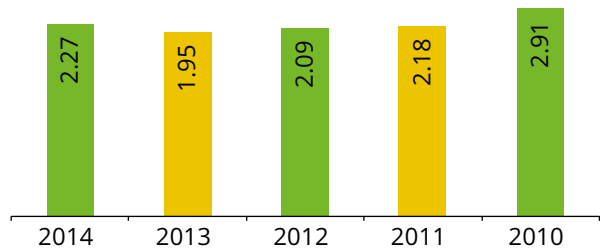
### Earning Before Interest, Depreciation & Tax



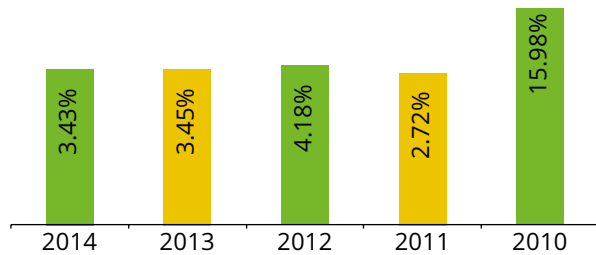
### P/E Ratio (Times)



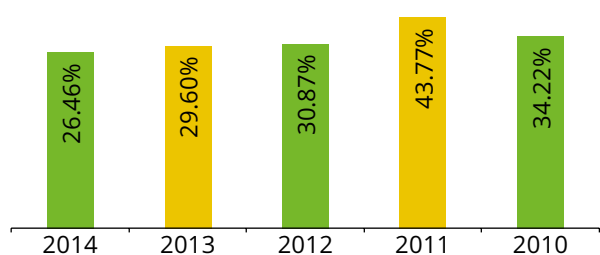
### Current Ratio

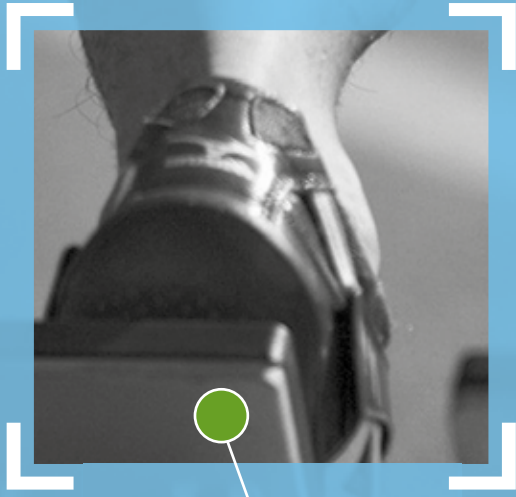
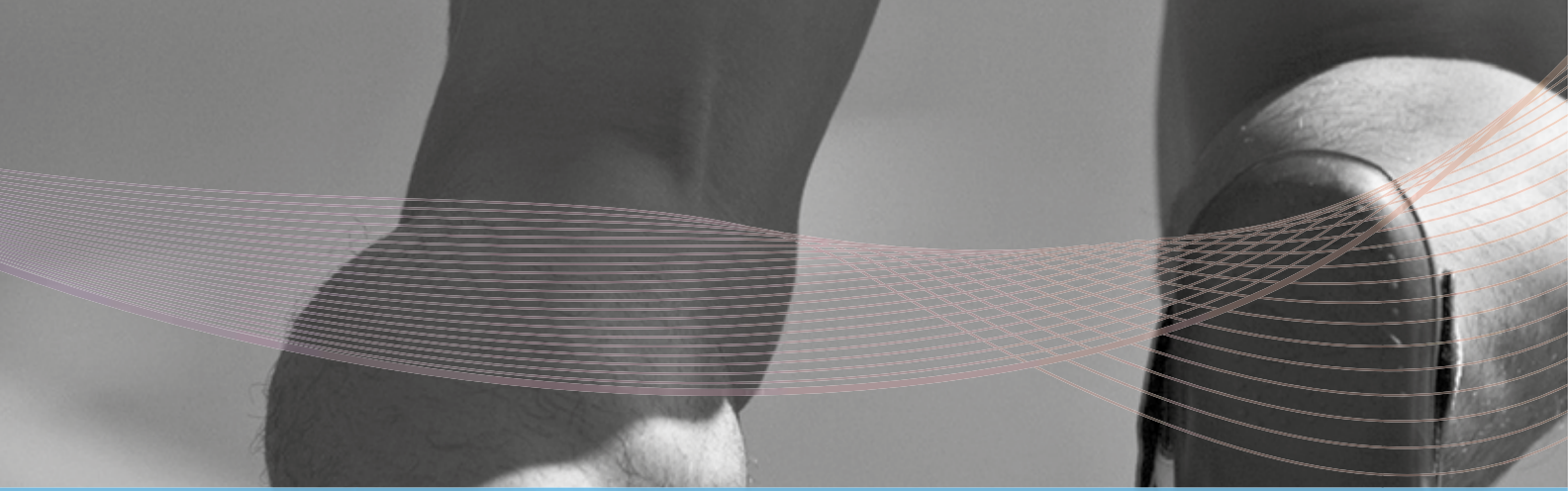


### Return on Capital Employed



### Debt Equity Ratio





**“The future begins today.”**  
**Wayne Gerard Trotman**

He is a British film-maker, writer, photographer  
composer and electronic music producer

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## **Towards a fresh guard**

At Green Delta, we are taking a fresh guard. We are leading by example and are redefining the insurance industry's paradigm by focusing on developing comprehensive 360-degree platforms around the core product, thereby facilitating the financial as well as social security of the citizens and contributing to nation-building in our own unique way.

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## 13.1 FINANCIAL STATEMENTS OF GREEN DELTA INSURANCE CO. LTD.

### Independent Auditor's Report to the Shareholders of Green Delta Insurance Company Limited

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, 2014, 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, 2014 of the subsidiaries, namely Green Delta Capital Limited, Green Delta Securities Limited, Professional Advancement Bangladesh Limited and GD Assist LTD were not audited by us. Financial Statements 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 are Subsidiaries, are 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.

#### Opinion

In our opinion 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, 2014 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.

## **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 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;  
17 February 2015

*S. F. Ahmed & Co.*

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

**Green Delta Insurance Company Ltd. & Its Subsidiaries**

# Consolidated Balance Sheet

as at December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
<b>Capital and liabilities:</b>			
<b>Share capital</b>			
Authorized capital	3.00	5,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	3.00	733,556,250	637,875,000
Share premium		268,468,830	364,150,080
<b>Reserve or contingency account</b>	<b>4.B</b>	<b>4,291,926,982</b>	<b>3,901,534,253</b>
Reserve for exceptional losses		990,739,785	868,512,659
Foreign currency fluctuation		-	2,914,724
Investment fluctuation fund		976,934,525	687,088,167
General reserve		170,000,000	170,000,000
Dividend equalization fund		120,000,000	120,000,000
Revaluation reserve		2,034,252,671	2,053,018,703
<b>Profit &amp; loss appropriation account</b>	<b>5.A</b>	<b>338,635,269</b>	<b>273,086,344</b>
<b>Non controlling interest</b>	<b>5.B</b>	<b>(88)</b>	<b>344</b>
<b>Total shareholders' equity</b>		<b>5,632,587,244</b>	<b>5,176,646,021</b>
<b>Balance of fund accounts</b>	6.00	<b>500,552,760</b>	<b>658,163,955</b>
Fire insurance business		117,191,095	281,874,870
Marine insurance business		299,161,859	265,351,755
Motor insurance business		41,784,033	76,171,042
Miscellaneous ins. business		42,415,774	34,766,288
Premium deposit	7.00	40,955,087	35,960,887
<b>Liabilities and provisions:</b>		<b>1,503,010,879</b>	<b>1,390,501,403</b>
Estimated liability in respect of outstanding claims whether due or intimated	8.00	205,684,810	226,197,377
Amount due to other persons or bodies carrying on insurance business	9.00	407,140,369	376,691,619
Sundry creditors (Including outstanding expenses, taxes & provisions)	10.A	798,133,871	715,358,919
Bank overdraft	11.00	92,051,830	72,253,488
<b>Total liabilities</b>		<b>2,044,518,726</b>	<b>2,084,626,245</b>
<b>Total liabilities &amp; shareholders' equity</b>		<b>7,677,105,972</b>	<b>7,261,272,266</b>



Particulars	Notes	Amount in Taka	
		2014	2013
<b>Assets and properties</b>			
		<b>4,002,388,238</b>	<b>3,663,288,254</b>
Investment	12.A	2,756,994,119	2,576,351,967
Outstanding premium	13.00	72,036,036	130,668,575
Amount due from other persons or bodies carrying on insurance business	14.00	477,598,684	405,482,881
Sundry debtors (including advances and deposits)	15.A	695,759,399	550,784,831
Cash and cash equivalent	16.A	1,565,444,656	1,542,658,763
<b>Other accounts</b>			
Land property and office space with building project	17.00	800,000,000	800,000,000
		<b>1,309,273,078</b>	<b>1,255,325,249</b>
Fixed assets (at cost less depreciation)	18.A	1,294,203,674	1,251,593,480
Intangible assets	18 B	10,016,022	1,473,050
Stock of printing, stationery and stamps	19.00	2,653,370	2,258,719
Preliminary expenses	19.A	2,400,012	-
<b>Total assets and properties</b>		<b>7,677,105,972</b>	<b>7,261,272,266</b>

The accompanying notes 1-27 form an integral part of these financial statement.

  
Chairman

  
Vice Chairman

  
Managing Director & CEO

  
Deputy Managing Director & CFO

  
Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015

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

**Green Delta Insurance Company Ltd. & Its Subsidiaries**

**Consolidated Profit and Loss Account**

for the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
Investment income		73,352,535	68,274,302
Income from share business	21.A	29,091,400	5,835,257
Brokerage commission & others less direct expenses		82,741,170	59,863,728
Interest & others income	21.B	199,457,625	179,823,925
<b>Total investment income</b>		<b>384,642,730</b>	<b>313,797,212</b>
Fire insurance revenue account		115,844,433	62,650,750
Marine insurance revenue account		229,688,106	219,654,051
Motor insurance revenue account		36,436,380	19,326,882
Misc. insurance revenue account		(75,975,917)	(13,468,910)
<b>Total revenue income</b>		<b>305,993,003</b>	<b>288,162,772</b>
<b>Total income</b>		<b>690,635,733</b>	<b>601,959,984</b>
Management expenses	21.C	295,019,492	213,099,208
Director's fee & expenses		1,217,240	1,277,122
Audit fees		345,000	345,000
Depreciation		58,005,285	49,527,354
<b>Total expenditure</b>		<b>354,587,017</b>	<b>264,248,684</b>
<b>Profit before provision &amp; tax</b>		<b>336,048,716</b>	<b>337,711,300</b>
Others provision		5,200,000	3,900,000
<b>Net profit for the year</b>		<b>330,848,716</b>	<b>333,811,300</b>
<b>Profit attributable to GDIC</b>		<b>330,849,147</b>	<b>333,811,063</b>
<b>Share of non-controlling interest</b>		<b>(431)</b>	<b>237</b>
		<b>330,848,716</b>	<b>333,811,300</b>

The accompanying notes 1-27 form an integral part of these financial statement.

  
Chairman

  
Vice Chairman

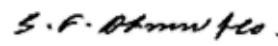
  
Managing Director & CEO

  
Deputy Managing Director & CFO

  
Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015

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


**Green Delta Insurance Company Ltd. & Its Subsidiaries**

# Consolidated Profit and Loss Appropriation Account

for the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
Balance brought forward from last year		249,208,524	303,125,067
Net profit for the year brought down		330,848,716	333,811,300
<b>TOTAL</b>		<b>580,057,241</b>	<b>636,936,367</b>
Reserve for exceptional losses	4.01	122,227,126	131,698,909
Provision for income tax		49,757,879	47,566,358
Deferred tax liability/ (asset) during the year		16,400,000	21,380,369
Adjustment for GDSL		-	14,316,608
<b>Dividend paid :</b>		<b>95,681,250</b>	<b>153,090,000</b>
Cash		95,681,250	76,545,000
Stock		-	76,545,000
<b>Profit for the period of continuing operation</b>		<b>142,463,710</b>	<b>117,008,477</b>
Less : Loss of discontinued business (Green Delta LR Holding)		-	19,675,601
Balance transferred to balance sheet		295,990,985	249,208,522
<b>TOTAL</b>		<b>580,057,241</b>	<b>636,936,367</b>
<b>Earning per share(Tk-10/= each)</b>	<b>24.A</b>	<b>3.61</b>	<b>3.72</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



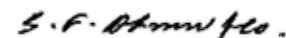
Deputy Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015



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

**Green Delta Insurance Company Ltd. & Its Subsidiaries**

# Consolidated Statement of Cash Flows

for the year ended December 31, 2014

Particulars	Amount in Taka	
	2014	2013
<b>Cash flows from operating activities</b>		
Collections from premium and other income	3,064,350,625	2,636,490,008
Payments for management expense, re-insurance and claims	(3,022,634,518)	(2,617,819,947)
Income tax paid	(46,461,006)	(77,887,891)
<b>Net cash provided by operating activities</b>	<b>(4,744,899)</b>	<b>(59,217,830)</b>
<b>Cash flows from investing activities</b>		
Investment in share	43,872,882	23,077,606
Sales of investment	4,339,186	5,073,678
Income from share trading	10,552,073	3,125,202
Interest received	-	(5,834,154)
Income from office rent	-	8,811,959
Dividend income	52,112,915	59,748,500
Purchase of fixed assets	(110,262,216)	(110,660,035)
Sales of fixed assets	9,600,000	2,250,000
Receivable from Green Delta LR Holding Ltd.	-	8,200,000
Receivable from Green Delta Capital Ltd.	(143,354)	65,314
Investment in Green Delta LR Holding Ltd.	-	3,100,985
Purchase of National Bond /FDR	-	(40,000,000)
Investment in Heritage Life Ins.	19,500,000	(19,500,000)
Energypac Power Generation	-	(4,972,000)
ACME Laboratories	-	(26,000,000)
Green Delta Capital Ltd.	-	(150,000,000)
Share issue to IFC	-	51,030,000
Premium received from IFC	-	364,150,080
Investment in Others	38,977,217	-
Investment in BD Venture	-	(10,000,000)
Investment in Swiss Pro	10,200,000	(600,000)
Investment In Financial Excellence	(1,500,000)	-
Bank loan	19,798,342	143,965,071
Lease paid	-	(437,496)
Employees Loan Received	-	173,824
Advance for Office space	(31,834,200)	-
Trustee Commission	900,000	-
Investment In PABL	(2,499,000)	-
Investment In GD Assist Ltd.	(2,499,000)	-
	-	-
<b>Net cash used in investing activities</b>	<b>61,114,844</b>	<b>304,768,534</b>

Particulars	Amount in Taka	
	2014	2013
<b>Cash flows from financing activities:</b>		
Dividend paid	(99,573,362)	(66,042,474)
Share issue	5,000,000	150,000,000
Client account	60,989,310	-
<b>Net cash from financing activities</b>	<b>(33,584,052)</b>	<b>83,957,526</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents during the year</b>	<b>22,785,893</b>	<b>329,508,230</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	1,542,658,764	1,213,150,534
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>1,565,444,656</b>	<b>1,542,658,764</b>

The accompanying notes 1-27 form an integral part of these financial statement.

  
Chairman

  
Vice Chairman

  
Managing Director & CEO

  
Deputy Managing Director & CFO

  
Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015

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

Green Delta Insurance Company Ltd. & Its Subsidiaries

## Consolidated Statement of Changes in Equity

for the year ended December 31, 2014


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, 2014	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	5,176,646,022
Revaluation adjustment during the period							-18,766,033	-	18,766,033	-		-
Stock dividend paid for the year 2013	95,681,250	(95,681,250)		-	-	-	-	-	-	(95,681,250)		(95,681,250)
Cash dividend paid for the year 2013												
Profit after tax									264,691,271	264,691,271	(431)	264,690,840
Appropriation to reserve			122,227,126			(2,914,724)		289,846,358	(122,227,126)	286,931,634		286,931,634
<b>Balance as on December 31, 2014</b>	<b>733,556,250</b>	<b>268,468,830</b>	<b>990,739,785</b>	<b>170,000,000</b>	<b>120,000,000</b>	<b>-</b>	<b>2,034,252,671</b>	<b>976,934,525</b>	<b>338,635,272</b>	<b>5,632,587,333</b>	<b>(88)</b>	<b>5,632,587,244</b>

  
Chairman

  
Vice Chairman

  
Managing Director & CEO

  
Deputy Managing Director & CFO

  
Company Secretary

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

Signed as per our separate report of same date.

Dated, Dhaka:  
17 February 2015

## Green Delta Insurance Company Ltd.

# Balance Sheet

As at December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
<b>Capital and liabilities:</b>			
<b>Share capital</b>			
Authorized share capital	3.00	5,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	3.00	733,556,250	637,875,000
Share premium		268,468,830	364,150,080
<b>Reserve or contingency account:</b>	<b>4.00</b>	<b>3,684,879,817</b>	<b>3,294,487,092</b>
Reserve for exceptional losses	4.01	990,739,785	868,512,659
Foreign currency fluctuation fund	4.02	-	2,914,724
Investment fluctuation fund	4.03	976,934,525	687,088,167
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	1,427,205,506	1,445,971,542
Profit & loss appropriation account	5.00	<b>166,017,744</b>	<b>125,904,367</b>
<b>Total shareholders' equity</b>		<b>4,852,922,641</b>	<b>4,422,416,539</b>
<b>Balances of funds &amp; accounts:</b>			
<b>6.00</b>	<b>500,552,760</b>	<b>658,163,955</b>	
Fire insurance business		117,191,095	281,874,870
Marine insurance business		299,161,859	265,351,755
Motor insurance business		41,784,033	76,171,042
Miscellaneous insurance business		42,415,774	34,766,288
Premium deposit	7.00	40,955,087	35,960,887
<b>Liabilities and provisions</b>		<b>1,204,925,585</b>	<b>1,188,785,127</b>
Estimated liability in respect of outstanding claims whether due or intimated	8.00	205,684,810	226,197,377
Amount due to other persons or bodies carrying on insurance business	9.00	407,140,369	376,691,619
Sundry creditors (including outstanding expenses, taxes & provisions )	10.00	500,048,577	513,642,643
Bank overdraft	11.00	92,051,830	72,253,488
<b>Total liabilities</b>		<b>1,746,433,432</b>	<b>1,882,909,969</b>
<b>Total liabilities &amp; shareholders' equity</b>		<b>6,599,356,076</b>	<b>6,305,326,508</b>

Particulars	Notes	Amount in Taka	
		2014	2013
<b>Assets and properties</b>		<b>3,333,538,647</b>	<b>3,064,915,129</b>
Investment	12.00	2,391,632,233	2,197,012,664
Outstanding premium	13.00	72,036,036	130,668,575
Amount due from other persons or bodies carrying on insurance business	14.00	477,598,684	405,482,881
Sundry debtors (including advances and deposits)	15.00	392,271,694	331,751,009
Cash and cash equivalents	16.00	1,181,473,495	1,200,593,454
		<b>2,084,343,934</b>	<b>2,039,817,925</b>
Land	17.00	800,000,000	800,000,000
Fixed assets & intangible assets	18.00	1,281,690,564	1,237,559,206
Stock of printing, stationery and stamps	19.00	2,653,370	2,258,719
<b>Total assets and properties</b>		<b>6,599,356,076</b>	<b>6,305,326,508</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



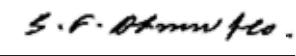
Deputy Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015



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



**Green Delta Insurance Company Ltd.**

**Profit and Loss Account**

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
Expenses of management (not applicable to any particular fund or account)		186,573,074	144,959,662
		<b>49,504,796</b>	<b>42,456,920</b>
Director's fee & expenses		1,217,240	1,277,122
Audit fees	20.00	345,000	345,000
Depreciation		47,942,556	40,834,798
Net profit for the year carried down to profit & loss appropriation account		290,655,720	304,810,589
<b>TOTAL</b>		<b>526,733,590</b>	<b>492,227,171</b>
Investment & others income	21.00	220,740,587	204,064,397
Profit & loss transferred from :		<b>305,993,003</b>	<b>288,162,774</b>
Fire insurance revenue account		115,844,433	62,650,751
Marine insurance revenue account		229,688,106	219,654,050
Motor insurance revenue account		36,436,380	19,326,883
Miscellaneous insurance revenue account		(75,975,917)	(13,468,910)
<b>TOTAL</b>		<b>526,733,590</b>	<b>492,227,171</b>

The accompanying notes 1-27 form an integral part of these financial statement.

