

Star BUSINESS

Prime Bank

**TODAY?
TOMORROW?**

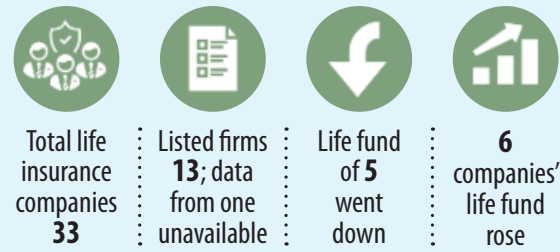
OPEN A BANK ACCOUNT
RIGHT NOW
WITH **PRIMEPLUS**



What is life fund?

Life fund is an amount of money that is paid to and invested by insurance companies for life insurance, and from which money is paid when someone dies

BY THE NUMBERS



INSURANCE PENETRATION

- It is **0.4%** in Bangladesh
- Lowest in emerging Asia Pacific
- It is **4.2%** in India and **1.2%** in Sri Lanka

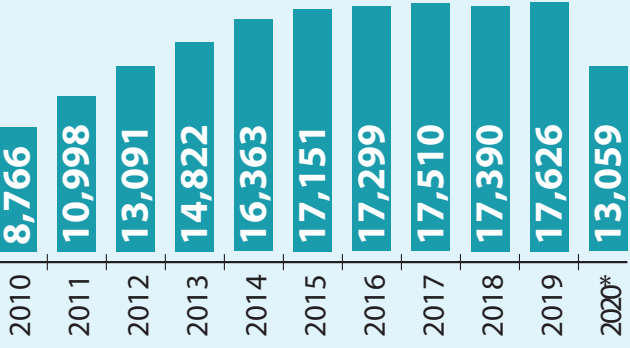


Total life fund

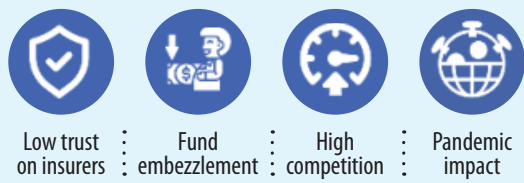
In crore taka;

ANNUAL REPORTS

*Delta, and Progressive Life insurance data yet to be published



WHY LIFE FUND FELL



LIFE INSURANCE business LIFELESS for long

AHSAN HABIB

Bangladesh's listed insurers' life funds, or portfolios into which policyholder's life assurance premiums are paid and claims are paid out of, have remained nearly the same in amount since 2015.

The reason – low trust on whether claims would be met and increased competition from new companies amidst the pandemic.

Of 33 life insurance companies running with approval, 13 are listed. Of the 13, life funds of five decreased and six slightly increased. Data of one was unavailable.

Though their business was bearish, share prices were on a bull run the past two years.

Some new companies opened midway of the past decade, raising competition but were capable of little market penetration, said Sheikh Kabir Hossain, president of Bangladesh Insurance Association.

The pandemic hit right when the market was showing prospects, he said, adding that digitalisation was yet to be all-encompassing while selling policies was still a door-to-door affair.

The Insurance Development & Regulatory Authority (IDRA) brought many positive policy changes to restore people's faith, he added.

"We are hopeful that business will be better," said Hossain, also chairman of Sonar Bangla Insurance Company.

Ten companies opened in

2014, according to the IDRA.

They are namely Alpha Islami Life Insurance, Astha Life Insurance Company, Diamond Life Insurance Company, Guardian Life Insurance, Jamuna Life Insurance Company, LIC Bangladesh, NRB Global Life Insurance Company, Swadesh Life Insurance Company, NRB Islamic Life Insurance and Akij Takaful Life Insurance.

Delays in the payment of some matured policies' proceeds and claims eroded the trust, said SM Shakil Akhter, executive director and spokesperson of the IDRA. Life funds of 12 companies

"When peoples' trust break down, it normally affects business," he said.

