



DIRECTOR'S REPORT

GENERAL REVIEW OF THE FUTURE PROSPECT

The future prospects for Green Delta Insurance appear promising, driven by several factors. One of the prime reasons among these is the ultralow penetration of insurance in Bangladesh at under 1%.

Going forward, the future prospects of the industry will be shaped by the following:

Growing economy

Bangladesh has experienced steady economic growth over the years, which is expected to continue in the coming years too. The economy is expected to register a 6-6.5% GDP growth for the 2023-24 financial year, which is quite significant. As the economy expands, the demand for insurance products, including health, property and casualty, motor insurance, etc., is likely to increase.

Rising awareness

There's a growing awareness among individuals and businesses about the importance of insurance coverage for managing risks and protecting assets. This increased awareness is expected to drive demand for insurance products across various segments of the population. This is especially true with initiatives being led by the regulator to create awareness campaigns, etc., that help build trust for insurance among the public.

Regulatory environment

The regulatory environment for insurance companies in Bangladesh is evolving, with the Insurance Development and Regulatory Authority (IDRA) playing a key role in ensuring stability and growth. Continued regulatory reforms, especially bancassurance that was announced recently, aimed at enhancing transparency, governance and customer protection are expected to support the growth of insurance companies.

Innovation in products and distribution

Insurance companies are innovating in product offerings and distribution channels to reach a wider customer base. This includes the development of micro insurance products tailored to the needs of low-income individuals and the utilization of digital channels for sales and service delivery. For Green Delta Insurance, the company has witnessed a significant customer uptake in digital insurance policies in 2023 through web channels, InsuMama app, etc.

Infrastructure development

Ongoing infrastructure development projects in Bangladesh, such as the construction of roads, bridges and flyovers, etc., present opportunities for insurance companies to provide coverage for property and liability, etc. Further, such projects are also helping build local capacity, especially among small and medium enterprises (SMEs), which bodes well for enterprise insurance in the future.

Emerging risks

With globalization and technological advancements, new risks are emerging in areas such as cyber security, climate change and supply chain disruptions, etc. Insurance companies have the opportunity to develop specialized products to address these evolving risks.

Market competition

The insurance market in Bangladesh is highly competitive, with both large and small players vying for market share. This competition can drive innovation and improve customer service but also requires companies to differentiate themselves through product quality, pricing and customer service.

WORLD ECONOMIC OUTLOOK

Global

A change of tone is in evidence in IMF's latest World Economic Update in January 2024. The report states that the risks to global growth are broadly balanced and a soft landing is a possibility.

The report projects global GDP growth at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised downwards.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and than assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spill-overs. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also trigger growth challenges.

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and—where wage and price pressures are clearly dissipating—adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to

rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

Global growth, estimated at 3.1 percent in 2023, is projected to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025. Compared with that in the October 2023 WEO, the forecast for 2024 is about 0.2 percentage point higher, reflecting upgrades for China, the United States, and large emerging market and developing economies. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences.

World trade growth is projected at 3.3 percent in 2024 and 3.6 percent in 2025, below its historical average growth rate of 4.9 percent. Rising trade distortions and geo-economic fragmentation are expected to continue to weigh on the level of global trade. Countries imposed about 3,200 new restrictions on trade in 2022 and about 3,000 in 2023, up from about 1,100 in 2019, according to Global Trade Alert data.

These forecasts are based on assumptions that fuel and non fuel commodity prices will decline in 2024 and 2025 and that interest rates will decline in major economies. Annual average oil prices are projected to fall by about 2.3 percent in 2024, whereas non fuel commodity prices are expected to fall by 0.9 percent. IMF staff projections are for policy rates to remain at current levels for the Federal Reserve, the European Central Bank, and the Bank of England until the second half of 2024, before gradually declining as inflation moves closer to targets. The Bank of Japan is projected to maintain an overall accommodative stance.

For advanced economies, growth is projected to decline slightly from 1.6 percent in 2023 to 1.5 percent in 2024 before rising to 1.8 percent in 2025. An upward revision of 0.1 percentage point for 2024 reflects stronger-than-expected US growth, partly by weaker-than-expected growth in the Euro area.

In emerging market and developing economies, growth is expected to remain at 4.1 percent in 2024 and to rise to 4.2 percent in 2025. An upward revision of 0.1 percentage point for 2024 since October 2023 reflects upgrades for several regions.

Particularly, growth in emerging and developing Asia is expected to decline from an estimated 5.4 percent in

2023 to 5.2 percent in 2024 and 4.8 percent in 2025, with an upgrade of 0.4 percentage point for 2024 over the October 2023 projections, attributable to China's economy. Growth in China is projected at 4.6 percent in 2024 and 4.1 percent in 2025, with an upward revision of 0.4 percentage point for 2024 since the October 2023 WEO. The upgrade reflects carry over from stronger-than-expected growth in 2023 and increased government spending on capacity building against natural disasters. Growth in India is projected to remain strong at 6.5 percent in both 2024 and 2025, with an upgrade from October of 0.2 percentage point for both years, reflecting resilience in domestic demand.