  
Chairman

  
Vice Chairman


  
Managing Director & CEO

  
Deputy Managing Director & CFO

  
Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015

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

**Green Delta Insurance Company Ltd.**

**Profit and Loss Appropriation Account**

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
Balance brought forward from last year		102,026,204	157,783,326
Net profit for the year brought down		290,655,720	304,810,589
<b>TOTAL</b>		<b>392,681,924</b>	<b>462,593,915</b>
Reserve for exceptional losses	4.01	122,227,126	131,698,909
Provision for income tax	10.01	35,000,000	34,722,833
Provision for deferred tax	10.02	16,400,000	21,380,369
Dividend paid :		<b>95,681,250</b>	<b>153,090,000</b>
Cash		95,681,250	76,545,000
Stock		-	76,545,000
Profit for the period of continuing operation		<b>117,028,594</b>	<b>117,008,478</b>
Less : Loss from discontinued business (Green Delta LR Holding)		-	19,675,601
Balance transferred to balance sheet		123,373,547	102,026,203
<b>TOTAL</b>		<b>392,681,924</b>	<b>462,593,915</b>
<b>Earning Per share(Tk-10/= each)</b>		<b>3.26</b>	<b>3.12</b>
<b>P/E Ratio</b>		<b>22.72</b>	<b>30.41</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



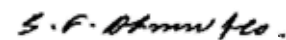
Deputy Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015



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

Green Delta Insurance Company Ltd.

## Statement of Changes in Equity

for the year ended December 31, 2014

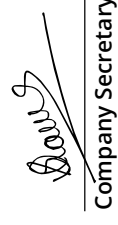
Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Dividend equalization fund	Foreign Currency Fluctuation	Investment Fluctuation Fund	Revaluation Reserve	Retained Earnings	Total
Balance as on January 01, 2014	637,875,000	364,150,080	868,512,659	170,000,000	120,000,000	2,914,724	687,088,167	1,445,971,542	125,904,367	4,422,416,539
Transfer for 2014	-	-	-	-	-	-	-	(18,766,033)	18,766,033	-
Stock dividend paid for 2013	95,681,250	(95,681,250)	-	-	-	-	-	-	-	-
Cash dividend paid for 2013	-	-	-	-	-	-	-	-	(95,681,250)	(95,681,250)
Profit after tax	-	-	-	-	-	-	-	-	239,255,720	239,255,720
Appropriation to reserve	-	-	122,227,126	-	-	(2,914,724)	289,846,356	-	(122,227,126)	286,931,632
<b>Balance as on December 31, 2014</b>	<b>733,556,250</b>	<b>268,468,830</b>	<b>990,739,785</b>	<b>170,000,000</b>	<b>120,000,000</b>	<b>-</b>	<b>976,934,523</b>	<b>1,427,205,509</b>	<b>166,017,744</b>	<b>4,852,922,641</b>

  
Chairman

  
Vice Chairman

  
Managing Director & CEO

  
Deputy Managing Director & CFO

  
Company Secretary

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

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015

**Green Delta Insurance Company Ltd.**

# Cash Flow Statement

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
<b>Cash flows from operating activities:</b>			
Collections from premium and other income		2,958,183,938	2,612,258,818
Payments for management expense, re-insurance and claims		(2,933,923,617)	(2,499,752,050)
Income from office rent		7,994,224	8,816,810
Interest received		17,958,501	13,032,620
Income tax paid		(34,379,733)	(55,833,913)
<b>Net cash from operating activities</b>		<b>15,833,313</b>	<b>78,522,285</b>
<b>Cash flows from investing activities:</b>			
Investment in share		43,872,882	46,557,162
Sales of investment		4,339,186	885,614
Income from share trading		10,552,073	3,125,202
Advance received from Green Delta Securities		30,000,000	2,500,000
Dividend income		52,112,915	59,748,500
Purchase of fixed assets		(97,779,754)	(104,521,863)
Sales of fixed assets		9,600,000	2,250,000
Receivable from Green Delta LR Holding		-	(234,488)
Receivable from Green Delta Capital		(143,354)	65,314
Advance for GD Aims Tower		-	3,100,985
Purchase of national bond		-	(20,500,000)
Investment in Heritage Life Insurance		19,500,000	(19,500,000)
Energypac power generation		-	(4,972,000)
ACME Laboratories		-	(26,000,000)
Investment in Green Delta Capital		-	(150,000,000)
Advance for Office space (Khatungonj. Ctg.)		(31,834,200)	-
Investment in BD Venture		-	(10,000,000)
Investment in Swiss Pro BD Ltd		10,200,000	(600,000)
Investment in Financial Excellence		(1,500,000)	-
Trustee Commission		900,000	-
Investment in PABL		(2,499,000)	-
Investment in GD Assist		(2,499,000)	-
Bank loan		19,798,342	72,253,488
<b>Net cash used in investing activities</b>		<b>64,620,090</b>	<b>(145,842,086)</b>

Particulars	Notes	Amount in Taka	
		2014	2013
<b>Cash flows from financing activities:</b>			
Paid Up Capital (received from IFC)		-	51,030,000
Share Premium (received from IFC)		-	364,150,080
Dividend paid		(99,573,362)	(66,042,474)
<b>Net cash from financing activities</b>		<b>(99,573,362)</b>	<b>349,137,606</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents during the year</b>		<b>(19,119,959)</b>	<b>281,817,805</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>1,200,593,454</b>	<b>918,775,649</b>
<b>Cash &amp; cash equivalents at the end of the year</b>		<b>1,181,473,495</b>	<b>1,200,593,454</b>
<b>Net Operating Cash Flows per Share (NOCFS)</b>		<b>0.22</b>	<b>1.07</b>

The accompanying notes 1-27 form an integral part of these financial statement.

  
Chairman

  
Vice Chairman

  
Managing Director & CEO

  
Deputy Managing Director & CFO

  
Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015

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

**Green Delta Insurance Company Ltd.**

**Consolidated All Business Revenue Account**

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
		<b>1,271,277,032</b>	<b>1,166,790,499</b>
Claims under policies less re-insurance	22.00	346,613,546	372,601,653
Agency commission		367,467,085	345,121,709
Expenses of management		557,196,402	449,067,137
Profit transferred to profit & loss account		305,993,001	288,162,769
Balance of accounts at the end of the year as shown in the balance sheet	6.00	500,552,761	658,163,955
<b>TOTAL</b>		<b>2,077,822,794</b>	<b>2,113,117,223</b>
Balance of account at the beginning of the year		<b>658,163,955</b>	<b>611,830,245</b>
Gross premium		2,681,373,694	2,613,453,255
Re-insurance premium		(1,459,102,433)	(1,296,464,167)
Net premium	23.00	<b>1,222,271,261</b>	<b>1,316,989,088</b>
Commission on re-insurance ceded		197,387,578	184,297,890
<b>TOTAL</b>		<b>2,077,822,794</b>	<b>2,113,117,223</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



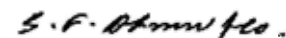
Deputy Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015



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

**Green Delta Insurance Company Ltd.**

**Fire Insurance Revenue Account**

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
		<b>485,296,584</b>	<b>553,774,867</b>
Claims under policies less re-insurance	22.00	179,685,071	206,624,805
Expenses of management		134,087,948	192,436,207
Agency commission		171,523,565	154,713,855
Profit transferred to profit & loss account		115,844,433	62,650,750
Balance of account at the end of the year as shown in the balance sheet ( reserve for unexpired risks )		117,191,095	281,874,870
<b>TOTAL</b>		<b>718,332,112</b>	<b>898,300,488</b>
		718,332,112	898,300,487
Balance of account at the beginning of the year		281,874,870	197,743,593
Premium less re-insurance	23.00	294,408,088	564,851,945
Commission on re-insurance ceded		142,049,154	135,704,949
<b>TOTAL</b>		<b>718,332,112</b>	<b>898,300,488</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



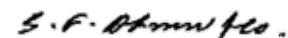
Deputy Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015



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

**Green Delta Insurance Company Ltd.**

**Marine Insurance Revenue Account**

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
		<b>488,147,502</b>	<b>386,339,363</b>
Claims under policies less re-insurance	22.00	46,090,332	96,790,852
Expenses of management		325,060,381	180,360,481
Agency commission		116,996,789	109,188,030
Profit transferred to profit & loss account		229,688,106	219,654,050
Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks)		299,161,859	265,351,755
<b>TOTAL</b>		<b>1,016,997,467</b>	<b>871,345,168</b>
		<b>1,016,997,467</b>	<b>871,345,168</b>
Balance of account at the beginning of the year		265,351,755	311,444,902
Premium less re-insurance	23.00	714,172,404	528,589,602
Commission on re-insurance ceded		37,473,308	31,310,664
<b>TOTAL</b>		<b>1,016,997,467</b>	<b>871,345,168</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



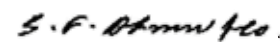
Deputy Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015



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



**Green Delta Insurance Company Ltd.**

**Motor Insurance Revenue Account**

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
		<b>104,572,353</b>	<b>126,067,771</b>
Claims under policies less re-insurance	22.00	32,706,415	49,638,587
Expenses of management		47,880,414	52,491,230
Agency commission		23,985,524	23,937,954
Profit transferred to profit & loss account		36,436,380	19,326,883
Balance of account at the end of the year as shown in the balance sheet ( reserve for unexpired risks )		41,784,033	76,171,042
<b>TOTAL</b>		<b>182,792,766</b>	<b>221,565,696</b>
		<b>182,792,766</b>	<b>221,565,695</b>
Balance of account at the beginning of the year		76,171,042	64,519,656
Premium less re-insurance	23.00	106,621,724	153,776,246
Commission on re-insurance ceded		-	3,269,793
<b>TOTAL</b>		<b>182,792,766</b>	<b>221,565,696</b>

The accompanying notes 1-27 form an integral part of these financial statement.

  
Chairman

  
Vice Chairman

  
Managing Director & CEO

  
Deputy Managing Director & CFO

  
Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015

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

**Green Delta Insurance Company Ltd.**

# Miscellaneous Insurance Revenue Account

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		2014	2013
		<b>193,260,592</b>	<b>100,608,498</b>
<b>Claims under policies less re-insurance</b>	22.00	88,131,728	19,547,409
Expenses of management		50,167,659	23,779,219
Agency commission		54,961,205	57,281,870
Profit transferred to profit & loss account		(75,975,917)	(13,468,910)
Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks)		42,415,774	34,766,288
<b>TOTAL</b>		<b>159,700,449</b>	<b>121,905,876</b>
		<b>159,700,449</b>	<b>121,905,876</b>
Balance of account at the beginning of the year		34,766,288	38,122,095
Premium less re-insurance	23.00	107,069,045	69,771,296
Commission on re-insurance ceded		17,865,116	14,012,485
<b>TOTAL</b>		<b>159,700,449</b>	<b>121,905,876</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



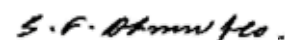
Deputy Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015



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

## Green Delta Insurance Company Limited

# Notes to the Financial Statements

as at and for the year ended 31 December 2014

### 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, 1985 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 four 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 39 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 four subsidiary companies namely Green Delta Securities Limited , Green Delta Capital Limited, Professional Advancement Bangladesh Limited and GD Assist Limited details of which are given below:

**Green Delta Securities Limited (GDSL):** GDSL is wholly owned subsidiary company of Green Delta Insurance Company Ltd which was incorporated on 28th July, 2010 with the Registrar of Joint Stock Companies & Firms .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 4<sup>th</sup> September, 2011. The company's present share holding position is 99.999% and 0.0001% by an individual shareholder

#### **Professional Advancement Bangladesh Limited (PABL) :**

PABL, a private limited company is wholly owned subsidiary company of Green Delta Insurance Company Ltd. which was registered on March 3,2014 with the Registrar of Joint Stock Companies & Firms .The Company has launched by GDIC in the year 2014 and the company's present share holding position is 99.96% and 0.04% by an individual shareholder.

#### **GD Assist Limited (GDAL) :**

GD Assist, a private limited company is wholly owned subsidiary company of Green Delta Insurance Company Ltd which was registered on June 16, 2014 with the Registrar of Joint Stock Companies & Firms .The Company has launched by GDIC in the year 2014 and the company's present share holding position is 99.96% and 0.04% 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 31 December 2014;
- ii) Profit and Loss Account for the year ended 31 December 2014;
- iii) Profit and Loss Appropriation Account for the year ended 31 December 2014;
- iv) Statement of Changes in Equity for the year ended 31 December 2014;
- v) Statement of cash flows for the year ended 31 December 2014;
- vi) Consolidated all Business Revenue Account for the year ended 31 December 2014;
- vii) Fire Insurance Revenue Account for the year ended 31 December 2014;
- viii) Motor Insurance Revenue Account for the year ended 31 December 2014;
- ix) Marine Insurance revenue Account for the year ended 31 December 2014;
- x) Miscellaneous Insurance Revenue Account for the year ended 31 December 2014 and
- xi) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 31 December 2014.

## 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 Flow 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 in the profit and loss account.

### **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, 2014 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:

<b>Category of assets</b>	<b>Rates depreciation per annum</b>
Furniture & Fixture	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 depreciation for sale or disposed assets is charged till the month of disposal.

## **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. For the purpose of statement of cash flow, cash and cash equivalents are prepared net off bank overdrafts.

## **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 5 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 5 year of confirmed service - Nil

- Confirmed service between 5 and 15 year - 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.

### **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 generate 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 has 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 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. 500,552,760 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, 2014 attributable to the ordinary shareholders.

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 2014.

## 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: 26.

## 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 39 branch offices with no overseas branch as on December 31, 2014. 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 2014 as in financial statements for 2013.

## **2.29 Comparative Information**

Comparative information has been disclosed in respect of the period ended December 31, 2014 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.

## **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 17, 2015 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, 2014 to December 31, 2014.

Amount in Taka	
2014	2013

### 3.00 Authorised share Capital:

500,000,000 Ordinary Shares of Tk. 10 each	5,000,000,000	1,000,000,000
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Issued, subscribed & paid up capital

73,355,625 ordinary shares of Tk. 10 each fully paid up in cash	<b>733,556,250</b>	<b>637,875,000</b>
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#### Classification of shareholders by holdings as on December 31, 2014.

Range of share holding	No. of Shareholders	No. of Shares	% of Holdings	Value of Share in Taka
Less than 500 Shares	4,534	699,283	0.95%	6,992,830
501 - 5,000	1,515	2,293,891	3.13%	22,938,910
5,001 - 10,000	101	740,718	1.24%	7,407,180
10,001 - 20,000	65	908,669	0.64%	9,086,690
20001 - 30000	19	471,060	0.70%	4,710,600
30001 - 40000	15	516,662	0.66%	5,166,620
40,001 - 50,000	11	482,839	0.94%	4,828,390
50,001 - 60,000	13	691,728	0.37%	6,917,280
60,001 - 70,000	4	267,973	0.73%	2,679,730
70,001 - 80,000	7	535,071	0.80%	5,350,710
80,001 - 90,000	7	583,332	0.80%	5,833,320
90,001 and above	108	65,164,399	88.83%	651,643,990
	<b>6,399</b>	<b>73,355,625</b>	<b>100.00%</b>	<b>733,556,250</b>

### 4.00 Reserve or contingency account

Reserve for exceptional losses (Note: 4.01)	990,739,785	868,512,659
Foreign currency fluctuation (Note: 4.02)	-	2,914,724
Investment fluctuation fund (Note: 4.03)	976,934,525	687,088,167
General reserve (Note: 4.04)	170,000,000	170,000,000
Dividend equalization fund (Note: 4.05)	120,000,000	120,000,000
Revaluation reserve (Note: 4.06)	1,427,205,507	1,445,971,540
<b>Total</b>	<b>3,684,879,818</b>	<b>3,294,487,090</b>

#### 4.01 Reserve for exceptional losses

Opening balance	868,512,659	736,813,750
Addition during the year (10% of net premium income)	122,227,126	131,698,909
<b>Sub Total</b>	<b>990,739,785</b>	<b>868,512,659</b>

#### 4.02 Foreign currency fluctuation

Opening balance	2,914,724	3,979,629
Add / (less) during the year	(2,914,724)	(1,064,905)
<b>Sub Total</b>	<b>-</b>	<b>2,914,724</b>

	Amount in Taka	
	2014	2013
<b>4.03 Investment fluctuation fund</b>		
Opening balance	687,088,167	676,425,940
Add/(less) during the year	289,846,358	10,662,227
<b>Sub Total</b>	<b>976,934,525</b>	<b>687,088,167</b>
<b>4.04 General reserve</b>		
Opening balance	170,000,000	170,000,000
Addition during the year	-	-
<b>Sub Total</b>	<b>170,000,000</b>	<b>170,000,000</b>
<b>4.05 Dividend equalization fund</b>		
Opening balance	120,000,000	120,000,000
Addition during the year	-	-
<b>Sub Total</b>	<b>120,000,000</b>	<b>120,000,000</b>
<b>4.06 Revaluation reserve</b>		
Opening balance	1,445,971,540	1,466,619,565
Addition during the year	-	-
Less: Transfer to retained earnings	(18,766,033)	(20,648,025)
<b>Sub Total</b>	<b>1,427,205,507</b>	<b>1,445,971,540</b>
<b>4.A Consolidated revaluation reserve</b>		
Green Delta Insurance Company	1,427,205,507	1,445,971,540
Green Delta Securities Limited	607,047,164	607,047,161
<b>Sub Total</b>	<b>2,034,252,671</b>	<b>2,053,018,703</b>
<b>4.B Consolidated reserve or contingency account</b>		
Green Delta Insurance Company	3,684,879,818	3,294,487,090
Green Delta Securities Limited	607,047,164	607,047,161
<b>Total</b>	<b>4,291,926,982</b>	<b>3,901,534,253</b>
<b>5.00 Profit and loss appropriation account</b>		
Opening Balance ( accumulated un distributed profit)	125,904,367	161,013,468
Add: Net profit for the year	290,655,720	304,810,587
Less : Reserve for exceptional losses (10% of net premium)	(122,227,126)	(131,698,909)
Less : Provision for income tax	(35,000,000)	(34,722,832)
Less : Deferred tax provision	(16,400,000)	(21,380,369)
Less : Cash Dividend paid (for-2013)	(95,681,250)	(153,090,000)
Less : Loss from discontinued business ( Green Delta LR Holding)	-	(19,675,601)
Add: Transfer from revaluation reserve	18,766,033	20,648,023
<b>Total</b>	<b>166,017,744</b>	<b>125,904,367</b>

Amount in Taka	
2014	2013

#### 5.A Consolidated profit and loss appropriation account

Green Delta Insurance company	166,017,744	125,904,367
Green Delta Capital Limited	25,456,911	12,498,169
Green Delta Securities Ltd.	148,285,818	134,683,808
GD Assist Ltd.	338,219	-
Professional Advancement Bangladesh Ltd.	(1,463,422)	-
<b>Total</b>	<b>338,635,269</b>	<b>273,086,344</b>

#### 5.B Non-controlling interest

Green Delta Capital Limited	114	109
Green Delta Securities Ltd.	249	235
GD Assist Ltd.	135	-
Professional Advancement Bangladesh Ltd.	(586)	-
<b>Total</b>	<b>(88)</b>	<b>344</b>

#### 6.00 Balance of fund account

Fire Insurance business	117,191,095	281,874,870
Marine Insurance business	299,161,859	265,351,755
Motor Insurance business	41,784,033	76,171,042
Misc. Insurance business	42,415,774	34,766,288
<b>Total</b>	<b>500,552,762</b>	<b>658,163,953</b>

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	292,977,738	40%	117,191,095	281,874,870
Marine Cargo	682,172,569	40%	272,869,028	259,114,460
Marine Hull	26,292,831	100%	26,292,831	6,237,295
Motor	104,460,082	40%	41,784,033	76,171,042
Miscellaneous	106,039,434	40%	42,415,774	34,766,288
<b>Total</b>	<b>1,211,942,654</b>		<b>500,552,762</b>	<b>658,163,953</b>

#### 7.00 Premium deposits

Marine cargo	40,955,087	35,960,887
<b>Total</b>	<b>40,955,087</b>	<b>35,960,887</b>

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

**Amount in Taka****2014****2013****8.00 Estimated liability in respect of outstanding claims whether due or intimated**

Fire	163,037,527	163,048,307
Marine Cargo	24,630,899	33,819,662
Marine Hull	2,187,500	448,998
Motor	3,689,550	11,886,929
Miscellaneous	12,139,334	16,993,481
<b>Total</b>	<b>205,684,810</b>	<b>226,197,377</b>

**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	32,416,220	26,465,061
Amount due to SBC	35,968,592	70,725,335
Overseas re-insurer	338,755,556	279,501,223
<b>Total</b>	<b>407,140,369</b>	<b>376,691,619</b>

**10.00 Sundry creditors**

Liability for expenses	11,596,696	9,727,780
Others payable	165,847,204	228,818,075
Provision for income tax (Note : 10.01)	250,935,571	215,935,571
Deferred tax liabilities/(asset) (Note : 10.02)	50,841,387	34,441,387
Unclaimed dividend	20,827,718	24,719,830
<b>Total</b>	<b>500,048,577</b>	<b>513,642,643</b>

**10.01 Provision for income tax**

Opening balance	215,935,571	181,212,739
Add : Addition during the year	35,000,000	34,722,832
<b>Sub Total</b>	<b>250,935,571</b>	<b>215,935,571</b>

**10.02 Deferred tax liability/(asset):**

Opening balance	34,441,387	13,061,018
Add : Addition during the year	16,400,000	21,380,369
<b>Sub Total</b>	<b>50,841,387</b>	<b>34,441,387</b>



Amount in Taka	
2014	2013

#### 10.A Consolidated sundry creditors

Green Delta Insurance Company Ltd.	499,637,882	513,642,643
Green Delta Capital Limited	24,852,846	15,617,218
Green Delta Securities Limited	272,889,348	186,099,058
Professional Advancement Bangladesh Ltd.	389,763	-
GD Assist Ltd.	364,032	-
<b>Total</b>	<b>798,133,871</b>	<b>715,358,919</b>

#### 11.00 Bank overdraft

Mercantile Bank (SOD -1894)	92,051,830	72,253,488
<b>Total</b>	<b>92,051,830</b>	<b>72,253,488</b>

The total due amount has been received from the Mercantile Bank Limited, Mohakhali branch, account no. SOD-1984, Dhaka-1212 in favor of the company.