Business of some of the compliant insurers is soaring, albeit not at full potential.

The lack of trust is reducing the market penetration rate, Akhter said.

Insurance penetration in Bangladesh was 0.40 per cent in 2020 whereas 0.49 per cent a year ago, the lowest among emerging Asia Pacific countries, according to the Sigma report by Swiss Re Institute.

For neighbouring India, it was 4.20 per cent in 2020.

great growth potential but the mistrust has already hurt the market.

"The problem is that the new customer creation process is almost stagnant. The non-listed companies' situation is not better. In turn, they are worse off," he said.

"By any means, the IDRA should work on regaining the trust, otherwise the sector will not grow," he added.

Sunlife Insurance Company's life fund was downed from Tk 344 crore to Tk 182 crore between 2015 and 2020.

"We have paid a huge number of claims...while clients' inclusion was little," reasoned Chairperson Prof Rubina Hamid.

Many companies emerged in the last four to five years but new clients and policies of good rates did not, so competition soared, she said.

So premium income fell and then became stable, she said, adding that life fund depletion was lower in 2020 compared to the previous year.

She hoped to see better times ahead.

Meanwhile, Popular Life Insurance Company's life fund decreased 38 per cent to Tk 1,758 crore.

It has been over 20 years since the company opened, so time has come to pay some claims, for which the life fund has been decreasing, said Company Secretary Mostafa Helal Kabir.

"Actually, the market situation is not good," he said. While they were trying to regain

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rose just 2 per cent to Tk 17,570 crore between 2015 and 2019.

In contrast, it soared 95 per cent to Tk 17,123 crore between 2010 and 2015, revealed their annual reports.

This analysis was limited till 2019 as Delta Life Insurance and Progressive Life Insurance are yet to publish their data for 2020.

Some 8-10 companies refused claims and embezzled funds, making survival tough for all while raising management costs, said Akhter.

A massive drive is necessary to reinstate trust and the IDRA is trying to run one, he added.

A top official of a non-listed life insurance company, preferring anonymity, said news of some insurers' malpractices surfaced around 2015 to 2017, impacting the market's potential.

New clients took a U-turn and many policyholders applied to cease availing policies, he said, adding that Bangladesh's low penetration level promises

120MW solar power plants approved

STAR BUSINESS REPORT

South Korean, Norwegian, and French companies will build two new solar power plants in Bangladesh from which the government will be able to purchase electricity at a slightly low cost.

The cabinet committee on public purchase yesterday approved two contracts for producing a total of 120 megawatts (MW) of electricity in Pabna and Mymensingh districts at a cost of Tk 8.12 per unit.

Last week, the government made purchases at rates ranging from Tk 8.16 to Tk 21.25 from a 223.5MW solar-powered power plant.

The meeting was chaired by Finance Minister AHM Mustafa Kamal where a total of

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The government is pushing for renewable energy and waste-based power generation. It outlined the country's ambitious goal of generating more than 4,100 megawatts of electricity from renewable energy sources by 2030 in its updated Nationally Determined Contributions submitted to the United Nations Framework Convention on Climate Change before the COP26.

PHOTO: STAR/FILE

FISCAL DEVICES NBR to outsource maintenance services

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is going to outsource from the private sector maintenance services for electronic fiscal devices (EFD).

This is aimed at ensuring proper monitoring of the machines once installed at retail and wholesale stores, thereby ensuring collection of all the value added tax (VAT) consumers pay during purchase of goods and services.

The revenue authority already called for bids from firms to install EFDs at three VAT Commissionerates – Dhaka (West), Dhaka (East) and Chattogram – and monitor and maintain the machines for 10 years.

Firms will have to have a minimum of five years' experience in human resource management in public agencies or similar experience in ICT equipment and software development, according to the NBR's tender notice.

"It is not possible for the NBR to collect VAT by installing millions of machines across the country, so we have taken this initiative to outsource EFD services," said NBR Chairman Abu Hena Md Rahmatul Muneem.

