

*Auditor's Report*



## **Auditors' Report**

We have audited the accompanying Balance Sheet of Green Delta Insurance Company Limited as at 31st December, 2005 and the related Profit and Loss Account and Cash flow statement for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standard on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement prepared in accordance with Bangladesh Accounting Standard (BAS), give a true and fair view of the state of the Company's affairs as of December 31, 2005 and the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994. Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### **WE ALSO REPORT THAT :**

- i. 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 ;
- ii. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books and (where applicable) proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- iii. the Company's Balance Sheet and Profit & Loss Account and its Cash flow dealt with by the report are in agreement with the books of accounts and returns;
- iv. the expenditure incurred was for the purposes of the Company's business;
- v. as per section 40 C(2) of the Insurance Act, 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations 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 related Revenue Accounts and the Profit and Loss Account of the company; and

- vi. as per regulation 11 of part I of the third schedule of the Insurance Act, 1938 as amended, we certify that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

*Khan Wahab Shafique Rahman*

Dhaka, April 27, 2006

**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants

# *Financial Statement*



# Balance Sheet

As at 31 December 2005

	Note	2005 Taka	2004 Taka		Note	2005 Taka	2004 Taka
<b>Capital and Liabilities :</b>				<b>Assets and Properties</b>			
Share Capital				Investment	10.00	338,062,567	305,452,460
Authorised	3.01	500,000,000	500,000,000	Outstanding Premium	11.00	21,875,088	20,524,967
Issued, subscribed and paid-up	3.02	108,000,000	60,000,000				
Proposed issue of Bonus Share	3.03	43,200,000	18,000,000	Amount due from other persons or bodies carrying on Insurance Business	12.00	83,226,668	88,705,965
Share Premium	3.04	60,000,000	-	Sundry Debtors (Including advances and deposits)	13.00	163,225,338	106,407,877
Reserve or Contingency Account:	4.00	327,602,231	328,472,590	<b>Cash and Bank Balances:</b>	14.00	508,442,676	410,018,346
Reserve for exceptional losses	4.01	239,113,960	212,409,940	Fixed deposits		428,048,234	335,783,350
Foreign Currency Fluctuation		7,770,090	4,751,189	At banks on STD & current account		79,346,166	73,690,779
Investment Fluctuation Fund		65,968,181	97,061,461	Cash in hand		1,048,276	544,217
General Reserve		3,750,000	3,750,000	<b>Other Accounts</b>			
Dividend Equalisation Fund		11,000,000	10,500,000	Land Property	15.00	21,030,095	21,030,095
Proposed Cash Dividend		-	6,000,000	Fixed Assets (at cost less depreciation)	16.00	11,186,496	11,162,379
Profit and Loss Appropriation Account		4,201,048	4,182,274	Stock of printing, stationery and stamps	17.00	1,772,198	1,260,685
Total Shareholders' equity		543,003,279	416,654,864				
Balance of Fund Accounts :	5.00	133,812,833	116,849,573				
Fire Insurance Business		41,940,534	30,135,475				
Marine Insurance Business		63,246,503	65,298,044				
Motor Insurance Business		21,449,669	15,552,403				
Miscellaneous Ins. Business		7,176,127	5,863,651				
Premium Deposit	6.00	44,032,589	84,385,057				
Liabilities and Provisions Estimated liability in respect of outstanding claims whether due or intimated	7.00	76,356,162	76,824,709				
Amount due to other persons or bodies carrying on Insurance Business	8.00	137,600,487	105,446,144				
Sundry Creditors (Including Outstanding expenses, taxes & provisions)	9.00	214,015,776	164,402,427				
Total Liabilities		605,817,847	547,907,910				
<b>Total Liabilities &amp; Shareholders' equity</b>		<b>1,148,821,126</b>	<b>964,562,774</b>			<b>1,148,821,126</b>	<b>964,562,774</b>