World Economic Outlook Growth Projections

(Real GDP, annual percent change)	ESTIMATE	PROJECTIONS
	2023	2024
World Output	3.1	3.1
Advanced Economies	1.6	1.5
United States	2.5	2.1
Euro Area	0.5	0.9
Germany	-0.3	0.5
France	0.8	1.0
Italy	0.7	0.7
Spain	2.4	1.5
Japan	1.9	0.9
United Kingdom	0.5	0.6
Canada	1.1	1.4
Other Advanced Economies	1.7	2.1
Emerging Market and Developing Economies	4.1	4.1
Emerging and Developing Asia	5.4	5.2
China	5.2	4.6
India	6.7	6.5
Emerging and Developing Europe	2.7	2.8
Russia	3.0	2.6
Latin America and the Caribbean	2.5	1.9
Brazil	3.1	1.7
Mexico	3.4	2.7
Middle East and Central Asia	2.0	2.9
Saudi Arabia	-1.1	2.7
Sub-Saharan Africa	3.3	3.8
Nigeria	2.8	3.0
South Africa	0.6	1.0
Memorandum		
Emerging Market and Middle-Income Economies	4.2	4.0
Low-Income Developing Countries	4.0	5.0

Source: IMF, World Economic Outlook Update, January 2024

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2023/2024 (starting in April 2023) shown in the 2023 column. India's growth projections are 5.7 percent in 2024 and 6.8 percent in 2025 based on calendar year.

BANGLADESH ECONOMIC OUTLOOK

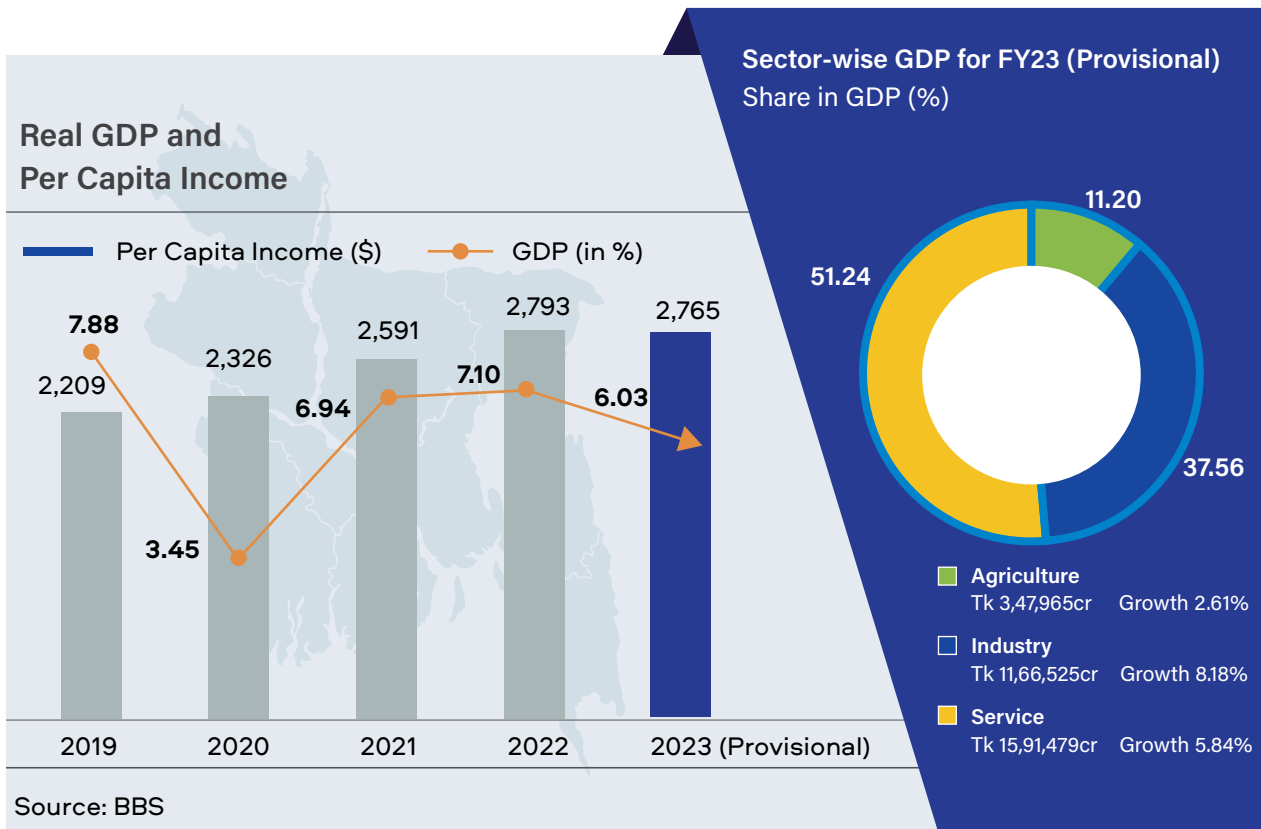
Overview

As per Bangladesh Bank's Monetary Policy Review (MPR) for the financial year 2022-23, the country's economy rebounded strongly from the shock of the Covid-19 pandemic, achieving real GDP growth rates of 6.94 percent and 7.10 percent in FY2021 and FY2022, respectively. This report states that the recovery was facilitated by effective pandemic management, increased domestic and external demand and well-coordinated monetary and fiscal policy support. However, the economy faced numerous challenges too, stemming from global economic uncertainties and intense pressure on the balance of payments, leading to a sharp depreciation of the exchange rate.

These unfavourable developments hindered growth momentum and resulted in persistently high inflation in FY2023. Nevertheless, the Bureau of Statistics (BBS) has provisionally estimated a reasonably high real GDP growth rate of 6.03 percent for FY2023, considering the global and domestic economic developments. The IMF has projected a 6% GDP (real) growth rate in 2024.

