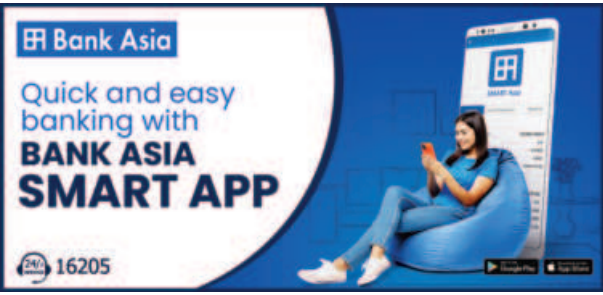


star

BUSINESS



# BSEC to punish 44 firms over shareholding rule violation

## Stocks drop to five-year low

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) is going to take action against 44 listed companies whose sponsors and directors have failed to jointly retain the minimum 30 percent shareholding required by law.

In response to this non-compliance, the stock market regulator will appoint independent directors to the boards of the companies in question.

The requirement dates back to a BSEC circular issued on November 22, 2011, which made it mandatory for each director of a listed company to hold at least 2 percent of shares individually.

For all sponsors and directors together, the minimum threshold for joint holding was set at 30 percent.

Although many directors did not comply, the regulator remained inactive in this regard for nearly a decade.

It was not until 2020 that the BSEC took its first punitive action by removing several directors who failed to meet the individual 2 percent threshold.

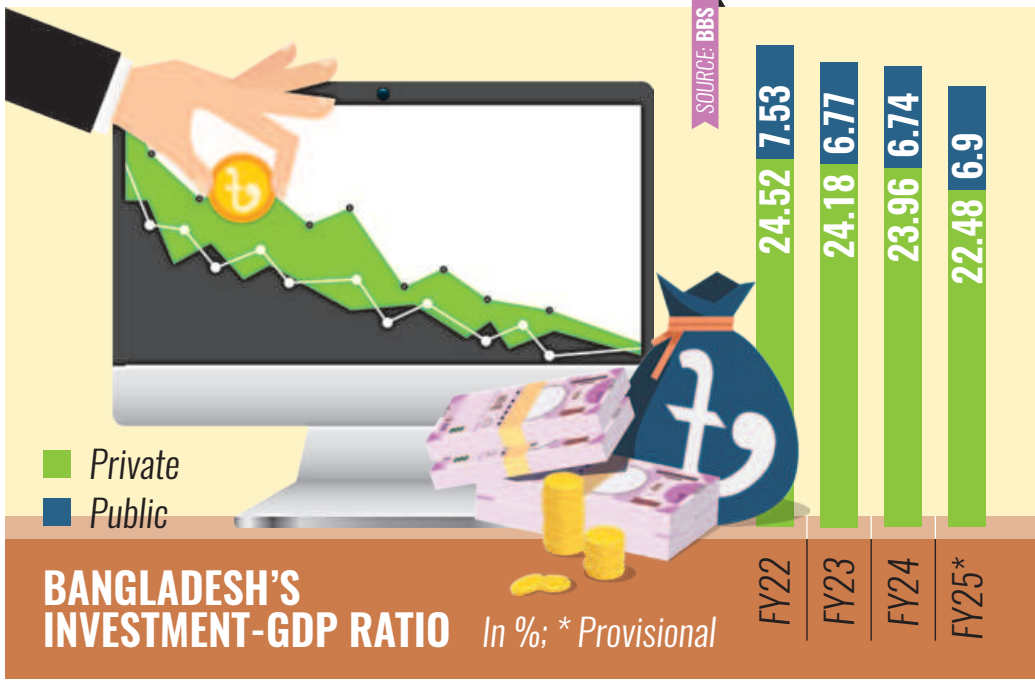
Some firms did respond to the directive, with sponsors and directors increasing their shareholding to the required level.

However, compliance has remained patchy. Now, after a long pause, the BSEC is once again preparing to take measures against violators.

READ MORE ON B3



# Private investment sinks to five-year low



JAGARAN CHAKMA

Private investment as a percentage of the gross domestic product has slumped to its lowest level in five years, stoking fears over waning business confidence and a slowdown in job creation.

Private investment dropped to 22.48 percent of the gross domestic product (GDP) in the fiscal year (FY) 2024-25 from 23.96 percent the year before, according to provisional data released by the Bangladesh Bureau of Statistics (BBS) on Tuesday.

The current ratio is the weakest since the fiscal year 2020-21.

"This isn't just a drop in numbers, it shows growing mistrust in the investment climate," said Anwar-ul-Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries.

He pointed to deteriorating business conditions, such as inconsistent gas supply despite price hikes, a rising dollar choking imports, and banks plagued by a liquidity crunch.

Lending rates have surged to 16-17 percent, sharply pushing up the cost of doing business.

Parvez said political instability was further undermining confidence, shaking trust in state institutions and the government's ability to restore order.

"These problems are not hitting just individual businesses, they're hurting the whole economy," he said.

Citing persistent issues in the energy sector, law enforcement, and customs, the business leader called for stability to reassure investors.

Under the 8th Five Year Plan, the former Awami League-led government aimed to raise private investment to 28.2 percent of GDP by 2025.

That goal now appears increasingly out of reach. The latest BBS data aligns with weak credit growth in the private sector.

In March, year-on-year credit growth stood at just 7.57 percent, well below the Bangladesh Bank's target for the first half of the year.

READ MORE ON B3



# A clear roadmap for economy is absent

## Debapriya says

STAR BUSINESS REPORT

Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue (CPD), has raised questions over whether the interim government was ensuring transparency in formulating economic policies and holding dialogues with stakeholders for reforms.

At a pre-budget discussion jointly organised by NTV and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on Tuesday, he cited the example of a new ordinance on tax reform that had been issued on May 12.

The ordinance sought to dissolve the National Board of Revenue (NBR) and replace it through the formation of two divisions – one for policymaking and another for implementation.

This separation was earlier recommended in a white paper on the state of Bangladesh's economy, which was prepared by a panel led by Bhattacharya and submitted to the chief adviser on December 1 last year.

The separation of duties was recommended to avoid a conflict of interest, said Bhattacharya.

However, revenue officials embarked on a massive protest

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# Meghna Bank to raise Tk 400cr through bond

STAR BUSINESS DESK

Meghna Bank PLC has announced plans to raise Tk 400 crore through the issuance of its second subordinated bond, aimed at further strengthening its capital base.

In this regard, the bank has entered into an agreement with BRAC EPL Investment Limited, an investment bank, which will act as the sole arranger for the bond issuance.

Kazi Ahsan Khalil, managing director and CEO of the bank, and Syed Rashed Hussain, chief executive officer of BRACEPL Investments Limited, signed the agreement at the bank's head office in Dhaka recently, according to a press release.

Sajib Kumar Saha, chief financial officer of Meghna Bank, was also present, along with other senior officials from both organisations.



Kazi Ahsan Khalil, managing director and CEO of Meghna Bank PLC, and Syed Rashed Hussain, chief executive officer of BRAC EPL Investment Limited, pose for photographs after signing the agreement at the bank's head office in Dhaka recently.

PHOTO: MEGHNA BANK

# US consumer confidence rises

AFP, Washington

Consumer confidence in the United States improved more than expected this month, according to survey data released Tuesday, boosted by hopes of easing trade tensions after US President Donald Trump's tariffs jolted the economy.

The Conference Board's consumer confidence index jumped 12.3 points to 98.0 in May, up from 85.7 in April, when it fell to its lowest level since the onset of the Covid-19 pandemic.

"Consumer confidence improved in May after five consecutive months of decline," said senior economist Stephanie Guichard of The Conference Board.

"The rebound was already visible before the May 12 US China trade deal but gained momentum afterwards," she added in a statement.

The figure was also notably higher than the 87.0 reading that a consensus forecast by Briefing.com anticipated.

But tariffs remain top-of-mind, the report said.