Dhaka, April 27, 2006

A. Z. Mohammad Hossain  
Chairman

M. Mozammel Huq  
Director

Md. Abdus Salam  
Director

Nasir A. Choudhury  
Managing Director

Zahrul Syed Bakht, CMA  
Finance Director &  
Company Secretary

Khan Wahab Shafique Rahman & Co.  
Chartered Accountants

Subject to our separate report of even date



# Profit and Loss Account

For the year ended 31st December 2005

	Note	2005 Taka	2004 Taka		Note	2005 Taka	2004 Taka
Expenses of Management (Not applicable to any particular Fund or Account)		33,515,250	38,650,254	Investment & Others Income	19	58,224,479	54,276,334
Directors' Fees	18	1,319,625	2,473,650	Profit and Loss Transferred From:			
Audit Fees		172,700	162,700	Fire Insurance Revenue Account		15,518,506	30,522,302
Depreciation		3,668,560	3,472,280	Marine Insurance Revenue Account		43,893,978	11,734,238
Net profit for the year carried down to Profit and Loss Appropriation Account		86,906,977	61,980,329	Motor Insurance Revenue Account		4,917,822	1,526,745
		<b>125,583,112</b>	<b>106,739,213</b>	Misc. Insurance Revenue Account		3,028,327	8,679,594
						67,358,633	52,462,879
						<b>125,583,112</b>	<b>106,739,213</b>


## Profit and Loss Appropriation Account

For the year ended 31st December 2005

Reserve for Exceptional Losses	4.01	26,704,020	23,314,676	Balance brought forward from last year		4,182,274	3,616,621
Provision for Income Tax		16,484,183	4,986,132				
Advance Tax Paid		-	5,013,868				
Proposed Dividend		-	6,000,000				
Dividend Distribution Tax		-	600,000				
General Reserve		-	1,500,000	Net profit for the year brought down		86,906,977	61,980,329
Dividend equalisation fund		500,000	2,000,000				
Bonus Share		43,200,000	18,000,000				
Balance Transferred to Balance Sheet		4,201,048	4,182,274				
		<b>91,089,251</b>	<b>65,596,950</b>			<b>91,089,251</b>	<b>65,596,950</b>

Dhaka, April 27, 2006

Subject to our separate report of even date

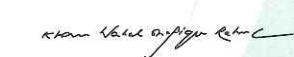
  
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## Consolidated all Business Revenue Account

For the year ended 31st December 2005

	Note	2005 Taka	2004 Taka		Note	2005 Taka	2004 Taka
Claims Under Policies Less Re-Insurance	20	55,338,413	51,710,664	Balance of Account at the Beginning of the Year		116,849,573	95,780,828
Agency Commission		97,496,826	-				
Commission on Re-Insurance Accepted		1,949	-	Gross Premium		631,633,687	515,252,544
Expenses of Management		101,912,523	165,856,302	Re-Insurance Premium		(364,593,491)	(282,105,784)
Profit Transferred to Profit and Loss Account		67,358,633	52,462,879	Net Premium	21	267,040,196	233,146,760
Balance of Accounts at the end of the year as shown in the Balance Sheet	5	133,812,833	116,849,573	Commission on Re-Insurance Ceded		72,031,408	57,951,830
		<u>455,921,177</u>	<u>386,879,418</u>			<u>455,921,177</u>	<u>386,879,418</u>



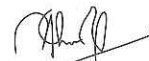
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# Fire Insurance Revenue Account

For the year ended 31st December 2005

	Note	2005 Taka	2004 Taka		Note	2005 Taka	2004 Taka
Claims Under Policies Less Re-Insurance	20	28,360,500	28,965,276	Balance of Account at the Beginning of the Year		30,135,475	27,872,622
Expenses of Management		22,259,437	41,304,509	Premium Less Re-Insurance	21	84,387,806	60,794,733
Agency Commission		59,151,998	-	Commission on Re-Insurance Ceded		52,707,694	42,260,207
Profit Transferred to Profit and Loss Account		15,518,506	30,522,302				
Balance of Accounts at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	5	41,940,534	30,135,475				
		<u>167,230,975</u>	<u>130,927,562</u>			<u>167,230,975</u>	<u>130,927,562</u>

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## Marine Insurance Revenue Account

For the year ended 31st December 2005

	Note	2005 Taka	2004 Taka		Note	2005 Taka	2004 Taka
Claims Under Policies Less Re-Insurance	20	14,386,303	10,330,154	Balance of Account at the Beginning of the Year		65,298,044	47,909,144
Expenses of Management		57,411,884	98,452,233	Premium Less Re-Insurance	21	124,365,748	128,495,570
Agency Commission		23,849,075		Commission on Re-Insurance Ceded		13,123,951	9,409,955
Profit Transferred to Profit and Loss Account		43,893,978	11,734,238				
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	5	63,246,503	65,298,044				
		<u>202,787,743</u>	<u>185,814,669</u>			<u>202,787,743</u>	<u>185,814,669</u>

