

## **BRINGING CERTAINTY TO UNCERTAINTY – SUSTAINABLY AND PROFITABLY.**

Life is unpredictable and unsure. We are a little hesitant, somewhat fearful and sometimes uncertain in our everyday lives. It's a part of our human nature.

At Green Delta Insurance, our core purpose is to bring certainty to uncertainty – sustainably and profitably.

We bring this philosophy to life by designing products and crafting solutions that protect our customers.

Enabling them to lead fuller lives and pursuing their dreams and aspirations. Fearlessly.

As Bangladesh's largest and most respected non-life insurance enterprise, we are living up to our name.

Literally, as we focus on reconciling our vision of 'insurance for all' by promoting green and inclusive growth.

So while our 2015 performance is evidence of the success of our time-tested core philosophy, it also reveals our passion to lead tomorrow today.

Hence for us, the future is green!

# ACROSS THE REPORT

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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 (IDRA)

**Sub: Annual Report for the year ended December 31, 2015**

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, 2015 and Income Statements, Cash Flow Statements and Changes in equity statements for the year ended December 31, 2015 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 30th ANNUAL GENERAL MEETING

Notice is hereby given that the Thirtieth 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 Thursday, 31st March' 2016 at 11.00 a.m. to transact the following businesses:

## AGENDA

1. To receive and adopt the Directors' and Auditors' Reports and the Audited Accounts of the Company for the year ended December 31, 2015.
2. To declare 25% Cash Dividend for the year ended December 31, 2015.
3. To elect Directors.
4. To appoint Auditors for the year 2016 and fix their remuneration.

By Order of the Board



**Syed Moinuddin Ahmed**

Company Secretary

March 10, 2016

### Notes:

1. March 06, 2016 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.
4. Admission to the hall will be only on production of the attendance slip sent with the notice

- Shareholders bearing BO ID are requested to update their respective BO ID with 12 Digits Taxpayer's Identification Number (e-TIN) and address through their Depository Participant (DP); and
- Shareholders bearing Folio Numbers are requested to submit their 12 digits e-TIN certificate to the Share Department of the Company latest by March 15, 2016; failing which Income Tax at Source will be deducted from cash dividend @15% instead of 10%
- As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM

## 1.1

# THIS IS GREEN DELTA

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 its operation started on 1st January 1986, with a paid up capital of BDT 30.00 million. Now, Green Delta Insurance Company Ltd. is amassed more than BDT 807 million with a credit rating of AAA and ST1 as the first Insurance Company in Bangladesh. Green Delta 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 the Official Representative of Malaysia Healthcare Travel Council in Bangladesh promoting Malaysia Healthcare Tourism.

Under the charismatic leadership of Mr. Nasir A Choudhury, Advisor and Ms. Farzana Chowdhury, Managing Director and CEO, 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 visionary board members, 600+ committed staff, numerous valued clients and thousands of esteemed shareholders. By now, Green Delta has been able to uphold the brand image as a prompt claim settler, superior service provider, and diversified product supplier – almost like a one stop solution provider in the non life insurance sector in the country.

Green Delta Insurance is the first non-life Insurance Company from Bangladesh to introduce the retail insurance department. The department was created with the motto 'Insurance for Everyone'. The main products that the retail insurance department sells are Motor

Insurance, Overseas Mediclaim Insurance, Personal accident insurance, People's personal accident policy, Health Insurance, All risk insurance and Nibedita-Comprehensive Insurance scheme for women. There are few other projects under Retail and SME, they are Niramoy-micro insurance for rural people, Shudin- micro insurance for garments workers, Weather index based Crop Insurance and Probashi- Comprehensive Insurance Scheme for Migrant workers.

Bangladesh Government has taken up a timely initiative to provide health insurance to the people who are living below the poverty line. 'Shashtha Suroksha Karmashuchi' (SSK) is a project of Health Economics Unit under Ministry of Health & Family Welfare. Green Delta Insurance is the scheme operator for the whole project. Green Delta is eyeing the scope of digital insurance and has initiated online payments services to make the payment methods easier and have built up a strong IT infrastructure to be aligned with government's recent approaches towards a more digitalized and greener future.

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, ICSB Corporate Governance Excellence Award, "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, World Finance Award for Best Non-Life Insurance Company in Bangladesh, IFM Award for Best Non-Life Insurance Company Bangladesh, International ARC Award 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.

# VISION & MISSION

At Green Delta Insurance, our vision is unambiguous: That of pursuing a green future. Our well-articulated mission provides the framework to help us attain our vision.



## 1.1.1 VISION, MISSION, STRENGTH AND BELIEF



### VISION STATEMENT

To maximize shareholders' value through customer's Complete Satisfaction and employee's commitment to excellence.



### BELIEF

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



### MISSION STATEMENT

We will always endeavour to provide our customer with innovative products and services that best respond to their needs. Building trust and fostering strong relationships are the essence of who we are with an aim to cover insurance for everyone.



### STRENGTH

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

## 1.1.2

# CORE VALUES AND CODE OF CONDUCT

## Customer First Always

Organization Above Self



Respect for Diversity

Trust



Spirit of Adventure

High Standards



Shared Ownership

## 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 areas

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.

# GREEN DELTA INSURANCE PROVIDES AROUND 57,666 CUSTOMERS A WIDE RANGE OF INSURANCE PRODUCTS.

We are Bangladesh's largest insurer and one of Asia's leading providers of General Insurance.

We combine capital strength, grassroots innovation and the talent of our group-wide **610** employees under one powerful brand. We are committed to serving our customers well towards building a stronger and more sustainable business, which makes a positive contribution to the society. Going green is a direction that we have actively embraced at Green Delta Insurance, focusing on inclusive, technology-driven and environmentally-sustainable growth.

Beginning operations in the year **1,986**, we have emerged as the largest private non-life insurer.

During 2015, the sum assured by the Company crossed the Taka **1,441** billion milestone.

With a suite that comprises a wide range of products to match a diverse set of requirements, we reported a

**73.6%**-growth in retail renewal premium during the year under report, which is not only a vindication of our strategy to widen retail penetration and democratize insurance in our homeland but also reflects the faith and trust of our customers.

## KEY 2015 METRICS

Taka **3015.63** mn

Gross written premium (total revenue income), 12.5% over 2014

Taka **301.48** mn

Claims settled, -13% over 2014

Taka **306.18** mn

Net income from operations, 0.1% over 2014

**5.38%**

Return on equity (RoE), -0.92% basis points over 2014

Taka **2.85**

Earnings per share, -12.58% over 2014

**9.22%**

Solvency ratio, up 0.86% basis points over 2014

**57,666**

Customer base, up 17.52% basis points over 2014

Taka **230.30** mn

Profit after tax, -3.75% over 2014

## 1.2

# PROFILE OF THE COMPANY

### REGISTERED OFFICE

Green Delta Insurance Company Ltd.  
Green Delta AIMS Tower (6th 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 Securities Ltd.**

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

#### **Green Delta Capital Ltd.**

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

#### **Professional Advancement Bangladesh Ltd.**

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

#### **GD Assist Ltd**

Green Delta AIMS Tower (6th 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 A.S.M 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 JawadQuader, Quader Chambers
9. Barrister Syed Ridwan Husain, Barrister-at-Law Advocate

10. Advocate Syed Qudrat Ali

11. Advocate Mohammed FaizUllah
12. Advocate Saikat Ahmed-Al-Bari, Barrister-at-Law, Supreme Court of Bangladesh
13. Advocate Ramkisno Biswas

### PRINCIPAL BANKERS

- Commercial Bank of Ceylon
- Standard Chartered Bank
- The Hong Kong 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 Employer 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 9IUAI)
- WIEF Foundation
- Association of Insurers and Re-insurers of Development Congress
- East Asian Insurance Congress
- Informa UK Ltd.

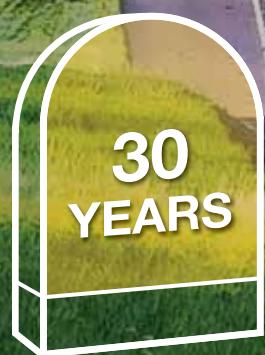
### NETWORK PARTNER OF OVERSEAS INSURERS/ RE-INSURERS

- 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

# MILESTONES

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In our rich 30-year journey, we have converted many stepping stones into milestones even as we have set several enviable benchmarks towards fulfilling our primary aim of catering to the specific needs of our customers and widening the insurance market for overall good.



## 1.3

# FROM STEPPING STONES TO MILESTONES

**December 14, 1985**  
Incorporation of the  
Company

**January 01, 1986**  
Commencement of  
business

**January 02, 1986**  
Signing of First  
Insurance business

**August 19, 1989**  
Received consent  
from SEC for  
issuance of Public  
Share of BDT 30  
million

**December 31, 1989**  
Increase of paid up  
capital to BDT 60  
million

**January 12, 1990**  
Listing with Dhaka  
Stock Exchange  
Limited

**January 14, 1990**  
First trading at  
Dhaka Stock  
Exchange Limited

**October 21, 1995**  
Listing with  
Chittagong Stock  
Exchange Limited

**October 22, 1995**  
First trading at  
Chittagong Stock  
Exchange Limited

**October, 1997**  
Investment in Delta  
Brac Housing as  
equity share holders

**May 05, 2004**  
Issuance of Right  
Share

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

**June 26, 2008**  
Capital increased to BDT  
200 million.

**September 17, 2008**  
Awarded "AA2" rating in  
the long term and ST-1  
rating in the short term  
by CRAB

**December 31, 2008**  
Raising of Paid up  
capital to BDT 408.24  
million

**June 20, 2009**  
Donation of 550 wheel  
chairs among the war  
wounded freedom  
fighters

**August 20, 2009**  
MOU Signing with LR  
Global Bangladesh  
AMC Ltd.

**March 30, 2010**  
Approval for Green Delta Mutual  
Fund for BDT 150.00 crore

**June 30, 2010**  
Authorized capital increased to  
BDT 100.00 crore

**October 31, 2010**  
Change in the denomination of  
Face Value (BDT 10/-) and Market  
Lot (from 10 to 100)

**December 1, 2010**  
Approval of Merchant Banking  
license in the name of the  
subsidiary Green Delta LR Financial  
Services Ltd.

**December 20, 2010**  
Has been accredited T.Q.M  
Aptitude seal for high quality  
performance and best customer  
satisfaction

**December 20, 2010**  
Has been selected for Platinum  
Technology Award for Quality and  
Best Trade Name

**December, 2010**  
First Prize winner of "Best  
Published Accounts" in the 10th  
ICAB National Awards 2009  
(Non Banking Category-Insurance  
Sector)

**April, 2011**  
Has been awarded for The  
Platinum Technology Award  
for Quality & Best trade name  
by 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).

<b>December 31, 2005</b> Capital increased to BDT 108 million	<b>November 28, 2006</b> Investment in United Hospital	<b>February, 2015:</b> Settles the biggest claim in GDIC's history by Handing over a check worth BDT 68 crore to Akij Group (Dhaka Tobacco Limited)
<b>June 12, 2005</b> Formation of Green Delta Aims Limited, a joint venture construction firm	<b>June 30, 2006</b> Issuance of Bonus Share	<b>February, 2015:</b> Green Delta, IFC join hands to pioneer the Weather Index Based Agri Insurance in Bangladesh
<b>May 11, 2005</b> Launching of Islamic Takaful Insurance	<b>July 1, 2006</b> Startup of the Operations of Green Delta Financial Services Limited	<b>May, 2015:</b> Agreement signing with ROBI Axiatia Ltd. regarding insurance for their retailers and employees
<b>May 12, 2005</b> Dhaka Stock Exchange Membership Purchased	<b>December 31, 2006</b> Capital increased to BDT 151.20 million	<b>May, 2015:</b> Agreement signing ceremony with IDLC regarding providing Nibedita to the Female entrepreneurs
<b>October 13, 2005</b> Incorporation of Green Delta Financial Services Limited	<b>February 15, 2007</b> Startup of the Construction of own building named Green Delta Aims Tower a joint venture project with-Mr. Mainul Islam	<b>September, 2015:</b> Receives World Finance Award for Best Non-Life Insurance Company, Bangladesh
<b>April, 2012</b> Moved to new Head Office (Green Delta AIMS Tower) at 51-52 Mohakhali C/A, Dhaka	<b>March, 2013</b> Equity Partnership with International Finance Corporation (IFC) of World Bank Group, First Foreign Direct Investment of IFC in the Insurance Sector of Bangladesh	<b>September, 2015:</b> Receives International ARC Award for Best Presented Annual Report
<b>September, 2012</b> Invested in BD Venture Limited, country's first Venture Capital company	<b>May, 2013</b> Launch of 'Nibedita' on pilot basis, a comprehensive insurance scheme solely for women for the first time in Bangladesh	<b>October, 2015:</b> Receives AAA rating for the consecutive 2nd year as the first Insurance Company in Bangladesh
<b>October, 2012</b> Introduced People's personal Accident Policy for the students of South-East University, the first of its kind in Bangladesh	<b>October, 2013</b> 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.	<b>November, 2015:</b> Receives International Finance Magazine Award 2015 for Best Non-Life Insurance Company, Bangladesh
<b>November, 2012</b> Awarded "AA1" rating in the long term and "ST-1" rating in the short term respectively by CRAB	<b>December, 2013</b> Awarded "AA1" rating in the long term and "ST-1" rating in the short term respectively by CRAB	<b>November, 2015:</b> Receives First Prize in Insurance Category in ICSB Corporate Governance Excellence Awards
<b>November, 2011</b> First Prize in ICMAB Best Corporate Award-2011 in Insurance category.	<b>December, 2013</b> Officially launched 'Cellular phone insurance' for the first time in Bangladesh signing deal with Rialto Technologies	<b>December, 2015:</b> Receives First Prize in Insurance Category in ICAB National Awards for Best Presented Annual Reports
<b>November, 2011</b> 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).	<b>December, 2014</b> Received first prize for best presented annual report in insurance sector from SAFA	<b>December, 2015:</b> Signing with City Bank & Dutch Bangla Bank Limited regarding online payment services
	<b>November, 2014</b> Received first prize for best presented annual report in insurance sector from ICAB	<b>December, 2015:</b> Signing of Contract between Health Economics Unit of Ministry of Health, Bangladesh Government & Green Delta Insurance for Implementation of SSK Piloting
	<b>November, 2014</b> Launched GD Health- the first comprehensive health insurance product in Bangladesh with Global Emergency Medical Evacuation	<b>December, 2015:</b> Green Delta Insurance signs MoU on "Agriculture Weather Index Insurance" with Sylvan Agriculture Limited (Sister Concern of PRAN- RFL GROUP)
	<b>December, 2014</b> Received first prize for best presented annual report in insurance sector from SAFA	

## 1.4

# OUR FOUNDING PHILOSOPHY



Late 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

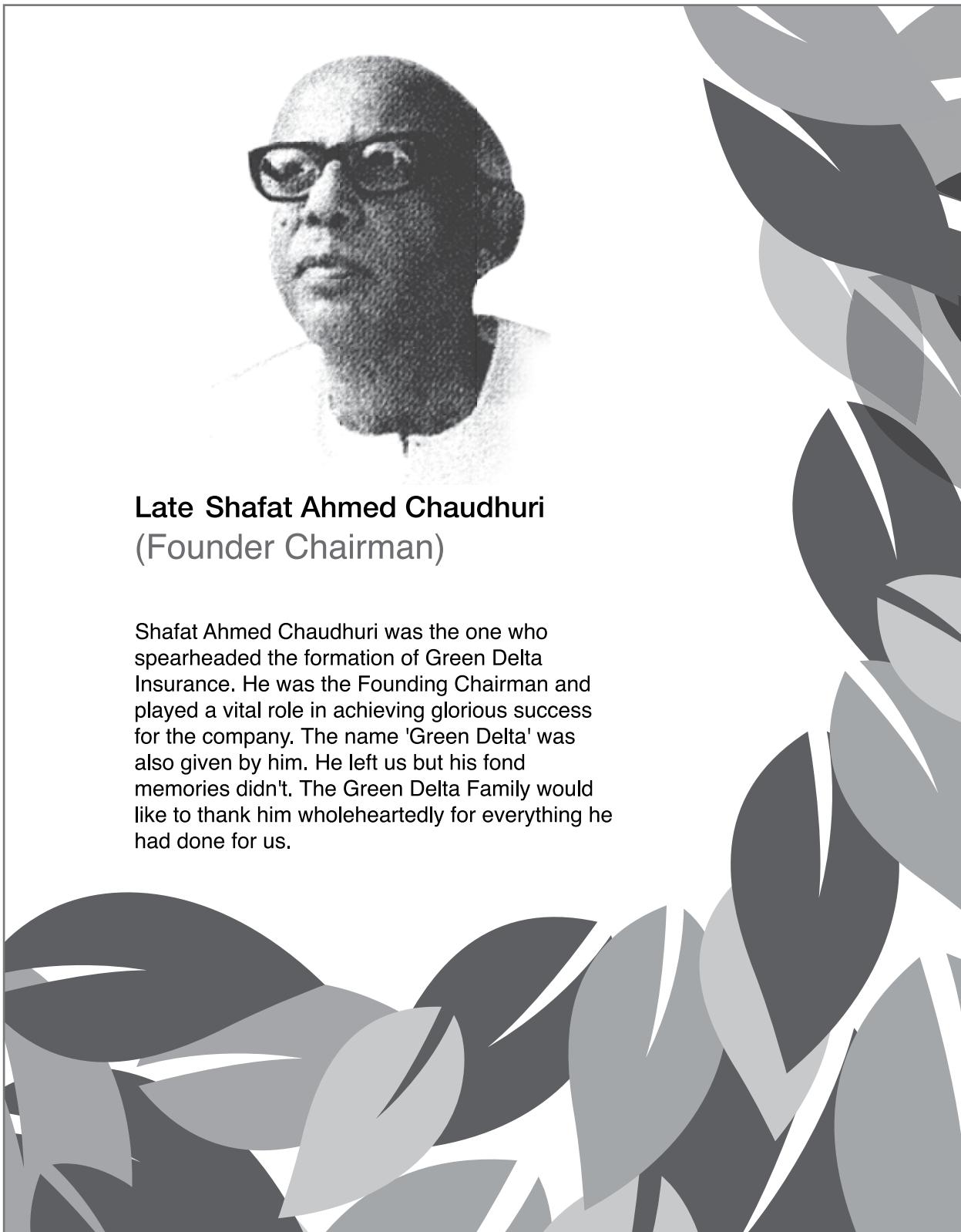
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## TRIBUTE TO THE FOUNDER CHAIRMAN



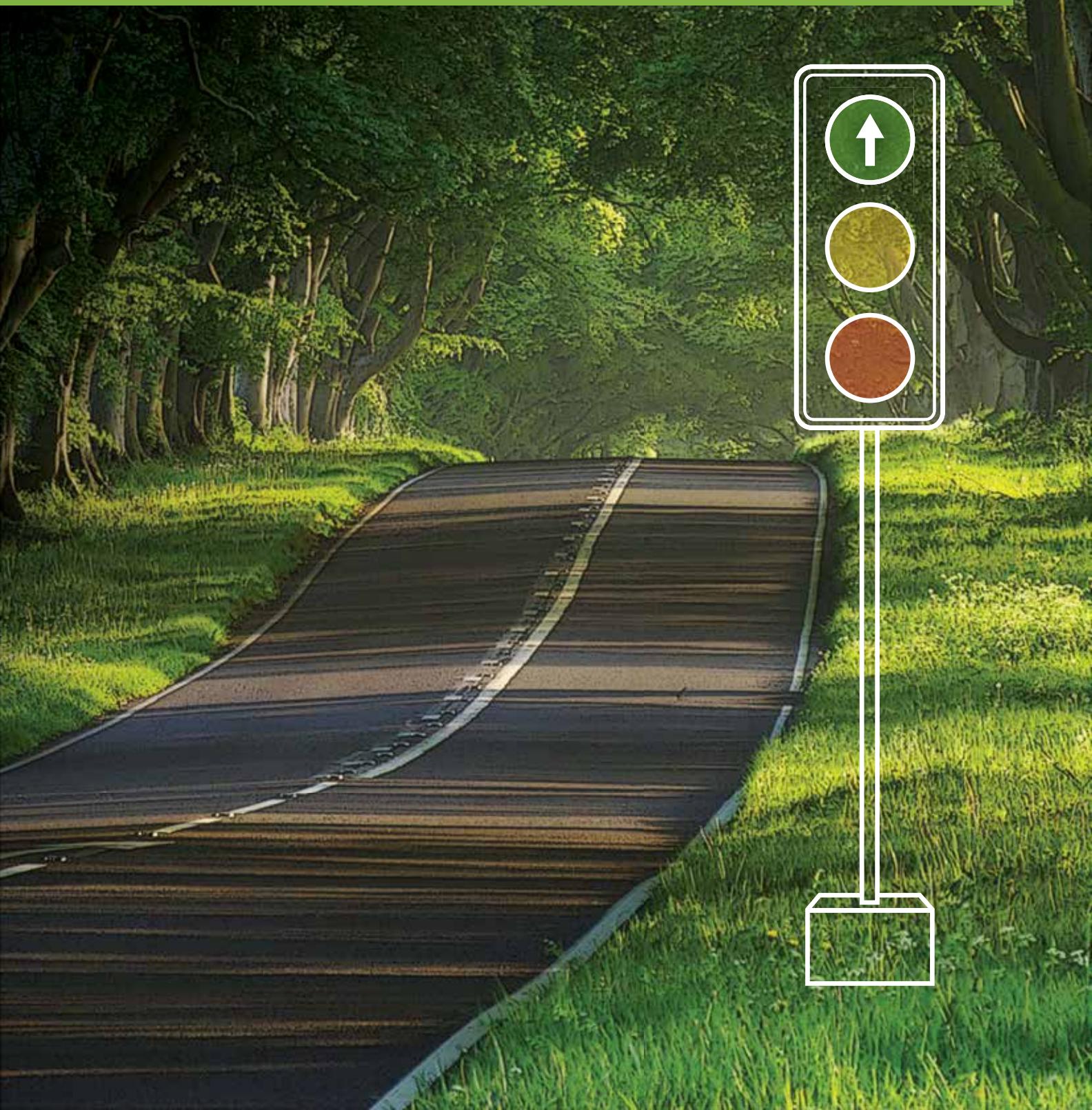
**Late Shafat Ahmed Chaudhuri  
(Founder Chairman)**

Shafat Ahmed Chaudhuri was the one who spearheaded the formation of Green Delta Insurance. He was the Founding Chairman and played a vital role in achieving glorious success for the company. The name 'Green Delta' was also given by him. He left us but his fond memories didn't. The Green Delta Family would like to thank him wholeheartedly for everything he had done for us.



# STRATEGIC POLICIES

We are guided on our road towards a green future by several strategic policies and frameworks that provide us with a scalable growth platform in pursuing our overall vision of 'Insurance for all'.



## 1.5

# OVERALL STRATEGIC OBJECTIVES

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 30 years now.

## Strategies to achieve the company's business objectives

Our strategic objectives are steps in the journey towards the vision what we are doing over the next few years. We will build on our core regulated business based on discipline to deliver sustainable growth and superior financial performance. Based on our vision, we have

chosen to give priority to the followings that create the foundation for strong growth and focus on continuous value enhancement.

We offer leading services in the fields of insurance. We deliver innovative solutions to offer customers' diverse needs for our services. The constant, ongoing development of our products and services, and corporate advisory services through subsidiaries helps us to rank among the leading insurance institutions.

We have a stable footing that should protect us from the cyclical fluctuations of the financial markets.

Green Delta Insurance Company Limited has been growing organically and has also successfully integrated with its subsidiaries namely Green Delta Securities Limited, Green Delta Capital Limited, Professional Advancement Bangladesh Limited and GD Assist.

As an innovative company that plays a leading role in quality, the expertise of our employees is of enormous importance as it would not be possible to implement this strategy successfully without them. Utilizing comprehensive promotion and training activities, we strive to be seen as an employer of choice at all levels on the job market.

# 1.6

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## OUR SERVICES SUITE

### PRODUCTS & SERVICES

#### The strength of diversity

Throughout our business group, we offer a comprehensive range of Insurance services to help clients achieve their goals. We provide strategic advice, extend supports, and hold leadership positions in all of our major business areas. As an institution of full service of insurance, GDIC offers tailored products and services to meet appropriate and diverse needs of our customers, which include:

#### 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

Nibedita- Comprehensive Insurance Policy for Women

Probashi Comprehensive Insurance for Migrant

workers

Personal Accident

GD Health Insurance

Group Health Insurance

Overseas Mediclaim Insurance

Micro Insurance

Micro Health Insurance

Household Insurance

Motor Insurance

Peoples Personal Accident Policy

Comprehensive Travel Insurance

Workmen Compensation Insurance

#### 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

### BUSINESS FOCUS

- Local Market
- Access to major areas of investment services
- Building strong investment portfolio
- Deliver legendary customer experiences
- Be an extraordinary place to work
- Operate with excellence
- Take only risks that we understand and can manage
- Enhance our brand image
- Increase shareholder value

## 1.7

# BRANCHES AT A GLANCE

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

**01. Green Delta Insurance Co. Ltd.**

Principal Branch  
Green Delta Aims Tower (6th floor)  
51-52, Mohakhali C/A  
Dhaka -1212  
Tel : 9851163, Fax-9851138  
Mob: 01714-094-154

**02. Green Delta Insurance Co. Ltd.**

Gulshan Branch  
Sheba House  
Northern Side (2nd floor)  
House No.34, Road No.46  
Gulshan-2  
Dhaka-1212  
Tel: 985-4257, Fax 881-1727  
Mob:01727-000-777, 018471-89684

**03. Green Delta Insurance Co. Ltd.**

Imamgonj Branch  
77/3, Moulvibazar (2nd Floor)  
Lalbagh, Dhaka  
Tel: 5731-1681, Mob: 01712-043-048

**04. Green Delta Insurance Co. Ltd.**

Elephant Road Branch  
Pearson Tower (4th floor)  
299, Elephant Road, Dhaka  
Tel: 58610892, Fax-9669421  
Mob: 01714-094-318

**05. Green Delta Insurance Co. Ltd.**

B.B. Avenue Branch  
Green & White Bhaban (4th floor)  
28, Bangabandhu Avenue, Dhaka  
Tel: 7126095, Fax-7122036  
Mob: 01733-718-305

**06. Green Delta Insurance Co. Ltd.**

Kawranbazar Branch  
The Dhaka Trade Center (5th floor)  
99, Kazi Nazrul Islam Avenue, Dhaka  
Tel: 912-4450, Mob: 01763-796-431  
Fax: 8115210

**07. Green Delta Insurance Co. Ltd.**

**Mohakhali Branch**  
Red Crescent Concord Tower (2nd floor)  
17, Mohakhali C/A, Dhaka  
Tel: 5881-3634, Mob: 01711-819-481  
Fax – 8828065,

**09. Green Delta Insurance Co. Ltd.**

Dhaka EPZ Branch  
Hasan Apartment Ganak Bari  
Savar, Dhaka  
Tel: 7788346, Fax-7789198  
Mob: 01714-037-860

**10. Green Delta Insurance Co. Ltd.**

Uttara Branch  
Sophia Villa  
House No. 38 (2nd floor)  
Road No. Garib-E- Newaz Avenue  
Sector No. 11, Uttara Model Town  
Dhaka-1230  
Tel: 893-3826, 8991229 (Phone & Fax)  
Mob: 01711-679-041

**11. Green Delta Insurance Co. Ltd.**

Narsingdi Branch  
Mijan Market (2nd floor), C & B Road  
Narsingdi Bazar  
Narsingdi.  
Tel: 9462014, Mob: 01711-676-000

**12. Green Delta Insurance Co. Ltd.**

Principal Branch  
Makka Madina Trade Center (3rd Floor)  
78, Agrabad C/A, Chittagong  
Tel: (031) 716-233,723-491,723-717  
Fax 726-273, Mob: 01711-721-946

**13. Green Delta Insurance Co. Ltd.**

Khatungonj Branch  
Khatungonj Trade Center (4th Floor)  
Ramjoy Mohajan Lane, Khatungonj  
Chittagong  
Tel:(031) 622002, Mob: 01819-317-664  
Fax: (031) 622-360

**14. Green Delta Insurance Co. Ltd.**

Sylhet Branch  
Madhuban Super Market (3rd floor)  
Bandar Bazar  
Sylhet  
Tel: (0821) 728230, Mob: 01711-356-447

**15. Green Delta Insurance Co. Ltd.**

Moulvibazar Branch  
Lake View Building  
36, Sreemongal Road  
Moulvibazar  
Mob: 01716-441-222

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

- 08. Green Delta Insurance Co. Ltd.**  
Narayangonj Branch  
ECHO Tower (2nd Floor)  
20/2, S.M. Maleh Road, Tanbazar  
Narayangonj  
Tel: 7633945, Mob: 01819-195658
- 17. Green Delta Insurance Co. Ltd.**  
Barisal Branch  
58, Munnu Super Market  
Katpatty Road  
Barisal  
Tel: (0431) 63367, Mob: 01714-094-320
- 18. Green Delta Insurance Co. Ltd.**  
Pirojpur Branch  
Post Office Road  
Pirojpur  
Tel: (0631) 62837, Mob: 01711-819-482
- 19. Green Delta Insurance Co. Ltd.**  
Faridpur Branch  
Bari Plaza Shopping Complex (4th Floor)  
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, Mob: 01711-819470
- 21. Green Delta Insurance Co. Ltd.**  
Noapara Branch  
Yeasin Plaza (2nd Floor)  
Noapara, Jessore  
Tel: 01714-094-152
- 22. Green Delta Insurance Co. Ltd.**  
Khulna Branch  
1, P.C. Roy Road  
Khulna  
Tel: (041) 720063, Fax 731-992  
Mob: 01711-075-966
- 16. Green Delta Insurance Co. Ltd.**  
Habigonj Branch  
Dewan Monzil (2nd Floor)  
Post Office Road  
Habigonj  
Mob: 01711-861-135
- 26. Green Delta Insurance Co. Ltd.**  
Dinajpur Branch  
Goneshtola, Dinajpur  
Tel: (0531) 63373, Mob: 01714-090-481
- 27. Green Delta Insurance Co. Ltd.**  
Pabna Branch  
Abdus Sattar Biswas Market (1st Floor)  
Traffic More  
Abdul Hamid Road, Pabna  
Tel: (0731) 64709, Mob: 01711-819-472
- 28. Green Delta Insurance Co. Ltd.**  
Rajshahi Branch  
Holding No.381 (2nd Floor)  
Shaheb Bazar, Monichattar  
Sonadigir More, Ghoramara  
Boalia, Rajshahi  
Tel: (0721) 77676, Mob: 01714-022-151
- 29. Green Delta Insurance Co. Ltd.**  
Rangpur Branch  
Mansur Bhaban (Ground floor)  
Station Road  
Rangpur  
Tel: (0521) 65997, Mob: 01714-094-150
- 30. Green Delta Insurance Co. Ltd.**  
Bhairab Branch  
Cinema Hall Road  
Bhairab, Kishorganj  
Mob: 01817052957
- 31. Green Delta Insurance Co. Ltd.**  
Mymensingh Branch  
6, Sawdeshi Bazar Road  
Mymensingh  
Tel: (091) 67308,  
Mob: 01611682386, 01711682386

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

**23. Green Delta Insurance Co. Ltd.**

Kushtia Branch  
Lovely Tower (7th 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, Puran Bazar  
Madaripur  
Mob: 01714-094-165

**25. Green Delta Insurance Co. Ltd.**

Bogra Branch  
Hafiz Bhaban  
Kabir Market  
Boro Gola Road, Bogra  
Tel: (051) 666-77, Mob: 01714-094-151

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

Chaumuhani Branch  
Jaheda Tower( 3rd floor)  
Feni Road  
Chaumuhani  
Tel: (0321) 51538, Mob: 01711-819-480

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

Mirpur Branch  
Central Plaza (6th Floor)  
231, Sen Paraparbata  
Mirpur Circle-10, Dhaka  
Tel: 9009923, Fax-8031575  
Mob: 01714-094312

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

Dilkusha Branch  
Hadi Mansion (6th Floor)  
2, Dilkusha C/A  
Dhaka-1000  
Tel: 9550697, 9578798 Fax 7110064  
Mob: 01713-000070

**32. Green Delta Insurance Co. Ltd.**

Tangail Branch  
Hazi Mansion (2nd Floor)  
Kalibari Road  
Adalatpara  
Tangail  
Tel: (0921) 53436, Mob: 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, Mob: 01711-835-513

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

Kakrail Branch  
Rupayan Karim Tower (8th floor)  
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 (2nd Floor)  
Shaheed Doctor Jikrul Haque Sarak  
Syedpur  
Nilphamari  
Mob: 01190-708-465

**Green Delta Insurance is Bangladesh's largest and most respected non-life insurance enterprise. Ten things you must know about us:**

## 01

We possess a large and dynamic product suite (non-life insurance) that aligns to a wide range of customer profiles and risk appetites.

## 02

We have been able to grow our customer base at a 38% compounded annual growth rate (CAGR) over the past five years.

## 03

We are increasingly looking to provide specialised and complex risk cover to large customer segments through a consortium. Our network of insurers/ reinsurers include 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 Sompo, Japan.

## 04

We are financially well-capitalised with strong potential for free cash flow generation which grew from Taka 12.74 mn in 2010 to Taka 11.8 mn in 2015.

## 05

We have a solid credit rating backing, having received the highest 'AAA' rating for the second consecutive year by the Credit Rating Agency of Bangladesh (CRAB).

## 06

It is a matter of great pride that the International Finance Corporation (IFC), Washington, picked up an 8% stake in Green Delta Insurance, their only such investment in Southeast Asia (except Pakistan).

## 07

Our branch network has grown at a 1.7% CAGR over the last five years, representing our move to go closer to our customers. During 2015, our branch network grew 2.63% to 39.

## 08

We operate two wholly-owned subsidiaries engaged in capital market operations (Green Delta Securities Limited and Green Delta Capital Limited). With a view to reinforce customer convenience, we instituted GDAssist, a focused partnership with the Malaysian Healthcare Tourism Council and a state-of-the-art insurance academy, Professional Advancement Bangladesh Limited (PABL).

## 09

Our workforce has grown at a 2.8% CAGR over the past five years. It grew 2.52% to 610 at 2015 close as we recruited specific talent to drive our business forward.

## 10

The worth of our enterprise in terms of market capitalisation on the Dhaka Stock Exchange stood at Taka 4333.12 mn (as on 31 December 2015), representing a -20.28% over 2014 close.

## 1.8

# GENERAL REVIEW OF THE PERFORMANCE OF THE COMPANY

## OUR STRATEGY FOR GROWTH

### Key performance indicators

At Green Delta Insurance, we are committed to protecting the security of our customers, nurturing the potential of our employees and enhancing value in the hands of our shareholders.

### Our performance

Despite several macro-economic challenges in the Bangladeshi insurance industry, we grew our new business premium by over 19.54% in 2015 on account of our ability to launch new and innovative products, thereby widening the market and deepening insurance penetration in the country. Significantly, our retail renewal premium grew by a substantial 73.6% during the year to Taka 68.7 million, vindicating the success of our ongoing strategy to tap into the vast population pool and raise awareness on the importance of being insured.

### On the path of profitability

We continued to stay on the growth path of profitability. From a net profit of Taka 229.03 million in 2013 to Taka 239.25 million in 2014, we garnered a net profit of Taka 230.30 million in 2015. This growth in our profitability enables us to pay dividends consistently. In 2014, we paid a dividend of 10% stock and 15% cash and in 2015, we have proposed to disburse a 0% stock and 25% cash dividend, subject to approval by the shareholders at the ensuing Annual General Meeting.

### Growing sustainability

We have substantially grown our AUM (assets under management) with a tight control on our costs. We have leveraged technology-driven solutions to minimize input and claim settlement time frames and de-centralised our operations to empower our people to take the most prudent on-ground decisions. While we consider this achievement to be substantial, we also believe that to remain successful we must keep improving ourselves on an ongoing basis.

## REVIEW OF OUR CORE METRICS

### Total revenue per employee

For the Green Delta Group, revenue per employee increased as we continued to invest in our human

resource capabilities through the ongoing recruitment of leading industry professionals. We also focused on productivity augmentation initiatives on a recurring basis that resulted in revenue per employee growing by 12.78% over the past five years and 9.77% year-on-year in 2015. While our total employee strength stood at 610 as on 31 December 2015, the net addition to our workforce stood at 15 during the year under report.

### Revenue per employee (Taka mn)

2014	2015
4.50	4.94

### Treasury income

There was pressure on our treasury yields in a declining interest rate environment which witnessed average deposit rates moderating by 300 bps from 2015 start to end. However this was an industry-wide phenomena and something beyond our control. However, we continued to act with speed and caution with the overall intent of maximizing safety and creating an adequate liquidity buffer.

### Net treasury income (Taka mn)

2014	2015
220.74	212.48

### Underlying profit before tax (PBT)

Underlying PBT decreased by -3.83% to Taka 279.52 million in 2015 supported by a robust growth in gross written premiums and tight control on costs. Our average corporate tax rate continued to remain at an average of 40% of our PBT during the year under review.

### Underwriting profit before tax (Taka mn)

2014	2015
290.65	279.52

### The path ahead

At Green Delta, the reference to our theme of a 'green future' has re-emphasized our focus on taking a balanced view of our business and adopting initiatives that are sustainable over the long range. In this context,

we have identified a few plans that will allow us to pursue profitable and consistent growth. These include:

**Identify large and untapped segments:** We will focus on growing in specialist areas aligned with our existing operations where we can offer distinctive and value-driven products and solutions to remain as the customer's most preferred insurance gateway. Ideally, these segments should be nationally important thereby providing us with scalability. We also see the consortium approach for large contracts as the way forward to not just capture a larger pie of the business but also share risks and thereby mitigate them for the standalone entity.

**Enhance the tech content:** We will increasingly focus on embedding technology into our day-to-day operations that will not only enhance customer service but will also reinforce environmental sustenance and preservation. For instance, we are looking at mobile payment solutions

of premiums and also planning to develop an app for certain specific purposes.

**Reinforce contract management:** While on the one hand we will continue to engage in scientific actuarial practices and have uncomplicated and simple terms and conditions in our contracts easily understood by customers, we will also engage in swift claims settlement after thorough appraisal of cases. During the past, as in 2015, we have maintained almost 100% claims settlement ratio. Our total claims settled in 2015 stood at Taka 301.49 million.

**Strengthen customer convenience:** We will augment the insurance product by serving it as a bundled solution to strengthen customer convenience. For this, we will forge joint associations with the relevant partners that will also help grow our business organically and jointly.

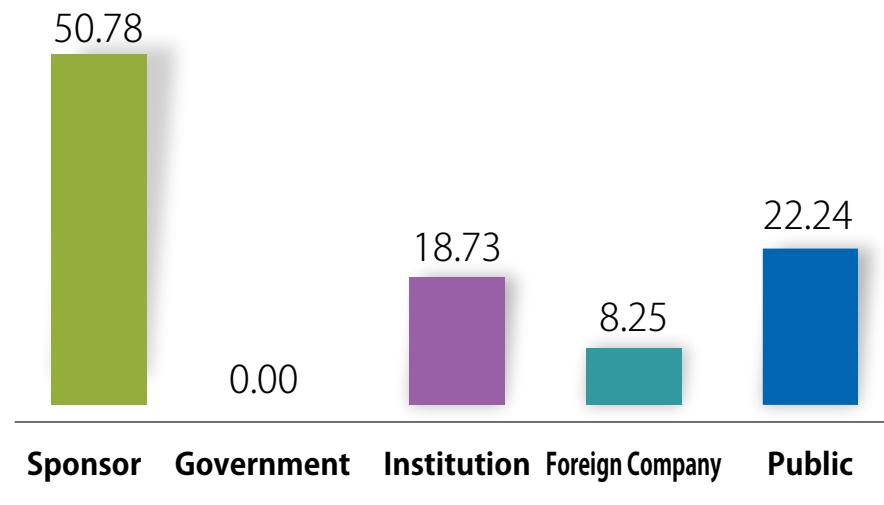
## 1.9

### OUR SHAREHOLDING COMPOSITION

As on 31<sup>st</sup> December, 2015

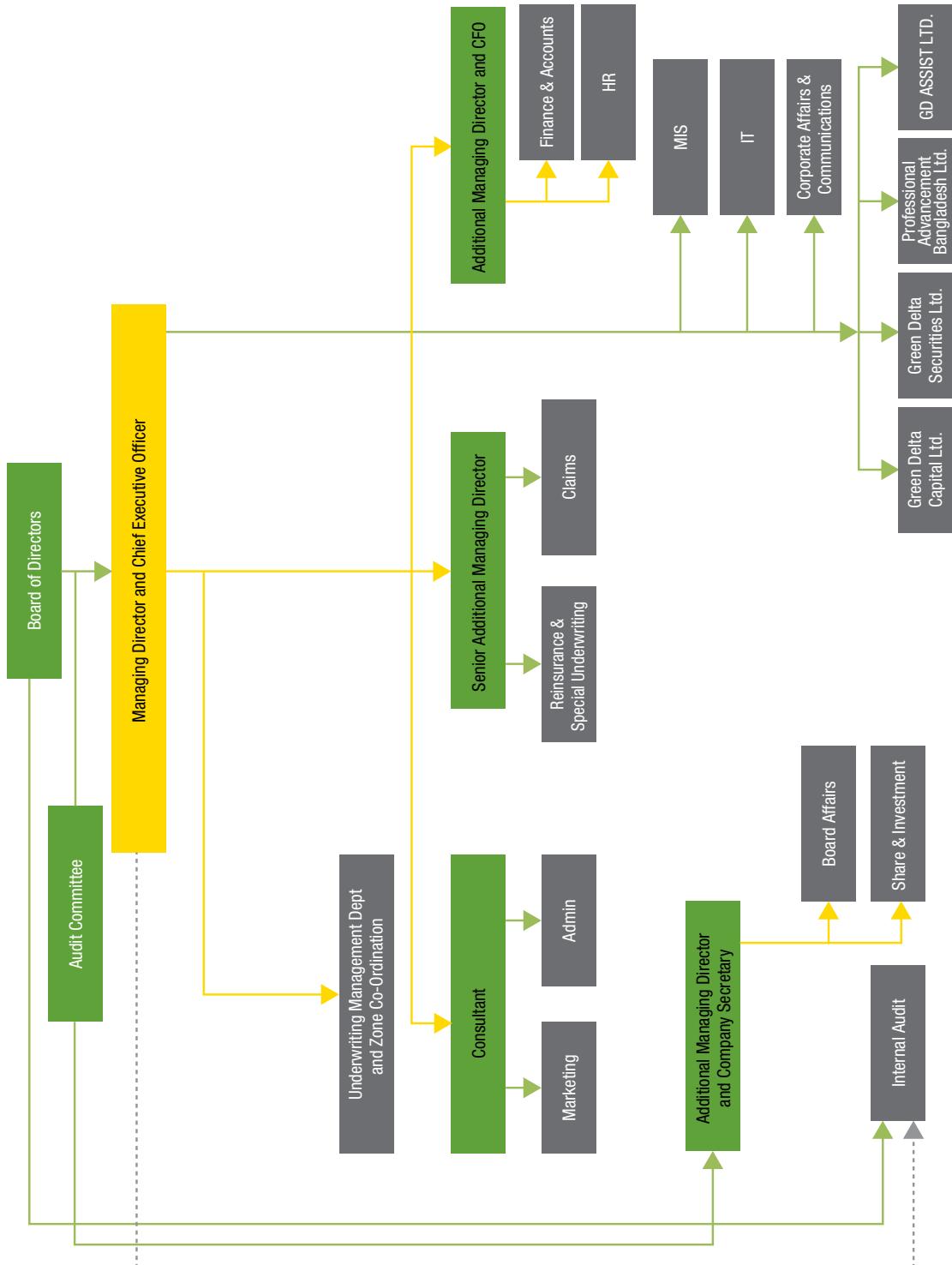
Types	% of holdings
Sponsor	50.78
Government	0.00
Institution	18.73
Foreign Company	8.25
Public	22.24
<b>TOTAL</b>	<b>100.00</b>

As on 31st December, 2015



## 1.10

# OUR ORGANIZATIONAL STRUCTURE (ORGANOGRAM)



# REVIEW OF THE CHAIRMAN

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Going green is the strategic way forward at Green Delta Insurance. We invite you to be a part of our exciting journey!



## 2.1

# BRIEF PROFILE OF THE DIRECTORS



**Abdul Hafiz Choudhury**

Independent Director and  
Chairman

Abdul Hafiz Choudhury FCA, currently partner (inactive), was former senior partner of Rahman Rahman Huq, Chartered Accountants (a member firm of KPMG International). He was President of the Institute of Chartered Accountants of Bangladesh (ICAB) in 1988 and 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 went to England to study Chartered Accountancy in 1961 and became a member of the Institute of Chartered Accountants in England & Wales in 1966. He became a member of the CA Institute in erstwhile Pakistan in 1967.

Hafiz Choudhury is a founder trustee of Independent University, Bangladesh (IUB) and served as its Honorary Treasurer for more than 8 years. He is a member of the Governing Council and Chairman of the Finance Committee of IUB and was elected Chairman of the

Founding Trust of IUB. He was also Chairman of Business Advisory Services Centre, a USAID-funded organisation set-up to support development of private business enterprises. He was a Director in 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 served as Director in the Board of JibonBima Corporation and Rupali Bank Ltd. for number of years and a Director of the Federation of Bangladesh Chamber of Commerce and Industries. He had been 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 in the Board

of Bangladesh Bank for more than three and a half years, an Executive Committee member of Metropolitan Chamber of Commerce and Industry (MCCI) for number of years and 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 currently serving as an Independent Director and Chairman of Green Delta Insurance Co. Ltd. And also as an Independent Director in the Boards of ICB Islamic Bank Ltd. and Chairman of Risk Management Committee and Internal Control and Compliance Committee of the Bank. He is a Director in the Boards of Green Delta Securities Ltd., Green Delta Capital Ltd. and New Zealand Dairy Products Bangladesh Ltd.

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



**Kamran Idris Chowdhury**  
Vice Chairman

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 at private boarding schools in the UK, where they both also graduated. They are working in the International Hospitality Industry and Investment Banking Sectors respectively, both currently being based in London.

**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 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**

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 Chairman of the Executive Committee.



### **Shamsun Nahar Begum Chowdhury**

By virtue of her exposure to several national and global seminars and symposiums, Mrs. Begum Chowdhury brings to the Board cutting-edge international practices that has not only resulted in the establishment of several innovative customer-centric products but has also helped reinforce company systems and protocols. An avid traveler, Mrs. Begum Chowdhury is also involved with multiple social and welfare organizations across Bangladesh.

### **Khurshida Chowdhury**

Before joining the Board of Directors of GDIC, Mrs. Khurshida Chowdhury played important roles as the Director of Union Capital Ltd and NASCOM (PVT) Ltd. With a rich and diverse corporate experience, she brings forth valuable insights to GDIC which has helped enhance the quality of the business. Mrs. Chowdhury has also played a vital role in initiating various social activities and has contributed to enhancing the life quality of several of her countrymen.

### **Asif A. Choudhury**

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 Surry, UK. He did his Bachelor's 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 and Minneapolis as merchandiser in training. He also worked for Chase Manhattan Bank 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 Orleans, USA in 1993. He was given the status of CIP (Commercially Important Person) from Ministry of Finance, Govt. of Bangladesh in 2015.



### Iqbal Khan (Jamal)

Iqbal Khan (Jamal), a renewed business man in Bangladesh. He was born in a respected Muslim family of Barisal. Mr. Jamal was very brilliant throughout his student life. He has obtained Diploma in Management from Paris, France and also obtained a degree on International Marketing from The Hague, Paris. He is presently the Managing Director and CEO of JANN Group. The concern of JANN GROUP are as follows:1) Nafisalnt't Trading (BD) Ltd. (100% Export oriented Garments Buying House). 2) JANN Composite Mills Limited (A knit composite mills).3) Arshad Embroidery Ltd. (100% exports oriented embroidery manufacturing company for Europe and USA)4. Emon Fashion Limited (A largest knit composite mills)5. Amstel Fashion Group (100% Export oriented Garments Buying House) and 6.Jann Printing and Embroidery (Textile printing solution). He is a member of German Chambers of Commerce, Malaysian Chamber of Commerce and Bharidhara Cosmopolitan Club Limited in Bangladesh.

### Mesbah Dilwar Rahman

Mr. Mesbah Dilwar Rahman completed his BSc (Hons) from the reputed Goldsmiths College, University of London, and serves as the Marketing Director at ELSATEX Ltd, a firm that is engaged in textile import and onward supply to Europe. Mr. Rahman possesses deep knowledge in international trade and cross-border transactions and hence brings an international exposure to GDIC's Board.

### Arif A. Choudhury

Mr. 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. Mr. Arif A. Choudhury is Executive Director of Transcon Securities Ltd (Member Dhaka Stock Exchange) and 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. Mr. Arif A. Choudhury was given CIP (Commercially Important Person) status by Ministry of Finance, Govt. of Bangladesh in 2015.



**Razia Rahman**

Mrs. Razia Rahman completed her studies from Sylhet Government Girls High School and Sylhet College for Women. Belonging to a reputed family (her father, the Late Khan Saheb M.A. Latif Chowdhury, was a civil servant in the Assam-Bengal region in the British and Pakistani periods), Mrs. Rahman has travelled extensively to the UK, the US, Saudi Arabia, India, Pakistan, Malaysia and Singapore. She is a compassionate social worker in Sylhet and has been working together with her husband Mr. M. Muhibur Rahman, a business and social leader, for well over five decades.



**Marufa Anwar**

Mrs. Marufa Anwar completed her BA in 1994 and MA (Preliminary) subsequently in 1995. Mrs. Anwar's focus on simplicity and creativity in solving some of the challenges facing our country has helped developed several unique and beneficial product models. Well-known in the social circuit, she is an important member of many social and welfare organizations across the country.



**Dr. Niaz A. Choudhury**

Has obtained his Ph.D in Vascular Surgery from Hamamatsu 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.



### Nurul Husain Khan

Independent Director

Started the working 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, home and abroad, 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 Sapporo Dental College and General Hospital in 2002 and continuing till date. He is one of the founder Members of North South University, where he also acted as its first Treasurer. He also acted as Independent Director of M/s. Union Capital Ltd. from 2009 to 2014. He is currently an Independent Director of Green Delta Insurance Company Limited since December 2012.

### 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.

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.

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

## 2.2

# BOARD OF DIRECTORS, CHAIRMAN AND CEO

Name	Status
Abdul Hafiz Choudhury	Independent Director and Chairman
Kamran Idris Chowdhury	Director and Vice Chairman
A.Q.M. Nurul Absar	Director
Dilruba Chowdhury	Director
Shamsun Nahar Begum Chowdhury	Director
Khurshida Chowdhury	Director
Asif Ahmed Chowdhury	Director
Iqbal Khan (Jamal)	Director
Mesbah Dilwar Rahman	Director
Arif Ahmed Chowdhury	Director
Razia Rahman	Director
Marufa Anwar	Director
Dr. Niaz Ahmed Choudhury	Director
Nurul Husain Khan	Independent Director
Md. Abdul Karim	Independent Director
Farzana Chowdhury ACII (UK)	Managing Director and CEO

## **2.3**

# **AUDIT COMMITTEE**

### **(Composition, Role, Meetings, Attendance, etc.), Internal Control and Risk Management**

#### **Audit Committee**

An audit committee is a selected number of members of a company's board of directors whose responsibilities include helping auditors remain independent of management. The Board Audit Committee was formed in compliance with Bangladesh Securities and Exchange Commission (BSEC) notification on Corporate Governance with a view to provide independent oversight of the Company's financial reporting, non-financial corporate disclosure, effectiveness of internal control system etc.

#### **Appointment and Composition of the Audit Committee and the Audit Committee Chairman is an Independent Non-Executive Director and professionally qualified**

As per BSEC notification no. SEC/CMRRC/2006-158/129/ Admin/44 dated 7th August 2012 on Corporate Governance; the current Audit Committee is consisted of 7 members while the Audit Committee Chairman is an Independent Non-Executive Director and professionally qualified.

The Chairman of the Audit Committee is an IDRA and regulatory bodies approved independent non-executive director, who is not involved in the day to day operations of the Company. He is an experienced individual and competently qualified to qualify to be the Chairman of the Audit Committee.

#### **More than two thirds of the members are Non-Executive Directors and all members of the audit committee are suitably qualified and at least one member to have expert knowledge of Finance and accounting**

More than two thirds of the members of the Audit Committee are non-executive directors and are very well qualified and have years of experience in the insurance/ Financial organization and various other sectors. They are also very competent regarding education and come from a variety of educational backgrounds, which brings diversity in the committee. GDIC does have one director in the Audit Committee that has extensive knowledge in the finance and accounting field, and has been very active in all the meetings of the committee as well.

#### **Terms of Reference (TOR) and empowerment to investigate employees**

The Audit Committee established a terms of reference(TOR) so that it could function effectively and

smoothly. The TOR was created to define the roles and responsibilities of the Audit Committee. The committee is also empowered to investigate/question employees and retain external counsel when required.

#### **Head of Internal Audit's access in the Audit Committee**

The Head of Internal Audit persistently has access to the audit committee and can raise his concerns whenever required.

#### **Audit Committee Meeting:**

The committee meet at least four times a year and the number of meetings and attendance by individual members disclosed below:

#### **Objectives & Activities**

#### **Audit committee's review to ensure that internal controls are well conceived properly administered and satisfactory monitored:**

The Internal Audit Division of the company reviews the internal control systems of the company and ensures that internal controls are considered properly managed and satisfactorily supervised. The Internal Audit Division reviews internal controls throughout all divisions/ branches of the company and then reports to the Audit Committee on their findings. The Audit Committee then reviews the report submitted by the Internal Audit Division, and provides feedback on the lapses found. The Audit Committee also guides the Internal Audit Division on how to properly monitor internal control and ensure that internal controls are being correctly administered throughout the company. The Audit Committee is committed that internal controls are well conceived, properly administered and satisfactorily monitored by the company in 2015.

#### **Audit Committees role in ensuring compliance with Laws, Regulations and timely settlements of statutory dues**

Green Delta being a part of the Insurance industry in Bangladesh is obliged to act in accordance with applicable laws and regulations. There are several regulatory authorities, primarily Insurance Development and Regulatory Authority (IDRA), who are associated with the company's operation and performance. The Audit Committee supervises and guarantees the Board, that the company obeys all the applicable laws, rules

and regulations of various regulatory authorities. The Audit Committee takes all measures to ensure that GDIC complies with all laws and regulations and that all statutory dues are being settled timely.

#### **Statement of Audit Committee involvement in the review of the external Audit Function**

The Audit Committee analyses the audited financial statements with management and the external auditors to ensure that the Company's financial statements are objectively presented in compliance with the relevant Bangladesh Financial Reporting Standards, International Financial Reporting Standards and Bangladesh Accounting Standards in all substantial aspects, based on its review and consultations with management and the external auditors. The Committee also implements an annual assessment of the efficiency of the Company's Internal Audit function and certifies that Internal Audit has sufficient resources to accomplish its duties.

The audit committee has moderate roles regarding the external audit functions:

1. Ensure effective coordination of external audit function

Frequent and open interaction between the audit committee and the auditor is necessary for the audit committee to acquire the information it needs to accomplish its responsibilities to administer the company's financial reporting processes.

2. Ensure independence of external audit function

The auditor must be independent of GDIC. Audit committee is familiar with the statutory and regulatory independence requirements for auditors. The technical competency of the auditor alone is not appropriate to ensure a high-quality audit. The auditor also must exercise a high level of objectivity and professional skepticism.

3. Review the external auditors' findings in order to be satisfied that appropriate action is being taken

There are many reviews that happen throughout the entire process during the audit committee meetings held. The audit committee extensively reviews all findings of the external auditors and ensures that management is informed and is taking action for resolving any discrepancies. Before the financial statements are signed, the audit committee reviews all the findings and ensures that they are satisfied with the actions that management has taken.

4. Review and approve non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditor

External auditors should not carry out work that does not relate directly to the discharge of audit functions, if it would impair the auditors' independence, or might give rise to a reasonable perception that

their independence could be impaired. The audit committee must ensure that external auditors do not undertake any work that might compromise their independence. If any work is being done by the external auditors, the audit committee must approve before the work commences. In short, the audit committee is responsible that the independence of the external auditors is not comprised under any circumstance.

5. Recommend external auditor for appointment/reappointment

The audit committee does an extensive review on the audit work done by the auditors after the audited financial statements have been signed. The audit committee evaluates the auditors on a very detailed level, and ensures that there were no threats to independence or any other issues with the auditors. The Audit Committee decides whether to recommend appointing new auditors or reappointing the same auditors after every AGM.

#### **Audit committee's involvement in selection of appropriate accounting policies that are in line with applicable accounting standards and annual review**

The Audit Committee shall support the Board of Directors in certifying that the financial statements reflect a true and fair view of the company and is maintaining a good supervising system within the company. The Board delegates the duty to the Audit Committee to decide on the appropriate accounting policies that are in line with applicable accounting standards as applicable and adopted by the ICAB, IFRS, IAS and Bangladesh Securities and Exchange Commission. After choosing the appropriate accounting policies, the Audit Committee recommends the Board concerning implementation of the selected accounting guidelines. The Board subsequently accepts the selected accounting policies for implementation.

#### **Audit committee involvement in the review and recommend to the board of directors, annual and interim financial releases.**

As per the Corporate Governance guideline of BSEC, the Audit Committee is expected to assess alongside with management, the interim and half yearly and annual financial statements before proposing to the Board for consent. GDIC's Audit Committee appraises the interim and annual financial releases whether audited or unaudited and places it before the Board for approval. The audit committee always ensures that the financial statements reflect a true and fair view of the company and analyses the financial for any discrepancies.

#### **Reliability of management information used for computation**

The Audit committee ensures that the management information used for computation in the financial is true and fair. In order to ensure reliability of the information, the audit committee always has an extensive meeting

with management regarding issues of the financial statements. The Audit committee queries management on issues that they find material to the financial statements and makes sure that management has a proper response to their queries. Through meetings with management the Audit committee will be able to understand the reliability of the information used for computation in the financial.

## Internal Control

### **Director's responsibility to establish appropriate system of internal control**

The Board of Directors have always been extremely active in establishing appropriate systems of internal control. The Board of Directors have no consideration for any type of fraud in the company, and always promotes a sound and strong internal control system inside the company. The Board of Directors have always appreciated the internal controls that have been set up by management and have also given advice on any matters when required. The Board have constantly been very responsible and active in establishing an appropriate system of internal control.

### **Directors have reviewed the adequacy of the system of internal controls**

In almost every Audit Committee meeting the issue of adequacy of the system of internal controls is a factor that is taken into consideration. The Audit Committee is responsible to the Board of Directors to ensure that the system of internal controls is adequate to protect against any type of fraud. The committee has reviewed the corrective measures taken by management relating to fraud-forgery and deficiencies in internal control. The Audit Committee places all the compliance report before the Board of Directors and regulators on a timely basis and has performed all other oversight functions in relation to Internal Control System of the company. In this way, the Directors review the adequacy of the system of internal controls.

### **Key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management:**

- Monitoring activities and correcting deficiencies
- Risk recognition and assessment
- Management oversight and control culture
- Control activities and segregation of duties
- Key features of Internal Control System are as follows:
- Information and communication

### **Directors have reviewed the adequacy of the system of Internal Controls**

The issue of adequacy of the system of internal controls is a factor that is taken into consideration. The Audit Committee is responsible to the Board of Directors to

ensure that the system of internal controls is adequate to protect against any type of fraud. The committee has reviewed the corrective measures taken by management relating to fraud-forgery and deficiencies in internal control. The Audit Committee places all the compliance report before the Board of Directors and regulators on a timely basis and has performed all other oversight functions in relation to Internal Control System of the Bank. In this way, the Directors review the adequacy of the system of internal controls.

## Risk Management

### **Identification of risks the company is exposed to both internally & externally**

#### **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 systematically all the risks facing the organization;
- (2) develops risk mitigation strategies and;
- (3) manages its risks in an ongoing manner.

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

#### **Underwriting Risks**

By taking out an insurance policy, the policyholder transfers his insurance risk to the insurer. The underwriting risk associated with an individual non-life insurance contract comprises two risk components. The first one is the occurrence of one or more loss events coverable under the contract and the second one is the size of the coverable loss. Both the number of coverable losses and the size of each individual loss are random in nature. The insurance terms and conditions require the occurrence of a coverable loss to be unforeseeable. On the other hand, the size of a loss sustained by the insured object generally depends heavily, for instance, on the cause of the loss and on the circumstances at the time of loss as well as on the details of the occurrence. In addition, one insurance contract may cover objects whose nature and value vary. The insurance portfolio comprises a very large number of non-life insurance contracts. Because of this large size of the insurance portfolio, the expected number of claims is also great. If

there is no connection between loss events, the law of large numbers according to the calculus of probability provides that the larger the number of underwriting risks in the portfolio, the smaller the relative variation in claims expenditure. Since the lack of correlation between underwriting risks is never complete in real life, the insurer's claims risk in proportion to the size of the insurance portfolio never totally disappears, no matter how large the insurance portfolio. The remaining risk due to this correlation between underwriting risks is called non-diversifiable risk. Non-diversifiable risks usually relate to changes in the external operating environment, such as economic fluctuations, which have a systematic effect on the incidence and size of loss in certain groups of insurance contracts. Inflation, for instance, may increase the size of loss simultaneously in a large part of the Company's insurance portfolio. Changes in the population's general mortality rate would, in turn, be reflected in the whole annuity portfolio in statutory insurance lines. A non-diversifiable risk may, in some cases, also relate to yet unknown and latent risks of loss applying to a large number of insurance contracts, with asbestos claims representing the most well-known examples from the near past. An accumulation of loss due to natural catastrophes or large catastrophes caused by human activity constitutes a specific risk type. In such a case, one catastrophic event may in practice give rise to simultaneously payable claims for a large number of insured risks at high amounts. The resulting total claims expenditure may be extremely large. However, this risk can be diversified, since the Group operates in the region with a perceived relatively low risk of natural catastrophes, enabling the Group to protect against the risk through reinsurance.

### **Underwriting Risk Management**

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

### **Reinsurance**

The level of reinsurance protection has an impact on the need of solvency capital. Only companies with a sufficiently high insurance financial strength rating are accepted as 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 Nonlife 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.

### Strategies adopted to manage and mitigate the risks

GDIC adopted the following strategies to manage and mitigate the risk:

- Setting targets for capital ratios and capital composition
- Managing the balance sheet
- Managing the funding structure
- Determining general principles for measuring, managing, and reporting the company's risks
- Developing risk policies for business units
- Determining the overall investment strategy
- Identifying, monitoring, and managing the company's current and potential operational risk exposures
- Handling "critical risks" (risks that require follow-up and further reporting)
- Following up on reviews by and reports from Bangladesh Bank and informing the Board of issues affecting the company's operational risks
- Following up on reports prepared by Internal Audit and informing the Board through Audit Committee of unusual circumstances
- Preparing management information on issues such as IT security, physical security, business continuity, and compliance.