It is noteworthy that Bangladesh Bank has been actively utilizing all available options to control inflation, manage the balance of payment instabilities and ensure affordable funding for productive sectors. This will build economic resilience in the future.

Snapshot of Bangladesh's economy



Granular economic details

Bangladesh's FY2023 GDP growth deceleration to around 6% can be attributed to a combination of factors, including global trade shrinkage, tightening monetary policies, domestic inflation and government austerity measures, including curbed spending. Despite significant infrastructure developments, such as completion of various transportation projects including the Padma Bridge, the anticipated economic upturn has yet to materialize with growth projections from the World Bank, IMF and ADB for FY2024 falling below the government's ambitious target of 7.5%, thus signalling a challenging economic environment in the future.

Despite an improvement in the current account balance in 2023, the financial account experienced a decline due to tepid policy implementation by Bangladesh Bank regarding interest rates and the presence of multiple foreign exchange rates. This resulted in a reduction in forex reserves to US\$ 21.4 billion. The deficit in the financial account can be ascribed to low local interest rates amidst global monetary tightening, forex market volatility and heightened country credit risk.

Bangladesh's export growth for FY2023 reached 6.72%, totalling US\$55.6 billion, primarily propelled by the ready-made garments (RMG) sector. However, this strong reliance on RMG, which constitutes 86.55% of the export basket, poses a heightened concentration risk, especially considering the negative growth challenges faced by other key sectors. In the period of July-November of FY2024, export earnings experienced a subdued growth of 1.3% to US\$22.2 billion, reflecting the impact of a global economic slowdown attributed to the Russia-Ukraine war.

In FY2023, Bangladesh's imports contracted to US\$68.43 billion from the prior year's notable surge of US\$79.57 billion. The post-Covid economic normalization had initially spurred a significant 46%+ increase in FY2022 imports. However, the escalation of the Ukraine-Russia War and now the Israel-Hamas war in west Asia has led to heightened global commodity costs, causing disruptions in the supply chain and triggering a subsequent forex crisis. In response, the central bank implemented measures to restrict imports. During the period of July-October in FY2024, imports witnessed a substantial decline of 20.54% to US\$21.87 billion, coupled with a 14% reduction in LC (Letter of Credit) opening, indicating a slowdown in economic growth.

Concluding FY2023 with a current account deficit (CAD) of US\$2.1 billion, the lowest in five years, was primarily driven by a notable 14% reduction in imports. Despite the economy's resilience amidst the pandemic, concerns regarding stability prompted government austerity measures, depreciation of the Taka, and restrictions

on luxury imports. The narrowing of the FY2023 trade deficit to US\$12.9 billion from US\$27.5 billion, along with a current account surplus of US\$0.23 billion in the July-October FY2024 period, indicates positive momentum. A current account surplus of US\$ 2-3 billion is expected in 2024, reflecting ongoing economic adjustments and evolving trade dynamics.

In FY2023, Bangladesh experienced a significant contraction in Foreign Direct Investment (FDI), with total inflows reaching US\$3.2 billion, largely attributed to persistent volatility in the local forex market and even what is popularly called the "funding winter". Notably, equity investment witnessed a steep decline of 40.91%, while intra-company loans collapsed by 40.14%, indicating a challenging economic climate for the country. Despite these complexities, the UK and the Republic of Korea emerged as leading contributors to FDI into Bangladesh. Non-Export Processing Zone (EPZ) areas attracted the highest net FDI inflows, amounting to US\$2.8 billion, while EPZs obtained US\$406 million and Economic Zones (EZ) garnered nearly US\$4.2 million in investments.

Since March 2022, the BDT depreciated by 28% against the US\$ due to a controlled exchange rate, aiming to address its overvaluation compared to peers. As of November 2023, Bangladesh's Real Effective Exchange Rate (REER) index, at 105.07 according to Bangladesh Bank (BB), signifies a 5.07% appreciation.

In FY2023, Bangladesh grappled with a record-high inflation rate of 9.7%, marking the highest level in a decade. Despite a 31% reduction in the global commodity price index since March 2022, the country continued to face inflationary pressures due to local currency depreciation and reduced government subsidies, especially in the power sector. This inflation was aggravated by a significant increase in electricity prices, nearly 2-fold increase in gas rates and substantial fuel price hikes. In response, the central bank raised the repo rate three times, elevating it to 7.25% from a low of 4.5% in FY2020, with the aim of controlling inflation by reducing money flow and stabilizing economic conditions.

It is expected however that Bangladesh's economy will perform much better than other economies, even emerging market and developing economies, in 2024 which is commendable considering the dire straits in which few of the neighbouring economies stand. Timely assurance by the IMF on a US\$4.2 billion loan package has also helped stabilize the economy. This, together with strong domestic fundamentals such as a large underserved population, sound demographics, growth in per capita and disposable income and the impending graduation from the LDC index of the UN all bode well for the long-term potential of Bangladesh, aptly referred to as "Asia's Tiger".

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

As the Board of Directors of Green Delta Insurance Company Limited, we extend our warm greetings to you at the 38th Annual General Meeting. We express our heartfelt gratitude for your unwavering support and patronage throughout the last 38 years. It is with great pleasure that we present the Annual Report, including the Audited Financial Statements for the fiscal year ending on December 31, 2023, and the accompanying Auditor's Report.