# Eastern Bank unveils Visa virtual prepaid card



Ali Reza Iftekhar, managing director and CEO of Eastern Bank PLC, and Sabbir Ahmed, country manager for Bangladesh, Nepal and Bhutan at Visa, pose for photographs during the launch of the virtual prepaid card at the bank's head office in Dhaka yesterday.

PHOTO: EASTERN BANK

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has launched a new Visa virtual prepaid card portfolio, offering customers a fully digital, eco-friendly payment solution.

Ali Reza Iftekhar, managing director and CEO of the bank, inaugurated the virtual prepaid card at the bank's head office in Dhaka yesterday, according to a press release.

The portfolio comprises two variants: the EBL Daraz Co-Brand Visa Virtual Prepaid Card and the EBL Visa Lifestyle Virtual Prepaid Card.

Notably, the EBL Virtual Prepaid Card enables customers to open and issue the card entirely online via the Skybanking app without the prerequisite of an existing relationship with the bank. This seamless onboarding process empowers users to access full card functionality directly from their mobile devices, delivering a solution that is secure, flexible, and environmentally conscious.

The initiative underscores the bank's unwavering commitment to innovation and digital transformation within the banking sector, the press release also said.



Md Mahiuddin Khan, executive chairman of National Pension Authority, and M Shamsul Arefin, managing director of NCC Bank PLC, shake hands and exchange signed documents of the memorandum of understanding in the conference room of the Finance Division at the Ministry of Finance in the Bangladesh Secretariat recently.

PHOTO: NCC BANK

# NCC Bank signs MoU with National Pension Authority

STAR BUSINESS DESK

NCC Bank PLC has entered into a memorandum of understanding (MoU) with the National Pension Authority (NPA) in support of the implementation of the Universal Pension Scheme.

M Shamsul Arefin, managing director of the bank, and Md Mahiuddin Khan, executive chairman of the NPA, signed the agreement in the conference room of the Finance Division at the Ministry of Finance in the Bangladesh Secretariat, according

to a press release.

Under this agreement, NCC Bank will facilitate customer registration and the remittance of monthly contributions to four designated pension schemes – Progoti, Surakkha, Somota, and Probash.

Moreover, customers will have the ability to enrol with the NPA and manage their monthly contributions via the NCC Bank mobile application, thereby enhancing accessibility and offering a more streamlined, technology-driven experience.

# Al-Arafah Islami Bank launches three deposit schemes

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC has introduced three new deposit schemes as part of its continued commitment to broadening the reach and sophistication of modern banking services.

The newly launched products include the Al-Wadiah Current Plus Account, Mudaraba Savings Plus Deposit, and Mudaraba Youth Saver Account.

Mohd Rafat Ullah Khan, managing director (current charge) of the bank, inaugurated the schemes as the chief guest at the bank's head office in Dhaka on Tuesday, according to a press release.

Commenting on the launch, Khan remarked, "These three innovative deposit products will enrich the banking experience for retail, corporate, SME, and young customers nationwide."

"By leveraging digital innovation, we are enhancing access to Shariah-compliant banking solutions for individuals from all walks of life," he added.



Mohd Rafat Ullah Khan, managing director (current charge) of Al-Arafah Islami Bank PLC, inaugurates three new deposit schemes of the bank at its head office in Dhaka on Tuesday.

PHOTO: AL-ARAFAH ISLAMI BANK



Marcelo C Cesa, the Argentine ambassador to Bangladesh, poses for photographs after holding a meeting with ICC Bangladesh President Mahbubur Rahman and its executive board members at ICCB Secretariat in Dhaka yesterday.

PHOTO: ICC BANGLADESH

# Bangladesh, Argentina must explore avenues for joint ventures

## Argentine envoy says

STAR BUSINESS DESK

There is immense potential in Bangladesh, and both Argentina and Bangladesh must actively explore avenues for joint ventures particularly in energy, agribusiness, medical technology, and the cotton trade, said Marcelo Carlos Cesa, ambassador of Argentina to Bangladesh.

The ambassador made these remarks during a visit to the International Chamber of Commerce – Bangladesh (ICCB), the world business organisation, at its headquarters in the capital yesterday, as stated in a press release.

Ambassador Cesa called for enhanced bilateral cooperation through targeted delegations from both business and government sectors.

He stressed the importance of a structured and sustained engagement between the two nations to identify new opportunities in trade, investment, and sectoral collaboration.

"Since the reopening of our embassy in Dhaka in 2023, we have observed tremendous potential in Bangladesh," the ambassador noted.

"A high-level exchange of delegations could facilitate the exploration of specific areas for cooperation, particularly in export-import and foreign direct investment."

The meeting was chaired by ICCB President Mahbubur Rahman, who emphasised Argentina's increasing importance within Bangladesh's strategy for trade diversification.

He also recalled the 2019 visit of Luis Miguel Etchevehere, then Secretary for Agroindustry of Argentina, which laid the groundwork for future collaboration in agriculture and agro-processing.

AK Azad, vice-president of ICCB; Abdul Hai Sarker and Kutubuddin Ahmed, executive board members, MA Jabbar, managing director of DBL Group, and Aatur Rahman, secretary general of ICCB; also addressed the meeting.

They welcomed the ambassador's initiative and echoed the call for strengthening business-to-business and institution-to-institution linkages between the two countries.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার  
কৃষি মন্ত্রণালয়  
তুলা উন্নয়ন বোর্ড  
প্রধান তুলা উন্নয়ন কর্মকর্তার কার্যালয়  
বগুড়া জোন, বগুড়া।

কৃষি সন্থি

উদ্ভুক্ত দরপত্র বিজ্ঞপ্তি (OTM)

স্মারক নং- ১২.০৭.৪০২০.৪৬/৭.০৭.০০২.২৪.১৭২ তারিখ- ২৮/০৪/২০২৪ খ্রি।

"দি পাবলিক প্রকিউরমেন্ট আইন-২০০৯" এবং "পাবলিক প্রকিউরমেন্ট বিধিমালা-২০০৮" এর বিধি-বিধান অনুসরণ করে ২০২৪-২৪ অর্থ বছরে সিরাজগঞ্জ জেলার প্রচোনো কর্মসূচি বাস্তবায়নের লক্ষ্যে নিম্নবর্ণিত কৃষি উপকরণ ক্রয়ের নিমিত্তে বাংলাদেশের প্রকৃত ১ম শ্রেণীর ক্রিয়াকার/সরবরাহকারী/বাজারজাতকরণ প্রতিষ্ঠানের নিকট হতে সীল মোহরযুক্ত খাতে প্রতিযোগিতামূলক দরপত্র আহ্বান করা হচ্ছে।