**Abdul Hafiz Choudhury**  
**Independent Director and Chairman**  
**Green Delta Insurance Company Limited**

## 2.4

# CHAIRMAN'S COMMUNIQUÉ

I extend a warm welcome to our shareholders and am delighted to report our performance, progress and plans through this letter.

Our insurance industry is closely intertwined with the economic development of our country. Though the year 2015 started on a challenging note with the protraction of political turbulence, matters settled down soon even as we witnessed green shoots sprouting on the economic landscape, slowly but surely. Today, many of the fundamental drivers are in place to support the growth of the Bangladeshi insurance industry. Not the least is a significant under-penetration with a large percentage of the population not even knowing that such a vital service exists in the country. In a 160-million-strong population, insurance coverage of any kind will be less than one percent, making the country one of the most attractive from the insurance point of view.

The other crucial point that I wish to make is that the relevance of insurance in today's world has never been greater than before. This is because the speed and interlinking of risk continues to increase and the resulting complexity is much more far-reaching than before. Some of the macro risk issues that face our clients include threats from accelerating climate change, greater population density and operational ineffectiveness or negligence, among several others. The magnitude of these traditional risks has never been greater and the list does not include emerging issues such as cyber risks and the ensuing reputational damage or the enterprise-wide threat from pandemics like the recent Zika virus that is slowly exploding to emerge as a global health threat.

In this context, our significance, bearing and responsibility cannot be downplayed as we remain committed to developing innovative solutions that help our clients understand and manage the magnitude of these risks better. In doing so, we not only play the role of a safeguard in terms of protecting our clients' interests but also that of a catalyst with regards to accelerating national economic progress.

We are increasingly hearing from customers that the world-class platforms we have built in broad categories like risk and specific areas like health are delivering significant value. I am happy to report that we continue to

build on our industry-leading health platform that is well-positioned as the population becomes more immune to health risks on the one hand and the cost of care continues to outstrip general inflation on the other. With a view to enhance the insurance benefit for our customers, we are also looking to progressively provide a holistic bundled solution that not only reinforces customer value but also makes it that much more difficult for competition to catch up. We are looking to sign multiple agreements with the relevant service providers to jointly offer this packaged solution.

Realizing our position in the history of Bangladesh and as a torchbearer of the insurance industry, we are looking forward to enhance the 'anytime, anywhere' insurance proposition for our countrymen. With an enduring focus on prioritizing customer needs and requirements, we are increasingly looking to embrace several sustainable practices by leveraging technology that not only enhances customer convenience but also encourages environmental sustenance.

Overall, I believe that this is a great time to be a part of Green Delta Insurance. As we look ahead, we have the opportunity for long-term improvement and significant growth. With strong levels of capitalisation and significant financial flexibility, we have positioned our industry-leading platforms for significant shareholder value creation in 2015 and beyond even as we continue to launch newer products targeting segments that provide ample scale-up potential.

Thank you for the continued faith and trust you have placed in our Board of Directors and the management team. As we build our future, your support is important and I am sure that you share my confidence in the view that continued success lies ahead for Green Delta Insurance in 2016 and beyond.

With warm regards



**Abdul Hafiz Choudhury**

Independent Director and Chairman  
Green Delta Insurance Company Limited



**Farzana Chowdhury**

Managing Director and Chief Executive Officer  
Green Delta Insurance Company Limited

## 2.5

# MANAGING DIRECTOR AND CEO'S OVERVIEW

"At Green Delta Insurance, our brand is strong, our distribution network is robust, our business is well-capitalized, our team is determined and our direction is clear. With these critical components of success in place, we are well-positioned to lead the transformation of the country's insurance industry and be an active participant of its growth story."

At present, we are witnessing significant global turmoil largely related to the financial markets. The renowned American economist, Nouriel Roubini, mentioned that the world economy is a single-engine plane driven by the US. What are your thoughts on this

We feel that at the moment yes, the US is looking strong and relatively stable with good consumer confidence. Some of the other developed countries also appear to be on the same platform. On the other hand, the slowdown in China and Brazil, part of the famous BRIC economies, and some other emerging countries, is definitely having an impact on the global economic landscape. The climb-down of oil prices and hence the transfer of wealth from oil producers to oil importers is having a depressing impact on some major economies which are more oil-dependent, like Russia. What I would say in the case of Bangladesh is that it is a star performer, just like India, with the GDP growth rate higher than any other major economy in the world. I feel that the Government at the centre is also increasingly looking to liberalize the economy which is a good step and will open some great potential opportunities, going forward.

#### The risk factors panning out at the global level today

International conflict in terms of terrorism and geopolitical challenges are becoming much more acute in some of the developed countries today. Such examples typically corroborate what happened in Amsterdam and Paris recently. Besides, cyber crime, recent health scares and regulatory/ legislative changes are also some of the top risks that face the world today.

#### Specific trends that will drive growth of the insurance industry in Bangladesh

Despite having one of the highest population densities in the world, Bangladesh's share of the global insurance industry is a mere 0.02% and per capita spending on insurance is a paltry USD 2.6. Conventionally, the growth of the insurance industry is linked with economic growth

and aligned with the GDP growth; the domestic general insurance industry has been averaging an annual growth rate of about 6%. Low awareness is one of the prime reasons why the industry has not been able to cover even a meaningful percentage of the population. For instance, labourers who go abroad for work are not insured and even some of the big establishments dotting the country are uninsured. With rising healthcare costs pushing large swathes of the population to below the poverty line, health insurance is a significant tool to beat the poverty trap. With a large number of small and medium enterprises mushrooming across the country, the need for insurance for assets and operations for business continuity cannot be over-emphasized. For protecting our agrarian side of the economy against the vagaries of nature, agricultural insurance can often come to mean the difference between life and death.

Beyond these fundamental drivers, the improving macroeconomic situation of the country also augurs well for the industry. According to a 2015 Asian Development Outlook update, the GDP growth forecast for FY2016 is revised higher at about 7% with the expectation that exports will grow with continued economic recovery in the US and the Euro area. Besides, strong expansion in remittances will boost consumption demand, private and public investment will pickup as the business climate improves under a stabilizing political situation and spending will increase under the annual development program.

#### At Green Delta, our position with respect to the industry and how will we lead the sector in the coming years

We have maintained a solid lead over competition by emerging as Bangladesh's largest non-life insurance company for the last 3 decades. This has been an outcome of our ability to stay a step ahead of competition which has, in turn, enabled us to consistently outperform the average industry growth.

Today, standing at the cusp of our 30th anniversary in 2016, we feel that the time has come for us to yet again reinvent ourselves and remain attuned to the prevailing developments. As is evident the world over, climate change has emerged as the biggest risk ever, threatening the very sustainability of our planet. Though world leaders are engaged in an active dialogue to mitigate these risks, the recent talks in Paris are an example, we seriously believe that change needs to begin with our own self first.

Bangladesh is a huge country with a swelling population. The nation is degrading – and disregarding – natural resources at an alarming rate. In order to limit, control and even reverse the damage, front line businesses like ours must take the lead in sustainability as this is the only way to go forward. Through this belief, we intend to build a profitable, long-term business by becoming a leading promoter of green initiatives to our customers. Our focus on a green future reinforces our resolve to operate our business in a responsible and ethical way and, in extension, reaffirm our commitment to never sell a product or a service that is flawed and does not meet the goals of our customers.

Looking at the youth segment of the market, which remains untapped in a country with a growing population between the ages of 25-35 years, there exists immense opportunities to promote retail insurance. Besides, our country's strategic location as a gateway to the rapidly-growing South East Asian economies has seen a growing number of trade-driven enterprises. Looking into this part of the opportunity pie, the Bangladesh government established 10 Special Economic Zones recently to promote and encourage foreign and domestic investment. Besides, a tech park was also set-up, giving a direct fillip to the country's burgeoning ICT sector. Bangladesh has also witnessed a rapid growth in tourism and to this extent the scenic Cox's Bazar is poised to receive the largest investments for the development of infrastructure to accommodate the growing number of tourists every year. All these initiatives offer bright prospects for growth for front line insurance companies like ours.

"The future will either be green or not at all."

*Bob Brown*

#### What is the essence of the green direction at Green Delta

Foremost, green businesses are socially and environmentally responsible. Green companies adopt principles and practices that protect people and the planet. They challenge themselves to weave together the goals of social and economic justice, environmental sustainability as well as community health and

development, into all of their activities — from assessing risk to employee relations to customer service.

At Green Delta Insurance, we have been relentlessly promoting green insurance. As a prudent, forward-looking practice, we take up only those projects that are environmentally-compliant and sustainable. We are also pursuing paper-less operations even as we firmly believe that saving on and optimizing the usage of resources is a key towards achieving a sustainable environment, both internally and externally. This is also why we promote the usage of emails, meetings through video-conferencing and the intranet for internal communications.

Green businesses also care for their workers. They ensure they don't use child labour or engage in practices that are in deviation with the law. Everyone who works directly for them operates in healthy conditions. These enterprises create jobs that empower workers and honour their humanity. They also serve as models for the role businesses can play in the transformation of our society to one that is socially-just and environmentally-sustainable.

Hence at Green Delta, the future is green. This is a way of life for us.

#### Some of the major corporate highlights of 2015

In February 2015, we signed an agreement with the International Finance Corporation (IFC), a member of the World Bank Group, to develop insurance products for individual farmers, agri-businesses and financial institutions lending to farmers for protection from weather-related risks such as drought, excess rainfall and cyclones, among others. As per the terms of the agreement, later in the year we have signed a MoU with PRAN – one of the largest conglomerates in Bangladesh to provide Weather-Index Based Crop Insurance for its farmers. For a country where agriculture contributes 20% to the GDP and employs close to half the labour force, we believe that crop insurance will help to protect the rural economy, regulate farmers' income and hence bring forth a certain level of reliability to this uncertain sector. Through index-based insurance, we will help provide a safety net to agri-business and offer a range of financial services to farmers aimed at securing their livelihoods.

To promote women entrepreneurship, the Company signed an agreement in June 2015 with IDLC Finance Ltd, a leading NBFI in the country, to provide Nibedita, a comprehensive insurance scheme for women. IDLC recently launched a similar product Purnota, within which Nibedita will also be embedded.

The Company, under Green Delta Securities Ltd, also provides holistic insurance services for migrant workers, through the Probashi scheme. It is a non-resident Bangladeshi investment account where such workers

benefit not only by securing their finances, but also with discounts on accommodation and special rates for health check-ups in Malaysia. The product will soon be launched in Singapore and Saudi Arabia, which along with Malaysia constitute the largest migrant destinations.

In the aftermath of the Rana Plaza tragedy of 2013, the Company also launched Shudin, a holistic health insurance programme covering workers in the RMG sector.

In December 2015, the Company joined hands with the Government of Bangladesh in the first ever project under the Universal Health Scheme, titled Shasthyo Suroksa Karmasuchi (SSK). Under the scheme, healthcare facilities will be provided to the over 100,000 under privileged citizens who will now have easy access to hospitals in certain areas. This will mobilize resources towards proper healthcare and facilitate easy access to medical facilities. Moreover, the scheme will ensure reduced out-of-the-pocket expenses for the underprivileged.

In order to facilitate convenient premium payments, Green Delta signed an agreement with Standard Chartered Bank, Brac Bank, The City Bank, Dutch-Bangla Bank Ltd for online payment services, also providing 0% instapay facilities. As such, company policyholders will be able to pay their premium by using any Master/Visa debit or credit cards. This will promote systemic efficiency and transparency.

Green Delta also signed an agreement with bKash, a mobile money transfer platform. Through this initiative, the Company intends to promote digital insurance and digital banking. In the digital space, the Company is also working with A2i (Access to Information) of the Prime Minister's Office. A2i has 5,000 digital libraries across the country and the government has now realized the importance of having these libraries insured.

Overall, the Company has strived to promote and upgrade the retail products keeping in mind the various segments of the growing middle-class population and their improving living standards. Green Delta is going beyond insurance to provide a one-stop service for everyone with the motto 'Anything, anytime, anywhere', with a vision to progressively become a global insurance service provider.

#### **About the Nibedita product**

In a country where 52% of the population consists of women, Nibedita is the first comprehensive insurance product for women in South East Asia. It is not merely a product but an empowerment tool. It is a personal accident insurance scheme that provides economic security to women irrespective of their income, occupation or vocation. The scheme has been exclusively designed for today's women, giving them the right to

think independently in terms of financial protection or revive their business in case of any accident or exigency. Moreover, it not only addresses women safety and health issues, but also provides social security through trauma allowances for victims of rape, road bullying etc. Green Delta is also developing the Nibedita mobile app for one-touch access to information and services.

At the close of 2015, we had few thousand women who secured themselves and their future with Nibedita.

**Coming to the financial front, the near 12% growth in gross average weighted premiums in 2015 would a good achievement**

Absolutely because this growth comes after almost three years of sluggishness. This was achieved by the addition of new business and retention of existing customers too. I am also happy to note that our strategy of widening retail insurance penetration paid off well with a near 25% growth achieved in retail premiums in 2015, which is the highest ever over the past few years. Our overall intention is to emerge as a one-stop insurance house for our customers and we are increasingly strengthening this proposition by offering bundled services that not only enhance their convenience but also reinforce our relevance as their insurance partner, which in turn goes a long way in solidifying customer loyalty.

#### **A new frontier in business**

GD Assist,a wholly-owned subsidiary is a good case in point. Launched in October 2014, GD Assist was conceived to provide value-added and advisory services around the core insurance product which included holistic healthcare services, logistics support and global emergency medical evacuation services, among others.

Today, GD Assist has joined hands with top Malaysian hospitals and acts as a one-stop solution for meeting most of the healthcare needs required while traveling abroad for this purpose. The company has partnered with Malaysia Healthcare Travel Council to promote healthcare products in Malaysia and has become the agent of Prince Court Medical Center, Ramsay Sime Darby, Sunway Medical Center, KPJ Healthcare, Institut Jantung Negara (IJN) and HSC Medical Center of Malaysia. GD Assist also works with MHTC-Malaysia Healthcare Travel Council, an initiative of the Ministry of Healthcare of Malaysia, to promote Malaysian healthcare in Bangladesh. GD Assist makes all the arrangements including consultancy, visa processing, ticketing, admission into the hospital, accommodation and transportation. Moreover, GD Assist plays the role of a knowledge aggregator for hospitals and doctors in Bangladesh and Malaysia.

It must be mentioned that Malaysia is widely regarded as one of the most preferred medical tourism destinations with modern private healthcare facilities and highly-

efficient medical professionals. In 2014, Malaysia was ranked as the world's best destination for medical tourism by Nomad Capitalist. It is estimated that almost 20,000 Bangladeshi citizens traveled to Malaysia in 2015 for healthcare purposes. This represents a near 33% growth year-on-year. Recently, the Hon'ble Health and Family Welfare Minister of the Government of Bangladesh visited Malaysia with the management of GD Assist to see first-hand the healthcare facilities provided by the Company. He appreciated GD Assist's endeavour to provide world-class medical care for Bangladeshi patients at an affordable cost in Malaysia.

#### Other achievements

For the second consecutive year, Green Delta Insurance achieved the prominent 'AAA' rating from the Credit Rating Agency of Bangladesh (CRAB). We are the only insurance company in the country to have received the prestige of having this rating. AAA is the highest possible rating assigned to the bonds of an issuer by credit rating agencies. An issuer that is rated AAA has an exceptional degree of creditworthiness and can easily meet its financial commitments.

#### Key awards received by the Company during the year

We are proud of the fact that our initiatives in pioneering the field of insurance in Bangladesh have been gaining industry-wide recognition. Our Adviser and Founding Managing Director and a towering luminary in the insurance sector, Mr. Nasir A. Choudhury received the 'Lifetime Achievement Award', bestowed by the Center for NRB, a non-profit research organization. He received this prestigious honour for his outstanding lifelong services in revolutionizing the insurance industry of Bangladesh. Mr. Choudhury has more than 55 years of experience in the insurance sector. Mr. Choudhury also received the 'Lifetime Achievement Award' on the occasion of the 18th Asia Insurance Industry Awards (AIIA) hosted by Asia Insurance Review in Singapore. This is the first time any Bangladeshi insurance professional has received this award.

We received an award from International Finance Magazine (IFM) for the 'Best Non Life Insurance Company, Bangladesh'. Green Delta has become the first non-life insurance company from Bangladesh to receive this prestigious honour. We also received the World Finance Award for being the 'Best Non-life Insurance Company in Bangladesh'.

I am also delighted to state that Green Delta won the third prize for the 'Best Presented Annual Report 2014' in the insurance category, awarded by the South Asian Federation of Accountants (SAFA). This award signifies our robust corporate governance practices and provides a strong impetus to uphold the highest standards of governance in the sector in Bangladesh, going forward.

In fact, Green Delta is the only corporate in Bangladesh to have conducted training on corporate governance for the members of its Board and other senior management.

Similarly, we also received the International ARC Award for 'Best Presented Annual Report', the ICAB Award for 'Best Presented Annual Report in the Insurance Category' and the ICSB Award for 'Corporate Governance Excellence in Insurance'.

#### PABL- The platform to create professions

We launched a training institute christened Professional Advancement Bangladesh Limited (PABL) in alliance with the Chartered Insurance Association (CII) of the UK, in April 2014. The prime objective of this institute is to extend demand-based training to the employees of Green Delta as well as external stakeholders, providing them with a strong platform for professional development in the insurance sector. PABL, which witnessed the successful pass-out of 21 students during 2015, enjoys affiliations with the Chartered Insurance Institute London (CII), the Insurance Institute of India (III) and the National Insurance Academy in Pune, India (NIA). All the candidates received sound placement offers in Green Delta and elsewhere.

Moreover, Green Delta provides student insurance in some of the leading Bangladeshi universities. The Company is also working with the University of Dhaka to develop a holistic insurance curriculum for MBA under guidelines issued by the IDRA.

#### Green Delta Securities

Green Delta Securities Limited (GDSL), our 100% subsidiary, is one of the most renowned brokerage houses of Bangladesh. The company offers full-fledged global-standard brokerage services for retail and institutional clients and is the only brokerage in Bangladesh to have received the prestigious CFI Award in 2014. GDSL has over 5,000 HNI clients and more than 10 institutional clients. The comprehensive services basket include brokerage, CDBL, tele-trading and custodian services, among others. It also possesses an online share order (OSO) software platform for executing trade for both local as well as international customers.

#### Green Delta Capital

Green Delta Capital Limited (GDCL), our wholly-owned subsidiary, has progressively emerged as one of the front line investment banking units in the country. The company's primary aim is to connect local businesses with the global financial network. As such, it has developed a network of global associations with some of the leading global investment banks. Some of the company's products and services include structured finance, corporate advisory, portfolio management and equity origination, among others.

## **Key trends to new business opportunity**

We are looking at the concept of Takaful (or Islami insurance) that was introduced in Bangladesh to meet the demands of Muslims – who form 85% of the population – to conduct their economic activities in line with Shariah (Muslim way of finance). This has proven to be a viable alternative in providing insurance coverage for risks incurred in financial transactions and has come to represent an avenue for financial planning aligned with Shariah. Takaful is well-positioned to become an increasingly important component of the Islamic financial system in Bangladesh and we hope to venture into this space soon.

Moreover, Bangladesh government's 'Vision 2021' aims to develop the country into a resourceful and modern economy through the efficient use of information and communication technology. This goal, described as 'Digital Bangladesh', is aligned with fostering growth of the country's ICT sector that is growing at an estimated 20% per year. One of the strategic goals of Vision 2021 is to expand broadband to 40% in 2021. With this explosion of digital access, cyber security will be a risk to watch out for and we are also closely monitoring the developments in this field.

Overall, Green Delta has also taken up several initiatives to spread insurance in a country that has a population of over 160 million and where insurance penetration is less than 1% and 52% of the population consists of women. The Company believes in working hand-in-hand with all the stakeholders to spread awareness among the masses on the importance and benefits of insurance. Moreover, Green Delta is the only Company in Bangladesh to sign the Women's Empowerment Principles (WEP) of the UN Global Compact. It has been recognized by the body for its stellar role in contributing to women empowerment. The seven principles of WEP include:

1. Establish high-level corporate leadership for gender equality.
2. Treat all women and men fairly at work – respect and support human rights and non-discrimination.
3. Ensure the health, safety and well-being of all women and men workers.
4. Promote education, training and professional development for women.
5. Implement enterprise development, supply chain and marketing practices that empower women.
6. Promote equality through community initiatives and advocacy.
7. Measure and publicly report on progress to achieve gender equality.

There is a big shift the world over in terms of technological innovation. The pace of change is astonishing and it is having a real financial impact. For instance, the fracking revolution has slashed US oil and gas prices in less than a decade to historic lows. Driver less vehicles are on the roads of California, driving miles without human control. Paradoxically, Uber has emerged as the world's largest taxi company with no taxis. To manage this bewildering change, countries and communities need to change the way they do business. We need to be more innovative and, for innovation to take place, we need to be more inclusive.

When it comes to innovation and risk-taking, insurance, of course, has a critical role to play. And perhaps most importantly of all, insurance gives entrepreneurs the economic protection they need to take a calculated risk. And this protection supports greater risk-taking across the whole economy.

At Green Delta Insurance, we have also taken initiatives to promote on line and digital insurance by joining hands with banks and mobile payment platforms. We are developing the Nibedita app for mobile phones for easy access. Moreover, with the growth in the information and communication technology sector in Bangladesh, including the recent setting up of a hi-tech park, there exists an enormous opportunity to tap this potential.

At Green Delta, we increasingly envision a future that is green, sustainable and inclusive and this is the direction we have chosen to take for ourselves even as we focus on our vision of 'insurance for all' and foresee a country where citizens recognise the value of insurance to their financial and social wellbeing.



**Farzana Chowdhury ACII (UK)**

Chartered Insurer

Managing Director and Chief Executive Officer

2015 dividend\*:  
**25%** cash  
\*Proposed

## 2.6

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# ADVISOR'S COMMUNIQUE'



**My dear friends,**

The prospects of any core sector are defined by national policies, economic growth prospects, social trends and technology evolution. From this perspective, the year 2015 was a promising one for the Bangladeshi insurance industry that witnessed a multi-axial evolution and has reiterated a

promising future for years to come. Under a political dispensation that is focused on enhancing economic and political stability, the country's economy began to progressively recover from multi-year sluggishness to leapfrog to a projected GDP growth of 6.7% in 2015-16 (as per World Bank and ADB consensus estimates).

The government has forecasted a higher growth of 7% in 2016-17, an outcome of sustained efforts across the trinity of structural reforms, resource mobilization and infrastructure up gradation.

In this environment of rapid change, as in most market cycles that we witnessed along the 30 years of our existence, I am proud of the fact that our philosophy of doing business has remained the same. We maintain the same rigour in understanding our customer's present needs and future aspirations; we maintain the same discipline in scientifically developing products and solutions that are the most competitive in terms of price and covenants; we maintain the same judiciousness in pricing risk into our propositions to create an effective enterprise-wide risk framework and we maintain the same levels of urgency to settle claims within stipulated time frames. This high level of customer centricity has not only sustained our position as the largest and most trusted insurance company in Bangladesh for over many years, it has also given us the wings to drive insurance reach in the market.

Building on this robust foundation, our goal is to demonstrate to clients and prospects that we are indeed a pioneer in the business. As I see of what lies ahead of us, I believe that the only way to grow forward is through marketing insurance solutions and not just selling standalone products. My vision is anchored on the belief that enhancing the customer proposition will not only create more loyalty and persistency but also enable us to remain ahead of the competition curve. Besides, I also feel that we are in a sweet spot to capture the first-mover's advantage in such nascent and upcoming sectors/ industries as cyber security and Islamic finance and also look to provide solutions to migrant workers who represent the backbone of our economic system in terms of remittances. I recently came across an article in which the International Labour Organization (ILO) estimated that almost 400,000 workers leave our country for overseas employment. In a bid to increasingly align our initiatives with the government's strategies and policies we are also designing specific products that meet the regulations and provide us with the immediate benefit of scale. Our tie-up with SSK (Shasthyo Surokhsha Karmasuchi under the aegis of the Health Economics Unit of the Ministry of Health and Family Welfare), we will reach out with low-cost health insurance products to ensure widening of insurance coverage and raising awareness about the importance of insurance in everyday lives.

Overall, I have created a seven-point road map that our very able teams led by our dynamic MD & CEO can

embrace to deliver on our commitments and take our growth to the next phase.

1. Sense of purpose: We should focus on ensuring that we continue to build enhanced layers of sustainability into our organization. Towards this step, we have envisioned a green future that not just reconciles environmental preservation and responsibility but also takes into cognizance how we have built resilience in our client's lives, enabling them to bounce back the soonest after an exigency. The pride and motivation inspired by this sense of purpose is what truly makes us tick.
2. Innovation: There's great reward in our industry for those who innovate on behalf of their clients. There's no merit in standing still and focusing merely on the present will lead to stagnation. Leveraging technology and big data, we can not only design tailor-made and best-fit solutions but also conceive new products and propositions. I am particularly proud of our agri-insurance products that we launched in association with IFC and this witnessed good transaction.
3. Macro perspectives, local insights: Our customers operate in a global environment, requiring of us a perspective of the world today and of the world of tomorrow. As one of Asia's leading general insurance service providers, we can leverage our global insights and integrate it with national and regional requirements to effect the best-suited proposition for our clients.
4. Client service: This is paramount. If we stay focused in all of our businesses on delighting our clients, it will eventually show in our results. We have built a great franchisee in terms of assessing and settling claims quickly, thereby being shoulder-to-shoulder with our clients during the time when they need us the most. We must build on these foundations as we go forward.
5. Talent: Establishing ourselves as the leading firm requires that we recruit and retain the best talent available in the industry and harness their expertise to grow shareholder value. We must re-emphasize our focus on adequately rewarding them for their efforts. We should also demand and uphold the highest governance standards from one another with a no-compromise policy on deviations.
6. Execution: The best companies against which we judge ourselves achieve greatness through quality execution. They make very few mistakes

- and embrace lighting fast course corrections. We must aspire to have an eye for detail, improve our operating culture and practices and focus on doing business the most sustainable way.
7. Values: Our mission, values and Code of Conduct are sacrosanct and a prominent part of our culture. These are not just words or statements but a philosophy that is deeply embedded into our day-to-day working. We hold integrity, honesty and truthfulness as the hallmarks of our success.

Though we've come a long way, we know that much is required to be done. I am certain that with these themes as anchors, the remarkable legacy of our Company will be carried forward towards even greater success in the times to come.

With my best wishes



**Nasir A. Choudhury**  
Adviser  
Green Delta Insurance Limited

# MANAGEMENT TEAM

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Years of experience in the insurance business has helped us create a solid intellectual capital base, governed by world-class HR practices and pioneering policies to keep our members motivated, productive, energized and loyal.





**Front to back**

Golam Mustafa

Md. T H Forhad

Syed Moinuddin Ahmed

Farzana Chowdhury

Md. Rafiqul Islam

Wafi Shafique Menhaz Khan

Golam Sabbir Chowdhury



**Front to back**

Nasir A. Choudhury

Nazrul Islam

Kabir Ahmed Chowdhury

A.S.A. Muiz

Papia Rahman

Md. Mahfuzar Rahman Siddique

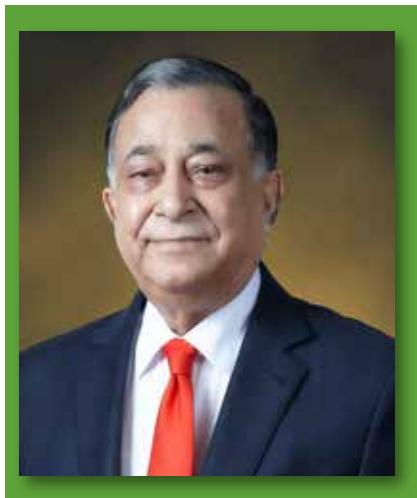
Nazim Tazik Chowdhury

Syed Kaiser Ahmed

## 2.7

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# MANAGEMENT TEAM PROFILE (MANCOM)



Nasiruddin Ahmad Choudhury

Advisor

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 ACII (UK)

Chartered Insurer

Managing Director & CEO

Ms. Farzana Chowdhury, ACII (UK) is the Managing Director & Chief Executive Officer of Green Delta Insurance Company Limited (GDIC) – the only non-life insurance company with IFC World Bank equity investment in the country which has been awarded with the prestigious AAA rating for the 2nd year running.

Being the first female Managing Director and CEO in the financial sector of the country, her guiding philosophy has always been driven by the intent of adding value not just in business but in every sphere that touches her life. Accordingly for more than two decades, in a country where insurance is least penetrated at a time when it is needed the most, Ms. Farzana and her team have been able to work to bridge this gap by embracing transparent processes and forthright practices.

Having the most prestigious ACII after completing Masters from Monash University, Melbourne, Australia under AUS Aid scholarship, she introduced numerous successful integrated insurance models involving SME sector; micro health for the RMG workers and poor people through 'Shudin' and 'Niramoy'; major remittance earners - migrant labors with 'Probashi'; majority of the population - the female segment

through 'Nibedita' and the backbone of the country's economy – the agriculture through Weather Index Insurance (WII). As one of the 17 participants from across the globe, she was selected by the US State Department, for the International Women Leaders Mentoring Partnership program sponsored by US State Department and Fortune 500 companies in 2006. She has been key speakers in many national and international events including recently held International Conference on 'Transformation Challenges and Opportunities for Bangladesh Garment Industry' at Harvard University.

She was a key speaker in Bangladesh Roadshow UK 2015 organized by Board of Investments (BOI) in London. She also was a guest speaker at Global Index Insurance Conference 2015 organized by World Bank group's Global Index Insurance facility (GIIF) in Paris.

Ms. Farzana has received overwhelming warmth and respect for her pioneering efforts in taking the cause of insurance forward. Under her leadership, GDIC has been felicitated by many prominent institutions like ARC, IFM, SAFA, ICAB, World Finance, ICSB and these awards have driven her to scale newer heights. She is also a member of the advisory

council of the BRAC Business School, BRAC University.

Customer-centricity has been the hallmark of the operations of the institutions that Ms. Farzana has worked for and she has remained a key catalyst in creating a more customer-oriented enterprise like Professional Advancement Bangladesh Ltd and GD Assist Ltd – two new subsidiaries of GDIC.

Ms. Chowdhury is a member of the advisory council of Talent Nomics India. Talent Nomics is a not for profit organization focused on the issues of gender parity in leadership and pay. It aims to strengthen the pipeline of women leaders across sectors and regions.

Recently another feather was added to her glittering career. She was awarded with the prestigious Chartered Insurer Status by the Chartered Insurance Institute (CII) UK. According to CII, this is the gold standard for insurance professionals and a very few professionals in Bangladesh have this distinction.

With her leadership Ms. Farzana has been relentlessly working to bring forth a positive change in the industry by introducing the concept of 'Insurance for Everyone'.



**A.S.A Muiz**  
Consultant

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 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 Chartered Insurance College, London. He also received training on Munich Re, Germany, Swiss Re, Switzerland and Paris, France.

Upon his return after completion of his training abroad, Mr. Muiz joined Sadharan Bima Corp. and continued working at SBC holding various important and significant post till his voluntary retirement in 1997 as a Deputy General Manager. He then joined Green Delta Insurance as Director, Marketing, in 2001. Until becoming consultant he was Additional Managing Director of Green Delta in charge of HR, Marketing, Underwriting and Branch control and afterward served as Advisor to the Green Delta Insurance.

**Golam Mustafa**  
Senior Additional Managing Director

On retirement from SadharanBima Corporation in January, 2001 Mr. Golam Mustafa joined Green Delta Insurance Co. Ltd. as Additional Managing Director on July, 2001 with assignment of Reinsurance, Claims and Specialised Underwriting. In 2015 his designation was upgraded to the post of Sr. Addl. Managing Director.

He started his career as a Trainee Officer/Assistant Departmental Officer with the then Pakistan Insurance Corporation in January 1965. In March 1969 he was promoted to the post of Departmental Officer.

After liberation, he was absorbed with Bangladesh Insurance Corporation and subsequently with SBC. In February 1977, he was transferred to Reinsurance Division as Deputy Manager and assigned the job of Aviation and Engineering insurance and reinsurance affairs. In April 1980, he was promoted to the post of Manager, AGM in 1986, DGM in 1989 and General Manager in 1994. From 1977 till his retirement in 2001, he was directly handling Aviation, Engineering insurance and all types of Reinsurance affairs of SBC.

He visited London, Paris, Munich, Zurich every year from 1984 for renewal negotiation of Aviation

Insurance of Biman fleet of aircraft and Annual Reinsurance Treaties of SBC with Lloyds' underwriters and other renowned reinsuring underwriters.

He is a Commerce graduate with Honours in Accountancy and attended 8 weeks training course in Engineering insurance and reinsurance organised by Munich Re, 10 weeks training course on Reinsurance in London, 4 weeks training course in Aviation insurance and reinsurance organised by Chartered Insurance Institute, London and C.T. Bowring Aviation Ltd., London in 1986. He travelled many countries of Asia/Africa to participate Seminars, Conference and Workshops relating to insurance and reinsurance.



### **Nazim Tazik Chowdhury**

**Additional Managing Director & CFO**

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 Additional Managing Director in 2015. He continues looking after important departments of the Company such as finance and accounts and human resources.

### **Syed Moinuddin Ahmed**

**Additional Managing Director & Company Secretary**

Spanning more than 20 years, Mr. Ahmed possesses an extensive career in the banking and finance industry. Majoring in Finance from the University of Dhaka, he started his career at Southeast Bank where he was responsible for the credit-related activities of the bank. 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 an Additional Managing Director and Company Secretary.

Mr. Ahmed's core competence have been the highlight of his career at Green Delta Insurance, including board affairs, business development, business process optimization, structuring of credit facilities, studying the capital markets, managing strategic alliances, HR supervision and project management that have collectively ensured strong and consistent growth for the Company over the years. Moreover, his knowledge and experience in conceiving, developing, strategizing and implementing the SME finance model at BRAC Bank has ensured proper insurance coverage for such enterprises, which continue to contribute to the economic development of the country. Overall, his experience and vision have been a source of inspiration for the team.

During his long career, Mr. Ahmed has participated in a number of workshops that have enabled him to gain a more holistic and globalised viewpoint and inspired him to attain greater heights.

### **T H Forhad**

**Deputy Managing Director**

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 Deputy Managing 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.



### Syed Kaiser Ahmed

Deputy Managing Director

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 life 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 Deputy Managing Director (Marketing).

### Nazrul Islam

Deputy Managing Director

Mr. Islam is a Deputy Managing Director and is currently discharging his responsibilities as the Head of the Claims and Underwriting Management Department. Mr Islam is a veteran insurance Officer, 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. He has discharged efficient services of the company in various capacities in different department branches.

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

### Wafi Shafique Menhaz Khan

Chief Executive Officer - GDSL

Mr. Wafi Shafique Menhaz Khan is the Chief Executive Officer of Green Delta Securities Limited, one of the few renowned brokerage houses of Bangladesh. He is also the Deputy Managing Director of Green Delta Insurance and is currently heading Retail & SME and Corporate Communication departments. Prior to join Green Delta, he was the Vice-President and Head of Non-funded Business at The City Bank Limited. Mr. Khan has extensive experience in the banking industry and set benchmarks for others to pursue. He started his glorious career from ANZ Grindlays Bank and gradually earned diversified experience while working with BRAC Bank Limited, American Express Bank Ltd. and The City Bank Ltd. He was directly involved with the launching of numerous retail, card and loan products. Throughout his career, he has been assessed as a result oriented & strong team player, activator and developer. He has taken up several successful training and workshops held locally and globally on career management & leadership. He has attended various international conferences held in USA, UK, Dubai, Singapore, Thailand, India and China.



### Md. Rafiqul Islam

Managing Director & CEO - GDCL

Md. Rafiqul Islam, Managing Director & CEO of Green Delta Capital Limited, prior to join this position, he was the Chief Investment Officer of the company. Mr. Islam specializes in providing Investment Banking, Corporate Finance and Corporate Treasury. His extensive professional experience encompasses both in Debt and Equity Capital Markets products where he comprises in many transactions for raising debt & equity funds including Foreign & local Syndication and IPO in various sectors such as Infrastructure, Power, Energy, Financial, Agro, Textile, Telecom, Manufacturing, FMCG and Food processing sectors. Mr. Islam also specialize in Private Equity and M&A transactions, Structuring PE & M&A deals.

With over 13 years of professional experience, Mr. Islam has built a successful track record of consistent sustainable value creation in the field of Investment Banking and Corporate Finance with raising funds from domestic and foreign markets for both debt and equity.

Mr. Islam beginning his career with a major conglomerate in Bangladesh in 2002 moved to Orascom Telecom. Mr. Islam was also with BRAC EPL Investments Limited as Associate Director & Head of Structured Finance.

Mr. Islam completed Master of Commerce in Accounting and he has also completed MBA in Finance from East West University, Bangladesh. Also he is the Associate Member of CPA Australia.

### Golam Sabbir Chowdhury

Senior Executive Director

Mr. Golam Sabbir Chowdhury started his Insurance carrier in 1986 as a Trainee Executive in the Principal Branch. Since then he is discharging responsibilities under various capacity in underwriting and marketing.

During his carrier he attended a number of training, workshop on insurance at home and abroad.

Mr. Sabbir is currently holding the position of Senior Executive Director & Regional Head. He completed his B. A. (Honours) in 1979 & M.S.S in 1982 in Political Science.

### Kabir Ahmed Chowdhury

Senior Executive Director

Kabir A. Chowdhury, Sr. ED, Head of Internal Audit & Compliance has completed his 30 years of Insurance career. After completion of his Master Degree in Accounting & Finance from Chittagong University he joined with BGIC in October 1985. He has work experience in Marketing, Underwriting, Accounts and other administrative works in different departments. He started with Green Delta in 1986 as a founder Manager of Comilla Branch. Later he opened another branch at Elephant Road, Mohakhali. Prior to joining the Internal Audit he was the In-charge of Principal Branch, Dhaka for more than 5 years. He participated insurance related courses and seminars arranged by the insurance related institutions in home and abroad.



### Papia Rahman ACII (UK)

Chartered Insurer  
Executive Director

Papia Rahman is the Executive Director of Green Delta Insurance Co Ltd. She is responsible for Insurance Underwriting operations including Training programmes. She has been with the company since 2005, started from Reinsurance and Special Underwriting department. She has a broad insurance background; she specializes in Underwriting, Risk Management and Reinsurance for Non-Life and Life insurance. She is an active member of Fire Rating Committee of Insurance Development & Regulatory Authority. She is Chartered Insurer and holds the designation of ACII (UK) Associate of Chartered Insurance Institute ,London, Senior Associate(CIP) ANZIIF, AMII Associate of The Malaysian Insurance Institute. She received Masters from Management, Master of Education and Master of Philosophy (Insurance) from Dhaka University.

### Mahfuzur Rahman Siddique

Director (Admin & PR)

On completion of M.A. in Political Science from Dhaka University, he joined in the service of GOB in 1976. Retired in 2010 as Director of Immigration of Passports. For around a year, he held current charge of Director General,Immigration & Passports. While in Govt. service he attended training session at home and abroad, was a member of several Government delegations in and outside Bangladesh. Served as guest Speaker of Foreign Service Training Academy of Ministry of Foreign Affairs from 1996 to 2009. Since early nineties he is actively associated with Sports. As an organizer he was an EC Member of Bangladesh Cricket Board, Table Tennis Federation, Boxing Federation. He also served as member of Discipline Committee of BCB. Currently he is Vice President of BAF and BWF and Vice Chairman of Discipline Committee of Bangladesh Football Federation. Served as Election Commissioner of BFF and Mohamedan Sporting Club, Dhaka. He is a National Course Director of NOC Bangladesh since 2000. Worked as Consultant of Bangladesh Olympic Association to organize Library, Archive, Museum& National Olympic Academy.

## 2.8

# GENERAL REVIEW OF FUTURE PROSPECTS

It is quite a paradox that despite having one of the largest population pools in the world, Bangladesh has among the lowest insurance penetration in any country in the world. This nascent market represents massive opportunities for frontline insurance institutions like Green Delta. The following are some of the fundamental demand drivers for insurance in Bangladesh.

### Economic growth and prospects

The economy of Bangladesh has witnessed a consistent growth of 6% over the past few years, highlighting the country's potential as one of the fastest growing economies of the world. This demonstrates an inherent level of country-specific resilience despite the economic and geo-strategic turmoil roiling the world markets today. Since the growth and development of the insurance industry is inherently related with the GDP growth of a country, the long-term prospects of the insurance industry are bright. Sustained economic growth translates into higher incomes and higher disposable incomes with a higher propensity of these being channeled into financial products, including insurance.

### Attractive demographic profile

A Boston Consulting Group (BCG) report estimates that the emerging middle-class will rise from the current 17 million to 27 million in the coming decade. Simultaneously, the poor segment of the population that currently stands at 84 million will nearly halve to 44 million by 2025. Concurrently, the rise in purchasing power will not be limited to major cities like Dhaka and Chittagong but spill over to witness even greater impact in cities like Khulna (an emerging industrial hub), Gazipur (already a major RMG centre) and other such cities that will witness similar growth of urban population and consumer bases. This demographic profile change represents significant potential for the long-term prospects of the country's financial services and insurance industries.

### Insurance penetration

There exists a huge potential for growth in the insurance sector of Bangladesh. Consider the fact that insurance penetration in the country remains at about 1% out of a population of 160 million and the combined premium in proportion to GDP stood at 0.09% in 2015; 0.07% for life and 0.02% for non-life insurance. The country is ranked

76th in the world with a global insurance market share of a minuscule 0.02%.

### Health cover growth

With low insurance penetration on the one hand and escalating healthcare costs on the other, there exists significant scope for the growth of health insurance programs in the country. As per bdnews24.com, per capita healthcare in Bangladesh increased to USD 27 in 2012 from USD 16 in 2007 when the last national health accounts were counted. The study has revealed that individuals spend more than 63% of their total health spending from their own pockets. The central government has adopted a plan to achieve the goal of universal health coverage by 2032 and the implementation of the Shasthyo Surokhsha Karmasuchi (SSK) scheme by the Government enabling the poor to get easy access to low-cost healthcare insurance products is a step in that direction that will also go a long way in enhancing insurance awareness.

### Entrepreneurship – the strengthening economic backbone

An essential component of the Bangladeshi economy is its M/SMEs and other large industries that have contributed to industrial growth and jobs creation on a sustained basis. However, these are also prone to natural, political and other inherent risks and in this context, insurance acts as a strong tool to provide operational, financial and business continuity security to these entities. The growth of the SME sector can be gauged by the fact that all the financial sectors of Bangladesh put together disbursed funds that exceeded the targets set by the Bangladesh Bank in 2015.

### Agricultural insurance prospects

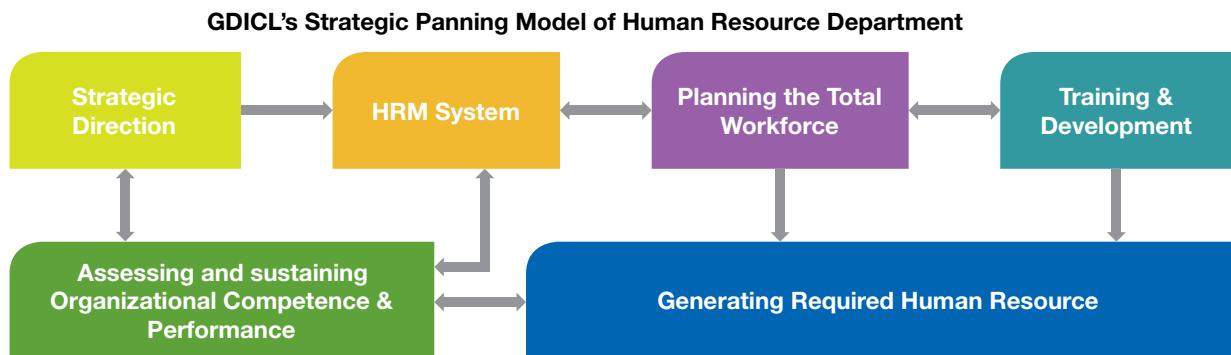
Agriculture contributes as much as 20% of the Bangladeshi GDP and employs close to half the labour force of the nation. However, the country is vulnerable to frequent natural disasters that cause serious damage to crops and livestock each year. Hence, agricultural insurance products are the need of the hour as they not only provide protection against weather-related risks such as drought, excess rainfall and cyclones but also act as an essential component of the country's agrarian economy.

## 2.9

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

HR Department is played a strategic partner of the company rather than a support team only. Our major strategic roles are- planning the workforce, investing in human resource development and performance and assessing and sustaining organizational competence, performance and personnel advancement analysis.

This year, Human resource Team has implement the most important task that is HRM and Payroll Software. First, the re-engineering of HRM Software, was designed to make the Employee Self Service process more efficiency, reduce paperwork, and improve accuracy.



### Our Mission:

We are committed to providing high quality service to company's staffs by assessing their needs and protectively, and addressing those needs though developing and continuously improving human resources programs.

### HR Department Achievement in 2015

1. Conduct Need Based Training Process
2. Employee Branding process
3. Implement HRIS

### 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.

# CORPORATE GOVERNANCE

At Green Delta Insurance, we are leveraging our adherence to best-in-class governance standards that will not only ensure a brighter future but one that is greener and more sustainable too.



### 3.1

## STATEMENT ON CORPORATE GOVERNANCE

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

### Impact of Corporate Governance

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

### Commonly accepted principles of corporate governance include:

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

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

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

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

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

### Insurance and Corporate Governance

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

### Company's Policy on Appointment of Directors Disclosed

Green Delta Insurance Company Limited does not have its own policy on appointment of Directors. Green Delta always complies with the instruction/guidance of the regulatory authorities regarding appointment of directors. IDRA's circulars, BSEC notification, Insurance Act-2010 and Companies Act-1994 are strictly followed regarding this matter. In order to be a member of the

Board, a Director other than a Public Director must maintain at least two percent of the outstanding shares of the company. The Independent Directors are excused from such requirements.

Adequate representation of non-executive director on the board and disclosed/affirmation of the board on such directors' independent

As per the Companies Act, 1994, non-executive directors are subject to retirement. At least one-third of the Directors shall retire by rotation in every AGM. The Managing Director is elected for a period of three years subject to the approval of IDRA and five years as per companies Act subject to approval of shareholders. The office of the Managing Director is not subject to retirement by rotation. The term of an Independent Director is three years and may be lengthened by another term of three years.

**Composition of the Board of Directors whether at least one independent director on the board and disclose / affirmation of the board on such directors' independence and Disclosure of Independence of Non-Executive Directors**

All directors of the Board are non-executive directors including three independent directors appointed by the Board and approved by the shareholders in the AGM. Insurance Development and Regulatory Authority has also approved their appointment.

#### **Independent Director**

As per SEC Circular No. SEC/CMRRC/2006-158/134/Admin/44, dated August 07, 2012, the elected directors of the Board of GDIC nominates three independent directors in the Board of Directors so that the Board contains core skills considered appropriate in the framework of the company.

In order for a Director to be eligible as an Independent Director, the Board constructively establishes that the Director has no substantial relationship with GDIC either as a partner, shareholder or officer of an organization that has a relationship with GDIC that would prevent that nominee from becoming an Independent Director. For the purpose of such determination, the Directors consider that the Independent Director does not hold any share of the Company; who is not associated with the Company's Promoters or Directors or Shareholders who maintains one percent or more than one percent shares of the total paid up shares of the Company; on the basis of family relationship; who does not have any other relationship, whether monetary or otherwise, with the company or its subsidiary/associate companies; who is not a member, Director or officer of any Stock exchange and who is not a shareholder, Director or officer of any stock exchange or an intermediary of the capital market. The Independent Director is engaged for a period of

three years which may be extended by one term only. A person cannot be appointed as Independent Director who has already been appointed as an Independent Director of three listed companies

#### **Chairman and CEO**

The positions of the Chairman of the Board of Directors and CEO are filled by different individuals and this has been in practice from the inception of GDIC. This also complies with Section 1.4 of the BSEC's notification on Corporate Governance Guidelines. All directors are financially literate and quite a few of them are from Financial Management background, which shows that GDIC has an enriched Board of Directors.

#### **Responsibilities of the Chairman of the Board appropriately defined and disclosed**

- 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.

#### **Existence of a scheme for annual appraisal of the boards performance and disclosure of the same**

Being the representative of the shareholders, the Board is responsible to the shareholders for the overall performance of the company along with the management.

However, there is no such annual appraisal scheme for the performance of the non-executive members of the Board. The non-executive Directors of the Board will only get fees for attending Board and Committee Meetings as prescribed by the regulatory authorities.

#### **Disclosure of policy on annual evaluation of the CEO by the Board**

Since the CEO is responsible for daily operation of the Company, the annual performance of the CEO is measured through following key performance indicators:

- Meet the annual budgetary targets of the Company as approved by the Board;
- Maximize the shareholders value through

- achieving desired Return on Asset (ROA), Return on Investments (ROI) and Return on Equity (ROE) as set by the Board;
- Enhance the Earnings Per Share (EPS) to a competitive level in the industry;
- Sustainable growth of investment and revenue for the Company as set by the Board;
- Gradual reduction of cost to income ratio of the Company;
- Gradual reduction of the non-performing asset (NPA);

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 board performance

The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing their duties properly. The policy on training of Directors includes providing training and updated information on all the latest policy guidelines, circulars and Acts issued by the regulatory/legislative authorities. Sometimes special discussion sessions are arranged with the experts. They also attend the programs organized by various professional bodies at home and abroad on technical, professional and corporate governance issues.

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:

Two Directors in the Board of the company are professionally qualified Chartered Accountants. They are well conversant in the field of accounting and finance to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting. Other Directors are also well conversant in the field of business, administration and professional areas.

Disclosure of number of meetings of the board and participation of each director (at least four meetings are required to be held)

During the year-2015, the company have conducted 13 board meeting while more than one in each quarter.

**Directors issue a report on compliance with best practice on Corporate Governance that is reviewed by the external auditors**

The Chairman of the Company on behalf of the Board of Directors issues a report on compliance with the best practices on Corporate Governance. The report is reviewed by the External Auditors. The certificate of the External Auditors is given on page 245 of this Annual report. The report of the Chairman is also given on page 101 of this report.

## 3.2

# REMUNERATION AND OTHER COMMITTEES OF BOARD

### **Disclosure of the charter (role and responsibility) of the Remuneration Committee**

GDIC has a Management Committee (MANCOM) which comprises Managing Director, Advisor, Additional and 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 Company'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 2015, a remarkable number of meetings were held by the MANCOM.

### **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 with regard to remuneration of Directors, Senior Management and Employees**

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

The Directors does not receive any remuneration other than the fees for attending the Board/Committee meeting.

As per the guidelines of the IDRA, approval of the regulatory authority to be obtained for the appointment for CEO along with the remuneration and other benefits.

The Board reserves the right to recruit and decide the remuneration benefit of the top management employees. The CEO has been given the authority to recruit and decide remuneration benefit of the mid and lower level management in line with the industry best practice.

### **Number of meetings and works performed by Management Remuneration committee**

The committee sits as and when required.

### **Disclosure of the composition of the committee and remuneration of Directors, Chairman, Chief Executive and Senior Executives**

### **Composition of the committee**

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.

### **Remuneration to the Directors**

The total remuneration of the Directors was BDT 1474171.00 for the year 2015 that includes all benefits as approved by the regulatory authority.

### **Remuneration of Managing Director and CEO**

The total remuneration of the Managing Director and CEO was paid as per regulatory guideline.

### **Remuneration of the senior management**

Employees in the rank of Deputy Managing Director and above are considered as the senior management and their all benefits are approved by the board.

### 3.3

## ETHICS AND COMPLIANCE

### **Disclosure of statement of ethics and values, covering basic principles**

Green Delta gives due importance to the moral concerns in order to make the ethical decisions in every aspect of operations. GDIC believes that upholding the interest of the clients, employees and regulators is very crucial for sustainable growth and development of the country. Enforcement of corporate code of ethics requires clear understanding of the same and active participation by every one in the company since the code spells out the expected standards of behavior and sets the ideal operating principles to be followed. Every official is encouraged at all times to maintain high ethical standards and adequate internal control measures to guard against the occurrence of unethical practices and irregularities.

### **Dissemination of the statement of ethics & business practices to all directors and employees and their acknowledgment of the same**

Green Delta has in place a Code of Ethics and Business Conduct applicable for all employees. The code of ethics and business conduct is communicated to every employee in the induction training after joining GDIC. The Board and the Management confirms that the ethics and business principles are communicated to employees to ensure the best ethical practice within the company.

### **Board's statement on its commitment to establishing high level of ethics and compliance within the organization**

The Board believes that a Code of Conduct and Business ethics provides a foundation for the stability and sustainable growth of GDIC, and supports the Company's efforts in achieving its goals. Therefore, GDIC's Board is committed to establish high level of ethics and compliance in the organization to ensure safe and ethical business practice in the financial industry.

**Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.**

### **Effective Anti-Money Laundering and Anti-terrorism Program**

The company has established a separate Central Compliance Unit (CCU) and appointed a senior official as Head of CCU to ensure compliance of Anti-Money Laundering Prevention Act and Anti-Terrorism Act.

The CCU nominates Department Anti-Money Laundering Compliance Officer (DAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) and guides them about their day to day compliance activities. The CCU arranges DAMLCO and BAMLCO conference every year and train up company employees through in-house experts and also hires experts.

### **Whistle blowing and Anti-Fraud Program**

The Audit Committee of the Board reviews the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee ensures that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. The Audit Committee also reviews the Company's procedures for detection and prevention of fraud.

The Internal Control & Compliance Division (ICCD) of the company always engage in examination of whether any fraud forgery or irregularities is going on in the company. The ICCD also conducts special audit or investigations as instructed by the Board or Audit Committee of the company. The ICCD submits reports upon the observations they detected throughout their audit to the Audit Committee at a regular interval.

## 3.4

# DESCRIPTION OF THE RISK MANAGEMENT FRAMEWORK

Managing risk is at the heart of Green Delta's sustainability focus as it strives to create value for its stakeholder ecosystem including employees, customers, shareholders, financial and joint venture partners and the society at large. Risk management has been the key to the Company's growth over the years where prudent policies are set to check risk and keep it under control, right from understanding and identification to assessment and control. In effect, stringent risk management guidelines ensure that the employees of the Company adhere to rigorous standards which directly reflect in their remuneration structures. The process involves a high level of accountability, thereby ensuring sustained organizational value creation.

Our risk levels are kept under constant check on careful watch of our capital, cash flows, investment returns and liabilities arising out of genuine claims. Overall, our risk framework effectively manages all contingencies arising out of risks in the most superior and cost-effective manner, integrating our objectives with return targets, risk controls and capital management.

### Governance of risk

Each of our departments employs central vigilance of risk and a proper hierarchy of management. Such departments take their own decisions towards formulating policies of risk management and review, which is also responsible to the internal audit framework. This framework is further responsible to the Board Audit Committee and the Board and senior management, providing regular reviews on the effectiveness of risk management and control framework within the various departments of the Company.

The internal audit system creates a plan of action and looks into the auditing of processes, transactions and systems. Their observations and recommendations are reported to the Board Audit Committee that actively monitors the implementation and proper functioning of the recommendations.

### The risks we face:

#### *Risks arising out of our core business*

Insurance risk arises due to potential claims by insurers on the occurrence of natural calamities or other contingencies. The Company has to ensure that it validates and processes claims as obligated under the contract.

At Green Delta Insurance, we conduct a thorough research before setting the terms and conditions of a claim, including the tenure and the amount. In fact, professionals including actuaries set insurance premiums after closely studying statistical data and financial viability, including the frequency of incidence of insurance claims and other payments. The Company also ensures that the systems are in place by hosting simulation sessions based on set premiums to assess the impact of obligatory premiums on the financial position of the Company and set strategies to cover such future contingencies. At the core of the Company's operations are innovative products that are designed after checking all insurance-related risks. Our departments closely monitor the performance of our products and frequently review premium pricing on the coverage. Moreover, our knowledge-driven workforce ensures that our products meet our customer expectations. This also creates value on a sustainable basis, assuring customer-retention.

In order to flexibly respond to the changing business environment, Green Delta also employs a strong asset liability management (ALM) system, embraces stringent cost management guidelines and conducts proper benefit settlement assessments. Moreover, the Company also engages in reinsurance to diversify and spread risk, also transferring risk ownership based on risk acceptance limits. Our risk committee conducts regular checks on cedes, on coverage, their frequencies and types. To this extent, the Company employs reputed global re-insurers including GIC Re, Asian Re, Malaysian Re, Korean Re and Bhutan Re, among others.

#### *Risks arising out of investments*

Investment risks arise out of fluctuating markets and result from negative volatility in the money and financial markets, including debt and equity, and are also influenced by the liquidity in the markets to trade in investments. At Green Delta Insurance, consistency and flexibility are the key support pillars. We maintain consistency by efficiently managing exposure to investment risks within acceptable limits. We also ensure flexibility by prudently switching between debt and equity and also by maintaining high liquidity within the system. As with insurance risks, we simulate market contingencies to assess the impact of political, socio-economic and geo-strategic events on our financial and investments.

Our inherent investment philosophy comprises the view of safeguarding customer interests by cautiously investing their funds to ensure long-term security, stability and positive returns. Our investment teams possess rich experience of more than 13 years and their decisions are drawn from comprehensive market research and insights from our capital markets team as well.

#### *Risks arising out of interest rates*

Interest rate risks arise from the difference in the duration of the Company's assumption of liabilities and outgo of assets. More importantly, maturing assets are reinvested to meet the Company's commitments towards meeting its liabilities in the event of the availability of adequate liquidity. Such an exposure can intensify if the products have inherent options or guarantees.

The Company ably mitigates this risk since it maintains and updates a balanced investment management approach.

#### *Risks arising due to liquidity*

##### **Liquidity risks include cash flow risks and market liquidity risks.**

The continuous outflow of funds due to unexpected events (say natural calamities) may lead to a deteriorating cash flow position. In turn, this can lead to the disposal of assets at distressed prices. To overcome this risk, we maintain proper limits of cash and cash equivalents to see through unexpected insurance liabilities that lead to surrender, withdrawal or termination for cash value.

Market liquidity risks arise if the Company is not being able to make transactions due to uncertainties or other

factors in the market. It might also occur in relation to the ability to buy and sell investments. This may lead to the Company making losses or selling assets at distressed prices.

Green Delta Insurance counters such risks by setting and maintaining proper transaction limits for each type of assets with respect to the prevailing market conditions. The presence of third parties enables easy buying and selling of distressed holdings at any given time.

#### *Risks arising out of operations*

Operational risks are those that arise out of improper or failed internal controls or due to untoward/ criminal activities from personnel or systems. They even arise out of customer complaints or inconveniences due to administrative or handling errors or personnel malfeasance. To keep such a risk under check, the Company frequently gathers data and analyzes information to understand the root cause of any issue and ensures that they do not occur again. Moreover, customer complaints and feedback are minutely scrutinized to keep such risks under control that also goes a long way in ensuring customer centricity and service excellence.

At Green Delta Insurance, our risk and control processes ensure that such risks are identified and assessed and their impact kept under control. Moreover, we have purchased insurance coverage against a host of events including business disruptions, property damage and internal fraud. This protects us from financial losses. The Company also performs scenario modeling to understand and prepare for any contingencies arising out of such risks.

## 3.5

# RISK MITIGATION METHODOLOGY

Each activity is characterized by inherent risks, probable liabilities and potential opportunities. The law makes an individual or organization liable to negligence which might cause damage or loss to others. As such, every such individual or organization is required to embrace proper and adequate steps to ensure that they are not negligent and have employed reasonable measures to mitigate risks.

Insurance is basically taking risk ownership of the insured. Overall, it is broadly identified by two characteristics:

- Ownership of risk from one individual to a group, also known as reinsurance
- Losses shared equally by all members of a group (or consortium) if there is a possible loss faced by the insured

Hence, insurance is the process of spreading risk of loss among a group, arising out of a contingency, thereby distributing the burden among them and ensuring collective ownership of the same.

Green Delta Insurance's core business of providing insurance creates a sense of security among the insured, which in this case is the opposite of risk. Although insurance does not take away the risk or ensure that a contingency will not arise, it guarantees that a large part of the cost involved in case of loss will be borne by it.

The Company aligns risk management and mitigation within its core business and focuses on aggregate exposures, both gross and net, and provides products that help the company understand its strength of accumulation and enables it to mitigate risks as efficiently and economically as possible.

We also believe that only those companies that have a strong risk regulation framework – those that foresee, evaluate, assess and update their risk management policies on a regular basis are the ones who can meet the expectations of policyholders and regulators by leveraging their strengths in a competitive way.

Therefore, Green Delta Insurance evaluates and assesses its risk management capabilities as a part of an overall strategy that includes:

- Frequent and timely evaluation of the risk management framework in relation to prevalent market dynamics and changes in the commercial/socio-political fabric of the country
- Proper execution and management of initiatives, including technical assistance, undertaken to foster growth

- Periodic review of risk management capabilities for the executive management and the Board

The Company communicates all the technical information lucidly and professionally to its clients and loss adjusters and takes initiatives to reach out to them to explain the finer details in order to minimize losses. In turn, clients can reduce their risks and enhance their profiles by taking informed decisions and loss adjusters can do the same by efficiently handling salvages after loss.

With the available professional expertise, at Green Delta Insurance, we undertake comprehensive and exhaustive per-insurance surveys for large and complicated risks to ensure that we protect and preserve the interests of our clients and other stakeholders. We are proactive in the provision of our services, whereby we aim to reduce the occurrence of a casualty rather than minimizing the extent of loss after the occurrence of the casualty. We also facilitate the proper usage of salvage (residue after incidence) to minimize the extent of loss which has already occurred, thereby helping the economy by curbing losses.

Before under-writing a property for insurance, we undertake thorough inspection of fire hazard safety facilities of the property before accepting any kind of risk. This inspection is critical for under-writing and reinsurance purposes. On the recommendations of the under-writer, we control risk by ensuring that fire-proof doors are used to reduce premiums and the factory premises are properly maintained to reduce hazards. These not only reduce fire hazards but also facilitate a rebate on premium.

If such surveys and inspections are not held, it becomes difficult to segregate risks and provide retention and cessation to insurers. This is actually helpful for reinsurance purposes, where recommendations based on the survey reduce the possibilities of hazards first and then look into minimizing the extent of losses after the contingency.

At Green Delta Insurance, our constant endeavor is to upgrade our financial risk management and control systems to efficiently manage our risk exposure and keep it under check. Such a system helps us to effectively deal with contingencies, enabling us to create value. We employ sophisticated and up-to-date risk management tools to minimize risks. Furthermore, value is enhanced through the implementation of proper strategies that increase our risk appetite, enhance risk-response decisions, reduce operational uncertainties and losses and identify and manage cross-operational risks, thereby

improving capital deployment and utilization and seizing opportunities.

Our team of highly qualified and experienced professionals ensure that risk factors are efficiently managed, including noting how risks can affect decision-making processes. They also look into efficiently managing operational risks through insurance. Furthermore, prompt and proactive responses to client queries and feedback ensure that we stay ahead of the competition curve and increase our risk appetite. Moreover, our customer-centric risk management approach also helps clients understand and define their insurance needs. Through this, they are

assured of managing their time and resources effectively. Moreover, this also ensures fewer claims and reduces legal liabilities, providing them with operational stability.