He was addressing a lottery draw of purchase

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Pharma export buoyant

JAGARAN CHAKMA

Pharmaceuticals shipment from Bangladesh grew 22.21 cent year-on-year in the first half of the current fiscal year on the back of continuous addition of anti-coronavirus drugs to the export basket, quality improvement and policy support.

Medicines worth \$105.50 million were exported in the July-December period, up from \$86.33 million in the same period a year ago, data from the Export Promotion Bureau showed.

One important addition to the export basket in recent years has been anti-coronavirus drugs as the countries scrambled to find solutions to treat Covid-19 patients when the health crisis was termed as a pandemic in March 2020 by the World Health Organisation.

The continuous shipment of anti-viral drugs

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STOCKS	
DSEX ▲	CSCX ▲
0.53%	0.84%
6,929.93	12,207.07

COMMODITIES	
Gold ▲	Oil ▲
\$1,825.90	\$77.79
	(per barrel)

CURRENCIES				
	\$ USD	€ EUR	£ GBP	¥ JPY
BUY TK	84.85	94.76	113.95	0.71
SELL TK	85.85	98.56	117.75	0.75

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.61%	60,223.15	▲ 0.10%	29,332.16	▼ 0.56%
			3,163.44	▲ 1.02%
				3,595.18



Bengal Commercial Bank Limited, a new generation bank having strong capital base, started its commercial operation since March 2021. The bank believes that it can satisfy its customers of different segments through diverse range of products and services based on innovative ideas which are relying on latest technologies. For further strengthening its team, the bank is looking for aspiring candidates who are hardworking, responsible, smart and ready to shape themselves with multifarious capabilities for its future leadership positions as "Management Trainee".

MANAGEMENT TRAINEE PROGRAM

Key Requirements

- MBA/ MBM/ Masters preferably in business discipline from a reputed local/ foreign university with minimum CGPA of 3.00 out of 4.00 and 4.00 out of 5.00 in all academic records;
- B.Sc in Engineering (Civil/EEE/Computer Science/Tele Communications) from reputed universities with minimum CGPA of 3.00 out of 4.00
- Future focused leadership capabilities
- Excellent communication and interpersonal skills
- Effective writing and verbal communication skills in both Bangla and English
- Excellent computer literacy especially in MS Office platforms

Additional Requirements

- Age not exceeding 30 (thirty) years as on January 30, 2022
- Ready to work anywhere in Bangladesh
- Finally selected candidates shall have to sign Surety Bond to serve the Bank for a minimum period of 3 (three) years from the date of joining

Benefits & Career Plan

- Management Trainee Development Program will give broad business, technical and product knowledge through fast-paced, interactive and ongoing training. Furthermore trainees shall be getting opportunities to learn from, exceptionally talented colleagues in a friendly, supportive culture where people are open-minded and approachable.
- Management Trainee will receive monthly consolidated remuneration of BDT 50,000/- (Fifty Thousand) during the probation period along with other admissible benefits within rules.
- After satisfactory completion of 1 (One) year probation period, Management Trainee will be confirmed as Senior Officer in the regular pay-scale of the Bank.

Selection Procedures

- Only short-listed candidates will be communicated
- Eligible candidates will first appear in a competitive Written Exam; qualifier in the Written Exam will be required to undergo the subsequent stages of the selection process.

Application Procedure

- Interested candidate who fulfills the eligibility requirements are invited to apply **online** through www.bgcb.com.bd/career by January 30, 2022.
- Only published academic results are acceptable
- Incomplete application will not be considered for selection process
- Misrepresentations of any information will disqualify the candidature

Bengal Commercial Bank Ltd. promotes Equal Employment Opportunity; any sort of persuasion will result in disqualification. Bengal Commercial Bank Ltd. reserves the right to accept or reject any application without assigning any reason whatsoever.