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# Motor Insurance Revenue Account

For the year ended 31st December 2005

	Note	2005 Taka	2004 Taka		Note	2005 Taka	2004 Taka
Claims Under Policies Less Re-Insurance	20	11,233,452	10,025,909	Balance of Account at the Beginning of the Year		15,552,403	12,709,239
Expenses of Management		16,254,668	17,592,938	Premium Less Re-Insurance	21	42,405,300	31,865,442
Agency Commission		4,528,682	-	Commission on Reinsurance Ceded		426,590	123,314
Profit Transferred To Profit and Loss Account		4,917,822	1,526,745				
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	5	21,449,669	15,552,403				
		<u>58,384,293</u>	<u>44,697,995</u>			<u>58,384,293</u>	<u>44,697,995</u>

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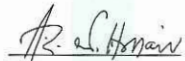
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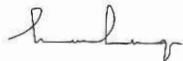
## Miscellaneous Insurance Revenue Account

For the year ended 31st December 2005

	Note	2005 Taka	2004 Taka		Note	2005 Taka	2004 Taka
Claims Under Policies Less Re-Insurance	20	1,358,158	2,389,325	Balance of Account at the Beginning of the Year		5,863,651	7,289,823
Commission on Re-Insurance Accepted		1,949	-	Premium Less Re-Insurance	21	15,881,342	11,991,015
Expenses of Management		5,986,534	8,506,622	Commission on Re-Insurance Ceded		5,773,173	6,158,354
Agency Commission		9,967,071	-				
Profit Transferred to Profit and Loss Account		3,028,327	8,679,594				
Balance of Account at the end of the year as shown in the Balance Sheet (Reserve for unexpired risks)	5	7,176,127	5,863,651				
		<u>27,518,166</u>	<u>25,439,192</u>			<u>27,518,166</u>	<u>25,439,192</u>



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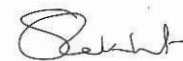
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Md. Abdus Salam  
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Managing Director



Zahrul Syed Bakht, CMA  
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# Cash Flow Statement

For the year ended 31st December 2005

	<b>2005</b>	<b>2004</b>
	<b>Taka</b>	<b>Taka</b>
<b>Cash flows from operating activities :</b>		
Collections from premium and other income	723,230,589	674,447,659
Payments for management expense, re-insurance and claims	(688,563,580)	(528,508,472)
Income tax paid	(10,175,944)	(13,553,598)
<b>Net cash provided by operating activities</b>	<b>24,491,065</b>	<b>132,385,589</b>
<b>Cash flows from investing activities :</b>		
Investment in share	(15,035,316)	(124,268,643)
Sales of investment	8,571,430	12,904,147
Proceeds from sales of share	14,353,746	10,038,342
Interest received	31,579,474	30,847,170
Investment in joint venture Building project	(1,509,986)	(100,000)
Land development	-	(20,756)
Dividend income	9,326,540	11,469,261
Purchase of fixed assets	(3,706,676)	(6,892,476)
Sales of fixed assets	325,000	1,390,000
Share money deposit(Investment in Jalalabad Telecom Ltd.)	(6,000,000)	(20,000,000)
Purchase of investment (Zero coupon Bond)	(30,000,000)	-
GDIC Financial Services	(16,839,502)	-
<b>Net cash used in investing activities</b>	<b>(8,935,289)</b>	<b>(84,632,955)</b>
<b>Cash flows from financing activities :</b>		
Proceeds from issuing common stock	90,000,000	-
Dividend paid	(7,131,445)	(20,650,157)
<b>Net cash used in financing activities</b>	<b>82,868,555</b>	<b>(20,650,157)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents during the year</b>	<b>98,424,330</b>	<b>27,102,477</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>410,018,346</b>	<b>382,915,869</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>508,442,676</b>	<b>410,018,346</b>




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Chairman



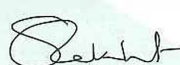
M. Mozammel Huq  
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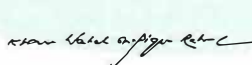
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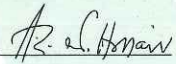
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# Form 'AA'