Our risk management framework is devoted to the cause of spreading insurance in the country. Being a client-centric and risk-aware organization, we provide a sustainable advantage to our clients by providing potential opportunities and reducing threats, both perceived and real. Though we cannot eradicate risks completely, we can certainly ensure stability by propagating a future-friendly, risk-free approach to insurance.

## 3.6

# DISCLOSURE OF RISK REPORTING

Risk reporting is a tool adopted by financial actuaries, professional bodies and regulators during times of financial stress. However, risk reporting focuses more on the banking industry than the insurance sector.

The basic legal framework ensures that all contractual parties to an insurance product deal in good faith and disclose all risk-related information relevant to the proposal, before signing the contract. It is presumed that all underlying risks are fully disclosed in a neutral, transparent and objective manner to ensure fair pricing. Moreover, the effectiveness of the insurance contract lies on the basis of presumed informational efficiency of the capital markets that underpin securities regulation.

Despite the insurance industry having an important role in understanding risk and its allocation as also the transformation of capital, there is very little authoritative oversight and guidance in terms of the content of risk reporting, including its calculation and allocation to make the process more efficient and effective. The quality of risk reporting practices followed by insurance companies, both internal as well as for external stakeholders, should be a concern of public policy.

As a follow-up to untoward risk management policies followed by financial institutions leading to a crisis, like those witnessed by AIG, credit rating firms, analysts and regulators are deeply concerned about the extent of risk exposure of global insurers. Towards this extent, regulators are demanding specific risk disclosures related to some financial instruments in accounting standards. The industry has increasingly become a risk carrier of last resort, as policymakers are increasingly seeking to transfer former publicly held risks onto insurance companies, like mandating privately-insured minimum levels of health insurance and pension coverage.

In the recent past, actuaries and accounting professionals have keenly stressed the importance of building strong risk reporting practices and standards. Seeing the key role they play in the analysis of risk and predicting future uncertainties, owing to the evolution of integrated financial reporting and risk management systems, it is becoming increasingly important for them to report their results of risk analysis to stakeholders.

Witnessing a lack of risk-reporting oversight by regulatory bodies, the objectives of the same are summarized below:

- To understand and review current authoritative guidance on insurance risk reporting
- To consider the incorporation of other derived conceptual frameworks in the existing reporting practices and to be informed about the best possible alternatives in terms of risk management, corporate governance, disclosure effectiveness and accountability for the same
- To report a sample of the evidence on recent trends in risk reporting practices to external stakeholders, including the sources of variations and the evolution of these trends over time as well as the main areas of risk disclosure
- To provide a detailed analysis on risk management practices followed by multinational companies and ensure that they are effective in decision-making
- Based on the above analyses, to give recommendations and public policy implications for enhancing risk reporting standards for stakeholders, shareholders, clients and regulatory bodies

### 3.7

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

As an institution that operates in a large, emerging economy, Green Delta faces a range of risks, each of which has the potential to have an impact on the achievement of our strategic business objectives. These can also open up potential opportunities in the right circumstances.

The Group undertakes an extensive review of its risk and control framework arrangements. It operates a ‘three fences of defense’ governance model. While the first line (the front end business) is responsible for the identification and management of all the risks inherent in its operations, the second line (group risk and compliance) provides advice and guidance to the business. The third line (group internal audit) independently assesses and reports on the effectiveness of governance, risk management and internal controls.

At the Group, each operating company maintains controls and procedures appropriate to its own business and regulatory environment, while conforming to the predefined Group standards and guidelines. The responsibility for internal controls within associated undertakings rests with the senior management of these operations. In this scenario, the role of the Group is twofold:

- To monitor investments and exert influence
- To develop Group-wide policies and protocols which each business has to adopt and implement to ensure a robust control environment

We believe that this approach allows for and facilitates an open dialogue about the key issues and opportunities facing each business. Our Directors acknowledge that they are responsible for the Group’s risk management, internal control systems and for reviewing their effectiveness.

Some of the key risks facing our business and their mitigation strategy include the following:

#### Economic risks

Our business is intrinsically linked with the performance of the country’s economic growth since corporate activity fosters demand for the company’s products and services. Besides, income growth at the individual level and rising aspirations and needs also drives demand for company products at the retail level.

#### *Risk mitigation strategy*

- We focus on launching innovative products that are aligned with market needs and therefore find quick acceptance and acceptability
- We look to engage in a participatory model that not only gives us scale but also the platform to share risks
- We are embracing natural diversification through Group companies – Professional Advancement Bangladesh Limited (PABL, a wholly-owned subsidiary) is an illustration of how we are backward integrating to create a robust and industry-ready talent pool

#### External risks

Our business faces external market risks that are typically beyond our immediate control. For instance, market and customer behavior can impact our business model.

#### *Risk mitigation strategy*

- Our Board engages in regular appraisal of external, market-driven risks and forecasts the probable future trends that could impact the business
- It then creates a road map to address these potential risks and reinforces the risk management framework
- On an ongoing basis, we also engage in forward planning and budgeting

#### Retention risks

The retention of our key talent is crucial to our success. Our inability to attract the right kind of talent might lead to loss of business and decline of market share.

#### *Risk mitigation strategy*

- We possess a robust human resource policy and offer industry-leading remuneration and benefits along with an inspiring and challenging work environment that makes us a preferred employer
- We have effective appraisal and development programmes that help employee career advancement and build loyalty with our company

- Our wholly-owned subsidiary, PABL, is engaged in providing holistic educational services on the insurance industry and its services and represents an attractive pool for sustainable potential talent acquisition

### **Business interruption risks**

We operate across almost 10 branches located throughout Bangladesh. Business interruption due to an external event is a possibility, especially considering the country's recent political past.

#### *Risk mitigation strategy*

- We have all the necessary business continuity management policies, practices and infrastructure in place that provides endurance to our operations
- We work on regular review and up gradation of these practices, thereby keeping them up-to-date
- We also have a detailed IT policy in place with high levels of monitoring of compliance with our Group's IT security policy

### **Operational errors risks**

Intermediaries run the risk of incurring a loss if the predetermined operating procedures across the Group are not complied with or there is alleged negligence in provision of services/ advice due to errors and omissions.

#### *Risk mitigation strategy*

- We possess common operating procedures and a comprehensive compliance policy
- We engage in continuous training in terms of avoidance of errors and omissions
- We have well-equipped central and regional risk and compliance monitoring
- We have strong procedural and systems controls (including work flow management) and ongoing quality assurance programmes

- We also have an indemnity clause in most of our contracts that helps us circumvent risks with regards to errors and omissions

### **Capital and liquidity risks**

We might be exposed to those risks arising from an inability to maintain an efficient capital structure or adequate liquidity.

#### *Risk mitigation strategy*

- We ensure the highest level of compliance with all regulatory standards and even perform regular stress testing
- We organize customary management reviews of our assets and liabilities
- We engage in prudent treasury management that ensures safety of capital on the one hand and sufficient liquidity on the other; we also deploy our capital that helps us grow returns sustainable

### **Counter party risk**

Counter party or default risk comprises the risk to each party of a contract that the counter party will not live up to its contractual obligations. This might result in a loss of own funds or investments and deposits.

#### *Risk mitigation strategy*

- We have regular reviews by the Board and Audit and Risk Committee of counter party limits, ratings, credit default swap spread rates, utilization levels and compliance with applicable regulations
- Our Board-approved investment and counter party policy helps limit the concentration of funds and exposure with any one counter party
- We also engage in active management and monitoring of counter party limits, financial strength and credit profile of key counter parties

## 3.8

# HUMAN RESOURCE ACCOUNTING

Human Resource Accounting is the processes of assigning, budgeting and reporting the cost of human resources incurred in an organization, including wages, salaries and training expenses. 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.

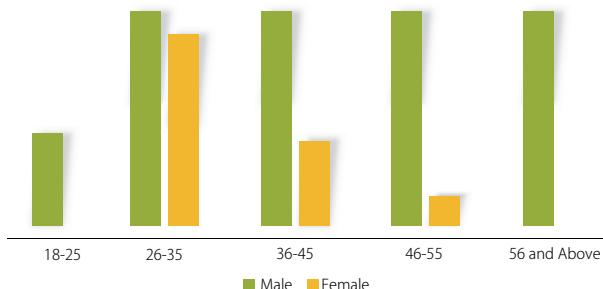
Human resource, as it is a key to success, is considered as asset in many organizations and thus related expenditure is treated as investment. The cost of human resource comprises of both capital (asset) and revenue (expenses). GDIC basically emphasis on the following cost to improve its Human Resources 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-2015, GDIC budgeted for its employee training (home and abroad) as under:

Types of Training (2015)	Description	Yearly Budget
Foreign	Training in Abroad	15,00,000.00
Local	Training organized by Bangladesh Insurance Academy, BRAC, BD jobs, Bangladesh Insurance Association & Rapport Bangladesh Intl. Arbitration Centre Ltd. etc.	15,00,000.00

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

#### Human Resource Accounting



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

## 3.9

# OUR 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.

### 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. We focus both on external and internal training programs to increase our efficiency level in order to deliver maintain a standard in performance, and also improving continuously against demanding targets for integrity and professionalism.

### Staff Maintain

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 30 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.

### Total Staff Straight

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 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 2015. The lending department was reorganized into different business areas in order to depend 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.

**Figure-Human Capital Strength of GDICL Group as of 31st Dec. 2015**



Figure- Human Capital Strength of GDICL Group as of 31st Dec. 2015

### Training and Development

To achieve company's immediate and long term returns, Green Delta Insurance puts great emphasis on regular training of its staff. Every year GDICL's employees are attending various training, workshop, seminar and tour in local areas which are arranged by- Bangladesh Employers Federation, Bangladesh Brand Forum, Bangladesh, WADA, Financial Excellence Limited and Creative Institute Ltd. International areas are- Asia Insurance Ltd. Mumbai, Insurance Institute of India, General Insurance Corporation, India, and National Insurance Academy, Pune and PABL's trainings are- Agriculture Insurance, IDLC Sales Training, Insurance Software training and Reinsurance Training.

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.

**Figure- International & Local Training &Work Sop**

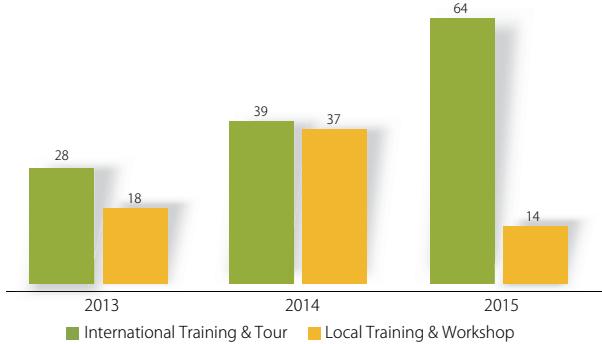


Figure- International & Local Training &Work Sop

#### **Employee Benefits:**

Green Delta Insurance Company Limited offers a number of benefit plan for all permanent Employees of the company which includes Contributory Provident Fund, Gratuity Fund, Festival bonus, and Incentive bonus on profit which have been accounted for in accordance with the provision of National Board of Revenue (NBR), Employee's Benefit" bases of enumeration the above benefits schemes operated by the company. The company also provide lunch facility and Transport Facility to its employees. And

#### **Future Plan**

Future plan of our Human Resource Department is to establish in-house Day Care & Health Care Center for our employee.

### 3.10

## 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	2015					2014				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Gross Premium Income	720.74	824.54	665.62	804.73	3,015.63	635.91	744.97	544.18	756.31	2,681.37
Net Premium Income	353.39	403.80	229.24	268.04	1,254.47	311.02	295.50	316.05	299.70	1,222.27
Net R/I Commission Earned	74.41	51.02	64.16	149.79	339.38	48.52	46.97	57.66	44.24	197.39
Investment & Others Income	33.94	31.84	68.39	78.31	212.48	48.37	36.88	50.09	85.40	220.74
<b>Total Income</b>	<b>461.74</b>	<b>486.66</b>	<b>361.79</b>	<b>496.14</b>	<b>1,806.33</b>	<b>407.91</b>	<b>379.35</b>	<b>423.80</b>	<b>429.34</b>	<b>1,640.40</b>
Management Expenses with Claims & Agency Commission	344.34	436.58	282.47	318.36	1,381.75	301.56	313.81	333.07	287.46	1,235.90
Management Expenses ( Unallocable)	36.71	35.93	53.99	112.51	239.14	35.37	49.73	70.23	80.75	236.08
<b>Total Expenses</b>	<b>381.05</b>	<b>472.51</b>	<b>336.46</b>	<b>430.87</b>	<b>1,620.89</b>	<b>336.93</b>	<b>363.54</b>	<b>403.30</b>	<b>368.21</b>	<b>1,471.98</b>
Net Profit Before TAX	80.69	14.15	25.33	65.27	279.52	70.98	15.81	20.50	61.13	290.65
Provision for Income TAX	20.00	5.00	5.00	19.22	49.22	20.00	5.00	5.00	21.40	51.40
Net Profit after TAX	60.69	9.15	20.33	46.05	230.30	50.98	10.81	15.50	39.73	239.25
<b>EPS</b>	<b>0.75</b>	<b>0.11</b>	<b>0.25</b>	<b>0.57</b>	<b>2.85</b>	<b>0.70</b>	<b>0.15</b>	<b>0.21</b>	<b>0.54</b>	<b>3.26</b>

### 3.11

## MANAGEMENT REVIEW AND CORPORATE 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 throughly 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 ACII (UK)
03. Farid Ahmed Choudhuri
04. A S A Muiz
05. Golam Mustafa
06. Nazim Tazik Chowdhury
07. Syed Moinuddin Ahmed
08. Md. T. H. Forhad
09. Nazrul Islam
10. Syed Kaiser Ahmed
11. Wafi Shafiq Menhaz 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 ACII (UK)	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
11.	Md. Oliullah Khan ACS	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 responsibly 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 2016:

- 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.

## 3.12

# ANY OTHER FRIENDLY INVESTOR 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.

# FINANCIAL HIGHLIGHTS

The excitement of our future is the most visible in the attractiveness of our past. Even as we focus on enhancing shareholder value, we are consistent in our approach to create robust financial pillars that provides us with the springboard for future growth.



## 4.1 FINANCIAL HIGHLIGHTS

**Figure BDT in million**

Particulars/Year	2015	2014	2013	2012	2011
Gross Premium Income	3,015.63	2,681.37	2,613.45	2,603.19	2,351.47
Net Premium Income	1,254.47	1,222.27	1,316.99	1,212.53	862.04
Net Claims	301.49	346.61	372.60	201.96	122.43
Underwriting Profit	306.18	305.99	288.16	298.04	124.17
Investment Income	212.48	220.74	204.06	135.45	131.80
Profit before Tax	279.52	290.65	285.13	262.67	143.43
Profit after Tax	230.30	239.25	229.03	237.67	134.00
Paid up Capital	806.91	733.55	637.87	510.30	408.24
Share Holder's Equity	5,692.23	4,852.92	4,478.95	3,858.35	2,510.33
Total Liabilities	1,968.24	1,746.43	1,882.91	1,723.25	1,953.88
Total Reserves	4,497.15	3,684.88	3,294.48	3,177.06	2,102.09
Total Assets	7,660.47	6,599.35	6,305.32	5,581.61	4,464.21
Total Investment	3,172.65	2,391.63	2,197.01	1,998.95	2,363.65
Fixed Assets	2,236.99	2,084.34	2,039.82	1,978.30	212.94
Earning per Share (EPS) Tk.	Tk-2.85	Tk-3.26	Tk.3.69	Tk.3.73	Tk. 2.60
P/E Ratio (times)	18.82	22.73	25.73	19.99	46.45
Book Value per Share (NAVPS)	70.54	66.16	71.23	Tk.60.49	Tk. 60.88
Market Value Per Share	Tk-53.70	Tk-74.10	TK.94.90	Tk-74.50	Tk. – 134.00
Required Solvency Margin	364.94	331.15	334.09	343.22	224.24
Available Solvents Margin	3957.54	3560.39	3265.33	2,756.01	2143.32
<b>% of Dividend Paid ( Cash)</b>	<b>25%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	-
<b>% of Dividend Paid ( Stock)</b>	-	10%	15%	15%	25%

## 4.2

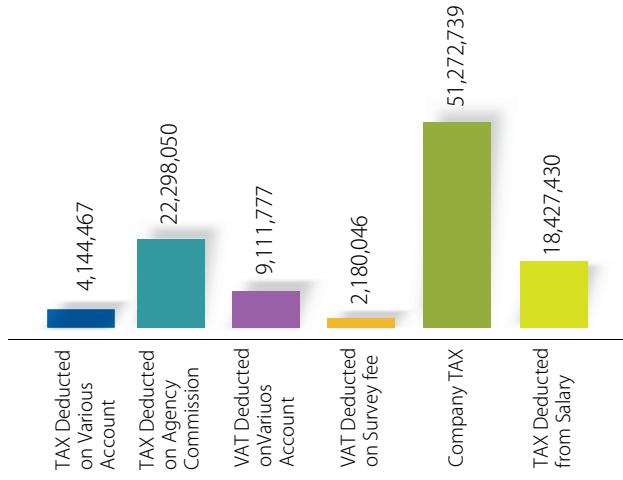
# INFORMATION ON COMPANY'S CONTRIBUTION TO THE NATIONAL EXCHEQUER AND TO THE ECONOMY

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 107,434,509 during the year 2015.

Contribution to the National Exchequer For the year-2015	Figure in BDT
TAX Deducted on Various Account	4,144,467
TAX Deducted on Agency Commission	22,298,050
VAT Deducted on Various Account	9,111,777
VAT Deducted on Survey fee	2,180,046
Company TAX	51,272,739
TAX Deducted from Salary	18,427,430
<b>TOTAL</b>	<b>107,434,509</b>

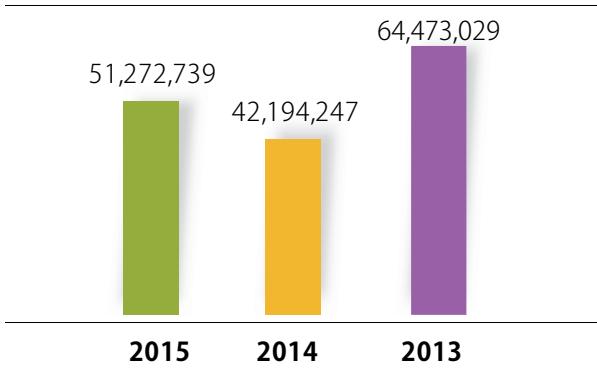
## 4.2 National Exchequer



## 4.3 GOVERNMENT AS TAXES

The followings are the TAX amount which has been paid by Green Delta over the last 03 years to the Government as Taxes:

Year	Government as TAX
2015	51,272,739
2014	42,194,247
2013	64,473,029

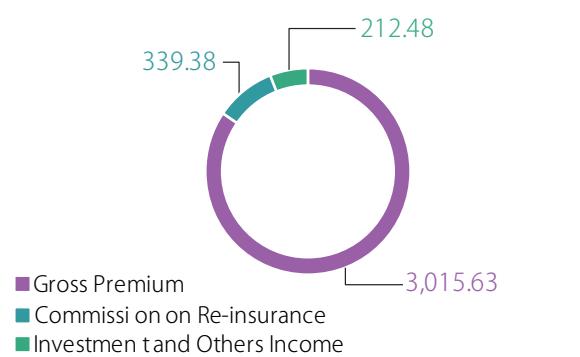


## 4.4 VALUE ADDED STATEMENT

For the Year ended 31<sup>st</sup> December, 2015

Value Added	Taka in million
Gross Premium	3,015.63
Commission on Re-insurance	339.38
Investment and Others Income	212.48
<b>Total</b>	<b>3,567.49</b>

Distribution of Value Addition :	Taka in million
Re-Insurance Premium Ceded	1,761.16
Management Expenses	776.85
Agency Commission	443.36
Net Claims	301.49
Unexpired Risk Adjustment	5.11
Income TAX to Government	49.22
Dividend for Distribution	201.73
Reserve & Surplus	28.57
<b>Total</b>	<b>3,567.49</b>



## 4.5

# MARKET VALUE ADDED STATEMENT

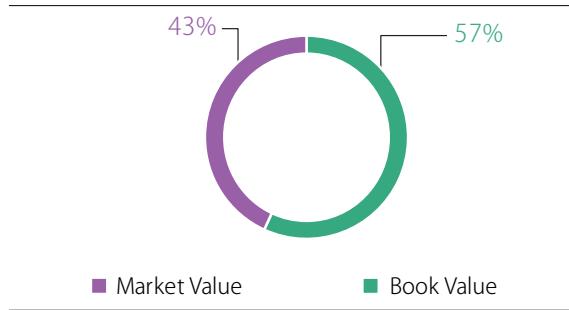
Market Value Added Statement reflects the Company's performance evaluated by the market through the share price of the company. This statement shows the difference between the market value of a company and the capital contributed by investors.

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 2015.

Particulars	Number of Share	Value Per Share (Taka)	Total Value (Taka in Million)
Market Value	80,691,187	53.70	4,333.12
Book Value	80,691,187	70.70	5,704.87
Market Value Added	(1,371.75)		



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

For the year ended 31st December	2015	2014	2013	2012	2011
Average shareholders' equity at the end	2,588,540,023	2,448,782,609	2,262,563,941	1,708,097,114	1,470,421,080
Cost of equity (%)	8.50%	9.50%	15.19%	13.45%	13.46%
Net Profit After Tax	230,297,607	239,255,718	248,707,386	237,676,034	134,006,754
Less: Cost of equity	220,025,902	232,634,348	343,683,463	229,739,062	197,918,677
Economic Value Added	10,271,705	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.

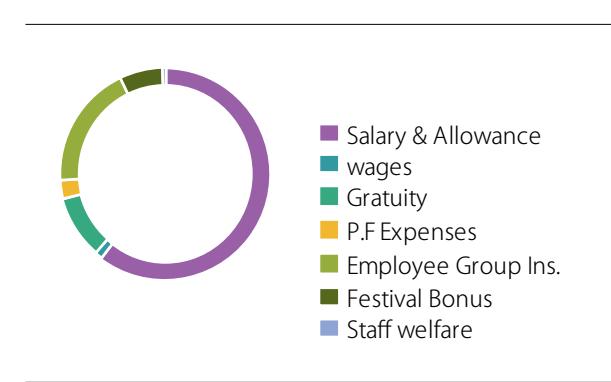
It is the opportunity cost i.e. the expected risk free return on investments, plus a risk premium. Interest on Bangladesh Government Sanchaya Patra plus 2% risk premium has been assumed to be the cost of equity.

## 4.7

# EMPLOYEES AS BONUS & REMUNERATION

The Following Salary & Allowance, Wages, Gratuity, P.F Expenses, Employee Group Insurance, Festival Bonus, Incentive, Staff Welfare amounting to BDT 475,074,149.00 have been expensed as employee bonus & remuneration.

Particulars	Figure in BDT
Salary & Allowance	286,914,229.00
wages	5,721,773.00
Gratuity	45,593,535.00
P.F Expenses	13,390,900.00
Employee Group Ins.	89,652,407.00
Festival Bonus	31,160,422.00
Staff welfare	2,640,883.00
<b>Total</b>	<b>475,074,149.00</b>



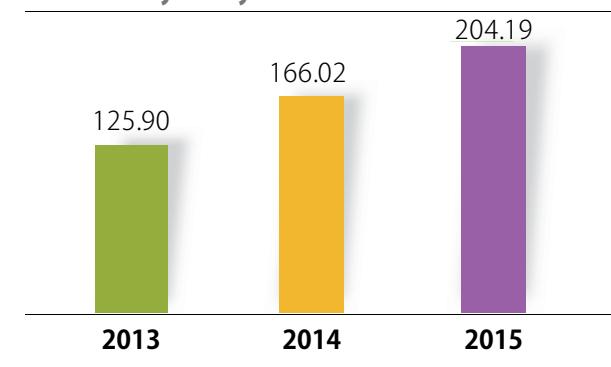
## 4.8

# RETAINED BY THE ENTITY

Retained by entity of Green Delta Insurance company Limited has increased by BDT 38.17 million from the year 2014. The retained by earning of the company in the year 2015 was BDT 204.19 million and the year 2014 was BDT 166.02 million respectively. A competitive analysis both the years is presented below:

Year	Amount in BDT Million
2013	125.90
2014	166.02
2015	204.19

Retained by Entity



# SUSTAINABILITY REPORT

As a sensitive corporate, we believe our responsibility extends beyond business to cater to a wide range of needs of the underprivileged with a clear focus on helping improve the quality of lives of our countrymen and women.



## 5.1

# STATEMENT ON SUSTAINABILITY REPORT

## Sustainability Report Assurance Services

There are several factors driving the increase in corporate transparency. Investors, the media, governments and non-governmental organizations are pressing for more information. Companies are seeing the benefits in terms of increased credibility and reduced risk by reporting on their social and environmental activities. Sustainability Report Assurance lets you demonstrate your commitment to declaring your company's performance in environmental and social areas and sets you apart from the competition.

### What Is Sustainability Report Assurance

Following the increase in corporate responsibility reporting, there is now added pressure for independent assurance of the content of these reports. Independent assurance of reports against international standards, such as the Global Reporting Initiative (GRI) and the AA 1000 Accountability Principles (2008), demonstrates an organization's commitment to customers and stakeholders. It also ensures that all social and environmental information published is accurate and correct. Our approach to report assurance is a flexible model based on the AA1000 Assurance Standard (2008) with optional modules to address your varying needs.

### Basic Assurance Service

This is best suited for those who are making public social and environmental statements for the first time or for those undertaking external assurance for the first time. The primary objectives are to evaluate the report against the AA 1000 Accountability Principles of Inclusive, Materiality and Responsiveness, and to ensure the accuracy of the chosen scope of reporting through independent review.

### AA 1000 Licensed Assurance Provider

#### GRI and AA1000 Options

This is ideal for organizations that already have a long history in issuing social and environmental reports, and want to provide further assurance of the completeness of scope of their reports, in addition to certifying the processes through which they have been compiled. These options allow for the identification of areas of strengths and weaknesses where improvements can be made:

. GRI Assurance Option – Evaluation of the report content against Global Reporting Initiative (GRI) Reporting Guidelines (2006), including a 3rd party check of reporting level. A scored gap analysis is performed to determine the

level of reporting against GRI guidelines and to identify gaps in report contents and reporting principles.

- AA1000 Assurance Option - evaluation of underlying processes and reporting systems, including Stakeholder Engagement, to identify opportunities for improvement. A scored gap analysis is performed to determine the extent and reliability of underlying processes and reporting systems, in particular Stakeholder Engagement will be evaluated against AA1000 Stakeholder Engagement Standard.

### Assurance Timing Options

Gap analysis only - GRI and AA 1000 options can be performed at any time as a stand-alone gap analysis, this option will result in an Internal Management Report but not an Assurance Statement.

End of reporting cycle - most assurance is performed once the report has been written in draft form and before publication.

Throughout reporting cycle – for organizations with well-embedded systems, the assurance process can be planned to take place at various stages throughout the reporting cycle to enable the evaluation of specific reporting events.

### The Benefits

Utilizing the Sustainability Report Assurance service from GREEN DELTA INSURANCE COMPANY LIMITED sends a strong signal about your commitment to corporate responsibility. In addition, it ensures the transparency and validity of the information you make public and allows you to reinforce your internal reporting processes and procedures to ensure the strength of future reports. Furthermore, it increases stakeholder

Confidence in the information reported about your performance and adds credibility to your reported information, which is further bolstered by using globally recognized standards and guidelines.

### How Does the Sustainability Report Assurance Process Work?

The Sustainability Report Assurance process consists of the following steps:

- Step A - Agree Contract: GREEN DELTA INSURANCE COMPANY LIMITED will gather certain information about your organization to enable us to determine the most appropriate assurance options including the criteria to be used, the scope and level of assurance, duration of the project and

likely assurance team members. GREEN DELTA INSURANCE COMPANY LIMITED will provide you with a proposal that is in line with your requirements. You can then proceed with the assurance by accepting the proposal.

‘Step B - Optional Gap Analysis: you may ask GREEN DELTA INSURANCE COMPANY LIMITED to perform an optional Gap Analysis. In some situations, it may be suitable for a gap analysis to be conducted on an earlier Sustainability Report, for example to determine the application of Global Reporting Initiative guidelines. This can be performed at any point and a report provided for use by the client in developing future reports.

## Sustainability Report Assurance Process

Assurance is provided for each reporting cycle and contracts can be agreed for one or more cycles as required.

‘Step C - Planning and Logistics: effective planning and logistic of the assurance project is crucial to ensure that effective use is made of the assurance team and your personnel. We will work with you to identify key individuals and locations to be involved in the assurance process and to set up meetings and site visits.

with details of our assurance activities and findings to enable you to implement improvements in your reporting processes.

## Sustainability Report Assurance Related Training

We offer a wide variety of training courses for all levels of ability and awareness. Our Sustainability Report Assurance training course portfolio is designed to meet the requirements of any organization, and includes:

- Sustainability Reporting and Assurance (SRA) Training;
- ISO 26000 Awareness Training (Road Map to Corporate Social Responsibility); and
- Corporate Responsibility Training Please visit [www.sr-asia.org](http://www.sr-asia.org) to view the Sustainability Report Assurance services.

## Other Services Related to Sustainability Report Assurance

GREEN DELTA INSURANCE COMPANY LIMITED is also known for its solutions against other needs related to Sustainability Report Assurance as well as continuous Improvement:

## REPORTING CYCLE



‘Step D - Performance of Assurance: the content and timing of this step is dependent on the assurance options being delivered, but in simple terms, it involves the assurance team undertaking interviews, site visits, reviewing documents and records, contact with external organizations where appropriate and documenting findings. An interim report may result from this activity followed up by further assurance work, depending on the options selected. In most cases, the assurance team will identify changes that are required in the report, or further evidence that is needed and these will be documented in Report Amendment Requests. You will need to act upon these to either amend the report or to provide additional evidence.

‘Step E - Assurance Statement and Internal Management Report Issue: once the assurance team is satisfied that all report amendment requests have been closed out, then we are able to issue our Assurance Statement for publication in the report. At that stage, we will also present our internal management report

- Introduction & Awareness to Social Systems;
- Social Systems Internal and Lead Auditor;
- AA 1000 Professional Qualification;
- Sustainability Reporting;
- Corporate Responsibility Training;
- Integrated Management Systems: your quality management systems can be audited and certified simultaneously with other management systems which you have implemented;
- Audit solutions against additional, bespoke quality performance criteria;

GREEN DELTA INSURANCE COMPANY LIMITED can help develop the performance criteria and the checklist or simply check performance against existing measures; and Process Improvement solutions leveraging techniques, such as Lean or 5S.

## Why Green Delta Insurance Company Limited?

GREEN DELTA INSURANCE COMPANY LIMITED is an international leading advisory and inspection, verification company. We are member of UNGC. We are constantly looking beyond customers' and society's expectations in order to deliver market leading services wherever they are needed.

Partnering with GREEN DELTA INSURANCE COMPANY LIMITED opens the door to better performing processes,

increasingly skilful talent, consistent and compliant supply chains and more sustainable customer relationships delivering profitable competitive advantage. Work with the global leader and take your commitment to the next level.

We have a history of undertaking and successfully executing large-scale, complex international projects. With a presence in every single region around the Asia, our people speak the language and understand the culture of the local market and operate globally in a consistent, reliable and effective manner.

## 5.2

# 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 2015 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.

### GDIC's Integrated Reporting Framework

- Corporate Governance, Compliance and Remuneration Report
- Risk Analysis and Integrated Strategy Backed Business Model
- Financial Statements
- Sustainability Report Covering Economic, Environmental, Human Resource & Social Aspects

### Our approach to INTEGRATED REPORT

An Integrated Report (IR) is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term and aims to cover a vast area of the business activities in sustainability framework. Unlike Annual Report that merely deals with past information IR reflects on how non financial considerations have influenced on financial decisions as well as overall strategy of the business over a period of time.

We recognize that we must effectively manage our resources and relationships to ensure attractive returns on our investments over the long term.

Since inception, GDIC has been directed with the vision of making a poverty free Bangladesh and mission of continuously driving the well-being of the people. Keeping this in mind, we are expanding the base of our sustainability business frame work through contributing in building the society, strengthening governance issues, value creation for our shareholders and responsible business complying environmental issues. Stakeholders have become more concerned about the company's activities whether it is earning by doing ethical business.

We see this whole process of the preparation of IR as a journey with each year bringing new insights on how to improve our reporting to stakeholders where we tried to make it most informative and accessible.

GDIC as a part of corporate social responsibility have been involved in various ways when it comes to the community. As a responsible corporate citizen, GDIC is committed to the welfare of community at large. GDIC continued its spending in CSR activities. The company spent another BDT 20,409,530.00 in 2015, comparing to BDT 12,277,450.00 in 2014, an increase of over 66% than the preceding year.

With us looking beyond short-term gains, "Nibedita", a product of GDIC, encourage women to come forward and invest in the capital market in order to create a positive vive in the capital market.

GD Assist, a subsidiary of GDIC provided free medical check up to the under privileged Children at Ramna Park. In addition to that, a demonstration on Yoga & Basic Health Fitness was provided along with free Health Consultancy & Health Check-Up. The objective of the group was to bring awareness of the benefits of yoga such as improvement in health, building muscle strength, heal aches and pains, keeping sickness at bay, etc.

## 5.3

### ENVIRONMENT 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:

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

## 5.4

### ENVIRONMENTAL AND SOCIAL OBLIGATIONS

#### **General Description of the company's policies and practices relating to social and environmental responsibility of the entity**

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.

#### **Specific activities undertaken by the entity in pursuance of these policies and practices**

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 endeavour to solidify our reputation as an institution of character and repute.

## 5.5

### ANY OTHER GOOD ADDITIONAL DISCLOSURE

#### **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 company has started

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

## 6.1

# CLAIM MANAGEMENT AND DETAILS OF OUTSTANDING CLAIMS (IBNR and IBNER) with aging thereof

## General Insurance Claims

### Preface:

Insurance is a contract in terms of which the insurer undertakes to indemnify the policyholder ('insured') in accordance with the cover detailed in the policy. The claim department can be seen as the 'Shop Window' of the insurance company. This is where an insurer will be judged. It is only upon submitting a claim that the insurance purchaser discover the value of the 'promise to pay' they have bought. Insurance document is an evidence of contract whereby 'contract certainty' is achieved by both parties to the contract i.e. the insured and the insurer. This document /policy has to deal with terms, conditions, provisions, exclusions, exceptions including warranties relating to the class. 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.

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:

Every claim from the most straight forward small loss to the most complex third party claim, must progress through a number of stages. 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 fulfil satisfactory claim settlement within the purview of relevant insurance policy. Simultaneously we provide necessary information to reinsurance department to fulfil 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 vital 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 fails 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.

To conclude the claims department should also bear in mind the under noted factors, which are essential in claims management as well as claims handling: the factors are detecting fraud, lowering the cost and avoiding litigation.

## 6.2

# 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	393.65	1,483.20	0.50	741.60	148.32	78.73	148.32
2	Marine Cargo	603.96	913.79	0.70	639.65	127.93	120.79	127.93
3	Marine Hull	16.65	83.52	0.50	41.76	8.35	3.33	8.35
4	Motor	143.71	180.84	0.85	153.71	30.74	28.74	30.74
5	Misc	96.50	354.28	0.70	248.00	49.60	19.30	49.60
<b>Total</b>		<b>1,254.47</b>	<b>3,015.63</b>					<b>364.94</b>

<b>Total Assets as per Balance Sheet</b>	<b>6,599.36</b>
Less :	
Amount due from others	653.48
Outstanding premium	120.42
Furniture & Fixture	47.48
	821.38
<b>(A) Total Assets</b>	<b>6,839.09</b>

<b>Total Liabilities</b>	
Sundry Creditors	484.17
Amount due to others	689.07
Provision for income tax	49.22
Deposit Premium	68.61
Reserve for Unexpired risk	505.66
Reserve for exceptional loss	1,084.82
<b>(B) Total Liabilities</b>	<b>2,881.55</b>

Solvency Margin Available (A - B)	3,957.54
Required Solvency Margin	364.94

## 6.3

# ACCOUNTING RATIOS RELATED TO INSURANCE SECTOR

Accounting Ratios Pertaining to Insurance Sector	2015	2014	2013	2012	2011
(% ) of Reinsurance Premium Ceded on Gross Premium	58.40%	54.42%	49.61%	53.42%	63.34%
R/I Commission Earned on Gross Premium	11.25%	7.36%	7.05%	8.16%	9.27%
R/I Commission Earned on Net Premium	27.05%	16.15%	13.99%	17.52%	25.28%
Net Claim Incurred on Gross Premium	10.00%	12.93%	14.26%	7.76%	5.21%
Net Claim Incurred on Net Premium	24.03%	28.36%	28.29%	16.66%	14.20%
Underwriting Result on Gross Premium	10.15%	11.41%	11.03%	11.45%	5.28%
Underwriting Result on Net Premium	24.41%	25.03%	21.88%	24.58%	14.40%
Management Expense (Revenue ) on Net Premium	42.86%	45.59%	34.10%	33.29%	43.15%
Combined Ratio on Gross Premium	50.46%	56.22%	51.82%	42.99%	43.44%
Combined Ratio on Net Premium	121.30%	123.32%	102.83%	92.29%	118.50%

## 6.4

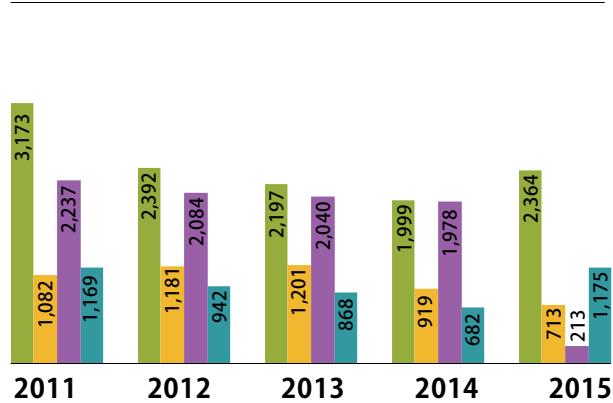
# REVIEW OF ASSETS QUALITY

### Position of Total Assets :

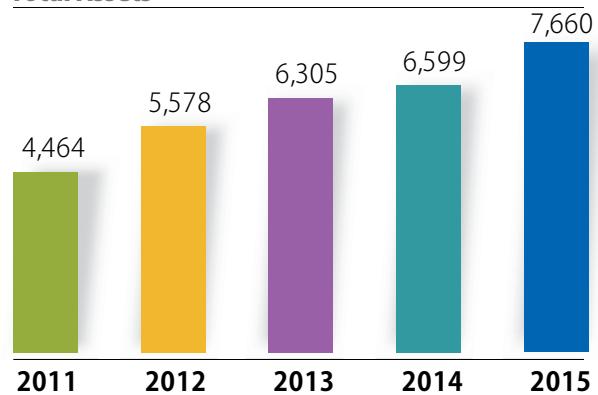
(Taka in million)

Particulars	2015	2014	2013	2012	2011
Investment	3,173	2,392	2,197	1,999	2,364
Cash & Cash Equivalent	1,082	1,181	1,201	919	713
Fixed Assets	2,237	2,084	2,040	1,978	213
Other Assets	1,169	942	868	682	1,175
<b>Total</b>	<b>7,660</b>	<b>6,599</b>	<b>6,305</b>	<b>5,578</b>	<b>4,464</b>

### Class wise Assets



### Total Assets



Particulars of assets	Year -2015			Total(%)	Growth (2014- 2015)	Year -2014			Total(%)	
	Short term	Long term	Total			Short term	Long term	Total		
Investible assets	Government Bond	25.00	25.00	-		25	25.00			
	Investment in Quoted Share	2,451.54	2,451.54	32.00%	42%	1729.62	1,729.62	27.43%		
	Investment in subsidiaries companies	362.46	362.46	4.73%	2%		355	355.00	5.63%	
	Equity investment of non listed securities	167.11	167.11	2.18%	0%		167.11	167.11	2.65%	
	Debenture and others	166.49	-	166.49	2.17%	45%	114.9	114.90	1.82%	
	Sub Total	2,618.03	554.57	3,172.65	41.42%	33%	1,844.52	547.11	2,391.63	37.93%
	Fixed Deposit (FDR)	1,070.54		1,070.54	13.97%	-3%	1105.38		1,105.38	17.53%
	Cash and bank balance	11.49		11.49	0.15%	-85%	76.09		76.09	1.21%
	Sub Total	1,082.03	-	1,082.03	14.12%	-8%	1,181.47	-	1,181.47	18.74%
	Office space	606.35	606.35	7.92%	28%		473.85	473.85		7.52%
Other Assets	Building	630.86	630.86	8.24%	-1%		637.4	637.40		10.11%
	Sub Total	-	1,237.21	1,237.21	16.15%	11%	-	1,111.25	1,111.25	17.62%
	Total assets	4,868.84	2,791.57	7,660.46	100.00%	16%	3,967.88	2,631.47	6,599.35	

## 7.1

# DIRECTOR'S REPORT TO THE SHAREHOLDERS

### Dear Shareholders, customers and colleagues:

At the outset, the Board of Directors of Green Delta Insurance Company Limited would like to thank all of you for your continued patronage and support over our rich 30-year journey (as on January 2016), marking an important milestone in the history of our Company. We are indebted to all those who have enabled us to present a comprehensive Annual Report along with the Audited Financial Statements for the year ended December 31, 2015, together with the Auditor's Report thereon, for the kind consideration and approval of our shareholders. The Board of Directors approved these on February 11, 2016.

In view of the above, the Director's Report has been prepared in compliance with Section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) and other relevant rules and notifications issued by 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 our business performance, operations and achievements for the year 2015.

### (i) Industry outlook and possible future developments in the industry

#### Global economic performance in 2015

The global economy witnessed yet another sluggish year during 2015. The muted performance came even as central banks continued to pump in liquidity, oil prices plunged to historic lows and inflation was moderate.

It was also a year of divergent performance reported across countries and markets the world over. While tumbling commodity prices took the shine off big emerging markets like Russia and Brazil, other emerging economies like India and Vietnam surprised by reporting a robust upside growth. In the developed world, the strong robust US jobs growth prompted the Federal Reserve to tighten the monetary policy for the first time since 2006, while the gloom around neighboring Canada deepened.

Similarly, in advanced economies, smaller European nations were among the best performers. Interestingly, Ireland's economy grew by 7% in the third quarter, faster than that of China, and well ahead of the Euro area's 1.6% growth reported during the same period.

In the emerging markets, clear standouts included Vietnam, Tanzania and China. Even after a USD 5 trillion stock market rout and what's tipped to be the slowest growth in 25 years, China's overall GDP growth remains relatively robust compared to its peers. India's economy

also expanded faster than expected in the third quarter of 2015-16 when GDP rose a healthy 7.4% from a year earlier, after a 7% expansion in the previous quarter.

#### Global economic forecast, 2016

In the past few years, the global economy has lacked a positive dynamic exemplified by the uneasy combination of technological opportunities, slow investment growth and lackluster business and consumer confidence. It is expected that the world economy would witness the pace of growth to improve in 2016, after four years of intermittent recessions among major economies from 2011-14. The world is expected to expand in 2016 by 3.6% (inflation adjusted), up from the last year's estimated 3.1% growth. Both advanced and emerging economies are expected to contribute to the improvement. Europe is slated for moderate growth, 1.9% measured by the GDP, while North America's growth is expected to be in pace with the last year. Asia represents the global economic landscape with India, China and Indonesia expected to continue to report leading growth rates. Latin America and Africa are facing difficult times. Commodity prices are almost 30% lower than their 2011 peaks, driving cutbacks in mining, petroleum and agriculture.

#### The economic landscape at a glance

2016 GDP forecast	World	US	Europe	China	India
OECD	3.3%	2.5%	1.8%	6.5%	7.3%
The Conference Board	2.8%	2.4%	1.8%	3.7%	6.2%
IMF	3.6%	2.2%	2.8%	6.3%	7.5%

#### Selected Economic indicators, Bangladesh (%)

- The United States GDP is projected to grow 2.4% in 2016, down from 2.5% in 2015

Continued strength in domestic demand, including stronger household spending on both consumption and housing, is expected to support US growth in 2016, despite a strong dollar and weak global demand, which have already put a downward pressure on corporate profits. However, what is of greater concern is a 'perfect storm' of negative factors—sputtering productivity growth, baby-boomer retirement and low labor-force participation—that are converging into a major talent shortage. Without offsetting new trends in investments and productivity, growth will fall substantially to 2% in 2016-20 and just 1.6% in 2021-25.

- Euro area GDP is projected to grow 1.6% in 2016, up from 1.4%

The Euro area recovery finally gained traction in 2015, driven largely by economies like Spain and Portugal, which implemented far-reaching economic reforms. Nevertheless, acute political risks remain, including the refugee crisis, Greece's continued fragility and the potential of Brexit (Britain's exit out of the Euro area). In the medium term, Europe faces even greater labor-supply shortfalls than the US, though this may push it sooner towards a more capital-intensive, productivity-centric growth path. Indeed, the Euro area growth is projected to essentially match the US by the decade's end – 1.9% growth in 2016-20 and 1.5% in 2021-25.

- Japanese GDP is projected to grow 1.2% in 2016, up from 0.6%

Significant volatility is likely to continue in Japan, where the economy has contracted in three out of the past six quarters. Weakening household consumption and dependence on external conditions in the Asia-Pacific region add considerable uncertainty and downside risk to the projected doubling of growth in 2016. Looking further ahead, Japanese growth should crawl upward and stabilize some what to 1.4% in 2016-20 and 1.6% in 2021-25.

- Chinese GDP is projected to grow 3.7% in 2016, unchanged from 2015

After years of over-optimistic GDP growth estimates from Beijing, the Chinese economy is projected to grow at a more realistic 3.7% in 2016. Though the same growth rate is expected for 2016, China is one of the major wild cards in the Global Outlook of 2016. In the wake of the equity bubble popping this summer, a further slowdown is quite possible, especially if rash interventions contribute to further mis allocation of capital. Beyond the short-term volatility, however, it's likely that the bulk of China's slowdown has already taken place since 2011, even if unapparent in official statistics. Growth could pick up in the medium term to average 4.5% in 2016-20, before dropping to 3.6% in 2021-25.

- Indian GDP is projected to grow 6.2% in 2016, up slightly from 6.1%

Through the end of the decade, India's growth is forecast to hover around 6%, out pacing China's by about 150 basis points. While its macroeconomic fundamentals are solid, to fully leverage its position and improve business sentiment, India needs to increase the pace of government reforms and investment—especially around infrastructure, labor-market policy, land acquisition and the tax regime.

- Latin American GDP is projected to grow 1.1% in 2016, up from -0.3%

Rapidly declining commodity prices have hit the region hard, leading to its first contraction since 2009. The outlook improves slightly for 2016, but annual growth is expected to only rebound to a disappointing

2.4–2.5% over the next decade. In general, the major Pacific countries—Chile, Colombia, Mexico and Peru—are better positioned than their Atlantic counterparts. However, the Brazilian economy constitutes the biggest uncertainty. While its contraction of 2.2% in 2015 is likely to abate, the likelihood of quickly moving back into positive growth territory in 2016 is small, as growth is projected to still be -0.2% in 2016.

- Sub-Saharan African GDP is projected to grow 4.4% in 2016, up from 3.4%

While the recent performance of Nigeria and South Africa, the region's largest economies, has disappointed, the region as a whole has weathered the commodity slump better than Latin America and elsewhere. Sub-Saharan African economies still benefit from their economic catch-up potential—an opportunity to deliver high growth from a lower development base. Through 2025, growth is projected to average around 5% per year region-wide, offering a bright spot in an otherwise subdued global economic outlook.

- Southeast Asian GDP is projected to grow 4.7% in 2016, up from 4.6%

Stabilizing (though still low) energy prices should provide a silver lining for Southeast Asia's outlook in 2016. Nevertheless, major downside risks remain—including the region's broad-based currency depreciation and growing dependence on China. Through 2020, growth should continue to average 4.7%, including 7–9% in least-developed countries like Laos.

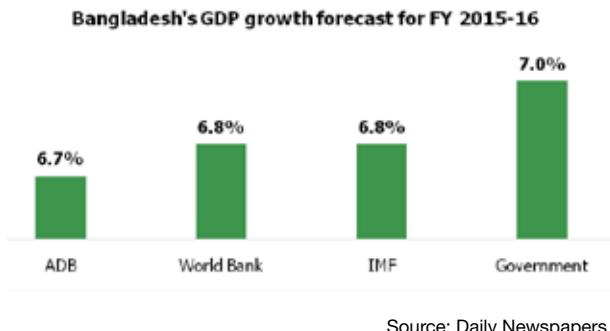
## Bangladesh overview

Bangladesh's economy is on a stable path with a positive near-term macroeconomic outlook. With a consistent real GDP growth of over 6%, declining inflation, rising foreign exchange reserves and a stable foreign exchange rate, the country is expected to do well in the near future. Despite political instability witnessed early in 2015 that adversely affected transport services, exports and private investments, growth in Bangladesh held up well because of brisk domestic demand boosted by higher worker remittances, private sector wages and public investment. The country recently achieved the 'lower middle income country' status and it targets to achieve the 'middle income country' status by 2021. In order to achieve the target, Bangladesh needs to sustain GDP and remittances growth, create jobs, contain inflation and improve the quality of public service delivery to reduce poverty and boost shared prosperity.

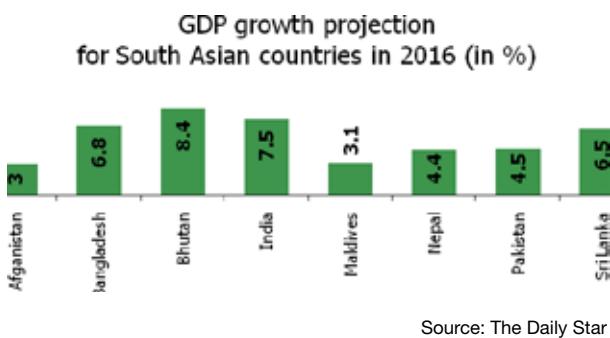
## GDP growth

The GDP growth forecast for FY2016 is ambitious but attainable to 7%. According to the donor agencies, the prospect for Bangladesh is bright if it can overcome certain obstacles, for instance, increase private investments, provide macroeconomic stability and

adopt economic development policies that will propel faster growth. The World Bank, the ADB and the IMF have upgraded the fiscal year's outlook for Bangladesh's economic growth recently on the back of the optimism of the positive indicators of the economy.

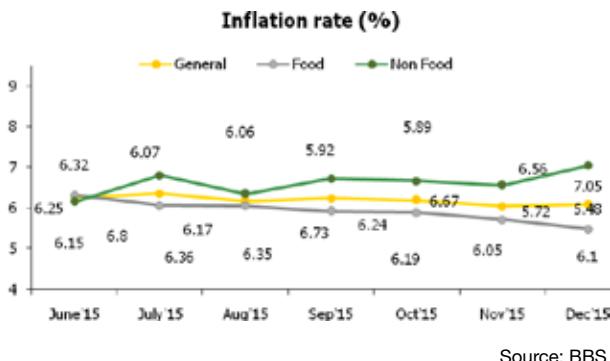


The GDP growth of Bangladesh for 2016 is the third highest in the region. The government has been emphasizing on increased public spending on cost-effective projects in power and transportation sectors and is also fostering climate change for stable positive economic growth.\



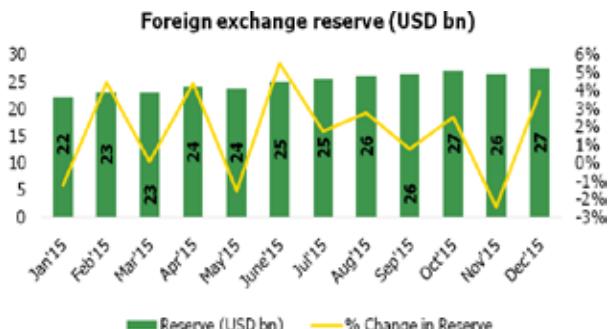
## Inflation

The target inflation in the Annual Budget 2015-16 was 6% and Bangladesh has so far done well in the path of achieving this target. The point-to-point inflation rate experienced a moderate declining trend from 6.24% to 6.05% in November FY2016 because of the downward trend in global commodity and fuel prices. The trend is expected to continue as oil prices have fallen to multi-year lows. If fuel prices are adjusted in Bangladesh, the cost of living would decline, which will eventually lower inflation.



## Foreign exchange reserves

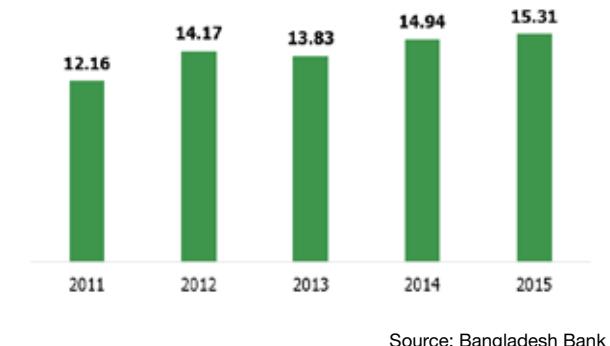
The country's foreign exchange reserves have been growing steadily over the years,taking the second place in holding the reserves . The forex reserves of the country have crossed the USD 25 billion-mark for the first time in the history of the country (as on June 2015). Bangladesh's forex reserves stood at USD 27.5 billion on the back of higher exports, remittances and the decline in imports because of lower fuel prices. At the moment, there are enough reserves to cover more than seven months of imports.



## Remittances

The remittance inflow into Bangladesh experienced a moderate growth of 2.47% to USD 15.31 billion in the year 2015, compared with USD 14.94 billion in 2014. The rise is attributed to the fall in currency and oil prices in the global markets. The country witnessed a 2.47% remittance growth in 2014, compared with 8% growth in the previous year. The trend of inward remittance was slower due to a stronger local currency against the dollar when currencies are tumbling in the Asian region. The World Bank, in its report on 'Migration and Remittances: Recent Developments and Outlook', expected a record rise of remittance inflows during the year 2015 in the wake of the recent reopening of the labour market by Saudi Arabia and the global economic recovery. Though manpower export to the Gulf countries increased after reopening of the largest labour market, Saudi Arabia, for Bangladesh, the fall in oil prices weakened inward remittances.

## Trend of Remittance Inflow (USD bn)



## Private and public sector growth

Despite of an improved political and macroeconomic environment, credit growth in Bangladesh remained subdued. Investments are yet to pick up in spite of positive internal and external factors. Credit growth declined by 13% compared with the previous year. This slowdown has adversely affected the banking sector's advance-to-deposit ratio, which subsequently eroded the banking sector's profitability.

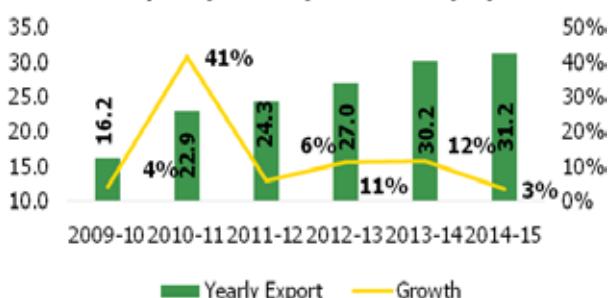
### Public vs private sector growth rates



## Exports

The exports target by FY2020 is aimed at USD 54.1 billion. Although there is an upward bias for RMG (ready made garments) exports, exports of other items are also growing. Export earnings registered higher growth during the first half of the current fiscal year 2015-16, thanks to the credible performance of the apparel sector which has remained a principal exports-driver over the years. The country fetched USD 16.08 billion during the July-December period of FY16. Earnings already surpassed the target for the period by 1.38% and is buoyant enough to achieve the target for the year if there are no externalities. The downside of the country's exports is a high dependence on the apparel sector. The nation should promote and look for alternatives to boost exports and enhance the sector's sustainability. To accelerate exports, other potential resources should be selected and encouraged through proper export policies. Emphasis should be given on the agro, manufacturing, ICT, jute, pharmaceuticals and healthcare sectors.

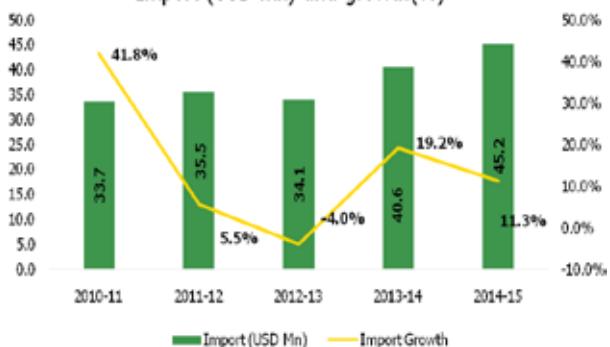
### Export (USD Bn) & Growth (%)



## Imports

Import payments (C&F) in FY15 increased by 11.26% and stood at USD45.19 billion against USD40.62 billion in FY14. Imports, in terms of settlement of letters of credit (LCs), grew by 2.48% to USD 16.60 billion during the July-November period of FY16, up from USD 16.20 billion in the same period of FY15. The country's overall imports declined in terms of value, not volume, due to falling commodities prices in the global markets. If the downward price of essential commodities, including petroleum products, persists in the international markets, the decline may continue. However, imports of capital machinery or industrial equipment used for productions have seen a rise. Higher imports for power and energy, food processing, garments, pharmaceuticals, plastic, printing, packing and telecom industries have contributed to the rise in the overall capital machinery imports.

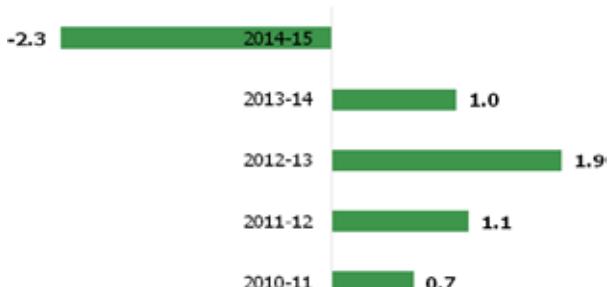
### Import (USD mn) and growth(%)



## Current account balance

The current account balance for FY2014-15 turned negative after remaining positive for two years. This was due to the higher trade deficit during the year. The current account deficit stood at USD 1.65 billion in FY2014-15 in a slide from a surplus amount of USD 1.40 billion in the previous year. The sharp increase in the trade account deficit was primarily due to subdued exports growth while import growth was respectable at over 11%. Imports grew 11.25% to USD 40.68 billion while export earnings grew only 3.33% to USD 30.77 billion in the last fiscal.

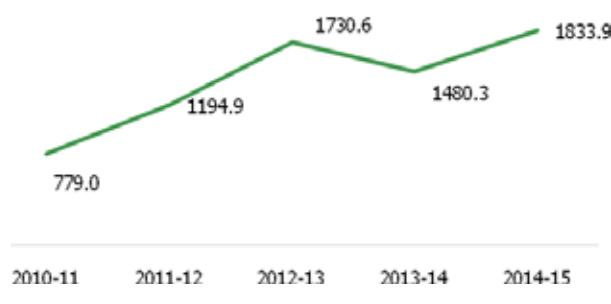
### Current account balance (USD bn)



## FDI

Policies should be taken to ease the process of foreign direct investment (FDI) as well. In order to achieve the Vision 2021, FDI should be increased to 3-4% of the GDP from the existing 1%. The need for improving the investment climate is obvious which involves further business de-regulation, financial sector reforms, tax reforms, legal reforms and better governance. More automation and digitalization of processes and systemic transparency are also desired to achieve the targets. The net FDI inflow for FY2014-15 was recorded at USD 1,833.9 mn, registering a growth of 23.8%. FDI inflow from India into Bangladesh increased by 45.2% from the last year while FDI from China rose by 2.5%. FDI from China is mostly concentrated to the textiles industry. Bangladesh has great potential for FDI and investors are interested in the country's power, infrastructure, leather, pharmaceuticals and IT sectors.

### FDI inflow (USD mn)



Source: Bangladesh Bank

### Forecast for the Bangladesh economy, 2016

The GDP growth forecast for FY2016 is revised somewhat higher to 6.7% in the expectation that exports will grow with continued economic recovery in the US and the Euro area, strong expansion in remittances will boost consumption demand, investments will pick up under a stable business climate and spending will increase under the annual development program (ADP). Growth in agriculture is forecast to accelerate to 3.2% if normal weather prevails and prices remain favourable. Industry growth is also expected to strengthen modestly to 9.8% with better performance of ready made garments exports, manufacturing (for the domestic market) and construction. The government's supportive credit policies will help boost activity across small and medium-sized enterprises. Growth in services is projected to edge up to 6% as agriculture and industry expand. Bangladesh seeks to significantly raise investments to shift the economy into a higher growth trajectory. Government development plans indicate the need to raise investments from 29% of GDP in FY2015 to 34.4% by FY2020. Higher investment is required to address deficits in skills and infrastructure, especially

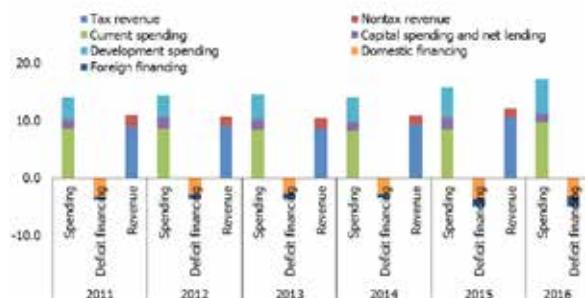
by enhancing electric power and energy supplies and efficiency and by improving urban infrastructure and services, transport connectivity and ports.

	2015		2016	
	ADO 2015	Update	ADO 2015	Update
GDP growth	6.1	6.5	6.4	6.7
Inflation	6.5	6.4	6.2	6.2
Current account balance (share of GDP)	-0.5	-0.8	0.5	-0.5

Source: ADB estimates

The FY2016 budget targets a 29.5% increase in tax revenues that would lift the tax-to-GDP ratio by 1.3 percentage points to 10.6%, bringing total revenues to 12.1% of GDP. As the implementation of the new value-added tax law has been forwarded by a year to 1 July 2016 and as tax relief has been broadly granted, it will be difficult to achieve the targeted growth in tax collections that substantially exceeds nominal GDP growth. Total budget expenditure, including current spending and the annual development program, is slated to grow by 23.1% to equal 17.2% of GDP, but achieving this large increase will also be challenging. While progress is expected towards fully implementing the budget, shortfalls will be likely on both sides of the ledger, as in the previous years.

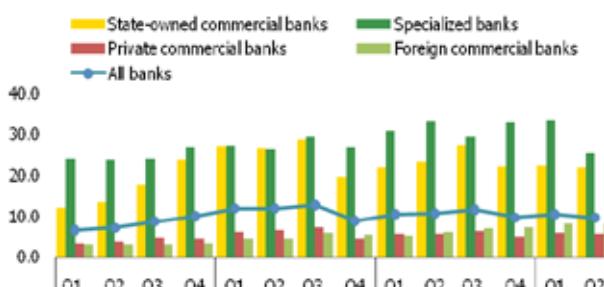
### Fiscal indicators



The central bank is strengthening its supervision of banking governance. The second quarter of 2015 figures for non-performing loans show some decline since the last quarter of 2014 from the very high gross ratios at specialized banks, but those at state-owned commercial banks, which hold 25% of the total banking assets, remained essentially unchanged at 22%. Ratios at private and foreign banks worsened by about 1 percentage point, apparently reflecting stress on profit margins in the garments industry. For all banks, the ratio was unchanged at 9.7%.