This report, meticulously prepared by the Board of Directors, adheres to the stipulations outlined in Section 184 of the Companies Act 1994 (Act No. XVIII of 1994), the Corporate Governance Code-2018 issued by BSEC, and other pertinent regulations set forth by regulatory bodies. In alignment with these guidelines, we have provided

comprehensive disclosures and elucidations on relevant matters, ensuring adherence to compliance, transparency, and the promotion of good corporate governance practices. Furthermore, the report encapsulates detailed insights into the company's performance, operational endeavors, and notable accomplishments throughout the fiscal year concluding on December 31, 2023.

We eagerly anticipate your kind consideration and adoption of the presented reports, as they encapsulate the collective efforts and achievements of Green Delta Insurance Company Limited. Your continued support is instrumental in our pursuit of excellence and sustainable growth.

Warm regards,

Abul Hasan Chowdhury
The Board of Directors

An Industry Outlook and Possible Future Developments in the Industry

This topic has been discussed in Chapter 06 under sections "General Review of the Future Prospect," "World Economy Outlook," and "Bangladesh Economy Outlook" at pages 179-181, respectively.

Segment-Wise or Product-Wise Performance

In line with general practices, the underwriting business of the company covers fire insurance, marine insurance, motor insurance, and miscellaneous insurance businesses. Out of the total premium earned, it is found that fire insurance makes the biggest contribution, followed by marine insurance and miscellaneous insurance. The directors take pleasure in reporting that in 2023, Green Delta had another year of growth in premium earnings. The overall and segment-wise performance of your company is shown in the tables below:

Gross Premium Income:

Year	Gross Premium (In Million Taka)	Growth (%)
2023	4,545	8%
2022	4,227	10%
2021	3,843	5%
2020	3,677	(12%)
2019	4,164	13%

Business Segment-wise Gross Premium Income: (in Million Taka)

Business Segments	2023	2022	Growth (%)
Fire Insurance	2,542	2,204	15%
Marine Insurance	1,162	1,140	2%
Motor Insurance	114	111	2%
Miscellaneous Insurance	727	772	-6%

Segregation of Net Premium

Business Segments	2023		2022		Growth(%)
	Amounts (in million taka)	Business Mix of net premium (%)	Amounts (in million taka)	Business Mix of net premium (%)	
Fire Insurance	656	35%	488	28%	44%
Marine Insurance	802	43%	794	46%	1%
Motor insurance	94	5%	88	5%	7%
Miscellaneous insurance	330	18%	352	20%	-6%
Total	1882	100%	1723	100%	9%

Claim and Loss Ratio

Year	Net Claim (In Million Taka)	Change (%)
2023	473	66.17%
2022	313	116%
2021	144	(63%)
2020	389	(31%)
2019	565	20%
2018	471	27%

Segregation of Net Claim

Business Segments	2023		2022		Growth (%)
	Amounts (in million taka)	Business Mix of Net Premium (%)	Amounts (in million taka)	Business Mix of net premium (%)	
Fire Insurance	122	26%	(35)	-11%	444%
Marine Insurance	45	10%	75	24%	-39%
Motor Insurance	19	4%	16	5%	19%
Miscellaneous Insurance	286	61%	257	82%	11
Total	473	100%	313	100%	51%

Capital Adequacy

The following table shows gradual increase in the shareholders equity.

Year	Shareholders Equity (In Million Taka)	Change (%)
2023	7,156	6%
2022	6,764	1%
2021	6,723	8%
2020	6,242	7%
2019	5,858	2%

Solvency Margin

The following table shows that the solvency margin of the company is above the required level.

(Figures in BDT million)

Particulars	2023
Available Solvency (AS)	1,508
Required Solvency (RS)	981
Solvency Margin (AS/RS) (times)	1.54

This solvency margin is calculated as per IDRA rules and regulation.

Re-insurance Utilization and Risk Retention Ratio

The company has a re-insurance with Shadharan Bima Corporation (SBC) and foreign re-insurer such as Tryser & Co., J.B. Boda Insurance Service, Marsh India, Protection Insurance & others foreign re-insurer against all classes of general insurance business.

You may be aware that usually high-risk retention levels signal inadequate reinsurance protection, while low-risk retention levels hamper profitability. Segment-wise risk retention ratios of the company for the last few years are shown in the table below.

Particulars	Year-wise Retention Ratio (%)				
	2023	2022	2021	2020	2019
Fire Insurance	26%	22%	26%	29%	34%
Marine Insurance	69%	70%	70%	69%	63%
Motor Insurance	83%	80%	79%	87%	87%
Miscellaneous Insurance	45%	46%	26%	45%	43%
Total	41%	41%	40%	44%	48%

Reserve Adequacy

The following table shows reserve adequacy of the company.

Year	Amount of Reserve (in Million Taka)	Changes (%)
2023	4,167	3%
2022	4,058	(7%)
2021	4,379	(0.25%)
2020	4,390	(2%)
2019	4,494	(0.4%)

Profitability

Since the source of revenue of the company is premium income from underwriting business under fire insurance, marine insurance, motor insurance and miscellaneous insurance businesses and other income like income from investments, its profitability depends upon these sources.

The following table shows the contributions of different business segments in the underwriting profit (loss) in last few years.

Business Segments	Contribution to Underwriting Profit (%)				
	2023	2022	2021	2020	2019
Fire Insurance	41%	50%	45%	34%	5%
Marine Insurance	53%	47%	44%	42%	78%
Motor Insurance	5%	5%	6%	8%	14%
Miscellaneous Insurance	1%	(2%)	5%	16%	3%
Total	100%	100%	100%	100%	100%

Underwriting Performance/Quality-

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 modelling, 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 and slightly increased underwriting profit from the previous year, higher claims dented underwriting profit during the year under report for fire and miscellaneous insurance. 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.