#### 12.00 Investment

Investment in Government Bond	25,000,000	25,000,000
Investment in Debentures	-	4,339,186
Investment in GDSL as Margin Loan ( Note: 12.1)	75,000,000	105,000,000
Investment in quoted shares	1,729,616,843	1,485,856,088
<b>Investment in unquoted share:</b>		
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
United Power Generation	8,400,000	
Financial Excellence	3,000,000	1,500,000
CDBL	1,138,890	1,138,890
BD Venture	20,000,000	20,000,000
Swiss Pro BD Ltd.	-	10,200,000
Heritage Life Insurance Company Ltd.	-	19,500,000
Energypac Power Generation Ltd.	4,972,000	4,972,000
The ACME Laboratories Ltd.	26,000,000	26,000,000
<b>Investment in Subsidiaries:</b>		
Green Delta Capital Limited	249,999,900	249,999,900
Green Delta Securities Ltd.	99,999,900	99,999,900
GD Assist Ltd.	2,499,000	
Professional Advancement Bangladesh Ltd.	2,499,000	
<b>Total</b>	<b>2,391,632,233</b>	<b>2,197,012,664</b>

Amount in Taka	
2014	2013

#### 12.01 Investment in GDSL as margin loan

Margin Loan of Green Delta Securities Ltd.	75,000,000	105,000,000
<b>Sub Total</b>	<b>75,000,000</b>	<b>105,000,000</b>

The amount was invested in GDSL as margin loan @ 9 % interest annually.

#### 12.A Consolidated investment

Investment of Green Delta Insurance Co. Ltd.	1,961,632,233	1,742,012,864
Investment of Green Delta Capital Ltd.	51,014,255	71,970,497
Investment of Green Delta Securities Ltd.	744,347,631	762,368,606
<b>Total</b>	<b>2,756,994,119</b>	<b>2,576,351,967</b>

#### 13.00 Outstanding premium

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

Marine hull	11,202,923	16,335,576
Aviation hull	60,833,113	114,332,999
<b>Total</b>	<b>72,036,036</b>	<b>130,668,575</b>

#### 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, 2014.

Co-insurance premium receivable	91,208,269	32,242,715
Co-insurance claim receivable	5,312,915	5,082,439
Amount due from overseas re-insurer	381,077,501	368,157,727
<b>Total</b>	<b>477,598,684</b>	<b>405,482,881</b>

#### 15.00 Sundry debtors ( including advance and deposits)

Advance rent	13,474,128	4,970,204
Advance salary	629,297	514,761
Car lease for employees(advance)	6,229,646	9,161,004
Other advances	336,999,525	314,284,046
Office Space at Khatungonj	31,834,200	-
Security deposit	2,143,854	1,859,954
Accrued interest	961,044.00	961,040.00
<b>Total</b>	<b>392,271,694</b>	<b>331,751,009</b>

		Amount in Taka	
		2014	2013
<b>15.A</b>	<b>Consolidated sundry debtors</b>		
	Green Delta Insurance Company Ltd.	320,933,327	274,604,800
	Green Delta Securities Limited	342,699,734	249,609,792
	Green Delta Capital Limited	26,807,823	26,570,239
	Professional Advancement Bangladesh Ltd.	5,315,976	-
	GD Assist Ltd.	2,539	-
	<b>Total</b>	<b>695,759,399</b>	<b>550,784,831</b>
<b>16.00</b>	<b>Cash and cash equivalent</b>		
	Fixed deposits	1,105,377,772	1,106,165,429
	STD and current account	72,939,922	92,687,502
	Cash in hand	3,155,801	1,740,523
	<b>Total</b>	<b>1,181,473,495</b>	<b>1,200,593,454</b>
<b>16.A</b>	<b>Consolidated cash and cash equivalent</b>		
	Green Delta Insurance Company Ltd.	1,181,473,495	1,200,593,454
	Green Delta Capital Limited	217,199,573	181,601,320
	Green Delta Securities Limited	161,256,918	160,463,989
	Professional Advancement Bangladesh Ltd.	2,895,851	-
	GD Assist Ltd.	2,618,819	-
	<b>Total</b>	<b>1,565,444,656</b>	<b>1,542,658,763</b>
<b>17.00</b>	<b>Land property &amp; office space</b>		
	Land (at revalued price)	800,000,000	800,000,000
	<b>Total</b>	<b>800,000,000</b>	<b>800,000,000</b>

Land property revalued by Asian surveyor as per decision of the board and stated at new revalued price on June 30, 2012 and 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
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#### 18.00 Fixed Assets (at cost less depreciation)

Cost					
As at January 01, 2014	59,276,638	66,708,884	85,864,200	1,080,727,371	1,292,577,093
Additions during the year	5,470,672	6,929,102	35,341,500	49,162,480	96,903,754
Disposal during the year	-	-	(9,600,000)	-	(9,600,000)
<b>As at December 31, 2014</b>	<b>64,747,310</b>	<b>73,637,986</b>	<b>111,605,700</b>	<b>1,129,889,851</b>	<b>1,379,880,847</b>

**Amount in Taka**

**2014**

**2013**

**Depreciation**

As at January 01, 2014	8,386,642	14,553,937	22,636,540	10,913,817	56,490,936
Charge during the year	6,474,731	11,045,698	22,321,140	7,709,637	47,551,205
Disposal during the year	-	-	(3,894,158)	-	(3,894,158)
<b>As at December 31, 2014</b>	<b>14,861,373</b>	<b>25,599,635</b>	<b>41,063,522</b>	<b>18,623,454</b>	<b>100,147,983</b>

**Sub Total**

<b>49,885,937</b>	<b>48,038,351</b>	<b>70,542,178</b>	<b>1,111,266,397</b>	<b>1,279,732,864</b>
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**Written down value of Intangible assets (Note 18.01)**

**1,957,700**

**Written down value at December 31, 2014**

<b>49,885,937</b>	<b>48,038,351</b>	<b>70,542,178</b>	<b>1,111,266,397</b>	<b>1,281,690,564</b>
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**Written down value at December 31, 2013**

<b>50,889,996</b>	<b>52,154,945</b>	<b>63,227,660</b>	<b>1,069,813,554</b>	<b>1,237,559,206</b>
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**18.01 Intangible assets (computer software)**

Opening Balance	1,733,000	1,317,000
Add: Addition during the year	876,000	416,000
Less: Amortization during the year (15%)	391,350	259,950
Less: Accumulated amortization	259,950	-
<b>Total</b>	<b>1,957,700</b>	<b>1,473,050</b>

**18.A Consolidated fixed assets (at cost less depreciation)**

Green Delta Insurance Company Ltd.	1,279,732,864	1,236,086,156
Green Delta Securities Ltd.	3,389,834	8,428,336
Green Delta Capital Limited	6,478,900	7,078,988
Professional Advancement Bangladesh Ltd.	4,602,076	-
GD Assist Ltd.	-	-
<b>Total</b>	<b>1,294,203,674</b>	<b>1,251,593,480</b>

**18.B Consolidated intangible assets (at cost less amortization)**

Green Delta Insurance Company Ltd.	1,957,700	1,473,050
Green Delta Capital Ltd.	8,058,322	-
<b>Total</b>	<b>10,016,022</b>	<b>1,473,050</b>

**19.00 Stock of printing, stationery & stamps**

Printing	1,826,243	1,389,310
Stationery	20,063	34,476
Insurance policy stamps	807,064	834,933
<b>Total</b>	<b>2,653,370</b>	<b>2,258,719</b>

**19.A Consolidated preliminary expenses**

Professional Advancement Bangladesh Ltd.	2,229,679	-
GD Assist Ltd.	170,333	-
<b>Total</b>	<b>2,400,012</b>	<b>-</b>

		Amount in Taka	
		2014	2013
<b>20.00</b>	<b>Audit fees</b>		
	Statutory audit	345,000	345,000
	<b>Total</b>	<b>345,000</b>	<b>345,000</b>
<b>21.00</b>	<b>Investment and others income</b>		
	Interest on FDR & STD	113,925,439	117,759,634
	Net profit from shares trading	10,552,073	3,125,202
	Interest on National Bond	2,785,104	2,386,021
	Underwriting commission	356,407	859,769
	Dividend income	52,112,915	59,748,500
	Interest Income from GDSL	7,635,417	10,670,833
	Co-ins service charges	2,315,811	456,383
	Sundry income	6,798,594	615,846
	Rental income	9,473,224	8,442,209
	Income from Trustee Commission	900,000	-
	Interest on Debenture	12,490,019	-
	Currency Exchange gain/ (loss)	1,395,585	-
	<b>Total</b>	<b>220,740,587</b>	<b>204,064,397</b>
<b>21.A</b>	<b>Consolidated income from share business</b>		
	Green Delta Insurance Company Ltd.	10,552,073	3,125,202
	Green Delta Securities ltd.	3,230,431	1,195,843
	Green Delta Capital Limited	15,308,896	1,514,212
	<b>Total</b>	<b>29,091,400</b>	<b>5,835,257</b>
<b>21.B</b>	<b>Consolidated interest &amp; others income</b>		
	Green Delta Insurance Company Ltd.	136,835,979	130,816,488
	Green Delta Securities ltd.	49,506,484	39,553,277
	Green Delta Capital Limited	23,538,305	20,124,993
	Professional Advancement Bangladesh Ltd.	36,143	
	GD Assist Ltd.	26,395	
		209,943,306	190,494,758
	Less: Inter company transaction	10,485,681	10,670,833
	<b>Total</b>	<b>199,457,625</b>	<b>179,823,925</b>
<b>21.C</b>	<b>Consolidated management expenses</b>		
	Green Delta Insurance Company Ltd.	186,573,074	144,959,662
	Green Delta Securities Ltd.	88,227,168	62,587,463
	Green Delta Capital Limited	26,436,840	18,071,321
	Professional Advancement Bangladesh Ltd.	3,810,306	
	GD Assist Ltd.	457,785	
		305,505,173	225,618,446
	Less: Inter company transaction	10,485,681	12,519,238
	<b>Total</b>	<b>295,019,492</b>	<b>213,099,208</b>

**Amount in Taka**

**2014**

**2013**

**22.00 Claims under policies less re-insurance**

	<b>Fire</b>	<b>Marine Cargo</b>	<b>Marine Hull</b>	<b>Motor</b>	<b>Miscellaneous</b>	<b>Total</b>
Claims paid during the year	179,695,851	53,500,900	39,693	40,903,794	92,985,875	367,126,113
Claims outstanding at the end of the year	163,037,527	24,630,899	2,187,500	3,689,550	12,139,334	205,684,810
Claims outstanding at the beginning of the year	(163,048,307)	(33,819,662)	(448,998)	(11,886,929)	(16,993,481)	(226,197,377)
<b>Total amount (Year - 2014)</b>	<b>179,685,071</b>	<b>44,312,137</b>	<b>1,778,195</b>	<b>32,706,415</b>	<b>88,131,728</b>	<b>346,613,546</b>
<b>Total amount (Year- 2013)</b>	<b>206,624,805</b>	<b>95,995,465</b>	<b>795,387</b>	<b>49,638,587</b>	<b>19,547,409</b>	<b>372,601,653</b>

**23.00 Premium less re-insurance**

<b>Class of business:</b>	<b>On Direct Business</b>	<b>On Re-ins Accepted</b>	<b>On Re-ins. Ceded</b>	<b>Total Amount in 2014</b>	<b>Total Amount in 2013</b>
Fire	1,166,953,588	-	(872,545,500)	294,408,088	564,851,945
Marine Cargo	881,125,884	-	(193,715,993)	687,409,891	522,355,693
Marine Hull	70,604,432	1,359,816	(45,201,735)	26,762,513	6,233,909
Motor	176,565,011	-	(69,943,287)	106,621,724	153,776,246
Miscellaneous	384,764,964	-	(277,695,918)	107,069,045	69,771,296
<b>Total amount (December 31, 2014)</b>	<b>2,680,013,878</b>	<b>1,359,816</b>	<b>(1,459,102,433)</b>	<b>1,222,271,261</b>	<b>1,316,989,089</b>

**Number of shares Outstanding:**

**Number of shares as at 31.12.2014**

**Number of shares as at 31.12.2013 (Restated)**

**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: A**

Profit as per profit & loss account	290,655,720	304,810,597
Less: Income tax provision	35,000,000	34,722,832
Less: Deferred tax expenses	16,400,000	21,380,369
Less: Loss from discontinued business	-	19,675,601

**Number of shares: B**

Shares outstanding as on 01.01.2014	63,787,500	51,030,000
Bonus share issued during the year	9,568,125	7,654,500
New share issued .		3,411,321
	<b>73,355,625</b>	<b>62,095,821</b>

<b>Basic earnings per shares C=(A/B) (Per value of Tk.10)</b>	<b>239,255,720</b>	<b>229,031,795</b>
	<b>73,355,625</b>	<b>73,355,625</b>

**3.26**

**\*3.12**

## 24.A Consolidated earning per share (EPS)

<b>Earnings attributable to ordinary shares:</b>	<b>A</b>	<b>264,691,268</b>	<b>230,872,127</b>
Profit as per profit & loss account		330,849,147	333,811,063
Less: Income tax provision		49,757,879	47,566,358
Less: Deferred tax expenses		16,400,000	21,380,369
Less: Adjustment for GDSL		-	14,316,608
Less: Loss from discontinued business		-	19,675,601
<b>Consolidated EPS =</b> $\frac{\text{Consolidated net profit after tax}}{\text{Total no. of shares outstanding during the year}}$		<b>264,691,268</b>	<b>230,872,127</b>
		<b>73,355,625</b>	<b>73,355,625</b>
		<b>3.61</b>	<b>*3.15</b>

- \* If the number of ordinary or potential ordinary shares outstanding increases as result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively.

<b>Amount in Taka</b>	
<b>2014</b>	<b>2013 (restated)</b>

## 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	2,391,632,233	2,197,012,664
Outstanding premium	72,036,036	130,668,575
Amount due to other persons or bodies carrying on insurance business	477,598,684	405,482,882
Sundry debtors	392,271,694	331,751,009
Cash and bank balance	1,181,473,495	1,200,593,454
Land, fixed asset & others	2,084,343,934	2,039,817,925
<b>Total Assets</b>	<b>6,599,356,076</b>	<b>6,305,326,509</b>

### B. Liabilities

Balance of fund accounts	500,552,760	658,163,955
Premium deposit	40,955,087	35,960,887
Estimated liability in respect of outstanding claims whether due or intimated	205,684,810	226,197,377
Amount due to other persons or bodies carrying on insurance business	407,140,369	376,691,619
Sundry creditors	500,048,577	513,642,643
Bank loan	92,051,830	72,253,488
<b>Total liabilities</b>	<b>1,746,433,432</b>	<b>1,882,909,969</b>
<b>Net Assets (A - B)</b>	<b>4,852,922,644</b>	<b>4,422,416,540</b>
<b>Number of shares outstanding during the year</b>	<b>73,355,625</b>	<b>73,355,625</b>
<b>Net assets value per share</b>	<b>66.16</b>	<b>60.29</b>

## 26.00 Related party transactions

The Company has entered 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			
<b>Name of the Party</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>Closing balance</b>
Green Delta Securities Ltd.	Subsidiary Company	Inter Company Credit @ 9%	123,471,538
Green Delta Capital Ltd.	Subsidiary Company	Inter Company Transaction	9,249,002
Professional Advancement Bang. Ltd.	Subsidiary Company	Inter Company Transaction	13,617,826
GD Assist Ltd.	Subsidiary Company	Inter Company Transaction	410,695

## 27.00 Number of employees

During the year under audit, there were 582 employees for the full year and 32 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.

## Green Delta Insurance Company Ltd.

### Form "AA"

Classified Summary of Assets as at December 31, 2014

Sl. No.	Class of Assets	Book Value Taka
1	Investment in government bond	25,000,000
2	Shares listed on DSE & CSE (market price)	1,729,616,843
3	United Power Generation	8,400,000
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)	75,000,000
8	Beximco Pharma preferred share	522,700
9	Green Delta Capital Limited (paid up capital )	249,999,900
10	Financial Excellence	3,000,000
11	CDBL	1,138,890
12	BD Venture	20,000,000
13	Professional Advancement Bangladesh Ltd.	2,499,000
14	Green Delta Securities Ltd	99,999,900
15	GD Assist Ltd.	2,499,000
16	Energypac Power Generation Ltd.	4,972,000
17	The ACME Laboratories Ltd.	26,000,000
18	Fixed deposit	1,105,377,772
19	Cash at bank on STD and current account	76,095,723
20	Outstanding premium	72,036,036
21	Amount due from other persons or bodies carrying on insurance business	477,598,684
22	Sundry debtors (including advance and deposits)	392,271,694
23	Land property	800,000,000
24	Fixed assets (at cost less depreciation)	1,281,690,564
25	Stock of stationery and stamps	2,653,370
<b>TOTAL</b>		<b>6,599,356,076</b>



Chairman



Vice Chairman



Managing Director & CEO



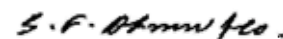
Deputy Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
17 February 2015



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

## 13.2 FINANCIAL STATEMENTS OF GREEN DELTA CAPITAL LTD.

### Auditor's Report 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, 2014 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, 2014 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 16, 2015  
Place: Dhaka

**Green Delta Capital Limited**

**Statement of Financial Position**

as at December 31, 2014

Particulars	Notes	Amount in Taka	
		31.12.2014	31.12.2013
<b>APPLICATION OF FUNDS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	4	5,866,412	2,972,331
Lease Assets	5	612,488	962,492
Intangible Assets	6	8,058,322	3,144,164
<b>Current Assets</b>			
Advances, Deposits & Prepayments	7	5,154,941	9,797,727
Investment in shares (at cost)	8	51,014,255	71,970,497
Accounts Receivable	9	16,367,678	15,651,104
Loan to Employees	10	854,749	1,121,408
Investment In FDR		206,523,750	179,500,000
Margin Loan to Clients		4,430,455	-
Cash and cash equivalents	11	10,675,823	2,101,320
<b>Current Liabilities</b>			
Payable to GDIC	12	9,249,002	9,249,002
Payable to GDSL	13	3,846,669	3,846,669
Accounts Payable	14	10,334,286	3,248,514
Other Provision	15	3,023,849	2,171,299
Provision for Income Tax	16	7,648,042	5,915,602
<b>Net Current Assets</b>			
<b>Total Assets</b>			
<b>SOURCE OF FUNDS</b>			
<b>Shareholders equity</b>			
Share Capital	17	260,000,000	250,000,000
Retained Earnings	18	15,457,025	12,498,278
<b>Long Term Liabilities</b>			
Lease Obligation	19	-	291,680
<b>Total Capital Employed</b>			

The above notes (1-26) form an integral part of these financial statement.