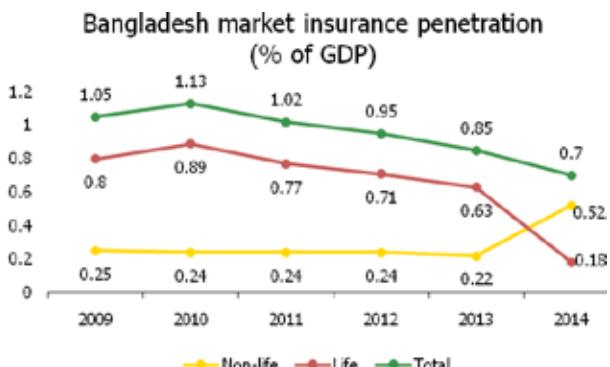
Several risks could derail projections. Political stability is essential to gain the confidence of investors and consumers alike, maintain macroeconomic stability and achieve higher economic growth. Revenue targets should be attained with matching expenditure adjustments to avoid inflationary pressure and ensure macroeconomic stability.

## Gross non-performing loan ratios



## Insurance industry of Bangladesh

The economy of Bangladesh has been rapidly shifting away from an agricultural dependence to the emergence of the services sector with the burgeoning of the latter. Insurance, as one of the critical ingredients of the financial services industry, can play a significant role if promoted properly. The Bangladesh insurance market is in an upward trend despite a low penetration rate. It has the embedded potential to grow and advance further as widely regarded by insurance experts both from home and abroad.



In spite of a stable growth rate (around 10%) of the Bangladeshi insurance industry over the last few years, the expansion of the insurance business, particularly the non-life sector, has experienced a downward trend on account of poor investments and slowdown of economic activities primarily led by the political unrest.

According to the statistics of Bangladesh Insurance Association (BIA), the total premium income of private sector life insurance companies rose from Tk. 62,429 mn in 2013 to Tk. 66,879 mn in 2014. The gross premium income of non-life private sector insurance companies increased from Tk. 21,038 mn in 2013 to Tk. 22,670 mn in 2014 with a growth rate of 7.76%. In Bangladesh, marine insurance is considered to be at the forefront of the non-life insurance business. Marine insurance, in turn, relies on imports, a sector that has continuously been disturbed by the political unrest at different times.

Metlife (ALICO) is the only foreign insurance operator in Bangladesh. ALICO earned record-breaking gross premium in the life insurance sector. In April 2015, the

regulator approved two other joint venture life insurance companies in Bangladesh. With the advent of two newly-established companies in 2015, the number of foreign insurers will reach three, intensifying competition.

Bangladesh's Bank and Financial Institution Division drafted the National Insurance Regulation 2014. The recommendation of the said regulation is expected to improve the insurance market of Bangladesh as it has defined both long-as well as short-term goals.

The provisional estimates for Bangladesh's GDP growth in the financial year 2015 (ended 30 June 2015) is higher than the 6.1% growth recorded in FY2014, as projected in the Asian Development Outlook, 2015.

Select economic indicators (%)	2015		2016	
	ADO 2015	Update	ADO 2015	Update
GDP growth	6.1	6.5	6.4	6.7
Inflation	6.5	6.4	6.2	6.2
Current account balance (share of GDP)	-0.5	-0.8	0.5	-0.5

Source: Asian Development Outlook 2015; Asian Development Outlook 2015 update

Despite political agitation early in 2015 that adversely affected the country's transport services, exports and private investments, growth in Bangladesh held up well because of brisk domestic demand, boosted by higher worker remittances, private sector wages and public investments.

Inflation moderated in FY2015 much as forecast in ADO 2015 from 7.4% a year earlier, reflecting large public stocks of food grains, normal weather, a supportive monetary policy and lower global food and commodity prices that a steady exchange rate allowed to be passed through. Export growth was 3.3% in FY2015, down significantly from 12.1% in FY2014. Garments, accounting for about 80% of the total exports, grew slowly by 4.1%, reflecting supply chains disruptions by political demonstrations in early 2015, soft demand from the European Union (EU) and the US and a marked decline in prices for cotton, a major input cost that can affect pricing. Imports rose by 11.2%, accelerating from 8.9% growth in FY2014. Larger imports of food grains, machinery, fertilizer and industrial raw materials helped propel the expansion. As exports grew more slowly than imports, the trade deficit widened markedly. Despite a strong recovery in remittances, the current account recorded a small deficit, slightly higher than the ADO 2015 forecast.

The GDP growth forecast for FY2016 is revised somewhat higher with the expectation that exports will grow with continued economic recovery in the US and

the Euro area, strong expansion in remittances will boost consumption demand, private and public investments will pick-up as the business climate improves under a stabilizing political situation and spending will increase under the annual development program (ADP).

The ADO 2015 update retains the ADO 2015 projection for average inflation in FY2016, which matches the central bank's monetary policy statement. Although higher public sector wages and upward adjustments to administered prices for natural gas and electricity from 1 September 2015 will exert inflationary pressures, the easing of supply constraints, a cautious (and even expansionary) monetary policy and a better crop outlook should keep inflation under check.

Export growth in FY2016 is projected to improve to 6% as economic growth in the Euro area and the US strengthens. Imports are projected to increase by 13%, mainly for capital goods, industrial raw materials and food grains. Despite the expansion in remittances, the larger trade deficit will likely mean a current account deficit (CAD) narrower than in FY2015 but failing to achieve the small surplus projected in ADO 2015.

Source: Excerpts from the Asian Development Outlook 2015 update.

## **(ii) Class-Wise Performance Premium**

It is our pleasure to report that in 2015, Green Delta Insurance experienced yet another record year of growth in premium earnings. Gross premium income increased 12.47%, compared with that of the previous year that registered a growth of 2.60% over its preceding year. In line with general practices, the underwriting business of Green Delta Insurance covers fire insurance, marine insurance, motor insurance and other miscellaneous insurance business.

### **Gross premium income**

Year	Gross premium (Tk. in mn)
2010	2,001.31
2011	2,351.47
2012	2,603.19
2013	2,613.45
2014	2,681.37
2015	3,015.63

### **Classes of business and charges**

In the year 2015, gross premium income in the fire business increased by 28% from Tk. 11,66.95mn in 2014 to Tk. 1,496.04 mn in 2015, marine business increased by 2% from Tk. 953.09 mn in 2014 to Tk. 969.51 mn in 2015, motor business increased by 7% from Tk. 176.56 mn in 2014 to Tk. 188.75 mn in 2015 and miscellaneous

business declined by 7% from Tk. 384.76 mn in 2014 to Tk.361.98 mn in 2015. The highlights of the classes of business is presented below:

Class of business	Gross premium (Tk. in mn)		
	Year-2015	Year-2014	Year-2013
Fire	1,496.04	1,166.95	1,286.10
Marine	969.51	953.09	711.49
Motor	188.75	176.56	168.15
Miscellaneous	361.98	384.76	445.23

Out of total premium earned, if the specific contribution by each class of business are looked into more closely, it is found that the major contribution is made by fire insurance, followed by motor and marine business whereas miscellaneous insurance witnessed a drop in earnings.

### **Segregation of net premium (Tk. in mn)**

Class of business	2015			2014			2013		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Fire	393.65	31	34	294.41	24	-47.88	564.9	42.9	42.4
Marine	620.61	49	-13	714.17	58	35.11	528.6	40.1	-13.2
Motor	143.71	11	35	106.62	9	-30.66	153.8	11.7	18.1
Misc.	96.5	8	-10	107.07	9	53.46	69.8	5.3	-9.1
Total	1,254.47	100	3	1,222.27	100	7.19	1,317.1	100	38.2

In the year 2015, the segregation of net premium in fire increased by 34% from Tk. 294.41 mn in 2014 to Tk. 393.65 mn in 2015, marine declined by 13% from Tk. 714.17mn in 2014 to Tk. 620.61 mn in 2015, motor insurance increased by 35% from Tk. 106.62 mn in 2014 to Tk. 143.71 mn in 2015 and miscellaneous insurance insurance moderated by 10% from Tk. 107.07 mn in 2014 to Tk. 96.50 mn in 2015.

### **Claim and loss ratio (Tk. in mn)**

Year	Net claim
2010	117.51
2011	122.43
2012	201.96
2013	372.60
2014	346.61
2015	301.49

In 2015, net claims dropped by 13%over 2014. Net claims stand at Tk. 301.49mn in 2015 while the same figure stood at Tk. 346.61 in 2014.

### Segregation of net claims (Tk. in mn)

Class of business (Tk. mn)	2015			2014			2013		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
Fire	147.26	49	-18	179.68	52	-13	206.7	56	-13
Marine	89.12	30	93	46.09	13	-52	96.8	26	62
Motor	46.22	15	41	32.71	9	-34	49.7	13	-16
Misc.	18.89	6	-79	88.13	25	352	19.5	5	14
Total	301.49	100	-13	346.61	100	-7	372.7	100	48

In the year 2015, the segregation of net claims in fire declined by 18% from Tk. 179.68 mn in 2014 to Tk. 147.26 mn in 2015, marine increased by 93% from Tk. 46.09 mn in 2014 to Tk. 89.12 mn in 2015, motor increased by 41% from Tk. 32.71 mn in 2014 to Tk. 46.22 mn in 2015 and miscellaneous insurance de-grew by 79% from Tk. 88.13 mn in 2014 to Tk. 18.89 mn in 2015.

### ROA of GDIC vs. industry

During the year 2014 and 2015, Green Delta Insurance made significant investments in the following that are expected to result in substantial returns and cost reduction in the near future:

- Investment in commercial space in Chittagong city
- Investment in commercial land in Dhaka
- Investment in subsidiaries

### Capital adequacy

The Company's paid-up capital touched Tk.806.91mn at the end of 2015. Shareholders' equity stands at Tk. 5,692.23mn as on 31December 2015.

### Shareholders' equity (Tk. in mn)

Year	Shareholders' equity
2009	2,139.76
2010	3,127.2
2011	2,510.33
2012	3,858.35
2013	4,422.41
2014	4,852.92
2015	5,692.23

### Solvency margin

During 2015, Green Delta Insurance's solvency margin remained above the required level. The Company's required solvency stood at Tk.364.94mn, whereas the Company's available solvency was Tk. 3,957.54 mn, which translates into the value of assets being more than the liabilities during that particular period. Therefore, the available solvency was almost 11 times the required solvency in 2015.

	2015	2014	2013	2012	2011
Available solvency (AS)	3,957.54	3,560.37	3,265.33	2,756	1,383.3
Required solvency (RS)	364.94	331.15	334.09	343.3	290.7
AS/RS (times)	10.84	10.75	9.77	8	4.8

### Re-insurance utilization

At present, the Company has a 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 the general insurance business. Usually, the high retention level signals inadequate reinsurance protection while low retention level hampers profitability.

Risk retention of the Company was high in fire and motor class of businesses in 2015, whereas marine and miscellaneous classes of business dropped from the previous year. In 2015, risk retention of the Company declined by 3.99% to 41.59% from 45.58% in 2015.

### Percentage of GDIC's risk retention ratio

%	2015	2014	2013	2012	2011
Fire	26.31	25.23	43.92	36.89	36.85
Marine	64.01	78.01	74.03	78.21	60.9
Motor	76.14	37.19	91.45	85.34	89.33
Miscellaneous	26.66	27.85	15.67	12.87	7.93
Total	41.59	45.58	50.39	46.58	36.86

### Reserve adequacy

Year	Reserve adequacy
2009	2,094.79
2010	2,695.33
2011	2,102.09
2012	3,173.84
2013	3,294.49
2014	3,684.88
2015	4,497.15

### (iii) Risk and Concern

By its very definition, insurance creates stability and by managing risks and covering losses prudently, we protect investments and facilitate economic growth. At Green Delta Insurance, we enable the risk-taking on which economic progress depends. We believe that

long-term relationships go beyond just good business and by knowing our clients, we know their risks and over time, this has translated into a larger relationship model and more expert underwriting. As Green Delta Insurance continues to invest in new ways to gain a better understanding of the dynamic and constantly changing risk environment, it remains at the forefront of risk and resilience, enhancing risk mitigation strategies for businesses, governments and the civil society as well as informing the public policy agenda at large.

#### **(iv) Discussion on Profit and Profitability**

##### **Profitability**

Revenue source of Green Delta Insurance comprised underwriting profits and investments and other income.

##### **Underwriting profit**

The quality of underwriting is a significant practice at Green Delta Insurance and this activity directly contributes to the quality of growth of the Company. The underwriting practice at the Company comprises thorough evaluation, prudent financial modeling and accurate risk pricing that protects the shareholders' interests in the company while also creating value at large. It is to be noted that while marine reported good underwriting profit growth year-on-year, higher claims dented underwriting profit during the year under report for fire and miscellaneous insurance while even becoming negative for motor insurance (from a positive growth witnessed over the past two years). However, we are undertaking all the necessary action across our business which will reinforce our ability to deliver quality underwriting profit growth across our various classes of business.

Class	Underwriting profit		
	2015 (%)	2014 (%)	2013 (%)
Fire	18.81	37.86	21.74
Marine	79.80	75.06	76.26
Motor	-0.55	11.91	6.71
Miscellaneous	1.94	-24.83	-4.67

##### **Underwriting performance/Quality (Tk. in mn)**

The loss ratio declined year-on-year in 2015 to 24.03% in 2015. The combined ratio is a measure of profitability used to indicate how well it is performing in its daily operations. The combined ratio is calculated by taking the sum of incurred losses and expenses and then dividing them by earned premium. The ratio is typically expressed as a percentage. In 2015, Green Delta Insurance reported a combined ratio of 121.3%, down from 123.32% during the previous year.

##### **Underwriting performance/quality (Tk. in mn)**

	2015	2014	2013	2012	2011	2010	2009
Loss ratio (%)	24.03	28.36	28.29	16.66	14.2	15.3	18.5
Fire	57.6	115.84	62.65	32.4	7.64	12.8	9.5
Marine	244.33	229.68	219.65	5.3	17.81	8.3	18.6
Motor	(1.69)	36.43	19.32	24.45	24.12	45.9	48.2

	2015	2014	2013	2012	2011	2010	2009
Misc.	5.93	-75.97	-13.46	12.16	17.29	11.8	25.2
Combined ratio (%)	121.3	123.32	102.82	92.29	118.5	119.2	104.6

The Company's investment philosophy comprises a two-pronged initiative: one, enhance returns out of the funds invested and two, maintain adequate liquidity in the system. In view of maintaining a relatively risk-free returns profile, Green Delta Insurance almost sustained its investments in fixed deposits, year-on-year in 2015. The Company recorded a significant growth in stock market investments, taking a long-range view of the economic turnaround of the country and towards realizing the full-value of a pick-up in investments that will eventually lead growth in corporate valuations. With a view to cater to specific requirements of its subsidiaries, the Company also enhanced investments in the same during the year under report.

##### **Investment profile:**

Component of investments (Tk. mn)	2015			2014			2013		
	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)	Amount	Total (%)	Growth (%)
NIB	25.00	0.59	0.00	25.00	0.71	-	25.00	0.76	124.00
Fixed deposits	1070.54	25.23	-3.15	1105.37	31.61	-0.07	1106.16	33.49	35.27
Quoted shares	2451.54	57.78	41.74	1729.61	49.46	16.40	1485.86	44.98	27.19
Unquoted shares	198.08	4.67	-4.08	206.50	5.91	-8.74	226.28	6.85	46.14
Debentures	0.00	0.00	0.00	-	-	-100.00	4.34	0.13	20.70
Investments in subsidiaries	362.46	8.54	2.10	354.99	10.15	1.43	349.98	10.60	49.00
Investment in GDSL as margin loan	135.00	3.18	80.00	75.00	2.14	-28.57	105.00	3.18	27.38
Others	0.52	0.01	0.00	0.52	0.01	-	0.52	0.02	-0.42
Total	4243.14	100.00	21.34	3496.99	100.00	5.87	3303.14	100.00	32.03

##### **Segregation of investment and other income:**

Green Delta Insurance reported healthy growth across all its investment and other income constituents with interest income comprising the largest chunk at 39%(Tk. 82.82 mn). Besides, dividend income also contributed a healthy 32% to the overall pie. Profit from sale of shares and other income comprised the rest of the investments and other income line.

##### **Segregation of investment and other income: (Tk. in mn)**

	2015		2014		2013	
	Amount	Total (%)	Amount	Total (%)	Amount	Total (%)
Interest income	82.82	39	124.34	56	130.81	64
Dividend	67.22	32	52.11	24	59.75	29

	2015		2014		2013	
	Amount	Total (%)	Amount	Total (%)	Amount	Total (%)
Profit from sale of shares	39.03	18	10.55	5	3.12	2
Other income	23.41	11	33.74	15	10.37	5
Total	212.48	100	220.74	100	204.06	100

#### (v) Extraordinary Gain or Loss

There is no extraordinary gain or loss that has been found in the year 2015.

#### (vi) Related Party Transaction

In the ordinary course of business, related party transactions do take 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 # 26.00.

#### (Vii) Utilization of Proceeds from Public Issues, Rights Issues and/or Through any other Instruments

#### Proceeds from Share Issuance to IFC

In 2013, the historic deal between Green Delta Insurance and International Finance Corporation (IFC) took place. IFC took an 8% equity stake in Green Delta Insurance. Shares were issued to IFC at book value of Tk. 107 and premium was received considering the six-month average of the high-low price. Proceeds received from IFC have been kept as fixed deposit in several banks.

#### (viii) IPO of the Company

Green Delta Insurance floated its ordinary shares initially in 1989 through its IPO. The net proceeds of the IPO were used for the Company's operational activities.

#### (ix) Variance Between Quarterly Financial Performance and Annual Financial Statements

The year 2015 has been a challenging year for the country's economy. The political insurgency was yet another issue that plagued economic growth, especially during the first quarter of the year. Not only did this have an impact on the Company's overall revenues but also gave rise to claims. However, due to it's financial solvency and other core strengths, Green Delta Insurance could successfully overcome the challenges faced during the year 2015. Accordingly, there were some variances in the financial results from quarter to quarter. But they are not very significant or material in nature. However, the detail figures are given in the segment "Governance, Risk and Treasury in page no 78.

#### (x) Remuneration of the Directors

The details of the Directors remuneration including that

of the Independent Directors has been disclosed in the segment at Financial statement in Profit and Loss Accounts, Page no 255.

#### (xi) The Financial Statements Prepared by the Management of the Issuer Company Present Fairly its State of Affairs, the Result of its Operations, Cash Flows and Changes in Equity

The Directors confirm that the financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and 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 that they 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 its 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 the utilization of material, labor and those items of overhead costs 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 the right picture of the state of affairs of the company.

The noteworthy new provisions in this Section (i.e. Sec. 181) are the one at subsection (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 comprehensive that provides in subsection (5)

that all books of accounts and vouchers of the last 12 years are to be well preserved.

#### **(xiii) Appropriate Accounting Policies**

The Board of Directors of the Company have to 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 confirm that the financial statements have been prepared in accordance with the 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 Insurance's business and management, including risk management and putting up internal controls. In exercising its risk management oversight responsibility, the Board regularly reviews the management's strategy and the business plans for the Company's underwriting businesses, investment portfolio as well as its 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 report on audit and inspections. At Green Delta Insurance, we recognize the importance of a risk management culture where the efficient and effective assessment of risk is a formal part of all decision-making and strategic planning.

#### **(xvi) Going Concern**

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

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

In considering these items, the management has made

significant judgments and estimates with respect to the potentially-adverse financial and liquidity effects of the Company's risks and uncertainties. The Board also assessed other items and risks arising in the Company's businesses and made reasonable judgments and estimates with respect thereto. After careful consideration, the management believes that it will have adequate liquidity to finance and operate the businesses and continue as a going concern for at least the next 12 months. It is quite possible that the actual outcome of one or more of the management's plans could be materially different or that one or more of the 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 year's Operating Results**

Green Delta Insurance has a long outstanding reputation of being a financially-solvent enterprise. This has been possible due to the maintenance of the highest standards of corporate governance within the industry, prudent accounting policies and cautious underwriting procedures. Hence, the operating results of the Company do not vary significantly from year to year. The details of the last five years' operating results have been disclosed in the segment of Financial Performance **4.1**, Financial Highlights for your ready reference.

#### **(Xviii) Key Operating and Financial Data of the Preceding five years**

Green Delta Insurance has been able to report sustainable financial growth since inception. Over a period of time, key financial performance indicators have been live examples of this testament. All the related key financial data/parameters have been disclosed in the segment of Financial Performance **4.1**, Financial Highlights.

#### **(xix) Dividend**

At Green Delta Insurance, we believe in our long-term goal to maximize shareholder returns on their investments. 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, the Board of Directors has recommended 25% dividend as cash to shareholders of the Company for the year ended 2015.

#### **(xx) Board Meetings**

The Board of Directors of Green Delta Insurance have been one of the most important drivers of the Company. The Company is run by a capable management team 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 Upholding transparency statutory reporting in section 7.2.

#### **(xxi) Shareholding Pattern**

Details have been provided in the segment Upholding transparency statutory reporting in section 7.2.

### **Subsidiary Operations**

Green Delta Insurance has four (4) wholly-owned subsidiaries – Green Delta Securities Limited, Green Delta Capital Limited, Professional Advancement Bangladesh Limited and GD Assist Limited. Details of their business operations have been given in the later segment of this Annual Report.

### **Employee practice**

Green Delta Insurance is committed to providing equal opportunities to all employees, irrespective of their gender, race, nationality, ethnic origin and religion. The Company is an inclusive employer and values diversity. 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 are staff members to stay with the organization
- Their willingness to put in extra effort to achieve business success

As we introduce new and improved ways of conducting business, we continue to provide the necessary support to our staff in order to manage change effectively. We credit the strength of our people to our organization's success, their understanding of our strategy and goals, as well as their satisfaction with the work they do. 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 has upgraded its IT systems successfully for further strengthening and securing the automation of services. The Company 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 dynamic needs of the Company. The IT division has implemented Local Area Network (LAN) in the head office

and branch offices. Information and communication technology (ICT) has become indispensable for insurance companies in ensuring smooth operations and providing efficient services. The Company has recognized this fact and the Board of Directors have adopted a comprehensive ICT policy for the company.

### **Credit rating**

Green Delta Insurance has been awarded for the second consecutive year, AAA (pronounced Triple A) rating in the long-term and ST-1 in the short-term by the Credit Rating Agency of Bangladesh Limited- the first ever instance in the history of the country's insurance industry.

### **Corporate social responsibility**

The Board and the management are well aware of their corporate responsibilities to the society. Green Delta has initiated various projects and programs. As a part of our corporate social responsibility, the Company has been sponsoring various sports activities, besides patronizing cultural activities in the country since its inception. The Company is the proud sponsor of the first and second division hockey league since 1987. From time to time, the Company has been sponsoring the national premier cricket league and the numerous seminars and conferences organized by the Institute of Chartered Accountants of Bangladesh, Institute of Cost and Management Accountants of Bangladesh and 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 professionals, Green Delta Insurance is committed in adopting the highest governance standards and adjusting them as required in protecting the interests of shareholders and policyholders. For the first time we have covered a detailed review of corporate governance practices of Green Delta Insurance later in this report.

#### **(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 be eligible for reelection and reelected under the age 'Election of Directors' in place of those who shall

retire by rotation in accordance with the provisions of the Association of the Company.

In view of the above and pursuant to the regulation #80 of the Companies Act, 1994, considering the longest tenure at the Board of Green Delta Insurance, the following names have been proposed who shall retire from the Board of Directors at the 29<sup>th</sup> Annual General Meeting and, being eligible, offer themselves for re-election:

Sl. no.	Sponsor Directors	Sl. no.	Public Directors
01	Khurshida Chowdhury	01	Marufa Anwar
02	Shamsun Nahar Begum Chowdhury		
03	Mesbah Dilwar Rahman		

Also, in accordance with the Articles of Association of the Company, 1/3rd of the Independent Directors shall retire from office and are eligible to offer themselves 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 7 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 appointed Nurul Husain Khan as the Company's Independent Director. Now at the 30<sup>th</sup>Annual General Meeting under the agenda 'Election of Director', our following Independent Directors shall also retire and are eligible to offer themselves for re-election:

1. Nurul Husain Khan - Independent Director

A brief resume of each of the Directors seeking re-election is annexed with this report.

## Auditors

M/S S. F. Ahmed was selected as the external auditor for the year ended 31 March 2015. Since they have completed three years of tenor, as per the regulations, the external auditor will be changed. Green Delta Insurance received letters of Interest (POI) from several audit firms. The Board of Directors, considering the overall position, have recommended M/S A. Quasem & Co. as the external auditor for the Company for the year 2016 with their remuneration at Tk.3 lac only + applicable VAT. Hence, the recommendation is to be placed in the 30<sup>th</sup> Annual General Meeting for approval.

## Acknowledgments

We take this opportunity, on behalf of the Board of Directors, to express our heartfelt gratitude to all of our valued clients, shareholders and well-wishers in Bangladesh and aboard for their whole-hearted 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 and 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 like to put on record our 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 the contribution made by the honorable Directors by guiding and giving proper directions from time to time, which has made Green Delta Insurance as a reputed institution in the general insurance industry of Bangladesh.

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

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

Thank you.

On behalf of the Board



**Abdul Hafiz Choudhury**

Independent Director and Chairman

## 7.2

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

## ANNEXURE-I

The Directors also report that:

- Related party Transaction are depicted in Page no. 284 in the Notes of Account
- Remuneration of Directors including Independent Director have been show in Page no. 255 in the Notes of Account.
- The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity
- Proper books of accounts as required by the prevailing law have been maintained
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent
- The financial statements was prepared in accordance with IAS/BAS/IFRS/BFRS
- The internal control system is sound in design and is effectively implemented and monitored
- There is no significant doubt about the company's ability to continue as a going concern
- There is no significant deviation from the operating result of the last year
- Key operating and financial data of last five years have been presented in summarized form in page no. 87
- 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, 2015 were as stated in ANNEXURE-II

Directors Meeting and Attendance

SN	Name of the Directors	Total Meeting	Meeting Attendance
13.	Abdul Hafiz Choudhury	11	9
09.	Kamran Idris Chowdhury	11	4
01.	Abul Quasem Mohammad Nurul Absar	11	11
02.	Dilruba Chowdhury	11	11
03.	Khurshida Chowdhury	11	11
04.	Shamsun Nahar Begum Chowdhury	11	10
05.	Asif Ahmed Choudhury	11	11
06.	Meshbah Delwar Rahman	11	8
07.	Iqbal Khan (Jamal)	11	10
08.	Arif Ahmed Choudhury	11	11
10.	Razia Rahman	11	2
11.	Marufa Anwar	11	4
12.	Dr. Niaz Ahmed Chowdhury	11	7
14.	NurulHussain Khan	11	11
15.	Md. Abdul Karim	11	10

Summary on Board Meeting along with its subcommittees:

Name of the Meeting	Meeting Held	Attended
Board Meeting	11 (Eleven)	81.62%
Audit Committee Meeting	05 (Five)	Presence on average

## ANNEXURE-II

**Shareholding Pattern as on 31 December 2015**

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
A.	<b>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	Abdul Hafiz Choudhury	Independent Director and Chairman	154,493		0.19
2	Kamran Idris Chowdhury	Vice Chairman	400,382		0.50
3	A.Q.M. Nurul Absar	Director	1,633,210		2.02
4	Dilruba Chowdhury	Director	1,659,322		2.06
5	Khurshida Chowdhury	Director	4,253,306		5.27
6	Asif A. Choudhury	Director	1,633,185		2.02
7	Shamsun Nahar Begum Choudhury	Director	1,633,319		2.02
8	Mesbah Dilwar Rahman	Director	1,633,245		2.02
9	Iqbal Khan (Jamal)	Director	1,633,319		2.02
10	Arif A. Choudhury	Director	1,633,186		2.02
11	Razia Rahman	Director	48,186		0.06
12	Marufa Anwar	Director	3,016		0.00
13	Dr. Niaz A. Chowdhury	Director	290		0.00
14	Nurul Husain Khan	Independent Director	-		
15	Md. Abdul Karim	Independent Director	-		
<b>B. (ii) CFO, Company Secretary &amp; Head of Internal Audit and their spouses and minor children (name wise details)</b>					
1	Syed Moinuddin Ahmed	Company Secretary			
2	Nazim Tazik Chowdhury	Chief Financial Officer	44,030		0.06
3	Kabir Ahmed Chouwdhury	Head of Internal Audit			
<b>C. Executives [Top 5 salaried employees]</b>					
1	Nasir A. Choudhury	Advisor	3,145,382		3.90
2	Farzana Chowdhury ACII (UK)	Managing Director	4,034,560		5.00
3	A S A Muiz	Consultant	30,643		0.04
4	Golam Mustofa	Sr. Additional Managing Director	-		-
5	Syed Moinuddin Ahmed	Company Secretary	-		-
<b>D. Shareholders holding ten percent (10%) or more voting interest in the company</b>					
1	-	-	-		-

## **ANNEXURE-III**

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

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

##### **Shamsun Nahar Begum Chowdhury**

By virtue of her exposure to several national and global seminars and symposiums, Mrs. Begum Chowdhury brings to the Board cutting-edge international practices that has not only resulted in the establishment of several innovative customer-centric products but has also helped reinforce company systems and protocols. An avid traveler, Mrs. Begum Chowdhury is also involved with multiple social and welfare organizations across Bangladesh.

##### **Khurshida Chowdhury**

Before joining the Board of Directors of GDIC, Mrs. Khurshida Chowdhury played important roles as the Director of Union Capital Ltd and NASCOM (PVT) Ltd. With a rich and diverse corporate experience, she brings forth valuable insights to GDIC which has helped enhance the quality of the business. Mrs. Chowdhury has also played a vital role in initiating various social activities and has contributed to enhancing the life quality of several of her countrymen.

##### **Mesbah Dilwar Rahman**

Mr. Mesbah Dilwar Rahman completed his BSc (Hons) from the reputed Goldsmiths College, University of London, and serves as the Marketing Director at ELSATEX Ltd, a firm that is engaged in textile import and onward supply to Europe. Mr. Rahman possesses deep knowledge in international trade and cross-border transactions and hence brings an international exposure to GDIC's Board.

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

##### **Marufa Anwar**

Mrs. Marufa Anwar completed her BA in 1994 and MA (Preliminary) subsequently in 1995. Mrs. Anwar's focus on simplicity and creativity in solving some of the challenges facing our country has helped developed several unique and beneficial product models. Well-known in the social circuit, she is an important member of many social and welfare organizations across the country.

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

##### **Nurul Husain Khan**

Independent Director

Started the working 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, home and abroad, 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 Sapporo Dental College and General Hospital in 2002 and continuing till date. He is one of the founder Members of North South University, where he also acted as its first Treasurer. He also acted as Independent Director of M/s. Union Capital Ltd. from 2009 to 2014. He is currently an Independent Director of Green Delta Insurance Company Limited since December 2012.

## ANNEXURE-IV

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

### **1. Board of Directors:**

#### **1.1 Board's Size**

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

#### **1.2 Independent Director's:**

- (i) In terms of the Provision under this sub-clause the Board of Directors has nominated Mr. Abdul Hafiz Chowdhury ,Nurul Husain Khan Md. Abdul Karim as the Independent Director.
- (ii) The Independent Director, nominated by the Board of Directors meets all the requirement as prescribed under the BSEC Notification.
- (iii) In terms of provision of BSEC 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 Director nominated by the Board is highly qualified and knowledgeable person.
- (ii) The recommended ID has more than 15 year's experiences
- (iii) No relaxation of qualification of the ID is required

#### **1.4 Chairman of the Board and Chief Executive Officer**

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

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

All the requirement have been fulfilled.

### **2. Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS).**

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

### **3. Audit Committee:**

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

### **4. External/Statutory Auditors:**

The BSEC guidelines are being strictly followed in engaging statutory Auditors

### **5. Subsidiary Company:**

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

### **6. Duties of Chief Executive Officer (CEO) and Chief Financial officer (CFO):**

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

### **7. Reporting and Compliance of Corporate Governance:**

Requirement on the above are being complied with.

## 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 members:

SN	Name	Status
01	Mr. Nurul Husain Khan	Chairman
02	Mr. Abdul Hafiz Choudhury	Member
03	Mr. Arif A. Choudhury	Member
04	Mr. Iqbql Khan (Jamal)	Member
05	Mr. Mesbah Dilwar Rahman	Member
06	Mr. Razia Rahman	Member
07	Mr. Marufa Anwar	Member
08	Ms. Farzana Choudhury	Member as Ex-Officio
09	Mr. Syed Moinuddin Ahmed	Secretary

The Committee held five (05) meetings during the year 2015 as per following.

Name of the Meeting	Meeting Held	Date of the Meeting	Attended
Audit Committee Meeting	05 (Five)	17-02-2015	84.44% attendance on average
		26-04-2015	
		14-05-2015	
		29-07-2015	
		20-10-2015	

Invitees to the meetings were Additional 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. Additional 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 detail and main features 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 2015;
- 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 Auditor 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 namely Green Delta Securities Limited, Green Delta Capital Limited, Professional Advancement Bangladesh Limited, GD Assist Limited.

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, to the best of its ability. 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.

**Nurul Husain Khan**  
Chairman, Audit Committee

## ANNEXURE-VI

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

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status ("✓" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>1</b>	<b>BOARD OF DIRECTORS:</b>			
<b>1.1</b>	<b>Board's Size [number of Board members to be 5 – 20]</b>	✓		
1.2	Independent Directors			
1.2 (i)	Number of Independent Directors [at least 1/5]	✓		
1.2 (ii)	Independent Director (ID) means a director:			
1.2 (ii) (a)	Holding no share or holding less than 1% shares	✓		
1.2 (ii) (b)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares	✓		
1.2 (ii) (c)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies	✓		
1.2 (ii) (d)	Not being member/director/officer of any stock exchange	✓		
1.2 (ii) (e)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	✓		
1.2 (ii) (f)	Not being partner/executive at present or during the preceding 3 years of the company's statutory audit firm	✓		
1.2 (ii) (g)	Not being an ID in more than 3 listed companies	✓		
1.2 (ii) (h)	Not convicted as defaulter in any loan of a bank or 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	✓		
<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	✓		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
1.5 (xxi)	Pattern of shareholding (along with name wise details) by-			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
1.5 (xxii)	In case of the appointment/re-appointment of a director			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5(xxii) (c)	<b>Names of companies in which he/she holds directorship and the membership of committees of the board</b>	√		
<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	√		
<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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
3.1	Constitution of the Audit Committee			
3.1 (i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Audit Committee members to be appointed by BOD and at least one Independent Director to be included	√		
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month	√		
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman to be an ID, selected by the BOD	√		
3.2 (ii)	Chairman of Audit Committee to remain present in AGM	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements	√		
3.3 (vi)	Review the quarterly and half yearly financial statements	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Letters issued by statutory auditors	√		
3.3 (x)	Review disclosures/statements/declarations about uses of funds raised through IPO/RPO/Rights Issue	√		
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	Reporting on the activities of Audit Committee	√		
3.4.1 (ii) (a)	Reporting on conflicts of interests			N/A
3.4.1 (ii) (b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system			N/A
3.4.1 (ii) (c)	Reporting on suspected infringement of laws			N/A
3.4.1 (ii) (d)	Reporting on any other matter to disclose immediately			N/A
<b>3.4.2</b>	<b>Reporting to BSEC</b>			<b>N/A</b>
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	√		

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
4.00 (iv)	Non-engagement in Broker-Dealer services	√		
4.00 (v)	Non-engagement in Actuarial services	√		
4.00 (vi)	Non-engagement in Internal Audit services	√		
4.00 (vii)	Non-engagement in services determined by Audit Com.	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
4.00 (ix)	Non-engagement in Audit/Certification Services on Compliance of Corporate Governance as required under clause (i) of condition No. 7	√		
<b>5</b>	<b>SUBSIDIARY COMPANY</b>			
5 (i)	Composition of BOD to be similar to holding company	√		
5 (ii)	One ID to be in both holding and subsidiary company	√		
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	√		
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	√		
5 (v)	Audit Committee of holding company to review financial statements/ investments of subsidiary company	√		
<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	√		

**7.3**

## **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

Phone # +880 2 9558796, +88 01726533655

E-mail : sarashid12000@yahoo.com

### **SARashid & Associates**

**(Chartered Secretaries)**

Noakhali Tower (12th Floor, 13-D)

55/B Purana Paltan, Dhaka-1000, Bangladesh

E-mail : sarashidnasso@gmail.com

#### **Certificate on Compliance of Corporate Governance Guidelines**

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

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by **Green Delta Insurance Company Limited** ("the Company") for the year ended 31 December 2015. Such Compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission (BSEC).

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

According to the information and explanations provided to me by the Company, I hereby certify that all the conditions of the Corporate Governance Guidelines have been complied with by the Company.

S. Abdur Rashid FCS



Dhaka, 07 March 2016

## 7.4

# REPORT ON CREDIT RATING

Green Delta Insurance Company Ltd. has achieved 'AAA' ratings for the 2nd consecutive year in Insurance (life & Non life) industry in Bangladesh.

## Credit Rating Agency of Bangladesh Limited

Ref: AGL (01)/RCM/15D932/2015- 6427

16 September 2015

Ms. Farzana Chowdhury  
Managing Director & CEO  
Green Delta Insurance Company Limited  
Green Delta AIMS Tower (9<sup>th</sup> Floor)  
51-52, Mohakhali C/A  
Dhaka-1216

Subject: Credit Rating - Green Delta Insurance Company Limited

Dear Madam,

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- I
Outlook	Stable

The entity rating is valid up to 30 June 2016. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

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

Yours Sincerely,



Hamidul Haq  
Managing Director

7.5

## REPORT ON BAPLC

As per SEC Notification # SEC/CMRRC/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 এসোসিয়েশন অব পাবলিকলি লিষ্টেড কম্পানীজ

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Block # 8, Road # 1, House # 17 (8<sup>th</sup> Floor), Unit-A, Niketon Eastern Housing Complex, Gulshan-1, Dhaka-1212

Phone : 9824926 Fax : 9887245, E-mail : baplc@chaka.net

Ref: CM-BAPLC/2015-098

9<sup>th</sup> March, 2015

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 2015.

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

K. M. Abdul Hai

Secretary-General



## **7.6**

# **REPORT ON INFORMATION TECHNOLOGY**

### **MIS Department**

The Management Information System (MIS) department serves as an internal reporting unit of the organization. The mission of the MIS department is to provide information technology resources that support and enhance the mission and activities of Green Delta Insurance Company Limited (GDIC). MIS enables consistent and reliable flow of information about all the programmes of GDIC. The department is responsible to report in quantitative as well as qualitative terms and has an extensive database of the existing organizational activities. Our MIS department is also providing the daily/weekly/monthly/half-yearly/yearly MIS report on business collections, confirm credited business, business recovery, previous year's recovery, individual business, Branch Business Analysis, Different Comparison and other analytical report, renewal notice, new business, campaign report, provisional credit business report, top client report, top producer and introducer business report and producer wise business report. Not only does the MIS department prepare the reports but they also maintain the services to ensure the continuous flow of information throughout the organization. An analytical reporting tool (MIS) has implemented through IT department for the betterment of the company. It helps to increase organizational participation as well as bottom line performance.

### **IT Department**

Green Delta's information technology (IT) department is responsible for the architecture, hardware, software and networking of computers in the company. IT Professionals working in this department to perform a number of duties to ensure that employee have full access to the computer systems.

IT department is also responsible for all computers that are on the GDIC Network. At present time the number of PCs that are supported by IT department is around 350 and is growing every day. IT department also maintain VPN connectivity with 26(Twenty Six) branches and ensure e-attendance of all the employees of head office. Among these branches twelve branches have redundant connectivity. We also implemented HR software and IP Phone. It is also noted that all branches are now using Insurance Management System.

### **Programming**

The IT department is responsible for creating new programs for GDIC. Programmers who work for GDIC creates programs that are specific to the needs of the

organization. Our IT team has developed Core insurance software for the purpose of storing all the information regarding insurance in our own server for internal and external use.

### **Company Website**

Our IT department is also maintaining the company's website. The web master and other professionals in the IT department design the layout of the site, write programming code and test the site for its usability. GDIC company website is an informational site providing information for the interest of the clients. GDIC's IT team also maintain and regular update of its Face book and Linkedin pages.

### **Technical Support**

IT department of GDIC provides support to computer users in the company. It include installing new software, repairing hardware problems, installing new hardware, troubleshooting problems, upgrading software and training employees how to use new software programs and provide support for internet and e-mail related issues for official correspondence. GDIC have IT help desk in the company to assist employees with computer related issues and ensure access to online branches.

Green Delta is using the updated version of ACCPAC accounting software for the purpose of recording day to day transaction and reporting all kind of financial statements. IT department also implemented Fixed Asset and Inventory to track all assets and proper utilization of assets. To deal with share related issues a Share Management Software is being used by the company. GDIC has implemented latest Fixed Assets and Inventory module to maintain the related items more accurately and smartly. To provide all types reports as and when required to the management Green Delta has implemented Analytical Reporting Tool (MIS) Software.

**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 includes Underwriting/ Claims/ Reinsurance /MIS / Account /Audit /CRM module/ retail sales solution. Also have a plan to implement paperless office

Have a plan for implementing ERP and ISO 27001 Security System.

## Administration

Our IT department is responsible for installing and setting up the computer network in any departments or branches within GDIC. The IT professionals of GDIC ensure that the network is operating properly and that all employees have the ability to communicate through the internet and company's intranet. Our professionals troubleshoot and repair the system in the event of a problem.

### **Some of the functions can be listed as below:**

- 1) Data Processing – IT includes collection, transmission, storage, processing and output of data. It simplifies the statistics and reduces to the lowest cost by supplying a unified format.
- 2) Function of Prediction – IT predicts future situation by applying modern mathematics, statistics and simulation.

3) Functions of Plan – It arranges reasonably the plans of each functional department in accordance with restrictions afforded by enterprises and provides the appropriate planning reports according to different management.

- 4) Functions of control – It monitors and inspect operation of plans and comprises with the differences between operation and plan in accordance with data afforded by every functional department and be assistant to managers to control timely each method by analyzing the reasons why the differences come into being.
- 5) Functions of assistance – IT derives instantly the best answer of related problems by applying to various of mathematical mode and analyzing a plentiful data stored in computers in the hope of using rationally human resource, financial resource, material and information resource for relative abundant economic benefits.

## 7.7

# 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, 2015.

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.

## 7.8

# REPORT ON AWARDS AND RECOGNITIONS OF GDIC

## GREEN DELTA INSURANCE RECEIVES AAA RATING FOR THE CONSECUTIVE 2<sup>ND</sup> YEAR



For the consecutive 2nd year, Green Delta Insurance Company Limited has achieved AAA rating from Credit Rating Agency of Bangladesh (CRAB). Green Delta Insurance is the only non life Insurance Company in Bangladesh to have received the prestige of AAA rating.

At the Credit Rating handover ceremony Managing Director and CEO of Green Delta Insurance Farzana Chowdhury received the rating documents from the Managing Director of CRAB Hamidul Huq in presence of the Founding Managing Director and Advisor Mr. Nasir A Choudhury. Other senior officials from the respective organisations were also present.

This marks a significant achievement not only for Green Delta but also for the whole Insurance industry of Bangladesh.

## GREEN DELTA INSURANCE AWARDED 1ST PRIZE IN THE 15TH ICAB NATIONAL AWARD IN THE INSURANCE CATEGORY

Green Delta Insurance Company Limited, the first AAA rated Insurance Company of Bangladesh has recently won the prestigious ICAB National Award for Best Presented Annual Report in Insurance Category. This year Green Delta won the first prize for the 2nd consecutive year.

The 15<sup>th</sup> ICAB National Award giving ceremony was held at the capital recently. Honorable Finance Minister of People's Republic of Bangladesh Mr. A M A Muhib, MP was present at the ceremony. Many top tier executives



from Banks, Insurance Companies, NGOs and other financial institutes and corporate bodies attended the ceremony as well. Mr. Nazim Tazik Chowdhury, Additional Managing Director and CFO of Green Delta Insurance Company Limited along with Mr. T H Forhad, Deputy Managing Director received the award on behalf of the company from Finance Minister Mr. A M A Muhib, MP.

## GREEN DELTA RECEIVES FIRST PRIZE IN ICSB CORPORATE EXCELLENCE AWARD IN INSURANCE CATEGORY



Green Delta Insurance received the Gold Award in the Insurance Category at the ICSB Corporate Excellence Award. The institute of Chartered Secretaries of Bangladesh has awarded 28 entities at this prestigious award ceremony held at Pan Pacific Sonargaon Dhaka. Honorable Finance Minister of People's Republic of Bangladesh, Mr. Abul Maal Abdul Muhith was the Chief Guest of the Ceremony and handed over the crest to the winners. Managing Director & CEO of Green Delta Insurance Ms. Farzana Chowdhury received the crest from the chief guest.

Green Delta Insurance is first and only insurance company from Bangladesh to receive AAA credit rating for consecutive 2 years in non-life insurance sector. Green Delta Insurance has always been practicing strong corporate governance in their organization through their regular activities.

### GREEN DELTA RECEIVES IFM AWARD FOR THE BEST NON-LIFE INSURANCE COMPANY, BANGLADESH



Green Delta Insurance, the leading and first AAA rated Insurance Company of Bangladesh recently won the International Finance Magazine Award for the Best Non-Life Insurance Company, Bangladesh. This is the consecutive second time Green Delta brought home this prestigious award. 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 analyzing their excellent track record.

Green Delta is the first non life insurance company from Bangladesh to receive this award. The award ceremony took place in London on 27th of November, 2015. Managing Director & CEO of Green Delta Insurance Ms. Farzana Chowdhury, Advisor Mr. Nasir A. Choudhury and Deputy Managing Director Mr. Wafi S M Khan received the award on behalf of the company.

### INTERNATIONAL ARC AWARD

Green Delta Insurances receives International ARC Awards for Best Presented Annual Report in Insurance Category. This prestige has marked Green Delta as the first Insurance Company from Bangladesh to receive this award. As the first AAA credit rated Insurance Company from Bangladesh Green Delta's achievement of International ARC Award has added further credibility in their claim to be the leading non life insurer of the country.



### GREEN DELTA INSURANCE AWARDED BEST NON LIFE INSURANCE COMPANY, BANGLADESH IN WORLD FINANCE AWARDS 2015



Green Delta Insurance Company Limited, the leading and only AAA rated Insurance Company of Bangladesh has recently won the World Finance Award 2015 For The Best Non Life Insurance Company, Bangladesh.

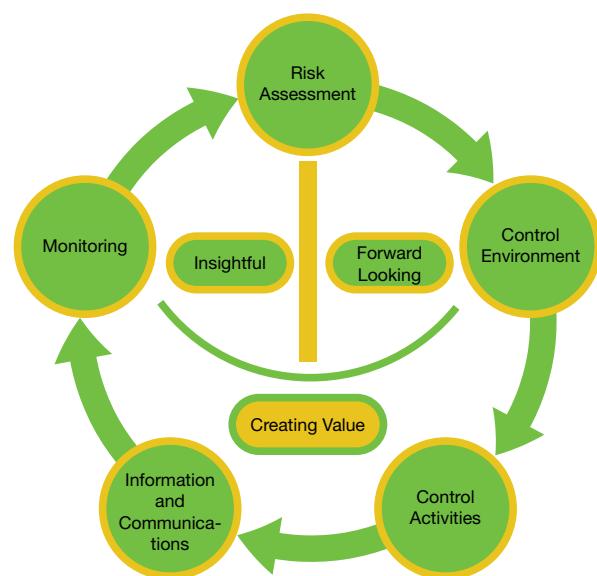
Managing Director and CEO Farzana Chowdhury and Advisor Nasir A. Choudhury received the award on behalf of Green Delta Insurance from World Finance at London Stock Exchange.

Green Delta has completed almost 3 decades in the Insurance Sector of Bangladesh and has played a vital role in uplifting the image of the insurance sector in Bangladesh.

## 7.9

# REPORT ON INTERNAL AUDIT

Internal audit is structured to enable the maintenance of independence and objectivity. In an uncertain and challenging economy, internal audit function plays a key role in assessing and reporting on an organization's risk management, internal controls and management information systems. Organizations are seeking an approach to internal audit that goes beyond reviewing past activities. Instead, they want internal audits that are insightful, forward looking, and go beyond preserving value to creating value in all aspects of operational, management and functional activities through an open mind approach.



## Role of Internal Audit

Internal Audit supposed to manage risk (risk defined) in the organization through risk identification, risk evaluation, control and develop response to the risk. The internal audit activity should evaluate the adequacy and effectiveness of controls encompassing the organization's governance, operations, and information systems. This should include:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Safeguarding of assets
- Compliance with laws, regulations, and contracts

## Internal Audit at Green Delta

At Green Delta Internal audit is a catalyst for improvement which plays a pivotal role in ensuring that efficient controls are operating in all the activities. The assessment of the risks by the internal auditors provides refinement to the process of control systems. The reinforcement of controls upon the recommendation of the internal auditors helps Green Delta in improving the effectiveness of risk management, control system and governance process.

Internal audit of the company works independently by determining its own priorities, in consultation with the management and yearly audit plan. Accordingly the head of internal audit has direct access to, and freedom to report to all senior management including the chief executive, board of directors and, where one exists, the audit committee

## Scope of Internal Audit

Internal Audit of Green Delta objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic and effective use of resources. The scope includes:

- Audit of the highest risk areas.
- Understanding laws and regulations.
- Evaluating the adequacy of the system of Internal Control.
- Re-educating staff on regulations and issues identified in the audit.
- Recommendation of improvements in control and assist management in decision making.
- Assessing and monitoring the compliance with the applicable laws, regulations and policies.
- Backbone of a sound corporate governance system.

## At a Glance Year 2015

Internal Audit Team conducts audit in accordance with the auditing standards and regulation, guideline policies of Insurance Development & Regulatory Authority (IDRA), Bangladesh; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and complying with the set rules and policies.

A new Initiative aimed at further development of our audit work has been introduced this year. Internal audit Team has selected One (01) Branch Compliance Officer (BCO) from each branch who will be reporting on compliance issues of the respective branch. In this year we introduced it for our 15 branches and trained accordingly. This program is going to make our audit work more precise and authentic and take Green Delta towards a new dimension of improvement.

For the Year 2015 Internal Audit Team has executed inclusive audit of 26 (Twenty Six) branches and reports with recommendations have been submitted to the top management and audit committee for their consideration.

Moreover, according to the annual audit plan the internal audit team audited head office based departments and subsidiaries as per following:

- Finance & Accounts Department
- Human Resource Department
- Administration Department
- Underwriting Management Department
- 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
- Special audit on FDR position
- Compliance audit of refund premium
- Compliance audit of Use of Pool Cars, Requisitions and Practice
- Special Audit on Insurance Stamp
- IDRA's compliance & regulation policies

Besides, the audit team performs the following duties on a regular basis;

- Checking and verification of all payment vouchers.
- Checking and verification of all post payment vouchers.
- Petty cash audit (Monthly).
- Checking premium reconciliation statement (monthly).
- Checking insurance stamp after each purchase.

## 7.10

# OUR CORPORATE SOCIAL RESPONSIBILITIES (CSR)

## Green Delta's Strategic CSR initiative towards Human Rights and Road Safety issues

Green Delta Insurance Company Limited has been practicing CSR effectively since the inception of the company. Over the years the organization has put more focus on strategic CSR and has been following the 10 principles set by United Nations Global Compact strictly and consistently. This year Green Delta launched few innovative CSR projects aligning with human rights principles as well as some philanthropic issues.

Dhaka city is the capital of Bangladesh with an estimated population of 15.5 million. One of the major issues the city dwellers face almost every day is the jam ridden streets of the city which cost them appallingly. Many a times it's the unplanned roads and density of the population but most of the times it's the uneducated drivers and the lack of awareness of the mass. Rickshaw is the most popular vehicle of the city but it is also one of the major reasons for clogging up of the streets. The rickshaw pullers are rarely educated and most of the times don't care about following the traffic rules so they create unnecessary nuisance in the streets. The passengers they carry often don't complain when the rickshaw pullers break the rules and take the wrong route to reach a destination quickly as they are also in a hurry. But just to save 5-10 minutes general people are encouraging the rickshaw pullers in a way to break the rules. The road accidents are on the rise. The lack of awareness is contributing to the terrible traffic jam greatly.



We came up with an idea to address this issue through a strategic CSR campaign. We designed and manufactured 2500 green t-shirts for 2500 rickshaw pullers from major areas of Dhaka city. All the t-shirts had Bangla messages written at the back. The messages were prepared to build awareness regarding traffic jam and gave instructions to general people to follow the rules. Also the t-shirts had messages regarding one of Green Delta Insurance's scheme- People's Personal Accident Policy.

If we translate the messages into English, some of them were as follows:

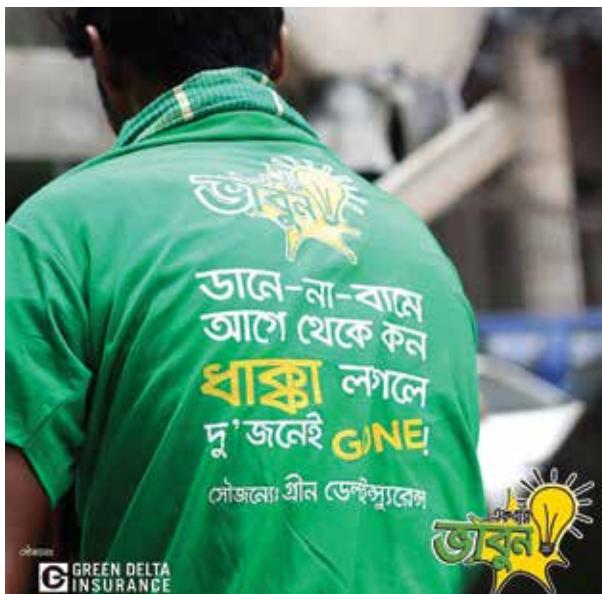
- Sir, please warn me if I pick the wrong lane
- Not more than 2 passengers please
- Considering the risks you take every day while commuting, do you have accidental insurance?
- Please don't tell me to hurry, life is more precious than time
- I'm not superman so don't expect me to pull more than 2 passengers at one trip

Before launching the campaign we made sure the rickshaw pullers were backed by our accidental insurance. With the help of our activation partner we arranged small sessions with the rickshaw pullers and briefed them regarding the importance of following traffic rules and regulations. In those sessions we handed them over the t-shirts and instructed them regarding our campaign.

On the day of the launch, we went to different areas of Dhaka city in groups to watch the public reactions and rickshaw pullers' activities. Most people were surprised watching so many rickshaw pullers in the same green

t-shirts. When they were reading the messages on the back it seemed they were appreciating the idea. The example of Banani would be very interesting. There's a very popular road in Banani (road 11) where rickshaw pullers are seen every day breaking road rules and passengers were mostly okay with it as it saved time. But it was very risky and caused many accidents. When on the launch day people saw all the rickshaw pullers in green with special messages written on the back of their shirts, many were taken aback. But most people appreciated the idea. The traffic sergeants seemed unusually active than the regular days as we arranged print and electronic media professionals in those areas who were recording public reactions and taking interviews of the people. When we would point someone trying to pick the shortcut our team would go and request them to follow the road rules. After few hours the road became visibly less jam ridden. The vehicles were not stuck for a long time as they were on the move.

The major impact of the campaign could be experienced on the social media. People were taking pictures of the messages and uploading them on facebook, twitter and other social media. Most of them were appreciating the idea. Some promised to follow the road rules regularly. The followers of Green Delta Insurance pages started increasing rapidly.



We also prepared a post campaign video and released it on you tube and face book which went viral on the social

media. The views of the video are still climbing fast and the youth from Dhaka city is sharing this on regular basis.

Our objective of this CSR was basically to address the traffic jam and road accident related issues and also to promote human rights through the messages- that human life is more valuable than time. At the same time we encouraged people to safeguard their future through accidental insurance.

#### **Other Notable CSR Activities in 2015:**

1. Environment: We are promoting 'Bonsai' as a medium of creating awareness regarding environmental issues.
2. Women Rights: We upgraded the Nibedita Product from CSR angle to give a one stop solution to women from all walks of life. We are working for the Women Healthcare and Safety with Nibedita. We organized a Ladies' Night where we held a panel discussion on Women Healthcare & Safety.
3. Anti-corruption: We supported Information Ministry to raise awareness against corruption
4. Healthcare: We ran campaigns against the use of formalin in fruits and other food items.
5. Security: We worked with DMP to increase the security of the general People through various campaigns.
6. Blood donation: We arranged blood donation camps as a sponsor.
7. GD Assist: We created a free medical checkup booth for underprivileged children to give them proper healthcare support under Malaysia Healthcare Week.
8. We helped a Malaysian woman and her child to go back to their country as they were stuck here in Bangladesh without money and shelter.
9. We promoted Bengali culture through patronizing Rabindra Sangeet through various events and also patronized Bangla Utshob held at New York.
10. Going Green: We patronized Khadi Festival as a key sponsor as Khadi is both a part of our culture and a green approach towards everyday life.



Green Delta Patronizes Annual Bonsai Exhibition 2015



Nibedita Presents 'Ladies' Night' under Malaysia Healthcare Week 2015

## 7.11

# EVENTS AND HIGHLIGHTS OF GDIC

## 8th India Rendezvous held in Mumbai

8th India Rendezvous, an insurers and re-insurers' conference, took place in Mumbai, India on 21-23 January 2015 with the theme of "The Dynamics of Regional Reinsurance - A SAARC Perspective". Over the 8 years since its launch, the India Rendezvous, organized jointly by GIC Re and Asia Insurance Review has become a major event on the Asian insurance calendar. Ms. Farzana Chowdhury, Managing Director and CEO of Green Delta Insurance, spoke as a Panelist at a panel discussion on Meeting the Reinsurance Needs of the Market on 23<sup>rd</sup> of January, 2015. Jimmy John, Representative for South Asia, Asia Insurance Review was the moderator of the panel. Among others, Saifuddin N Zoomkawala, Chairman, EFU General Insurance Limited Pakistan, Wangchuk Namgyel, CEO,



GIC-Bhutan Re, Deepak Godbole, Deputy General Manager, GIC Re India, Wahid Aziz, MD, Allied Insurance Company Ltd. Maldives were present.

## Green Delta Insurance Holds 29th Annual Business Conference



29<sup>th</sup> Annual Business Conference of Green Delta Insurance Company Limited was held recently at the capital. 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 2015. Advisor of the company Mr. Nasir A Chowdhury also gave his insights regarding the business status of the company. Consultant, A. S. A. Muiz; Additional Managing Director, Golam Mustafa and DMD & Company Secretary, Syed Moinuddin Ahmed were also present in the dais. All the Management Committee members, Zonal Heads, Branch Managers, along with other senior officials participated in the conference.

## Movers & Shakers: Strategic Business Meeting 2015

Green Delta Insurance Company Limited organized a 2 day long workshop and strategic business meeting titled 'Movers & Shakers' for the year 2015. The workshop took place on 19th and 20th February at a local hotel of the capital. A total number of 57 employees participated in the meeting and workshop. A renowned consulting firm facilitated the program. The objective of the workshop was to set business strategies and goals for the year 2015. Ms. Farzana Chowdhury, Managing Director and CEO, Mr. Nasir A. Choudhury, Advisor of Green Delta Insurance along with the Senior Management team were seen at the workshop.



## Green Delta Insurance Holds its 29th AGM

Green Delta Insurance Company Limited declared 10% stock dividend and 15% cash dividend for its shareholders for the year ended December 31, 2014. The announcement was made at the 29th Annual General Meeting of the company, held on Tuesday, 24th March 2015 at Spectra Convention Center, Dhaka. The meeting was attended by sponsors, directors and a



large number of shareholders and was presided over by Mr. A. Q. M. Nurul Absar, Chairman of the company.

The Managing Director and CEO of Green Delta Insurance Ms. Farzana Chowdhury also addressed at the AGM to the shareholders.

## Green Delta Insurance signs agreement with ACE Autos

Green Delta Insurance, the leading non-life insurance company of Bangladesh, recently signed an agreement with ACE Autos. Under this agreement, all the motor vehicles sold by ACE autos will be insured by Green Delta Insurance. ACE Autos sells and promotes Great Wall Motors, the most influential car brand of China, in Bangladesh.

The signing ceremony took place at the head office of Green Delta Insurance



Company Limited. Ms. Farzana Chowdhury, Managing Director and CEO of Green Delta Insurance and Mr. Azharul Islam, CEO of ACE Autos (PVT) Limited signed the MoU on behalf of their respective organizations. Mr. Nasir A. Choudhury, Advisor of Green Delta Insurance and Prof. Hazera Nazrul, Chairperson of ACE Autos were also present in the ceremony.

## Green Delta Insurance settles the largest claim

Green Delta Insurance Company Limited, the leading and only AAA rated non life insurance company of Bangladesh, recently settled a claim of Dhaka Tobacco Industries of Akij Group which is the largest claim settlement in the history of the company. The check handover ceremony took place at the head office of Green Delta Insurance recently. Managing Director and CEO of Green Delta Insurance Ms. Farzana Chowdhury handed over the check to Mr. Sheikh



Bashiruddin Ahmed, Group Managing Director of Akij Group. It was one of the biggest claim settlements in the history of Bangladesh Insurance sector as well.

## Green Delta Insurance gives day long training on insurance to IDLC employees

Green Delta Insurance Company Limited, the leading and only AAA rated non-life insurance company of Bangladesh, recently gave a day-long training on insurance to the employees of IDLC Finance Limited at the capital recently. The employees of IDLC got a 360 degree overview on non-life insurance in Bangladesh. The objective of the training session was to strengthen the insurance awareness and also to educate the employees on insurance.



Managing Director and CEO of Green Delta Insurance Farzana Chowdhury and Managing Director and CEO of IDLC Finance Ltd. Selim R F Hussain were present during the workshop. Among others, DMD & Company Secretary of GDIC, Syed Moinuddin Ahmed, General Manager and Head of SME Division of IDLC, Zahid Ibne Hai, Sr. Executive Vice President of GDIC, Forhad Abbas, Deputy Senior Vice President of GDIC, Shubasish Barua were also present.

## Green Delta Insurance inks deal with Genex Infosys



Green Delta Insurance Company Limited, the leading and only AAA rated non-life Insurance Company of Bangladesh recently signed an agreement with Genex Infosys, the leading BPO services provider of the country. Under this agreement, Genex Infosys will provide call center support to Green Delta Insurance. The Ceremony was held at the head office of Green Delta Insurance in

the capital recently.

Managing Director and CEO of Green Delta Insurance, Farzana Chowdhury ACII (UK) and Managing Director of Genex Infosys, Mohammad Adnan Imam, FCCA signed the agreement on behalf of the respective organizations.