Classified Summary of Assets as at December 31, 2005

Sl. No. Class of Assets	Book Value Taka
1 Investment Bond	4,500,000
2 Shares Listed on Dhaka Stock Exchange Ltd.	178,841,318
3 Debentures	37,381,747
4 Investment In DELTA BRAC Housing Finance LTD.	40,000,000
5 Jalalabad Telecom Ltd.	26,000,000
6 Zero Coupon Bond	30,000,000
7 Green Delta Financial Services Ltd.	16,839,502
8 Fixed Deposit	428,048,234
9 Cash at Bank on STD and Current Account	79,346,166
10 Cash and Cheque in Hand and on Transit	1,048,276
11 Outstanding Premium	21,875,088
12 Ammount due from other persons or bodies carrying on Insurance Bussiness	83,226,668
13 Sundry Debtors (including advance and deposits)	163,225,338
14 Land Property	21,030,095
15 Investment in Green Delta Aims Ltd.	4,500,000
16 Fixed Assets (at cost less depreciation)	11,186,496
17 Stock of Stationery and Stamps	1,772,198
	<b>1,148,821,126</b>



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# Statement of Changes in Equity

For the year ended 31st December 2005

Particulars	Share Capital	Share Premium	Reserve for exceptional Losses	General Reserve	Proposed Dividend/Bonus	Dividend equalisation fund	Foreign Currency Fluctuation	Investment Fluctuation Fund	P/L A/C	Total
Balance at 1st January' 2005	78,000,000		212,409,940	3,750,000	6,000,000	10,500,000	4,751,189	97,061,461	4,182,274	416,654,864
Profit after tax for the year									70,422,794	70,422,794
Dividend Paid					(6,000,000)					(6,000,000)
Appropriation made during the year	30,000,000	60,000,000	26,704,020	0	43,200,000	500,000			(70,404,020)	90,000,000
Reserve during the year							3,018,901	(31,093,280)		(28,074,379)
<b>Total</b>	<b>108,000,000</b>	<b>60,000,000</b>	<b>239,113,960</b>	<b>3,750,000</b>	<b>43,200,000</b>	<b>11,000,000</b>	<b>7,770,090</b>	<b>65,968,181</b>	<b>4,201,048</b>	<b>543,003,279</b>



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# Notes to the accounts

For the year ended December 31, 2005

## 1.00 Introduction

Green Delta Insurance Company Limited was incorporated as a public limited company in Bangladesh on December 14, 1985 under the Companies Act, 1913 and commenced its operation on January 01, 1986.

The Company is listed in both Dhaka & Chittagong Stock Exchange as a publicly traded Company.

### Nature of Business

The primary objectives of the company are to carry on all kinds of non-life insurance business.

## 2.00 Basis of Presenting Accounts and significant Accounting Policies

### 2.01 Basis of Presenting Accounts

These accounts have been prepared on the basis of going-concern concept under generally accepted accounting principles according to the historical cost convention. Requirements as to disclosure of financial information warranted by the Insurance Act 1938 have been adhered to in presenting financial statements. Such financial statements comprises of the Balance Sheet, Profit and Loss Account and Revenue Accounts for specific classes of business in the form set forth in the first, second and third schedule of the Insurance Act 1938. A Cash Flow Statement is also included as per requirement of the Securities and Exchange Rules 1987.

### 2.02 Significant Accounting Policies

#### a) Depreciation on fixed assets

Depreciation on fixed assets has been calculated on all assets using straight line method at varying rates depending on the class of assets. Methods and Rates of depreciation are consistently applied in relation to previous year.

Furniture & Fixtures	10%
Office & Electrical Equipments	15%
Vehicles	20%

#### b) Revenue Recognition

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



## Notes to the accounts

**c) Management Expenses**

Management expenses amounting to Tk. 101,912,522 is charged to Revenue Accounts and it is approximately 16.13% of gross premium of Tk. 631,633,687. The expenses have been allocated to Fire, Marine, Motor and Miscellaneous business according to the proportionate premium income.

**d) Public Sector Insurance Business**

As of April 01, 1990, following a Government decision, Public Sector Insurance Business is being underwritten jointly by Sadharan Bima Corporation and 43 private sector insurance companies on co-insurance basis; 50% being underwritten by Sadharan Bima Corporation and the balance proportionately by all Private Sector Insurance Companies.

Company's share of Public Sector business is accounted for in the year in which the complete statement of accounts from Sadharan Bima Corporation is received. Accordingly, the company has been considered its share of Public Sector Insurance Business this year, based on the Sadharan Bima Corporation's statement of the year 2004.