**Chairman**



**Manager (Accounts & Finance)**



**Director**



**Managing Director**



**Chief Investment Officer**



**Ahmed Zaker & Co.**  
Chartered Accountants

Signed as per our separate report of same date.

Date: February 16, 2015  
Place: Dhaka

Green Delta Capital Limited

# Statement of Comprehensive Income

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		31.12.2014	31.12.2013
<b>Income:</b>			
Operating Income	20	10,352,407	8,866,711
Realised Gain on share trading	21	15,308,896	1,514,212
Other Income	22	23,538,305	20,124,993
<b>Total Operating Income (A)</b>		<b>49,199,608</b>	<b>30,505,916</b>
<b>Operating Expenses:</b>			
Operating & Direct Charges	23	22,985	9,837
Office & Administrative Expenses	24	26,154,411	17,840,971
Financial Expenses	25	259,444	220,513
<b>Total Operating Expenses (B)</b>		<b>26,436,840</b>	<b>18,071,321</b>
<b>Profit before depreciation &amp; provisions (A-B)</b>		<b>22,762,768</b>	<b>12,434,595</b>
Less: Depreciation & Amortization	26	3,604,021	2,415,900
<b>Profit Before Tax</b>		<b>19,158,747</b>	<b>10,018,695</b>
Other Provision		2,200,000	1,900,000
Provision for Tax		4,000,000	2,500,000
<b>Net Profit After Tax</b>		<b>12,958,747</b>	<b>5,618,695</b>

The above notes (1-26) form an integral part of these financial statement.



**Chairman**



**Manager (Accounts & Finance)**



**Director**



**Managing Director**



**Chief Investment Officer**



**Ahmed Zaker & Co.**  
Chartered Accountants

Signed as per our separate report of same date.

Date: February 16, 2015  
Place: Dhaka

**Green Delta Capital Limited**

# Statement of Changes In Equity

For the year ended December 31, 2014

Particulars	Share Capital	Proposed Stock Dividend	Revaluation Reserve	Retained Earnings	Total Shareholders Equity
Opening Balance	250,000,000	-	-	12,498,278	262,498,278
Addition during the year	10,000,000	-	-	-	10,000,000
Net profit during the year	-	-	-	12,958,747	12,958,747
Bonus Share Issue (2013)	-	-	-	(10,000,000)	(10,000,000)
<b>Closing Balance</b>	<b>260,000,000</b>	<b>-</b>	<b>-</b>	<b>15,457,025</b>	<b>275,457,025</b>

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
<b>Closing Balance</b>	<b>250,000,000</b>	<b>-</b>	<b>-</b>	<b>12,498,278</b>	<b>262,498,278</b>



**Chairman**



**Manager (Accounts & Finance)**



**Director**



**Managing Director**



**Chief Investment Officer**



**Ahmed Zaker & Co.**  
Chartered Accountants

Signed as per our separate report of same date.

Date: February 16, 2015  
Place: Dhaka

Green Delta Capital Limited

## Statement of Cash Flows

For the year ended December 31, 2014

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Cash Collected from Turnover	48,483,034	20,144,186
Cash Paid to Customers, Suppliers, Employees & others	(15,327,866)	(20,652,959)
Income Tax Paid	(2,735,981)	(1,629,492)
<b>Net Cash flow from/(used) Operating Activities</b>	<b>30,419,187</b>	<b>(2,138,265)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Property, Plant & Equipment addition during the year	(11,062,256)	(1,671,721)
Investment in FDR	(27,023,750)	(130,000,000)
Investment	20,956,242	(23,479,556)
<b>Net Cash flow from /(Used) in Investing Activities:</b>	<b>(17,129,764)</b>	<b>(155,151,277)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Employee loan adjustment	266,659	173,824
Financial Expenses	(259,444)	-
Margin Loan	(4,430,455)	-
Lease Paid	(291,680)	(437,496)
Share issued	-	150,000,000
<b>Net Cash used in Financing Activities:</b>	<b>(4,714,920)</b>	<b>149,736,328</b>
<b>D. Net Increase/(Decrease) in cash &amp; cash equivalents during the year (A+B+C):</b>	<b>8,574,503</b>	<b>(7,553,214)</b>
<b>E. Cash &amp; cash equivalents at the beginning of the year</b>	<b>2,101,320</b>	<b>9,654,534</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>10,675,823</b>	<b>2,101,320</b>

# **Notes to the Financial Statements and significant accounting policies**

For the year ended December 31, 2014

## **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, 2014 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. No depreciation has been charged on addition of car which is purchased in the month of December 2014. Asset category wise depreciation rates are as follows:

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 Intangible assets and amortization of intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is treated as expense as incurred.

## 2.4 Cash flow statement

Cash flow statement is prepared in accordance with BAS 7: "Cash Flow Statement", the cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

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

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

## 2.6 Revenue recognition

The revenue is recognized after satisfying all the conditions for revenue recognition as provided BAS 18: "Revenue". Detailed income wise policy for revenue recognition is as under:

### 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.

### 2.7 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.

### 2.8 Borrowing costs

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

### 2.9 Related party transactions

The management has duly identified the party related to the company and disclosed the transactions of the related party as per BAS 24: "Related Party Disclosures"

### 2.10 Provision for liabilities

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

### 2.11 Investment in Shares

Investment in quoted shares and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at cost at reporting date. Net of unrealized gain and loss has not been recognized in profit and loss account.

### 2.12 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.

### 2.13 Related party disclosure

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

Name of the Related Party	Nature of Relationship	Nature of Transaction	Balance as on December 31, 2014
Green Delta Insurance	Common Shareholder	Payable	9,249,002

## 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, 2014.
- b) Statement of Comprehensive Income for the year ended December 31, 2014.
- c) Statement of Changes in Equity for the year ended December 31, 2014.
- d) Statement of Cash Flows for the year ended December 31, 2014.
- 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 Comparative:**

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

### **3.5 Application of Bangladesh Accounting Standards (BASs):**

The Financial Statements have been prepared in compliance with requirement of BAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following BASs are applicable for the financial statements for the period under review:

BAS- 1 Presentation of Financial Statements

BAS- 7 Statement of Cash Flows

BAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors

BAS- 10 Events after the Reporting Period

BAS- 12 Income Taxes

BAS- 16 Property, Plant and Equipment

BAS- 17 Leases

BAS- 18 Revenue

BAS- 18 Employees Benefit

BAS- 24 Related Party Disclosure

BAS- 38 Intangible Assets

### **3.6 Reporting period**

Financial statements of the company cover a year from January 1, 2014 to December 31, 2014.

# Explanatory notes to the Financial Statements

For the Year ended December 31, 2014

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
<b>4.00 Property, Plant &amp; Equipment</b>		
<b>Cost</b>		
Opening balance	4,565,638	2,893,917
Add: Addition during the year	4,102,022	1,671,721
	<b>8,667,660</b>	<b>4,565,638</b>
<b>Less: Disposal during the year</b>	-	-
Total Cost	<b>8,667,660</b>	<b>4,565,638</b>
<b>Less: Depreciation:</b>		
Opening balance	1,593,307	630,055
Add: Charged during the year	1,207,941	963,252
	2,801,248	1,593,307
Less: Adjustment	-	-
<b>Accumulated depreciation</b>	<b>2,801,248</b>	<b>1,593,307</b>
<b>Written Down Value</b>	<b>5,866,412</b>	<b>2,972,331</b>
<b>Details of Property, Plant &amp; Equipment is given in Schedule-A/1</b>		
<b>5.00 Lease Assets (Car)</b>		
Opening Balance Union Capital (Car for ED)	1,750,000	1,750,000
Add: Addition	-	-
<b>Total</b>	<b>1,750,000</b>	<b>1,750,000</b>
Less:		
Opening Depreciation	787,508	437,504
Add: charged during the year	350,004	350,004
<b>Total</b>	<b>1,137,512</b>	<b>787,508</b>
<b>Written Down Value</b>	<b>612,488</b>	<b>962,492</b>
Details of Lease Assets (Car) is given in Schedule-A/1		
<b>6.00 Intangible Assets</b>		
Opening Balance	5,513,230	5,513,230
Add: Addition during the year	6,960,234	
<b>Total</b>	<b>12,473,464</b>	<b>5,513,230</b>
Less:		
Opening Amortization	2,369,066	1,266,422
Add: Charge during the Year	<b>2,046,076</b>	1,102,644
	<b>4,415,142</b>	<b>2,369,066</b>
<b>Total</b>	<b>8,058,322</b>	<b>3,144,164</b>
Details of Intangible Assets is given in Schedule-A/1		

Particulars		Amount in Taka	
		31.12.2014	31.12.2013
<b>7.00 Advances, Deposits &amp; Prepayments</b>			
Advance Loan to Employees	<b>7.01</b>	212,468	240,000
TDS from Interest Income Bank	<b>7.02</b>	11,915	190,122
TDS from Interest Income FDR	<b>7.03</b>	3,466,371	3,138,901
TDS from Interest Underwriting Commission	<b>7.04</b>	86,956	8,500
T & T Deposits	<b>7.05</b>	2,000	2,000
CDBL Security Deposits	<b>7.06</b>	200,000	200,000
TDS from Dividend Income	<b>7.07</b>	138,647	75,329
TDS from Fees Income	<b>7.08</b>	661,584	84,200
Advance to MILES Software Ltd.	<b>7.09</b>	-	4,114,177
Advace to Infobase Ltd.	<b>7.10</b>	-	180,500
Advance Office Expense	<b>7.11</b>	-	1,126,698
Advance expenses (TA/DA)		-	87,300
Advance to Business object Solution Ltd.		375,000	150,000
Advances to other		-	200,000
		<b>5,154,941</b>	<b>9,797,727</b>
<b>7.01 Advances Loan to Employees</b>			
Opening Balance		240,000	50,000
Add: Addition during the year		362,400	480,000
<b>Total</b>		<b>602,400</b>	<b>530,000</b>
Less: Adjustment made during the year		389,932	290,000
		<b>212,468</b>	<b>240,000</b>
<b>7.02 TDS from Interest Income Bank</b>			
Opening Balance		190,122	189,542
Add: Addition during the yaer		11,335	580
		<b>201,457</b>	<b>190,122</b>
Less: Adjustment during the year		(189,542)	-
<b>Total</b>		<b>11,915</b>	<b>190,122</b>
<b>7.03 TDS from Interest Income FDR</b>			
Opening Balance		3,138,901	1,654,378
Add: Addition during the year		1,981,848	1,484,523
		<b>5,120,749</b>	<b>3,138,901</b>
Less: Adjustment during the year		(1,654,378)	-
<b>Total</b>		<b>3,466,371</b>	<b>3,138,901</b>
<b>7.04 TDS from Interest Underwriting Commission</b>			
Opening Balance		8,500	8,500
Add: Addition during the year		86,956	-
		<b>95,456</b>	<b>8,500</b>

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
Less: Adjustment during the year	(8,500)	-
<b>Total</b>	<b>86,956</b>	<b>8,500</b>
<b>7.05 T &amp; T Deposits</b>		
Opening Balance	2,000	2,000
Add: Addition during the year	-	-
<b>Total</b>	<b>2,000</b>	<b>2,000</b>
<b>7.06 CDBL Security Deposit</b>		
Opening Balance	200,000	200,000
Add: Addition during the year	-	-
<b>Total</b>	<b>200,000</b>	<b>200,000</b>
<b>7.07 TDS from Dividend Income</b>		
Opening Balance	75,329	15,140
Add: Addition during the year	78,458	60,189
	<b>153,787</b>	<b>75,329</b>
Less: Adjustment during the year	(15,140)	-
<b>Total</b>	<b>138,647</b>	<b>75,329</b>
<b>7.08 TDS from Fees Income</b>		
Opening Balance	84,200	-
Add: Addition during the year	577,384	84,200
<b>Total</b>	<b>661,584</b>	<b>84,200</b>
Less: Adjustment made during the year	-	-
	<b>661,584</b>	<b>84,200</b>
<b>7.09 Advances to MILES Software Ltd.</b>		
Opening Balance	4,114,177	4,114,177
Add: Addition during the year	2,408,057	-
	<b>6,522,234</b>	<b>4,114,177</b>
Less: Adjustment made during the year	(6,522,234)	-
<b>Total</b>	<b>-</b>	<b>4,114,177</b>
<b>7.10 Advances to Infobase Ltd</b>		
Opening Balance	180,500	62,000
Add: Addition during the year	-	118,500
	<b>180,500</b>	<b>180,500</b>
Less: Adjustment made during the year	(180,500)	-
<b>Total</b>	<b>-</b>	<b>180,500</b>
<b>7.11 Advance to Office staff for Expenses</b>		

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
Opening Balance	1,126,698	3,361,513
Add: Addition during the year	6,886,680	-
	<b>8,013,378</b>	<b>3,361,513</b>
Less: Adjustment made during the year	(8,013,378)	(2,234,815)
<b>Total</b>	<b>-</b>	<b>1,126,698</b>
<b>8.00 Investment in Share (at cost)</b>		
Investment in Shares at cost	51,014,255	52,470,497
Investment in Share (Heritage Life Ins. Co. Ltd.)	-	19,500,000
	<b>51,014,255</b>	<b>71,970,497</b>
<b>9.00 Accounts Receivable</b>		
Interest Receivable on FDR	<b>9.01</b> 10,559,794	9,621,315
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)	317,805	46,073
Receivable from OTOBI	872,175	1,775,220
Receivable from Financial Express Resech	60,000	120,000
Receivable from Alliance Holdings (AHL) other TADA	87,300	-
Receivable from Pran RFL (Other nexpenses) TADA	253,010	-
Receivable from Broker GDSL (Discretionary)	1,623,126	355,958
Receivable from Union Capital (Other)	6,595	-
Receivable from Green Delta Securities Ltd. Head Office	78,950	-
Other Receivable (Employee & Others)	6,846	-
	<b>16,367,678</b>	<b>15,651,104</b>
<b>9.01 Interest Receivable on FDR</b>		
Opening Balance	9,621,315	2,384,797
Add: Addition during the year	17,465,704	15,314,932
<b>Total</b>	<b>27,087,019</b>	<b>17,699,729</b>
Less: Adjustment made during the year	16,527,225	8,078,414
	<b>10,559,794</b>	<b>9,621,315</b>
<b>10.00 Loan to Employees</b>		
Car Loan	<b>10.01</b> 838,080	1,066,656
Mobile Loan	<b>10.02</b> 16,669	54,752
	<b>854,749</b>	<b>1,121,408</b>
<b>10.01 Car Loan</b>		
Opening Balance	1,066,656	1,295,232
Add: Addition during the year	-	-
<b>Total</b>	<b>1,066,656</b>	<b>1,295,232</b>
Less: Adjustment made during the year	228,576	228,576
	<b>838,080</b>	<b>1,066,656</b>

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
<b>10.02 Mobile Loan</b>		
Opening Balance	54,752	-
Add: Addition during the year	80,000	90,048
<b>Total</b>	<b>134,752</b>	<b>90,048</b>
Less: Adjustment made during the year	118,083	35,296
	<b>16,669</b>	<b>54,752</b>
<b>11.00 Cash and cash equivalents</b>		
Cash in Hand	<b>11.01</b> 73,743	90,333
Cash at Bank	<b>11.02</b> 10,011,742	1,379,943
Ledger Balance from GDSL	590,338	631,044
	<b>10,675,823</b>	<b>2,101,320</b>
<b>11.01 Cash in hand</b>		
Cash in hand	73,743	90,333
	<b>73,743</b>	<b>90,333</b>
<b>11.02 Cash with bank</b>		
Eastern Bank Limited AC. No. 1011220001064	1,161	1,697
SCB (Discretionary) 01-1146314-01	23,672	73,924
SCB-IP A/C (Non-Discretionary) 01-1146314-03	8,009,575	219,437
SCB (Own Investment) 01-1146314-02	163,001	69,956
SCB (Operation) 02-1146314-01	942,735	933,589
MCBL (Operation)011313100000777	850,598	81,340
SCB IPO Application A/C 01-1146314-04	21,000	-
	<b>10,011,742</b>	<b>1,379,943</b>
<b>12.00 Payable to GDIC</b>		
Temporary loan	<b>12.01</b> 9,143,250	9,143,250
Office Rent Payable GDIC	105,752	105,752
	<b>9,249,002</b>	<b>9,249,002</b>
<b>12.01 Temporary loan</b>		
Opening Balance	9,143,250	9,143,250
Add: Addition during the year	-	1,593,079
<b>Total</b>	<b>9,143,250</b>	<b>10,736,329</b>
Less: Adjustment made during the year	-	1,593,079
	<b>9,143,250</b>	<b>9,143,250</b>
<b>13.00 Payable to GDSL</b>		
Salary & Allowances	1,269,284	1,269,284
Management Expenses	2,025,515	2,025,515
Preliminary Expenses	206,870	206,870
Office Rent	345,000	345,000
	<b>3,846,669</b>	<b>3,846,669</b>



Particulars	Amount in Taka	
	31.12.2014	31.12.2013
<b>14.00 Accounts Payable</b>		
Audit Fees	4.01 57,500	57,500
TDS Payable	4.02 4,851	9,702
VAT Payable	4.03 591,422	609,775
Current Portion of Lease Obligation	4.04 291,680	437,496
Accrued expenses & other payable	4.05 21,439	21,025
Other Payables	4.06 623,100	1,499,858
Payable to Brokerage	-	32,309
IPO Control Account	21,000	-
Payable to Clients	4.07 8,723,294	580,849
	<b>10,334,286</b>	<b>3,248,514</b>
<b>14.01 Audit Fees</b>		
Opening Balance	57,500	57,500
Add: Addition during the year	57,500	57,500
<b>Total</b>	<b>115,000</b>	<b>115,000</b>
Less: Paid during the year	(57,500)	57,500
<b>Closing Balance</b>	<b>57,500</b>	<b>57,500</b>
<b>14.02 TDS Payable</b>		
Opening Balance	9,702	16,076
Add: Addition during the year	86,914	46,307
<b>Total</b>	<b>96,616</b>	<b>62,383</b>
Less: Paid during the year	91,765	52,681
<b>Closing Balance</b>	<b>4,851</b>	<b>9,702</b>
<b>14.03 VAT Payable</b>		
Opening Balance	609,775	1,214,226
Add: Addition during the year	841,565	422,789
<b>Total</b>	<b>1,451,340</b>	<b>1,637,015</b>
Less: Paid during the year	859,918	1,027,240
<b>Closing Balance</b>	<b>591,422</b>	<b>609,775</b>
<b>14.04 Current Portion of Lease Obligation</b>		
Opening Balance	437,496	437,496
Add: Addition during the year	-	437,496
	<b>437,496</b>	<b>874,992</b>
Less: Paid during the year	<b>145,816</b>	437,496
<b>Total</b>	<b>291,680</b>	<b>437,496</b>
<b>14.05 Accrued expenses &amp; other payable</b>		
Accrued expenses & other payable	21,439	21,025
<b>Total</b>	<b>21,439</b>	<b>21,025</b>

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
<b>14.06 Other Payables</b>		
Payable to CDBL	4,771	1,507
Payable to Ananna Stationary	-	3,573
Payable to Green Delta Aims Ltd.	69,398	67,063
Payable to Spice Catering Ltd.	-	16,815
Payable to Radiant Cleaning & Pest Control	18,687	9,975
Payable to Progress Capital Ltd.	500,000	1,372,175
Payable to Infobase Ltd	5,000	-
Payable to Royal taj enterprise	3,918	-
Payable to Lazeez Food	21,326	-
Other Payable	-	28,750
<b>Total</b>	<b>623,100</b>	<b>1,499,858</b>
<b>14.07 Payable to Clients</b>		
Client Payable Account	8,723,294	580,849
<b>Total</b>	<b>8,723,294</b>	<b>580,849</b>
<b>15.00 Other Provision (Bonus )</b>		
Opening Balance	2,171,299	1,505,647
Add: Addition during the year	2,200,000	1,900,000
<b>Total</b>	<b>4,371,299</b>	<b>3,405,647</b>
Less: Paid during the year	1,347,450	1,234,348
<b>Closing Balance</b>	<b>3,023,849</b>	<b>2,171,299</b>
<b>16.00 Provision for Income Tax</b>		
Opening Balance	5,915,602	3,415,602
Add: Addition during the year	4,000,000	2,500,000
<b>Total</b>	<b>9,915,602</b>	<b>5,915,602</b>
Less: Paid & adjustment during the year	2,267,560	-
<b>Closing Balance</b>	<b>7,648,042</b>	<b>5,915,602</b>
<b>17.00 Share Capital</b>		

**Authorized Share Capital: Taka 1,000,000,000**

The Authorized Share Capital with which the Company has ventured is taka 1,000,000,000 (One Hundred Crore) divided into 100,000,000 ordinary shares of taka 10 each.