From Green Delta Insurance, A S A Muiz, Consultant, Nazim Tazik Chowdhury, Additional Managing Director and CFO, Syed Moinuddin Ahmed, Additional Managing Director and Company Secretary, Wafi S M Khan, Chief Executive Officer of Green Delta Securities Limited, Md. Rafiqul Islam, Chief Investment Officer of Green Delta Capital Limited, Shubasish Barua, Deputy Senior Vice President, Retail & SME and Syed Najmus Saquib, Vice President, Corporate Affairs and Communications were present at the ceremony.

## Green Delta Insurance and Robi ink deal



Green Delta Insurance Company Limited signed a corporate agreement with Robi Axiata Limited at the capital recently.

Under the agreement, Robi will offer different corporate postpaid connections along with a few value added services to Green Delta Insurance. In a separate agreement signed on the occasion, Robi's distributor sales workforce and selected retailers

were brought under Green Delta's Personal Accidental insurance coverage.

Syed Moinuddin Ahmed, Additional Managing Director and Company Secretary of Green Delta Insurance and Mahtab Uddin Ahmed, Chief Operating Officer of Robi signed the agreement on behalf of their respective companies.

Farzana Chowdhury ACII (UK), Managing Director and CEO of Green Delta Insurance and Supun Weerasinghe, Managing Director and CEO of Robi were present at the occasion.

## Farzana Chowdhury attends Bangladesh Garment Industry Conference 2015 held at Harvard University as a key speaker



Managing Director and CEO of Green Delta Insurance Company Limited, Ms. Farzana Chowdhury, ACII (UK) recently presented a paper on Insurance at Harvard University, Boston.

She presented the paper on Bangladesh Garment Industry Conference 2015 held recently. The topic of the paper was: Insurance- an integral partner for RMG sector of Bangladesh.

The participants at this year's conference discussed the progress the industry made since the tragedies happened two years earlier and they also identified the areas where the stakeholders needed to focus more to keep the momentum going.

Farzana Chowdhury, spoke at a panel discussion in the conference and highlighted the major reasons why insurance should be an integral part of the RMG sector.

## Green Delta Insurance signs agreement with IDLC Finance

Green Delta Insurance Company Limited recently signed an agreement with IDLC Finance Limited. Under this agreement IDLC will provide Nibedita which is a comprehensive insurance scheme by Green Delta to its Women Entrepreneurs. IDLC has recently launched its new product for Women entrepreneurs and Nibedita will be embedded with this product to support the women entrepreneurs.

Managing Director and CEO of Green Delta Insurance Ms. Farzana Chowdhury



and Managing Director and CEO of IDLC Finance, Mr. Selim R F Hussain, signed the agreement on behalf of their respective organizations. Other senior officials from both the organizations were also present at the ceremony.

## Showcase Malaysia 2015

The '4th Showcase Malaysia 2015' took place on October 15, 2015 in Dhaka to boost trade ties between the two friendly countries. Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI) with the support of MATRADE and MASSA in collaboration with both the high commissions organized the three-day event at Grand Ballroom of Pan Pacific Sonargaon hotel in the city.

Green Delta Insurance Company Limited was the Lead sponsor of the prestigious event.

Green Delta Insurance has always been patronizing 'Showcase Malaysia' and 'Showcase Bangladesh' events organized by BMCCI.



## 30th Half Yearly Conference of Green Delta Insurance Held

30<sup>th</sup> Half Yearly Business Conference of Green Delta Insurance Company Limited was held recently at the capital. Chairman of the company and the chief guest, Abdul Hafiz Choudhury, FCA delivered the inaugural speech of the conference. Managing Director and CEO of Green Delta Insurance, Farzana Chowdhury ACII (UK), spoke to the Branch Managers and Zonal heads and discussed regarding the upcoming strategies. Advisor of the company Mr. Nasir A Chowdhury also gave his insights regarding the business status of the company. Consultant, A. S.



A. Muiz and Additional Managing Director, Golam Mustafa were also present in the dais. All the Management Committee members, Zonal Heads, Branch Managers, along with other senior officials participated in the conference.

## WEPs seminar in india

Mr. Wafi S M Khan, Chief Executive Officer of Green Delta Securities and Deputy Managing Director of Green Delta Insurance spoke at panel discussion on Equality Means Business: Women's Empowerment Principles in Practice organized by UN Global Compact in New Delhi recently. This event was India's premier business event on Gender Equality. Wafi S M Khan talked about Green Delta's initiatives regarding practicing Women Empowerment Principles in the workplace. Green Delta Insurance has launched a comprehensive insurance scheme for women named 'Nibedita' which is a 'first of its kind' product in Bangladesh. Wafi S M Khan stressed on the product's necessity to support women empowerment in workplace, family and society.



## Farzana Chowdhury speaks at Global Index Insurance Conference organized by World Bank Group held in Paris

Managing Director & CEO of Green Delta Insurance Farzana Chowdhury ACII (UK) has recently spoke at Global Index Insurance Conference organized by World Bank Group's Global Index Insurance facility (GIIF) in Paris. The theme of the conference was 'Building Innovative Solutions in Agriculture'.

Farzana Chowdhury spoke on the probable distribution channels that would be engaged in crop insurance products ensuring one stop service to the farmers. Also she talked about the Weather Index based Agriculture Insurance Project initiated by Green Delta Insurance & IFC, World Bank.

The conference was convened by World Bank Group's Global Insurance Index Facility and funded by the European Union, Japan and The Netherlands.



## IFC, Green Delta Crop Insurance for Farmers in Bangladesh to help Minimize Weather-related Losses



IFC, a member of the World Bank Group, and Bangladesh's leading private insurer Green Delta Insurance Company Ltd. has signed an agreement to develop insurance products for individual farmers, agribusinesses, and financial institutions lending to farmers for protection from weather-related risks such as drought, excess rain, and cyclones.

IFC will assist Green Delta, an IFC equity client, to develop insurance products that minimize the impact

of crop losses due to natural disasters, provide advisory support for distributing and administering these products, increasing lending and business to farmers and improving their risk profile.

Mr. Kyle F Kelhofer, Country Manager of IFC and Ms. Farzana Chowdhury, Managing Director and CEO of Green Delta signed the agreement on behalf of their respective organizations.

The project is partly funded by IFC's Global Index Insurance Facility, a multi-donor trust fund supporting development and growth of local markets for weather and disaster index insurance.

From Green Delta Mr. Nasir A Choudhury, Advisor, Mr. ASA Muiz, Consultant, Mr. Farid A Choudhury, Senior Additional Managing Director along with other senior officials attended the signing ceremony. On IFC's behalf, Ms. Rachel Freeman, Mr. Andrew Charles McCartney, Ms. Sawsan Eskander and Mr. Monzurul Haque attended the signing ceremony

## Green Delta Insurance signs MoU on "Agriculture Weather Index Insurance" with Sylvan Agriculture Limited (Sister Concern of PRAN-RFL GROUP)

Green Delta Insurance Company Limited, the first AAA rated Insurance Company in Bangladesh has signed an agreement with Sylvan Agriculture Limited (Sister Concern of PRAN-RFL GROUP) for Agriculture Weather Index Insurance at Madhupur upazilla, Tangail. The event took place at the head office of Green Delta Insurance.

Green Delta Insurance Company Limited in collaboration with International Finance Corporation (IFC) intends to start a Weather Index Based Pilot Insurance Project for the first time in Bangladesh for "Cassava



Crop". Insurance coverage will be valid for Cold Days and during excessive Rainfall. On behalf of PRAN Group Ms. Uzma Chowdhury, Director, Finance and from Green Delta Insurance Ms. Farzana Chowdhury ACII (UK), Managing Director & CEO signed the MoU for the pilot project. Advisor and Founding Managing Director of Green Delta Insurance Mr. Nasir A. Choudhury was present in the occasion. Other higher officials from Green Delta, IFC and PRAN as well as Green Delta Agriculture Team were present in the signing ceremony.

## Green Delta arranges Farewell Dinner for Former Malaysia High Commissioner in Bangladesh H.E. NorlinBinti Othman

Green Delta Insurance organized a grand farewell dinner for the Former Malaysia High Commissioner in Bangladesh H.E. NorlinBinti Othman. Green Delta and Madam NorlinBinti Othman always had a great relationship and she has always been supportive towards Green Delta's initiative. Green Delta also has always appreciated all her endeavors as the Malaysia High Commissioner in Bangladesh. Madam NorlinBinti Othman played a vital role in strengthening the ties between Bangladesh and Malaysia.



## 8.1

# CREATING LONG-TERM SHAREHOLDERS' VALUE:

- By having a management with the capability to grow earnings, dividends and share price, of which sum of all strategic decisions effecting ability to increase free cash flow
- By making strategic decisions that maximize expected value
- Increase revenue by choosing the right customers, offering them differentiated products and services, and treating them well
- By evaluating potential acquisitions and making acquisitions or expansions that maximize expected value
- By providing investors with value relevant information and the disclosure serves to lessen their uncertainty
- By making communications via Annual report send to the shareholders, final results and interim report published in the newspaper in English and Bengali, the Annual General Meeting, etc.
- By providing Corporate Performance Statements which should ensure shareholders' confidence of the management having comprehensive knowledge of the business and that the board is properly exercising its oversight responsibility
- Green Delta Securities Limited (GDSL), one of Green Delta Insurance Company Limited's direct subsidiaries is there to provide stock brokerage services

## 8.2

# 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	2015	2014
Publication of Financial Statement for the 1 <sup>st</sup> Quarter	14.05.2015	08.05.2014
Publication of Financial Statement for the 2 <sup>nd</sup> Quarter	29.07.2015	24.07.2014
Publication of Financial Statement for the 3 <sup>rd</sup> Quarter	21.10.2015	29.10.2014
Record Date	01.03.2015	17.02.2014
Dispatch of Notice for the Annual General Meeting along with Annual Report	03.03.2015	23.02.2014
Date of AGM	24.03.2015	15-03-2014

## 8.3

# 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 25% Cash dividend to its shareholders for the year 2015. However, the dividend declared status of GDIC over the last 5 years is presented below:

Year	% of Stock Dividend	% of Cash Divided
2015 (Proposed)		25%
2014	10%	15%
2013	15%	15%
2012	15%	15%
2011	25%	

### 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.

### Dividend distribution policy of GDIC

#### Dividend declaration what happens in-between/what is the policy Dividend distribution

- Declaration date: The declaration date is the day the company's board of directors announces approval of the dividend payment.
- In order to decide on dividend payment, the management sets a target dividend payout ratio to determine the optimal capital budget
- The management determines the equity amount needed to finance the optimal capital budget which is primarily done through the retained earnings, leftover or residual earnings
- The more that a company pays out in dividends, the less rapidly it will be able to grow, because the growth rate in the dividend is actually the expected growth rate of earnings based on the relevant dividend policy, hence it is very crucial for the management to thoroughly go through the decision process in order to maintain stability
- The management also has to be aware of any volatility in the dividend payments as it is found undesirable by the investors
- Ex-Dividend Date: The ex-dividend date is the date on which investors are cut off from receiving a dividend. If, for example, an investor purchases a stock on the ex-dividend date, that investor will not receive the dividend. This date is two business days before the holder-of-record date.
- The ex-dividend date is important because from this date forward, new stockholders will not receive the dividend, and the stock price reflects this fact. For example, on and after the ex-dividend date, a stock usually trades at a lower price as the stock price adjusts for the dividend that the new holder will not receive.
- Holder-of-Record Date: The holder-of-record (owner-of-record) date is the date on which the stockholders who are eligible to receive the dividend are recognized.
- Payment Date: Last is the payment date, the date on which the actual dividend is paid out to the stockholders of record.

## 8.4

# COMMUNICATION TO THE STAKEHOLDERS



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

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

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

The Group communicates to shareholders in the following way:

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

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

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

Green Delta Insurance Company Ltd. Announced 25% Cash Dividend for its shareholders for the year 2015. The announcement will be approved at the 30th Annual General Meeting of the company held on 31st March, 2016 at Spectra Convention Center Ltd., Dhaka.

29<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.



## 8.5

# COMPARATIVE SHAREHOLDING STRUCTURE OF GREEN DELTA INSURANCE CO. 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' 2015, 2014, 2013 and 2012

Types of Shareholders	2015		2014		2013		2012	
	No of shares	% of Shares						
Sponsor Shareholders	40,974,794	50.78	37,031,557	50.48	32,215,815	50.50	28,061,793	54.99
Institution other than Sponsors	21,774,544	26.99	20,421,238	27.84	15,501,151	24.31	10,566,834	20.71
Individuals	17,941,849	22.24	15,902,830	21.68	16,070,534	25.19	12,401,373	24.30
Total share held	80,691,187	100	73,355,625	100	63,787,500	100	5,10,30,000	100.00

## 8.6

# 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. It's 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	2015	2014	2013	2012	2011
Number of shares in issue (No)	7,335,562	95,681,250	12,757,500	7,654,500	1,020,600
NAVPS (BDT)	70.54	66.17	69.33	75.61	49.19
Market Capitalization (BDT in mn)	4,333.12	5,435.60	6,053.43	3,801.73	5,470.42
Shareholders' equity (BDT in million)	5,692.23	4,852.92	4,422.42	3,858.35	2,510.33

## 8.7

# 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 806,911,870.00 among the various categories of stakeholders. A general scenario of holdings of shares of GDIC in the form of % is stated below:

(as on 31.12.2015)

Types	% of holdings
Sponsor	50.78
Government	0.00
Institution	18.73
Foreign Company	8.25
Public	22.24
<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	10% Bonus	73,355,63	73,355,630
2015 (Proposed)	-	-	-

## 8.8

# 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.**

SN	NAME	STATUS	NO OF SHARES HELD AS ON 31.12.2015	% OF TOTAL NO OF PAID UP SHARES AS ON 31.12.2015
01	Farzana Chowdhury	Managing Director and CEO	4,034,560	5.00
02	Nazim Tazik Chowdhury	Additional Deputy Managing Director and Chief Financial Officer	44,030	0.06
03	Syed Moinuddin Ahmed	Additional & Company Secretary	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 31.12.2015	% OF TOTAL NO OF PAID UP SHARES AS ON 31.12.2015
01	Nasir A. Choudhury	Advisor	3,145,382	3.90
02	A.S.A Muiz	Consultant	30,643	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	% of total no. of paid-up shares as on	
				31.12.2015	31.12.2015
1	Khurshida Chowdhury	Director	4,253,306	5.27	
2	Asif A. Choudhury	Director	1,633,185	2.02	
3	Dilruba Chowdhury	Director	1,659,322	2.06	
4	Shamsun Nahar Begum Choudhury	Director	1,633,319	2.02	
5	Mesbah Dilwar Rahman	Director	1,633,245	2.02	
6	A.Q.M. Nurul Absar	Director	1,633,210	2.02	
7	Iqbal Khan (Jamal)	Director	1,633,319	2.02	
8	Kamran Idris Chowdhury	Director	400,382	0.50	
9	Arif A. Choudhury	Director	1,633,186	2.02	
10	Razia Rahman	Director	48,186	0.06	
11	Marufa Anwar	Director	3,016	0.00	
12	Dr. Niaz A. Chowdhury	Director	290	0.00	
13	Abdul Hafiz Chowdhury	Independent Director	154,493	0.19	

<b>Sl. No</b>	<b>Name of sponsors/ promoters and directors</b>	<b>Status and relation with the Directors</b>	<b>No of shares held as on</b>	<b>% of total no. of paid- up shares as on</b>
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	618,776	0.77
17	Dr. Kabir Hussain Choudhury	Sponsor Shareholder & Husband of Marufa Rahman	780,651	0.97
18	Dr.M.Aminul Haque	Sponsor Shareholder	345,865	0.43
19	Md. Mozammel Huq	Sponsor Shareholder	491,195	0.61
20	A.Z. Mohammad Hossain	Sponsor Shareholder	961,698	1.19
21	Shamsuddoha Chowdhury	Sponsor Shareholder	618,631	0.77
22	Mohammad Abdus Salam	Sponsor Shareholder	497,546	0.62
23	Syed Bazlur Rahman	Sponsor Shareholder	1,040,280	1.29
24	Nasir A. Choudhury	Sponsor Shareholder & Husband of Khurshida Chowdhury	3,145,382	3.90
25	Waqar A Choudhury	Sponsor Shareholder & Son of Khurshida Chowdhury	1,666,450	2.07
26	Farzana Chowdhury	Sponsor Shareholder & Daughter of Khurshida Chowdhury	4,034,560	5.00
27	Mr. Azam J Chowdhury	Sponsor Shareholder & Father of Dilruba Chowdhury	618,630	0.77
28	Naima Chowdhury	Sponsor Shareholder & Unty of Dilruba Chowdhury	1,484,862	1.84
29	Tajwar Chowdhury	Sponsor Shareholder & Cousin of Dilruba Chowdhury	175,001	0.22
30	Tanjil Chowdhury	Sponsor Shareholder & Brother of Dilruba Chowdhury	446,788	0.55
31	Tanzeem Chowdhury	Sponsor Shareholder & Cousin of Dilruba Chowdhury	13,528	0.02
32	Fahim Ahmed Faruk Chowdhury	Sponsor Shareholder & Son of Shmasun Nahar Begum Chowdhury	771,161	0.96
33	Fahima Faruk Chowdhury	Sponsor Shareholder & daughter of Shmasun Nahar Begum Chowdhury	162,812	0.20
34	Habibur Rahman	Sponsor Shareholder & Father of Mesabah Delwar Rahman	222,648	0.28
35	Fahmida R Naser	Sponsor Shareholder	814,403	1.01
36	Tahmina R. Chowdhury	Sponsor Shareholder	814,403	1.01
37	Md. Rafial Alam	Sponsor Shareholder & Brother in Law of A Q M Nurul Absar	247,452	0.31
38	A.Farjad Ahmed	Sponsor Shareholder	43,346	0.05
39	Nadeem A. Chaudhury	Sponsor Shareholder	536,131	0.66
40	Al-Haj Syed Moazzem Hussain	Sponsor Shareholder	1,491,845	1.85
41	Syed Mujibul Hussain	Sponsor Shareholder	1,498,755	1.86
42	Dr.Syed Mukarram Ali	Sponsor Shareholder	989,811	1.23
43	Monowara Ali	Sponsor Shareholder	123,725	0.15
<b>TOTAL</b>			<b>40,974,794</b>	<b>50.78</b>

## **8.9**

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# **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(6th floor)  
51-52 Mohakhali C/A, Dhaka-1212

## **8.10**

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# **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

## 8.11

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

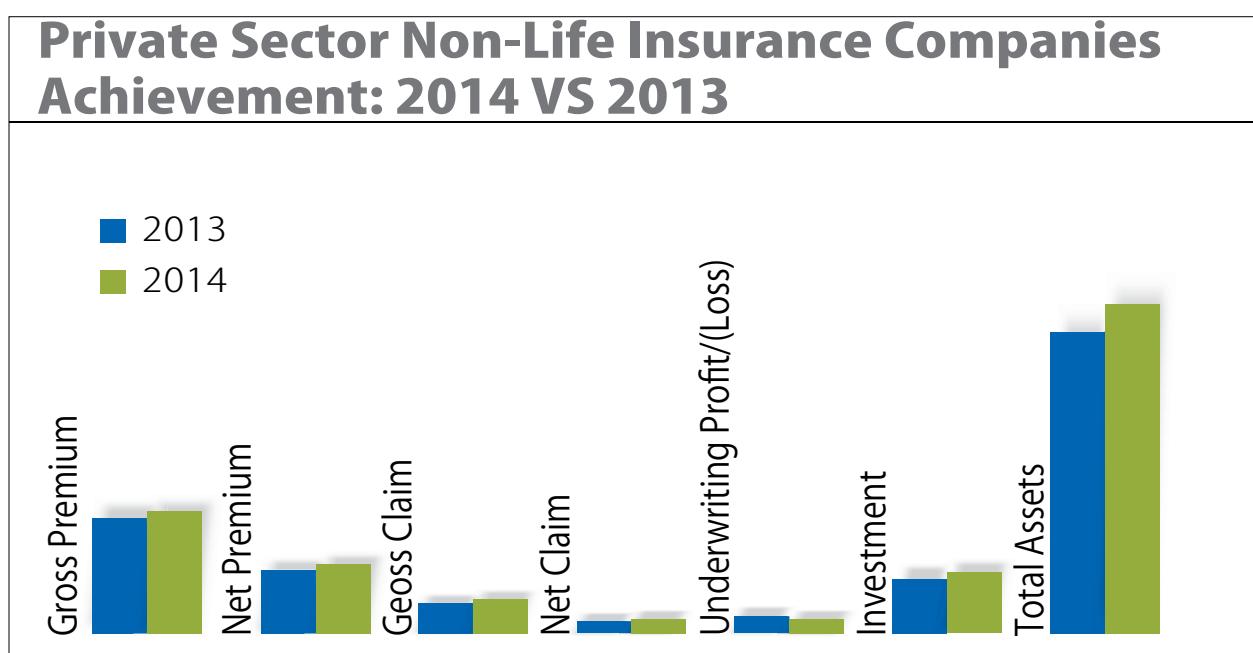
Market share is the percentage of a market accounted for by a specific entity. Increasing market share is one of the most important objectives of business. Market share position reflects the ability to exercise underwriting and pricing discipline as well as the risk management effectiveness of a company in managing its growth. GDIC's market share has increased in the year 2014 and Gross premium was BDT 2681 million and in the year 2015 Gross premium was BDT 3015 million. So, total Gross premium increased by BDT 334 million and Growth by 12.50%.

### Private Sector Non-Life Insurance Companies Achievement: 2014 VS 2013

(Figure BDT in Million)

Particulars	2014			2013		
	Sub Total	Premium Growth (in BDT)	Premium Growth %	Sub Total	Premium Growth (in BDT)	Premium Growth %
Gross Premium	22,679.24	1,641.71	7.80%	21,037.53	1,580.83	8.12%
Net Premium	12,570.47	756.94	6.41%	11,813.53	685.31	6.16%
Gross Claim	6,424.82	1,017.00	18.81%	5,407.82	1,087.13	25.16%
Net Claim	2,804.29	337.38	13.68%	2,466.91	398.07	19.24%
Underwriting Profit/(Loss)	2,798.22	(392.74)	-12.31%	3,190.96	130.77	4.27%
Investment	11,346.26	950.86	9.15%	10,395.40	1,530.89	17.27%
Total Assets	59,365.61	4,490.71	8.18%	54,874.90	6,527.88	13.50%

(Source: Bangladesh Insurance Association)



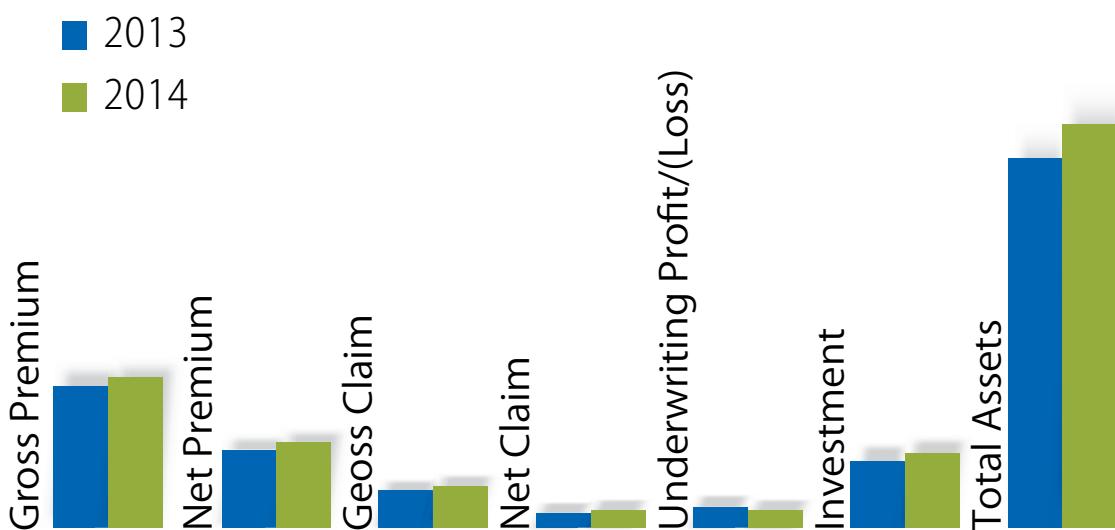
### Green Delta Insurance Company Limited Achievement: 2014 VS 2013

(Figures in million in BDT)

Particulars	2014			2013		
	Sub Total	Premium Growth (in BDT)	Premium Growth %	Sub Total	Premium Growth (in BDT)	Premium Growth %
Gross Premium	2,680.10	69.13	2.65%	2,610.97	9.61	0.37%
Net Premium	1,222.27	(94.72)	-7.19%	1,316.99	104.45	8.61%
Gross Claim	957.19	(318.79)	-24.98%	1,275.98	899.07	238.54%
Net Claim	346.61	(25.99)	-6.98%	372.60	170.64	84.49%
Underwriting Profit/(Loss)	305.99	17.83	6.19%	288.16	-9.88	-3.31%
Investment	2,756.99	180.64	7.01%	2,576.35	89.35	3.59%
Total Assets	7,677.11	415.84	5.73%	7,261.27	795.06	12.30%

(Source: Bangladesh Insurance Association)

## Green Delta Insurance Company Limited Achievement: 2014 VS 2013



Green Delta Insurance Company Limited had a Gross Premium of BDT 2,680.10 million in 2014 and BDT 2,610.97 million in 2013, a growth of 2.65%, while Gross Claim seeing a massive drop by 24.98% and Net Claim by 6.98%.

**Private Sector Non-Life Insurance Companies VS Green Delta Insurance Company Limited:2014 VS 2013**

(Figures in million in BDT)

Particulars	Private Sector Non-Life Insurance Companies 2014			Green Delta Insurance Company Limited 2014			GD Share in the PSNLI
	Sub Total	Premium Growth (in BDT)	Premium Growth %	Sub Total	Premium Growth (in BDT)	Premium Growth %	
Gross Premium	22,679.24	1,641.71	7.80%	2,680.10	69.13	2.65%	11.82%
Net Premium	12,570.47	756.94	6.41%	1,222.27	(94.72)	-7.19%	9.72%
Gross Claim	6,424.82	1,017.00	18.81%	957.19	(318.79)	-24.98%	14.90%
Net Claim	2,804.29	337.38	13.68%	346.61	(25.99)	-6.98%	12.36%
Underwriting Profit/(Loss)	2,798.22	(392.74)	-12.31%	305.99	17.83	6.19%	10.94%
Investment	11,346.26	950.86	9.15%	2,756.99	180.64	7.01%	24.30%
Total Assets	59,365.61	4,490.71	8.18%	7,677.11	415.84	5.73%	12.93%

(Source: Bangladesh Insurance Association)

**Private Sector Non-Life Insurance Companies VS Green Delta Insurance Company Limited for the year 2013**

(Figures in million in BDT)

Particulars	Private Sector Non-Life Insurance Companies 2013			Green Delta Insurance Company Limited 2013			GD Share in the PSNLI
	Sub Total	Premium Growth (in BDT)	Premium Growth %	Sub Total	Premium Growth (in BDT)	Premium Growth %	
Gross Premium	21,037.53	1,580.83	8.12%	2,610.97	9.61	0.37%	12.41%
Net Premium	11,813.53	685.31	6.16%	1,316.99	104.45	8.61%	11.15%
Gross Claim	5,407.82	1,087.13	25.16%	1,275.98	899.07	238.54%	23.60%
Net Claim	2,466.91	398.07	19.24%	372.60	170.64	84.49%	15.10%
Underwriting Profit/(Loss)	3,190.96	130.77	4.27%	288.16	(9.88)	-3.31%	9.03%
Investment	10,395.40	1,530.89	17.27%	2,576.35	89.35	3.59%	24.78%
Total Assets	54,874.90	6,527.88	13.50%	7,261.27	795.06	12.30%	13.23%

(Source: Bangladesh Insurance Association)

When comparing Green Delta Insurance Company Limited against the rest of the Private Sector Non-Life Insurance Companies in 2014, GDIC held a market share Gross Premium of 11.82%, comparing to 12.41% in 2013, and GDIC alone made investment of nearly 25% of the non-life sector. GDIC Net Claim dropped from BDT 372.60 in 2013 to BDT 346.61 in 2014 whereas rest of the Non-Life Sector increased from BDT 2466.91 million in 2013 to BDT 2804.29 million in 2014.

GDIC alone made investment of nearly 25% of the rest of the Non-Life Private Sector in 2014. GDIC saw an increase in Investment of 7.01% in 2014 comparing to 3.59% in 2013, whereas the rest had 9.15% in 2014 and 17.27% in 2013, illustrating GDIC increase in investment did not slow down comparing to the rest.

## 9.1

# GRAPHICAL SEGMENT INFORMATION

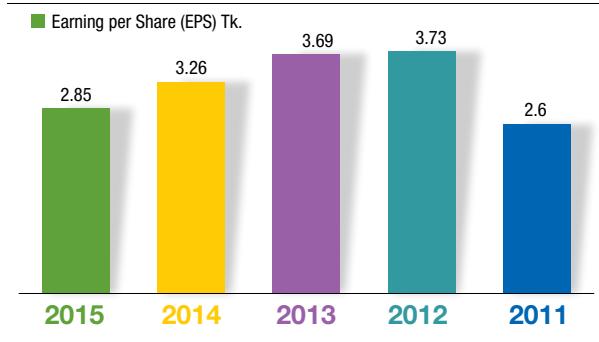
At Green Delta, our ability to stay true to our focus on reinforcing our customer propositions has not only enabled us to report improvements across most key financial metrics in 2015 but also allowed us to build a robust-quality business portfolio that enhances the sense of security on the one hand and scalability on the other.

Going forward into 2016, though we expect key macro-economic challenges to persist, we believe that our

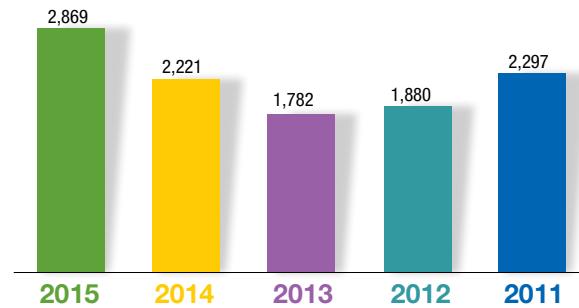
ability to raise the bar and set our compass towards newer directions will help us report a sustainable performance over the years down the line.

01. EPS
02. Net assets
03. Shareholders' fund
04. Return on shareholders' fund

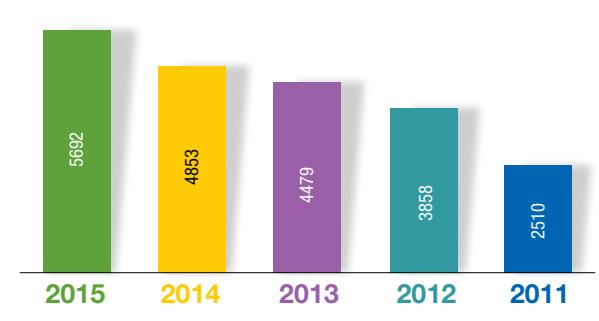
**Earning per Share (EPS) Tk.**



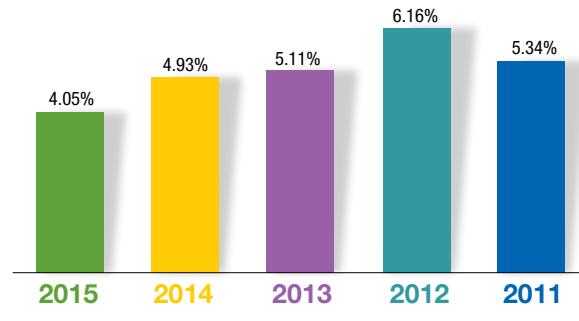
**Net Current Assets**



**Share Holders Equity**



**Return on Share Holders Equity**

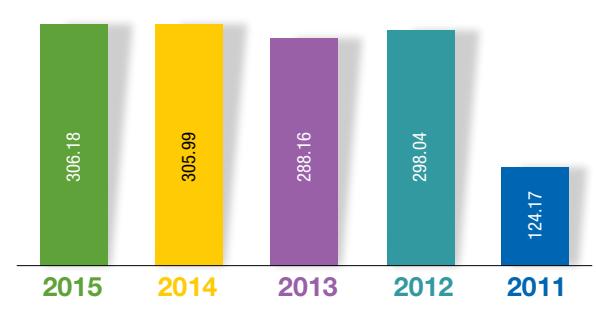


**9.2**

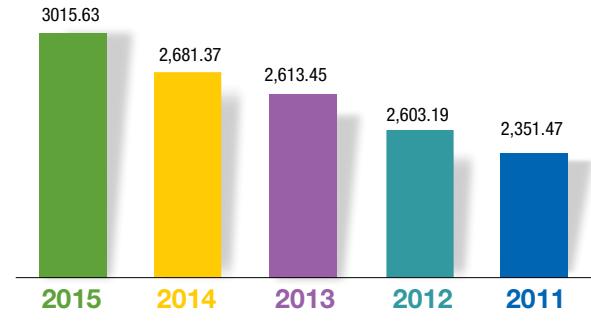
## GRAPHICAL PRESENTATION OF VERTICAL ANALYSIS

Operating performance

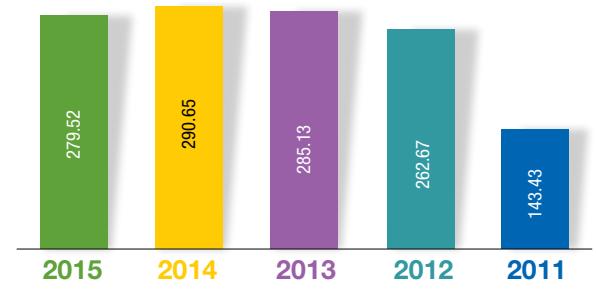
**Underwriting Profit**



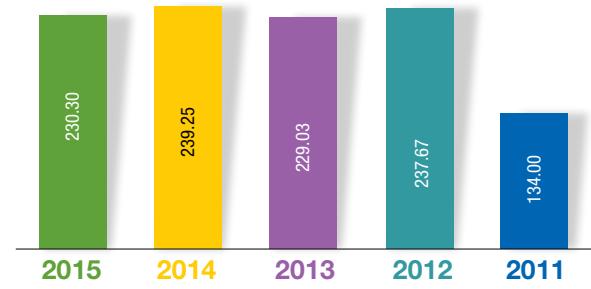
**Gross Premium**



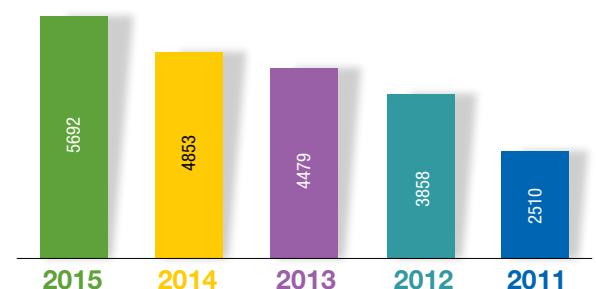
**Profit Before Tax**



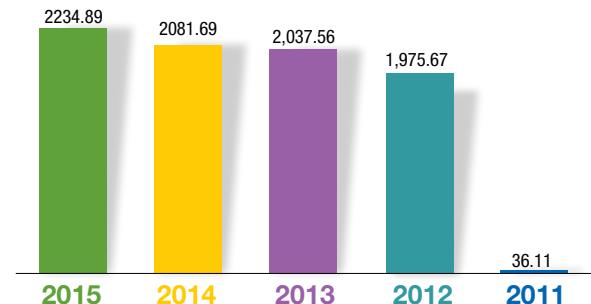
**Profit After Tax**



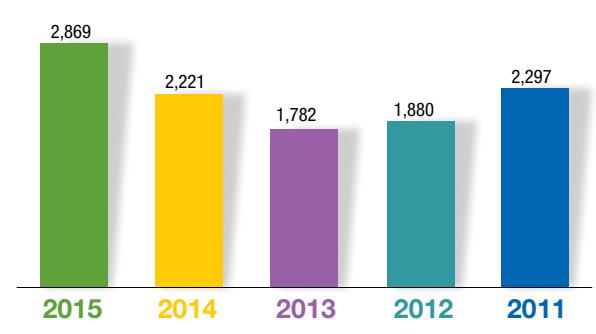
**Share Holders Equity**



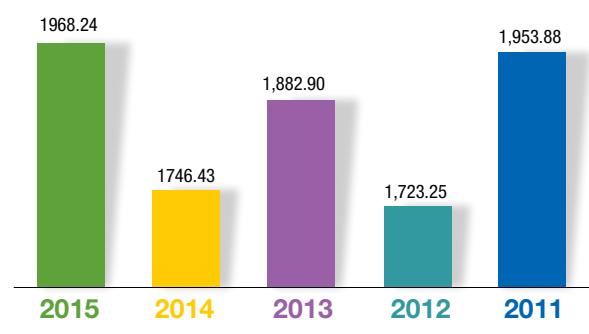
**Property Plant & Equipment**



#### Net Current Assets

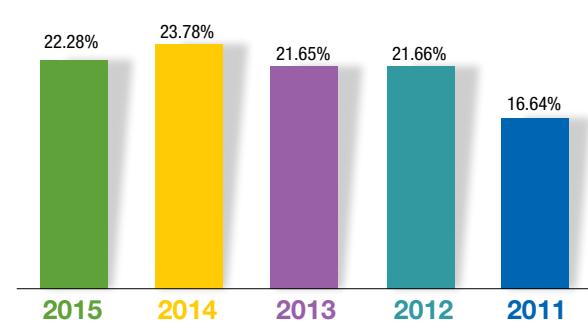


#### Current Liability

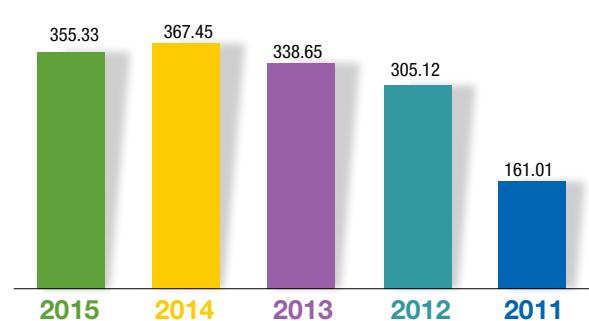


profitability/dividends/performances and liquidity ratios

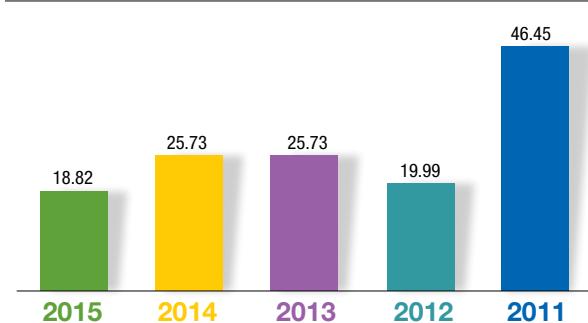
#### Gross Profit Ratio



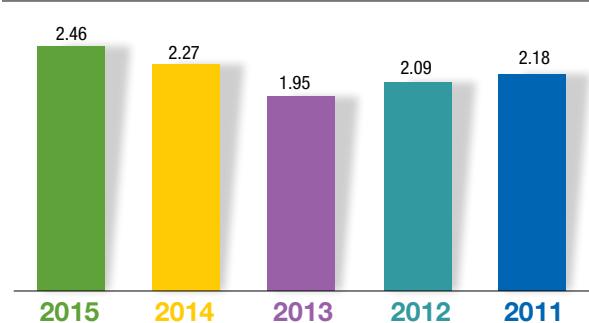
#### Earning Before Interest, Depreciation & Tax



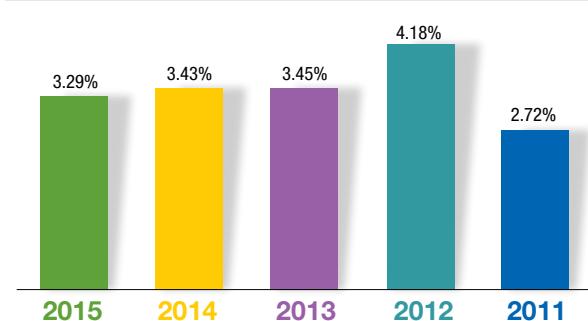
#### PE Ratio(Times)



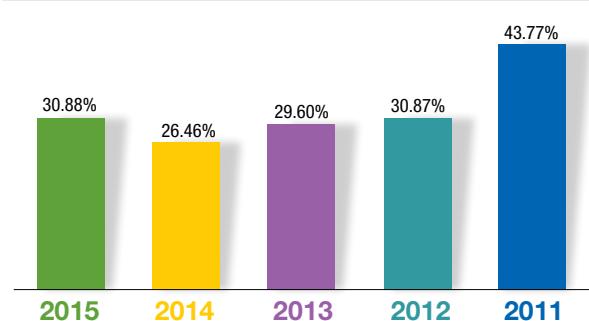
#### Current Ratio



#### Return on Capital Employed



#### Debt Capital Ratio



# SUBSIDIARIES

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Our robust and comprehensive capital market operations not only help us cater to specific investor needs but also enable us to provide them with access to securing their financial goals and aspirations.



## 10.1.1

### CEO'S MESSAGE



**Wafi Shafique Menhaz Khan**  
Chief Executive Officer  
Green Delta Securities Limited

GDSL placed itself a step ahead by introducing customize products for students, women, HNW & NRB which is first of its kind in the industry & perfectly tailored to their needs.

**G**reen Delta Securities Limited (GDSL), offers a full-fledged international standard brokerage service for retail and institutional clients. GDSL stepped into the capitalized brokerage business in the year 2006. Since the inception, GDSL has been ensuring the state of the art technology and placed itself in the league of leading brokerage companies in Bangladesh. GDSL is a fully owned subsidiary of Green Delta Insurance Company Limited.

At GDSL, we are passionate about partnering our clients and adding value to their businesses and the society in general. We are committed to continually investing in the professional growth and development of our talent pool. Our organization is driven by a focus on superior financial performance, sustainable business practices and strong Corporate Governance.

GDSL is the 1st brokerage house in Bangladesh that introduced customized products (Nibedita, Bijoy, GD Privilege, Probashi) for the different target groups in terms of facility and benefits. All these products are already introduced in the capital market in 2015. We received very positive response for all the products especially Nibedita and Bijoy. Every product is unique in terms of features, benefits and target group. We believe GDSL will able to attract more investors in our capital market.

In the year 2015, with the continued support of our visionary board of directors & the management, GDSL had achieved couple of landmarks. Inception of foreign trade, re-launching Sylhet branch with a grand "Mezbaan", The Hunter Campaign", integration of the state of the art back office software are few of the many notable achievements. GDSL has been awarded as "Best Stock Broker" for its uncompromised customer service & integrity. From the inception, GDSL focused on adding the best value to clients which has been recognized by one of the most reputed financial publication by awarding GDSL as the "Best Stock Broker". The year 2015 was a year of reformation for Bangladesh Capital Market. We have seen couple of major changes, starting from DSE demutualization to IPO regulations. GDSL focused on economies of scale, ensures best service for clients through the finest trade execution which resulted GDSL to keep its position uphold with almost 2% market share.

GDSL believes that its quality human resources are its most important assets and recognizes the mass building

blocks of corporate performance and development. The Company continues to develop and implement prudent human resource policies to motivate its employees and ensure their optimum contribution towards the achievement of ethical standards and goals. With a strong belief that human resources infuse a significant competitive edge, we continue to recruit the best talent. We also conduct diverse training and motivational programs to develop and retain a high-quality human resource.

GDSL is committed to sustainable development by creating long-term value for our stakeholders, value for the environment and value for the community. Our sustainability focus is based only on continued financial performance but also on good corporate governance, strict compliance and highest ethical standards; meeting stakeholder rights and expectations; better environmental performance; and community empowerment through our strategic decisions and business activities. We have specific commitment and objectives against each of these areas, constituting a vital part of our journey towards a sustainable future.

GDSL provides overwhelming customer experience through its state-of-the-art sales service, from IPO to block market trading GDSL has always been dedicated to clients value generation with its market wide network and sharp sales team. We welcome the investors, international brokers, fund managers from all over the world to onboard with us towards achieving the goal of being the top brokerage house of Bangladesh



Wafi Shafique Menhaz Khan  
Chief Executive Officer

# FROM THE DESK OF GDSL

## GDSL at a Glance

Established	16 October, 2005
Member of	Dhaka Stock Exchange (059) & Chittagong Stock Exchange (130)
No of Offices	10
	More than 6,000+ High Net Worth Clients
No of Clients	100+ Institutional Clients
No of Employee	70
Market share	<> 2.00%

### Our Vision

To be the preferred brokerage for individuals and institutional clients.

### Our Mission

Ensuring the best service by maintaining strong compliance.

### Our Strengths

- Brand Value of Green Delta Group
- Visionary Management
- Young & dedicated employee team
- Research Publications
- Comprehensive IT infrastructure
- Customer service of Superior standard

### Major Activities of the Firm

Green Delta Securities Limited offers everything an investor needs for participating in capital market ensuring highest quality service with a lucrative pricing. The services are comprehensive in nature, including brokerage, Settlement, Tele trading, custodian services, VAS. The firm provides all types of Brokerage Services through DSE and CSE starting from Beneficiary Account (BO) opening, Margin Loan facilitation, CDBL related services, notification of corporate announcements.

### 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. 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

#### 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 the responsible for overall business development, target achievements, 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.



#### 2015 at a glance

Year 2015 has been remarkable year for Green Delta Securities. The company had achieved couple of landmarks.

#### Client group wise Product Launch

GDSL continues to follow the parent company's "Green Delta Insurance Company Limited" legacy of being pioneer in product innovation by introducing four different customize products which is first of its kind in the industry. The company divided the target customers into four segments.

**NIBEDITA:** To bring the female group to the main stream of investment, GDSL designed NIBEDITA, Woman investment account which is solely focused on female group. Starting from providing comprehensive insurance scheme to special rate commission, arranging awareness seminars, NIBEDITA is designed for promoting woman empowerment.

**BIJOY:** Students are the most potential key driver of the economy. To encourage rational investment among students, GDSL designed the "BIJOY" student investment account. Students enjoys lowest account opening fee ,insurance coverage, encouraging rate of commission and get chance to participate various knowledge based workshops facilitated by GDSL.

**PROBASHI:** To bring the foreign remittance to the main stream of the economy, GDSL introduced "PROBASHI" Investment account where they enjoy the freedom of initial deposit along with the competitive commission rate, health check-up facility in Malaysia.

**GD Privilege:** GD Privilege is the most exclusive product for Businessman & High Net worth Individuals. Under the GD privilege, GDSL ensures the supreme client



service along with all the exclusive Value added service starting from exclusive insurance coverage, very special commission rate, overseas discounts and a lot more.

#### Inception of Foreign Trade

GDSL has decided to hold a respective position beyond the boundaries of Bangladesh by spreading its activities in the foreign lands. In the march, 2015 GDSL arranged a road show in the United States with the intention of introducing Bangladesh market & GDSL to foreign institutions. The road show brought immense success for GDSL. In the June, 2015 GDSL signed an agreement with some reputed brokerage firms from Singapore. GDSL has introduced an International trade desk to serve the cross border clients 24x7 .

#### Re-launching Sylhet Branch

To meet the growing demand of the clients, GDSL has relocated it's Sylhet branch to a bigger place. In order to reward the clients for their years of loyalty, GDSL has also arranged a "Mezban" program which was a great success. People from all over the sylhet have attended the program with great enthusiasm.



### **The Hunter Campaign & Capital Market Expo**

The Hunter Campaign with the newly launched products has caught the eye of media & general people. In the year 2015, GDSL has participated "CSE 5th Capital Market Fair" & "Capital Market Expo 2015". Our product segmentation has created a good vibe among the crowd & we received a very good response.



### **Technological Advancement**

GDSL continued it's staying a step ahead of the industry via technological advancement in the year 2015; GDSL has introduced the most recent back office software. Besides the company has also taken steps to establish the latest cloud based data infrastructure for securing trade data.

### **"Best Stock Broker" CFI Awards 2014**

GDSL has been awarded as "Best Stock Broker" for its uncompromised customer service & integrity. From the inception, GDSL focused on adding the best value to clients which has been recognized by one of the most reputed financial publication by awarding GDSL as the "Best Stock Broker"

### **Our Services**

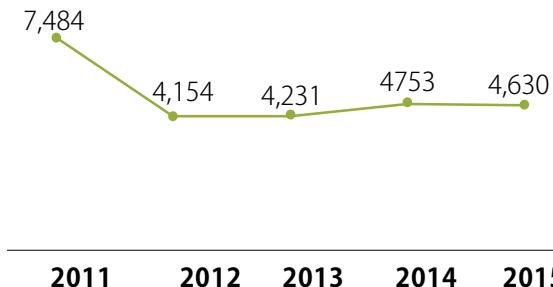
- All types of Brokerage Services on both the platform of DSE and CSE
- Trade Execution for Retail, Institutional and Foreign Clients
- Comprehensive portfolio statements
- Efficient Customer services
- Full service Depository participant (DP) of Central Depository Bangladesh Ltd. (CDBL) for Beneficiary Account (BO) opening & CDBL related services
- M-Stock- Trading facility in Mobile Platform
- Tele trading
- Online Trading Facilities (Under Development)

### **Performance Highlights:**

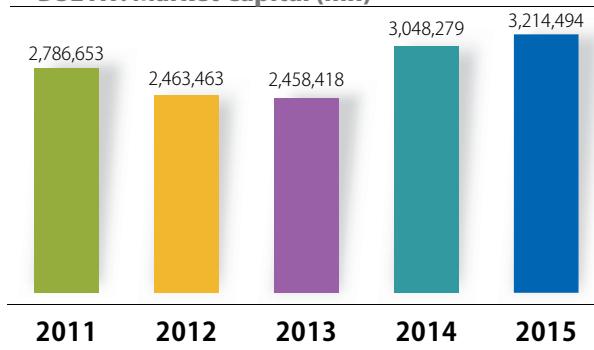
#### **Trade Performance:**

In the year 2014, GDSL kept its growth in market share. Average market share of GDSL became 1.90%, which was 9% higher than that of previous year.

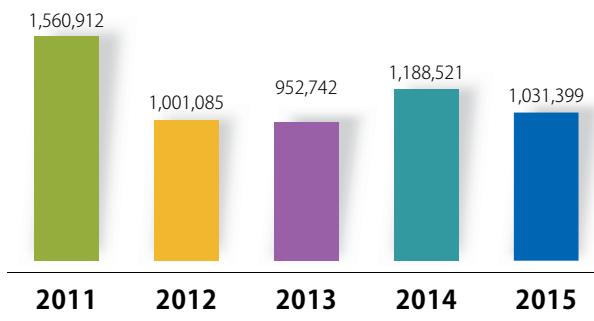
#### **DSE Index Movement**



#### **DSE Av. Market Capital (mn)**



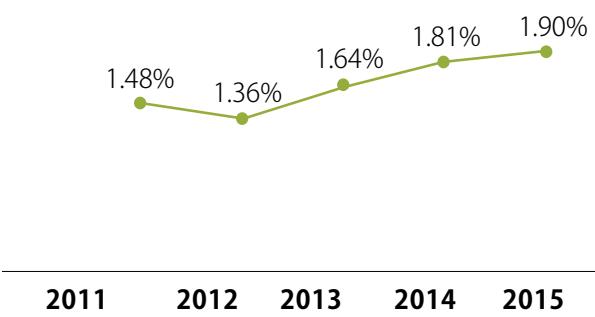
#### **DSE Trade**



### GDSL Trade

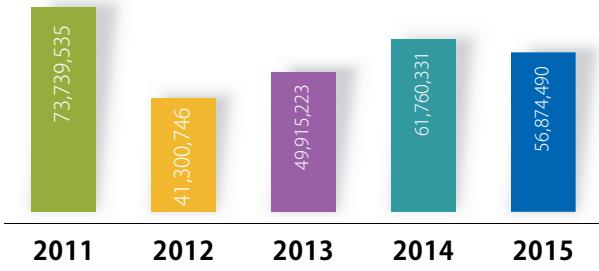


### GDSL Market Share

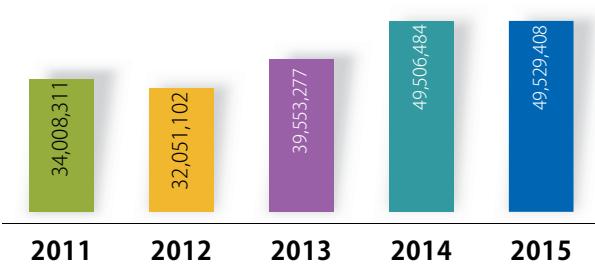


### Financial Performance

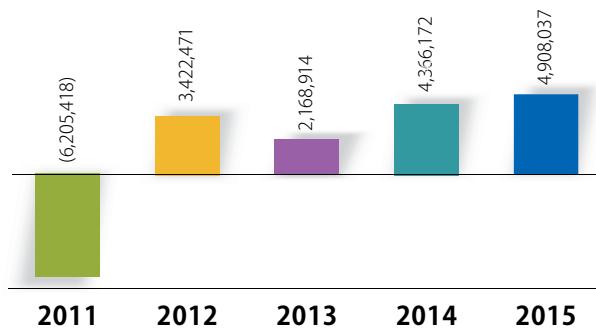
#### Commission Revenue



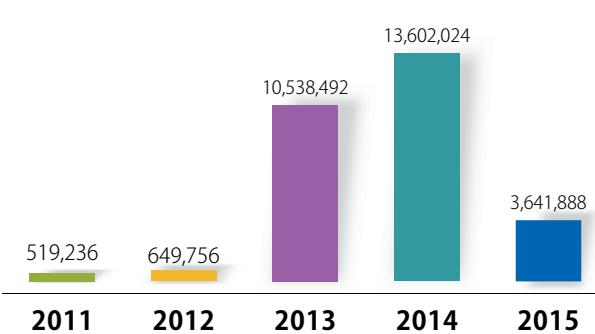
#### Margin Income



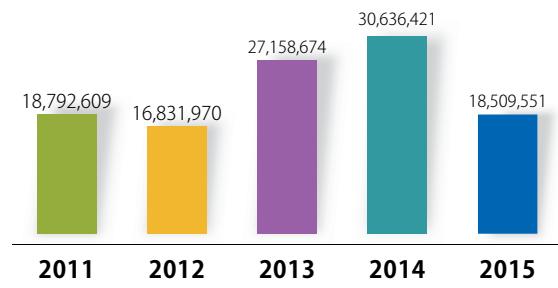
#### Performance on Investment Portfolio



#### Net profit



#### Earning Before Depreciation & Tax



## Income Statement for the year ended 31st December

Particulars	2015	2014	2013	2012	2011
Total Operating Income	116,820,054	121,863,590	99,392,970	82,695,893	113,079,983
Profit before Tax	15,066,733	27,177,713	22,882,018	10,309,870	15,893,535
Profit After Tax	3,641,888	13,602,024	10,538,492	649,756	519,236

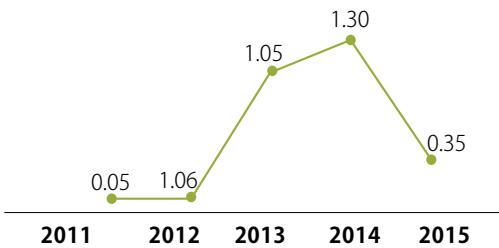
## Balance Sheet as on 31st December

Particulars	2015	2014	2013	2012	2011
Non Current Assets	125,359,895	653,389,834	679,928,336	662,238,541	295,972,286
Current Assets	602,118,403	598,304,282	500,942,387	490,223,149	488,979,841
Total Assets	727,478,298	1,251,694,116	1,180,870,723	1,152,461,690	784,952,127
Share Holders Equity	331,999,478	855,333,231	841,731,207	845,509,322	472,859,566
Long Term Liabilities	144,138,688	84,138,688	114,138,688	116,638,688	115,000,000
Current Liabilities	251,340,132	312,222,197	225,000,828	190,313,680	197,092,561
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>727,478,298</b>	<b>1,251,694,116</b>	<b>1,180,870,723</b>	<b>1,152,461,690</b>	<b>784,952,127</b>

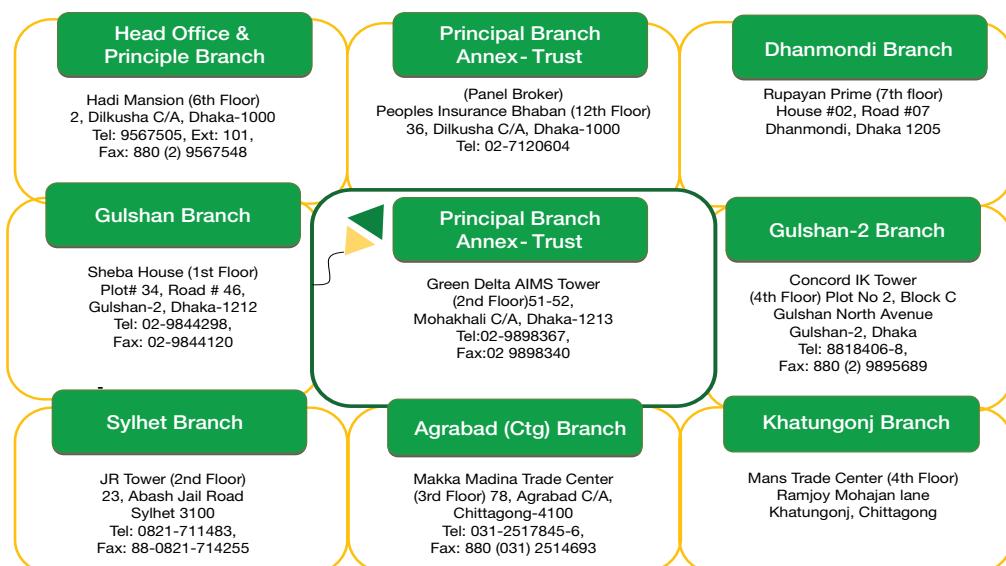
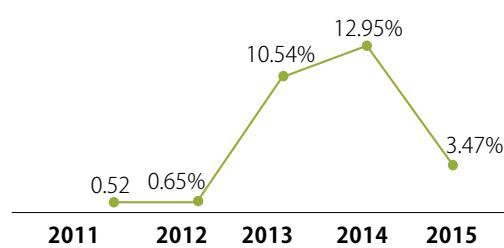
## Earnings Per Share & Return On Investment

In the year 2015, GDSL did not get positive growth in EPS (Earnings per Share) and ROI (Return on Investment) due to market situation.

**Earning Per Share**



**Return on Investment**



## 10.1.2

# 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, 2015 and the statement of profit or loss and other 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, The Securities and Exchange Rules 1987, Dhaka Stock Exchange Rule 1954, Chittagong Stock Exchange Rule 1995 and other applicable rules & regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **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, 2015 and of the results of its operations and its statement of cash flows for year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka Stock Exchange Rule 1954, Chittagong Stock Exchange Rule 1995 and other applicable laws and regulations.

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 profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts;

Place: Dhaka  
Date: February 10, 2016

  
**Ahmed Zaker & Co.**  
Chartered Accountants

## 10.1.3

Green Delta Securities Limited

### Statement of Financial Position

As at December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>SOURCES OF FUNDS</b>			
<b>Shareholders equity</b>		<b>331,999,479</b>	<b>855,333,231</b>
Share Capital	4.00	105,000,000	105,000,000
Retained Earnings	5.00	146,927,955	143,286,067
Revaluation Reserve	6.00	80,071,524	607,047,164
<b>Long Term Liabilities</b>			
Loan From GDIC	7.00	144,138,688	84,138,688
<b>Total Capital Employed</b>		<b>476,138,167</b>	<b>939,471,919</b>
<b>APPLICATION OF FUNDS</b>			
<b>Non-Current Assets (A)</b>		<b>125,359,895</b>	<b>653,389,834</b>
Property, Plant & Equipment	8.00	4,335,535	3,389,834
Investment in Stock Exchange for Membership	9.00	115,024,360	642,000,000
Investment in Bond	10.00	6,000,000	8,000,000
<b>Current Assets (B)</b>		<b>602,118,403</b>	<b>598,304,283</b>
Advances, Deposits and Prepayments	11.00	20,844,221	16,083,970
Receivable from Clients	12.00	247,630,566	298,320,741
Receivable from DSE & CSE	13.00	31,940,938	17,577,612
Investment in shares (at cost)	14.00	126,131,124	94,347,631
Accounts Receivable	15.00	8,137,049	10,717,411
Cash and cash equivalents	16.00	167,434,505	161,256,918
<b>Current Liabilities (C)</b>		<b>251,340,132</b>	<b>312,222,197</b>
Payable to Clients	17.00	76,901,416	71,460,633
Payable to DSE & CSE	18.00	190,858	11,090,269
Payable to GDIC (Management Expenses)	19.00	7,969,092	9,065,463
Interest Payable (GDIC)	20.00	32,365,728	31,762,183
Bank Overdraft	21.00	109,266,125	163,108,912
Liabilities for Expenses	22.00	1,947,076	1,728,856
Provision for Income Tax	23.00	17,950,533	17,790,824
Other Provision	24.00	4,749,304	6,215,057
<b>Net Current Assets (D)=(B-C)</b>		<b>350,778,271</b>	<b>286,082,085</b>
<b>Total Assets (E)=(A+D)</b>		<b>476,138,167</b>	<b>939,471,919</b>

The accompanying policies and explanatory notes (1-32) form an integral part of the financial statements.



Chairman



Director



Chief Executive Officer



Head of Finance

Place: Dhaka

Date: February 10, 2016

Signed as per our separate report of same date.



Ahmed Zaker & Co.  
Chartered Accountants

## 10.1.4

Green Delta Securities Limited

# Statement of Profit or Loss and other Comprehensive Income

For the year ended December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>Operating Income:</b>			
Revenue from Brokerage	25.00	56,874,490	61,760,331
Interest Income	26.00	49,529,408	49,506,484
Dividend Income from (DLR)	27.00	1,934,413	1,135,741
Capital Gain/(Loss) from Investment in Shares	28.00	2,873,624	3,230,431
Other Operating Income	29.00	5,608,119	6,230,602
<b>Total Operating Income</b>		<b>116,820,054</b>	<b>121,863,589</b>
Less: Direct Charges	30.00	9,075,210	9,259,352
<b>Gross Profit</b>		<b>107,744,844</b>	<b>112,604,237</b>
Less: Office & Administrative Expenses	31.00	64,720,658	59,998,961
Less: Financial Expenses	32.00	27,957,453	25,427,563
<b>Profit/(Loss) before Tax</b>		<b>15,066,733</b>	<b>27,177,713</b>
<b>Less: Provisions</b>			
Provision for Taxation	23.00	9,924,845	10,575,689
Other Provision	24.00	1,500,000	3,000,000
<b>Profit/(Loss) After Tax</b>		<b>3,641,888</b>	<b>13,602,024</b>

The accompanying policies and explanatory notes (1-32) form an integral part of the financial statements



Chairman



Head of Finance

Place: Dhaka  
Date: February 10, 2016



Director



Chief Executive Officer



Ahmed Zaker & Co.  
Chartered Accountants

Signed as per our separate report of same date.