১	মন্ত্রণালয়	২	কৃষি মন্ত্রণালয়, উপকরণ-২ শাখা
২	ক্রয়কারী সন্থার ও জেলার নাম	৩	প্রধান তুলা উন্নয়ন কর্মকর্তা, তুলা উন্নয়ন বোর্ড, বগুড়া ও সদর, জেলা কৃষি পুনর্বাসন বাস্তবায়ন কমিটি, সিরাজগঞ্জ।
৪	দরপত্র বিজ্ঞপ্তির সূত্র নম্বর ও তারিখ	৫	১২.১৭.৮৮০০.০৪২.০৮.০২৯.২৪.১০১৮, তারিখ-২২/০৪/২০২৪ খ্রি।
৬	যে পণ্যের জন্য দরপত্র	৭	কৃষি প্রচোনো কর্মসূচীর আওতায় তুলারাজ কৃষির লক্ষ্যে কৃষি উপকরণ ক্রয়
৮	দরপত্র পদ্ধতি	৯	উদ্ভুক্ত দরপত্র বিজ্ঞপ্তি (OTM)
১০	দরপত্র ও অর্জনের উদ্দেশ্য	১১	রাজস্ব কৃষি পুনর্বাসন খাত
১২	দরপত্র বিজ্ঞপ্তি প্রকাশের শেষ তারিখ	১৩	২২/০৪/২০২৪ খ্রি।
১৪	দরপত্র সিডিউল প্রস্তুতির স্থান	১৫	১। উপপ্রতিষ্ঠানের কার্যালয়, কৃষি সম্প্রদায় অফিস, সিরাজগঞ্জ। ২। প্রধান তুলা উন্নয়ন কর্মকর্তার কার্যালয়, তুলা উন্নয়ন বোর্ড, বগুড়া।
১৬	দরপত্র সিডিউল বিজ্ঞপ্তির শেষ তারিখ	১৭	২৪/০৪/২০২৪ খ্রি: তারিখ, অফিস চলাকালীন সময় পর্যন্ত
১৮	দরপত্র দাখিলের স্থান ও ঠিকানা	১৯	১। জেলা প্রশাসকের কার্যালয়, সিরাজগঞ্জ।
২০	দরপত্র দাখিলের সর্বশেষ তারিখ ও সময়	২১	১৮/০৪/২০২৪ খ্রি: তারিখ, সকাল: ১১.০০ ঘটিকা।
২২	দরপত্র উদ্ভুক্তকরণের তারিখ, সময় ও স্থান	২৩	১৮/০৪/২০২৪ খ্রি: তারিখ, দুপুর: ১২.০০ ঘটিকা। যুক্ত পরিচালকের (সার) কার্যালয়, বিজিডি, সিরাজগঞ্জ।
২৪	দরপত্র আহ্বানকারী কর্মকর্তার নাম, পদবী ও অফিসের ঠিকানা	২৫	মো: মোস্তফা কামাল প্রধান তুলা উন্নয়ন কর্মকর্তার কার্যালয়, তুলা উন্নয়ন বোর্ড, বগুড়া। মোবাইল: ০১৭১৪-১৬১২৪২

লট নং	লট শীর্ষক/বিস্তার	প্যাকেজের বিবরণ	সিডিউলের মূল্য (টাকা)	দরপত্র আদানত অফেরতযোগ্য (টাকা)
লট নং-১	০১/২০২৪-২৪	তুলার হাইব্রিড বীজ, হোয়াইট পোকা-২	১০০০/১	১৪০০০/১
লট নং-২	০২/২০২৪-২৪	বোরন সার (বোরন-১৭%)	১০০০/১	৬০০০/১
লট নং-৩	০৩/২০২৪-২৪	বায়োইনেক্স (কৌটিনেশন ও হুম্ব্রাকনেশন)	১০০০/১	১০০০০/১
লট নং-৪	০৪/২০২৪-২৪	পরিষ্কার (মোশাবুত) প্রোব্রাইড	১০০০/১	২৪০০/১

২৬ দরপত্রপ্রদাতার যোগ্যতা: ১ম শ্রেণীর ক্রিয়াকার/সরবরাহকারী/বাজারজাতকরণ প্রতিষ্ঠানের কৃষিপণ্য সরবরাহের কমপক্ষে ০৩ বছরের অভিজ্ঞতাসহ দরপত্র দাখিলে বর্ণিত অন্যান্য শর্তাবলী

২৭ বিশেষ নির্দেশনা/শর্তাবলী:

ক) দরপত্র প্যাকেজের অর্থনৈতিক দরপত্র দাখিল করতে হবে এবং এক বা একাধিক লটারি জন্ম দরপত্র দাখিল করা যাবে।  
খ) কোন কার্যকরী দরপত্রের বাতিলের ক্ষেত্রে কোন দরপত্র বাতিলের ক্ষমতা দরপত্র আহ্বানকারী কর্তৃপক্ষ সংরক্ষণ করেন।

(মো: মোস্তফা কামাল)  
প্রধান তুলা উন্নয়ন কর্মকর্তা  
বগুড়া জোন, বগুড়া।  
ও  
সদস্য  
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e-mail: mostofakamal71@gmail.com

GD-1312

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'Connecting Worlds for Enriching Lives'  
116 Kazi Nazrul Islam Avenue, Dhaka-1000  
www.bscl.gov.bd

BSCL

Invitation for Tenders

Government of the People's Republic of Bangladesh

1	Ministry/Division	Ministry of Posts, Telecommunications and Information Technology
2	Agency	Bangladesh Satellite Company Limited
3	Procuring entity name	Bangladesh Satellite Company Limited represented by Md. Golam Sarwar, General Manager (Admin & Procurement)
4	Procuring entity code	Not used at present
5	Procuring entity district	Dhaka
6	Invitation for	Procurement of Multiple Channels Per Carrier (MCPC) Broadcast Platform
7	Invitation Ref No.	14.39.0000.000.012.07.0001.23.69(T)
8	Date	28/05/2025

KEY INFORMATION

9	Procurement method	Open Tendering Method (OTM)
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FUNDING INFORMATION

10	Budget and source of funds	Company's Own Fund
11	Development partners (if applicable)	Not applicable

PARTICULAR INFORMATION

12	Project / program code (if applicable)	Not applicable
13	Project name (if applicable)	Not applicable
14	Tender Package No.	BSCL/2024-25/PS-12
15	Tender package name	Procurement of Multiple Channels Per Carrier (MCPC) Broadcast Platform

16	Tender publication date	29/05/2025
17	Tender last selling date	29/06/2025
		Time: 05:00pm
18	Tender closing date and time	30/06/2025
		12:00pm
19	Tender opening date and time	30/06/2025
		12:20pm
20	Name & address of the office(s)	Address
	- Selling tender document (principal)	Head Office
	- Selling tender document (others)	Bangladesh Satellite Company Limited
	- Receiving tender document	SEL Rose-N-Dale, Level-07, 116 Kazi Nazrul Islam Avenue, Dhaka-1000.
	- Opening tender document	

No conditions apply for sale, purchase or distribution of tender documents

21	Pre-tender meeting	Date: 03/06/25; Time: 12:00pm; Place: Head Office Bangladesh Satellite Company Limited SEL Rose-N-Dale, Level-07, 116 Kazi Nazrul Islam Avenue, Dhaka-1000
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INFORMATION FOR TENDERER

22 Brief eligibility and qualification of tenderer:

- Tenderers shall have the legal capacity to enter into the Contract under the Applicable Law.
- The minimum number of years of general experience of the Tenderer in contracting industries in public or private sector as Prime Contractor/Sub Contractor/Management Contractor shall be Three (3) years.
- The minimum specific experience as a Prime Contractor in providing non-Consultant Service of:
  - At least ONE contract of similar nature, complexity and methods/technology completed over a period of Ten (10) years with a value of at least Tk. 15 (Fifteen) Crore shall be required.
  - Or Two (2) three (3)/Four (4)/ Five (5) contracts of similar nature, complexity and methods/technology completed over a period of last Ten (10) years with an aggregated value of at least of Tk. Fifteen (15) Crore of which each contract with a value of at least Tk Two (2) crores, shall be required.
  - Contract for providing Service for Satellite broadcasting; Broadcasting and media production service; Cable TV headend and/or digital TV headend installation and maintenance service; DTH operation, installation & maintenance service; IPTV and/or OTT and/or similar streaming platform installation, operation & maintenance service; Video streaming service over data link and/or internet network for IPTV and/or OTT and/or TV channel, will be treated as similar nature.

23 Brief Description of Services:

Bangladesh Satellite Company Limited (BSCL) is intended to procure "Establishment of MCPC Platform as a service" for all the existing & upcoming TV channels of Bangladesh as well as foreign TV & Radio Channels interested to use BS-1 satellite. The service includes - Transportation of TV or radio channel streams (also known as contribution signal) over optical fiber (and/or over the internet if/where required), multiplexing of multiple individual TV or radio channels on to multiplexed transport streams as per requirement of BSCL. After successful completion of the related service over the duration of 5 (five) years as per the contract, the ownership of the installed system/platform shall be transferred to the Procuring entity BSCL, provided that the system must remain fully functional.