**Paid up Capital: Taka 260,000,000**

This represents the paid up capital of the company with 26,000,000 Ordinary Shares of taka 10 each subscribed and paid by the following sponsor shareholders and directors of the company.

Particulars	Amount in Taka	Amount in Taka
Green Delta Insurance Co. Ltd	259,999,900	249,999,900
Nasir A. Choudhury	100	100
	<b>260,000,000</b>	<b>250,000,000</b>

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
<b>18.00 Retained Earnings</b>		
Opening Balance	12,498,278	6,879,583
Add: Addition during the year	12,958,747	5,618,695
	<b>25,457,025</b>	<b>12,498,278</b>
Less: Issue of bonus Share 2013	(10,000,000)	-
<b>Closing Balance</b>	<b>15,457,025</b>	<b>12,498,278</b>
<b>19.00 Lease Finance under Lease Obligation</b>		
Opening Balance	291,680	729,176
Add: Addition during the year	-	-
	<b>291,680</b>	<b>729,176</b>
Less: Current portion of Lease obligation	291,680	437,496
Closing Balance	-	<b>291,680</b>
<b>20.00 Operating Income</b>		
Structured Finance and Corporate Advisory margin interest Income	9,001,975	8,866,711
Issue Management Fees	380,867	-
Underwriting Commission	100,000	-
	869,565	-
	<b>10,352,407</b>	<b>8,866,711</b>
<b>21.00 Realised Gain on share trading</b>		
Realized gains on own Share Investment	15,308,896	1,514,212
	<b>15,308,896</b>	<b>1,514,212</b>
<b>22.00 Other Income:</b>		
Dividend Income	398,781	310,979
Interest Income on FDR	19,715,690	17,448,988
Interest Income on STD Balances	113,350	5,795
Interest Income on Staff Loan	72,852	72,852
Management Fee, GD perfor-Max	67,065	25,409
Documentation Charge, GD perfor-Max	76,500	1,000
Performance Fees GD Performax	-	21,775
Brokerage Commission, GD Perform Max	14,137	18,307
Income from Publication Reserch	1,095,750	626,100
Interest Income from Investment (Heritage Life)	1,149,360	900,000
Management Fee	218,027	121
Bo Account opening Fee	30,500	500
Bo Renewal Fee	15,500	-
Bo Closing Fee	500	-
Brokerage commission	380,713	870
Urgent Withdrawal Income (Non-Discretionery)	1,000	-
Misc. Inome	188,580	692,297

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
	23,538,305	20,124,993
<b>23.00 Operating &amp; Direct Expenses:</b>		
Portfolio Expenses	22,985	9,837
	<b>22,985</b>	<b>9,837</b>
<b>24.00 Office &amp; Administrative Expenses:</b>		
Salaries and Allowances	12,911,090	10,119,908
Festival bonus	1,071,500	849,200
Office Rent	1,269,024	951,768
Insurance premium	131,149	61,802
Electricity, Utility & Services	936,055	888,946
Telephone expenses	20,539	13,637
Mobile Allowances	301,495	226,556
Audit Fees	57,500	57,500
Printing and stationery expenses	518,246	110,120
Postage Courier	22,338	12,262
Office maintenances	305,214	311,245
Software maintenance fees	77,372	62,548
Design Cost	33,750	-
Corporate Events for employees	58,620	-
License and renewal fees	63,505	67,000
Car Repair and maintenances	660,000	360,000
Membership and renewal fees	145,000	100,000
Data Connectivity Expenses - Branch-Dept	234,506	241,316
Training and development expenses	16,550	71,760
Conveyances	133,979	117,943
Computer Accessories	46,400	32,655
Traveling expenses	37,500	28,198
Foreign travel expenses	485,364	285,237
Paper, Books and yearicals	9,495	4,572
Fuel costs	33,254	35,237
Entertainment expenses	87,206	225,545
Marketing Expense	3,531,728	-
Management expenses	652,145	902,530
Board Meeting expenses	100,470	103,530
Advertisement expenses	282,250	20,000
Car Allowances	276,000	376,000
Staff food expenses	363,472	317,486
Web Development	347,800	250,460
RJSC & Govt. Fees	451,292	144,360
Legal expenses	8,000	5,000
CDBL Charges	81,005	8,384
Repair expenses	35,915	47,510
Cartidge & Tonner	69,720	28,000
Recruitment & HR Cost	75,325	80,505
Misceallenous Expense	3,390	53,227

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
Driver Salary	144,000	144,000
Uniform & Dress	65,248	125,024
	<b>26,154,411</b>	<b>17,840,971</b>
<b>25.00 Financial Expenses:</b>		
Interest on lease finance	154,944	154,944
Bank Charges	104,500	65,569
	<b>259,444</b>	<b>220,513</b>
<b>26.00 Depreciation &amp; Written Off:</b>		
Furniture and fittings	17,586	13,122
Computer	662,157	597,060
Office equipment	209,586	193,764
Office Renovation	318,612	159,306
Motor vehicles	350,004	350,004
Systems and softwares	2,046,076	1,102,644
	<b>3,604,021</b>	<b>2,415,900</b>

## Schedule of Property Plant & Equipment

For the year ended December 31, 2014

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	164,485	22,770	-	187,255	10%	23,421	17,586	-	41,007	146,248
2	Office Equipment	998,800	63,502	-	1,062,302	20%	262,314	209,586	-	471,900	590,402
3	Computer	1,809,274	406,300	-	2,215,574	33%	1,148,266	662,157	-	1,810,423	405,151
4	Office Renovation	1,593,079	114,450	-	1,707,529	20%	159,306	318,611.80	-	477,918	1,229,611
5	Car	-	3,495,000	-	3,495,000	20%	-	-	-	-	3,495,000
	<b>Total Taka</b>	<b>4,565,638</b>	<b>4,102,022</b>	<b>-</b>	<b>8,667,660</b>		<b>1,593,307</b>	<b>1,207,941</b>	<b>-</b>	<b>2,801,248</b>	<b>5,866,412</b>

## Amortization Schedule

For the year ended December 31, 2014

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	6,960,234	-	12,473,464	20%	2,369,066	2,046,076	-	4,415,142	8,058,322
	<b>Total Taka</b>	<b>5,513,230</b>	<b>6,960,234</b>	<b>-</b>	<b>12,473,464</b>		<b>2,369,066</b>	<b>2,046,076</b>	<b>-</b>	<b>4,415,142</b>	<b>8,058,322</b>

## Lease Asset Schedule

For the year ended December 31, 2014

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%	787,508	350,004	-	1,137,512	612,488
	<b>Total Taka</b>	<b>1,750,000</b>	<b>-</b>	<b>-</b>	<b>1,750,000</b>		<b>787,508</b>	<b>350,004</b>	<b>-</b>	<b>1,137,512</b>	<b>612,488</b>

## 13.3 FINANCIAL STATEMENTS OF GREEN DELTA SECURITIES LTD.

### AUDITORS' REPORT To the Shareholders of Green Delta Securities Limited

We have audited the accompanying financial statements of Green Delta Securities Limited, which comprise the statement of financial position as at December 31, 2014 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, 2014 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;

Place: Dhaka  
Date: February 16, 2015

**Green Delta Securities Limited**

**Statement of Financial Position**

As at December 31, 2014

Particulars	Notes	Amount in Taka	
		31.12.2014	31.12.2013
<b>SOURCES OF FUNDS</b>			
<b>Shareholders equity</b>		<b>855,333,231</b>	<b>841,731,207</b>
Share Capital	4.00	105,000,000	100,000,000
Retained Earnings	5.00	143,286,067	134,684,043
Revaluation Reserve	6.00	607,047,164	607,047,164
<b>Long Term Liabilities</b>			
Loan From GDIC	7.00	84,138,688	114,138,688
<b>Total Capital Employed</b>		<b>939,471,919</b>	<b>955,869,895</b>
<b>APPLICATION OF FUNDS</b>			
<b>Non-Current Assets (A)</b>		<b>653,389,834</b>	<b>679,928,336</b>
Property, Plant & Equipment	8.00	3,389,834	8,428,336
Investment in Stock Exchange for Membership	9.00	642,000,000	642,000,000
Investment in Bond	10.00	8,000,000	29,500,000
<b>Current Assets (B)</b>		<b>598,304,283</b>	<b>500,942,387</b>
Advances, Deposits and Prepayments	11.00	16,083,970	14,634,258
Receivable from Clients	12.00	298,320,741	211,657,826
Receivable from DSE & CSE	13.00	17,577,612	11,784,907
Investment in shares (at cost)	14.00	94,347,631	90,868,606
Accounts Receivable	15.00	10,717,411	11,532,801
Cash and cash equivalents	16.00	161,256,918	160,463,989
<b>Current Liabilities (C)</b>		<b>312,222,197</b>	<b>225,000,828</b>
Payable to Clients	17.00	71,460,633	85,399,703
Payable to DSE & CSE	18.00	11,090,269	4,207,498
Payable to GDIC (Management Expenses)	19.00	9,065,463	8,311,563
Interest Payable (GDIC)	20.00	31,762,183	32,085,100
Bank Overdraft	21.00	163,108,912	71,654,202
Liabilities for Expenses	22.00	1,728,856	1,202,628
Provision for Income Tax	23.00	17,790,824	16,560,427
Other Provision	24.00	6,215,057	5,579,707
<b>Net Current Assets (D)=(B-C)</b>		<b>286,082,085</b>	<b>275,941,559</b>
<b>Total Assets (E)=(A+D)</b>		<b>939,471,919</b>	<b>955,869,895</b>

The above notes (1-32) form an integral part of these financial statement



**Chairman**



**Head of Finance**

Place: Dhaka

Date: February 16, 2015



**Director**



**Chief Executive Officer**



**Ahmed Zaker & Co.**  
Chartered Accountants

Signed as per our separate report of same date.



Green Delta Securities Limited

# Statement of Comprehensive Income

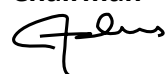
For the year ended December 31, 2014

Particulars	Notes	Amount in Taka	
		31.12.2014	31.12.2013
<b>Operating Income:</b>			
Revenue from Brokerage	25.00	61,760,331	49,915,223
Interest Income	26.00	49,506,484	39,553,277
Dividend Income from (DLR)	27.00	1,135,741	973,071
Capital Gain/(Loss) from Investment in Shares	28.00	3,230,431	1,195,843
Other Operating Income	29.00	6,230,602	7,755,556
<b>Total Operating Income</b>		<b>121,863,589</b>	<b>99,392,970</b>
Less: Direct Charges	30.00	9,259,352	7,646,833
<b>Gross Profit</b>		<b>112,604,237</b>	<b>91,746,137</b>
Less: Office & Administrative Expenses	31.00	59,998,961	50,934,149
Less: Financial Expenses	32.00	25,427,563	17,929,970
<b>Profit/(Loss) before Tax</b>		<b>27,177,713</b>	<b>22,882,019</b>
<b>Less: Provisions</b>		<b>13,575,689</b>	<b>12,343,526</b>
Provision for Taxation	23.00	10,575,689	10,343,526
Other Provision	24.00	3,000,000	2,000,000
<b>Profit/(Loss) After Tax</b>		<b>13,602,024</b>	<b>10,538,493</b>

The above notes (1-32) form an integral part of these financial statement.



Chairman



Head of Finance

Place: Dhaka  
Date: February 16, 2015



Director



Chief Executive Officer



**Ahmed Zaker & Co.**  
Chartered Accountants

Signed as per our separate report of same date.

**Green Delta Securities Limited**

# Statement of Changes in Equity

For the year ended December 31, 2014

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Shareholders Equity
Balance as at January 01, 2014	100,000,000	607,047,164	134,684,043	841,731,207
Bonus Share Issues	5,000,000	-	(5,000,000)	-
Net profit for the year	-	-	13,602,024	13,602,024
<b>Balance as at December 31, 2014</b>	<b>105,000,000</b>	<b>607,047,164</b>	<b>143,286,067</b>	<b>855,333,231</b>

## For the year ended December 31, 2013

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Shareholders Equity
Balance as at January 01, 2014	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
<b>Balance as at December 31, 2013</b>	<b>100,000,000</b>	<b>607,047,164</b>	<b>134,684,043</b>	<b>841,731,207</b>



**Chairman**



**Head of Finance**

Place: Dhaka  
Date: February 16, 2015



**Director**

Signed as per our separate report of same date.



**Chief Executive Officer**



**Ahmed Zaker & Co.**  
Chartered Accountants

**Green Delta Securities Limited**

# Statement of Cash Flows

For the year ended December 31, 2014

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
<b>Cash Flow from Operating Activities:</b>		
Cash Received from Customers and others	30,223,359	14,587,004
Cash Paid to Customers, Suppliers, Employees & others	(72,390,137)	(97,850,958)
Income Tax paid & other Provision & Adjustment	(9,345,292)	(22,058,829)
<b>Net Cash (used) /flows from operating activities</b>	<b>(51,512,070)</b>	<b>(105,322,783)</b>
<b>Cash Flow from Investing activities :</b>		
Acquisition of Property,Plant & Equipment	(1,420,206)	(4,466,451)
Investment	(3,479,025)	4,188,064
Investment in Bond & Others	21,500,000	(19,500,000)
<b>Net Cash flows from Investing activities:</b>	<b>16,600,769</b>	<b>(19,778,387)</b>
<b>Cash Flow from Financing activities:</b>		
Share Capital	-	-
Loan from GDIC	(30,000,000)	(2,500,000)
Overdraft	91,454,710	71,711,583
Interest	(25,750,480)	(18,866,774)
Dividend paid	-	-
<b>Net Cash (used) /flows from Financing activities:</b>	<b>35,704,230</b>	<b>50,344,809</b>
Net increase/(decrease) in cash & cash equivalents	792,929	(74,756,362)
Add: Cash & Cash equivalents at the beginning of the year	160,463,989	235,220,351
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>161,256,918</b>	<b>160,463,989</b>



**Chairman**



**Head of Finance**

Place: Dhaka  
Date: February 16, 2015



**Director**



**Chief Executive Officer**



**Ahmed Zaker & Co.**  
Chartered Accountants

Signed as per our separate report of same date.

# Notes to the Financial Statements

For the year ended December 31, 2014

## 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%

Depreciation has been charged in addition of fixed assets when it is available for use 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, 2014 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.

## 2.9) Related party disclosure

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

Name of the Related Party	Nature of Relationship	Nature of Transaction	Balance as on December 31, 2014
Green Delta Insurance	Common Shareholder	Loan from GDIC	84,138,688
		Payable to GDIC (Management Expense)	9,065,463
		Interest Payable	31,762,183
		Payable to GDIC (Lease obligation Car)	240,625
		Interest Expense	7,635,417

## 2.10) Comparative:

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year’s financial statements.

Previous year’s figure has been re-arranged whenever considered necessary to ensure comparability with the current year’s presentation as per BAS-8 “Accounting Policies, Changes in Accounting Estimates and Errors”. During the year prior year adjustment has been made in the receivable from other party and TDS on DLR.

## 2.11 Application of Bangladesh Accounting Standards (BASs):

The Financial Statements have been prepared in compliance with requirement of BAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following BASs are applicable for the financial statements for the period under review:

BAS- 1 Presentation of Financial Statements

BAS- 7 Statement of Cash Flows

BAS- 8 Accounting Policies, Changes in Accounting Estimates and Errors

BAS- 10 Events after the Reporting Period

BAS- 12 Income Taxes

BAS- 16 Property, Plant and Equipment

BAS- 18 Revenue

BAS- 23 Borrowing Cost

BAS- 24 Related Party Disclosure

### **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, 2014.
- b) Statement of Comprehensive Income for the year ended December 31, 2014.
- c) Statement of Changes in Equity for the year ended December 31, 2014.
- d) Statement of Cash flows for the year ended December 31, 2014.
- e) Notes to the financial statements and Explanatory notes.

#### **General:**

- i) The figure has been rounded off to the nearest Taka.
- ii) The financial Statement has been prepared covering the year from January 01, 2014 to December 31, 2014.

# Explanatory notes to the Financial Statements

For the Year ended December 31, 2014

		Amount in Taka	
		31.12.2014	31.12.2013
<b>4.00</b>	<b>Share capital</b>		
<b>4.01</b>	<b>Authorized Capital</b>		
	Two Million (20,000,000) ordinary shares of Tk.10/- each		
	The authorized share capital of the company is Taka 200 Million (two hundred million) divided into 20,000,000 (Twenty Million) ordinary shares of Taka 10/- each.		
<b>4.02</b>	<b>Issued, subscribed and paid up Capital</b>		
	(10,500,000) One Million ordinary shares of Tk.10/- each fully paid	<b>105,000,000</b>	<b>100,000,000</b>
<b>4.03</b>	<b>Shareholding Position of the Company</b>		
	<b>Name of Share Holder</b>		
	Green Delta Insurance Company Ltd.	999,999	999,999
	Nasir A Choudhury	1	1
		<b>1,000,000</b>	<b>1,000,000</b>
<b>5.00</b>	<b>Retained Earnings</b>		
	Balance as at January 01, 2014	134,684,043	138,462,158
	Add: Addition during the year	13,602,024	10,538,493
		<b>148,286,066</b>	<b>149,000,651</b>
	Less: Prior Year Adjustment	-	(14,316,608)
	Less: Bonus Share Issued	(5,000,000)	-
	<b>Balance as at December 31, 2014</b>	<b>143,286,066</b>	<b>134,684,043</b>
<b>6.00</b>	<b>Revaluation Reserve</b>		
	Balance as at January 01, 2014	607,047,164	607,047,164
	Add: Addition during the year	-	-
	<b>Balance as at December 31, 2014</b>	<b>607,047,164</b>	<b>607,047,164</b>
	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 .		
<b>7.00</b>	<b>Loan from GDIC (Margin Loan &amp; DLR)</b>		
	Balance as at January 01, 2014	114,138,688	116,638,688
	Paid during the year	(30,000,000)	(2,500,000)
	<b>Balance as at December 31, 2014</b>	<b>84,138,688</b>	<b>114,138,688</b>
	The loan amount has been received from the GDIC as margin loan bearing interest @ 9% per annum which is being paid by the company regularly and charged the sum in the income statement.		