The following table shows the segment-wise underwriting performance of the company in the last few years.

Business Segments	Year-wise Underwriting Performance (Million)					
	2023	2022	2021	2020	2019	2018
Fire Insurance	423	548	547	334	13	20
Marine Insurance	548	514	527	404	377	315
Motor Insurance	49	50	69	75	16	56
Miscellaneous Insurance	14	(22)	60	152	8	13

Investment Profile

The following table shows the status of investment portfolio of the company in the last year comparing with those of the previous year.

Components of Investment	2023		2022	
	Amount (in Million Taka)	% of total investment	Amount (in Million Taka)	% of total investment
Government bond	225	3%	125	2%
Zero Coupon and Sustainability Bond	224	3%	92	2%
Fixed Deposit	1,601	24%	1,488	27%
Quoted Shares	2,376	36%	2,147	40%
Un-Quoted Shares	230	3%	205	4%
Investment in Property	575	9%	582	11%
Investment in Subsidiaries	1,085	17%	555	10%
Investment in Associates	111	2%	87	2%
Investment in Margin loan	140	2%	140	3%
Total	6,568	100%	5,421	100%

Segregation of Investment Income and Other Income

Green Delta Insurance reported healthy growth across all its investment income and other income constituents, with interest income comprising the largest chunk at 34%. Besides, others income also contributed a healthy 30% to the overall pie. Dividend income and profit from the sale of shares comprised the rest of the investments income lines.

The following table shows the status of the contributions of different sources to investment income and other income in the last year compared with those of the previous year.

Heads of Income	2023		2022	
	Amount (in Million Taka)	% of total investment income & Others Income	Amount (in Million Taka)	% of total investment income & Others Income
Interest Income	89	34%	75	24%
Dividend	78	29%	128	42%
Profit from Sale of Shares	17	7%	38	12%
Other Income	80	30%	67	22%
Total	264	100%	307	100%

RISK AND CONCERN

Green Delta Insurance is at the forefront of risk and resilience, improving risk mitigation strategies for corporations, governments, and civil society, and influencing public policy agendas overall, as it keeps investing in new methods to better understand the dynamic and ever-changing risk environment. On page 285-291 (Chapter 09, "Risk and Insurance"), a comprehensive report on the risk management framework has been provided separately.

GROSS PROFIT MARGIN AND NET PROFIT MARGIN:

In 2023, the gross profit margin of the company is 23% and Net Profit Margin is 13%

EXTRA-ORDINARY GAIN OR LOSS

There was no extra-ordinary gain or extra-ordinary loss during the year 2023.

RELATED PARTY TRANSACTION

Related party transactions occur with other businesses that are classified as related parties according to IAS 24: Related Party Disclosure in the regular course of business. On page 367-368 of the financial statements' notes, item no. 27, contains a disclosure on related party transactions.

UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES AND/OR ANY OTHER INSTRUMENTS

In 2013, Green Delta Insurance Company Ltd. and International Finance Corporation (IFC) entered into an

agreement wherein IFC acquired an 8% ownership position in the company. A book value of BDT 81.36 per share was assigned to IFC in consideration of the six-month average high-low price.

IPO OF THE COMPANY

Green Delta floated its ordinary shares initially in 1989 through an IPO. The net proceeds from the IPO were used for the company's operational activities.

VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS

Statement of Quarterly Financial Statement is given separately. There were some variances in the financial results from quarter to quarter. But they are not very significant or material in nature.

REMUNERATION OF THE DIRECTORS INCLUDING INDEPENDENT DIRECTOR(S)

The directors, including independent directors, all of whom are non-executive directors, are given a meeting attendance fee of BDT 8,000 (Bangladeshi Taka eight thousand only) per meeting of the board and committees. During the year 2023, a total amount of BDT 552,000 was given to the directors as remuneration, meeting attendance fee, and travel expenses (as applicable)

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The Directors of GDIC, in conformance with the BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, confirm compliance with the financial reporting framework for the following:

- The financial statements, prepared by the management of GDIC make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure.
- Proper books and accounts of the Company have been maintained.
- Appropriate accounting policies, including International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS)/ as applicable/adopted in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation has been adequately disclosed.
- Accounting estimates are based on reasonable and prudent judgment.
- Internal control processes have been properly designed and effectively implemented and monitored.

- No significant doubt exists upon the Company's ability to continue as a going concern.
- Comparative analysis of significant deviations has been highlighted and reasons have been explained in the sections above.

PROTECTION OF MINORITY SHAREHOLDERS

This is to certify that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

GDIC'S ABILITY TO CONTINUE AS GOING CONCERN

The Directors declare that there are no significant doubts upon the company's ability to continue as a going concern. For this purpose of assessment whether GDIC has ability to continue as a going concern, the following issues have been 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 GDIC'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 financial position and performance of significant subsidiaries

In considering these items, significant judgments and estimates with respect to the potentially-adverse financial and liquidity effects of GDIC's risks and uncertainties have been made.

Report on Going Concern:

The preparation of financial statements typically assumes that an enterprise will continue its operations as a going concern into the foreseeable future. However, there are circumstances where financial statements may need to be prepared under a different basis, which must be disclosed.

Listed companies, as mandated by the Bangladesh Securities and Exchange Commission (BSEC), are required to provide reports on their ability to operate as a going concern. Annually, the Board of Directors of Green Delta Insurance Company Limited evaluates whether there are significant uncertainties that could cast doubt on the company's ability to continue as a going concern.