24 Price of tender document (Tk)

Package No.	Identification of package	Location	Tender security amount (Tk)	Completion time in weeks / months
25	Lot-1	Procurement of Multiple Channels Per Carrier (MCPC) Broadcast Platform	Dhaka, Gazipur, Bhatnuna	Tk 70,00,000 (Seventy lac only) As per the Tender Document

PROCURING ENTITY DETAILS

26	Name of official inviting tender	Md. Golam Sarwar
27	Designation of official inviting tender	General Manager (Admin & Procurement)
28	Address of official inviting tender	Bangladesh Satellite Company Limited SEL Rose-N-Dale, Level-07, 116 Kazi Nazrul Islam Avenue, Dhaka-1000
29	Contact details of official inviting tender	0241030091-93, procurement@bscl.gov.bd
30	The Procuring Entity reserves the right to reject all the Tenders or annul the Tender proceedings	

(Signed)  
Md. Golam Sarwar  
General Manager (Admin & Procurement)  
Bangladesh Satellite Company Limited

GD-1304



## USD hits Tk 123 in interbank trade

STAR BUSINESS REPORT

The US dollar hit Tk 123 yesterday in the interbank market, reflecting further weakening of the local currency two weeks after the central bank moved to a market-driven exchange rate for the purchase and sale of foreign currencies.

Banks traded each dollar at Tk 122.90-Tk 123 for interbank transactions, whereas just a couple of days ago it was Tk 122, according to the Bangladesh Bank (BB).

A majority of banks are now selling US dollars to importers at Tk 122.90 to Tk 123 while buying them from exporters and exchange houses at rates between Tk 122.50 and Tk 122.80, bankers said.

Central bank officials said the banking regulator is monitoring the foreign exchange market, which is now stable due to the growing inflow of US dollars from high remittance and export earnings.

A treasury head of a private bank, speaking on condition of anonymity, said the central bank and other authorities have instructed all parties to act sensibly under the current circumstances. Since Eid-ul-Azha is approaching, the flow of US dollars is expected to increase, the official added.

## Economy shows signs of recovery: MCCI

STAR BUSINESS REPORT

Bangladesh's economy exhibited gradual signs of recovery in the current fiscal year's third quarter, buoyed by increased export earnings and remittance inflows, according to the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI).

Macroeconomic indicators are showing signs of resilience, yet swift and effective financial sector reforms are crucial for a robust and sustainable recovery, it added in a "Quarterly Economic Situation in Bangladesh" report.

Based on the January-March period of 2025, the report noted that these inflows were helping to stabilise the foreign exchange reserves and revive the rural economy, key contributors to macroeconomic stability.

However, persistent regulatory lapses and widespread banking sector loan scams have slowed down

the pace of recovery, said the MCCI.

Ongoing reforms and measures to restore public confidence are essential to stimulate gross domestic product (GDP) growth, it added.

Export earnings in the July-March period rose 10.52 percent year-on-year to \$37.19 billion. However, it was 0.61 percent below the strategic target of \$37.42 billion.

In March alone, export earnings grew 11.36 percent year-on-year to \$4.25 billion and rose 6.89 percent from February 2025.

Import payments in the July-March period increased by 6.38 percent year-on-year to \$52.36 billion.

In March, it amounted to \$5.90 billion, marking a 15.42 percent rise from a year earlier, though down 0.75 percent from the previous month.

Remittance inflows reached a record high in March, surpassing the \$3 billion mark for the first

time.

Over the July-March period, total remittances grew 27.58 percent year-on-year to \$21.78 billion.

According to Bangladesh Bank data, broad money (M2) grew by 9.18 percent year-on-year in March. It was 8.92 percent in the same month of 2024.

Broad money (M2) is the total money supply including currency, demand deposits and time and savings deposits and securities.

Domestic credit growth slowed to 9.19 percent in March. It was 12.14 percent in the same month of 2024.

Private sector credit rose by 7.57 percent, below the target of 9.80 percent.

Public sector credit increased by 15.12 percent, also below the 19.80 percent target.

Credit to the government grew by 16.32 percent, and to other public sectors by 5.26 percent.

## GLOBAL TARIFFS Bangladeshi firms expect milder cost pressures: HSBC

STAR BUSINESS REPORT

Bangladeshi businesses have, thus far, experienced lower-than-average cost increases from tariffs and anticipate milder cost escalations in both the short and long terms, according to HSBC's 2025 Global Trade Pulse Survey.

The survey gathered insights from over 5,700 international firms across 13 markets, including 250 companies in Bangladesh.

It found that the impact of tariff-related cost increases on Bangladeshi businesses was comparatively low and this trend was expected to continue in the foreseeable future.

However, the average expected revenue impact due to supply chain disruptions in Bangladesh is five percentage points higher than the global average, according to an HSBC press release.

In response to escalating trade challenges, local firms have implemented proactive measures such as enhancing data analytics capabilities, developing risk management frameworks, diversifying supply chains, and conducting scenario-based simulations.

Many are also reorienting their trade strategies toward Europe, the US, and South Asia.

## Private investment

FROM PAGE B1

Imports of capital machinery, measured by the opening of letters of credit, fell by 26 percent year-on-year to \$1.8 billion in the first nine months of the current fiscal year, central bank data shows.

"The BBS data shows a sharp decline in private investment. This is a worrying sign for both employment and overall economic growth," said Mustafizur Rahman, distinguished fellow at local think tank Centre for Policy Dialogue (CPD).

The economist linked the downturn to falling imports of capital machinery, suggesting fewer new industrial ventures and limited contributions from the private sector to GDP growth and job creation.

Private sector credit growth, Rahman added, continues to fall short of the government's 9 percent target, hovering below 7 percent.

Export-oriented and import-substituting industries, which are usually the engines of private investment, are largely sticking to their existing capacity rather than expanding, said Rahman.

This stagnation, he said, is holding back economic momentum.

He cited several causes, such as political uncertainty, rising borrowing costs, and sluggish structural reforms, especially in logistics and trade facilitation.

"Private sector investment growth has essentially stalled," he said, urging swift political stabilisation, greater access to finance, and a stronger push for policy reforms to

revive investor confidence.

M Masrur Reaz, chairman and CEO of the Policy Exchange of Bangladesh, described the fall in investment as a plain warning. "This isn't just a statistical decline, it reflects growing uncertainty about the country's political and economic direction."

According to Reaz, a combination of weak investor sentiment, political unrest, and slow reform is threatening critical development goals, including technological upgrades, greater industrial competitiveness, and economic diversification.

"Private investment drives employment and output. Without it, sustainable growth will remain out of reach," he said.

Reaz also pointed to widespread disruption — protests, administrative delays, and operational bottlenecks — that have stalled both decision-making and supply chains.

"The uncertainty around the transition to an elected government is fuelling investor anxiety," he said. "Clarity on political direction is essential. Long-term investors are waiting. Without that, investment will not rebound."

Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem), said the declining investment trend reflects deep-rooted macroeconomic and political weaknesses.

He cited soaring inflation, high interest rates, foreign exchange instability, and political turmoil as key factors eroding investor confidence.

Raihan added that the absence of consensus on

reforms, coupled with uncertainty over the election timeline, has heightened perceptions of risk. With an interim government in place, many investors are reluctant to commit, unsure whether policies will remain consistent.

"This unpredictability makes long-term investment decisions difficult," he said.

Raihan said that the slump in private investment could deal a heavy blow to the country's industrialisation drive, youth employment prospects, and efforts to diversify its economy ahead of its graduation from least developed country (LDC) status.

He also said foreign direct investment (FDI) may dry up, as global investors often take local sentiment into account before committing funds.

"Without clear signals of stability and reform, FDI inflows may stagnate, further constraining the country's development ambitions," he said.