		Amount in Taka	
		31.12.2014	31.12.2013
<b>8.00</b>	<b>Property, Plant &amp; Equipment</b>		
	Cost:		
	<b>Opening balance</b>	27,604,607	23,138,156
	Add: Addition during the year	1,420,206	4,466,451
	Less: Adjustment	-	-
	<b>Total Cost</b>	<b>29,024,813</b>	<b>27,604,607</b>
	Less: Accumulated depreciation:		
	Opening balance	19,176,271	12,899,615
	Add: Charged during the year	6,458,708	6,276,656
	Less: Adjustment	-	-
	Accumulated depreciation	<b>25,634,979</b>	<b>19,176,271</b>
	<b>Written Down Value as at December 31, 2014</b>	<b>3,389,834</b>	<b>8,428,336</b>
	<b>Details of Property &amp; Equipment is given in Annexure-A/1</b>		
<b>9.00</b>	<b>Stock Exchanges Membership</b>		
	Dhaka Stock Exchange Limited - Membership	362,000,000	362,000,000
	Chittagong Stock Exchange Limited - Membership	280,000,000	280,000,000
	<b>Balance as at December 31, 2014</b>	<b>642,000,000</b>	<b>642,000,000</b>
<b>10.00</b>	<b>Investment in Bond &amp; Others</b>		
	Investment in Bond (Trust Bank Ltd.)	8,000,000	10,000,000
	Investment in Heritage Life Insurance	-	19,500,000
	<b>Balance as at December 31, 2014</b>	<b>8,000,000</b>	<b>29,500,000</b>
<b>11.00</b>	<b>Advances, Deposits and Prepayments</b>		
	Office rent (Advances)	992,360	1,676,660
	Advance to Employee (Salary)	376,680	468,492
	Advance to Employee (PF)	600	7,800
	Advance to Employee (Car)	857,140	1,000,000
	Prepayment for CFI	731,675	-
	TDS on FDR Interest (Note-11.01)	2,177,341	2,761,260
	TDS on Bond ( Note-11.02)	250,000	250,000
	TDS on Dividend of DLR ( Note-11.03)	664,490	646,141
	Tax on Transaction (Note-11.04)	9,765,136	7,823,905
	Advance to Party (Note-11.05)	268,548	-
	<b>Balance as at December 31, 2014</b>	<b>16,083,970</b>	<b>14,634,258</b>

		Amount in Taka	
		31.12.2014	31.12.2013
<b>11.01</b>	<b>TDS on FDR &amp; STD Interest</b>		
	Balance as at January 01, 2014	2,761,260	1,187,644
	Add: Addition during the year	603,725	1,573,616
		<b>3,364,985</b>	<b>2,761,260</b>
	Less: Adjusted during the year	1,187,644	-
	Balance as at December 31, 2014	2,177,341	2,761,260
<b>11.02</b>	<b>TDS on Bond</b>		
	Balance as at January 01, 2014	250,000	125,000
	Add: Addition during the year	125,000	125,000
		<b>375,000</b>	<b>250,000</b>
	Less: Adjusted during the year	125,000	-
	<b>Balance as at December 31, 2014</b>	<b>250,000</b>	<b>250,000</b>
<b>11.03</b>	<b>TDS on Dividend of DLR</b>		
	Balance as at January 01, 2014	646,141	208,743
	Add: Addition during the year	227,092	437,398
		<b>873,233</b>	<b>646,141</b>
	Less: Adjusted during the year	208,743	-
	<b>Balance as at December 31, 2014</b>	<b>664,490</b>	<b>646,141</b>
<b>11.04</b>	<b>Tax on Transaction</b>		
	Balance as at January 01, 2014	7,823,905	6,817,493
	Add: Addition during the year	9,765,136	7,823,905
		<b>17,589,041</b>	<b>14,641,398</b>
	Less: Adjusted during the year	7,823,905	6,817,493
	<b>Balance as at December 31, 2014</b>	<b>9,765,136</b>	<b>7,823,905</b>
	As per Section 82 (C ) of ITO 1984, the company made a provision for income tax Taka 9,765,136 against turnover tax applying a rate of 0.050% for the year 2014		
<b>11.05</b>	<b>Advance to Party</b>		
	Advances to Index Art Publication	60,000	-
	Advances to At Automation	124,928	-
	Advances to Innate Studio Associate	83,620	-
	<b>Balance as at December 31, 2014</b>	<b>268,548</b>	<b>-</b>
<b>12.00</b>	<b>Receivable from Clients</b>		
	Receivable from clients for share trading	298,320,741	211,657,826
	<b>Balance as at December 31, 2014</b>	<b>298,320,741</b>	<b>211,657,826</b>
<b>13.00</b>	<b>Receivable from DSE &amp; CSE</b>		

	Amount in Taka	
	31.12.2014	31.12.2013
DSE	13,231,545	9,626,982
DSE Dealer	-	159,750
CSE	4,346,067	1,998,175
<b>Balance as at December 31, 2014</b>	<b>17,577,612</b>	<b>11,784,907</b>
<b>14.00 Investment in Shares</b>	94,347,631	90,868,606
<b>Balance as at December 31, 2014</b>	<b>94,347,631</b>	<b>90,868,606</b>
The above amount represents investment made in the different portfolio and shown at cost value as current assets during the year.		
<b>15.00 Accounts Receivable</b>		
Green Delta Insurance Co. Ltd. (Provident Fund)	-	1,174,979
Green Delta Insurance Co. Ltd. (Car Sale Proceeds)	1,494,791	1,494,791
Nascom Pvt. Ltd.	21,851	21,851
Green Delta Capital Ltd.	3,846,669	3,846,669
Receivable from Party	4,396,268	4,961,081
Receivable from Employees & others	957,832	33,432
<b>Balance as at December 31, 2014</b>	<b>10,717,411</b>	<b>11,532,801</b>
<b>16.00 Cash and Cash Equivalents</b>		
Cash in hand (16.01)	105,325	62,838
Cash at bank (16.02)	161,151,593	160,401,151
<b>Balance as at December 31, 2014</b>	<b>161,256,918</b>	<b>160,463,989</b>
<b>16.01 Cash in hand</b>		
Head Office	100,812	60,996
Chittagong	687	(2,183)
Sylhet	3,826	-
Khatungonj	-	4,025
<b>Balance as at December 31, 2014</b>	<b>105,325</b>	<b>62,838</b>
<b>16.02 Cash at bank</b>		
Pubali Bank Ltd. A/C # STD-1816	297,948	288,626
City Bank Ltd. Islami Banking Br. A/C # 3101063925001	146,484	144,311
Mutual Trust Bank Ltd. Sylhet Br. A/C # 0023-0210002631	31,267	32,537
Mutual Trust Bank Ltd. Sylhet Br. A/C # 792	8,092	8,927
Pubali Bank Ltd. Dewanhat Br. CTG A/C # STD-255	46	880
Trust Bank Ltd. A/C # 0017-021010007009	7,042	8,422
Standard Chartered Bank A/C # 01-1053200-01	18,641,347	8,231,253
Standard Chartered Bank A/C # 01-1053200-02	72,797,372	84,760,967
Standard Chartered Bank A/C # 01-1053200-03	1,920,256	6,408,790
Standard Chartered Bank A/C # 01-1053200-04	1,526,000	-
Marcentile Bank Ltd. A/C # 011311100007952	68,875	31,084
FDR A/C (Note-16.02.1)	65,706,864	60,485,354
<b>Balance as at December 31, 2014</b>	<b>161,151,593</b>	<b>160,401,151</b>

		Amount in Taka	
		31.12.2014	31.12.2013
<b>16.02.1 FDR A/C</b>			
	Trust Bank Ltd. A/C # 0017-0330015050	6,786,073	6,205,812
	BRAC Bank A/C #1501301898188004	6,690,381	6,174,175
	BRAC Bank A/C #1501301898188003	14,284,481	13,111,467
	BRAC Bank A/C #1501301898188002	14,557,724	13,362,272
	BRAC Bank A/C #1501301898188001	14,771,331	13,631,628
	SCB Bank 91053200001	8,616,874	8,000,000
	<b>Balance as at December 31, 2014</b>	<b>65,706,864</b>	<b>60,485,354</b>
<b>17.00 Payable to Clients</b>			
	Payable to clients for share trading.	71,460,633	85,399,703
	<b>Total</b>	<b>71,460,633</b>	<b>85,399,703</b>
<b>18.00 Payable to DSE &amp; CSE</b>			
	DSE	11,031,081	4,173,673
	CSE	59,188	33,825
	<b>Balance as at December 31, 2014</b>	<b>11,090,269</b>	<b>4,207,498</b>
<b>19.00 Payable to GDIC (Management Expenses)</b>			
	Balance as at January 01, 2014	8,311,563	19,454,804
	Add: Addition during the year	5,857,972	4,132,550
		<b>14,169,535</b>	<b>23,587,354</b>
	Less: Adjustment during the year	(5,104,072)	(15,275,791)
	<b>Balance as at December 31, 2014</b>	<b>9,065,463</b>	<b>8,311,563</b>
	Above amount represents payable to GDIC for meeting day to day management expense, which were expended by the GDIC on behalf of GDSL.		
<b>20.00 Interest Payable (GDIC)</b>			
	Balance as at January 01, 2012	32,085,100	33,021,904
	Add: Addition during the year	7,635,417	10,670,835
		<b>39,720,517</b>	<b>43,692,739</b>
	Less: Adjustment during the year	7,958,334	11,607,639
	<b>Balance as at December 31, 2014</b>	<b>31,762,183</b>	<b>32,085,100</b>
<b>21.00 Bank Loan (Overdraft)</b>			
	Loan from Bank (BRAC bank)	149,613,440	71,654,202
	Loan from Bank (SCB bank)	13,495,472	71,654,202
	<b>Balance as at December 31, 2014</b>	<b>163,108,912</b>	<b>71,654,202</b>

This represents the interest on overdraft loan amount previously sanctioned by the BRAC Bank Ltd. A/C no. 1501201898188001 & A/C no 1501601898188001 in favor of the company at a rate of 14.25%. The installment amounting to TK. 30,049,122/- has been paid off during the year.

	Amount in Taka	
	31.12.2014	31.12.2013
<b>22.00 Liabilities for Expenses</b>		
Payable to Dr. K.M Maqsudur Rahaman	19,440	19,851
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
Payable to Birds Bangladesh	5,986	-
Payable to Lazezz Food	20,000	-
GF Payable	598,800	-
Provision for other expenses	118,029	-
Payable to Others	-	153,639
Payable to GDCL	78,950	-
Payable to Enclave	246,181	-
CDBL Charges Payable (22.01)	255,826	211,368
Payable to GDIC(Lease Obligation of Car)	240,625	653,125
TDS and VAT Payable (22.02)	102,020	96,325
<b>Balance as at December 31, 2014</b>	<b>1,728,856</b>	<b>1,202,628</b>
<b>22.01 CDBL Charges Payable</b>		
Balance as at January 01, 2014	211,368	64,177
Add: Addition during the year	4,484,393	3,888,511
Less: Adjustment during the year	(4,439,935)	(3,741,320)
<b>Balance as at December 31, 2014</b>	<b>255,826</b>	<b>211,368</b>
<b>22.02 TDS and VAT Payable:</b>		
Salary	56,750	44,850
House rent TDS (Gulshan, TBL & Khatungonj)&Suppliers	10,576	11,266
TDS payable on suppliers	3,657	12,232
House rent VAT(Gulshan, TBL & Khatungonj)& Suppliers	31,037	27,977
<b>Balance as at December 31, 2014</b>	<b>102,020</b>	<b>96,325</b>
<b>23.00 Provision for Tax</b>		
Balance as at January 01, 2014	16,560,427	13,034,394
Add: Provision during the year	10,575,689	10,343,526
	<b>27,136,116</b>	<b>23,377,920</b>
Less: Paid during the year	-	-
	27,136,116	23,377,920
Less: Adjusted during the year	9,345,292	6,817,493
<b>Balance as at December 31, 2014</b>	<b>17,790,824</b>	<b>16,560,427</b>

Provision amounting to Taka 10,575,689 has been made on account of current year's Income Tax payable to Govt. authority.

		Amount in Taka	
		31.12.2014	31.12.2013
<b>24.00</b>	<b>Other Provision</b>		
	Balance as at January 01, 2014	5,579,707	4,504,436
	Add: Addition during the year	3,000,000	2,000,000
		<b>8,579,707</b>	<b>6,504,436</b>
	Less: Adjustment during the year	2,364,650	924,729
	<b>Balance as at December 31, 2014</b>	<b>6,215,057</b>	<b>5,579,707</b>
<b>25.00</b>	<b>Revenue from Brokerage</b>		
	Commission (Annexure A)	61,760,331	49,915,223
	<b>Total</b>	<b>61,760,331</b>	<b>49,915,223</b>
<b>26.00</b>	<b>Interest Income</b>		
	Interest Income on Margin Loan	41,604,711	29,183,563
	Interest from Loan to Employee	53,448	4,824
	Interest from Bond	1,250,000	1,250,000
	Interest from Investment in Heritage Life	755,943	1,293,417
	Interest on Bank and FDR Accounts	5,842,382	7,821,473
	<b>Balance as at December 31, 2014</b>	<b>49,506,484</b>	<b>39,553,277</b>
<b>27.00</b>	<b>Dividend Income from DLR</b>	1,135,741	973,071
		<b>1,135,741</b>	<b>973,071</b>
<b>28.00</b>	<b>Capital (Loss)/Gain from Investment in Shares</b>		
	Realized gain/(Loss) from share trading	3,230,431	1,195,843
	<b>Balance as at December 31, 2014</b>	<b>3,230,431</b>	<b>1,195,843</b>
<b>29.00</b>	<b>Other Operating Income</b>		
	Service Charges on Margin Loan & LRFSL	10,500	18,000
	BO Account opening Fee	483,300	238,300
	CDBL Fees	4,833,218	4,248,773
	Other income	903,584	3,250,483
	<b>Balance as at December 31, 2014</b>	<b>6,230,602</b>	<b>7,755,556</b>
<b>30.00</b>	<b>Direct Charge</b>		
	Hawla Charge (Annexure A)	740,519	646,150
	Laga charge (Annexure A)	3,875,003	3,088,730
	CDBL Charge	4,643,830	3,911,953
	<b>Balance as at December 31, 2014</b>	<b>9,259,352</b>	<b>7,646,833</b>
<b>31.00</b>	<b>Office &amp; Administrative Expenses</b>		
	Salary & Allowances	26,134,355	22,466,878
	Festival Bonus	2,116,100	1,900,000
	Printing & Stationery	560,372	797,437
	Conveyance & Travel	671,897	647,994
	Rent (Office rent)	6,585,774	5,622,359
	Telephone, Mobile & Trunk-Call	88,968	115,131
	Entertainment	58,315	151,726
	Business Development (Fair & Others)	1,049,001	153,391
	Advertisement Expenses	414,600	15,600
	Electrical & Utility Exp.	2,729,325	2,197,376
	Office Maintenance	2,542,591	1,333,509
	Audit Fees	62,500	57,500

	Amount in Taka	
	31.12.2014	31.12.2013
Professional fees	14,170	12,500
Stamps expense	149,328	66,595
Software Maintenances	509,768	399,364
Computer Accessories	111,370	105,670
Fuel (Car)	12,487	14,375
Generator Fuel	58,298	357,255
Repair, Renewal & Maintenance	110,060	190,773
Postage & Courier, Telegram	25,691	13,887
Photocopy	2,763	10,376
Books, Papers & Periodicals	49,504	53,885
Authorized Representative Expenses	29,000	3,000
Renewal. Fees (Dealer & Broker)	148,000	44,000
Renewal. Fees (Trade License)	8,010	20,385
Data Connectivity Expenses	3,689,072	3,993,764
Board Meeting Expenses	61,200	97,100
Subscription	63,000	48,000
DSE & CSE Conference & Training fees	1,370	4,700
Training Expenses	109,487	62,880
Interest Expenses of Lased Car	146,100	146,100
Insurance Premium	25,590	128,085
Investor Protection Fund	19,035	7,336
Corporate Allowances	-	35,408
Mobile Allowance	763,491	670,947
Car Maintenance Allowances	1,370,528	936,000
Depreciation	6,458,708	6,276,656
Misc. Expenses	1,750	30,471
Management Expenses	345,125	325,460
Tour Expenses (Domestic)	385,148	309,120
Food Expenses (Company Part)	212,520	215,235
Uniform & Dress	44,290	50,200
Foreign Travel	682,600	690,196
Staff Bus Expenses (Company Part)	13,800	19,550
Charge for Suspension	75,250	76,846
M-Stock Expenses	51,000	59,129
Research & Enclave	1,237,650	-
<b>Balance as at December 31, 2014</b>	<b>59,998,961</b>	<b>50,934,149</b>
<b>32.00 Financial expenses</b>		
Bank Charge & Commission	690,080	397,478
Interest Expenses (GDIC)	7,635,417	10,670,833
Interest Expenses (SCB)	1,384,951	478,678
Interest Expenses (BRAC Bank Loan)	15,717,115	6,382,981
<b>Balance as at December 31, 2014</b>	<b>25,427,563</b>	<b>17,929,970</b>

# Trade Summary

Transaction Date: 01/01/2014 to 31/12/2014

**Annexure A**  
Amount in taka

Date	Total Transactions	Commission	Howla	Laga	Tax AMT	CDBL	Total Expenses	Net Earnings
January, 2014	2,403,446,690	7,289,154	84,507	473,007	1,201,723	562,124	2,321,361	4,967,793
February, 2014	2,018,918,361	6,276,943	70,294	398,338	1,009,459	454,730	1,932,821	4,344,122
March, 2014	1,086,300,900	3,501,539	42,994	213,974	543,150	271,575	1,071,693	2,429,846
April, 2014	1,394,279,703	4,267,547	53,994	274,191	697,140	348,570	1,373,895	2,893,652
May, 2014	827,488,059	2,611,559	35,428	163,161	413,744	206,872	819,205	1,792,354
June, 2014	1,095,408,857	3,537,879	48,880	216,026	547,704	273,852	1,086,462	2,451,417
July, 2014	558,157,767	1,848,856	28,858	109,957	279,079	139,539	557,433	1,291,423
August, 2014	1,902,775,594	6,066,352	72,956	374,941	951,388	475,694	1,874,979	4,191,373
September, 2014	3,073,437,902	9,480,421	112,242	607,332	1,536,719	668,359	2,924,652	6,555,769
October, 2014	2,331,436,225	7,460,638	78,896	461,487	1,165,718	532,859	2,238,960	5,221,678
November, 2014	1,902,005,618	6,241,657	73,520	374,843	951,003	475,501	1,874,867	4,366,790
December, 2014	936,616,610	3,177,786	37,950	207,746	468,309	234,155	948,160	2,229,626
<b>Total</b>	<b>19,530,272,286</b>	<b>61,760,331</b>	<b>740,519</b>	<b>3,875,003</b>	<b>9,765,136</b>	<b>4,643,830</b>	<b>19,024,488</b>	<b>42,735,843</b>

**Total transaction**

**Gross Commission**

**Reversal Entry of Commission/ Rounding Up Difference**

**Gross Commission After Reversal**

**Total Howla+Laga+Tax**

**Net Commission**

**19,530,272,286**

**61,760,331**

**61,760,331**

**14,380,658**

**47,379,673**



# Schedule of Property, Plant & Equipment

As at December 31, 2014

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		Total	
1	Computer Software	3,189,570	-	-	50%	3,189,570	-	-	37,024	-	3,189,569	1
2	Computer	4,135,164	392,417	-	30%	4,527,581	-	-	840,449	-	4,462,780	64,801
3	Telephone	166,620	20,500	-	30%	187,120	-	-	45,600	-	185,334	1,786
4	Office Space Purchase	600,000	-	-	10%	600,000	-	-	60,000	-	392,168	207,832
5	I.P.S	115,977	-	-	30%	115,977	-	-	18,352	-	115,973	4
6	Office Equipments	2,108,183	262,400	-	30%	2,370,583	-	-	658,053	-	2,087,904	282,679
7	Air Conditioner	1,009,800	364,520	-	30%	1,374,320	-	-	390,170	-	1,293,758	80,562
8	U.P.S	197,668	-	-	30%	197,668	-	-	-	-	202,709	(5,041)
9	Computer Server	2,011,890	82,000	-	30%	2,093,890	-	-	555,317	-	2,085,089	8,801
10	Furniture & Fixtures	1,101,697	189,185	-	30%	1,290,882	-	-	377,778	-	1,239,370	51,512
11	Office Renovation	0,209,102	-	-	30%	0,209,102	-	-	3,062,736	-	8,223,173	1,985,929
12	Motor Vehicle	1,650,000	-	-	20%	1,650,000	-	-	330,000	-	1,090,010	559,990
13	Mobile Sets	180,842	109,184	-	30%	290,026	-	-	75,628	-	139,050	150,976
14	Projector	928,094	-	-	30%	928,094	-	-	7,601	-	928,093	1
		<b>27,604,607</b>	<b>1,420,206</b>	<b>-</b>		<b>9,024,813</b>	<b>-</b>	<b>-</b>	<b>6,458,708</b>	<b>-</b>	<b>25,634,980</b>	<b>3,389,833</b>

## 13.4 FINANCIAL STATEMENTS OF PROFESSIONAL ADVANCEMENT BANGLADESH LTD.

### Auditor's Report To the Shareholders of Professional Advancement Bangladesh Limited

We have audited the accompanying financial statements of **Professional Advancement Bangladesh Limited**, which comprise the statement of financial Position as at December 31, 2014 and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the period 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, 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 **Professional Advancement Bangladesh Limited** as of December 31, 2014 and of its financial performance for the period then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, and other applicable laws and regulations.

#### Report on Other Legal and Regulatory Requirements

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts;

Date: February 16, 2015.  
Place: Dhaka

  
**Ahmed Zaker & CO.**  
Chartered Accountants

**Professional Advancement Bangladesh Limited**  
**Statement of Financial Position**

As at December 31, 2014

Particulars	Notes	Amount in Taka 31.12.2014
<b>Assets</b>		
<b>Non-Current Assets</b>		
		<b>6,831,754</b>
Property, Plant & Equipment	3.00	4,602,075
Preliminary Expenses	4.00	2,229,679
<b>Current Assets</b>		
		<b>8,211,828</b>
Accounts Receivable from GD ASSIST		153,092
Accounts Receivable from Others	5.00	1,253,270
Advance, Deposit & Prepayments	6.00	3,909,614
Fixed Deposit	7.00	2,500,000
Cash and cash equivalents	8.00	395,851
<b>Total Assets</b>		<b>15,043,582</b>
<b>Shareholders Equity &amp; Liabilities</b>		
<b>Shareholders equity</b>		
		<b>1,035,992</b>
Share Capital	9.00	2,500,000
Retained Earnings	10.00	(1,464,008)
<b>Current Liabilities</b>		
		<b>14,007,590</b>
Accounts Payable to GDIC	11.00	13,617,827
Accounts Payable to Others	12.00	389,763
<b>Total Shareholders Equity &amp; Liabilities</b>		<b>15,043,582</b>

The above notes (1-15) form an integral part of these financial statement.