In assessing the company's status as a going concern, the Directors conduct thorough inquiries, reviewing budgets, forecasts, assumptions, and potential future outcomes of inherent uncertainties. Based on these assessments, the Directors are confident that there are reasonable assurances regarding the company's ability to continue operating as a going concern for the foreseeable future.

Financial Indicators Include:	Operating indicators encompass:	Other indicators include:
<ul style="list-style-type: none"> • Net current assets • Operating cash flows • Key financial ratios • Dividend payments • Reliability in meeting obligations • Growth in performance • Underwriting results and trends 	<ul style="list-style-type: none"> • Key management turnover • Successful business expansion • Diversified client satisfaction across various business segments • Positive corporate culture and employee satisfaction 	<ul style="list-style-type: none"> • Compliance with legal requirements for maintaining a sufficient capital base • Robust reserve foundation • Solid equity foundation • Demonstrated ability to pay claims • Expectation of no major changes in legislation or government policies

Significant deviations from the last year's operating results of the company.

- 1. Significant Deviation in Earnings per Share (EPS):** EPS has decreased by Tk. 1.17 per share due to increases claim intimation as compared to previous year..
- 2. Significant deviation in Net Operating Cash Flow per Share (NOCFPS):** Net Operating Cash Flow per Share (NOCFPS) has been decreased by Tk. 0.28 per share due to increase in paid claims from prior year.
- 3. Significant deviation in Net Assets Value per share (NAV):** Net Asset Value Per share has increased by Tk. 3.91 per share due to increase of investment of GDICL as compared by previous year 2022.

KEY OPERATIONAL AND FINANCIAL INFORMATION (Last 5 years)

Key operational and financial information over the last five years, as per the requirements of No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, has been presented in Chapter-05 under the section "Financial Highlights of the Last Five Years."

DIVIDEND

Proposed Annual Dividend- the board has proposed **Cash dividend @ 25%** for the year 2023.

Interim Dividend- No cash or bonus share dividend was declared as interim dividend during 2023. No Bonus Share shall be declared as interim dividend.

BOARD MEETINGS & ATTENDANCE BY THE DIRECTORS

During the year 2023, a total of 8 meetings of the board were held. Attendance by the Directors and remuneration to the Directors have been summarised in Annexure-II in Chapter-06 under Section "Meeting Attendance by the Directors of GDIC" of this annual report.

PATTERN OF SHAREHOLDING:

GDIC's shareholding pattern as of December 31, 2023, is disclosed as per the Corporate Governance Code of BSEC in Annexure-I of this annual report on page no. 192 in Chapter-06 under section "Share held by Directors/ Executives and relatives of Directors/Executives, and in Chapter-08 under section "Distribution of Shareholding Pattern.

DIRECTORS

Resume and line of expertise:

A brief resume of the directors is presented in "Chapter 2, under Section "Profile of the Board of Directors and Their Representation on the Board," which includes his or her nature of expertise and qualifications. An analysis of the directors' experience and expertise and its impact on the corporate governance of the company is included in Chapter 7 under Section "Information about Corporate Governance."

Names of the companies in which the directors hold the directorship and membership of the committees of the board:

The details of this directorship have been presented in "Chapter 2, under Section "Profile of the Board of Directors and Their Representation on the Board."

Retirement and re-election:

As per Articles 102 and 103 of the Articles of Association of the company pursuant to Regulation 80 of Schedule-I of the Companies Act 1994, considering the longest tenure on the Board of GDIC, the directors listed below shall retire from the Board at the 38th Annual General Meeting, and they shall be eligible for re-election:

	Name	Status
01	Shamshun Nahar Begum Chowdhury	Director
02	Mesbah Delwar Rahman	Director

Appointment/re-appointment of Independent Director(s):

As per the BSEC's Corporate Governance Guidelines dated June 3, 2018, (i) at least one fifth (1/5) of the total number of directors on the company's board shall be independent directors; (ii) independent director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM); and (iii) the tenure of office of an independent director shall be for a period of three (three) years, which may be extended for one (one) term only.

As per the above compliance, we have duly complied with the status of the number of independent directors. However, we have two independent directors: one is Mr. Abul Hasan Chowdhury, and the other is Mr. Abdul Hafiz Chowdhury, while the board members are six (06).

However, till the 38th AGM, there are no such pending issues regarding the proposal or approval of the appointment or re-appointment of the independent director(s).

The details of the director's status have been presented in Chapter 2, under Section "Profile of the Board of Directors and Their Representation on the Board."

RENEWAL OF THE TERM OF MANAGING DIRECTOR

As per the Companies Act 1994, under Section 110 and the recommendation of the Board of Directors, the renewal of the term of Ms. Farzanah Chowdhury as Managing Director is being proposed for 5(five) years, subject to the approval of the shareholders in the 38th Annual General Meeting.

MANAGEMENT DISCUSSION & ANALYSIS:

A more detailed discussion and analysis of the financials, as delivered by the Managing Director CEO, is presented

in Chapter 2 under Section "Managing Director and CEO's Review Report," in Chapter 5 under Section "Management Discussion and Analysis," and the rest of the sections have been discussed in the management discussion and analysis of Chapter 5.

CEO AND CFO's DECLARATION CERTIFICATE:

The CEO and Finance Controller/CFO's declaration to the Board is appended in Chapter 10 under Section "CEO and CFO's Declaration" of this Annual Report.