Asif Ibrahim, former president of the Dhaka Chamber of Commerce & Industry (DCCI), has expressed concern over the declining investment-to-GDP ratio and the slowdown in private sector credit growth, warning that these trends could have serious implications for employment.

"With around 20 lakh young people entering the job market every year, the private sector plays a crucial role in absorbing this growing workforce," said Ibrahim.

A continued decline in investment, he said, may result in rising unemployment.

## A clear roadmap for economy

FROM PAGE B1

demanding to repeal of the ordinance and the development of the NBR as a separate and specialised institution.

With overseas trade and revenue activities suffering due to the protests, the government backtracked on its decision this week and promised to amend the law.

"When you do not fully follow the reform committee's suggestion and proceed to implement it (the new law) without any discussion, you inevitably face a regrettable consequence," said Bhattacharya, referring to NBR Chairman Abdur Rahman Khan.

"These will be the consequences even if you do the right thing without engaging in dialogue," he

said.

He gave another example of how the stock market was now truly in a moribund state and, in a sense, had been sent to the intensive care unit.

If the Bangladesh Securities and Exchange Commission (BSEC) wants to bring about reforms in the stock market without consulting stakeholders, it will not be successful, Bhattacharya said.

"If there is no openness to dialogue, even a right approach can turn into a wrong one," he said.

"You must engage in discussion and give people the opportunity to speak. Otherwise, what has changed after the fall of a dictatorial government?" he questioned.

On the national budget

for the upcoming fiscal year, he said he found no difference in the formulation of the fiscal measures.

The interim government has revised it, but there has been no structural change, said Bhattacharya, also a convener of the Citizen's Platform for SDGs.

"Where are you giving incentives? Where are you granting exemptions? People do not know. The same lack of transparency that existed during the tenure of the previous dictatorial government is being witnessed now," he said.

He added that mega-projects which were undertaken by the last government were overvalued. "Where have you reduced it?" he questioned.

However, Bhattacharya

said, the interim government deserves some thanks for a growth trend in foreign exchange reserves, stability in the foreign exchange market, and a gradual easing of inflation.

Nonetheless, a clear roadmap for the economy is absent, he said, adding, "There is no visible discussion on employment generation."

"What is the government's stance on disparity? This government must prove how it is different from the previous one and what it has done differently," he said.

"Will investors go for plans based on just your six-month plan? This government is legal, but it is not elected. What guarantee is there that the future government will continue its policies?" asked


Bhattacharya.

Referring to World Bank data, he said, "Some 27 lakh people have become poorer during the interim government's period. Out of this, 18 lakh are women."

Responding to this, Anisuzzaman Chowdhury, special assistant to the chief adviser, said, "Do not go after it. This World Bank praised the previous government and legitimised that government."

"I can give you examples one after another," he said, adding that bringing about reforms during an economic crisis, which Bangladesh is currently facing, was very tough.

On the other hand, those opposing the reforms are well organised, he said, pointing at the NBR officials who staged the protest.



### জেলা পরিষদ, নোয়াখালী

জেলা পরিষদ ভবন, সোনাপুর, নোয়াখালী, ফোন- ০২-৩৩৪৪৯৩৭১,  
Web: [www.zp.noakhali.gov.bd](http://www.zp.noakhali.gov.bd)

স্মারক নং- ৪৬.৪২.৭৫০০.০০০.২০১.০৪.০০৭৭.১৬ (অংশ-১)- ১৪ জ্যৈষ্ঠ ১৪৩২  
২৮ মে ২০২৫

#### Invitation for Tender (Works) e-Tender Notice No. 01/2024-25 (Limited Tendering Method)

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of following works, details are given below.

SL	Tender ID	Upazila	Name of work	Estd cost (in lakh)	Time & date of last selling	Time & date of closing & opening
1	11118204	Noakhali Sadar	West Karimpur road Solting & CC work, 8 No. Esbalia Union	10.00	16.06.2025 at 17.00pm	17.06.2025 at 12.00pm
2	1118228	Noakhali Sadar	Construction of wash block for students of Karamatia Kamil Madrasa.	8.00	16.06.2025 at 17.00pm	17.06.2025 at 12.05pm
3	1118261	Begumganj +Sonaimuri	1) Development work of Ekabborpur Panjegang Mosque, Alyapur Union; 2) Construction of guide wall along the road to the west of the government residence north of Kegna Bridge in Javg Union	7.00	16.06.2025 at 17.00pm	17.06.2025 at 12.10pm
4	1118467	Noakhali Sadar	1. Cons. of guide wall near Habib Ullah road; 2. Cons. of guide wall near Saipur-Bindpur road; 3. Cons. of guide wall near Masimpur Tofayel Khea adjacent Boishaki road Khalpar (2022-23)	5.00	16.06.2025 at 17.00pm	17.06.2025 at 12.15pm

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Md. Shamsul Alam  
Assistant Engineer  
Zila Parishad, Noakhali

GD-1311

### জেনারেল ডিআইজির কার্যালয়

রাজশাহী

স্মারক নং- ৪৬.৪২.৭৫০০.০০০.২০১.০৪.০০৭৭.১৬ (অংশ-১)- ১৪ জ্যৈষ্ঠ ১৪৩২  
২৮ মে ২০২৫

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Md. Shamsul Alam  
Assistant Engineer  
Zila Parishad, Noakhali

GD-1311



### গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

### বাংলাদেশ পুলিশ

### রেঞ্জ ডিআইজির কার্যালয়

### কেশবপুর, রাজশাহী

স্মারক নং- ৪৬.৪২.৭৫০০.০০০.২০১.০৪.০০৭৭.১৬ (অংশ-১)- ১৪ জ্যৈষ্ঠ ১৪৩২  
২৮ মে ২০২৫

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Assistant Engineer  
Zila Parishad, Noakhali

GD-1311



# Tanners may get slight tariff relief on chemicals

JAGARAN CHAKMA and  
MOHAMMAD SUMAN

The government is considering reducing customs duty on seven imported tanning chemicals in the upcoming national budget, offering slight relief to the country's struggling tannery sector.

At present, only 27 tanners benefit from bond facilities designed to support the domestic leather industry. Around 100 others operate without such privileges and face higher and varied duties on chemical imports, according to finance ministry sources.

Industry leaders say this disparity creates an uneven playing field. The Bangladesh Tanners Association (BTA) has told the National Board of Revenue that the existing duty structure is hurting the competitiveness of the sector.

There are also reports that some traders are exploiting the bond system by importing chemicals duty-free and then

## POLICY & TARIFFS DEVELOPMENT

*NBR may cut duty on six tanning chemicals to 1% from 5%*

*Sulphate duty could fall, but a new 15% VAT may apply*

*Tanners seek deeper tariff cuts to ease costs*

*Total tax on some chemicals now as high as 58.6%*



## BOND ACCESS

➔ Only 27 tanneries have bonded warehouse access

➔ Around 100 remain outside, face added financial strain

## COMPLIANCE ISSUES

*Duty-free chemical misuse under bond hurting compliant firms*



## BUDGET FOR FY26

selling them on the open market — an abuse made more profitable by the high duties faced by non-bonded tanners.

In response, the government is now weighing a reduction in customs duty on seven key chemicals used in tanning, including chromium sulphate, acid dyes, and wattle extract.

Under the proposal, duties on six of these items may be cut from 5 percent to 1 percent, while the duty on sulphate could drop from 10 percent to 5 percent. However, the NBR may also impose a 15 percent value added tax (VAT) on sulphate.

Even so, tanners say the planned changes are too little to make a real difference.

In a formal submission to the NBR in March this year, the BTA called for a sharp cut in the total tax incidence, which now reaches as high as 58.6 percent on

some chemicals when advance taxes are included.

The association urged the government to bring that figure down to 7.5 percent.

"The current import tax structure, ranging from 35 to nearly 40 percent on essential chemicals, is simply unsustainable," said Shaheen Ahmed, chairman of the BTA.