# **Statement of Changes in Equity**

For the year ended December 31, 2015

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Amount in Taka Total Shareholders Equity
Balance as at January 01, 2015	105,000,000	607,047,164	143,286,067	855,333,231
Less: Adjustment for Fair Value measurement		(526,975,640)		(526,975,640)
Net profit for the year	-	-	3,641,888	3,641,888
<b>Balance as at December 31, 2015</b>	<b>105,000,000</b>	<b>80,071,524</b>	<b>146,927,955</b>	<b>331,999,479</b>



**Chairman**



**Director**



**Chief Executive Officer**



**Head of Finance**

Signed as per our separate report of same date.

Place: Dhaka  
Date: February 10, 2016



**Ahmed Zaker & Co.  
Chartered Accountants**

**Green Delta Securities Limited**

# **Statement of Cash Flows**

For the Year ended December 31, 2015

Particulars	<b>Amount in Taka</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Cash Flow from Operating Activities:</b>		
Cash Received from Customers and others	155,727,265	30,223,359
Cash Paid to Customers, Suppliers, Employees & others	(81,871,814)	(72,390,137)
Income Tax paid & other Provision & Adjustment	(9,712,785)	(9,345,292)
<b>Net Cash (used) /flows from operating activities</b>	<b>64,142,666</b>	<b>(51,512,070)</b>
<b>Cash Flow from Investing activities :</b>		
Acquisition of Property,Plant & Equipment	(5,888,519)	(1,420,206)
Investment	(31,783,493)	(3,479,025)
Investment in Bond & Others	2,000,000	21,500,000
<b>Net Cash flows from Investing activities:</b>	<b>(35,672,012)</b>	<b>16,600,769</b>
<b>Cash Flow from Financing activities:</b>		
Share Capital		
Loan from GDIC	58,903,629	(30,000,000)
Overdraft	(53,842,787)	91,454,710
Interest	(27,353,908)	(25,750,480)
Dividend paid		
<b>Net Cash (used) /flows from Financing activities:</b>	<b>(22,293,066)</b>	<b>35,704,230</b>
Net increase/(decrease) in cash & cash equivalents	6,177,587	792,929
Add: Cash & Cash equivalents at the beginning of the year	161,256,918	160,463,989
 Cash & Cash equivalents at the end of the year	 <b>167,434,505</b>	 <b>161,256,918</b>



**Chairman**



**Director**



**Chief Executive Officer**



**Head of Finance**

Place: Dhaka

Date: February 10, 2016

Signed as per our separate report of same date.

  
**Ahmed Zaker & Co.**  
 Chartered Accountants

# **Notes to the Financial Statements**

For the year ended December 31, 2015

## **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 Server	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 December 31, 2015 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 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:

- o those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after balance sheet date); and
- o those that are indicative of conditions that arose after the reporting year ( Non-adjusting events after balance sheet date).

**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, 2015
Green Delta Insurance Company Limited	Common Shareholder	Loan from GDIC	144,138,688
		Payable to GDIC (Management Expense)	7,969,092
		Interest Payable	32,365,728
		Interest Expense	9,176,305

**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”.

**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, 2015.
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2015.
- c) Statement of Changes in Equity for the year ended December 31, 2015.
- d) Statement of Cash flows for the year ended December 31, 2015.
- 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, 2015 to December 31, 2015.

		Amount in Taka	
		31.12.2015	31.12.2014
<b>4.00</b>	<b>Share capital</b>		
<b>4.01</b>	<b>Authorized Capital</b>		
	Twenty 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) Ten Million Five hundred thousand ordinary shares of Tk.10/- each fully paid	<u>105,000,000</u>	<u>105,000,000</u>
<b>4.03</b>	<b>Shareholding Position of the Company</b>		
	<b>Name of Share Holder</b>		
	Green Delta Insurance Company Ltd.	10,499,990	10,499,990
	Nasir A Choudhury	10	10
		<u>10,500,000</u>	<u>10,500,000</u>
<b>5.00</b>	<b>Retained Earnings</b>		
	Balance as at January 01, 2015	143,286,067	134,684,043
	Add: Addition during the year	3,641,888	13,602,024
		<u>146,927,955</u>	<u>148,286,067</u>
	Less: Bonus Share Issued	-	(5,000,000)
	Balance as at December 31, 2015	<u>146,927,955</u>	<u>143,286,067</u>
<b>6.00</b>	<b>Revaluation Reserve</b>		
	Balance as at January 01, 2015	607,047,164	607,047,164
	Less: Adjustment for Fair Value measurement	(526,975,640)	-
	<b>Balance as at December 31, 2015</b>	<u>80,071,524</u>	<u>607,047,164</u>
	Revaluation reserve on Investments for membership are initially recognized at cost ( which includes transaction costs) and are subsequently re-measured at fair value based on current quoted price revalued on June 30,2012. But later on in accordance with section 8 ( Gha) of the Exchanges Demutualization Act. 2013, both the Stock exchanges has issued shares against membership with Tk. 10 each. Surplus arising out of changes in the fair value of investment are transferred to fair value investment for membership and subsequently transferred to Fair Value Measurement Reserve(FVMR).		
<b>7.00</b>	<b>Loan from GDIC (Margin Loan &amp; DLR)</b>		
	Balance as at January 01, 2015	84,138,688	114,138,688
	Addition during the year	60,000,000	-
	<b>Paid during the year</b>	-	<u>(30,000,000)</u>
	<b>Balance as at December 31, 2015</b>	<u>144,138,688</u>	<u>84,138,688</u>
	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 same in the income statement.		

	Amount in Taka	
	31.12.2015	31.12.2014
<b>8.00 Property, Plant &amp; Equipment</b>		
Cost:		
<b>Opening balance</b>	29,024,813	27,604,607
Add: Addition during the year	5,888,519	1,420,206
<b>Total Cost</b>	<b>34,913,332</b>	<b>29,024,813</b>
Less: Accumulated depreciation:		
Opening balance	25,634,979	19,176,271
Add: Charged during the year	4,942,818	6,458,708
Accumulated depreciation	30,577,797	25,634,979
<b>Written Down Value as at December 31,2015</b>	<b>4,335,535</b>	<b>3,389,834</b>
<b>Details of Property &amp; Equipment is given in Annexure-A/1</b>		
	<b>Fair Value Measurement Reserve</b>	
<b>9.00 Investment in Stock Exchange for Membership</b>		
<b>Investment in DSE &amp; CSE</b>		
<b>(i) Dhaka Stock Exchange Ltd.</b>		
Opening Balance	362,000,000	362,000,000
Less: Adjustment for Fair Value measurement	(289,848,940)	-
<b>Sub -Total</b>	<b>72,151,060</b>	<b>362,000,000</b>
<b>(ii) Chittagong Stock Exchange Ltd.</b>		
<b>Opening Balance</b>	280,000,000	280,000,000
Less: Adjustment for Fair Value measurement	(237,126,700)	-
<b>Sub -Total</b>	<b>42,873,300</b>	<b>280,000,000</b>
<b>Balance as at December 31, 2015</b>	<b>115,024,360</b>	<b>642,000,000</b>
Investments for membership are initially recognized at cost ( which includes transaction costs) and are subsequently re-measured at fair value based on current quoted bid price on June 30,2012. But now in accordance with section 8 ( Gha) of the Exchanges Demutualization Act. 2013, both Stock exchanges has issued shares against membership with Tk. 10 each. Surplus arising out of changes in the fair value of investment are transferred to fair value investment for membership and susequently transferred to Fair Value Measurement Reserve(FVMR).		
<b>10.00 Investment in Bond &amp; Others</b>		
Investment in Bond (Trust Bank Ltd.)	6,000,000	8,000,000
<b>Balance as at December 31, 2015</b>	<b>6,000,000</b>	<b>8,000,000</b>
<b>11.00 Advances, Deposits and Prepayments</b>		
Office rent (Advances)	3,372,737	992,360
Advance to Employee (Salary)	600,102	376,680
Advance to Employee (PF)	-	600
Advance to Employee (Car)	714,280	857,140
Prepaid expenses	2,875,051	-
Prepayment for CFI	-	731,675
TDS on FDR Interest (Note-11.01)	2,631,806	2,177,341

	Amount in Taka	
	31.12.2015	31.12.2014
TDS on Bond ( Note-11.02)	324,795	250,000
TDS on Dividend of DLR ( Note-11.03)	1,046,335	664,490
Tax on Transaction (Note-11.04)	8,801,680	9,765,136
Advance to Party (Note-11.05)	477,435	268,548
<b>Balance as at December 31, 2015</b>	<b>20,844,221</b>	<b>16,083,970</b>
<b>11.01 TDS on FDR &amp; STD Interest</b>		
Balance as at January 01, 2015	2,177,341	2,761,260
Add: Addition during the year	454,465	603,725
	<b>2,631,806</b>	<b>3,364,985</b>
Less: Adjusted during the year	-	1,187,644
<b>Balance as at December 31, 2015</b>	<b>2,631,806</b>	<b>2,177,341</b>
<b>11.02 TDS on Bond</b>		
Balance as at January 01, 2015	250,000	250,000
Add: Addition during the year	74,795	125,000
	<b>324,795</b>	<b>375,000</b>
Less: Adjusted during the year	-	125,000
<b>Balance as at December 31, 2015</b>	<b>324,795</b>	<b>250,000</b>
<b>11.03 TDS on Dividend of DLR</b>		
Balance as at January 01, 2015	664,490	646,141
Add: Addition during the year	381,845	227,092
	<b>1,046,335</b>	<b>873,233</b>
Less: Adjusted during the year	-	208,743
<b>Balance as at December 31, 2015</b>	<b>1,046,335</b>	<b>664,490</b>
<b>11.04 Tax on Transaction</b>		
Balance as at January 01, 2015	9,765,136	7,823,905
Add: Addition during the year	8,801,680	9,765,136
	<b>18,566,816</b>	<b>17,589,041</b>
Less: Adjusted during the year	9,765,136	7,823,905
<b>Balance as at December 31, 2015</b>	<b>8,801,680</b>	<b>9,765,136</b>
As per Section 82 (C ) of ITO 1984, the company made a provision for income tax Taka 8,801,680 against turnover tax applying a rate of 0.050% for the year 2015.		
<b>11.05 Advance to Party</b>		
Advances to Index Art Publication	-	60,000
Advances to At Automation	-	124,928
Advances to Innate Studio Associate	-	83,620
Advances to Business Object Solutions	300,000	-
Advances to Artisan	177,435	-
<b>Balance as at December 31, 2015</b>	<b>477,435</b>	<b>268,548</b>
<b>12.00 Receivable from Clients</b>		
Receivable from clients for share trading	247,630,566	298,320,741
<b>Balance as at December 31, 2015</b>	<b>247,630,566</b>	<b>298,320,741</b>

		Amount in Taka	
		31.12.2015	31.12.2014
<b>13.00</b>	<b>Receivable from DSE &amp; CSE</b>		
DSE		29,833,525	13,231,545
CSE		2,107,413	4,346,067
<b>Balance as at December 31, 2015</b>		<b>31,940,938</b>	<b>17,577,612</b>
<b>14.00</b>	<b>Investment in Shares</b>		
<b>Balance as at December 31, 2015</b>		<b>126,131,124</b>	<b>94,347,631</b>
		<b>126,131,124</b>	<b>94,347,631</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</b>	<b>Accounts Receivable</b>		
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.		1,174,771	3,846,669
Receivable from Party		4,487,804	4,396,268
Receivable from Employees & others		957,832	957,832
<b>Balance as at December 31, 2015</b>		<b>8,137,049</b>	<b>10,717,411</b>
<b>16.00</b>	<b>Cash and Cash Equivalents</b>		
Cash in hand (16.01)		565,575	105,325
Cash at bank (16.02)		166,868,930	161,151,593
<b>Balance as at December 31, 2015</b>		<b>167,434,505</b>	<b>161,256,918</b>
<b>16.01</b>	<b>Cash in hand</b>		
Head Office		562,389	100,812
Chittagong		3,009	687
Sylhet		177	3,826
<b>Balance as at December 31, 2015</b>		<b>565,575</b>	<b>105,325</b>
<b>16.02</b>	<b>Cash at bank</b>		
Pubali Bank Ltd. A/C # STD-1816		305,464	297,948
City Bank Ltd. Islami Banking Br. A/C # 3101063925001		148,230	146,484
Mutual Trust Bank Ltd. Sylhet Br. A/C # 0023-0210002631		29,967	31,267
Mutual Trust Bank Ltd. Sylhet Br. A/C # 792		6,980	8,092
Pubali Bank Ltd. Dewanhat Br. CTG A/C # STD-255		27	46
Trust Bank Ltd. A/C # 0017-021010007009		5,662	7,042
Standard Chartered Bank A/C # 01-1053200-01		2,811,481	18,641,347
Standard Chartered Bank A/C # 01-1053200-02		82,703,084	72,797,372
Standard Chartered Bank A/C # 01-1053200-03		1,135,867	1,920,256
Standard Chartered Bank A/C # 01-1053200-04		4,997	1,526,000
Marcentile Bank Ltd. A/C # 011311100007952		131,195	68,875
FDR A/C (Note-16.02.1)		79,585,976	65,706,864
<b>Balance as at December 31, 2015</b>		<b>166,868,930</b>	<b>161,151,593</b>
<b>16.02.1</b>	<b>FDR A/C</b>		
Trust Bank Ltd. A/C # 0017-0330015050		7,319,227	6,786,073
BRAC Bank A/C #1501301898188004		7,165,374	6,690,381
BRAC Bank A/C #1501301898188003		15,307,109	14,284,481
BRAC Bank A/C #1501301898188002		15,599,913	14,557,724

	Amount in Taka	
	31.12.2015	31.12.2014
BRAC Bank A/C #1501301898188001	15,820,042	14,771,331
SCB Bank 91053200001	8,747,311	8,616,874
IDLC 10252226268901	627,000	-
SCB Bank 91053200144	7,000,000	-
UTTARA Finance 8731	2,000,000	-
<b>Balance as at December 31, 2015</b>	<b>79,585,976</b>	<b>65,706,864</b>
<b>17.00 Payable to Clients</b>		
Payable to clients for share trading.	76,901,416	71,460,633
<b>Total</b>	<b>76,901,416</b>	<b>71,460,633</b>
<b>18.00 Payable to DSE &amp; CSE</b>		
DSE	190,858	11,031,081
CSE	-	59,188
<b>Balance as at December 31, 2015</b>	<b>190,858</b>	<b>11,090,269</b>
<b>19.00 Payable to GDIC (Office Rent, Electricity and Utilities)</b>		
Balance as at January 01, 2015	9,065,463	8,311,563
Add: Addition during the year	6,722,582	5,857,972
	<b>15,788,045</b>	<b>14,169,535</b>
Less: Adjustment during the year	(7,818,953)	(5,104,072)
<b>Balance as at December 31, 2015</b>	<b>7,969,092</b>	<b>9,065,463</b>
Above amount represents payable to GDIC for meeting monthly Office Rent, Electricity and Utilities, which were paid by GDIC on behalf of GDSL.		
<b>20.00 Interest Payable (GDIC)</b>		
Balance as at January 01, 2015	31,762,183	32,085,100
Add: Addition during the year	9,196,030	7,635,417
	<b>40,958,213</b>	<b>39,720,517</b>
Less: Adjustment during the year	8,592,485	7,958,334
<b>Balance as at December 31, 2015</b>	<b>32,365,728</b>	<b>31,762,183</b>
<b>21.00 Bank Loan (Overdraft)</b>		
Loan from Bank (BRAC bank)	109,266,125	149,613,440
Loan from Bank (SCB bank)	-	13,495,472
<b>Balance as at December 31, 2015</b>	<b>109,266,125</b>	<b>163,108,912</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% per annum .		
<b>22.00 Liabilities for Expenses</b>		
Payable to Dr. K.M Maqsudur Rahaman	26,573	19,440
Payable to Executive Machines Ltd.	17,000	17,000
Payable to Green Delta AIMS Tower	26,000	26,000
Payable to Birds Bangladesh	5,145	5,986
Payable to JR Tower	13,360	-

	Amount in Taka	
	31.12.2015	31.12.2014
Payable to Lazazz Food	25,460	20,000
GF Payable	1,150,000	598,800
Provision for other expenses	-	118,029
Payable to GDCL	79,000	78,950
Payable to Enclave	297,831	246,181
CDBL Charges Payable (22.01)	187,289	255,826
Payable to GDIC(Lease Obligation of Car)	-	240,625
TDS and VAT Payable (22.02)	119,418	102,020
<b>Balance as at December 31, 2015</b>	<b>1,947,076</b>	<b>1,728,856</b>

#### 22.01 CDBL Charges Payable

Balance as at January 01, 2015	255,826	211,368
Add: Addition during the year	4,546,418	4,484,393
Less: Adjustment during the year	(4,614,955)	(4,439,935)
<b>Balance as at December 31, 2015</b>	<b>187,289</b>	<b>255,826</b>

#### 22.02 TDS and VAT Payable

Salary	53,800	56,750
House rent TDS (Gulshan, TBL & Khatungonj)&Suppliers	12,198	10,576
TDS payable on suppliers	10,295	3,657
House rent VAT(Gulshan, TBL & Khatungonj)& Suppliers	43,125	31,037
<b>Balance as at December 31, 2015</b>	<b>119,418</b>	<b>102,020</b>

#### 23.00 Provision for Tax

Balance as at January 01, 2015	17,790,824	16,560,427
Add: Provision during the year	9,924,845	10,575,689
<b>Balance as at December 31, 2015</b>	<b>27,715,669</b>	<b>27,136,116</b>
Less: Paid during the year	-	-
Less: Adjusted during the year	9,765,136	9,345,292
<b>Balance as at December 31, 2015</b>	<b>17,950,533</b>	<b>17,790,824</b>

Provision amounting to Taka 9,924,845 has been made on account of current year's Income Tax payable to Govt. authority.

#### 24.00 Other Provision

Balance as at January 01, 2015	6,215,057	5,579,707
Add: Addition during the year	1,500,000	3,000,000
<b>Balance as at December 31, 2015</b>	<b>7,715,057</b>	<b>8,579,707</b>
Less: Adjustment during the year	2,965,753	2,364,650
<b>Balance as at December 31, 2015</b>	<b>4,749,304</b>	<b>6,215,057</b>

#### 25.00 Revenue from Brokerage

Commission (Annexure A)	56,874,490	61,760,331
<b>Total</b>	<b>56,874,490</b>	<b>61,760,331</b>

	Amount in Taka	
	31.12.2015	31.12.2014
<b>26.00 Interest Income</b>		
Interest Income on Margin Loan	43,684,178	41,604,711
Interest from Loan to Employee	50,232	53,448
Interest from Bond	1,024,795	1,250,000
Interest from Investment in Heritage Life	-	755,943
Interest on Bank and FDR Accounts	4,770,203	5,842,382
<b>Balance as at December 31, 2015</b>	<b>49,529,408</b>	<b>49,506,484</b>
<b>27.00 Dividend Income from DLR</b>	<b>1,934,413</b>	<b>1,135,741</b>
<b>28.00 Capital (Loss)/Gain from Investment in Shares</b>	<b>1,934,413</b>	<b>1,135,741</b>
Realized gain/(Loss) from share trading	2,873,624	3,230,431
<b>Balance as at December 31, 2015</b>	<b>2,873,624</b>	<b>3,230,431</b>
<b>29.00 Other Operating Income</b>		
Service Charges on Margin Loan	-	10,500
BO Account opening Fee	641,800	483,300
CDBL Fees	4,960,319	4,833,218
Other Income	6,000	903,584
<b>Balance as at December 31, 2015</b>	<b>5,608,119</b>	<b>6,230,602</b>
<b>30.00 Direct Charge</b>		
Hawla Charge ( <b>Annexure A</b> )	129,040	740,519
Laga charge ( <b>Annexure A</b> )	4,284,016	3,875,003
CDBL Charge	4,662,154	4,643,830
<b>Balance as at December 31, 2015</b>	<b>9,075,210</b>	<b>9,259,352</b>
<b>31.00 Office &amp; Administrative Expenses</b>		
Salary & Allowances	30,496,009	26,134,355
Festival Bonus	2,447,300	2,116,100
Printing & Stationery	681,978	560,372
Conveyance & Travel	762,438	671,897
Rent (Office rent)	7,823,427	6,585,774
Telephone, Mobile & Trunk-Call	76,733	88,968
Entertainment	16,489	58,315
Business Development (Fair & Others)	1,018,927	1,049,001
Advertisement Expenses	15,600	414,600
Electrical & Utility Exp.	2,742,040	2,729,325
Office Maintenance	2,323,643	2,542,591
Audit Fees	62,500	62,500
Professional fees	26,670	14,170
Stamps expense	41,953	149,328
Software Maintenances	353,148	509,768

	Amount in Taka	
	31.12.2015	31.12.2014
Computer Accessories	98,037	111,370
Fuel (Car)	-	12,487
Generator Fuel	23,753	58,298
Repair, Renewal & Maintenance	197,114	110,060
Postage & Courier, Telegram	12,751	25,691
Photocopy	285	2,763
Books, Papers & Periodicals	49,928	49,504
Authorized Representative Expenses	147,100	29,000
Renewal. Fees (Dealer & Broker)	140,000	148,000
Renewal. Fees (Trade License)	43,810	8,010
Data Connectivity Expenses	3,384,705	3,689,072
Board Meeting Expenses	143,300	61,200
Subscription	-	63,000
DSE & CSE Conference & Training fees	-	1,370
Training Expenses	42,394	109,487
Interest Expenses of Lased Car	85,225	146,100
Insurance Premium	131,922	25,590
Health Insusance	29,152	-
Investor Protection Fund	14,302	19,035
Corporate Allowances	16,250	-
Mobile Allowance	886,247	763,491
Car Maintenance Allowances	1,105,307	1,370,528
Depreciation	5,122,859	6,458,708
Misc. Expenses	3,750	1,750
Management Expenses	440,000	345,125
Tour Expenses (Domestic)	359,865	385,148
Food Expenses (Company Part)	248,739	212,520
Uniform & Dress	19,565	44,290
Foreign Travel	1,163,442	682,600
Staff Bus Expenses (Company Part)	17,732	13,800
Charge for Suspension	35,135	75,250
M-Stock Expenses	45,000	51,000
Research & Enclave	1,824,134	1,237,650
<b>Balance as at December 31, 2015</b>	<b>64,720,658</b>	<b>59,998,961</b>

## 32.00 Financial expenses

Bank Charge & Commission	84,271	690,080
IPO Bank Charge & Commission	5,388	-
Interest Expenses (GDIC)	9,176,305	7,635,417
Interest Expenses (SCB)	415,953	1,384,951
Interest Expenses (BRAC Bank Loan)	18,275,536	15,717,115
<b>Balance as at December 31, 2015</b>	<b>27,957,453</b>	<b>25,427,563</b>

# Schedule of Property, Plant & Equipment

As at December 31, 2015

As at December 31, 2015

Annexure-B

Sl. No	Name of the Assets	COST			DEPRECIATION			W.D.V			
		Initial	Addition	Adjustment / Disposal	Total	Rate	Opening	Charged during the year	Adjustment	Total	
1	Computer Software	3,189,570	350,000	-	3,539,570	50%	3,189,569	175,000	-	3,364,569	175,001
2	Computer	4,527,581	535,543	-	5,063,124	30%	4,462,780	147,457	-	4,610,237	452,887
3	Telephone	187,120	-	-	187,120	30%	185,334	1,785	-	187,119	1
4	Office Space Purchase	600,000	-	-	600,000	10%	392,168	60,000	-	452,168	147,832
5	I.P.S	115,977	-	-	115,977	30%	115,973	-	-	115,973	4
6	Office Equipments	2,370,583	465,856	-	2,836,439	30%	2,087,904	748,534	-	2,836,438	1
7	Air Conditioner	1,374,320	-	-	1,374,320	30%	1,293,758	80,562	-	1,374,320	-
8	U.P.S	197,668	-	-	197,668	30%	202,709	(5,041)	-	197,668	-
9	Computer Server	2,093,890	-	-	2,093,890	30%	2,085,089	8,799	-	2,093,888	2
10	Furniture & Fixtures	1,290,882	189,738	-	1,480,620	30%	1,239,370	85,731	-	1,325,101	155,519
11	Office Renovation	10,209,102	924,692	-	11,133,794	30%	8,223,173	2,910,622	-	11,133,795	(1)
12	Motor Vehicle	1,650,000	3,276,000	-	4,926,000	20%	1,090,010	598,800	-	1,688,810	3,237,190
13	Mobile Sets	290,026	146,690	-	436,716	30%	139,050	130,569	-	269,619	167,097
14	Projector	928,094	-	-	928,094	30%	928,093	-	-	928,093	1
		<b>29,024,813</b>	<b>5,888,519</b>	-	<b>34,913,332</b>		<b>25,634,980</b>	<b>4,942,818</b>	-	<b>30,577,797</b>	<b>4,335,535</b>

# Trade Summary

Transaction Date: 01/01/2015 to 31/12/2015

**Annexure A**

Amount in taka

Date	Total Transactions	Commission	Howla	Laga	Tax AMT	CDBL	Total Expenses	Net Earnings
January, 2015	1,013,332,607	3,287,152	11,988	253,755	506,666	253,333	1,025,742	2,261,410
February, 2015	930,832,107	3,175,301	10,244	222,026	465,416	232,708	930,394	2,244,907
March, 2015	1,098,371,610	3,581,145	8,820	267,772	549,186	274,592	1,100,370	2,480,775
April, 2015	1,374,356,449	4,439,744	11,972	332,145	687,178	343,589	1,374,884	3,064,860
May, 2015	2,353,129,724	7,573,548	16,790	564,178	1,176,565	588,282	2,345,814	5,227,734
June, 2015	1,906,664,736	6,116,857	11,292	465,778	953,332	476,666	1,907,069	4,209,788
July, 2015	1,620,330,906	5,051,321	9,982	394,627	810,165	405,082	1,619,857	3,431,463
August, 2015	2,063,650,131	7,097,938	12,852	504,037	1,031,825	515,912	2,064,626	5,033,312
September, 2015	1,237,311,474	4,047,403	8,772	301,811	618,656	309,327	1,238,566	2,808,837
October, 2015	1,125,779,202	3,502,285	8,722	274,598	562,890	281,444	1,127,654	2,374,631
November, 2015	1,397,677,789	4,427,206	8,260	343,508	698,839	349,419	1,400,026	3,027,180
December, 2015	1,481,924,507	4,574,590	9,346	359,781	740,962	370,481	1,480,570	3,094,020
<b>Total</b>	<b>17,603,361,240</b>	<b>56,874,490</b>	<b>129,040</b>	<b>4,284,016</b>	<b>8,801,681</b>	<b>4,400,835</b>	<b>17,615,572</b>	<b>39,258,919</b>

**Total transaction**

**Gross Commission**

**Reversal Entry of Commission/ Rounding Up Difference**

**Gross Commission After Reversal**

**Total Howla+Laga+Tax**

**Net Commission**

**17,603,361,240**

**-**

**56,874,490**

**13,214,737**

**43,659,754**

**10.2.1**

## **MANAGING DIRECTOR & CEO'S MESSAGE**



**Md. Rafiqul Islam**

Managing Director & CEO  
Green Delta Capital Limited

Our relentless focus on emerging opportunities has enabled the GDCL to step forward with a positive growth in a challenging environment. We are consistently innovating and adding value through customised & need based financing solutions supported by a wide range of product & service offerings. Our efforts to make alternative and innovative financing solutions for our valued customers.

### **Green Delta Capital Limited**

### **Managing Director & CEO'S MESSAGE:**

In the name of Allah, the most beneficent and the most merciful.

Green Delta Capital Limited (GDCL) is the leading Investment Bank in Bangladesh. In 2015, GDCL has completed yet another remarkable year by accomplishing sustainable growth in bottom line as well as outstanding value addition in Investment Banking Industry.

Our relentless focus on emerging opportunities has enabled the GDCL to step forward with a positive growth in a challenging environment. We are consistently innovating and adding value through customised & need based financing solutions supported by a wide range of product & service offerings. Our efforts to make alternative and innovative financing solutions for our valued customers.

GDCL has been thriving due to its willingness to adopt new investment strategies to meet ever-evolving demand of the market by backing several new projects from diversified sectors. As part of this strategy, for the first time, we are delighted to have worked as Mandated Lead Arranger and Private Placement Agent to raise BDT 2,000 million through issuance of Commercial Papers (CP). GDCL has successfully closed its first ever CP deal worth **BDT 500 million in just 59 days** through which an industry benchmark has been created.

Plenty of new deals are in pipeline waiting to be added in GDCL's credentials in the form of Local & Foreign Debt deals and Equity Deals. GDCL is also looking forward to a couple of new deals that would create history in Bangladesh market.

2015 was another year of success for GDCL. During the year, we continued to retain growth in every sector. Your Investment Bank is the undisputed leader in Corporate Investment Bank segment in Bangladesh with strong global and local distribution lines.

Since inception, GDCL has taken enormous strides in terms of client satisfaction & sustainable long-term growth of the company. GDCL perseveres in providing global standard customized products & services for its valued clients. GDCL relies on meeting client's needs since satisfied clients ensures success, which allows GDCL to stand out among competitors.

GDCL is now a well-established Investment Bank and is playing a fundamental role in ensuring a sustainable Investment Banking environment. GDCL has reached pivotal milestones by closing two Foreign Currency Syndication deals worth **BDT 4,440 Million** in the year 2015.

It's a matter of pride to have worked as lead arranger to finance Summit Alliance Port Limited (SAPL) for building a river terminal port, first of its kind in Bangladesh in the private sector. GDCL has also proudly arranged foreign currency syndication for a Bicycle and Cable Manufacturing project of Rangpur Metal Industries Limited (RMIL), a concern of prestigious PRAN-RFL Group and successfully achieved final milestone of closing the deal.

GDCL's retail wing, portfolio management team, is perfectly positioned to take off to a whole new level of growth. The team is committed to establish a strong client base by providing world class investment analysis

solution for its valued clients. In the year 2015, the company was blessed with the addition of significant number of valued clients to its portfolio. GDCL's portfolio department is on the verge of launching a new product that would again be the first of its kind in Bangladesh.

The Portfolio team is backed-up by a very capable research team that ensures portfolio investments of our clients see maximum return with minimum levels of risks. Research team is responsible to report on Bangladesh Capital Market regularly which are published in Bloomberg and The Financial Express News Paper.

GDCL believes that employees are paramount in a service oriented Investment Banking industry, and thus, we have always been keen to recruit high performing team. We allow the employees to work with creativity and freedom that ultimately brings the best out of everyone. Currently, the company has a distinguished team who works round the clock to achieve GDCL's goals.

2015 has been a benchmark year for corporate investment banking wing of GDCL, as the team Signed deals worth **BDT 3,450 Million** during the year. To top it all off, the Corporate Investment banking team of GDCL successfully closed deals worth **BDT 4,940 Million** which is in itself a big milestone for GDCL. Profitability has also reached new heights in 2015 as **after tax profit increased by 15.7%** compared to 2014.

Bangladesh economy projects a bright prospect in 2016, as the GDP has been growing steadily at around 6% over the past few years and an ambitious target of 7% growth has been set by the government. To be able to achieve this ambitious growth, the economy would require large scale private investments which again presents GDCL with an opportunity to make use of its expertise in Corporate Investment Banking Arena.

Lastly, I express my sincere gratitude to all the stakeholders of GDCL who has been there with us through thick and thin and for always believing in us. I sincerely appreciate the Board of Directors of GDCL for their valuable foresight, guidance and support throughout. I would also like to thank our clients for placing their trust in us and supporting us over the years. Last but certainly not the least, I thank the team of GDCL for their commitment and passion to perform. And finally, the privilege is mine for leading a dynamic team that denies to give up.



**Md. Rafiqul Islam**  
Managing Director & CEO

## Board of Directors

Our Board of Directors has been formed with following professionals:



**Nasir A. Choudhury**  
Chairman

A visionary and experienced professional Nasir A. Choudhury Established Green Delta Insurance Company in 1985. He has over 50 years of experience in the insurance industry and he also served as former Chairman of Bangladesh Insurance Association (2001-2004).

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 Sadharan Bima 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.

**Abdul Hafiz Choudhury**  
Director

Abdul Hafiz Choudhury is one of the most respected Chartered Accountants in the country, having experiences of more than couple of decades. He is one of the partners of the renowned Rahman & Rahman Huq Chartered Accountants firms. Currently he is serving as the director of ICB Islamic Bank Ltd. Committee Member of Metropolitan Chamber of Commerce and Industry. He has Completed his B.Com (Hons) and M.Com from Dhaka University and Obtain Certification as Chartered Accountant from Institute of Chartered Accountants in England and Wales in May 1966.

**Farzana Chowdhury, ACII (UK)**  
Director

Farzana Chowdhury is currently holding the post of Managing Director & CEO of Green Delta Insurance Company Limited.

Previously she served as Senior Vice President and Head of SME Banking at BRAC Bank Limited.

She is the Board Member of Bangladesh Women Chamber of Commerce and Industry.

She completed Masters in Finance from Dhaka University, Bangladesh and MBA from Monash University, Melbourne.

She was awarded the prestigious chartered insurer status by chartered insurance institute, UK.

She was a key speaker in Bangladesh Roadshow UK 2015 organized by Board of Investments (BOI) in London.

As one of the 17 participants from across the globe, she was selected by the US State Department, for the International Women Leaders Mentoring Partnership program sponsored by US State Department and Fortune 500 companies in 2006.



**Naima Chowdhury**  
Director

Naima Chowdhury is the Director of East Coast Group and has vast experience of managing business portfolio of East Coast Group.

**Nadeem A. Chaudhury**  
Director

Nadeem A. Chaudhury is the Chief Executive Officer of Bengal Development Corporation Ltd. He is also Sponsor Director of Enrilco Ltd. He has the experience in the Infrastructure Development business of over 18 years.

**A.Q.M. Nurul Absar**  
Director

A.Q.M. Nurul Absar is a qualified professional having many years experience of heading big organizations. Currently he is a Sponsor Director of Delta Medical Centre. He is also serving as Sponsor Shareholder of Delta Life Insurance Co. Ltd.



*Green Delta Capital Limited team*

## **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' makes us stand out among others.
- Promote entrepreneurial spirit and encourage initiative amongst our people.
- Take pride in the professional quality of our work.
- Have set our mission to deliver superior returns to our shareholders.
- Believe in Transparency and Disclosure.
- Have Zero tolerance in Compliance, Audit, Regulatory requirements breach and law of the land.
- Embed ourselves with Performance Driven Corporate Culture.
- Understand and respond to social and environmental responsibility.

### **Corporate strategy**

- Build to Last – Take leadership roles in the industry, offering innovative products and services and consistently outsmarting competitors.
- Providing tailor-made solutions for our clients.
- To become the leading investment bank in Bangladesh with one stop investment banking solution.

- Defined business parameters in line with risk matrix and comprehensive operation manuals and guidance to follow strictly.
- Understanding of the risk matrix and preparation for adverse market scenario.
- Establishment of strong sustainable relationship with all stakeholders.
- Set attainable and sustainable financial target.
- Identification and recognition of talent and designating the right person for the right job for the best output within the organization.

## **Corporate Governance**

Corporate governance is the process by which companies are directed and controlled by the management in the best interest of all the stakeholders, thereby ensuring greater transparency 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 & CEO**

The Managing Director & CEO of Green Delta Capital Limited is responsible to set the long term sustainable business strategy of the company and oversee implementation of the strategies set by the Board of Directors. As the Commander in Chief, he is responsible for scheduling the resources in the manner that helps to attain the business goals which he sets with the management committee. He is making the bridge between foreign DFIs and commercial lenders and GDCL, where GDCL is actively involved to close its foreign debt deals. Along with this like any other leader, the MD is also responsible for the development of the Human resources of the company for nurturing the future leaders who would take the responsibilities to take the business forward.

## **Management Committee**

The Management Committee member is responsible for the strategic and operational plan of the business which eventually governs and shapes up the business. The management committee is fully responsible for the functionality of the business and smooth running of the operations. This committee assists 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.



*Green Delta Capital Limited's business team*

## **Structured Finance**



**Total Amount Raised through Structured Finance Deal Till December 2015:**

**BDT 14,330.25 Million**

The Structured Finance Department (SFD) specializes in providing one stop corporate financing services for corporate clients that includes expert advice, innovative financial solutions – arranging funds through structuring of financial instruments, precise execution and making use of comprehensive access to the debt & capital markets that GDCL possesses.

Year 2015 has been a magnificent year for GDCL Structured Finance Team. GDCL has been working as the mandated lead arranger to arrange foreign currency term loan of USD 30.51 million for a River Terminal Project of Summit Alliance Port Limited, which happens to be the 1st River Terminal project executed by the private sector in Bangladesh and the deal has been closed marking a huge milestone for the team.

Another major milestone achieved by GDCL in the year 2015 was when GDCL arranged USD 25 million as foreign currency term loan for a Bicycle and Cable manufacturing project of Rangpur Metal Industries Limited, a concern of the prestigious PRAN-RFL Group.

On top of that, in 2015 GDCL has signed with Hashem Foods Limited (HFL), a concern of Sajeeb Group to act as Mandated Lead Arranger for Hashem Foods Limited to raise up to USD 25 Million through foreign currency term loan facility. Sajeeb group is one of the largest business conglomerates of the country and has a diversified business portfolio exploring agro-based products industry, agro-processing industry, real estate industry, insurance industry, readymade garments manufacturing industry, telecommunications industry and electronic media business.



*Signing ceremony with Hashem Food Limited (a concern of sajeeb Group) for foreign currency term loan of USD 25 Million*

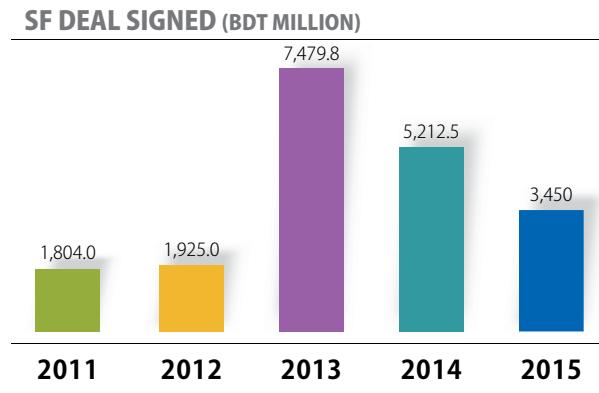


*Signing ceremony with Hashem Food Limited (a concern of Sajeeb Group) for issuance of Commercial paper of BDT 500 Million*

GDCL has also signed another agreement with Hashem Foods Limited (HFL), to act as Mandated Lead Arranger & Private Placement Agent for Hashem Foods Limited to raise BDT 500 Million through issuance of Commercial Paper. And it is of great pleasure to announce that the Structured Finance Department of GDCL has successfully closed the deal in less than 2 months creating an industry benchmark for the competitors. GDCL arranged the funds from BRAC Bank and Midland Bank as the Commercial Paper notes were sold out the day Information Memorandum was launched.



*Signing Ceremony with Rangpur Metal Industries Limited (a concern of PRAN-RFL Group) for foreign currency term loan that was closed in 2015.*



### **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.

In the year 2015, GDCL worked as issue manager for Union Capital Limited to raise BDT 500 million through issuance of preference shares. There are new deals to be added to GDCL's credentials for few of the largest business conglomerates in Bangladesh.

The EOD often tags along with SFD for providing arrangement and issue management services together for hybrid financial instruments.

### **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

### **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



**Total Capital Raised Through Equity Origination Till December 2015:**

**BDT 1,978.5 Million**

- Establish syndicate of local and foreign equity investors for placements

### **Portfolio Management Service (PMS)**



GDCL has a strong view in the capital market and an expert understanding of what's driving investment trends for its valued clients with an aim to maximize the return with an acceptable manner. Over the years, it has gathered the experience to act as a Portfolio Manager backed by both individual as well as institutional investors through its dedicated Relationship Managers along with prudent Research team. Currently our total Asset under Management (AUM) is more than BDT 90 million under Green Delta's portfolio.

### **Our Schemes**

Our Portfolio Management Services offers professional management of the stock market investments with an aim to deliver consistent returns. It relieves the investors from all monitoring hassles with benefits like regular reviews, strong risk management flexibility and makes it an ideal investment avenue for high net worth investors.

Investors can avail our services through our discretionary & non-discretionary investment schemes: GD Perform-Max, GD Planner & GD MTF. These three schemes are designed to make differences since we prefer investor's flexibility and choice while making investment decision.

#### **o 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



Md. Rafiqul Islam, Managing Director & CEO of GDCL, giving speech at the "Investment Roadshow for Bangladesh" organised by Board of Investment, Bangladesh held in UK.

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.

#### **o 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.

#### **o 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.

### **Key Benefits**

- Strong and Active risk management
- Diversification of portfolio for adequately spreading equity related risks.
- Active and regular monthly review and portfolio rebalancing
- Experienced and Professional fund management team
- Flexibility to switch from one strategy to other
- Additional purchase facility & Partial Withdrawal facility

Dedicated Relationship Managers for each investment account and centralized team of service coordinators for hassle-free servicing (on select a/c's)



Farzana Chowdhury, ACII (UK), Director of GDCL, giving speech at the "Investment Roadshow for Bangladesh" organised by Board of Investment, Bangladesh held in UK.

## Financial Highlights:

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME:

Particulars	2015	2014	2013	2012	2011
Total Revenue	50,195,360	49,199,608	30,505,916	26,742,266	14,964,035
Profit Before Tax	21,343,461	19,158,747	10,018,695	6,160,390	6,970,196
<b>Net Profit After Tax</b>	<b>14,993,461</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:

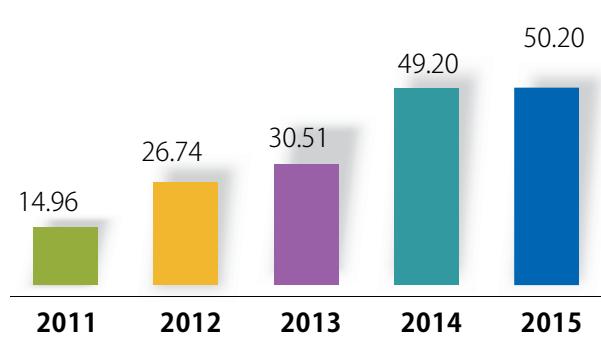
Particulars	2015	2014	2013	2012	2011
Non-Current Assets	10,501,431	14,537,222	7,078,987	7,823,166	7,306,425
Current Assets	327,186,158	295,021,651	280,142,056	120,525,818	125,291,731
<b>Total Assets</b>	<b>337,687,589</b>	<b>309,558,873</b>	<b>287,221,043</b>	<b>128,348,985</b>	<b>132,598,156</b>
Shareholders' Equity	290,450,486	275,457,025	262,498,278	106,879,583	102,211,560
Long Term Liabilities	-	-	291,680	729,176	1,166,672
Current Liabilities	47,237,103	34,101,848	24,431,086	20,740,226	29,219,924
<b>Total Shareholders' Equity &amp; Liabilities</b>	<b>337,687,589</b>	<b>309,558,873</b>	<b>287,221,043</b>	<b>128,348,985</b>	<b>132,598,156</b>

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME:

Particulars	2015	2014	2013	2012	2011
Authorized Share Capital	1,000,000,000	1,000,000,000	250,000,000	250,000,000	250,000,000
Paid up Capital	260,000,000	260,000,000	250,000,000	100,000,000	100,000,000
No. of Share Outstanding	26,000,000	26,000,000	2,500,000	1,000,000	1,000,000
<b>Earning Value Per Share (EPS)</b>	<b>0.60</b>	<b>0.50</b>	<b>2.25</b>	<b>4.67</b>	<b>3.74</b>

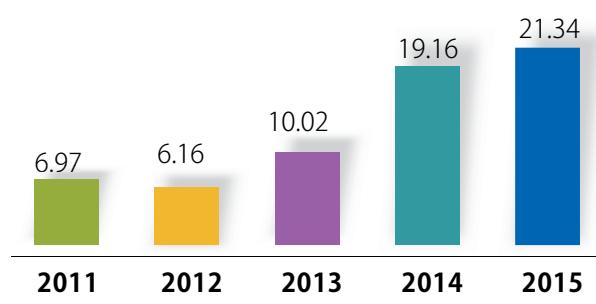
## Graphical Presentation:

### Revenue BDT in Million



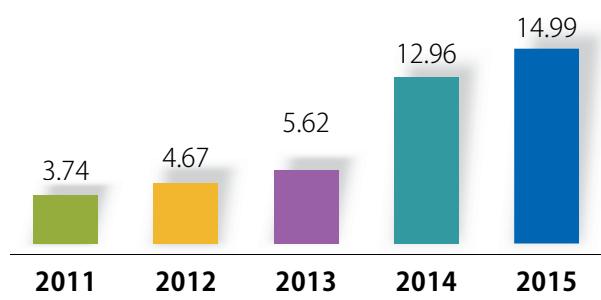
In the 5th year of operation, GDCL has shown BDT 1 Million growth in revenue earnings from previous year. The business has earned BDT 50.20 Million revenue in 2015 which is 2.02% more than the previous 2014.

### Profit before Tax BDT in Million



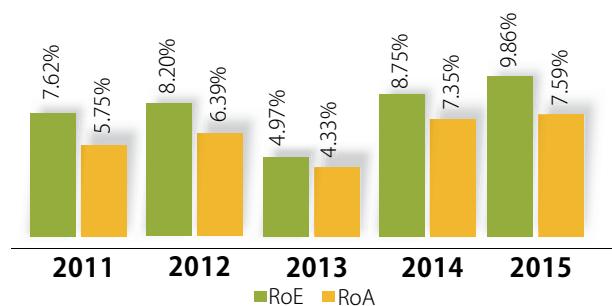
Operating revenue grew by 2% compared to 2014 whereas operating expenses growth decreased by 7% compared to 2014, which ultimately results in 11.40% growth in profit before tax.

### Profit After Tax BDT in Million



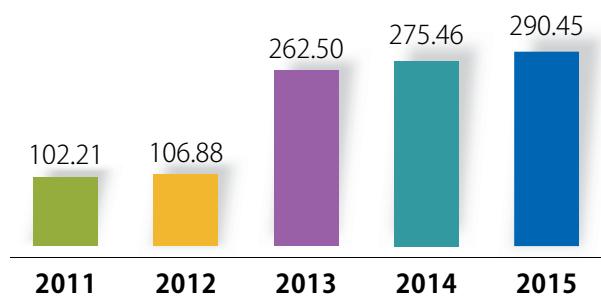
Extensive Cost Control, budget analysis and precise tax provisioning contributed to increase in PAT growth by 15.70% in 2015 compared to 2014.

### Return on Equity & Return on Assets



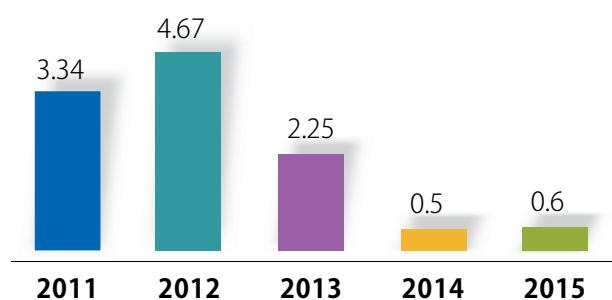
In 2015, GDCL has also ensured healthy shareholders return with Return on Equity of 9.86%. The return on assets has been recorded at 7.59% in the same period.

### Shareholders' Equity BDT in Million



Shareholders' Equity increased by BDT 14.99 Million in 2015 compared to 2014.

### Earning Value Per Share n(EPS)



EPS in 2015 increased compared to 2014 due to increase in company's Net profit after tax by 2.03 million, which indicates 15.70% growth.

## Credentials

<p><b>Foreign Currency Loan</b></p>  <p><b>Hashem Foods Limited</b> A concern of <b>Sajeeb Group</b> <b>USD 25 Million</b> (Current Deal)</p> <p><b>Lead Arranger</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Foreign Currency Loan</b></p>  <p><b>Max Power Limited</b> <b>USD 30 Million</b></p> <p><b>Lead Arranger</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Foreign Currency Loan</b></p>  <p><b>PRAN-RFL Group</b> <b>USD 25 Million</b></p> <p><b>Lead Arranger</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Foreign Currency Loan</b></p>  <p><b>Summit Alliance Port Limited</b> <b>USD 30.51 Million</b></p> <p><b>Lead Arranger</b></p> <p><b>GREENDELTA Capital Limited</b></p>
<p><b>Commercial Paper</b></p>  <p><b>Sajeeb Group</b> <b>BDT 500 Million</b></p> <p><b>Lead Arranger</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Preferred Stock</b></p>  <p><b>Union Capital Ltd.</b> <b>BDT 500 Million</b></p> <p><b>Issue Manager</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Initial Public Offering</b></p>  <p><b>Alliance Holdings Ltd.</b> <b>BDT 2,220 Million</b></p> <p><b>Co-Issue Manager &amp; Corporate Advisor</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Foreign Currency Loan</b></p>  <p><b>InGen Technologies Ltd.</b> <b>USD 3.17 Million</b></p> <p><b>Lead Arranger</b></p> <p><b>GREENDELTA Capital Limited</b></p>
<p><b>Local Debt Syndication</b></p>  <p><b>InGen Technologies Ltd.</b> <b>BDT 255.17 Million</b></p> <p><b>Lead Arranger</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Capital Raising</b></p>  <p><b>Ananta Apparels Ltd.</b> <b>BDT 554.58 Million</b></p> <p><b>Issue Manager &amp; Corporate Advisor</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Capital Raising</b></p>  <p><b>MAKS Renewable Energy Co. Ltd.</b> <b>BDT 554.58 Million</b></p> <p><b>Lead Arranger</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Initial Public Offering</b></p>  <p><b>Aamra Technologies Ltd.</b> <b>BDT 498.50 Million</b></p> <p><b>Corporate Advisory</b></p> <p><b>GREENDELTA Capital Limited</b></p>
<p><b>Repeat Public Offering</b></p>  <p><b>Delta Spinners Ltd.</b> <b>Underwritten Amount:</b> <b>BDT 30 Million</b></p> <p><b>Underwriter</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Rights Offer</b></p>  <p><b>Lafarge Surma Cement Ltd.</b> <b>Underwritten Amount:</b> <b>BDT 100 Million</b></p> <p><b>Underwriter</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Rights Offer</b></p>  <p><b>Eastland Insurance Co. Ltd.</b> <b>Underwritten Amount:</b> <b>BDT 94.5 Million</b></p> <p><b>Underwriter</b></p> <p><b>GREENDELTA Capital Limited</b></p>	<p><b>Rights Offer</b></p>  <p><b>First Security Islami Bank Ltd.</b> <b>Underwritten Amount:</b> <b>BDT 300 Million</b></p> <p><b>Underwriter</b></p> <p><b>GREENDELTA Capital Limited</b></p>

**Rights Offer**



Trust Bank Ltd.

**Underwritten Amount:**

**BDT 110 Million**  
Underwriter

**GREENDELTA**  
*Capital Limited*

**Rights Offer**



United Airways (BD)  
Ltd.  
**Underwritten Amount:**

**BDT 112.5 Million**  
Underwriter

**GREENDELTA**  
*Capital Limited*

**Rights Offer**



Keya Cosmetics Ltd.  
**Underwritten Amount:**

**BDT 10 Million**  
Underwriter

**GREENDELTA**  
*Capital Limited*

**Rights Offer**



BRAC Bank Ltd.  
**Underwritten Amount:**

**BDT 500 Million**  
Underwriter

**GREENDELTA**  
*Capital Limited*

## 10.2.2

# 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, 2015 and the statement of profit or loss and other 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, the Securities and Exchange Rule 1987 and other Rules 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 judgment, 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, 2015 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable Rules and Regulations.

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 profit or loss and other comprehensive Income dealt with by the report are in agreement with the books of accounts;

Place: Dhaka  
Date: February 10, 2016



**Ahmed Zaker & CO.**  
Chartered Accountants

## 10.2.3

Green Delta Capital Limited.

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>APPLICATION OF FUNDS</b>			
<b>Non-Current Assets</b>		<b>10,501,431</b>	<b>14,537,222</b>
Property, Plant & Equipment	4	4,608,653	5,866,412
Lease Assets	5	262,484	612,488
Intangible Assets	6	5,630,294	8,058,322
<b>Current Assets</b>		<b>327,186,158</b>	<b>295,021,651</b>
Advances, Deposits & Prepayments	7	5,995,508	5,154,941
Investment in shares (at cost)	8	110,499,960	51,014,255
Accounts Receivable	9	17,612,455	16,367,678
Loan to Employees	10	637,005	854,749
Investment In FDR		146,040,000	206,523,750
Margin Loan to Clients		4,508,869	4,430,455
Cash and cash equivalents	11	41,892,361	10,675,823
<b>Current Liabilities</b>		<b>47,237,103</b>	<b>34,101,848</b>
Payable to GDIC	12	9,249,002	9,249,002
Payable to GDSL	13	1,174,771	3,846,669
Accounts Payable	14	24,055,804	10,334,286
Other Provision	15	2,538,976	3,023,849
Provision for Income Tax	16	10,218,550	7,648,042
<b>Net Current Assets</b>		<b>279,949,055</b>	<b>260,919,803</b>
<b>Total Assets</b>		<b>290,450,486</b>	<b>275,457,025</b>
<b>SOURCE OF FUNDS</b>			
<b>Shareholders equity</b>		<b>290,450,486</b>	<b>275,457,025</b>
Share Capital	17	260,000,000	260,000,000
Retained Earnings	18	30,450,486	15,457,025
<b>Total Capital Employed</b>		<b>290,450,486</b>	<b>275,457,025</b>

The above notes (1-25) form an integral part of the financial statement.



Chairman



Manager (Finance  
& Accounts)

Place: Dhaka  
Date: February 10, 2016

Signed as per our separate report of same date.



Director



Managing Director  
& CEO



Ahmed Zaker & CO.  
Chartered Accountants

## 10.2.4

Green Delta Capital Limited.

# Statement of Profit or Loss and other Comprehensive Income

For the year ended December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>Income:</b>			
Operating Income	19	31,117,157	10,352,407
Realised Gain on share trading	20	444,855	15,308,896
Other Income	21	18,633,348	23,538,305
<b>Total Operating Income (A)</b>		<b>50,195,360</b>	<b>49,199,608</b>
<b>Operating Expenses:</b>			
Operating & Direct Charges	22	17,063	22,985
Office & Administrative Expenses	23	24,247,250	26,154,411
Financial Expenses	24	285,879	259,444
<b>Total Operating Expenses (B)</b>		<b>24,550,192</b>	<b>26,436,840</b>
<b>Profit before depreciation &amp; provisions (A-B)</b>		<b>25,645,168</b>	<b>22,762,768</b>
Less: Depreciation & Amortization	25	4,301,707	3,604,768
<b>Profit Before Tax</b>			
Other Provision		<b>21,343,461</b>	<b>19,158,747</b>
Provision for Tax		1,350,000	2,200,000
<b>Net Profit After Tax</b>		<b>5,000,000</b>	<b>4,000,000</b>
		<b>14,993,461</b>	<b>12,958,747</b>

The above notes (1-25) form an integral part of the financial statement.



Chairman



Director



Manager (Finance  
& Accounts)



Managing Director  
& CEO

Signed as per our separate report of same date.

Place: Dhaka  
Date: February 10, 2016



Ahmed Zaker & CO.  
Chartered Accountants

**Green Delta Capital Limited.**

## **Statement of Changes in Equity**

For the year ended December 31, 2015

<b>Particulars</b>	<b>Share Capital</b>	<b>Proposed Stock Dividend</b>	<b>Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total Shareholders Equity</b>
Opening Balance	260,000,000	-	-	15,457,025	275,457,025
Net profit during the year	-	-	-	14,993,461	14,993,461
<b>Closing Balance</b>	<b>260,000,000</b>			<b>30,450,486</b>	<b>290,450,486</b>

**Green Delta Capital Limited.**

## **Statement of Changes in Equity**

For the year ended December 31, 2014

<b>Particulars</b>	<b>Share Capital</b>	<b>Proposed Stock Dividend</b>	<b>Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total Shareholders Equity</b>
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>15,457,025</b>	<b>275,457,025</b>



Chairman



Director



Manager (Finance  
& Accounts)



Managing Director  
& CEO

Signed as per our separate report of same date.

Place: Dhaka  
Date: February 10, 2016



Ahmed Zaker & CO.  
Chartered Accountants

**Green Delta Capital Limited.**

# Statement of Cash Flows

For the year ended December 31, 2015

Particulars	Amount in Taka	
	31.12.2015	31.12.2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Cash Collected from Turnover	48,950,583	48,483,034
Cash Paid to Customers, Suppliers, Employees & others	(15,785,417)	(15,327,866)
Income Tax Paid	(2,242,528)	(2,735,981)
<b>Net Cash flow from/(used) Operating Activities</b>	<b>30,922,638</b>	<b>30,419,187</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Acquisition of Fixed Assets	(265,916)	(11,062,256)
Investment in FDR	60,483,750	(27,023,750)
Investment	(59,485,705)	20,956,242
<b>Net Cash flow from /Used) in Investing Activities:</b>	<b>732,129</b>	<b>(17,129,764)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Employee loan adjustment	217,744	266,659
Financial Expenses	(285,879)	(259,444)
Margin Loan	(78,414)	(4,430,455)
Lease Paid	(291,680)	(291,680)
Share issued	-	-
<b>Net Cash used in Financing Activities:</b>	<b>(438,229)</b>	<b>(4,714,920)</b>
<b>D. Net Increase/(Decrease) in cash &amp; cash equivalents during the year (A+B+C):</b>	<b>31,216,538</b>	<b>8,574,503</b>
<b>E. Cash &amp; cash equivalents at the beginning of the year</b>	<b>10,675,823</b>	<b>2,101,320</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>41,892,361</b>	<b>10,675,823</b>

# **Notes to the Financial Statements and significant accounting policies**

For the year ended December 31, 2015

## **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, 2015 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 2015. 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.

## **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. Two types of event can be identified:

- o those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after balance sheet date); and
- o those that are indicative of conditions that arose after the reporting year ( Non-adjusting events after balance sheet date).

## **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, 2015
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, 2015.
- b) Statement of profit or loss and other comprehensive Income for the year ended December 31, 2015.
- c) Statement of Changes in Equity for the year ended December 31, 2015.
- d) Statement of Cash Flows for the year ended December 31, 2015.
- 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, 2015 to December 31, 2015.