**e) Interest on FDR & STD**

Interest received from banks on STD Accounts and FDR Accounts have been duly credited to the Profit and Loss Account.

**f) Reserved for Un-expired risks**

Before arriving at the surplus of each class of business necessary reserve for un-expired risk have been created at the rate of 50% on all business except on Marine Hull business for which the reserve was made @ 100% of the total premium for the year 2005.

**g) Reserve for exceptional losses**

Reserve for exceptional losses apportioned out of current year profit before tax amounting to Tk. 26,704,020 being 10% of the net premium earned during the year.

**h) Use of Estimate**

Preparation of Financial Statements in conformity with International Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date of the financial statements and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes, reserves etc.

**i) Interest on national bond**

Interest on national bond is recognized as revenue based on time proportion.

**j) Interest on debenture & Dividend**

Interests on Debenture as well as dividend on Shares have been accounted for as income on Declaration basis.



## Notes to the accounts

**k) Provision for Liabilities**

Provision for liabilities are recognized when Green Delta Insurance Company Ltd. has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

**l) Investment in different undertakings**

Different undertakings refer to separately established undertakings in which Green Delta Insurance Company Limited has effective equity interest of 20%. Green Delta's Investments in these undertaking are accounted for by the cost method. The income from those undertakings are recognised based on income only to the extent that it receives distributions from the accumulated net profits of those undertakings arising subsequent to the date of acquisition by the Green delta Insurance Company Ltd.

**m) Investment in Shares and Debentures**

All investments are initially recognised at cost, being fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, investment in shares and debenture of listed companies are subsequently measured at fair market value, with unrealized gain or losses recognised in equity under the head investment fluctuation fund through the statement of changes in equity. These are all held and available for sale.

**n) Sundry debtors**

Sundry debtors are carried at anticipated realizable values.

**o) Sundry creditors**

Sundry creditors are stated at cost which is the fair value of the considerations to be paid in the future.

**p) General**

Previous years figures have been rearranged wherever necessary to keep the consistency of current year's presentation.

Figures which are shown in the accounts have been rounded off to the nearest Taka.

<b>3.00 Share Capital</b>	<b>2005</b>	<b>2004</b>
<b>3.01 Authorised</b>		
5,000,000 Ordinary Shares of Tk. 100 each	500,000,000	100,000,000
The Company increased it's authorised capital from Tk. 100 million to Tk. 500 million by passing a special resolution in the Companies 4th Extra Ordinary General Meeting (EGM) held on 7th October 2004, which was Certified by the Registrar of Join Stock Companies and Firms on April 11, 2005.		
<b>3.02 Issued, subscribed, and paid-up</b>	<b>2005</b>	<b>2004</b>
600,000 Ordinary Shares of Tk.100 each	60,000,000	60,000,000
300,000 Rights Shares of Tk. 100 each	30,000,000	-
180,000 Bonus Share of Tk. 100 each	18,000,000	-
<b>Total</b>	<b>108,000,000</b>	<b>60,000,000</b>

40% BONDS



## Notes to the accounts

This is made up as follows

Category	No of Share	% of Total Paid -Up Capital
Sponsor	540,000	50.00%
Financial Institution ( Including ICB )	41,166	3.81%
General Public and others	498,834	46.19%
<b>Total</b>	<b>1,080,000</b>	<b>100%</b>

Classification of Shareholders by Holdings:

Class Interval	No of Shares	No of Shareholders	% of Total Paid -Up Capital
Less than 500 Shares	69,624	1,203	6.45%
501 - 1,000	30,312	41	2.81%
1,001 - 5,000	145,512	59	13.47%
5,001 - 10,000	313,704	38	29.05%
10,001 - 20,000	175,932	13	16.29%
20,001 - above	344,916	9	31.94%
<b>Total</b>	<b>1,080,000</b>	<b>1,363</b>	<b>100.00%</b>

### 3.03 Bonus Share

In the Year 2004 the company has issued 180,000 bonus share of Tk. 100 each.

In the Year 2005 the company has proposed to issue 432,000 bonus share of Tk. 100.

### 3.04 Share Premium Tk. 60,000,000.00

Share Premium received Tk. 200.00 per share against 300,000 Right Shares.