"Chemical imports are the lifeline of the tannery sector. Except for basic inputs like salt and lime, we rely entirely on imported chemicals. Competing with countries that enjoy cheaper raw materials becomes nearly impossible under these tax conditions," said Ahmed.

He claimed that minor reductions in duty will not solve the bigger problem.

"Even if duties are cut by a few percentage points, it doesn't resolve the bigger issues," he said.

"Large commercial importers might absorb these costs, but small and mid-sized tanneries operating under strict compliance frameworks are disproportionately burdened," added the association chairman.

Mizanur Rahman, general secretary of the association and director of Samata Leather Complex Ltd, said that earlier reductions in duty, such as those on chromium sulphate, were eventually reversed, eroding industry confidence.

"Only seven products now receive marginal benefits, while duties on many essential chemicals remain unchanged," he told The Daily Star. "A 4 percentage-point concession is too little to offset the rising compliance and administrative costs we face."

According to Rahman, lowering chemical costs allows tanners to pay higher prices for raw hides, which in turn encourages internal competition and improves market dynamics.

He said that without meaningful reforms, many small and medium-sized tanneries could be forced to shut down.

"If current conditions persist, international buyers will increasingly turn to more cost-efficient suppliers elsewhere," he said.

"If the government genuinely intends to support the leather sector, the duty

structure must be redesigned to reflect practical, on-the-ground needs," he added.

Speaking at a Dhaka Chamber of Commerce & Industry (DCCI) event on Sunday, Syed Nasim Manzur, president of the Leather Goods and Footwear Manufacturers & Exporters Association of Bangladesh, said the country produces around 350 million square feet of leather annually. Of this, nearly 40 percent is collected during the Eid-ul-Azha season.

Yet only 20 percent to 25 percent is processed locally, mainly for shoes and bags. The rest is exported, with 65 percent passing through Chinese middlemen who offer lower prices than direct international buyers, said Manzur.

For the industry, Manzur cited infrastructure and compliance issues as key setbacks.

"The Central Effluent Treatment Plant (CETP) at Savar is still non-functional, and we do not have critical global certifications like Leather Working Group (LWG) approval. Without these, we cannot enter premium international markets," he said.

## Regulations approved for first commodity exchange

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has approved rules and regulations necessary to run commodity exchange markets, paving the way for the Chittagong Stock Exchange (CSE) to launch the country's first such trading entity soon.

A commodity exchange determines and enforces rules and procedures for trading standardised commodity contracts and related investment products.

According to experts, a commodity exchange would allow farmers to lock in prices using forward contracting. This reduces the risk of a drastic price drop and squeezes out uneven ups and downs in commodity prices.

The CSE took the initiative to launch a commodity exchange in 2022 with the aim of reducing the difference between prices paid by consumers and producers.

In April 2022, the CSE appointed Multi Commodity Exchange of India Ltd as a consultant to help frame the rules and regulations.

The port city bourse received the licence to operate its commodity exchange in October 2023. However, it was unable to ensure logistics in the absence of the regulations.

The stock market regulator approved the Chittagong Stock Exchange (Commodity Derivatives) Regulations, 2025 at a meeting on Tuesday.

With the legal framework now available, the listing of derivatives, issuance of licences to brokers, and appointment of authorised representatives is now possible. The regulations also feature clearing and settlement criteria.

The commodity exchange will be a public limited company with a paid-up capital of Tk 4 billion.

## Trust Bank to issue Tk 800cr bond

STAR BUSINESS REPORT

Trust Bank PLC will issue a bond worth Tk 800 crore to bolster its capital base, the company said in a disclosure on the Dhaka Stock Exchange (DSE) website yesterday.

The decision to float the bond was approved at a board meeting held on May 27 and is subject to approval from the relevant regulatory authorities.

Trust Bank reported a profit of Tk 372.31 crore for 2024, reflecting an 11 percent decline year-on-year.

The bank has announced stock dividends to strengthen its capital and business expansion, according to its financial statements.

As of April 30, 2025, sponsor directors held 60 percent of the bank's shares, institutional investors held 22.24 percent, foreign investors 0.02 percent, and the general public 17.74 percent, DSE data showed.

Trust Bank, in operation since 1999 and sponsored by the Army Welfare Trust, operates 119 branches and SME centres and eight sub-branches across the country, according to its website.

## Starlink signing deals with local firms to expand footprint

MAHMUDUL HASAN

Starlink is steadily consolidating its presence in Bangladesh through a series of partnership agreements with local companies, with deals spanning ground station development, colocation and data centre services, core site hosting, transmission, and international internet gateway (IIG) facilities.

The Daily Star spoke to half a dozen individuals, including officials from companies involved in these partnerships. However, all requested anonymity, citing non-disclosure agreements (NDAs) signed with Starlink.

Industry sources confirmed that most of the key deals have been secured by Fibre@Home and its affiliated companies.

The initial construction of Starlink's first ground station in the country is being carried out by Fibre@Home. The station is being developed at the Hi-Tech City in

Kaliakair, Gazipur.

Starlink's servers will be hosted at Felicity IDC Limited, a Tier III data centre situated within the same park.

According to industry insiders, Fibre@Home and its subsidiaries offer a diverse portfolio, ranging

**Industry sources confirmed that most of the key deals have been secured by Fibre@Home and its affiliated companies**

from optical fibre infrastructure to data centres and internet services, making them a strong local partner for Starlink's operations.

Additional ground stations are expected to be set up in the Software Technology Park in Jashore and in Cox's Bazar. In Jashore, Fibre@Home is providing the primary infrastructure for the

Starlink facility there.

When approached for comment, Sajal Hazra, CEO of Fibre@Home Global Limited, confirmed the collaboration with Starlink but declined to disclose further details due to the NDA.

For transmission services, Starlink has partnered with Fibre@Home, Summit Communications, and Bahon Limited.

Both Fibre@Home and Summit Communications are in discussions with Starlink to provide international internet gateway (IIG) services.

In a separate development, multiple companies have secured authorised reseller status with Starlink, each paying nearly \$2.5 million for the opportunity.

While Starlink primarily deals directly with consumers for its 'Residential' and 'Roam' plans globally, authorised B2B resellers are permitted to serve business

READ MORE ON B3

## Why every visionary business founder needs a great COO

OSMAN ERSHAD FAIZ

Every company founder reaches a point where success invites complexity. The product is gaining traction. The team is expanding. Investors are excited. Vision feels limitless. But somewhere along the way, momentum begins to stall. Meetings multiply. Decisions get bottlenecked. Execution starts to fray.

This isn't a failure of leadership. It's the cost of scaling without structure.

At this stage, most companies don't need more ideas or energy. They need alignment. They need rhythm. They need operational clarity. In other words, they need a chief operating officer (COO).

The COOs are not sidekicks—they're the integrators. The role of the COO is often misunderstood. It's seen as secondary, reactive, or purely tactical. But a great COO is none of those things.

They are not the fixer behind the scenes or the executor of leftover strategy. They are the integrator—the person who turns vision into sustainable progress, transforming scattered motion into synchronised momentum.

They create space for leaders to lead. They build systems that scale ambition without sacrificing focus.

What do the best COOs actually do? The most impactful COOs are not always visible but they are always essential. Their work includes translating vision into execution-ready systems, safeguarding executive time and decision-making bandwidth, pre-empting roadblocks and bringing structure to chaos and clarity to complexity.

Culture is operational, not aspirational. Culture is too often treated as a separate conversation, something abstract or Human Resources-driven. In reality, culture is embedded in operations. It's how time is managed, how decisions are made and how people communicate under pressure.

A great COO sees culture as a strategy to be executed. They enforce it through process, consistency, and example, quietly reinforcing values not with slogans, but with systems.