# Explanatory notes to the Financial Statements

For the Year ended December 31, 2015

		Amount In Taka	
		31.12.2015	31.12.2014
<b>4.00</b>	<b>Property, Plant &amp; Equipment</b>		
	<b>Cost</b>		
Opening balance		8,667,660	4,565,638
Add: Addition during the year		265,916	4,102,022
		<b>8,933,576</b>	<b>8,667,660</b>
Less: Disposal during the year		-	-
Total Cost		<b>8,933,576</b>	<b>8,667,660</b>
	<b>Less: Depreciation:</b>		
Opening balance		2,801,248	1,593,307
Add: Charged during the year		1,523,675	1,207,941
		4,324,923	2,801,248
Less: Adjustment		-	-
Accumulated depreciation		<b>4,324,923</b>	<b>2,801,248</b>
	<b>Written Down Value</b>		
Details of Property, Plant & Equipment is given in Schedule-A/1		<b>4,608,653</b>	<b>5,866,412</b>
<b>5.00</b>	<b>Lease Assets (Car)</b>		
Opening Balance		1,750,000	1,750,000
Add: Addition		-	-
<b>Total</b>		<b>1,750,000</b>	<b>1,750,000</b>
Less:			
Opening Depreciation		1,137,512	787,508
Add: charged during the year		350,004	350,004
<b>Total</b>		<b>1,487,516</b>	<b>1,137,512</b>
	<b>Written Down Value</b>		
Details of Lease Assets (Car) is given in Schedule-A/3		<b>262,484</b>	<b>612,488</b>
<b>6.00</b>	<b>Intangible Assets</b>		
Opening Balance		12,473,464	5,513,230
Add: Addition during the year		-	6,960,234
<b>Total</b>		<b>12,473,464</b>	<b>12,473,464</b>
Less:			
Opening Amortization		4,415,142	2,369,066
Add: Charge during the Year		2,428,028	2,046,076
		<b>6,843,170</b>	<b>4,415,142</b>
<b>Total</b>		<b>5,630,294</b>	<b>8,058,322</b>
Details of Intangible Assets is given in Schedule-A/2			

		Amount In Taka	
		31.12.2015	31.12.2014
<b>7.00</b>	<b>Advances, Deposits &amp; Prepayments</b>		
Advance Loan to Employees	<b>7.01</b>	40,000	212,468
TDS from Interest Income Bank	<b>7.02</b>	11,843	11,915
TDS from Interest Income FDR	<b>7.03</b>	3,595,280	3,466,371
TDS from Interest Underwriting Commission	<b>7.04</b>	136,956	86,956
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>	285,095	138,647
TDS from Fees Income	<b>7.08</b>	949,334	661,584
Advance to Others		400,000	-
Advance to Business object Solution Ltd.		375,000	375,000
		<b>5,995,508</b>	<b>5,154,941</b>
<b>7.01</b>	<b>Advances Loan to Employees</b>		
Opening Balance		212,468	240,000
Add: Addition during the year		340,000	362,400
		<b>552,468</b>	<b>602,400</b>
Less: Adjustment made during the year		(512,468)	(389,932)
Total		<b>40,000</b>	<b>212,468</b>
<b>7.02</b>	<b>TDS from Interest Income Bank</b>		
Opening Balance		11,915	190,122
Add: Addition during the yaer		508	11,335
		<b>12,423</b>	<b>201,457</b>
Less: Adjustment during the year		(580)	(189,542)
Total		<b>11,843</b>	<b>11,915</b>
<b>7.03</b>	<b>TDS from Interest Income FDR</b>		
Opening Balance		3,466,371	3,138,901
Add: Addition during the year		1,613,432	1,981,848
		<b>5,079,803</b>	<b>5,120,749</b>
Less: Adjustment during the year		(1,484,523)	(1,654,378)
Total		<b>3,595,280</b>	<b>3,466,371</b>
<b>7.04</b>	<b>TDS from Interest Underwriting Commission</b>		
Opening Balance		86,956	8,500
Add: Addition during the year		50,000	86,956
		<b>136,956</b>	<b>95,456</b>
Less: Adjustment during the year		-	(8,500)
Total		<b>136,956</b>	<b>86,956</b>
<b>7.05</b>	<b>T &amp; T Deposits</b>		
Opening Balance		2,000	2,000
Add: Addition during the year		-	-
Total		<b>2,000</b>	<b>2,000</b>

	Amount In Taka	
	31.12.2015	31.12.2014
<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	138,647	75,329
Add: Addition during the year	206,638	78,458
Less: Adjustment during the year	<b>345,285</b>	<b>153,787</b>
<b>Total</b>	<b>(60,189)</b>	<b>(15,140)</b>
<b>7.08 TDS from Fees Income</b>		
Opening Balance	661,584	84,200
Add: Addition during the year	371,950	577,384
Less: Adjustment made during the year	<b>1,033,534</b>	<b>661,584</b>
<b>Total</b>	<b>(84,200)</b>	<b>-</b>
<b>8.00 Investment in Share (at cost)</b>		
Investment in Shares at cost	<b>110,499,960</b>	<b>51,014,255</b>
<b>9.00 Accounts Receivable</b>		
Interest Receivable on FDR	9.01	11,342,365
Receivables from Flora Tele for Issue & Corporate		-
Receivable from InGen Technology Ltd.		702,354
Receivable from SAPL SF & CA (others)		317,805
Receivable from OTOBI		-
Receivable from Financial Express Resech		60,000
Receivable from Alliance Holdings (AHL) other TADA		-
Receivable from Pran RFL (Other nexpenses) TADA		253,010
Receivable from Broker GDSL (Discretionary)		1,078,938
Receivable from Hashem Foods Ltd.( Sajeeb Group)		3,674,563
Receivable from Hashem Foods Ltd.Other ( Sajeeb Group)		104,419
Receivable from Union Capital (Other)		-
Receivable from Green Delta Securities Ltd. Head Office		79,000
Other Receivable (Employee & Others)		-
<b>Total</b>	<b>17,612,455</b>	<b>16,367,678</b>
<b>9.01 Interest Receivable on FDR</b>		
Opening Balance	10,559,794	9,621,315
Add: Addition during the year	12,245,301	17,465,704
Less: Adjustment made during the year	<b>22,805,095</b>	<b>27,087,019</b>
<b>Total</b>	<b>11,342,365</b>	<b>10,559,794</b>

		Amount In Taka	
		31.12.2015	31.12.2014
<b>10.00</b>	<b>Loan to Employees</b>		
Car Loan	10.01	606,379	838,080
Mobile Loan	10.02	30,626	16,669
		<b>637,005</b>	<b>854,749</b>
<b>10.01</b>	<b>Car Loan</b>		
Opening Balance		838,080	1,066,656
Add: Addition during the year		-	-
		<b>838,080</b>	<b>1,066,656</b>
Less: Adjustment made during the year		231,701	228,576
<b>Total</b>		<b>606,379</b>	<b>838,080</b>
<b>10.02</b>	<b>Mobile Loan</b>		
Opening Balance		16,669	54,752
Add: Addition during the year		55,000	80,000
		<b>71,669</b>	<b>134,752</b>
Less: Adjustment made during the year		41,043	118,083
<b>Total</b>		<b>30,626</b>	<b>16,669</b>
<b>11.00</b>	<b>Cash and cash equivalents</b>		
Cash in Hand	11.01	86,605	73,743
Cash at Bank	11.02	41,560,842	10,011,742
Ledger Balance from GDSL		244,914	590,338
		<b>41,892,361</b>	<b>10,675,823</b>
<b>11.01</b>	<b>Cash in hand</b>		
Cash in hand		86,605	73,743
		<b>86,605</b>	<b>73,743</b>
<b>11.02</b>	<b>Cash with bank</b>		
Eastern Bank Limited AC. No. 1011220001064		37	1,161
SCB (Discretionary) 01-1146314-01		237,301	23,672
SCB-IP A/C (Non-Discretionary) 01-1146314-03		4,366,350	8,009,575
SCB (Own Investment) 01-1146314-02		51,856	163,001
SCB (Operation) 02-1146314-01		36,684,807	942,735
MCBL (Operation) 011313100000777		214,485	850,598
SCB IPO Application A/C 01-1146314-04		-	21,000
MCBL 111372008290157		6,006	-
		<b>41,560,842</b>	<b>10,011,742</b>
<b>12.00</b>	<b>Payable to GDIC</b>		
Temporary loan	12.01	9,143,250	9,143,250
Office Rent Payable GDIC		105,752	105,752
		<b>9,249,002</b>	<b>9,249,002</b>

	Amount In Taka	
	31.12.2015	31.12.2014
<b>12.01 Temporary loan</b>		
Opening Balance	9,143,250	9,143,250
Add: Addition during the year	-	-
<b>Total</b>	<b>9,143,250</b>	<b>9,143,250</b>
Less: Adjustment made during the year	-	-
	<b>9,143,250</b>	<b>9,143,250</b>
<b>13.00 Payable to GDSL</b>		
Salary & Allowances	-	1,269,284
Management Expenses	1,174,771	2,025,515
Preliminary Expenses		206,870
Office Rent		345,000
	<b>1,174,771</b>	<b>3,846,669</b>
<b>14.00 Accounts Payable</b>		
Audit Fees	<b>14.01</b>	
TDS Payable	<b>14.02</b>	57,500
VAT Payable	<b>14.03</b>	4,851
Current Portion of Lease Obligation	<b>14.04</b>	576,035
Accrued expenses & other payable	<b>14.05</b>	-
Other Payables	<b>14.06</b>	26,356
IPO Control Account		18,612,155
Payable to Clients	<b>14.07</b>	-
		21,000
		4,778,907
		<b>8,723,294</b>
	<b>24,055,804</b>	<b>10,334,286</b>
<b>14.01 Audit Fees Payable</b>		
Opening Balance		57,500
Add: Addition during the year		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		4,851
Add: Addition during the year		58,212
<b>Total</b>	<b>63,063</b>	<b>96,616</b>
Less: Paid during the year		58,212
<b>Closing Balance</b>	<b>4,851</b>	<b>4,851</b>
<b>14.03 VAT Payable</b>		
Opening Balance		591,422
Add: Addition during the year		1,500,623
<b>Total</b>	<b>2,092,045</b>	<b>1,451,340</b>
Less: Paid during the year		1,516,010
<b>Closing Balance</b>	<b>576,035</b>	<b>591,422</b>

Amount In Taka	
31.12.2015	31.12.2014

#### 14.04 Current Portion of Lease Obligation

Opening Balance	291,680	437,496
Add: Addition during the year	-	-
	<b>291,680</b>	<b>437,496</b>
Less: Paid during the year	291,680	145,816
<b>Total</b>	<b>-</b>	<b>291,680</b>

#### 14.05 Accrued expenses & other payable

Accrued expenses & other payable	26,356	21,439
<b>Total</b>	<b>26,356</b>	<b>21,439</b>

#### 14.06 Other Payables

Payable to party Samico IT	36,500	-
Payable to CDBL	10,644	4,771
Payable to Green Delta Aims Ltd.	67,822	69,398
Payable to Radiant Cleaning & Pest Control	10,322	18,687
Payable to Progress Capital Ltd.	17,446,750	500,000
Payable to Infobase Ltd	-	5,000
Payable to Royal taj enterprise	10,297	3,918
Payable to Lazeez Food	29,820	21,326
Payable to GF	1,000,000	-
<b>Total</b>	<b>18,612,155</b>	<b>623,100</b>

#### 14.07 Payable to Clients

Client Payable Account	4,778,907	8,723,294
<b>Total</b>	<b>4,778,907</b>	<b>8,723,294</b>

#### 15.00 Other Provision (Bonus )

Opening Balance	3,023,849	2,171,299
Add: Addition during the year	1,350,000	2,200,000
<b>Total</b>	<b>4,373,849</b>	<b>4,371,299</b>
Less: Paid during the year	1,834,873	1,347,450
<b>Closing Balance</b>	<b>2,538,976</b>	<b>3,023,849</b>

#### 16.00 Provision for Income Tax

Opening Balance	7,648,042	5,915,602
Add: Addition during the year	5,000,000	4,000,000
<b>Total</b>	<b>12,648,042</b>	<b>9,915,602</b>
Less: Paid & adjustment during the year	2,429,492	2,267,560
<b>Closing Balance</b>	<b>10,218,550</b>	<b>7,648,042</b>

Amount In Taka	
31.12.2015	31.12.2014

## 17.00 Share Capital

### 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
Green Delta Insurance Co. Ltd	259,999,900
Nasir A. Choudhury	100
	<b>260,000,000</b>

## 18.00 Retained Earnings

Opening Balance	15,457,025	12,498,278
Add: Addition during the year	14,993,461	12,958,747
	<b>30,450,486</b>	<b>25,457,025</b>
Less: Issue of bonus Share 2013	-	(10,000,000)
<b>Closing Balance</b>	<b>30,450,486</b>	<b>15,457,025</b>

## 19.00 Operating Income

Structured Finance and Corporate Advisory	29,756,788	9,001,975
margin interest Income	760,369	380,867
Issue Management Fees	100,000	100,000
Underwriting Commission	500,000	869,565
	<b>31,117,157</b>	<b>10,352,407</b>

## 20.00 Realised Gain on share trading

Realized gains on own Share Investment	444,855	15,308,896
	<b>444,855</b>	<b>15,308,896</b>

## 21.00 Other Income:

Dividend Income	1,101,094	398,781
Interest Income on FDR	14,298,760	19,715,690
Interest Income on STD Balances	5,081	113,350
Interest Income on Staff Loan	73,971	72,852
Management Fee, GD perfor-Max	54,420	67,065
Documentation Charge, GD perfor-Max	36,500	76,500
Brokerage Commission, GD Perform Max	14,323	14,137
Income from Publication Reserch	1,566,950	1,095,750

	Amount In Taka	
	31.12.2015	31.12.2014
Interest Income from Investment (Heritage Life)	-	1,149,360
Management Fee	441,507	218,027
Bo Account opening Fee	18,000	30,500
Service charge IPO Application	55	-
Bo Renewal Fee	33,000	15,500
Bo Closing Fee	-	500
Brokerage commission	499,027	380,713
Urgent Withdrawal Income (Non-Discretionary)	-	1,000
Misc. Inome	490,051	188,580
CDBL income	609	
	<b>18,633,348</b>	<b>23,538,305</b>

#### 22.00 Operating & Direct Expenses:

Portfolio Expenses	17,063	22,985
	<b>17,063</b>	<b>22,985</b>

#### 23.00 Office & Administrative Expenses:

Salaries and Allowances	14,837,286	12,911,090
Festival bonus	1,021,250	1,071,500
Office Rent	1,269,024	1,269,024
Insurance premium	76,751	131,149
Electricity, Utility & Services	896,055	936,055
Telephone expenses	25,128	20,539
Mobile Allowances	270,311	301,495
Audit Fees	57,500	57,500
Printing and stationery expenses	513,881	518,246
Postage Courier	20	22,338
Office maintenances	332,445	305,214
Software maintenance fees	142,685	77,372
Design Cost	-	33,750
Corporate Events for employees	12,600	58,620
Corporate Events for MD's office	23,961	-
License and renewal fees	77,830	63,505
Car Repair and maintenances	880,752	660,000
Membership and renewal fees	136,000	145,000
Data Connectivity Expenses - Branch-Dept	208,785	234,506
Training and development expenses	18,500	16,550
Conveyances	123,110	133,979
Computer Accessories	34,000	46,400
Traveling expenses	23,296	37,500
Internship program HR	1,921	-
Foreign travel expenses	492,758	485,364
Paper, Books and yearicals	6,055	9,495
Fuel costs	31,452	33,254
Entertainment expenses	456,636	87,206
Marketing Expense	517,246	3,531,728
Management expenses	614,255	652,145

	Amount In Taka	
	31.12.2015	31.12.2014
Board Meeting expenses	136,170	100,470
Advertisement expenses	-	282,250
Car Allowances	248,000	276,000
Staff food expenses	380,588	363,472
Web Development	153,500	347,800
RJSC & Govt. Fees	42,470	451,292
Legal expenses	-	8,000
CDBL Charges	-	81,005
Repair expenses	31,105	35,915
Cartidge & Tonner	18,800	69,720
Recruitment & HR Cost	-	75,325
Misceallenous Expense	-	3,390
Driver Salary	120,000	144,000
Uniform & Dress	15,124	65,248
	<b>24,247,250</b>	<b>26,154,411</b>

**24.00 Financial Expenses:**

Interest on lease finance	103,280	154,944
Interest on OD Loan	9,274	
Bank Charges	173,325	104,500
	<b>285,879</b>	<b>259,444</b>

**25.00 Depreciation & Written Off:**

Furniture and fittings	23,343	17,586
Computer	231,277	662,157
Office equipment	228,547	209,586
Office Renovation	341,508	318,612
Motor vehicles	699,000	350,004
Amortization	350,004	-
Systems and softwares	2,428,028	2,046,076
	<b>4,301,707</b>	<b>3,604,021</b>

**GREEN DELTA CAPITAL LIMITED**

**Schedule of Property Plant & Equipment**

For the year ended December 31, 2015

**Schedule -A/1**

Sl. No	Name of the Assets	COST			Rate	Opening	Charged during the year	Adjustment	Total	W.D.V
		Initial	Addition	Disposal						
1	Furniture and Fittings	187,255	52,258	-	239,513	10%	41,007	23,343	-	64,350
2	Office Equipment	1,062,302	177,158	-	1,239,460	20%	471,900	231,277	-	703,177
3	Computer	2,215,574	36,500	2,252,074	33%	1,810,423	228,547	-	2,038,970	536,283
4	Office Renovation	1,707,529	-	-	1,707,529	20%	477,918	341,508	-	819,426
5	Car	3,495,000	-	-	3,495,000	20%	-	699,000	-	699,000
	<b>Total Taka</b>	<b>8,667,660</b>	<b>265,916</b>	<b>-</b>	<b>8,933,576</b>		<b>2,801,248</b>	<b>1,523,675</b>	<b>-</b>	<b>4,324,923</b>
										<b>4,608,653</b>

**GREEN DELTA CAPITAL LIMITED**

**Lease Asset Schedule**

For the year ended December 31, 2015

**Schedule -A/1**

Sl. No	Name of the Assets	COST			Rate	Opening	Charged during the year	Adjustment	Total	W.D.V
		Initial	Addition	Disposal						
1	Car Lease	1,750,000	-	-	1,750,000	20%	1,137,512	350,004	-	1,487,516
	<b>Total Taka</b>	<b>1,750,000</b>	<b>-</b>	<b>-</b>	<b>1,750,000</b>		<b>1,137,512</b>	<b>350,004</b>	<b>-</b>	<b>1,487,516</b>
										<b>262,484</b>

**GREEN DELTA CAPITAL LIMITED**

**Lease Asset Schedule**

For the year ended December 31, 2015

**Schedule -A/1**

Sl. No	Name of the Assets	COST			Rate	Opening	Charged during the year	Adjustment	Total	W.D.V
		Initial	Addition	Disposal						
1	Software	12,473,464	-	-	12,473,464	20%	4,415,142	2,428,028	-	6,843,170
	<b>Total Taka</b>	<b>12,473,464</b>	<b>-</b>	<b>-</b>	<b>12,473,464</b>		<b>4,415,142</b>	<b>2,428,028</b>	<b>-</b>	<b>6,843,170</b>
										<b>5,630,294</b>

### 10.3.1

## MESSAGE FROM THE DESK OF IN-CHARGE



Papia Rahman is the Chartered Insurer ACII (UK), In Charge of Professional Advancement Bangladesh Limited (PABL) which is launched by Green Delta Insurance Company Limited in association with Chartered Insurance Institute (CII), UK. The main objective of the institute is to create professionals in the field of Insurance, HR, Audit, Accounts, and Compliance etc. The company is governed by an Advisory Board which comprises of a group of knowledgeable, experienced and reputed personalities from the Insurance industry of Bangladesh.

Ms. Farzana Chowdhury, MD & CEO of GDIC said "with the help of this institute professionals from different

financial institutes all over the country can advance their career further by being enrolled in a course offered by PABL."

PABL has started its journey from 19th May 2014 after getting Insurance Development and Regulatory Authority (IDRA) green signal. And its total paid up capital is now BDT 250,000 and the authorized capital is BDT 100,00,000.

Papia Rahman ACII (UK)  
Chartered Insurer  
In Charge-PABL

## **Mission:**

Creating a strong platform for the insurance sector and adding value as strategic partners with the insurance community by:

1. Creating high level of professionalism.
2. Arranging effective human capital development programs.
3. Promoting insurance education locally and internationally.
4. Addressing National and International issues.

## **Vision:**

To be the best insurance human capital development center and create strong International Insurance and Financial skilled insurance professionals.

## **Affiliations of PABL**

1. Chartered Insurance Institute London (CII)
2. Insurance Institute of India (III)
3. National Insurance Academy Pune India (NIA)

## **Training**

In the year 2015 PABL has conducted the following trainings:

- Basic Underwriting Training
- Training of Fresher Officers
- Training on Audit & Compliance
- Training on Insurance Software
- Training in Agriculture Insurance

## **Training for other Organization**

- Underwriting Training for Sadharan Bima Corporation
- Sales Training for IDLC officers

## **Workshop on Insurance Selling Master Class:**

Professional Advancement Bangladesh Ltd has organized Workshop on Insurance Selling Master Class: Sales strategies and Negotiating skills for its own employees and also for the Life/ Non Life insurance companies. The Trainer was Mr Paul Archer who is a renowned Trainer in the field of UK market. He has a lot of expertise in Sales Marketing and others. Paul has shared the latest sales techniques that are very relevant for the modern consumer. He showed how to plan for them using the life line financial planning tool and to coach rather than sell. It's full of practical and usable technique sand strategies.

## **CII Courses**

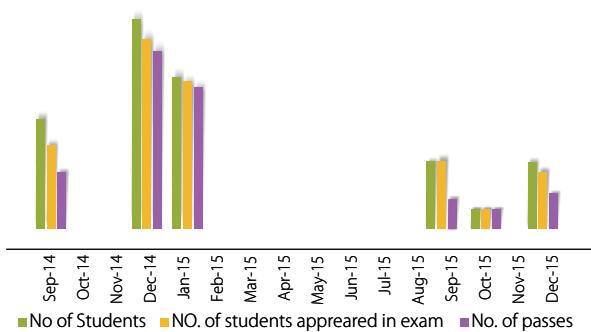
PABL has organized all the ACII (UK) papers Classes/ Examination from its own premises. In the year 2015 the following CII paper examinations were conducted:

- Insurance Legal & Regulatory IF1
- Insurance Underwriting Process IF3
- Claims Handling Process IF4
- Insurance Law

Recently Certificate of Insurance paper IF4 Examination was conducted and total 11students students enrolled and out of 8 ,7 has passed where from Life insurance companies/Non-life insurance companies/IDRA/ Surveyor/Students attended this examination. There were in total 130 students who were enrolled for CII courses up to the year 2015.

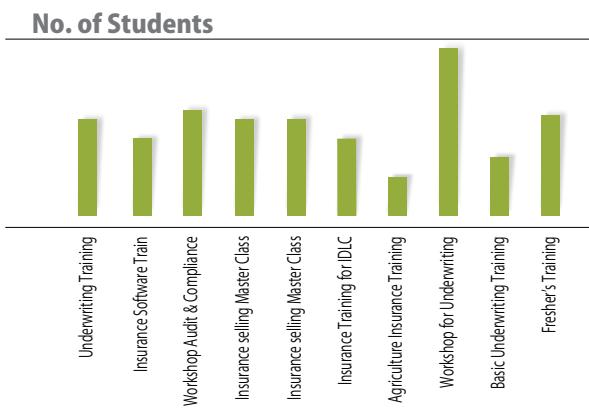
Subject	Year	Exam Period	Total Enrollment	Appeared in Exam	Passed	Passed Rate
Insurance Legal & Regulatory (IF1)	2014	September 2014	21	16	11	84.62%
Insurance Legal & Regulatory (IF1)	2014	December, 2014	14	12	12	100%
Claims handling Process(IF4)	2014	December, 2014	26	24	22	91.67%
Insurance Underwriting Process (IF3)	2015	January 2015	29	28	27	96%
Insurance Legal & Regulatory (IF1)	2015	September, 2015	13	13	6	46%
Insurance Law PO5 (Diploma)	2015	October, 2015	04	04	4	100%
Claims handling Process(IF4)	2015	December, 2015	8	8	7	87.5%

## PABL 2016



### PABL Other Trainings:

Particulars	Number of Students
Underwriting Training	25
Insurance Software Training	20
Workshop Audit & Compliance	27
Insurance Selling Master Class for Green Delta Insurance Co	25
Insurance Selling Master Class for Insurance Industry	25
Insurance Training for IDLC Officers	20
Agriculture Insurance Training	10
Workshop for Underwriting Compliance	43
Basic Underwriting Training for Sadharan Bima Corporation	15
Fresher's Training	26



### Open Discussion Session with Bangladesh Insurance Surveyors Association (BISA)

Recently PABL has conducted an Open Discussion meeting with Bangladesh Insurance Surveyors Association (BISA) for conducting Diploma/Advance, Diploma/Foundation course for the Professional Quality Development of Surveyors or Loss Assessors. Mr. Nasir A Choudhury Chairman, PABL, Mr. Mustaque Hossain, President, BISA, Md. Atiqullah Member, and other 15 Surveyors were present during the discussion.



PABL Team



Open Discussion Session with Bangladesh Insurance Surveyors Association (BISA)



PABL assists to recognize renowned insurance professional Mr. Azizul Huq Chowdhury FCII



25 Students Completed their CERT(CII) from PABL



Insurance Underwriting Process IF3 exam (Certificate in Insurance)



Workshop on Insurance Selling Master Class by Mr Paul Archer



Freshers' Training Program for Green Delta by PABL



Training on insurance and audit compliance issues



Professional Advancement Bangladesh Limited meets Finance Secretary



IFC Agri Training



UMD Software Training



Agriculture Insurance Training by ILO.

## 10.3.2

# AUDITOR'S REPORT to the Shareholders of Professional Advancement Bangladesh Limited

For the year ended December 31, 2015

We have audited the accompanying financial statements of Professional Advancement Bangladesh Limited which comprise the statement of financial Position as at December 31, 2015 and the Statement of profit or loss and other 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, 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, 2015 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, and other applicable laws and regulations.

### Report on Other Legal and Regulatory Requirements

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Statement of Financial Position and the Statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts;

Place: Dhaka  
Date: February 10, 2016.



**Ahmed Zaker & CO.**  
Chartered Accountants

### 10.3.3

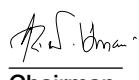
Professional Advancement Bangladesh Limited

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>5,639,213</b>	<b>6,831,754</b>
Property, Plant & Equipment	3.00	5,639,213	4,602,075
Preliminary Expenses		-	2,229,679
<b>Current Assets</b>		<b>19,103,692</b>	<b>8,211,828</b>
Receivable from GD ASSIST	4.00	456,012	153,092
Receivable from Others	5.00	777,429	1,253,270
Advance, Deposit & Prepayments	6.00	5,080,759	3,909,614
Fixed Deposit	7.00	9,580,331	2,500,000
Cash and cash equivalents	8.00	3,209,160	395,851
<b>Total Assets</b>		<b>24,742,905</b>	<b>15,043,583</b>
<b>Shareholders Equity &amp; Liabilities</b>			
<b>Shareholders equity</b>		<b>5,060,365</b>	<b>1,035,992</b>
Share Capital	9.00	10,000,000	2,500,000
Retained Earnings	10.00	(4,939,635)	(1,464,008)
<b>Current Liabilities</b>		<b>19,682,540</b>	<b>14,007,590</b>
Accounts Payable to GDIC	11.00	19,387,761	13,617,827
Accounts Payable to Others	12.00	101,350	389,763
Advance Student Fees	13.00	193,430	-
<b>Total Shareholders Equity &amp; Liabilities</b>		<b>24,742,905</b>	<b>15,043,583</b>

The accompanying policies and explanatory notes 1 to 18 form an integral part of the financial statement.

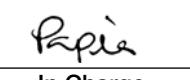
  
Chairman

  
In Charge (Accounts)

Place: Dhaka  
Date: February 10, 2016.

Signed as per our separate report of same date.

  
Director

  
In Charge

  
Company Secretary

  
Ahmed Zaker & CO.  
Chartered Accountants

## 10.3.4

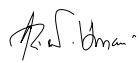
Professional Advancement Bangladesh Limited

# Statement of Profit or Loss and other Comprehensive Income

For the year ended December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>Operating Income:</b>			
Revenue from Student Fee	14.00	2,073,069	2,310,156
Other Income	15.00	1,129,613	36,142
<b>Total Income</b>		<b>3,202,682</b>	<b>2,346,298</b>
Less: Operating Exp.	16.00	2,287,882	850,375
<b>Gross Profit</b>		<b>914,800</b>	<b>1,495,923</b>
Less: Office & Administrative Expenses	17.00	4,381,593	2,956,941
Less: Financial Expenses	18.00	8,834	2,990
<b>Profit/(Loss) before Tax</b>		<b>(3,475,627)</b>	<b>(1,464,008)</b>

The accompanying policies and explanatory notes 1 to 18 form an integral part of the financial statement.



Chairman



Director



Papria



In Charge (Accounts)



Company Secretary



Ahmed Zaker & CO.  
Chartered Accountants

Place: Dhaka  
Date: February 10, 2016.

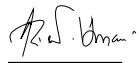
Signed as per our separate report of same date.

Professional Advancement Bangladesh Limited

# Statement of Changes in Equity

For the year ended December 31, 2015

Particulars	Share Capital	Retained Earnings	Amount in Taka	
			Total Shareholders Equity	
Opening Balance	2,500,000	(1,464,008)	1,035,992	
Add: During the year	7,500,000	(3,475,627)	4,024,373	
<b>Balance as at December 31, 2015</b>	<b>10,000,000</b>	<b>(4,939,635)</b>	<b>5,060,365</b>	



Chairman



Director



Papria



In Charge (Accounts)



Company Secretary



Ahmed Zaker & CO.  
Chartered Accountants

Place: Dhaka  
Date: February 10, 2016.

Signed as per our separate report of same date.

Professional Advancement Bangladesh Limited

## Statement of Cash Flows

For the year ended December 31, 2015

	Amount in Taka	
	31.12.2015	31.12.2014
<b>Cash Flow from Operating Activities:</b>		
Cash Received from Customers and others	3,569,033	939,936
Cash Paid to Customers, Suppliers, Employees & others	(185,438)	(544,085)
Tax Paid	(57,466)	-
<b>Net Cash (used) /flows from operating activities</b>	<b>3,326,129</b>	<b>395,851</b>
<b>Cash Flow from Investing activities :</b>		
Acquisition of Property, Plant & Equipment	(1,512,820)	
Investment	(6,500,000)	(2,500,000)
<b>Net Cash flows from Investing activities:</b>	<b>(8,012,820)</b>	<b>(2,500,000)</b>
<b>Cash Flow from Financing activities:</b>		
Share Capital	7,500,000	2,500,000
<b>Net Cash (used) /flows from Financing activities:</b>	<b>7,500,000</b>	<b>2,500,000</b>
Net increase/(decrease) in cash & cash equivalents	2,813,309	395,851
Add: Cash & Cash equivalents at the beginning of the year	395,851	-
Cash & Cash equivalents at the end of the year	<b>3,209,160</b>	<b>395,851</b>



Chairman



Director



In Charge

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In Charge (Accounts)

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Company Secretary

Place: Dhaka  
Date: February 10, 2016.

Signed as per our separate report of same date.

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Ahmed Zaker & CO.  
Chartered Accountants

# Notes to the Financial Statements

For the year ended December 31, 2015

## 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.

## 1.01 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 31, 2015.
- ii) Statement of Profit or Loss & Other Comprehensive Income for the year ended 31 December 2015.
- iii) Cash Flow Statement for the year ended December 31, 2015.
- iv) Statement of Changes in Equity for the year ended December 31, 2015.
- v) Notes to the Financial Statements.

### 2.05 Reporting year/Period:

The financial statements of the company cover for the period from 01 January 2015 to December 31, 2015.

		Amount in Taka	
		31.12.2015	31.12.2014
<b>3.00</b>	<b>Property, Plant &amp; Equipment</b>		
Cost:			
Opening balance		4,602,075	-
Add: Addition during the year		1,512,820	4,602,075
		<b>6,114,895</b>	<b>4,602,075</b>
Adjustment		-	-
<b>Balance as on December 31,2015</b>		<b>6,114,895</b>	<b>4,602,075</b>
<b>Depreciation:</b>			
Opening balance		-	-
Add: Charged during the year		475,682	-
Adjustment		-	-
<b>Balance as on December 31,2015</b>		<b>475,682</b>	<b>-</b>
<b>Written Down Value as at Dec 31,2015</b>		<b>5,639,213</b>	<b>4,602,075</b>
<b>Details of Property, Plant &amp; Equipment is given in Annexure-A</b>			
<b>4.00</b>	<b>Receivable from GD Assist</b>		
<b>Opening balance</b>		<b>153,092</b>	-
Add: During the year		1,093,810	153,092
<b>Total</b>		<b>1,246,902</b>	<b>153,092</b>
Less: Received during the year		(790,890)	-
<b>Balance as at Dec 31, 2015</b>		<b>456,012</b>	<b>153,092</b>
<b>5.00</b>	<b>Receivable from others</b>		
<b>Opening Balance</b>		<b>1,253,270</b>	-
Add: During the year	<b>5.01</b>	485,944	<b>1,253,270</b>
		<b>1,739,214</b>	<b>1,253,270</b>
Less: Recovery during the year	<b>5.02</b>	(961,785)	-
Balance as at Dec 31, 2015		<b>777,429</b>	<b>1,253,270</b>
<b>5.01</b>	<b>During the year</b>		
Insurance Selling Master Class (Industry)		150,000	-
Insurance audit & Compliance		65,000	132,610
Claim Handling Process -IF4 (Nov-30' 2015)		116,750	357,800
Agriculture Insurance		10,000	97,160
Open Discussion		8,000	633,700
Insurance Law		9,500	32,000
Insurance Selling Master Class		62,379	-
Insurance Legal & Regulatory -IF1 (Sept'15)		50,000	-
Agriculture Insurance		7,000	-
IDLC		7,315	-
<b>Total addition during the year</b>		<b>485,944</b>	<b>1,253,270</b>

	Amount in Taka	
	31.12.2015	31.12.2014
<b>5.02 Recovery during the year</b>		
Insurance Legal & Regulatory -IF1 (Sept'14)	106,160	-
Claim Handling Process -IF4	253,320	-
Insurance Legal & Regulatory -IF1 (Dec'14)	59,900	-
Insurance Underwriting Process - IF3	458,090	-
Health Insurance	20,000	-
Insurance Legal & Regulatory -IF1 (Sept'15)	50,000	-
Agriculture Insurance	7,000	-
IDLC	7,315	-
<b>Total Recovery</b>	<b>961,785</b>	<b>-</b>
<b>6.00 Advances, Deposits &amp; Prepayments</b>		
Advance Office Rent	2,790,000	3,906,000
AIT on FDR	56,321	3,614
AIT on Bank Deposit	4,759	-
Advance Against Expenses	2,229,679	
<b>Total</b>	<b>5,080,759</b>	<b>3,909,614</b>
<b>7.00 Fixed Deposit</b>		
Opening Balance	2,500,000	-
Add: Addition during the year	6,500,000	2,500,000
Add: FDR Interest during the year	580,331	-
<b>Total FDR</b>	<b>9,580,331</b>	<b>2,500,000</b>
Less: Encashment during the year	-	-
<b>Balance as at Dec 31, 2015</b>	<b>9,580,331</b>	<b>2,500,000</b>
<b>8.00 Cash and Cash Equivalents</b>		
Cash in hand	3,378	37,203
Cash at bank (MBL A/C No 111313101700868)	3,205,782	358,648
<b>Balance as at Dec 31, 2015</b>	<b>3,209,160</b>	<b>395,851</b>
<b>9.00 Share capital</b>		
<b>9.01 Authorized Capital amounting in Taka 50,000,000</b>		
Five Million (5,000,000) ordinary shares of Tk.10/- each		
<b>9.02 Issued, subscribed and paid up Capital</b>	<b>10,000,000</b>	<b>2,500,000</b>

This represents the paid up capital of the company with 10,00,000 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. Nasiruddin Ahmad Choudhury (Director)	400	4,000
Green Delta Insurance Company	999,600	9,996,000
	<b>1,000,000</b>	<b>10,000,000</b>

		Amount in Taka	
		31.12.2015	31.12.2014
<b>10.00</b>	<b>Retained Earnings</b>		
	Opening Balance	(1,464,008)	-
	Add: During the year	(3,475,627)	(1,464,008)
	<b>Balance as at Dec 31, 2015</b>	<b>(4,939,635)</b>	<b>(1,464,008)</b>
<b>11.00</b>	<b>Accounts Payable to GDIC</b>		
	Opening Balance	13,617,827	-
	During the year	5,769,934	13,617,827
	<b>Balance as at Dec 31, 2015</b>	<b>19,387,761</b>	<b>13,617,827</b>
<b>12.00</b>	<b>Accounts Payable to Others</b>		
	Opening Balance	389,763	-
	Add: During the year	12.01 85,374	389,763
	<b>Total</b>	<b>475,137</b>	<b>389,763</b>
	Less: Paid During the year	(373,788)	-
	<b>Balance as at Dec 31, 2015</b>	<b>101,350</b>	<b>389,763</b>
<b>12.01</b>	<b>During the year</b>		
	Electricity Bill	15,224	5,673
	Office Rent	12,000	329,220
	Branding	-	5,819
	Cleaner Bill	16,800	16,800
	Internet Bill	-	3,500
	Teacher Honorium	12,600	-
	Audit Fee Payable	28,750	28,751
	<b>Total</b>	<b>85,374</b>	<b>389,763</b>
<b>13.00</b>	<b>Advance Student Fees</b>		
	Opening Balance	-	-
	Add: During the year	13.01 193,430	-
	<b>Balance as at Dec 31, 2015</b>	<b>193,430</b>	<b>-</b>
<b>13.01</b>	<b>During the year</b>		
	Insurance Software Training	50,000	-
	Claim Practice	62,430	-
	Insurance Underwriting Process (IF3)	81,000	-
	<b>Total</b>	<b>193,430</b>	<b>-</b>
<b>14.00</b>	<b>Revenue from Student Fees</b>		
	Basic Under Writing Course	162,000	-
	Insurance Legal & Regulatory (IF1)	325,000	-
	IDLC Officers Training	7,315	-
	Insurance Selling Master Class (GDIC)	762,000	-
	Insurance Selling Master Class (Industry)	300,000	-
	Insurance Software Training	25,000	-
	Insurance audit & Compliance	65,000	-
	Claim Handling Process -IF4 (Nov-30' 2015)	254,500	-
	Agriculture Insurance	17,000	-

	Amount in Taka	
	31.12.2015	31.12.2014
Open Discussion	8,000	-
Insurance Law	84,875	-
Insurance Selling Master Class	62,379	-
<b>Balance as at Dec 31, 2015</b>	<b>2,073,069</b>	<b>2,310,156</b>
<b>15.00 Revenue from Others</b>		
GD Assist charges for Furniture use	447,040	-
Bank Interest	93,285	-
FDR Interest from NBL, Kawran Bazar Br.	460,340	-
FDR Interest from Mercantile Bank, Mohakhali Br.	128,948	-
<b>Balance as at Dec 31, 2015</b>	<b>1,129,613</b>	<b>36,142</b>
<b>16.00 Operating Expenses</b>		
Photography Expenses	-	6,020
Training Expenses	731,416	-
Training Expenses (CII)	348,066	695,019
Course materials	-	40,336
Teacher Honorarium	1,208,400	109,000
<b>Balance as at Dec 31, 2015</b>	<b>2,287,882</b>	<b>850,375</b>
<b>17.00 Office &amp; Administrative Expenses</b>		
Salary & Wages	755,519	462,668
Office Maintenance	59,645	52,095
Festival Bonus	49,700	-
Printing & Stationery	67,124	78,547
Conveyance & Travel	52,789	81,671
Office Transport	89,427	-
Office Rent	2,009,656	1,127,160
Subscription & Fees	89,750	-
Postage & Courier	15,965	-
Telephone, Trunk-Call & Internet	15,824	60,575
Entertainment	56,544	77,089
Web Development	35,000	-
Books & Papers	811	-
Office Tea	4,194	-
Branding Exp	56,687	-
Audit Fee	28,750	28,750
Business Developments	75,316	410,000
Advertisement	-	94,938
Photography Exp.	13,700	-
Electricity & Utility Exp.	163,629	477,208
Provident Fund Exp	66,920	-
Gratuity Fund Exp	111,531	-
Depreciation	475,682	-
Staff Food Exp	63,749	-
Repair, Renewal & Maintenance	10,950	6,240

	Amount in Taka	
	31.12.2015	31.12.2014
Others Exp.	12,731	-
<b>Balance as at Dec 31, 2015</b>	<b>4,381,593</b>	<b>2,956,941</b>
<b>18.00 Financial expenses</b>		
Bank and Other Charges	8,834	2,990
<b>Balance as at Dec 31, 2015</b>	<b>8,834</b>	<b>2,990</b>

Professional Advancement Bangladesh LTD.w

## Schedule of Property, Plant & Equipments

As at December 31, 2015

Annexure-A  
Amount in Taka

Particulars	COST		Rate	DEPRECIATION			Written Down Value
	Opening Balance	Addition During the year		Closing Balance	Opening Balance	Charged during the year	
	01.01.2015		31.12.2015	01.01.2015		31.12.2015	31.12.2015
Computer & IT Equipment	215,600	-	15%	215,600	-	32,340	32,340
Office Equipment	93,895	65,170	15%	159,065	-	14,084	14,084
Furniture & Fixtures	4,259,922	1,447,650	10%	5,707,572	-	425,992	425,992
Books and Periodicals	32,658	-	10%	32,658	-	3,266	3,266
<b>Total</b>	<b>4,602,075</b>	<b>1,512,820</b>		<b>6,114,895</b>		<b>475,682</b>	<b>475,682</b>
							<b>5,639,213</b>

## 10.4.1

### MESSAGE FROM THE DESK OF IN-CHARGE



**G**D Assist takes care of all of your needs when visiting Malaysia for medical tourism. From consultation & appointments at the best Malaysian Hospitals, VISA assistance, Ticketing, Accommodation & Transportation, we cover all aspects of your tour at affordable rates. Malaysia is reputed as one of the most preferred medical tourism

destinations with modern private healthcare facilities and highly efficient medical professionals. In 2014, Malaysia was ranked the world's best destination for medical tourism by the Nomad Capitalist. Malaysia was also included in the top 10 medical tourism destinations list by CNBC.

**Syed Moinuddin Ahmed**  
In charge  
GD Assist Limited



GD ASSIST Team

## MALAYSIA HEALTHCARE TRAVEL COUNCIL (MHTC)

MHTC is an agency under the purview of the Ministry of Health Malaysia that has been entrusted with the responsibility of curating the country's healthcare travel scene. Identified as a National Key Economic Area (NKEA), the healthcare travel industry has great potential to contribute to the nation's economy in its final dash towards achieving a developed nation status.

## MALAYSIA HEALTHCARE WEEK 2015

Last year MHTC organized a day long Healthcare Expo and judging by the success they experienced in Bangladesh, they have taken the initiative to do it in a bigger format this year.

Malaysia Healthcare Week (MHW) has kicked off in the capital aiming to extend quality healthcare services for Bangladeshi patients in the country as well as to ensure their smooth accessibility and affordability.

Malaysia Healthcare Travel Council (MHTC) and GDAssist hosted a week-long program in the National Press Club.

Malaysia Healthcare Week which started from 10th of October lasting till the 17th of October.

During this period, Malaysian physicians gave health care service and prescription at free of cost on different points including Pink City Shopping Mall, Bashundhara Complex, Cadet College Club, Gulshan Park, Baridhara Park, Dhanmondi Park, Ramna Park and Sonargaon hotel.

Suriahni Abdul Hamid, chief operating officer of the MHTC, and Farzana Chowdhury, director of GD Assist and also managing director of Green Delta Insurance, Nasir A Choudhury, chairman of GD Assist and founder managing director and adviser of Green Delta Insurance addressed the function.



10th October 2015

Launch of Malaysia Healthcare Week & Healthcare Rally

Time: 8:00 AM

Location: Press Club, Dhaka

Rally In-front of Press-club



Meeting with the press & Kick off of Malaysian Healthcare Week



## Yoga & Basic Health Fitness Demonstration Alongside Free Health Consultancy & Health Check-Up

11th October 2015 - 16th October 2015

Time: 7:00 AM to 9 AM and 4:00 PM to 6:00 PM

Location: Gulshan Park

Baridhara Park

Ramna Park

Dhanmondi Park

15th October 2015

Under Privileged Children Charity Program



**Yoga at Gulshan Park & Dhanmondi Park**

Time: 10:00 AM to 4:00 PM

Location: Ramna Park

Providing free Medical Check-up to the Under Privileged Children at Ramna Park



**Free Medical Check-up at Ramna Park**

14th October 2015

### Ladies Night

Time: 06:00 PM to 10:00 PM

Location: Spectra Convention Centre

15th October 2015 - 17th October 2015



### Exhibition at Showcase Malaysia 2015

Time: 10:00 AM to 6:00 PM

Venue: Ballroom, Pan Pacific Sonargaon, Dhaka

Malaysia Healthcare Stall in Showcase Malaysia 2015



### GD ASSIST AND R&R AVIATION SIGNS AGREEMENT

GD Assist and R&R Aviation on 23 August, 2015 signed an agreement on promoting Malaysia Healthcare Tourism in Bangladesh. The agreement was jointly organized by GD Assist and Malaysia Healthcare Travel Council (MHTC) in Dhaka.



Farzana Chowdhury ACII (UK), Director of GD Assist and Ron Haque Sikder, Managing Director of R&R Aviation signed the agreement on behalf of their respective organizations. Norlin Binti Othman, High Commissioner of Malaysian in Bangladesh, Abdul Hafiz Choudhury, Chairman of Green Delta Insurance and Shahbuddin Khan, President of Gulshan Club were also present on the occasion.

Managing Director and CEO Farzana Chowdhury ACII (UK) talked about the significant agreement between GD Assist and R&R Aviation which will allow them to provide emergency air ambulance service to their patients.

## GD ASSIST HOLDS MEETING ON HEALTH TALK



GD Assist and Malaysia Healthcare Travel Council (MHTC), in collaboration with KPJ Hospitals, Malaysia organized a health talk.

Renowned urologist from KPJ Hospitals, Malaysia Dr. Rajeentheran Suntheralingam delivered presentation on Urological Treatment and Prevention.

Malaysian High Commissioner to Bangladesh Norlin Binti Othman was present at the ceremony as the chief guest.

Chairman of GD Assist and Advisor of Green Delta Insurance Nasir A. Choudhury, Director of GD Assist and Managing Director and CEO of Green Delta Insurance Farzana Chowdhury, in-charge of GD Assist Syed Moinuddin Ahmed, Chief Executive Officer of Green Delta Securities Wafi S M Khan and Zalifah Yasmin Ibrahim, Marketing and Corporate Communications Executive, KPJ Healthcare Berhad were present.



Health Talk at MH Samorita Hospital



Health Talk at Pan Pacific Sonargaon



Health Talk by Dr. Shamsul at Cadet College Club

## FREE HEALTH CONSULTATION BY RENOWNED SPECIALISTS FROM MALAYSIA



Dr. Kumara Gurupparan Ganesan examining the patient  
Aiming to create awareness among Bangladeshi patients about healthcare services in the Muslim-majority Southeast Asian Nation, GD Assist in Collaboration with MHTC has organized free consultation sessions during the weekends in the month of December.

The first session was by Dr. Kumara Gurupparan Ganesan, a renowned cardiologist from IJN, Malaysia. Institut Jantung Negara (IJN) is the National Heart Institute of Malaysia, a leading cardiovascular and thoracic health centre for the region, widely considered the largest hospital of its kind in Asia Pacific, in terms of patient numbers. The second session was by Dr. Ambikai Balan Sothinathan, a renowned urologist from Pantai Hospital Kuala Lumpur. The final consultation session was by Dr. Kannappan Palaniappan, Consultant Obstetrician, Gynaecologist and Fertility Specialist from



Dr. Shamsul Consulting a patient

#### Sunway Medical Centre.

All 3 consultations took place at M H Samorita Hospital recently. A large number of patients who preregistered for the event had the opportunity to undergo a free health checkup.

Mr. Syed Moinuddin Ahmed, CEO of GD Assist, Mr. Wafi S M Khan, CEO of Green Delta Securities, Ms. Kavitha Mathuvay, Regional Director (Oceania, Europe, South & Central Asia) of MHTC, Ms. Noorainie Saadiah of Market Development for MHTC, and other representatives from IJN Hospitals, Pantai Hospitals, Sunway Medical Center and GD Assist were also present at the events.

#### NATION WIDE MALAYSIA HEALTHCARE CAMPAIGN

GD Assist, signs an agreement with Oval Advertising Limited as agency for a year-long activation program of Malaysia Healthcare Travel Council (MHTC).

The signing ceremony took place at Green Delta AIMS Tower on Sunday, said a press release.

To promote Malaysia Healthcare Tourism in Bangladesh, such activity is being initiated for the first time. The objective of the campaign is to promote Malaysia as a unique destination for world-class healthcare services. The activation will take place in schools, shopping mall, parks and mosques. Nasir A. Choudhury, Chairman, Farzana Chowdhury, Director, A S A Muiz, Consultant, Syed Moinuddin Ahmed, Additional Managing Director and Company Secretary, In-charge, GD Assist Ltd and Md. Faizul Alam, Managing Director, Ariful Chaudhury, CEO of Oval Advertising Limited, and other officials were present.

#### Activation at different shopping Malls



Pink City , Gulshan , Dhaka



Polwel Carnation , Uttara



Bashundhara City, Panthapath



Jamuna Future Park



Rifles Square (Shimanto Square), Dhanmondi, Dhaka



DCC1 Gulshan Market, Gulshan, Dhaka



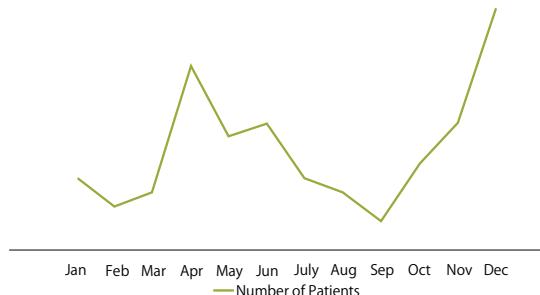
Different Markets of Chittagong

### THREE DAY EVENT AT THE BTTF

The Bangladesh Trade and Tourism Fair 2015 was held at the International Convention Centre in Bashundhara from 19th -21st November. It is held to promote and develop tourism not only in Bangladesh but also internationally. It was the biggest tourism fair in Bangladesh this year. BTTF's main objective is to educate people, creating awareness, establish friendly relationship between neighbouring countries, encourage people to tour, preserve nature, culture,

Number of Patients went to Malaysia for the year 2015

Number of Patients went to Malaysia for the year 2015



heritage, archeology, socialization, assist government in making tourism policy, conduct research works, creating information highway between main stake holders of different countries etc. and to help build tourism professionals and assist globalization process through development of tourism. This was a great platform for GD Assist to represent MHTC, in the medical tourism sector and getting the awareness and information to the general public about who we are as a company and about healthcare in Malaysia.



## 10.4.2

# AUDITOR'S REPORT

## 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, 2015 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 Limited as of December 31, 2015 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;

## 10.4.3

GD ASSIST LTD.

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2015

Particulars	Notes	Amount in Taka	
		31.12.2015	31.12.2014
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
Property ,Plant & Equipment	3.00	260,025	170,333
Preliminary Expenses	4.00	-	170,333
<b>Current Assets:</b>			
Receivable from GDIC	5.00	-	410,694
Receivable from MHTC	6.00	10,986,444	-
Receivable from Others	7.00	58,069	-
Advance, Deposit & Prepayments	8.00	18,002	2,539
Fixed Deposit Receipt	9.00	8,567,509	2,018,041
Cash and Cash Equivalents	10.00	481,566	600,778
		<b>20,371,615</b>	<b>3,202,385</b>
<b>Shareholders Equity &amp; Liabilities</b>			
<b>Shareholders Equity</b>			
Share Capital	11.00	2,500,000	2,500,000
Retained Earnings	12.00	1,657,460	338,353
<b>CURRENT LIABILITIES:</b>			
Accounts Payable to PABL	13.00	456,012	153,092
Payable to GDIC	14.00	476,561	-
Others Payable	15.00	14,542,544	-
Provision for Tax	16.00	710,288	182,190
Audit Fee		28,750	28,750
		<b>20,371,615</b>	<b>3,202,385</b>

The annexed notes (1-18) form an integral part of these financial statements.



Chairman



Director



In Charge



In Charge (Accounts)



Company Secretary



Ahmed Zaker & CO.  
Chartered Accountants

Signed as per our separate report of same date.

Place: Dhaka  
Date: February 10, 2016.

**10.4.4**

**GD ASSIST LTD.**

## **Statement of profit or Loss and Other Comprehensive Income**

For the Year ended December 31, 2015

<b>Particulars</b>	<b>Notes</b>	<b>Amount in Taka</b>	
		<b>31.12.2015</b>	<b>31.12.2014</b>
<b>Income</b>			
Operating Income	17	4,851,241	951,933
Other Income	18	298,083	26,395
<b>Total Income (A)</b>		<b>5,149,324</b>	<b>978,328</b>
<b>Less: Administrative Expenses</b>			
Salary & Wages		481,383	23,240
Festival & Incentive Bonus		47,266	-
Conveyance & Travels		42,854	16,977
Entertainment		16,799	13,030
Postage & Telegrams		14,000	-
Printing & Stationery		74,677	3,022
Office Rent		856,512	89,280
Visa Exp		15,560	-
Trainig Exp		8,280	-
Professional & Legal Fee		52,750	-
Office Tea		1,557	-
Office Maintenance		103,341	28,455
Office Staff Food Exp		43,098	-
Foreign TA/DA		367,808	-
Subscription		43,915	12,500
Telephone, Mobile & Internet		29,572	4,725
Repair & Maintenance		17,687	-
Advertisement		-	57,663
Business Development		288,326	111,285
Logo Development		-	20,000
Interest Exp.		45,875	-
Branding		51,073	-
Electricity & Utility		123,553	45,747
Audit Fees		28,750	28,750
Website Development		100,220	-
Provident Fund Exp.		20,800	-
Gratuity Fund Exp.		32,934	-
Bank Charges		12,581	3,111
Preliminary Exp. Written off		170,333	-
Depreciation		28,425	-
<b>Total Expenses (B)</b>		<b>3,119,929</b>	<b>457,785</b>
<b>Profit Before Tax:</b>		<b>2,029,395</b>	<b>520,543</b>
Less: Provision for Tax		(710,288)	(182,190)
<b>Net Profit (A-B)</b>		<b>1,319,107</b>	<b>338,353</b>



Chairman



Director



In Charge

                          
In Charge (Accounts)

                          
Company Secretary



**Ahmed Zaker & CO.**  
Chartered Accountants

Place: Dhaka  
Date: February 10, 2016.

Signed as per our separate report of same date.

**GD Assist Ltd.**

## Statement of Cash Flows

For the year ended December 31, 2015

Particulars	Amount In Taka	
	31.12.2015	31.12.2014
<b>Cash Flow from Operating Activities:</b>		
Cash Received from Customers and others	9,058,049	549,592
Cash Paid to Customers, Suppliers, Employees & others	(2,141,690)	(446,275)
Tax paid	(197,653)	(2,539)
<b>Net Cash (used) /flows from operating activities</b>	<b>6,718,706</b>	<b>100,778</b>
<b>Cash Flow from Investing activities :</b>		
Acquisition of Property, Plant & Equipment	(288,450)	-
Investment	(6,549,468)	(2,000,000)
<b>Net Cash flows from Investing activities:</b>	<b>(6,837,918)</b>	<b>(2,000,000)</b>
<b>Cash Flow from Financing activities:</b>		
Share Capital	-	2,500,000
<b>Net Cash (used) /flows from Financing activities:</b>	<b>-</b>	<b>2,500,000</b>
Net increase/(decrease) in cash & cash equivalents	(119,212)	600,778
Add: Cash & Cash equivalents at the beginning of the period	600,778	-
Cash & Cash equivalents at the end of the period.	<b>481,566</b>	<b>600,778</b>

**GD Assist Ltd.**

## Statement of Changes in Equity

For the year ended December 31, 2015

Particulars	Share Capital	Retained Earnings	Total Shareholders Equity
Opening Balance	2,500,000	338,353	2,838,353
Add: During the year	-	1,319,107	1,319,107
<b>Balance as at December 31, 2015</b>	<b>2,500,000</b>	<b>1,657,460</b>	<b>4,157,460</b>



Chairman



Director



In Charge



In Charge (Accounts)



Company Secretary



Ahmed Zaker & CO.  
Chartered Accountants

Signed as per our separate report of same date.

Place: Dhaka  
Date: February 10, 2016.

# **Explanatory notes to the Financial Statements**

For the period ended December 31, 2015.

## **1.00 Legal Status and Nature of the Company:**

### **Legal Status**

GD ASSIST LIMITED was incorporated with the Registrar of Joint Stock Companies & Firms vide registration no. C-116592/14 dated June 16, 2014 as a private company limited by shares .

## **1.01 Nature 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 Significant Accounting Policies:**

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.

## **2.01 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 which includes the following components.

- i) Statement of Financial Position as at 31 December, 2015.
- ii) Statement of profit or Loss and Other Comprehensive Income for the year ended 31 December 2015
- iii) Cash Flows Statement for the year ended December 31, 2015.
- iv) Statement of Changes in Equity for the year ended December 31, 2015.
- v) Explanatory Notes to the Financial Statements.

### **Reporting year/Period:**

The financial statements of the company cover for the period from 01 January 2015 to 31 December, 2015.

### **Reporting Currencies and level of Precision:**

The figures in the financial statements represent Bangladesh taka Currency and rounded off to the nearest except where indicates otherwise.

	Amount in Taka	
	31.12.2015	31.12.2014
<b>3.00 Property, Plant &amp; Equipment</b>		
<b>Cost:</b>		
Opening balance	-	-
Add: Addition during the year	288,450	-
<b>Balance December 31,2015</b>	<b>288,450</b>	<b>-</b>
<b>Depreciation:</b>		
Opening balance	-	-
Add: Charged during the year	28,425	-
<b>Balance December 31,2015</b>	<b>28,425</b>	<b>-</b>
<b>Written down value as at 31 Dec 2015</b>	<b>260,025</b>	<b>-</b>
<b>Details of Property ,Plant &amp; Equipment is given in Annexure-A</b>		
<b>4.00 Preliminary Expenses</b>		
Opening Balance	170,333	-
Add:Addition During the year	-	170,333
Less: Written Off	(170,333)	-
<b>Balance as at 31 December 2015</b>	<b>-</b>	<b>170,333</b>
<b>5.00 Receivable from GDIC</b>		
Opening Balance	410,694	-
Add: Addition During the year	-	410,694
	<b>410,694</b>	<b>410,694</b>
Less: Adjustment during the year	(410,694)	-
<b>Balance as at 31 December 2015</b>	<b>-</b>	<b>410,694</b>
<b>6.00 Receivable from Malaysian Health Care Travel Council (MHTC)</b>		
Opening Balance	-	-
Add: Addition During the year	25,337,284	-
	<b>25,337,284</b>	<b>-</b>
Less: Received during the year	(14,350,840)	-
<b>Balance as at 31 December 2015</b>	<b>10,986,444</b>	<b>-</b>
<b>7.00 Receivable from Others:</b>		
<b>A. Receivable from Prince Court Medical Centre, Kuala Lumpur, Malaysia.</b>		
Opening Balance	-	-
Add: Addition During the year	18,634	-
	<b>18,634</b>	<b>-</b>
Less: Received during the year	(11,088)	-
<b>Balance as at 31 December 2015</b>	<b>7,546</b>	<b>-</b>
<b>B. Receivable from Paywell</b>		
Opening Balance	-	-
Add: Advance Deposit	10,000	-
Add: Commission	29,520	-
<b>Balance as at 31 December 2015</b>	<b>39,520</b>	<b>-</b>

	Amount in Taka	
	31.12.2015	31.12.2014
<b>C. Other Receivable (Employees &amp; Others)</b>		
Opening Balance	-	-
Add: Receivable during the period	11,003	-
	<b>11,003</b>	-
Less: Received this period	-	-
<b>Balance as at 31 December 2015</b>	<b>11,003</b>	-
<b>Total Receivable from Others (A+B+C)</b>	<b>58,069</b>	-
<b>8.00 Advance Deposit &amp; Prepayments</b>		
AIT On FDR	14,021	2,539
AIT On Bank Deposit	6,520	-
<b>Total</b>	<b>20,541</b>	<b>2,539</b>
Less: Adjust during the year	(2,539)	-
<b>Balance as at 31 December 2015</b>	<b>18,002</b>	<b>2,539</b>
<b>9.00 Fixed Deposit Receipt</b>		
Opening Balance	2,018,041	-
Add: Interest received	67,509	18,041
Add: Investment during this period	8,000,000	2,000,000
	<b>10,085,550</b>	<b>2,018,041</b>
Less: Encash during this period	(1,518,041)	-
<b>Balance as at 31 December 2015</b>	<b>8,567,509</b>	<b>2,018,041</b>
<b>10.00 Cash and Cash Equivalents</b>		
Cash in hand	31,328	2,330
<b>Cash at Bank</b>	<b>Note 10.01</b>	
	450,238	598,448
	<b>481,566</b>	<b>600,778</b>
<b>10.01 Cash at Bank</b>		
Mercantile Bank	370,203	598,448
BRAC Bank	80,035	-
	<b>450,238</b>	<b>598,448</b>
<b>11.00 Share Capital:</b>		
<b>Authorized Share Capital: Taka 10,000,000</b>		
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.		
<b>Paid up Capital: Taka 2,500,000</b>		
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.		
<b>Particulars</b>	<b>No of shares</b>	<b>Amount in Taka</b>
Green Delta Insurance Company	2,49,900	2,499,000
Mr. Nasiruddin Ahmed Choudhury	100	1,000
	<b>2,50,000</b>	<b>2,500,000</b>

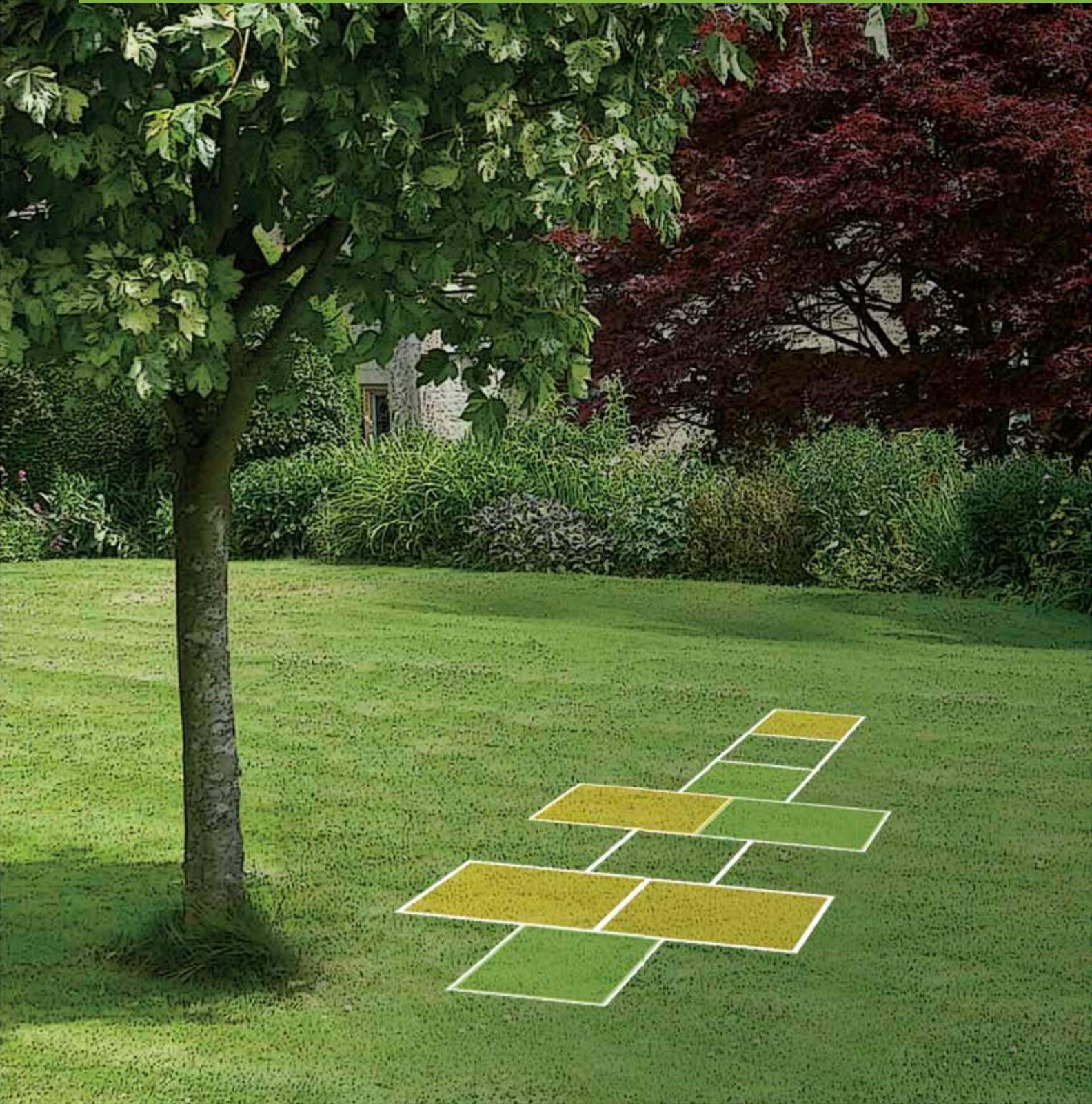
		Amount in Taka	
		31.12.2015	31.12.2014
<b>12.00</b>	<b>Retained Earnings</b>		
Opening Balance		338,353	-
Add: Net Profit During the Year		1,319,107	338,353
<b>Balance as at 31 December 2015</b>		<b>1,657,460</b>	<b>338,353</b>
<b>13.00</b>	<b>Accounts Payable to PABL</b>		
Opening Balance		153,092	-
Add: Addition During the year		1,093,810	153,092
<b>Total</b>		<b>1,246,902</b>	<b>153,092</b>
Less: Paid during the year		(790,890)	-
<b>Balance as at 31 December 2015</b>		<b>456,012</b>	<b>153,092</b>
<b>14.00</b>	<b>Payable to GDIC</b>		
Opening Balance		-	-
Add: Addition During the year		887,255	-
<b>Total</b>		<b>887,255</b>	-
Less: Receivable from GDIC		(410,694)	-
<b>Balance as at 31 December 2015</b>		<b>476,561</b>	-
<b>15.00</b>	<b>Others Payable</b>		
<b>A. Payable to Campaign ( Road Show) Exp.</b>			
Opening Balance		-	-
Add: Addition During the year		15,535,675	-
		<b>15,535,675</b>	-
Less: Adjustment during the year		(2,948,571)	-
<b>Balance as at 31 December 2015</b>		<b>12,587,104</b>	-
<b>B. Healthcare Week</b>			
Opening Balance		-	-
Add: Addition During the year		4,456,300	-
		<b>4,456,300</b>	-
Less: Adjustment during the year		(3,390,043)	-
<b>Balance as at 31 December 2015</b>		<b>1,066,257</b>	-
<b>C. Health Consultancy Exp.</b>			
Opening Balance		-	-
Add: Addition During the year		420,349	-
		<b>420,349</b>	-
Less: Adjustment during the year		-	-
<b>Balance as at 31 December 2015</b>		<b>420,349</b>	-
<b>D. TDS payable</b>			
Opening Balance		-	-
Add: Addition During the year		63,266	-
		<b>63,266</b>	-
Less: Adjustment during the year		(2,500)	-
<b>Balance as at 31 December 2015</b>		<b>60,766</b>	-
<b>E. VAT payable</b>			
Opening Balance		-	-

	Amount in Taka	
	31.12.2015	31.12.2014
Add: Addition During the year	249,923	-
Less: Adjustment during the year	<b>249,923</b>	-
<b>Balance as at 31 December 2015</b>	(7,050)	-
	<b>242,873</b>	-
<b>F. Misc Payable</b>		
Infobase	62,000	-
Nymphaea	30,245	-
Vertex Chambers	24,000	-
Laptop Payment	48,950	-
	165,195	-
Less: Adjustment during the year	-	-
<b>Balance as at 31 December 2015</b>	<b>165,195</b>	-
<b>Total Payable (A+B+C+D+E+F)</b>	<b>14,542,544</b>	-
<b>16.00 Provision for Tax</b>		
Opening Balance	182,190	-
Add: Addition During the year	710,288	182,190
	<b>892,478</b>	<b>182,190</b>
Less: Adjustment	(182,190)	-
<b>Balance as at 31 December 2015</b>	<b>710,288</b>	<b>182,190</b>
<b>17.00 Operating Income</b>		
Consultancy Fee	1,500	-
Commission - Prince Court Medical Centre	31,584	-
From Malaysian Health Care Travel Council (MHTC)	4,746,973	951,933
Commission - Institute Jantun Negara (IJN)	38,104	-
Commission - Pantai Hospital	33,080	-
<b>Balance as at 31 December 2015</b>	<b>4,851,241</b>	<b>951,933</b>
<b>18.00 Other Income</b>		
Interest Income from FDR	141,213	18,041
Paywell	29,520	-
VISA Fee	41,668	-
Interest on Bank Balance	22,522	-
Sundry Income	63,160	8,354
<b>Balance as at 31 December 2015</b>	<b>298,083</b>	<b>26,395</b>

# FINANCIAL STATEMENT

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The sustainability of our green focus has not just ensured that we serve our customers with speed and surety but also remain trendsetters in our industry by being actively proactive reflected in the consistent and industry-leading growth of our financials.