STATUS OF COMPLIANCE

The status of compliance with the conditions of the Corporate Governance Code imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, along with a certificate from a practicing Chartered Secretary, has been enclosed in Chapter 7 under Section "Corporate Governance Compliance Certificate, as required by applicable law" and Compliance Report on Corporate Governance Code by BSEC" of this annual report.

SUBSIDIARY OPERATIONS

Green Delta Insurance Company Ltd. has four subsidiary companies, namely Green Delta Securities Ltd., Green Delta Capital Ltd., Professional Advancement Bangladesh Limited, and GD Assist Ltd.

The financial statements and brief of business operations of those subsidiary companies have also been presented in Chapter 12 under the heading "Subsidiary Overview".

HR PRACTICES

GDICL is committed to providing equal opportunities to all employees, irrespective of their gender, race, nationality, ethnic origin, or religion. GDIC is an inclusive employer and values diversity in its employees. These extend to recruitment and selection, training, career development, flexible working arrangements, promotion, and performance appraisal. Our corporate goal is to improve staff engagement by measuring and responding to staff members' views and willingness to exert extra effort to achieve business success. We provide the necessary support to staff in order to manage change effectively. We credit the strength of our people for our organisation's success, their understanding of strategy and goals, as well as their satisfaction with the work they do and how it contributes, are of critical importance throughout our companies. We continue our efforts to create and maintain a highly skilled and motivated workforce. Through our succession planning initiatives, leadership capacity is identified and developed to ensure ongoing success.

The details regarding HR practice in the company have been presented in Chapter 7 under Section "Information on how the company contributed to its responsibilities towards the staff (including health and safety)..

INFORMATION TECHNOLOGY

Information and communication technology (ICT) has become indispensable for insurance companies in ensuring smooth operation and providing efficient services. Recognising this fact, the board has adopted a comprehensive ICT policy for the company. The IT system of GDIC has been upgraded for further strengthening and securing the automation of services. The highly experienced and trained IT professionals of GDIC are working on maintaining and developing the company's IT infrastructure and constantly innovating and writing in-house programmes to meet the needs of the company. The Local Area Network (LAN) has been in operation in the head office and branch offices.

CREDIT RATING

For the consecutive 10 years, GDICL has been awarded an AAA (pronounced Triple A) rating in the long term and an ST-1 rating in the short term by the Credit Rating Agency of Bangladesh Limited, marking the first ever rating in the insurance industry. A certificate in this regard is given in Chapter 7 under Section "Disclosure on Credit Rating.."

CORPORATE SOCIAL RESPONSIBILITY

The directors are sincere in their discharge of corporate responsibilities to society. As a part of discharging corporate social responsibilities, GDIC has initiated various projects and programmes and has been sponsoring various sports activities, besides patronising cultural activities in the country since its inception. GDIC has been the proud sponsor of the First and Second Division Hockey League since 1987. From time-to-time, GDIC has sponsored the national premier cricket league and numerous seminars and conferences organised by the Institute of Chartered Accountants of Bangladesh, the Institute of Cost and Management Accountants of Bangladesh, the Institute of Chartered Secretaries, etc.

However, the details of CSR have been discussed and presented in Chapter 8 under the section "Sustainability.."

APPOINTMENT/RE-APPOINTMENT OF AUDITORS:

External Auditor:

The board of directors has recommended the appointment of M/S Islam Quazi Shafique & Co. Chartered Accounts as the external auditor for the year 2024, in accordance with

the recent auditor panel lists released by the Insurance Development and Regulatory Authority (IDRA) on January 3, 2024, and the Bangladesh Securities and Exchange Commission (BSEC) on May 30, 2023. The remuneration for their services is set at BDT 3.10 lacs, net of applicable taxes.

Corporate Governance Auditor issued by IDRA and BSEC:

The Board of Directors of the company has recommended to appoint M/s Suraiya Parvin & Associates Chartered Secretaries as the professional to provide the certification as to the compliance of the Corporate Governance Code issued by the BSEC Notification dated 03/06/2018 for the year 2024 and IDRA Corporate Governance Code dated on January 3, 2024. The remuneration for their services is set at BDT 75,000 net of applicable taxes.

STATEMENTS REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS, INCLUDING THE BALANCE SHEET AND OTHERS OF THE COMPANY

A declaration regarding financial statements, including the balance sheet, profit, and loss accounts, etc., has been presented in Chapter-10 under sections "CEO and CFO's Declaration" and "Independent Auditor's Report." of this Annual Report.

MATERIAL FOR THE APPRECIATION OF THE STATE OF THE COMPANY'S AFFAIRS:

This is to declare that during the financial period 2023, the company did not make any changes to the nature of the company's business, its subsidiaries, or the classes of business in which the company has an interest.

AUDITORS REPORT:

Opinion

We have audited the financial statements of Green Delta Insurance Company Limited and its subsidiaries (together referred to as the "Group") as well as the Separate Financial Statement of Green Delta Insurance Company Limited (the "company"), which comprise the Consolidated and Separate Balance Sheets as at 31 December, 2023 and the Consolidated and Separate Profit and Loss Accounts, the Consolidated and Separate Profit and Loss Appropriation Accounts, the Related Revenue Accounts, the Consolidated and Separate Statement of Changes in Equity and the Consolidated and Separate Statement of Cash Flows for the year then ended 31st December 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated and separate financial statements of the Company give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the company as at 31st December 2023, and of its consolidated and separate profit and loss accounts and consolidated and separate statement of cash flows for the year then ended 31st December 2023 in accordance with International Financial Reporting Standards (IFRSs), the company Act 1994, the Insurance Act 2010, the Securities and Exchange Rules 2020 and other applicable laws and regulations as explained in notes 1 to 28.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Financial Reporting Council (FRC) by Laws.