**The COOs are not sidekicks—they're the integrators. The role of the COO is often misunderstood. It's seen as secondary, reactive, or purely tactical. But a great COO is none of those things**

Hustle doesn't scale. Structure does. Companies are often powered by relentless energy. But that energy, over time, becomes unsustainable. Hustle may get a company off the ground, but what sustains growth is structure.

That's the work of a COO—to create the scaffolding for scale. To ensure that what made the company great at the beginning doesn't fall apart as it grows. To help founders not just to go further but to also not lose their way.

A final word to visionaries. The best time to bring in a COO is not when things are already breaking. It's before.

Smart founders recognise this. They understand that scaling a company is not just about building fast. It's about building right. And they know that behind every well-run, high-growth organisation, there's often a COO quietly driving alignment, execution, and integrity.

Ambition is powerful. But without architecture, it collapses under its own weight.

The writer is the additional managing director and chief operating officer of Eastern Bank PLC

## Historic dollar fall needed to eliminate US trade deficit



REUTERS, Orlando

If the United States is to significantly reduce or, whisper it, eliminate its trade deficit, the dollar will probably have to weaken a lot. How much is unclear, though, as history shows large dollar declines are rare and have unpredictable consequences for trade.

Reducing the US trade deficit is the key goal of President Donald Trump's economic agenda because he believes it reflects decades of other countries "ripping off" America to the tune of hundreds of billions of dollars annually.

Stephen Miran, chair of the Council of Economic Advisers, published a paper in November titled "A User's Guide to Restructuring the Global Trading System" in which he argued that the dollar is "persistently over-valued" from a trade perspective. "Sweeping tariffs and a shift away from strong dollar policy" could fundamentally reshape the global trade and financial systems.

If a weaker exchange rate is the Trump

administration's goal, it is on the right track, with the greenback down nearly 10 percent this year on the back of growing concerns over Washington's fiscal trajectory and policy credibility as well as the end of "US exceptionalism" and the "safe haven" status of Treasuries.

But it is good to remember that a 15 percent fall in the dollar during Trump's first term had no impact on the trade deficit, which remained between 2.5 percent and 3 percent of GDP until the pandemic. Making a dent in the US deficit will therefore require a much bigger move.



A staff counts US dollar currency notes at a money changer booth at Raffles Place financial business district in Singapore.

PHOTO: AFP/FILE



# The Bancassurance Breakthrough in Bangladesh

PRIYAM PAUL

For decades, insurance in Bangladesh has been a tough sell—marked by limited access, low public trust, and a penetration rate that barely scratches the surface. But a quiet transformation is gaining momentum, not through traditional agents or state campaigns, but via a trusted institution embedded in everyday financial life: the banks.

With millions of customers, strong local presence, and long-standing credibility, banks are emerging as the insurance sector's most effective ally. Through bancassurance, banks are now offering insurance directly—merging financial protection with accessibility and trust.

The shift is timely. Although Bangladesh has 82 licensed insurers, only 16.49 million people are covered. The insurance penetration rate remains just 0.46 percent—well below India and Pakistan—signalling both a challenge and an opportunity.

SEE PAGE J2



LEADING THE  
BANCASSURANCE LANDSCAPE  
**6,513**  
FAMILIES PROTECTED

Guardian Life Insurance proudly leads the Bancassurance journey in Bangladesh - in trusted partnership with City Bank, DBBL and MTB. Together, we've set a new benchmark in protection, trust, and reach. We remain committed to reaching every family who needs us.

Because behind every number is a family we stand for.

Our Bancassurance Partners



Mutual Trust Bank PLC  
মিউচুয়াল ট্রাস্ট ব্যাংক পিএলসি  
you can bank on us



Dutch-Bangla Bank

\*Data as of 28 May 2025, based on individual policies sold by our bancassurance partners



# MAKING INSURANCE a Core Component of Personal Financial Planning



MD ASHANUR RAHMAN

Deputy Managing Director, Chief Economist & Country Business Manager, City Bank

**The Daily Star (TDS):** What has been your experience with bancassurance so far?

**Md Ashanur Rahman (MAR):** Since the official launch of bancassurance in Bangladesh on March 3, 2024, the market has responded with a mix of optimism and caution from stakeholders, including the general public, banks, and insurance companies. Public reception has been largely positive, mainly due to the higher level of trust in banks compared to insurance companies.

City Bank has emerged as a leading player in the early stages of the bancassurance market. In 2024, the bank sold a total of 9,838 life insurance policies, comprising 1,104 standalone policies and 8,734 policies bundled with loans. In the first four months of 2025 alone, City Bank sold an additional 6,865 policies, bringing the total to 16,703 policies as of April 2025. This achievement has secured City Bank a dominant 56% market share in the growing bancassurance sector. The total premium collected stands at BDT 8.35 crore, with total coverage amounting to BDT 1,416 crore.

Despite this strong start, several challenges remain. These include persistent public skepticism toward

insurance providers, limited awareness and understanding of insurance products, and the need for seamless technological integration between banks and insurers. At present, only Bangladesh Insurance Academy offers certification for bancassurance, making it challenging to meet growing training demands across expanding banks.

Nevertheless, the collaborative approach adopted by banks and insurance companies, supported by regulatory authorities, is expected to address these issues over time.

**TDS:** What types of insurance (e.g., life, general) are currently offered through your bancassurance partnerships?

**MAR:** At City Bank, we have established strategic partnerships to deliver a wide range of insurance solutions under our bancassurance model, designed to meet the diverse financial protection needs of our customers. Our product portfolio currently includes the following:

**Individual Life Insurance Products**  
Conventional Life Insurance: Offered in collaboration with Guardian Life Insurance, providing customers with robust protection solutions.

Shariah-Compliant Life Insurance: In partnership with Akij Takaful Life Insurance, we offer Islamic life insurance

products tailored for customers seeking takaful-compliant options.

**Insurance Bundled with Loan Products**

SME-S Loan & Remittance Beneficiary Loan: These products include life insurance coverage of up to BDT 10 lakh, underwritten by Guardian Life Insurance and Delta Life Insurance.

Personal Loan: Our personal loan facility includes life insurance coverage of 200% of the loan amount, up to BDT 40 lakh, provided by Guardian Life Insurance.

**Upcoming Offerings**

By the end of this month, we will expand our portfolio to include motor insurance, offered through our partnership with Reliance Insurance Limited.

To ensure efficient and compliant service delivery, City Bank has formed a dedicated Bancassurance Team that oversees operations, regulatory alignment, and staff training. So far, 1,124 employees have received certification from the Bangladesh Insurance Academy. The team also conducts ongoing training on product features and ethical sales practices. We prioritise transparent communication—clearly explaining policy benefits, terms, and exclusions—because we believe an

informed customer is an empowered one. This customer-first approach defines our Bancassurance strategy and commitment to financial inclusion.

**TDS:** What is your process for handling insurance-related complaints, and how do you ensure compliance with Bangladesh Bank and IDRA guidelines?

**MAR:** City Bank has implemented a structured, transparent, and compliant process for managing insurance-related customer complaints, fully aligned with the guidelines of both Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA).

We have established a dedicated Complaint Management Cell responsible for:

Receiving complaints through various channels, including branches, call centres, and online platforms;

Providing customers with timely updates on the status of their complaints;

Coordinating with internal teams to investigate and resolve issues;

Communicating resolution outcomes to customers via phone and email.

Customers can lodge complaints at any City Bank branch, where staff promptly forward them to the Bancassurance Team for swift

investigation and resolution. The team also ensures regulatory compliance by submitting reports to Bangladesh Bank and IDRA, and by monitoring adherence to all relevant rules, circulars, and obligations.

**TDS:** What is your outlook on the future of bancassurance in Bangladesh?

**MAR:** As the first licensed bank to operate in the bancassurance space in Bangladesh, City Bank recognises both its pioneering role and the vast potential of this channel. Since the official launch on March 3, 2024, we have aimed to integrate banking and insurance to offer holistic financial protection. Our long-term vision is to make insurance a core part of personal financial planning, driving financial inclusion, enhancing social protection, and increasing the insurance sector's contribution to the national economy.