Chairman



Director



In Charge

Signed as per our separate report of same date.

Place: Dhaka  
 Date: February 16, 2015

  
**Ahmed Zaker & CO.**  
 Chartered Accountants

Professional Advancement Bangladesh Limited

# Statement of Comprehensive Income

For the year ended December 31, 2014

Particulars	Notes	Amount in Taka
		31.12.2014
<b>Operating Income:</b>		
Revenue from Student Fee		2,310,156
Other Income		36,142
<b>Total Operating Income</b>		<b>2,346,298</b>
Less: Direct Charges	13.00	850,375
<b>Gross Profit</b>		<b>1,495,923</b>
Less: Office & Administrative Expenses	14.00	2,956,941
Less: Financial Expenses	15.00	2,990
<b>Profit/(Loss) before Tax</b>		<b>(1,464,008)</b>

The above notes (1-15) form an integral part of these financial statement.



Chairman



Director



In Charge

Signed as per our separate report of same date.

Place: Dhaka  
Date: February 16, 2015



**Ahmed Zaker & CO.**  
Chartered Accountants

Professional Advancement Bangladesh Limited

## Statement of Changes in Equity

For the year ended December 31, 2014

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total Shareholders Equity
Opening Balance	-	-	-
Add: During the year	2,500,000	-	2,500,000
Net profit for the year		(1,464,008)	(1,464,008)
<b>Balance as at December 31, 2014</b>	<b>2,500,000</b>	<b>(1,464,008)</b>	<b>1,035,992</b>

Professional Advancement Bangladesh Limited

## Statement of Cash Flows

For the year ended December 31, 2014

Particulars	Amount in
	Taka
	<b>31.12.2014</b>
Cash Flow from Operating Activities:	
Cash Received from Customers and others	939,936
Cash Paid to Customers, Suppliers, Employees & others	544,085
<b>Net Cash (used) /flows from operating activities</b>	<b>395,851</b>
<b>Cash Flow from Investing activities :</b>	
Acquisition of Property, Plant & Equipment	-
Investment	(2,500,000)
<b>Net Cash flows from Investing activities:</b>	<b>(2,500,000)</b>
<b>Cash Flow from Financing activities:</b>	
Share Capital	2,500,000
<b>Net Cash (used) /flows from Financing activities:</b>	<b>2,500,000</b>
Net increase/(decrease) in cash & cash equivalents	395,851
Add: Cash & Cash equivalents at the beginning of the year	-
Cash & Cash equivalents at the end of the year	<b>395,851</b>

# **Explanatory notes to the Financial Statements**

For the year ended December 31, 2014

## **1.00 Reporting Entity:**

Professional Advancement Bangladesh Limited, a Private Limited Company Incorporated in Bangladesh under the Companies Act 1994 with the Registrar of Joint Stock Companies & Firms. The Company was registered on March 3, 2014 with the issuance of certificate no. C-114432/14.

### **Objective of the Company**

To employ national and foreign trainers to provide quality level training for a fee or subscription or other mode of payment to individuals to become professionals in the insurance and financial field and to develop and strengthen vocational and non-vocational training at all level through formal and non formal mode, with need bases courses of adequate quality level, curriculum, learning resources and teaching learning process, assessment and certification or to institute and award fellowships, scholarships, prizes and medals to the trainees, or to fix, demand and receive fees and other charges as they may deem fit.

## **2.00 Basis of Preparation:**

### **2.01 Statement of Compliance**

The Financial statement have been prepared in accordance with International Accounting Standard which are adopted by the Institute of Chartered Accountants of Bangladesh and the Companies Act, 1994. Specific accounting policies were selected and applied for significant transactions and events.

### **2.02 Basis of Measurement:**

The Financial statement have been prepared on a going concern basis under International Accounting Standards(IAS) and Bangladesh Accounting Standards(BAS).

### **2.03 Reporting Currencies and level of Precision:**

The figures in the financial statements represent Bangladesh taka Currency and rounded off to the nearest integer.

### **2.04 General information on Financial Statement:**

#### **Responsibility for preparation and presentation of Financial Statements:**

"The Board of Directors is responsible for the preparation and presentation of financial statement under section 183 of the companies Act,1994. and as per the provision of "" the framework for the preparation and presentation of Financial statements"" . According to International Accounting Standards (IAS) "" Presentation of Financial Statements"" of the Complete set of Financial Statements includes the following components."

- i) Statement of Financial Position as at December, 2014.
- ii) Statement of Comprehensive Income for the period ended 31 December 2014.
- iii) Cash Flow Statement for the period ended December 31, 2014.
- iv) Statement of Changes in Equity for the period ended December 31, 2014.
- v) Explanatory Notes to the Financial Statements.

### **2.05 Reporting year/Period:**

The financial statements of the company cover for the period from 03 March 2014 to 31 December, 2014.

		Amount in Taka
		31.12.2014
<b>3.00</b>	<b>Property, Plant &amp; Equipment</b>	
	Cost:	
	<b>Opening balance</b>	-
	Add: Addition during the year	4,602,075
	<b>Total Cost</b>	<u>4,602,075</u>
	Less: Accumulated depreciation:	
	<b>Opening balance</b>	-
	Add: Charged during the year	-
	Accumulated depreciation	-
		<u>-</u>
	<b>Written Down Value as at December 31,2014</b>	<u><u>4,602,075</u></u>
	<b>Details of Property, Plant &amp; Equipment is given in Annexure-A/1</b>	
<b>4.00</b>	<b>Preliminary Expenses</b>	
	During the Period	2,229,679
	<b>Balance as at December 31, 2014</b>	<u><u>2,229,679</u></u>
<b>5.00</b>	<b>Accounts Receivable</b>	
	IF1	132,610
	IF4	357,800
	IF1	97,160
	IF3	633,700
	Health Ins.	32,000
	<b>Balance as at December 31, 2014</b>	<u><u>1,253,270</u></u>
<b>6.00</b>	<b>Advance, Deposit &amp; Prepayments</b>	
	Advance Office Rent	3,906,000
	Advance TDS	3,614
	<b>Balance as at December 31, 2014</b>	<u><u>3,909,614</u></u>
<b>7.00</b>	<b>Fixed Deposit</b>	
	Mercantile Bank	2,500,000
	<b>Balance as at December 31, 2014</b>	<u><u>2,500,000</u></u>
<b>8.00</b>	<b>Cash and Cash Equivalents</b>	
	Cash in hand	37,203
	Cash at bank (MBL A/C No 111313101700868)	358,648
	<b>Balance as at December 31, 2014</b>	<u><u>395,851</u></u>



**Amount in  
Taka**  
**31.12.2014**

**9.00 Share capital**

**9.01 Authorized Capital**

One Million (1,000,000) ordinary shares of Tk.10/- each

**10,000,000**

The authorized share capital of the company is Taka Ten Million divided into 1,000,000 (One Million) ordinary shares of Taka 10/- each.

**9.02 Issued, subscribed and paid up Capital**

**2,500,000**

This represents the paid up capital of the company with 2,50,000 Ordinary Shares of taka 10 each subscribed and paid by the following sponsor shareholders and directors of the company.

Particulars	No of shares	Amount in Taka
Mr. Nasir Uddin Ahmad (Director)	100	1,000
Green Delta Insurance Company	249900	2,499,000
	<b>250000</b>	<b>2,500,000</b>

**10.00 Retained Earnings**

During the Period

(1,464,008)

**Balance as at December 31, 2014**

**(1,464,008)**

**11.00 Accounts Payable to GDIC**

During the Period

13,617,827

**Balance as at December 31, 2014**

**13,617,827**

**12.00 Accounts Payable to Others**

Electricity Bill

5,673

Office Rent

329,220

Audit Fee

28,751

Cleaner Bill

16,800

Internet Bill

3,500

Branding

5,819

**Balance as at December 31, 2014**

**389,763**

**13.00 Direct Charge**

Photography Expenses

6,020

Training Expenses (ACII)

695,019

Course materials

40,336

Teacher Honorarium

109,000

**Balance as at December 31, 2014**

**850,375**

**Amount in  
Taka  
31.12.2014**

**14.00 Office & Administrative Expenses**

Salary & Allowances	462,668
Office Maintenance	52,095
Printing & Stationery	78,547
Conveyance & Travel	81,671
Rent (Office rent)	1,127,160
Telephone, Mobile & Trunk-Call	60,575
Entertainment	77,089
Business Developments	410,000
Advertisement Expenses	94,938
Electrical & Utility Exp.	477,208
Audit Fees	28,750
Repair, Renewal & Maintenance	6,240
<b>Balance as at December 31, 2014</b>	<b><u>2,956,941</u></b>

**15.00 Financial expenses**

Bank Charge & Commission	<u>2,990</u>
<b>Balance as at December 31, 2014</b>	<b><u>2,990</u></b>

# Schedule of Property, Plant & Equipment

As at December 31, 2014

Schedule -A/1

Sl. No	Name of the Assets	COST			Rate	DEPRECIATION			W.D.V
		Opening	Addition	Disposal		Total	Charged during the year	Disposal	
01	Computer & IT Equipment	-	215,600	-	15%	-	-	-	215,600
02	Office Equipment	-	93,895	-	15%	-	-	-	93,895
03	Furniture & Fixtures	-	4,259,922	-	10%	-	-	-	4,259,922
04	Books and Periodicals	-	32,658	-	20%	-	-	-	32,658
	<b>Total</b>	<b>-</b>	<b>4,602,075</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,602,075</b>

**Note: No depreciation has been charged on fixed assets for the year under audit.**

## 13.5 FINANCIAL STATEMENTS OF GD ASSIST LTD.

### Auditor's Report To the Shareholders of GD ASSIST LTD.

We have audited the accompanying financial statements of **GD ASSIST LTD.**, which comprise the statement of financial Position as at December 31, 2014 and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the period 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, 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 **GD Assist Ltd.** as of December 31, 2014 and of its financial performance for the period then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, and other applicable laws and regulations.

#### Report on Other Legal and Regulatory Requirements

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts;

Date: February 16, 2015.  
Place: Dhaka

  
**Ahmed Zaker & CO.**  
Chartered Accountants

GD ASSIST LTD.

## Statement of Financial Position

As at December 31, 2014

Particulars	Notes	Amount in Taka 31.12.2014
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>		<b>170,333</b>
Preliminary Expenses	4.00	170,333
<b>Current Assets:</b>		<b>3,032,052</b>
Receivable from GDIC		410,695
Advance TDS		2,539
Fixed Deposit Receipt	5.00	2,018,041
Cash and Cash Equivalents	6.00	600,778
		<b>3,202,385</b>
<b>Shareholders Equity &amp; Liabilities</b>		
<b>Shareholders Equity</b>		<b>2,838,353</b>
Share Capital	7.00	2,500,000
Retained Earnings	8.00	338,353
<b>CURRENT LIABILITIES:</b>		<b>364,032</b>
Accounts Payable to PABL		153,092
Provision for Tax		182,190
Audit Fees		28,750
		<b>3,202,385</b>

The annexed notes (1-8) form an integral part of these financial statements.



Chairman



Director



In Charge

Signed as per our separate report of same date.

Place: Dhaka  
Date: February 16, 2015

  
**Ahmed Zaker & CO.**  
Chartered Accountants

GD ASSIST LTD.

## Statement of Comprehensive Income

For the period ended December 31, 2014

Particulars	Notes	Amount in Taka
		31.12.2014
<b>Income</b>		
Operating Income		951,933
Other Income		26,395
<b>Total Income (A)</b>		<b>978,328</b>
<b>Less: Administrative Expenses</b>		
Salary & Wages		23,240
Conveyance & Travels		16,977
Entertainment		13,030
Printing & Stationery		3,022
Office Rent		89,280
Office Maintenance		28,455
Subscription		12,500
Telephone, Mobile & Internet		4,725
Advertisement		57,663
Business Development		111,285
Logo Development		20,000
Electricity & Utility		45,747
Audit Fees		28,750
Bank Charges		3,111
<b>Total Expenses (B)</b>		<b>457,785</b>
<b>Profit Before Tax:</b>		<b>520,543</b>
Less: Provision for Tax		182,190
<b>Net Profit (A-B)</b>		<b>338,353</b>

The annexed notes (1-8) form an integral part of these financial statements.



Chairman



Director



In Charge

Signed as per our separate report of same date.

Place: Dhaka  
Date: February 16, 2015

  
**Ahmed Zaker & CO.**  
Chartered Accountants

GD ASSIST LTD.

## Statement of Changes in Equity

For the period ended December 31, 2014

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total Shareholders Equity
Opening Balance			
Add: During the year	2,500,000	-	2,500,000
Net profit for the year		338,353	338,353
<b>Balance as at December 31, 2014</b>	<b>2,500,000</b>	<b>338,353</b>	<b>2,838,353</b>

GD ASSIST LTD.

## Statement of Cash Flows

For the period ended December 31, 2014

Particulars	Amount in
	Taka
	31.12.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>	
Cash received from Clients & Other	549,592
Cash Paid to Employ and Others	448,814
<b>Net Cash flow from Operating Activities</b>	<b>100,778</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>	
PPE Addition during the period	-
Investment	(2,000,000)
<b>Net Cash Used in Investing Activities:</b>	<b>(2,000,000)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>	
Loan Received	
Share Capital	2,500,000
<b>Net Cash provided by Financing Activities:</b>	<b>2,500,000</b>
<b>D. Net Cash Inflow (A+B+C):</b>	<b>600,778</b>
<b>E. Opening Cash &amp; Cash Equivalent</b>	<b>-</b>
<b>Closing Cash and Cash Equivalent at the end of the year</b>	<b>600,778</b>



**GD ASSIST LTD.**

# **Explanatory notes to the Financial Statements**

For the period ended December 31, 2014

## **1.00 Reporting Entity:**

GD ASSIST LIMITED, a Private Limited Company Incorporated in Bangladesh under the Companies Act 1994 with the Registrar of Joint Stock Companies & Firms. The Company was registered on June 16, 2014 with the issuance of certificate no. C-116592/14. The address of the Company's registered office is GD-Aims Tower, 51-52 Mohakhali C/A, Dhaka-1212.

## **Objective of the Company**

To provide promotional and marketing services to local and foreign clients regarding publicity and brand management of product and organizations.

## **2.00 Basis of Preparation:**

### **2.01 Statement of Compliance**

The Financial statement have been prepared in accordance with International Accounting Standard which are adopted by the Institute of Chartered Accountants of Bangladesh and the Companies Act 1994. Specific accounting policies were selected and applied for significant transactions and events.

### **2.02 Basis of Measurement:**

The Financial statement have been prepared on a going concern basis under International Accounting Standards (IAS) and Bangladesh Accounting Standards (BAS).

### **2.03 Reporting Currencies and level of Precision:**

The figures in the financial statements represent Bangladesh taka Currency and rounded off to the nearest integer.

### **2.04 General information on Financial Statement:**

#### **Responsibility for preparation and presentation of Financial Statements:**

"The Board of Directors is responsible for the preparation and presentation of financial statement under section 183 of the Companies Act 1994. and as per the provision of "the framework for the preparation and presentation of Financial statements".

"According to International Accounting Standards (IAS) "Presentation of Financial Statements" "of the Complete set of Financial Statements includes the following components."

- i) Statement of Financial Position as at December 31, 2014.
- ii) Statement of Comprehensive Income for the period ended December 31, 2014.
- iii) Cash Flow Statement for the period ended December 31, 2014.
- iv) Statement of Changes in Equity for the period ended December 31, 2014.
- v) Explanatory Notes to the Financial Statements.

## **3.00 Reporting year/Period:**

The financial statements of the company cover for the period from 16 June 2014 to 31 December, 2014.

**Amount in  
Taka**  
**31.12.2014**

**4.00 Preliminary Expenses**

Legal Fees	158,333
Trade License Fee	12,000
	<b>170,333</b>

**5.00 Fixed Deposit Receipt**

Mercantile Bank Ltd.	2,000,000
Add: Interest Income	18,041
	<b>2,018,041</b>

**6.00 Cash and Cash Equivalents**

Cash In Hand	2,330
Cash at Bank	598,448
	<b>600,778</b>

**7.00 Share Capital:**

**Authorized Share Capital: Taka 10,000,000**

The authorized share capital of the company is Taka 10,000,000 (One Crore) divided into 1,000,000 ordinary shares of Taka 10/- each.

**Paid up Capital: Taka 2,500,000**

This represents the paid up capital of the company with 2,50,000 Ordinary Shares of taka 10 each subscribed and paid by the following sponsor shareholders and directors of the company.

Particulars	No of shares	Amount in Taka
Green Delta Insurance Company	249,900	2,499,000
Mr. Nasiruddin Ahmed Choudhury	100	1,000
	<b>250,000</b>	<b>2,500,000</b>

**8.00 Retained Earnings**

Opening Balance	338,353
Add: Net Profit During the Year	338,353
	<b>338,353</b>

## 14.1 INDEX AS PER SAFA CRITERIA

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	Clarity, simplicity and lucidity in presentation of Financial Statements	
	<b>Timeliness in issuing Financial Statements and holding AGMs</b>	
	<ul style="list-style-type: none"> <li>■ 3 months time to produce the Annual Report and hold AGM are considered reasonable for full marks</li> <li>■ Delay after the initial period of 3 months - deduction of 2 marks is to be made for each month</li> <li>■ If the period is over 6 months - no marks shall be awarded</li> </ul>	
	<b>Additional Disclosures</b>	
	Human Resource Accounting Any other good additional disclosures (Independence certification Eg GNV,GRI)	76
	<b>Specific Areas for Insurance Sector</b>	
	Claims management and details of outstanding claims (IBNR & IBNER) with ageing thereof	158
	Disclosures pertaining to Solvency Margin	159
	Certificate of Actuary giving details of the liabilities on account of live policies and estimates/assumptions made for the same	N/A
	Accounting ratios pertaining to insurance sector	160
	Review of assets quality	160

## 14.2 CORPORATE GOVERNANCE DISCLOSURE CHECKLIST

Condition No.	Title	Page No
<b>1</b>	<b>BOARD OF DIRECTORS, CHAIRMAN AND CEO</b>	
1.1	Company's policy on appointment of directors disclosed.	78,124
1.2	Adequate representation of non executive directors i.e. one third of the board, subject to a minimum of two	
1.3	At least one independent director on the board and disclosure /affirmation of the board on such director's independence.	
1.4	Chairman to be independent of CEO	
1.5	Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non Executive Directors	
1.6	Existence of a scheme for annual appraisal of the boards performance	
1.7	Disclosure of policy on annual evaluation of the CEO by the Board.	
1.8	Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year Existence of a scheme for annual appraisal of the boards performance	
1.9	At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.	
1.10	Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	
1.11	Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	111
<b>2</b>	<b>VISION / MISSION AND STRATEGY</b>	
2.1	Company's vision / mission statements are approved by the board and disclosed in the annual report.	9
2.2	Identification of business objectives and areas of business focus disclosed	124
2.3	General description of strategies to achieve the company's business objectives	12
<b>3</b>	<b>AUDIT COMMITTEES</b>	
3.1	Appointment and Composition	78, 87,101
3.1.1	Whether the Audit Committee Chairman is an independent Non- Executive Director and Professionally Qualified	
3.1.2	Whether it has specific terms of reference and whether it is empowered to investigate / question employees and retain external counsel	
3.1.3	More than two thirds of the members are to be Non ExecutiveDirectors	
3.1.4	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting.	
3.1.5	Head of internal audit to have direct access to audit committee	
3.1.6	The committee to meet at least four times a year and the number of meetings and attendance by individual members disclosed in the annual report.	
3.2	Objectives & Activities	