Emphasis of Matter

1. We draw attention to Note 2.16 (v) of the Financial Statements, which describes the reason for not establishing Workers' Profit Participation Fund by the Company according to Bangladesh Labor Act 2006 (as amended in 2013). Our opinion is not modified in respect of these matter.

ACKNOWLEDGEMENT

The Directors take this opportunity to express heartfelt gratitude to all the valued shareholders, clients, and well-wishers at home and aboard for their wholehearted cooperation and active support in discharging the responsibilities reposed on the Board during the year under review.

The directors express sincere gratitude to the Ministry of Commerce, the Ministry of Finance, the Insurance Development and Regulatory Authority, the Registrar of Joint Stock Companies and Firms, the Bangladesh Securities and Exchange Commission, government and non-government organisations, Sadharan Bima Corporation, Dhaka and Chittagong Stock Exchanges, the Bangladesh Insurance Association, and all the scheduled banks and leasing companies for their sincere support and wholehearted cooperation.

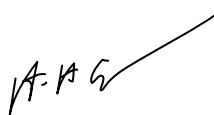
The directors express deep appreciation for the services and loyalty of the executives, officers, and employees of the company at all levels, without which results could not have been achieved.

The directors would like to thank and express gratitude to Managing Director and CEO Ms. Farzanah Chowdhury and Advisor Mr. Nasir A. Choudhury for their hard work, commitment, and dedication to the development of the company.

At last, but not least certainly, the directors express sincere gratitude to all clients for their loyalty and patronage over the period.

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

Thank you all.
On behalf of the Board



Abul Hasan Chowdhury
Chairman

ANNEXURE I SHARES HELD BY DIRECTORS/EXECUTIVES AND RELATIVES OF DIRECTORS /EXECUTIVES

Pattern of shareholding as on 31st December, 2023 as required by revised corporate governance guidelines issued by BSEC:

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka) face value	%
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A. Parent/Subsidiary/Associated Companies and other related parties (name wise details)

B. (i) Directors and their spouses and minor children (name wise details)

1	Abul Hasan Chowdhury	Independent Director & Chairman	0	0	0.00
2	Dilruba Chowdhury	Vice-Chairperson	2,060,254	20,602,540	2.06
3	Shamsun Nahar Begum Choudhury	Director	2,027,967	20,279,670	2.02
4	Sayera Khatun Choudhury	Director	2,033,820	20,338,200	2.03
5	Delwara Absar	Director	2,027,833	20,278,330	2.02
6	Iqbal Khan (Jamal)	Director	2,065,768	20,657,680	2.06
7	Mesbah Dilwar Rahman	Director	2,027,875	20,278,750	2.02
8	Abdul Hafiz Choudhury	Independent Director	194,484	1,944,840	0.19

B. (ii) CEO, CFO/Finance Controller, Company Secretary & Head of Internal Audit & Compliance and their spouses and minor children (name wise details)

1	Farzanah Chowdhury	Managing Director & CEO	9,918,630	99,186,300	9.90
2	Syed Aliul Ahabab FCCA	Finance Controller	0	0	0.00
3	Md Oliullah Khan FCS	Company Secretary	0	0	0.00
4	Anupam Das	Head of Internal Audit and Compliance	0	0	0.00

C. Executives [Top 5 salaried employees]

1	Nasir A. Choudhury	Advisor	0	0	0.00
2	Farzanah Chowdhury	Managing Director & CEO	9,918,630	99,186,300	9.90
3	Syed Moinuddin Ahmed	Additional Managing Director	0	0	0.00
4	A.K.M. Iftekhar Ahmad	Senior Consultant	0	0	0.00
5	Syed Forhad Abbas Hussain	Deputy Managing Director	4,463	44,630	0.004

D. Shareholders holding ten percent (10%) or more voting interest in the company: Nil

ANNEXURE II: MEETING ATTENDED BY THE DIRECTORS OF GDIC

Meeting attended by the Directors of Green Delta Insurance Company Limited during 2023

Name of Directors	Board of Directors Meeting			Audit Committee Meeting			Nomination and Remuneration Committee Meeting				Total Remuneration paid for the year 2023		
	Total BOD meeting Held during Director's tenure	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting	Total AC meeting Held during Director's tenure	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting	Total NRC meeting Held during Director's tenure	Meeting Attended		Attendance as % of total meeting held	Remuneration paid for attending the meeting
Mr. Abdul Hafiz Chowdhury	8	4	50%	32000	4	1	25%	8000	2	0	0%	0	40000
Mrs. Shamsun Nahar Begum Chowdhury	8	7	88%	56000					2	1	50%	8000	64000
Mrs. Delwara Absar	8	7	88%	56000					2	2	100%	16000	72000
Mrs. Sayera Khatun Chowdhury	8	8	100%	64000	4	4	100%	32000	2	2	100%	16000	112000
Mr. Mesbah Dilwar Rahman	8	6	75%	48000	4	3	75%	24000					72000
Mr. Iqbal Khan (Jamal)	8	3	37.50%	24000									24000
Miss. Diruba Chowdhury	8	7	88.00%	56000									56000
Mr. Abul Hasan Chowdhury	8	8	100%	64000	4	4	100%	32000	2	2	100%	16000	112000