### 4.00 Reserve or contingency account Tk. 327,602,231

This is made up as follows

	2005	2004
Reserve for exceptional losses (4.01)	239,113,960	212,409,940
Foreign Currency Fluctuation	7,770,090	4,751,189
Investment Fluctuation Fund	65,968,181	97,061,461
General reserve	3,750,000	3,750,000
Dividend equalization fund	11,000,000	10,500,000
	<b>327,602,231</b>	<b>328,472,590</b>

### 4.01 Reserve for exceptional losses Tk. 239,113,960

This is made up as follows

	2005	2004
Opening Balance	212,409,940	189,095,264
Addition during the year (10% of net premium income)	26,704,020	23,314,676
<b>Closing Balance</b>	<b>239,113,960</b>	<b>212,409,940</b>



## Notes to the accounts

<b>5.00</b>	<b>Balance of fund account</b>	<b>Tk. 133,812,833</b>		
	<b>This is made up as follows</b>		<b>2005</b>	<b>2004</b>
	Fire Insurance business		41,940,534	27,872,622
	Marine Insurance business		63,246,503	47,909,144
	Motor Insurance business		21,449,669	12,709,239
	Misc. Insurance business		7,176,127	7,289,823
			<b>133,812,833</b>	<b>95,780,828</b>
	Reserve for unexpired risks has been calculated on Net Premium income excluding public sector business at the following rates :			
	Fire		50%	
	Marine Cargo		50%	
	Marine Hull		100%	
	Motor & Misc.		50%	
<b>6.00</b>	<b>Premium Deposits</b>	<b>TK. 44,032,589</b>		
	<b>This is made up as follows</b>		<b>2005</b>	<b>2004</b>
	Marine Cargo		44,032,589	84,385,057
	This represents the amount of premium deposited with the Company against covernotes for which no policy has been issued upto the end of the year.			
<b>7.00</b>	<b>Estimated Liability in Respect of Outstanding Claims whether Due or Intimated</b>	<b>Tk. 76,356,162</b>		
			<b>2005</b>	<b>2004</b>
	Fire		36,264,163	34,512,310
	Marine Cargo		32,365,157	31,885,310
	Marine Hull		705,109	1,391,368
	Motor		2,429,492	5,154,646
	Miscellaneous		4,592,241	3,881,075
			<b>76,356,162</b>	<b>76,824,709</b>
<b>8.00</b>	<b>Amount Due to Other Persons or Bodies Carrying on Insurance Business</b>	<b>Tk. 137,600,487</b>		
	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 at December 31, 2005.			
	<b>This is made up as follows</b>		<b>2005</b>	<b>2004</b>
	Payable against Co-Insurance Premium		44,669,576	52,868,283
	Amount due to SBC		41,993,199	26,686,966
	Payable to Overseas Re-Insurers		50,937,712	25,890,895
			<b>137,600,487</b>	<b>105,446,144</b>
<b>9.00</b>	<b>Sundry Creditors</b>	<b>Tk. 214,015,776</b>		
	<b>This is made up as follows</b>		<b>2005</b>	<b>2004</b>
	Liability for Expenses		9,430,063	22,217,070
	Provision for Income Tax & Other Payables		202,885,614	139,353,813
	Unclaimed Dividend		1,700,099	2,831,544
			<b>214,015,776</b>	<b>164,402,427</b>



## Notes to the accounts

### 10.00 Investment Tk. 338,062,567

#### This is made up as follows

	2005	2004
	Market Price	Market Price
Investment Bond	4,500,000	4,500,000
Shares Listed on DSE & CSE	178,841,318	194,899,283
Debentures	37,381,747	45,953,177
Delta Brac Housing Finance Ltd.	40,000,000	40,000,000
Jalalabad Telecom Ltd.	26,000,000	20,000,000
Zero Coupon Bond	30,000,000	-
Green Delta Financial Services Ltd.	16,839,502	-
Green Delta Aims Ltd.	4,500,000	-
<b>Total</b>	<b>338,062,567</b>	<b>305,352,460</b>

Sufficient provision has been made against fluctuation of share price, which was purchased from secondary market. Investment in Jalalabad Telecom Limited was in the form of share money deposit as at 31-12-2004 and subsequently allotted as share capital on 08-02-2005.

### 11.00 Outstanding Premium Tk. 21,875,088

Outstanding premium represents installments not due on the Balance Sheet date on account of Marine & Aviation Hull business.