Condition No.	Title	Page No
3.2.1	Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	87, 101
3.2.2	Statement to indicate audit committees role in ensuring compliance - with Laws, Regulations and timely settlements of Statutory dues	
3.2.3	Statement of Audit committee involvement in the review of the external audit function	
	Ensure effective coordination of external audit function	
	Ensure independence of external auditors	
	To review the external auditors findings in order to be satisfied that appropriate action is being taken	
	Review and approve any non audit work assigned to the external auditor and ensure that such such work does not compromise the independence of the external auditors.	
	Recommend external auditor for appointment/ reappointment	
3.2.4	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line will applicable accounting standards and annual review.	
3.2.5	Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases	
3.2.6	Reliability of the management information used for such computation	
<b>4</b>	<b>INTERNAL CONTROL a RISK MANAGEMENT</b>	
4.1	Statement of Director's responsibility to establish appropriate system of internal control	87, 112
4.2	Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management.	
4.3	Statement that the Director's have reviewed the adequacy of the system of internal controls	
4.4	Disclosure of the identification of risks the company is exposed to both internally & externally	
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	
<b>5</b>	<b>Ethics and Compliance</b>	
5.1	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulations etc.	92
5.2	Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgement of the same	
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a net line reporting of irregularities etc.	
<b>6</b>	<b>REMUNERATION COMMITTEE</b>	
6.1	Disclosure of the charter (role and responsibilities) of the committee	49, 69, 87, 93, 101
6.2	Disclosure of the composition of the committee (majority of the committee should be non-executive directors, but should also include some executive directors)	
6.3	Disclosure of key policies with regard to remuneration of directors, senior management and employees	
6.4	Disclosure of number of meetings and work performed	
6.5	Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	

<b>Condition No.</b>	<b>Title</b>	<b>Page No</b>
<b>7</b>	<b>HUMAN CAPITAL</b>	
7.1	Disclosure of general description of the policies and practices codified and adopted by the company with respect to Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling.	76, 96
7.2	Organizational Chart	15
<b>8</b>	<b>Communication to Shareholders &amp; Stakeholders</b>	
8.1	Disclosure of the Company's policy / strategy to facilitate effective communication with shareholders and other stake holders	117
8.2	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM.	
<b>9</b>	<b>Environmental and Social Obligations</b>	
9.1	Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	74
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	



## 14.3 SECRETARIAL STANDARD DISCLOSURE CHECKLIST

Condition No.	Title	Compliance Status ("✓" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
<b>1</b>	<b>Convening of a Meeting</b>			
1.1	<b>Authority</b> Any Director of a company including the Chairman may, and the Secretary on the requisition of a Director shall, at any time, summon a Meeting of the Board unless the Articles of the company provide otherwise.	✓		
1.2	<b>Notice</b>			
1.2 (i)	Every Director of the Company shall be entitled to get the Notice of every Meeting in writing in any mode including by hand or by post or by facsimile or by e-mail or by any other electronic mode. A director may specify any particular mode to receive such notices. If any of the Directors so specifies, -the Notice shall be sent to him by such mode.	✓		
1.2 (ii)	The Notice of the Meeting shall specify the day, date, time and full address of the venue wherein the Meeting be held.	✓		
	A Meeting may be held at any place, any time, on any da	✓		
1.2 (iii)	The Notice of a Meeting shall be given in respect of all meetings including the Meetings which are held on pre-determined dates or at pre-determined intervals.	✓		
1.2 (iv)	Notice shall be given at least seven (7) days before scheduled date of the Meeting unless the Articles of the company denote a longer period for such notice.	✓		
	Notice need not to be given of an adjourned Meeting other than a Meeting that has been adjourned "sine die". However, Notice of the reconvened adjourned Meeting shall be given to those Directors who were absent in the Meeting which had been adjourned.	✓		
1.2 (v)	Unless a Notice has not been given to the directors then no business shall be transacted at a Meeting.	✓		
1.2 (vi)	The Agenda as to be transacted at the Meeting along with Notes to the Agenda shall be circulated or sent at least three (3) days before the date of the Meeting.	✓		
1.2 (vii)	Each Agenda to be transacted in the meeting shall be supported by notes, details of the item and, where a Resolution is required to be passed, the draft Resolution shall be attached with the Notice.	✓		

Condition No.	Title	Compliance Status ("✓" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2 (viii)	The Notice may be given at shorter period of time than those respectively stated above if the majority of members of the Board or Committee so agree. The proposal to hold the Meeting at a shorter notice shall be stated in the Notice and the fact that consent thereto was obtained shall also be recorded in the Minutes. Notice, Agenda and Notes on Agenda shall be given to all Directors or to all Members of the Committee, as the case may be, at their respective addresses as provided by them, whether in Bangladesh or abroad, and shall also be given to the Original Director, even when the Notice, Agenda and Notes on Agenda have been sent to the Alternate Director.	✓		
1.2 (ix)	Any supplementary item not originally included in the Agenda may be taken up for consideration with the permission of the Chairman and with the consent of the majority of the Directors present in the Meeting. However, no supplementary item which is of significance or is in the nature of unpublished price sensitive information shall be taken up by the Board without prior written Notice. The items of business to be transacted shall be arranged in order of those items that are of a routine or general nature or which merely require to be noted by the Directors, and those items which require discussions and specific approval.  Besides the items of business that are required by the Act or any other applicable law to be considered at a Meeting of the Board 'and all material items having a significant bearing on the operations of the company, there are certain items which, if applicable, shall also be placed before the Board. An illustrative list of such items is given at Annexure 'A'.  There are certain specific items which shall be placed before the Board at its first Meeting and there are certain items which shall be placed before the Board at the Meeting held for consideration of the year-end accounts.	✓		
<b>2</b>	<b>Frequency of Meetings</b>			
2 (i)	<b>Meetings of the Board</b> The Board shall meet at least once in every quarter of a calendar year i.e in three months, and at least four Meetings are to be held in each year. The maximum interval between any two Meetings shall not be more than 90 days. Each Meeting shall be of such duration to enable proper deliberations to take place on agenda or items placed before the Board.	✓		

Condition No.	Title	Compliance Status ("✓" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
2 (ii)	Meetings of Committees Committees shall meet at least as often as stipulated by the Board or as prescribed by any other authority.	✓		
<b>3</b>	<b>Quorum</b>			
3.1	<b>Meetings of the Board</b>			
3.1 (i)	Quorum shall be present throughout the Meeting. No business shall be transacted unless the Quorum is so present. The Quorum for a Meeting of the Board shall be one-third of the total strength of the Board (any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher. Where the requirements for the Quorum, as provided in the Articles, are stricter, then the Quorum shall conform to such requirements. If the number of Interested Directors exceeds or is equal to two-thirds of the total strength, the remaining Directors present at the Meeting, being not less than two, shall be the quorum during such time.	✓		
3.1 (ii)	Where the number of Directors is reduced below the minimum fixed by the Articles, no business shall be transacted unless the number is first made up by the remaining Director(s) or through a general meeting. If a Meeting of the Board could not be held for want of quorum, then, unless the Articles otherwise provide, the Meeting shall automatically stand adjourned to the same day in the next week, at the same time and place.	✓		
3.2	Meetings of Committees  The presence of all the members of any Committee constituted by the Board is necessary to form the Quorum for Meetings of such Committee unless otherwise stipulated by the Board while constituting the Committee.  Certain guidelines. Rules and Regulations framed under the Act or by any statutory authority may contain provisions for the Quorum of a Committee and such stipulations shall then be followed.	✓		
<b>4</b>	<b>Attendance at Meetings</b>			
4 (i)	An Attendance Register shall be maintained containing the names and signatures of the Directors present at the Meeting.  If an attendance register is maintained in loose-leaf form, it shall be bound at reasonable intervals.	✓		

Condition No.	Title	Compliance Status ("✓" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
4 (ii)	Leave of absence shall be granted to a Director only when a request for such leave has been communicated to the Secretary or to the Board or to the Chairman.	✓		
<b>5</b>	<b>Chairman</b>			
5.1 (i)	Meetings of the Board.	✓		
	Every company shall have a Chairman who will preside over the Meetings of the Board.	✓		
5.1 (ii)	It will be the duty of the Chairman to look into that the Meeting is duly convened and constituted as per the provisions of the Act or any other applicable guidelines, Rules and Regulations before it proceeds to transact business.	✓		
5.1 (iii)	The Chairman shall then conduct the proceedings of the Meeting and ensure that only those items of business as have been set out in the Agenda are transacted and ideally in the order in which the items, appear on the Agenda.	✓		
5.1 (iv)	The Chairman shall encourage deliberations and debate and assess the sense of the Meeting. The Chairman shall ensure that the proceedings of the Meeting are correctly recorded and, in doing so, he may include or exclude any matter as he deems fit,	✓		
5.1 (v)	In the case of a public company, if the Chairman himself is interested in any item of business, he shall entrust any other dis-interested Director present to conduct the proceedings in respect of such item. After the transaction of the item of business is over then the Chairman may resume his position.	✓		
5.2	Meetings of Committees	✓		
	The Board, while constituting any Committee, shall also appoint the Chairman of the Committee so constituted.	✓		
<b>6</b>	<b>Passing of Resolution by Circulation</b>			
6 (i)	A Resolution proposed to be passed by circulation shall be sent in draft, together with supporting papers to all the Directors separately, and in the case of a Committee, to all the members of the Committee.	✓		
	It only those matters, which are of an urgent nature are approved through the Resolutions by circulation.	✓		
6 (ii)	The Resolution as to be passed by circulation and the supporting papers shall be circulated by hand, or by post, or by facsimile, or by e-mail or by any other electronic mode.	✓		

Condition No.	Title	Compliance Status ("✓" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
6 (iii)	The Resolution shall be deemed to have been passed on the date on which it is signed and dated as approved by all the Directors then in Bangladesh, being not less than the Quorum, or on the date on which it is approved by the majority of the Directors entitled to vote on the Resolution, whichever is earlier.	✓		
6 (iv)	Resolutions sent for passing by circulation shall be noted along with the decision thereof, at the next Meeting of the Board or Committee, as the case may be, and to be recorded in the Minutes of such Meeting.	✓		
6 (v)	The annual accounts of a company shall be approved at a Meeting of the Board and shall not be by a Resolution by circulation.	✓		
6 (vi)	Quarterly or half-yearly financial results shall be approved at a Meeting of the Board or its Committee and shall not be by a Resolution by circulation.	✓		
6 (vii)	In the case of a listed company, if there is any material variance between un-audited and audited results, the review report of the Auditors shall also be discussed and approved at a Meeting of the Board and not approved by a Resolution by circulation.	✓		
<b>7</b>	<b>Minutes</b>			
7 (i)	Within fifteen days from the date of the Meeting of the Board or Committee or of an adjourned Meeting, the draft Minutes thereof shall be circulated to all the members of the Board or the Committee, as the case may be, for their necessary comments.	✓		
7 (ii)	The Directors shall forward their comments on the draft Minutes within seven days from the date of circulation thereof, so that the Minutes are finalized and entered in the Minutes Book within the specified time limit of thirty days.	✓		
7 (iii)	The Minutes of proceedings of a Meeting shall be entered in the Minutes Book within thirty days from the conclusion of the Meeting.	✓		
7 (iv)	In any case a Meeting is adjourned; the Minutes shall be entered in respect of the original Meeting as well as the adjourned Meeting within thirty days from the date of the respective Meetings. In respect of a Meeting adjourned for want of Quorum, a statement to that effect shall be recorded in the Minutes Book by the Chairman or any Director as designated by the Board who was physically present at the Meeting.	✓		
7 (v)	The date of entering the Minutes shall be specified in the Minutes Book by the Secretary.	✓		

Condition No.	Title	Compliance Status ("✓" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
7 (vi)	The Chairman shall put his initial on each page of the Minutes, and put his full signature on the last page of the Minutes along with the date of signing of the Minutes.	✓		
7 (vii)	While the law requires that Minutes of the proceedings shall be entered in the Minutes Book within thirty days of the Meeting, there is no prescribed time limit within which such Minutes have to be signed. They could be signed beyond a period of thirty days if the succeeding Meeting is held after a period of thirty days from the date of the earlier Meeting. However, it is also not obligatory to wait for the next Meeting in order to have the Minutes of the previous Meeting signed. Such Minutes may be signed by the Chairman of the Meeting at any time before the next Meeting is held.	✓		
7 (viii)	The Minutes of Meetings of the Board can be inspected by the Directors only. While the Auditors of the company or Chartered Secretary in Practice appointed by the company can also inspect the Minute Books in the course of their audit or certification. A member of the company or any other person has no right to inspect the Minutes of Meetings of the Board or any Committee thereof.	✓		
7 (ix)	Officers of the Registrar of Joint Stock Companies & Firms, other duly authorized in this behalf under law, during the course of an inspection, can also inspect the Minutes for discharging of their official duties.	✓		
7 (x)	Minutes shall not be pasted or attached to the Minutes Book.	✓		
	Minutes, if maintained in loose-leaf form, shall be bound at intervals coinciding with the financial year of the company. The pages of the Minutes Book shall be serially numbered and there shall be proper locking device to ensure security and proper control to prevent any sort of removal of the loose leaves of the Minutes Book.	✓		
7 (xi)	Extracts of the Minutes shall be given only after the Minutes have duly been signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting and was duly approved.	✓		

Condition No.	Title	Compliance Status ("✓" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
7 (xii)	Extracts of the Minutes shall be given only after the Minutes have duly been signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting and was duly approved.	✓		
7 (xiii)	Minutes of an earlier Meeting shall be noted at the next Meeting.	✓		
7 (xiv)	Any alteration, other than grammatical, typographical or minor corrections, in the Minutes as entered, shall be made only under the approval taken in the subsequent Meeting in which such Minutes are sought to be altered.	✓		
7 (xv)	The Minutes of Meetings of any Committee shall be circulated to the Members of the Board along with the Agenda for the Meeting of the Board next following such Meeting of the Committee and shall be noted at the Board Meeting.	✓		
7 (xvi)	At the time of circulating the Agenda for the Meeting of the Board, if the Minutes of Meetings of any Committee are pending noting by the Committee on such Minutes shall be circulated to the Board in draft form.	✓		
<b>8</b>	<b>Attendance in Meetings and their Recording in the Minutes</b>			
8 (i)	The names of the Directors present in the Meeting along with the names of persons who were in attendance and the names of invitees in the Meeting, if any, shall be recorded in the Minutes.	✓		
8 (ii)	Apart from the Resolution or the decision, the Minutes shall mention the brief background of the proposal and the rationale for passing the Resolution or taking of the decision.	✓		
8 (iii)	The names of the Directors who have dissented or have abstained from the decision shall be recorded. Similarly, the fact that an interested Director who did not participate in the discussion or vote on the agenda shall also be recorded in the Minutes.	✓		
8 (iv)	Wherever any approval of the Board or of the Committee is taken on the basis of certain papers laid before the Board or the Committee, proper identification by initialing of such papers by the Chairman or any Director shall be made and a reference thereto shall be made in the Minutes.	✓		
<b>9</b>	<b>Preservation of Minutes and Supporting Papers</b>			
9 (i)	The Minutes of all Meetings shall be preserved permanently.	✓		

Condition No.	Title	Compliance Status ("✓" in appropriate column)		Remarks (if any)
		Complied	Not Complied	
9 (ii)	If a company has been merged or amalgamated with any other company, the Minutes of all Meetings of the Board and Committees of the transferor company shall be preserved permanently by the transferee company for any future references notwithstanding the fact that the identity of the transferor company may not survive under such arrangement.	✓		
9 (iii)	All office copies of Notices, Agenda and Notes to Agenda and other related papers shall be preserved in orderly manner for as long as they remain current or for twelve years, whichever is later, and may not be destroyed thereafter without the authority of the Board.	✓		
<b>10</b>	<b>Disclosure</b>			
	The Annual Report of a company shall disclose the number of Meetings of the Board and Committees held during the year indicating the number of Meetings attended by each Director.	✓		



## 14.4 INDEX AS PER ICMAB

### Green Delta Insurance Company Limited

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	External Liab. Ratio	
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	Capital & Fund to Total Asset	
<b>2</b>	<b>Technical</b>	
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	Liquid Asset to Total Asset	
<b>4</b>	<b>Profitability</b>	
	Gross Underwriting Margin Return on	
	Average Assets (ROAA) Return on	
	Average Equity (ROAE) Return on	
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<b>6</b>	<b>Contribution to National Economy and CSR</b>	
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**PROXY FORM**

I/ We .....

of .....

being a member of Green Delta Insurance Company Limited do hereby appoint

Mr./ Mrs./ Miss. ....

of ..... or (failing his/her)

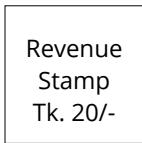
Mr./ Mrs./ Miss. ....

of .....

as my/ our proxy, to vote for me/ us and on my/ our behalf at the 29<sup>th</sup> Annual General Meeting of the company to be held on Tuesday, 24<sup>th</sup> March 2015 at 11.00 a.m. at Spectra Convention Center Ltd., House # 19, Road # 7, Gulshan-1, Dhaka-1212 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."

**ATTENDANCE SLIP**

I hereby record my attendance at the 29<sup>th</sup> Annual General Meeting of the Company being held on Tuesday, 24<sup>th</sup> March 2015 at 11.00 a.m. at Spectra Convention Center Ltd., House # 19, Road # 7, Gulshan-1, Dhaka-1212

Name of the Member/ Proxy .....

Folio or BO A/C No .....

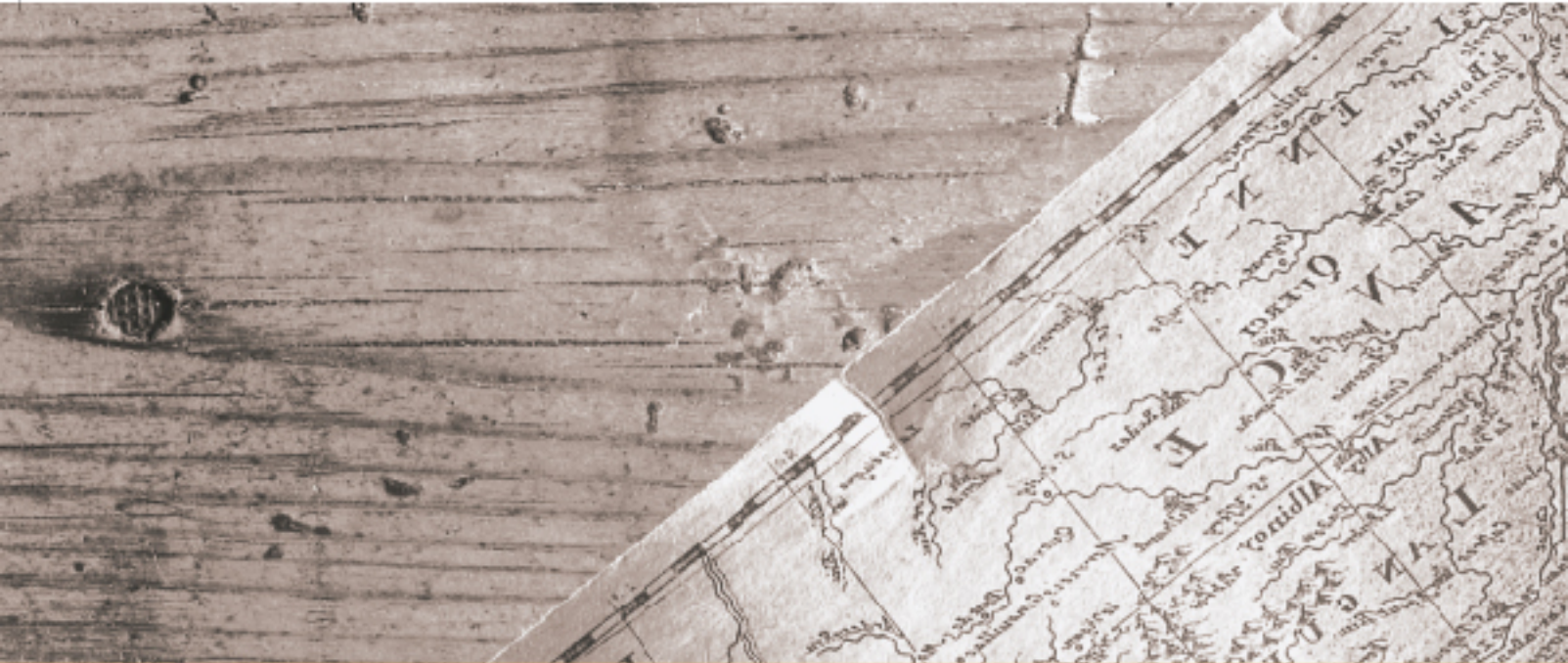
Signature ..... Date .....

**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."





**Registered Office**

**Green Delta AIMS Tower (6<sup>th</sup> Floor)**

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