## 11.1

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# REPORT OF THE MANAGING DIRECTOR & CEO AND THE CHIEF FINANCIAL OFFICER TO THE BOARD OF DIRECTORS OF GREEN DELTA INSURANCE COMPANY LIMITED

Pursuant to condition # 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange We have reviewed accompanying consolidated financial statements of Green Delta Insurance Company Limited and its subsidiaries (the "Group") as well as the financial statements of Green Delta Insurance Company Limited ("the Company") which comprise the consolidated and the separate balance sheet as on December 31, 2015, profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

These financial statements have been prepared and presented fairly in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRSs), the Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994 and other applicable laws and regulations.

The Company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Internal Control and Compliance Department of the Company conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

Based on the internal control system of the Company and our review of these financial statements, we certify that to the best of our knowledge and belief:

- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- iii) no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
- iv) proper books of account as required by law have been kept by the Group and the Company;
- v) the expenditure incurred was for the purposes of the Group and the Company's business;
- vi) adequate provisions have been made for leases and advances and other assets which are, in our opinion, doubtful of recovery.



Nazim Tazik Chowdhury  
Chief Financial Officer

Date: 11.02.2016



Farzana Chowdhury ACII (UK)  
Chartered Insurer  
Managing Director & CEO

## 11.2

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# AUDITOR'S REPORT AND FINANCIAL STATEMENTS 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, 2015, 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, 2015 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 of those subsidiaries have been audited by other auditors whose reports have been furnished to us and our opinion, in so far it relates to the amounts included in respect of the company 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, 2015 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 person any commission in any form outside Bangladesh in respect of any of 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;  
11<sup>th</sup> February , 2016

*S. F. Ahmed & Co.*  

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S. F. Ahmed & Co.  
Chartered Accountants

**Green Delta Insurance Company Ltd. & Its Subsidiaries**

# **Consolidated Balance Sheet**

as at December 31, 2015

<b>Particulars</b>	<b>Notes</b>	<b>Amount in Taka</b>	
		<b>2015</b>	<b>2014</b>
<b>Capital and liabilities:</b>			
<b>Share capital</b>			
Authorized capital	3.00	1,000,000,000	5,000,000,000
Issued, subscribed and paid-up capital	3.00	806,911,870	748,556,250
Share premium		195,113,205	268,468,830
<b>Reserve or contingency account</b>	4.B	<b>4,577,220,614</b>	<b>4,291,926,982</b>
Reserve for exceptional losses		1,084,824,956	990,739,785
Investment fluctuation fund		1,695,976,500	976,934,525
General reserve		180,000,000	170,000,000
Dividend equalization fund		130,000,000	120,000,000
Revaluation reserve		1,486,419,157	2,034,252,671
<b>Profit &amp; loss appropriation account</b>	5.A	<b>381,651,830</b>	<b>338,630,069</b>
<b>Non controlling interest</b>	5.B	<b>4,259</b>	<b>5,112</b>
<b>Total shareholders' equity</b>		<b>5,960,901,779</b>	<b>5,632,587,244</b>
<b>Balance of fund accounts</b>	6.00	<b>505,663,463</b>	<b>500,552,760</b>
Fire insurance business		156,967,431	117,191,095
Marine insurance business		253,941,511	299,161,859
Motor insurance business		56,439,632	41,784,033
Miscellaneous ins. business		38,314,889	42,415,774
Premium deposit	7.00	68,612,369	40,955,087
<b>Liabilities and provisions:</b>		<b>1,660,984,937</b>	<b>1,503,010,879</b>
Estimated liability in respect of outstanding claims whether due or intimated	8.00	159,001,768	205,684,810
Amount due to other persons or bodies carrying on insurance business	9.00	689,071,352	407,140,369
Sundry creditors (Including outstanding expenses, taxes & provisions)	10.A	812,911,817	798,133,871
Bank overdraft	11.A	-	92,051,830
<b>Total liabilities</b>		<b>2,235,260,772</b>	<b>2,044,518,726</b>
<b>Total liabilities &amp; shareholders' equity</b>		<b>8,196,162,551</b>	<b>7,677,105,972</b>

Particulars	Notes	Amount in Taka	
		2015	2014
<b>Assets and properties</b>			
Investment	12.A	<b>4,479,190,055</b>	<b>4,002,388,238</b>
Outstanding premium	13.00	3,032,815,967	2,756,994,119
Amount due from other persons or bodies carrying on insurance business	14.00	120,419,128	72,036,036
Sundry debtors (including advances and deposits)	15.A	653,482,268	477,598,684
Cash and cash equivalent	16.A	672,472,692	695,759,399
Land property and office space with building project	17.00	1,459,241,805	1,565,444,656
<b>Other accounts</b>			
Fixed assets (at cost less depreciation)	18.A	<b>1,397,756,681</b>	<b>1,309,273,078</b>
Intangible assets	18.B	1,386,414,639	1,294,203,674
Stock of printing, stationery and stamps	19.00	9,244,036	10,016,022
Preliminary expenses	19.A	2,098,006	2,653,370
		-	2,400,012
<b>Total assets and properties</b>		<b>8,196,162,551</b>	<b>7,677,105,972</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
11th February, 2016

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

**Green Delta Insurance Company Ltd. & Its Subsidiaries**

# **Consolidated Profit and Loss Account**

for the year ended December 31, 2015

<b>Particulars</b>	<b>Notes</b>	<b>Amount in Taka</b>	
		<b>2015</b>	<b>2014</b>
Investment income		154,858,983	73,352,535
Income from share business	21.A	42,352,842	29,091,400
Brokerage commission & others less direct expenses		102,458,489	82,741,170
Interest & others income	21.B	76,151,275	199,457,625
<b>Total investment income</b>		<b>375,821,589</b>	<b>384,642,730</b>
Fire insurance revenue account		57,603,055	115,844,433
Marine insurance revenue account		244,334,379	229,688,106
Motor insurance revenue account		(1,689,984)	36,436,380
Misc. insurance revenue account		5,934,355	(75,975,917)
<b>Total revenue income</b>		<b>306,181,805</b>	<b>305,993,003</b>
<b>Total income</b>		<b>682,003,394</b>	<b>690,635,733</b>
Management expenses	21.C	301,429,045	295,019,492
Director's fee & expenses		1,474,171	1,217,240
Audit fees	20.00	345,000	345,000
Depreciation		64,270,151	58,005,285
<b>Total expenditure</b>		<b>367,518,367</b>	<b>354,587,017</b>
<b>Profit before provision &amp; tax</b>		<b>314,485,027</b>	<b>336,048,716</b>
Others provision		2,850,000	5,200,000
<b>Net profit for the year</b>		<b>311,635,027</b>	<b>330,848,716</b>
<b>Profit attributable to GDIC</b>		<b>311,635,880</b>	<b>330,849,147</b>
<b>Share of non-controlling interest</b>		<b>(853)</b>	<b>(431)</b>
		<b>311,635,027</b>	<b>330,848,716</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
11th February, 2016



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

# Consolidated Profit and Loss Appropriation Account

for the year ended December 31, 2015

Particulars	Notes	Amount in Taka	
		2015	2014
Balance brought forward from last year		295,990,985	249,208,524
Net profit for the year brought down		311,635,027	330,848,716
	<b>TOTAL</b>	<b>607,626,012</b>	<b>580,057,240</b>
Reserve for exceptional losses	4.01	94,085,171	122,227,126
Provision for income tax		46,135,133	49,757,879
Deferred tax liability/ (asset) during the year		19,223,448	16,400,000
<b>Dividend and reserve distributed from last year:</b>		<b>130,033,438</b>	<b>95,681,250</b>
Cash dividend		110,033,438	95,681,250
General reserve		10,000,000	
Dividend equalization fund		10,000,000	-
Profit for the period of continuing operation		<b>152,191,275</b>	<b>142,463,710</b>
Balance transferred to balance sheet		318,148,822	295,990,985
	<b>TOTAL</b>	<b>607,626,012</b>	<b>580,057,240</b>
<b>Earning per share (EPS) (Tk-10/= each)</b>	<b>24.A</b>	<b>3.05</b>	<b>3.61</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



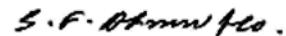
Addl. Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
11th February, 2016



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

**Green Delta Insurance Co. Ltd. & Its Subsidiaries**

# **Consolidated Statement of Cash Flows**

for the year ended December 31, 2015

<b>Particulars</b>	<b>Notes</b>	<b>Amount in Taka</b>	
		<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>			
Collections from premium and other income		3,472,288,356	3,064,350,625
Payments for management expense, re-insurance and claims		(3,266,286,422)	(3,022,634,518)
Income tax paid		(63,483,172)	(46,461,006)
<b>Net cash provided by operating activities</b>		<b>142,518,762</b>	<b>(4,744,899)</b>
<b>Cash flows from investing activities</b>			
Investment in share		(76,117,405)	43,872,882
Sales of investment (debenture)		-	4,339,186
Income from share trading		39,034,363	10,552,073
Interest received/(paid)		(15,996,049)	-
Income from office rent		7,801,884	-
Advance Received /(paid) to Green Delta Securities Ltd.		(1,096,371)	-
Dividend income		67,221,275	52,112,915
Purchase of fixed assets		(185,713,524)	(110,262,216)
Sales of fixed assets		52,500	9,600,000
Interest on FDR		76,213,180	-
Receivable from Green Delta Capital Ltd.		-	(143,354)
Underwriting commission		108,540	-
Advance for office rent		481,336	-
Investment in Heritage Life Ins.		-	19,500,000
Investment in others		2,000,000	38,977,217
Investment in Swiss Pro		-	10,200,000
Investment in Financial Excellence		-	(1,500,000)
Bank loan/overdraft		(53,842,788)	19,798,342
Advance for office space		-	(31,834,200)
Trustee commission		2,385,000	900,000
Investment in PABL		(7,497,000)	(2,499,000)
Investment in GD Assist Ltd.		-	(2,499,000)
<b>Net cash used in investing activities</b>		<b>(144,965,059)</b>	<b>61,114,845</b>
Cash flows from financing activities:			
Dividend paid		(111,256,554)	(99,573,362)
Share issue		7,500,000	5,000,000
Client account		-	60,989,308
<b>Net cash from financing activities</b>		<b>(103,756,554)</b>	<b>(33,584,054)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents during the year</b>		<b>(106,202,851)</b>	<b>22,785,892</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>1,565,444,656</b>	<b>1,542,658,764</b>
<b>Cash &amp; cash equivalents at the end of the year</b>		<b>1,459,241,805</b>	<b>1,565,444,656</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary



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

Dated, Dhaka;  
11th February ,2016

Signed as per our separate report of same date.

## Consolidated Statement of Changes in Equity

For the year ended December 31, 2015

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Dividend Equalization Fund	Revaluation Reserve	Investment Fluctuation Fund	Retained Earnings	Total	Non Controlling Interest	Total
Balance at January 01, 2015	733,556,250	268,468,830	990,739,785	170,000,000	120,000,000	2,034,252,671	976,934,325	338,630,069	5,632,582,130	5,112	5,632,587,242
Revaluation adjustment during the period						(20,857,872)	-	20,857,872	-	-	-
Stock dividend paid for the year 2014	73,355,625	(73,355,625)	-	-	-	-	-	-	-	-	-
Cash dividend paid for the year 2014	-	-	-	-	-	-	-	(110,033,438)	(110,033,438)	-	(110,033,438)
Profit after tax	-	-	-	-	-	-	-	246,282,497	246,282,497	(853)	246,281,644
Appropriation to reserve	-	-	94,085,171	10,000,000	10,000,000	(526,975,640)	719,041,975	(114,085,171)	192,066,335	-	192,066,335
<b>Balance as on December 31, 2015</b>	<b>806,911,875</b>	<b>195,113,205</b>	<b>1,084,824,956</b>	<b>180,000,000</b>	<b>130,000,000</b>	<b>1,486,419,159</b>	<b>1,695,976,500</b>	<b>381,651,829</b>	<b>5,960,897,524</b>	<b>4,259</b>	<b>5,960,901,779</b>



Vice Chairman



Chairman

Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

S. F. Ahmed & Co.  
Chartered Accountants

Dated, Dhaka;  
11th February, 2016

Signed as per our separate report of same date.

# Balance Sheet

As at December 31, 2015

Particulars	Notes	Amount in Taka	
		2015	2014
<b>Capital and liabilities:</b>			
<b>Share capital</b>			
Authorized share capital	3.00	5,000,000,000	5,000,000,000
Issued, subscribed and paid-up capital	3.00	806,911,870	733,556,250
Share premium		195,113,205	268,468,830
<b>Reserve or contingency account:</b>			
Reserve for exceptional losses	4.01	1,084,824,956	990,739,785
Foreign currency fluctuation fund	4.02	-	-
Investment fluctuation fund	4.03	1,695,976,500	976,934,525
General reserve	4.04	180,000,000	170,000,000
Dividend equalization fund	4.05	130,000,000	120,000,000
Revaluation reserve	4.06	1,406,347,635	1,427,205,507
Profit & loss appropriation account	5.00	193,054,624	166,017,744
<b>Total shareholders' equity</b>		<b>5,692,228,791</b>	<b>4,852,922,642</b>
<b>Balances of funds &amp; accounts:</b>			
Fire insurance business	6.00	505,663,463	500,552,760
Marine insurance business		156,967,431	117,191,095
Motor insurance business		253,941,511	299,161,859
Miscellaneous insurance business		56,439,632	41,784,033
Premium deposit	7.00	38,314,889	42,415,774
<b>Liabilities and provisions</b>			
Estimated liability in respect of outstanding claims whether due or intimated	8.00	1,393,964,346	1,204,925,585
Amount due to other persons or bodies carrying on insurance business	9.00	159,001,768	205,684,810
Sundry creditors (including outstanding expenses, taxes & provisions)	10.00	689,071,352	407,140,369
Bank overdraft	11.00	545,891,226	500,048,577
		-	92,051,830
<b>Total liabilities</b>		<b>1,968,240,178</b>	<b>1,746,433,432</b>
<b>Total liabilities &amp; shareholders' equity</b>		<b>7,660,468,971</b>	<b>6,599,356,076</b>

Particulars	Notes	Amount in Taka	
		2015	2014
<b>Assets and properties</b>			
Investment	12.00	<b>4,341,438,110</b>	<b>3,333,538,647</b>
Outstanding premium	13.00	3,172,655,323	2,391,632,233
Amount due from other persons or bodies carrying on insurance business	14.00	120,419,128	72,036,036
Sundry debtors (including advances and deposits)	15.00	653,482,268	477,598,684
Cash and cash equivalents	16.00	394,881,391	392,271,694
		<b>1,082,036,373</b>	<b>1,181,473,495</b>
		<b>2,236,994,487</b>	<b>2,084,343,934</b>
Land	17.00	859,974,010	800,000,000
Fixed assets & intangible assets	18.00	1,374,922,471	1,281,690,564
Stock of printing, stationery and stamps	19.00	2,098,006	2,653,370
<b>Total assets and properties</b>		<b>7,660,468,971</b>	<b>6,599,356,076</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Dated, Dhaka;  
11th February, 2016



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

Signed as per our separate report of same date.

**Green Delta Insurance Company Ltd.**

# Profit and Loss Account

For the year ended December 31, 2015

Particulars	Notes	Amount in Taka	
		2015	2014
Expenses of management (not applicable to any particular fund or account)		182,980,825	186,573,074
		<b>56,160,649</b>	<b>49,504,796</b>
Director's fee & expenses		1,474,171	1,217,240
Audit fees	20.00	345,000	345,000
Depreciation		54,341,478	47,942,556
Net profit for the year carried down to profit & loss appropriation account		279,521,065	290,655,719
	<b>TOTAL</b>	<b>518,662,539</b>	<b>526,733,589</b>
Investment & others income	21.00	212,480,734	220,740,587
Profit & loss transferred from :			
Fire insurance revenue account		306,181,805	305,993,002
Marine insurance revenue account		57,603,055	115,844,433
Motor insurance revenue account		244,334,379	229,688,106
Miscellaneous insurance revenue account		(1,689,984)	36,436,380
		5,934,355	(75,975,917)
	<b>TOTAL</b>	<b>518,662,539</b>	<b>526,733,589</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
11th February, 2016



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

**Green Delta Insurance Company Ltd.**

# **Profit and Loss Appropriation Account**

For the year ended December 31, 2015

<b>Particulars</b>	<b>Notes</b>	<b>Amount in Taka</b>	
		<b>2015</b>	<b>2014</b>
Balance brought forward from last year		123,373,548	102,026,204
Net profit for the year brought down		279,521,065	290,655,720
	<b>TOTAL</b>	<b>402,894,613</b>	<b>392,681,924</b>
Reserve for exceptional losses	4.01	94,085,171	122,227,126
Provision for income tax	10.01	30,000,000	35,000,000
Provision for deferred tax	10.02	19,223,448	16,400,000
Dividend and Reserve distributed from last year Profit :		<b>130,033,438</b>	<b>95,681,250</b>
Cash		110,033,438	95,681,250
General reserve		10,000,000	-
Dividend equitization fund		10,000,000	-
Profit for the period of continuing operation		<b>136,212,446</b>	<b>117,028,594</b>
Balance transferred to balance sheet		<b>129,552,556</b>	<b>123,373,548</b>
<b>TOTAL</b>		<b>402,894,613</b>	<b>392,681,924</b>
<b>Earning Per share(Tk-10/= each)</b>		<b>2.85</b>	<b>3.26</b>
<b>P/E Ratio</b>		<b>18.82</b>	<b>22.72</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Signed as per our separate report of same date.

Dated, Dhaka;  
11th February, 2016



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

## Statement of Changes in Equity

For the year ended December 31, 2015

Particulars	Share Capital	Share Premium	Reserve for Exceptional Losses	General Reserve	Dividend equalization fund	Investment Fluctuation Fund	Revaluation Reserve	Retained Earnings	Total
Balance as on January 01, 2015	733,556,250	268,468,830	990,739,785	170,000,000	120,000,000	976,934,523	1,427,205,509	166,017,744	4,852,922,641
Transfer for 2015	-	-	-	-	-	-	(20,857,872)	20,857,872	-
Stock dividend paid for 2014	73,355,625	(73,355,625)	-	-	-	-	-	-	-
Cash dividend paid for 2014	-	-	-	-	-	-	(110,033,438)	(110,033,438)	-
Profit after tax	-	-	-	-	-	-	-	230,297,617	230,297,617
Appropriation to reserve	-	94,085,171	10,000,000	10,000,000	719,041,975	-	(114,085,171)	719,041,975	
<b>Balance as on December 31, 2015</b>	<b>806,911,875</b>	<b>195,113,205</b>	<b>1,084,824,956</b>	<b>180,000,000</b>	<b>130,000,000</b>	<b>1,695,976,498</b>	<b>1,406,347,637</b>	<b>193,054,625</b>	<b>5,692,228,791</b>



Chairman

Addl. Managing Director & CFO



Vice Chairman

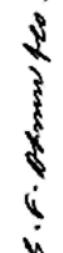
Managing Director & CEO



Green Delta Insurance Company Limited  
ANNUAL REPORT 2015

Signed as per our separate report of same date.

Dated, Dhaka;  
11th February, 2016

  
S. F. Ahmed & Co.  
Chartered Accountants

  
Company Secretary

S. F. Ahmed & Co.

Chartered Accountants

# Cash Flow Statement

For the year ended December 31, 2015

Particulars	Notes	Amount in Taka	
		2015	2014
<b>Cash flows from operating activities:</b>			
Collections from premium and other income		3,254,185,351	2,958,183,938
Payments for management expense, re-insurance and claims		(3,165,646,090)	(2,933,923,617)
Income tax paid		(51,272,740)	(34,379,733)
<b>Net cash from operating activities</b>		<b>37,266,521</b>	<b>(10,119,412)</b>
<b>Cash flows from investing activities:</b>			
Investment in share		15,151,793	43,872,882
Sales of investment		-	4,339,186
Income from share trading		39,034,363	10,552,073
Interest received		11,357,859	17,958,501
Income from office rent		7,801,884	7,994,224
Advance received/(paid) to Green Delta Securities		(60,000,000)	30,000,000
Dividend income		67,221,275	52,112,915
Purchase of fixed assets		(177,757,819)	(97,779,754)
Sales of fixed assets		52,500	9,600,000
Interest on FDR		76,213,180	-
Receivable from Green Delta Capital		-	(143,354)
Underwriting commission		108,540	-
Advance office rent		481,336	-
Investment in Heritage Life Insurance			19,500,000
Advance for office space (Khatungonj.Ctg.)		-	(31,834,200)
Investment in Swiss Pro BD Ltd		-	10,200,000
Investment in Financial Excellence		-	(1,500,000)
Trustee commission		2,385,000	900,000
Investment in PABL		(7,497,000)	(2,499,000)
Investment in GD Assist		-	(2,499,000)
Bank loan		-	19,798,342
<b>Net cash used in investing activities</b>		<b>(25,447,089)</b>	<b>90,572,815</b>
<b>Cash flows from financing activities:</b>			
Dividend paid		(111,256,554)	(99,573,362)
<b>Net cash from financing activities</b>		<b>(111,256,554)</b>	<b>(99,573,362)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents during the year</b>		<b>(99,437,122)</b>	<b>(19,119,959)</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>		<b>1,181,473,495</b>	<b>1,200,593,454</b>
<b>Cash &amp; cash equivalents at the end of the year</b>		<b>1,082,036,373</b>	<b>1,181,473,495</b>
<b>Net Operating Cash Flows per Share (NOCFPS)</b>		<b>0.46</b>	<b>(0.14)</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Dated, Dhaka;  
11th February, 2016

Signed as per our separate report of same date.

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

**Green Delta Insurance Company Ltd.**

# **Consolidated All Business Revenue Account**

For the year ended December 31, 2015

Particulars	Notes	Amount in Taka	
		2015	2014
Claims under policies less re-insurance	22.00	<b>1,282,556,624</b>	<b>1,271,277,032</b>
Agency commission		301,488,559	346,613,546
Expenses of management		443,361,932	367,467,085
		537,706,133	557,196,402
Profit transferred to profit & loss account		306,181,806	305,993,001
Balance of accounts at the end of the year as shown in the balance sheet	6.00	505,663,463	500,552,761
	<b>TOTAL</b>	<b>2,094,401,893</b>	<b>2,077,822,794</b>
Balance of account at the beginning of the year		500,552,761	658,163,955
Gross premium		3,015,634,962	2,681,373,694
Re-insurance premium		(1,761,166,011)	(1,459,102,433)
Net premium	23.00	<b>1,254,468,951</b>	<b>1,222,271,261</b>
Commission on re-insurance ceded		339,380,181	197,387,578
	<b>TOTAL</b>	<b>2,094,401,893</b>	<b>2,077,822,794</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Dated, Dhaka;  
11th February, 2016

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

**Green Delta Insurance Company Ltd.**

## **Fire Insurance Revenue Account**

For the year ended December 31, 2015

Particulars	Notes	Amount in Taka	
		2015	2014
Claims under policies less re-insurance	22.00	<b>526,024,898</b>	<b>485,296,584</b>
Expenses of management		147,259,371	179,685,071
Agency commission		168,675,914	134,087,948
		210,089,613	171,523,565
Profit transferred to profit & loss account		57,603,055	115,844,433
Balance of account at the end of the year as shown in the balance sheet ( reserve for unexpired risks )		156,967,431	117,191,095
	<b>TOTAL</b>	<b>740,595,383</b>	<b>718,332,112</b>
Balance of account at the beginning of the year	23.00	740,595,383	718,332,112
Premium less re-insurance		117,191,095	281,874,870
Commission on re-insurance ceded		393,647,746	294,408,088
		229,756,542	142,049,154
	<b>TOTAL</b>	<b>740,595,383</b>	<b>718,332,112</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Dated, Dhaka;  
11th February, 2016

Signed as per our separate report of same date.

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

**Green Delta Insurance Company Ltd.**

## **Marine Insurance Revenue Account**

For the year ended December 31, 2015

<b>Particulars</b>	<b>Notes</b>	<b>Amount in Taka</b>	
		<b>2015</b>	<b>2014</b>
Claims under policies less re-insurance	22.00	<b>500,465,455</b>	<b>488,147,502</b>
Expenses of management		89,112,641	46,090,332
Agency commission		265,704,624	325,060,381
		145,648,190	116,996,789
Profit transferred to profit & loss account		244,334,379	229,688,106
Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks)		253,941,511	299,161,859
<b>TOTAL</b>		<b>998,741,345</b>	<b>1,016,997,467</b>
Balance of account at the beginning of the year		<b>998,741,345</b>	<b>1,016,997,467</b>
Premium less re-insurance	23.00	299,161,859	265,351,755
Commission on re-insurance ceded		620,609,390	714,172,404
		78,970,096	37,473,308
<b>TOTAL</b>		<b>998,741,345</b>	<b>1,016,997,467</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Dated, Dhaka;  
11th February,2016

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

**Green Delta Insurance Company Ltd.**

## **Motor Insurance Revenue Account**

For the year ended December 31, 2015

<b>Particulars</b>	<b>Notes</b>	<b>Amount in Taka</b>	
		<b>2015</b>	<b>2014</b>
Claims under policies less re-insurance	22.00	<b>135,743,033</b>	<b>104,572,354</b>
Expenses of management		46,221,915	32,706,415
Agency commission		60,748,388	47,880,414
		28,772,730	23,985,525
Profit transferred to profit & loss account		(1,689,984)	36,436,380
Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks)		56,439,632	41,784,033
<b>TOTAL</b>		<b>190,492,680</b>	<b>182,792,766</b>
Balance of account at the beginning of the year	23.00	<b>190,492,680</b>	<b>182,792,766</b>
Premium less re-insurance		41,784,033	76,171,042
Commission on re-insurance ceded		143,708,647	106,621,724
		5,000,000	-
<b>TOTAL</b>		<b>190,492,680</b>	<b>182,792,766</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Dated, Dhaka;  
11th February,2016

Signed as per our separate report of same date.

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

**Green Delta Insurance Company Ltd.**

## Miscellaneous Insurance Revenue Account

For the year ended December 31, 2015

Particulars	Notes	Amount in Taka	
		2015	2014
Claims under policies less re-insurance	22.00	<b>120,323,241</b>	<b>193,260,592</b>
Expenses of management		18,894,634	88,131,728
Agency commission		42,577,206	50,167,659
		58,851,401	54,961,205
Profit transferred to profit & loss account		5,934,355	(75,975,917)
Balance of account at the end of the year as shown in the balance sheet (reserve for unexpired risks)		38,314,889	42,415,774
	<b>TOTAL</b>	<b>164,572,485</b>	<b>159,700,449</b>
Balance of account at the beginning of the year		<b>164,572,485</b>	<b>159,700,449</b>
Premium less re-insurance	23.00	42,415,774	34,766,288
Commission on re-insurance ceded		96,503,168	107,069,045
		25,653,543	17,865,116
	<b>TOTAL</b>	<b>164,572,485</b>	<b>159,700,449</b>

The accompanying notes 1-27 form an integral part of these financial statement.



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Dated, Dhaka;  
11th February,2016

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

# **Notes to the Financial Statements**

as at and for the year ended 31 December 2015

## **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) :**

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.

#### **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 2015;
- ii) Profit and Loss Account for the year ended 31 December 2015;
- iii) Profit and Loss Appropriation Account for the year ended 31 December 2015;
- iv) Statement of Changes in Equity for the year ended 31 December 2015;
- v) Statement of cash flows for the year ended 31 December 2015;
- vi) Consolidated all Business Revenue Account for the year ended 31 December 2015;
- vii) Fire Insurance Revenue Account for the year ended 31 December 2015;
- viii) Motor Insurance Revenue Account for the year ended 31 December 2015;
- ix) Marine Insurance revenue Account for the year ended 31 December 2015;
- x) Miscellaneous Insurance Revenue Account for the year ended 31 December 2015 and
- xi) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 31 December 2015.

## **2.00 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:

De-recognizes the assets (including goodwill) and liabilities of the subsidiary  
De recognizes the carrying amount of any non-controlling interest  
De-recognizes the cumulative translation differences recorded in equity  
Recognizes the fair value of the consideration received  
Recognizes the fair value of any investment retained  
Recognizes any surplus or deficit in profit or loss  
Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate

#### **2.03 Going concern**

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

#### **2.04 Functional and Presentation currency**

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

#### **2.05 Use of estimates and judgments**

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

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

#### **2.06 Materiality and aggregation**

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

#### **2.07 Foreign currency transactions**

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

#### **2.08 Property, Plant and equipments**

##### **a. Recognition and measurement**

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

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

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

Property plant and equipment have been revalued in the year 2012 under "Current Cost Method" by an independent valuer naming "Asian Survey" to reflect the fair value (prevailing market price). As the fair value of the assets do not differ significantly from its carrying amount as at December 31, 2015 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><u>Category of assets</u></b>	<b><u>Rates depreciation per annum</u></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 no depreciation is charged for the year in which the assets are disposed off.

#### **c. Sale of Fixed Assets**

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

#### **d. Impairment**

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

### **2.09 Sales and Lease Back Finance**

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

### **2.10 Intangible assets**

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

## **2.11 Investment in share**

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

## **2.12 Cash and cash equivalents**

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

#### **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 40%.

**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 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. 505,663,463 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.

### **Weighted average number of ordinary shares outstanding during the year:**

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued (as bonus share) during the year multiplied by a time weighting factor. The time-weighting factor is the numbers of days the specific shares are outstanding as a proportionate of the number of days in the year.

### Diluted earnings per share

Diluted EPS is calculated if there is any commitment for issuance of equity shares in foreseeable future, i.e., potential shares, without inflow of resources to the Company against such issue. There was no such commitment during the year and accordingly no dilution is required in the year 2015.

## **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 recognized 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, 2015. 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 2015 as in financial statements for 2014.

## **2.29 Comparative Information**

Comparative information has been disclosed in respect of the period ended December 31, 2015 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Figures of the year 2014 have been restated and rearranged whenever considered necessary to ensure comparability with the current period.

## **2.30 Director Responsibility**

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

## **2.31 Authorization date for issuing Financial Statements**

The financial statements were authorized by the Board of Directors on February 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, 2015 to December 31, 2015.

	Amount in Taka	
	2015	2014
<b>3.00 Authorised share Capital:</b>		
500,000,000 Ordinary Shares of Tk. 10 each	<u>5,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed & paid up capital		
80,691,187 ordinary shares of Tk. 10 each fully paid up in cash		

**Classification of shareholders by holdings as on December 31, 2015.**

Range of share holding	No. of Shareholders	No. of Shares	% of Holdings	Value of Share in Taka
Less than 500 Shares	3,410	549,386	0.68%	5,493,860
501 - 5,000	1,719	2,546,737	3.16%	25,467,370
5,001 - 10,000	136	1,008,035	1.15%	10,080,350
10,001 - 20,000	67	924,989	0.57%	9,249,890
20001 - 30000	19	463,575	0.74%	4,635,750
30001 - 40000	17	596,565	0.55%	5,965,650
40,001 - 50,000	10	445,550	0.62%	4,455,500
50,001 - 60,000	9	500,024	0.49%	5,000,240
60,001 - 70,000	6	394,206	0.46%	3,942,060
70,001 - 80,000	5	372,373	0.84%	3,723,730
80,001 - 90,000	8	679,802	0.84%	6,798,020
90,001 and above	111	72,209,945	89.49%	722,099,450
	<b>5,517</b>	<b>80,691,187</b>	<b>100.00%</b>	<b>806,911,870</b>

**4.00 Reserve or contingency account**

Reserve for exceptional losses (Note: 4.01)	1,084,824,956	990,739,785
Foreign currency fluctuation (Note: 4.02)	-	-
Investment fluctuation fund (Note: 4.03)	1,695,976,500	976,934,525
General reserve (Note: 4.04)	180,000,000	170,000,000
Dividend equalization fund (Note: 4.015)	130,000,000	120,000,000
Revaluation reserve (Note: 4.06)	1,406,347,635	1,427,205,507
<b>Total</b>	<b>4,497,149,092</b>	<b>3,684,879,818</b>

**4.01 Reserve for exceptional losses**

Opening balance	990,739,785	868,512,659
Addition during the year (7.5% of net premium income)	94,085,171	122,227,126
<b>Sub Total</b>	<b>1,084,824,956</b>	<b>990,739,785</b>

**4.02 Foreign currency fluctuation**

Opening balance	-	2,914,724
Add / (less) during the year	-	(2,914,724)
<b>Sub Total</b>	<b>-</b>	<b>-</b>

**4.03 Investment fluctuation fund**

Opening balance	976,934,525	687,088,167
Add/(less) during the year	719,041,975	289,846,358
<b>Sub Total</b>	<b>1,695,976,500</b>	<b>976,934,525</b>

	Amount in Taka	
	2015	2014
<b>4.04 General reserve</b>		
Opening balance	170,000,000	170,000,000
Addition during the year	10,000,000	-
<b>Sub Total</b>	<b>180,000,000</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	10,000,000	-
<b>Sub Total</b>	<b>130,000,000</b>	<b>120,000,000</b>
<b>4.06 Revaluation reserve</b>		
Opening balance	1,427,205,507	1,445,971,540
Less: Transfer to retained earnings	(20,857,872)	(18,766,033)
<b>Sub Total</b>	<b>1,406,347,635</b>	<b>1,427,205,507</b>
<b>4.A Consolidated revaluation reserve</b>		
Green Delta Insurance Company	1,406,347,635	1,427,205,507
Green Delta Securities Limited	80,071,524	607,047,164
<b>Sub Total</b>	<b>1,486,419,159</b>	<b>2,034,252,671</b>
<b>4.B Consolidated reserve or contingency account</b>		
Green Delta Insurance Company	4,497,149,092	3,684,879,818
Green Delta Securities Limited	80,071,522	607,047,164
<b>Total</b>	<b>4,577,220,614</b>	<b>4,291,926,982</b>
<b>5.00 Profit and loss appropriation account</b>		
Opening Balance ( accumulated un distributed profit)	166,017,744	125,904,367
Add: Net profit for the year	279,521,065	290,655,720
Less: Reserve for exceptional losses (10% of net premium)	(94,085,171)	(122,227,126)
Less: Provision for income tax	(30,000,000)	(35,000,000)
Less: Deferred tax provision	(19,223,448)	(16,400,000)
Less: Cash Dividend paid (for-2014)	(110,033,438)	(95,681,250)
Less: Transfer to General Reserve	(10,000,000)	-
Less: Transfer to Dividend Equation Fund	(10,000,000)	-
Add: Transfer from revaluation reserve	20,857,872	18,766,033
<b>Total</b>	<b>193,054,624</b>	<b>166,017,744</b>
<b>5.A Consolidated profit and loss appropriation account</b>		
Green Delta Insurance company	193,054,624	166,017,744
Green Delta Capital Limited	39,950,366	25,456,811
Green Delta Securities Ltd.	151,927,702	148,285,718
GD Assist Ltd.	1,656,797	337,219
Professional Advancement Bangladesh Ltd.	(4,937,659)	(1,467,422)
<b>Total</b>	<b>381,651,830</b>	<b>338,630,069</b>

	Amount in Taka	
	2015	2014
<b>5.B Non-controlling interest</b>		
Green Delta Capital Limited	220	214
Green Delta Securities Ltd.	353	349
GD Assist Ltd.	1,663	1,135
Professional Advancement Bangladesh Ltd.	2,023	3,414
<b>Total</b>	<b>4,259</b>	<b>5,112</b>

**6.00 Balance of fund account**

Fire Insurance business	156,967,431	117,191,095
Marine Insurance business	253,941,511	299,161,859
Motor Insurance business	56,439,632	41,784,033
Misc. Insurance business	38,314,889	42,415,774
<b>Total</b>	<b>505,663,463</b>	<b>500,552,761</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	392,418,578	40%	156,967,431	117,191,095
Marine Cargo	599,194,322	40%	239,677,729	272,869,028
Marine Hull	14,263,782	100%	14,263,782	26,292,831
Motor	141,099,079	40%	56,439,632	41,784,033
Miscellaneous	95,787,223	40%	38,314,889	42,415,774
<b>Total</b>	<b>1,242,762,984</b>		<b>505,663,463</b>	<b>500,552,761</b>

**7.00 Premium deposits**

Marine cargo	68,612,369	40,955,087
<b>Total</b>	<b>68,612,369</b>	<b>40,955,087</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.

**8.00 Estimated liability in respect of outstanding claims whether due or intimated**

Fire	107,310,028	163,037,527
Marine Cargo	27,959,777	24,630,899
Marine Hull	-	2,187,500
Motor	8,310,953	3,689,550
Miscellaneous	15,421,010	12,139,334
<b>Total</b>	<b>159,001,768</b>	<b>205,684,810</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, 2015.

Payable against co-insurance premium	26,194,931	32,416,221
Overseas re-insurer and SBC	662,876,421	374,724,148
<b>Total</b>	<b>689,071,352</b>	<b>407,140,369</b>

	Amount in Taka	
	2015	2014
<b>10.00 Sundry creditors</b>		
Liability for expenses	9,554,952	11,596,696
Others payable	157,387,458	165,847,204
Provision for income tax (Note : 10.01)	280,935,571	250,935,571
Deferred tax liabilities/(asset) (Note : 10.02)	70,064,835	50,841,387
Unclaimed dividend	27,948,410	20,827,718
<b>Total</b>	<b>545,891,226</b>	<b>500,048,577</b>
<b>10.01 Provision for income tax</b>		
Opening balance	250,935,571	215,935,571
Add : Addition during the year	30,000,000	35,000,000
<b>Sub Total</b>	<b>280,935,571</b>	<b>250,935,571</b>
<b>10.02 Deferred tax liability/(asset):</b>		
Opening balance	50,841,387	34,441,387
Add : Addition during the year	19,223,448	16,400,000
<b>Sub Total</b>	<b>70,064,835</b>	<b>50,841,387</b>
<b>10.A Consolidated sundry creditors</b>		
Green Delta Insurance Company Ltd.	545,891,226	499,637,882
Green Delta Capital Limited	38,488,101	24,852,846
Green Delta Securities Limited	212,500,116	272,889,348
Professional Advancement Bangladesh Ltd.	294,779	389,763
GD Assist Ltd.	15,737,595	364,032
<b>Total</b>	<b>812,911,817</b>	<b>798,133,871</b>
<b>11.00 Bank overdraft</b>		
Mercantile Bank (SOD -1894)	-	92,051,830
<b>Total</b>	<b>-</b>	<b>92,051,830</b>
The total due amount has been paid to the Mercantile Bank Limited, Mohakhali branch, account no. SOD-1984, Dhaka-1212 in favour of the company.		
<b>11.A Consolidated bank overdraft</b>		
Green Delta Insurance Company Ltd.	-	92,051,830
<b>Total</b>	<b>-</b>	<b>92,051,830</b>
<b>12.00 Investment</b>		
Investment in Government Bond	25,000,000	25,000,000
Investment in GDSL as Margin Loan ( Note: 12.1)	135,000,000	75,000,000
Investment in quoted shares	2,451,542,933	1,729,616,843
<b>Investment in unquoted share:</b>		
Jalalabad Telecom Ltd.	82,384,000	82,384,000

	Amount in Taka	
	2015	2014
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	3,000,000
CDBL	1,138,890	1,138,890
BD Venture	20,000,000	20,000,000
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	2,499,000
Professional Advancement Bangladesh Ltd.	9,996,000	2,499,000
<b>Total</b>	<b>3,172,655,323</b>	<b>2,391,632,233</b>

#### 12.01 Investment in GDSL as margin loan

Margin Loan of Green Delta Securities Ltd.	135,000,000	75,000,000
<b>Sub Total</b>	<b>135,000,000</b>	<b>75,000,000</b>

The amount was invested in GDSL as margin loan amount of taka 75,000,000 @ 9 % and taka 60,000,000 @ 12% interest annually.

#### 12.A Consolidated investment

Investment of Green Delta Insurance Co. Ltd.	2,675,160,523	1,961,632,233
Investment of Green Delta Capital Ltd.	110,499,960	51,014,255
Investment of Green Delta Securities Ltd.	247,155,484	744,347,631
<b>Total</b>	<b>3,032,815,967</b>	<b>2,756,994,119</b>

#### 13.00 Outstanding premium

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

Marine hull	19,635,832	11,202,923
Aviation hull	100,783,296	60,833,113
<b>Total</b>	<b>120,419,128</b>	<b>72,036,036</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, 2015.

Co-insurance premium receivable	107,115,365	91,208,269
Co-insurance claim receivable	5,605,078	5,312,915
Amount due from overseas re-insurer	540,761,826	381,077,501
<b>Total</b>	<b>653,482,268</b>	<b>477,598,684</b>

	Amount in Taka	
	2015	2014
<b>15.00 Sundry debtors ( including advance and deposits)</b>		
Advance rent	9,146,036	13,474,128
Advance salary	222,797	629,297
Car lease for employees(advance)	3,666,840	6,229,646
Other advances	369,617,411	336,999,525
Office Space at Khatungonj	-	31,834,200
Security deposit	2,922,393	2,143,854
Accrued interest	9,305,915	961,044
<b>Total</b>	<b>394,881,391</b>	<b>392,271,694</b>
<b>15.A Consolidated sundry debtors</b>		
Green Delta Insurance Company Ltd.	317,789,366	320,933,327
Green Delta Securities Limited	308,552,774	342,699,734
Green Delta Capital Limited	28,753,837	26,807,823
Professional Advancement Bangladesh Ltd.	6,314,200	5,315,976
GD Assist Ltd.	11,062,515	2,539
<b>Total</b>	<b>672,472,692</b>	<b>695,759,399</b>
<b>16.00 Cash and cash equivalent</b>		
Fixed deposits	1,070,544,934	1,105,377,772
STD and current account	7,681,430	72,939,922
Cash in hand	3,810,009	3,155,801
<b>Total</b>	<b>1,082,036,373</b>	<b>1,181,473,495</b>
<b>16.A Consolidated cash and cash equivalent</b>		
Green Delta Insurance Company Ltd.	1,082,036,373	1,181,473,495
Green Delta Capital Limited	187,932,361	217,199,573
Green Delta Securities Limited	167,434,505	161,256,918
Professional Advancement Bangladesh Ltd.	12,789,491	2,895,851
GD Assist Ltd.	9,049,075	2,618,819
<b>Total</b>	<b>1,459,241,805</b>	<b>1,565,444,656</b>
<b>17.00 Land property &amp; office space</b>		
Land at revalued price (Mohakhali)	800,000,000	800,000,000
Land at Aftabnagar (Cost Price)	59,974,010	-
<b>Total</b>	<b>859,974,010</b>	<b>800,000,000</b>

Land property has revalued as per decision of the board and stated at new revalued price which was measuring 6 (Six) Katha and 4 (four) Chataks situated at 51, Mohakhali C/A , Dhaka-1212. Moreover company has purchased two plots (10 Katha) at Aftab Nagar, Eastern Housing, Rampura, Dhaka.

	Furniture & Fixtures	Office & Electrical Equipments	Vehicles	Building & Real Estate		Total
				Own Used	Investment Property	

#### 18.00 Fixed Assets (at cost less depreciation)

##### Cost

As at January 01, 2015	64,747,310	73,637,986	111,605,700	611,318,624	518,571,227	1,379,880,847
Less : Prior Year adjustment						-
Additions during the year	4,516,863	4,029,182	176,500	20,380,504	116,106,264	145,209,313
Disposal during the year	-	(52,500)	-	-	-	(52,500)
<b>As at December 31, 2015</b>	<b>69,264,173</b>	<b>77,614,668</b>	<b>111,782,200</b>	<b>631,699,128</b>	<b>634,677,491</b>	<b>1,525,037,660</b>

##### Depreciation

As at January 01, 2015	14,861,373	25,599,635	41,063,522	14,906,842	3,716,612	100,147,984
Charge during the year	6,926,417	11,642,200	22,356,440	6,316,837	6,346,929	53,588,822
Disposal during the year	-	(7,875)	-	-	-	(7,875)
<b>As at December 31, 2015</b>	<b>21,787,790</b>	<b>37,233,960</b>	<b>63,419,962</b>	<b>21,223,679</b>	<b>10,063,541</b>	<b>153,728,931</b>

##### Sub Total

<b>Written down value of Intangible assets (Note 18.01)</b>						<b>3,613,742</b>
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<b>Written down value at December 31, 2015</b>	<b>47,476,383</b>	<b>40,380,708</b>	<b>48,362,238</b>	<b>610,475,449</b>	<b>624,613,950</b>	<b>1,371,308,729</b>
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<b>Written down value at December 31, 2014</b>	<b>49,885,937</b>	<b>48,038,351</b>	<b>70,542,178</b>	<b>594,949,982</b>	<b>516,316,414</b>	<b>1,281,690,564</b>
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Note: Building and Real Estate has been proportioned and reclassified as per BAS-40 Investment Property. The above breakdown has been calculated according to the portion used by GDIC and GDIC's tenants.

	Amount in Taka	
	2015	2014
<b>18.01 Intangible assets (computer software)</b>		
<b>Opening Balance</b>		
Add : Addition during the year	2,609,000	1,733,000
Less : Amortization during the year (15%)	2,408,697	876,000
Less : Accumulated Amortization	752,655	391,350
<b>Written Down Value</b>	<b>651,300</b>	<b>259,950</b>
	<b>3,613,742</b>	<b>1,957,700</b>
<b>18.A Consolidated fixed assets (at cost less depreciation)</b>		
Green Delta Insurance Company Ltd.	1,371,308,729	1,279,732,864
Green Delta Securities Ltd.	4,335,535	3389834
Green Delta Capital Limited	4,871,137	6,478,900
Professional Advancement Bangladesh Ltd.	5,639,213	4,602,076
GD Assist Ltd.	260,025	-
<b>Total</b>	<b>1,386,414,639</b>	<b>1,294,203,674</b>
<b>18.B Consolidated intangible assets (at cost less amortization)</b>		
Green Delta Insurance Company Ltd.	3,613,742	1,957,700
Green Delta Capital Limited	5,630,294	8,058,322
<b>Total</b>	<b>9,244,036</b>	<b>10,016,022</b>

	Amount in Taka	
	2015	2014
<b>19.00 Stock of printing, stationery &amp; stamps</b>		
Printing	1,472,333	1,826,243
Stationery	32,755	20,063
Insurance policy stamps	592,918	807,064
<b>Total</b>	<b>2,098,006</b>	<b>2,653,370</b>
<b>19.A Consolidated preliminary expenses</b>		
Professional Advancement Bangladesh Ltd.	-	2,229,679
GD Assist Ltd.	-	170,333
<b>Total</b>	<b>-</b>	<b>2,400,012</b>
<b>20.00 Audit fees</b>		
Statutory audit	345,000	345,000
Half yearly Audit	-	-
<b>Total</b>	<b>345,000</b>	<b>345,000</b>
<b>21.00 Investment and others income</b>		
Interest on FDR & STD	80,054,500	113,925,439
Net profit from shares trading	39,034,363	10,552,073
Interest on National Bond	2,786,162	2,785,104
Underwriting commission	108,540	356,407
Dividend income	67,221,275	52,112,915
Interest Income from GDSL	9,176,301	7,635,417
Co-ins service charges	2,790,063	2,315,811
Sundry income	301,925	6,798,594
Rental income	9,411,087	9,473,224
Income from Trustee Commission	2,385,000	900,000
Interest on Debenture	-	12,490,019
Currency Exchange gain/(loss)	(788,482)	1,395,585
<b>Total</b>	<b>212,480,734</b>	<b>220,740,587</b>
<b>21.A Consolidated income from share business</b>		
Green Delta Insurance Company Ltd.	39,034,363	10,552,073
Green Delta Securities Ltd.	2,873,624	3,230,431
Green Delta Capital Limited	444,855	15,308,896
<b>Total</b>	<b>42,352,842</b>	<b>29,091,400</b>
<b>21.B Consolidated interest &amp; others income</b>		
Green Delta Insurance Company Ltd.	18,587,388	136,835,979
Green Delta Securities Ltd.	49,529,408	49,506,484
Green Delta Capital Limited	18,633,348	23,538,305
Professional Advancement Bangladesh Ltd.	1,129,613	36,143
GD Assist Ltd.	298,083	26,395
	<b>88,177,840</b>	<b>209,943,306</b>
Less: Inter company transaction	12,026,565	10,485,681
<b>Total</b>	<b>76,151,275</b>	<b>199,457,625</b>

Amount in Taka	
2015	2014
21.C Consolidated management expenses	
Green Delta Insurance Company Ltd.	182,980,825
Green Delta Securities Ltd.	96,630,462
Green Delta Capital Limited	24,550,192
Professional Advancement Bangladesh Ltd.	6,202,627
GD Assist Ltd.	3,091,504
	<b>313,455,610</b>
Less: Inter company transaction	12,026,565
<b>Total</b>	<b>301,429,045</b>
	<b>295,019,492</b>

**22.00 Claims under policies less re-insurance**

	Fire	Marine Cargo	Marine Hull	Motor	Miscellaneous	Total
Claims paid during the year	202,986,870	85,057,512	2,913,750	41,600,512	15,612,957	348,171,601
Claims outstanding at the end of the year	107,310,028	27,959,777	-	8,310,953	15,421,010	159,001,768
Claims outstanding at the beginning of the year	(163,037,527)	(24,630,899)	(2,187,500)	(3,689,550)	(12,139,334)	(205,684,810)
<b>Total amount (Year - 2015)</b>	<b>147,259,371</b>	<b>88,386,390</b>	<b>726,250</b>	<b>46,221,915</b>	<b>18,894,633</b>	<b>301,488,559</b>
<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>

**23.00 Premium less re-insurance**

Class of business:	On Direct Business	On Re-ins Accepted	On Re-ins. Ceded	Total Amount in 2015	Total Amount in 2014
Fire	1,483,201,694	-	(1,089,553,948)	393,647,746	294,408,088
Marine Cargo	913,787,874	-	(309,830,088)	603,957,786	687,409,891
Marine Hull	81,179,033	2,339,284	(66,866,714)	16,651,603	26,762,513
Motor	180,844,796	-	(37,136,149)	143,708,647	106,621,724
Miscellaneous	354,282,281	-	(257,779,113)	96,503,168	107,069,045
<b>Total amount (December 31, 2015)</b>	<b>3,013,295,678</b>	<b>2,339,284</b>	<b>(1,761,166,012)</b>	<b>1,254,468,951</b>	<b>1,222,271,261</b>

Number of shares Outstanding:	Amount in Taka 2015	Amount in Taka 2014
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**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

<b>2.85</b>	<b>3.26</b>
<b>230,297,617</b>	<b>239,255,720</b>
279,521,065	290,655,720
30,000,000	35,000,000
19,223,448	16,400,000
-	-

**Number of shares:**

B

<b>80,691,188</b>	<b>73,355,625</b>
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Shares outstanding as on 01.01.2015

73,355,625

63,787,500

		Amount in Taka	
		2015	2014
Bonus share issued during the year		7,335,563	9,568,125
New share issued.		-	-
		<b>80,691,188</b>	<b>73,355,625</b>
<b>Basic earnings per shares C=(A/B)</b> <b>(Per value of Tk.10)</b>	Earnings attributable to ordinary shareholders	<b>230,297,617</b>	<b>239,255,720</b>
	Weighted average number of shares	<b>80,691,188</b>	<b>73,355,625</b>
		<b>2.85</b>	<b>3.26</b>

#### 24.A Consolidated earning per share (EPS)

<b>Earnings attributable to ordinary shares:</b>	<b>A</b>	<b>246,277,299</b>	<b>264,691,268</b>
Profit as per profit & loss account		311,635,880	330,849,147
Less: Income tax provision		46,135,133	49,757,879
Less: Deferred tax expenses		19,223,448	16,400,000
Consolidated EPS =	Consolidated net profit after tax Total no. of shares outstanding during the year	246,277,299 80,691,188	264,691,268 73,355,625
		<b>3.05</b>	<b>3.61</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	3,172,655,323	2,391,632,233
Outstanding premium	120,419,128	72,036,036
Amount due to other persons or bodies carrying on insurance business	653,482,268	477,598,684
Sundry debtors	394,881,391	392,271,694
Cash and bank balance	1,082,036,373	1,181,473,495
Land , fixed asset & others	2,236,994,487	2,084,343,934
<b>Total Assets</b>	<b>7,660,468,971</b>	<b>6,599,356,076</b>

##### B. Liabilities

Balance of fund accounts	505,663,463	500,552,760
Premium deposit	68,612,369	40,955,087
Estimated liability in respect of outstanding claims whether due or intimated	159,001,768	205,684,810
Amount due to other persons or bodies carrying on insurance business	689,071,352	407,140,369
Sundry creditors	545,891,226	500,048,577
Bank loan	-	92,051,830
<b>Total liabilities</b>	<b>1,968,240,178</b>	<b>1,746,433,432</b>
<b>Net Assets value (A - B)</b>	<b>5,692,228,792</b>	<b>4,852,922,644</b>
<b>Number of shares outstanding during the year</b>	<b>80,691,188</b>	<b>73,355,625</b>
<b>Net assets value per share (NAVPS)</b>	<b>70.54</b>	<b>66.16</b>

## **26.00 Related party transactions**

The Company has centred into transactions with other entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard-24 "Related Party Disclosure". The terms of related party transaction are not significantly different from those that could have been obtained from their parties. The significant related party transactions are as follows

<b>Name of the Party</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>Amount in Taka</b>
			<b>Closing balance</b>
Green Delta Securities Ltd.	Subsidiary Company	Inter company Credit @ 9% & 12%	47,978,703
Green Delta Capital Ltd.	Subsidiary Company	Inter Company Transaction	9,249,002
Professional Advancement Bang. Ltd.	Subsidiary Company	Inter Company Transaction	19,387,760
GD Assist Ltd.	Subsidiary Company	Inter Company Transaction	476,560

## **27.00 Number of employees**

During the year under audit, there were 610 employees for the full year.

# Status of compliance of Bangladesh Accounting Standards and Bangladesh

## Financial Reporting Standards

Name of the BAS	BAS No	Annexure-I 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, 2015

Sl. No.	Class of Assets	Book Value Taka
1	Investment in government bond	25,000,000
2	Shares listed on DSE & CSE (market price)	2,451,542,933
3	Jalalabad Telecom Ltd.	82,384,000
4	Green Delta AIMS Ltd. (paid up capital)	4,500,000
5	United Hospital	56,100,000
6	Investment in GDSL as margin loan (Note: 12.1)	135,000,000
7	Beximco Pharma proffered share	522,700
8	Green Delta Capital Ltd.	249,999,900
9	Financial Excellence	3,000,000
10	CDBL	1,138,890
11	BD Venture	20,000,000
12	Professional Advancement Bangladesh Ltd.	9,996,000
13	Green Delta Securities Ltd	99,999,900
14	GD Assist Ltd.	2,499,000
15	Energypac Power Generation Ltd.	4,972,000
16	The ACME Laboratories Ltd.	26,000,000
17	Fixed deposit	1,070,544,934
18	Cash at bank on STD and current account	11,491,439
19	Outstanding premium	120,419,128
20	Amount due from other persons or bodies carrying on insurance business	653,482,268
21	Sundry debtors (including advance and deposits)	394,881,391
22	Land property	859,974,010
23	Fixed assets (at cost less depreciation)	1,374,922,471
24	Stock of stationery and stamps	2,098,006
<b>TOTAL</b>		<b>7,660,468,971</b>



Chairman



Vice Chairman



Managing Director & CEO



Addl. Managing Director & CFO



Company Secretary

Dated, Dhaka;  
11th February,2016

Signed as per our separate report of same date.

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

## 12.1

# CORPORATE GOVERNANCE DISCLOSURE CHECKLIST

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1.7	Disclosure of policy on annual evaluation of the CEO by the Board.	70
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	70
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Condition No.	Title	Page
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## 12.2

# SAFA STANDARD DISCLOSURE CHECKLIST

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Quality of the Report/ Layout of Contents	
Cover and printing including the theme on the cover page	
Appropriateness and effectiveness of photographs and their relevance	
Effectiveness of Charts and Graphs	
Clarity, simplicity and lucidity in presentation of Financial Statements	
<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>	
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## 12.3

# SECRETARIAL STANDARD DISCLOSURE CHECKLIST

Title	Compliance Status (" " in appropriate column)		Remarks (if any)
	Complied	Not Complied	
<b>Convening of a Meeting</b>			
<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.	√		
<b>Notice</b>  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.	√		
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 day	√		
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.	√		
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.	√		
Unless a Notice has not been given to the directors then no business shall be transacted at a Meeting.	√		
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.	√		
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. 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.	√		

Title	Compliance Status (" " in appropriate column)		Remarks (if any)
	Complied	Not Complied	
<p>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.</p> <p>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.</p> <p>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'.</p> <p>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.</p>		√	
<b>Frequency of Meetings</b>			
<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.			
<b>Meetings of Committees</b>		√	
Committees shall meet at least as often as stipulated by the Board or as prescribed by any other authority.		√	
<b>Quorum</b>	√		
<b>Meetings of the Board</b>			
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.			

Title	Compliance Status (" " in appropriate column)		Remarks (if any)
	Complied	Not Complied	
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.	√		
<b>Meetings of Committees</b>			
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>Attendance at Meetings</b>			
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.	√		
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>Chairman</b>			
Meetings of the Board.	√		
Every company shall have a Chairman who will preside over the Meetings of the Board.	√		
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.	√		
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.	√		
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,	√		
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.	√		
Meetings of Committees	√		
The Board, while constituting any Committee, shall also appoint the Chairman of the Committee so constituted.	√		
<b>Passing of Resolution by Circulation</b>			
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.	√		

Title	Compliance Status (" " in appropriate column)		Remarks (if any)
	Complied	Not Complied	
It only those matters, which are of an urgent nature are approved through the Resolutions by circulation.	√		
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.	√		
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.	√		
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.	√		
The annual accounts of a company shall be approved at a Meeting of the Board and shall not be by a Resolution by circulation.	√		
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.	√		
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>Minutes</b>			
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.	√		
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.	√		
The Minutes of proceedings of a Meeting shall be entered in the Minutes Book within thirty days from the conclusion of the Meeting.	√		
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.	√		
The date of entering the Minutes shall be specified in the Minutes Book by the Secretary.	√		
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.	√		
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.	√		

Title	Compliance Status (" " in appropriate column)		Remarks (if any)
	Complied	Not Complied	
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.	√		
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.	√		
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.	√		
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.	√		
<b>Minutes of an earlier Meeting shall be noted at the next Meeting.</b>			
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.	√		
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.	√		
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>Attendance in Meetings and their Recording in the Minutes</b>			
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.	√		
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.	√		
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.	√		

Title	Compliance Status (" " in appropriate column)		Remarks (if any)
	Complied	Not Complied	
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>Preservation of Minutes and Supporting Papers</b>			
The Minutes of all Meetings shall be preserved permanently.	√		
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.	√		
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>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.	√		

## 12.4

# DISCLOSURE AS PER ICMAB

Sl. No.	EVALUATION CRITERIA	Page No.
<b>1</b>	<b>Capitalization/Solvency</b>	
	External Liab. Ratio	
	Internal Capital Generation (ICGR)	
	Exceptional Loss Reserve to Net Premium	
	Capital & Fund to Total Asset	
<b>2</b>	<b>Technical</b>	
	Retention Ratio	
	Expenses Ratio	
	Claim Ratio	
	Outstanding Premium to Equity	
<b>3</b>	<b>Liquidity and Funding Flexibility</b>	98,152-154
	Current Ratio	
	Liquid Asset to Total Insurance Fund Total	
	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	
	Average Investment (ROA!)	
<b>5</b>	<b>Market share</b>	
	Gross Premium	149
<b>6</b>	<b>Contribution to National Economy and CSR14.4</b>	
	Qualitative areas:	
(a)	Corporate Governance	68
(b)	Risk Management	74
(c)	Regulatory" Compliance	
(d)	Disclosure	
(e)	Market Franchise and Others	300

## Notes:

## Notes:



## Green Delta Insurance Co. Ltd.

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

Phone: 9851902, 9851170(PABX) FAX: 9851124 www.green-delta.com

### PROXY FORM

I/ We .....  
of .....

being a member of Green Delta Insurance Company Limited do hereby appoint

Mr./ Mrs./ Miss. ....

of ..... or (failing his/her)

Mr./ Mrs./ Miss. ....

of .....

as my/ our proxy, to vote for me/ us and on my/ our behalf at the 30<sup>th</sup> Annual General Meeting of the company to be held on Thursday, 31<sup>st</sup> March 2016 at 11.00 a.m. at Spectra Convention Centre 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 .....

Revenue Stamp Tk. 20/-
------------------------------

Folio No .....

BO A/C No .....

#### Note

1. This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the company registered office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholders should agree with the Specimen signature registered with the Company.

N.B: As per BSEC Notification # SEC/CMRRCD/2009-193/154 dated October 24, 2013 "No benefit in Cash or kind, other than in the form of Cash Dividend or Stock Dividend, shall be paid to the holders of equity Securities."



## Green Delta Insurance Co. Ltd.

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

Phone: 9851902, 9851170(PABX) FAX: 9851124 www.green-delta.com

### ATTENDANCE SLIP

I hereby record my attendance at the 30<sup>th</sup> Annual General Meeting of the company to be held on Thursday, 31<sup>st</sup> March 2016 at 11.00 a.m. at Spectra Convention Centre 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."