#### This is made up as follows

	2005	2004
Marine Hull	12,074,476	7,868,009
Aviation Hull	9,800,612	12,656,958
	<b>21,875,088</b>	<b>20,524,967</b>

Out of which Tk. 5,665,043 & Tk. 7,918,519 has been realised from Marine Hull & Aviation Hull respectively upto March 31, 2006.

### 12.00 Amount Due from Other Persons or Bodies Carrying on Insurance Business Tk. 83,226,668

This represents the amount receivable from private sector insurance companies on account of co-insurance premium and claim at December 31, 2005.

#### This is made up as follows

	2005	2004
Co-Insurance Premium receivable	64,676,569	69,613,992
Co-Insurance Claim receivable	9,313,822	9,555,044
Amount due from Overseas Re-Insurers	9,236,277	9,536,929
	<b>83,226,668</b>	<b>88,705,965</b>

### 13.00 Sundry Debtors Tk. 163,225,338

#### This is made up as follows

	2005	2004
Advance Rent	3,141,833	3,297,607
Advance Salary	367,736	376,099
Car Lease for Employees	4,999,388	3,725,506
Other Advances	153,320,018	96,863,884
Accrued Interest	258,842	1,142,260
Security Deposit	1,137,521	1,002,521
	<b>163,225,338</b>	<b>106,407,877</b>



## Notes to the accounts

### 14.00 Cash & Bank Balances

Tk. 508,442,676

	2005	2004
Fixed Deposits	428,048,234	335,783,350
At banks on STD & current account	79,346,166	73,690,779
Cash in hand	1,048,276	544,217
	<b>508,442,676</b>	<b>410,018,346</b>

### 15.00 Land Property

Tk. 21,030,095

#### This is made up as follows

	2005	2004
Opening Balance	21,030,095	21,009,339
Add. Mutation Fee	0	10,756
Add. Land Survey Fee	0	10,000
	<b>21,030,095</b>	<b>21,030,095</b>

Land property measuring 6 (six) khata and 4 (four) chataks situated at 51, Mohakhali C/A, Dhaka-1212 is stated at cost.

### 16.00 Fixed Assets (at cost less depreciation) Tk. 11,186,496

	Furniture & Fixtures	Office & Electrical Equipments	Vehicles	Total
<b>Cost</b>				
As at January 1, 2005	16,336,565	22,212,414	4,667,640	43,216,619
Additions during the year	624,243	2,886,433	196,000	3,706,676
Disposal during the year	-	(325,000)	-	(325,000)
<b>As at December 31, 2005</b>	<b>16,960,808</b>	<b>24,773,847</b>	<b>4,863,640</b>	<b>46,598,295</b>
Fully Depreciated Amount	(7,539,405)	(11,719,304)	(995,245)	(20,253,954)
Depreciation Chargeable Amount	9,421,403	13,054,543	3,868,395	26,344,341
<b>Depreciation</b>				
As at January 1, 2005	11,047,940	18,708,968	2,297,332	32,054,240
Charge during the year	942,140	1,953,113	773,306	3,668,559
Disposal during the year	-	(311,000)	-	(311,000)
As at December 31, 2005	11,990,080	20,351,081	3,070,638	35,411,799
<b>Written Down Value</b>				
<b>At December 31, 2005</b>	<b>4,970,728</b>	<b>4,422,766</b>	<b>1,793,002</b>	<b>11,186,496</b>
<b>At December 31, 2004</b>	<b>5,288,625</b>	<b>3,503,446</b>	<b>2,370,308</b>	<b>11,162,379</b>



## Notes to the accounts

<b>17.00</b>	<b>Stock of Printing, Stationery &amp; Stamps</b>	<b>Tk. 1,772,198</b>					
	<b>This is made up as follows</b>		<b>2005</b>		<b>2004</b>		
	Printing		750,191		523,308		
	Stationery		3,054		-		
	Insurance Policy Stamps		1,018,953		737,377		
			<b>1,772,198</b>		<b>1,260,685</b>		
<b>18.00</b>	<b>Audit Fees</b>	<b>Tk. 172,700</b>					
	<b>This is made up as follows</b>		<b>2005</b>		<b>2004</b>		
	Statutory audit		70,000		60,000		
	Special audit		102,700		102,700		
			<b>172,700</b>		<b>162,700</b>		
<b>19.00</b>	<b>Investment and others Income</b>	<b>Tk. 58,224,479</b>					
	<b>This is made up as follows</b>		<b>2005</b>		<b>2004</b>		
	Interest on FDR & STD		30,437,214		26,115,904		
	Net profit from secondary market operation		14,353,746		10,038,342		
	Interest on Debenture		3,020,857		6,386,534		
	Interest on National Bond		258,842		382,500		
	Underwriting Commission		152,023		34,125		
	Dividend Income		9,326,541		10,604,604		
	Co-Ins Service Charges		628,573		155,736		
	Sundry Income		46,683		558,589		
			<b>58,224,479</b>		<b>54,276,334</b>		
<b>20.00</b>	<b>Claims under Policies less Re-insurance</b>	<b>Tk. 55,338,413</b>					
		<b>Fire</b>	<b>Marine Cargo</b>	<b>Marine Hull</b>	<b>Motor</b>	<b>Misc.</b>	
						<b>Total</b>	
	Claims paid during the year	26,608,647	14,470,092	122,623	13,958,605	646,992	55,806,960
	Claims Outstanding at the end of year	36,264,163	32,365,157	705,109	2,429,492	4,592,241	76,356,162
	Claims Outstanding at the beginning of the year	(34,512,310)	(31,885,310)	(1,391,368)	(5,154,646)	(3,881,075)	(76,824,709)
	<b>Total amount (Year 2005)</b>	<b>28,360,500</b>	<b>14,949,939</b>	<b>(563,636)</b>	<b>11,233,451</b>	<b>1,358,158</b>	<b>55,338,413</b>
	Total amount (Year 2004)	28,965,276	9,332,128	998,026	10,025,909	2,389,325	51,710,664
<b>21.00</b>	<b>Premium Less Re-Insurance</b>	<b>Tk. 267,040,196</b>					
	<b>Class of Business</b>	<b>On Direct Business</b>	<b>On Re-ins Accepted</b>	<b>On Re-ins. Ceded</b>	<b>Total</b>		
	Fire	334,995,971	-	(250,608,165)	84,387,806		
	Marine Cargo	142,745,118	-	(24,755,970)	117,989,148		
	Marine Hull	31,621,415	433,656	(25,678,471)	6,376,600		
	Motor	46,096,022	-	(3,690,722)	42,405,300		
	Miscellaneous	75,735,936	5,569	(59,860,163)	15,881,342		
	<b>Total amount (Year 2005)</b>	<b>631,194,462</b>	<b>439,225</b>	<b>(364,593,491)</b>	<b>267,040,196</b>		
	Total amount (Year 2004)	514,512,671	739,873	(282,105,784)	233,146,760		



## Notes to the accounts

### 22.00 Earning Per Share (EPS)

$$\begin{aligned} \text{Basic EPS} &= \frac{\text{Net Profit after Tax}}{\text{Total No. of Shares Outstanding during the year}} \\ &= \frac{\text{Tk. 43,718,775}}{890,000} \\ &= \text{Tk. 49.12} \end{aligned}$$

#### Computation of weighted average number of Shares Outstanding

a) Number of shares outstanding as at December 31, 2004		600,000
b) Number of shares issued as bonus as on July 1, 2005	180,000	
Number of weighted average shares outstanding during the year, 180,000*6/12		90,000
c) Number of Right Shares issued on May 5, 2005	300,000	
Number of weighted average shares outstanding during the year, 300,000*8/12		200,000
<b>Total Number of weighted average shares outstanding during the year (a+b+c)</b>		<b>890,000</b>

### 23.00 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	338,062,567
Outstanding Premium	21,875,088
Amount due from other persons or bodies carrying on Insurance Business	83,226,668
Sundry Debtors	163,225,338
Cash and Bank Balance	508,442,676
Other Accounts	33,988,789
<b>Total Asstes</b>	<b>1,148,821,126</b>

#### B. Liabilities

Balance of Fund Accounts	133,812,833
Premium Deposit	44,032,589
Estimated liability in respect of outstanding claims whether due or intimated	76,356,162
Amount due to other persons or bodies carrying on Insurance Business	137,600,487
Sundry Creditors	214,015,776
<b>Total Liability</b>	<b>605,817,847</b>
Net Assets (A - B)	543,003,279
Number of weighted average shares outstanding during the year	890,000
<b>Net Assets Value per share</b>	<b>610.12</b>