Looking ahead, we are highly optimistic about bancassurance becoming a cornerstone of Bangladesh's financial ecosystem. Our approach will focus on:

Continuous product innovation;  
Strong and responsible partnerships with insurers;

Transparent and empowering customer education.

## The Bancassurance Breakthrough

FROM PAGE J1

"The opportunity is enormous, but the missing ingredient has always been trust," says Md Main Uddin, Professor and former Chairman of the Department of Banking and Insurance at the University of Dhaka. "People are far more likely to engage with insurance if it comes through institutions they already know and rely on."

Recognising this gap, Bangladesh Bank approved the launch of bancassurance in December 2023. In the first 16 months, the impact has been tangible: 14 banks have received operating approval, and nearly 16,000 life insurance policies have been sold—many to first-time buyers. For the insurance industry, it's more than a new distribution channel; it's a fresh chance to win public confidence and scale up impact.

Ala Ahmad, Chief Executive Officer, MetLife Bangladesh, shares, "Bancassurance holds great potential to complement the traditional agent-led sales channel. It can significantly expand insurance coverage across Bangladesh, especially for customers who may not otherwise engage with insurance providers. While it's still early days, the response has been encouraging."

"Banks are well positioned to promote insurance by simplifying distribution. One of the biggest advantages banks offer is access to a captive client base, which allows for targeted outreach and the creation of a sustainable economic pool," says Ahmed Istiaque Mahmud, Executive Vice President & Head of Bancassurance at Guardian Life.

While banks have started to explore insurance, they are strategically expanding their services through their branches to support customers via their wide-reaching channels.

M Khorshed Anowar, Deputy Managing Director at Eastern Bank, mentions, "We currently offer both life and general (non-life) insurance through our bancassurance model. Our life insurance offerings provide protection in the event of death and other unforeseen circumstances, while our non-life portfolio includes motor, health, and travel insurance."

"Currently, only life insurance services are being offered through our bancassurance partner—

National Life Insurance PLC—as this remains the most effective way to reach the majority of the country's population. We have already introduced an affordable short-term life insurance product in the market—Prime Life," states M. Nazeem A. Choudhury, Deputy Managing Director of Prime Bank.

To support their new role in bancassurance, many banks have formed dedicated teams to deliver insurance services.

"We have a dedicated bancassurance team operating both at the head office and across our branch network. They are fully trained and certified, and we work closely with our insurance partners to ensure they have a deep understanding of the products," notes Mahbubur Rahman, Chief

'Our decision to enter the bancassurance sector is driven by a deep understanding of our customers' evolving financial needs. With life's uncertainties increasing, insurance has become an essential tool for ensuring financial stability for families.'

Despite growing optimism, banking and insurance insiders stress that unlocking bancassurance's full potential requires stronger regulation and expanded training, especially from the Insurance Academy.

"Bangladesh has only one insurance academy to train both bank and insurance officials, creating a major capacity bottleneck," says Md Ashanur Rahman, Deputy Managing Director, Chief Economist &



Bancassurance Officer, BRAC Bank.

Md Ahsan-uz Zaman, Managing Director & CEO of Midland Bank, states: "To support informed decision-making, we have partnered with insurance companies whose representatives provide proposal forms, brochures, and detailed product literature. This ensures customers fully understand each product's features, terms, conditions, and exclusions before making a purchase."

Midland Bank launched its bancassurance operations this month, as more banks join in amid rising demand and promising prospects.

Ahsan Zaman Chowdhury, Managing Director & CEO of Trust Bank, explains why they are considering launching bancassurance at their institution:

Country Business Manager of City Bank. "While we've trained 1,174 staff, our target is 2,500. The growing demand makes it clear that private organisations and insurers must step up to strengthen training capacity and institutional support."

Customer awareness and understanding of bancassurance remain low, underscoring the need for strategic outreach and sustained financial literacy initiatives to drive adoption.

Mohammad Ali, MD and CEO of Pubali Bank, observes, "I feel that the necessary publicity or awareness among customers about bank insurance hasn't really taken off yet. After all, bancassurance is essentially a combination model—we're just providing the support service. But the moment public trust in insurance increases, the model will flourish."

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SHEIKH RAKIBUL KARIM

FCA, Additional Managing Director & Chief Executive Officer (Acting), Guardian Life Insurance Ltd.

**The Daily Star (TDS):** Bancassurance is still new to Bangladesh—how is it reshaping the country’s insurance landscape?

**Sheikh Rakibul Karim (SRK):** Bancassurance represents a structural shift in how life insurance is accessed and experienced in Bangladesh. It’s more than a distribution model—it’s a convergence of trust, convenience, and protection. By integrating insurance into banking channels, we make it a seamless part of customers’ financial lives. Guardian Life has embraced this opportunity with focus and foresight.

Since the official launch in March 2024, our journey has been marked by bold execution and meaningful impact. We’ve been preparing since 2019—advocating for regulations, partnering with visionary banks, building technological infrastructure, and developing human capital. The result? Guardian Life led the industry with the first bancassurance agreement, the first policy issued on day one, and over 6,000 retail policies sold within the first year.

This model allows us to reach people where they already are—within their banks—bridging the protection gap with relevant, easy-to-understand

products and high-trust service delivery. It has fundamentally changed both the accessibility and perception of life insurance in the country.

**TDS:** How did Guardian Life prepare for the rollout of bancassurance?

**SRK:** Our strength lies in long-term preparation and disciplined execution. Since 2019, we have maintained a dedicated Bancassurance Team focused on regulatory engagement, policy development, technology readiness, and partner alignment. Key pillars include:

**Regulatory Engagement:** Close collaboration with IDRA, Bangladesh Bank, and other stakeholders to co-develop the regulatory framework.

**Technology & Process Design:** Our in-house systems use Straight-Through Processing (STP) to ensure real-time, paperless issuance with no manual bottlenecks.

**Bank Readiness:** We worked with partner banks—City Bank PLC, Dutch-Bangla Bank PLC, and Mutual Trust Bank PLC—to train staff, integrate systems, and align customer journeys.

**Operational Readiness:** We trained hundreds of bankers and equipped branches with the necessary tools and SOPs.

**Early milestones include:**

First bancassurance agreement signed with City Bank.

First policy issued on launch day by City Bank.

First STP integration with DBBL.

Over 1,000 policies sold in the first month across all partnered banks.

First 500 policies sold by DBBL.

Our real-time business dashboards provide visibility across regions, products, and partners—empowering us to make swift, data-driven decisions. It’s this combination of human capability, technological precision, and strategic alignment that keeps us ahead.

**TDS:** What are the key enablers that could unlock the full potential of bancassurance in Bangladesh?

**SRK:** To realise the full potential of bancassurance, coordinated efforts are needed from regulators, banks, and insurers. We see the following enablers:

**Regulatory Enhancements**

**Faster Activation & Approvals:** Timely regulatory guidance and greenlights will speed up market expansion.

**Digital Enablement:** Approval of digital signatures and e-stamps can enable fully paperless onboarding.

**Training Ecosystem:** Centralised, virtual modules to continuously upskill

bank staff.

**Customer Awareness Campaigns:** Joint initiatives from IDRA, Bangladesh Bank, and insurer-banks to educate the public and build lasting trust.

**Cap Revision on Partnerships:** The current 3-bank cap is restrictive. Removing it—or raising it to 8—will allow high-performing insurers to expand responsibly.

**Governance & Compliance:** Strong reporting and conflict-management frameworks will help ensure market discipline.

**Bank-Level Enablers**

**Senior Management Commitment:** Embedding bancassurance into the bank’s core strategy.

**STP Integration:** Seamless back-end alignment for speed and consistency.

**Branch-Level Champions:** Dedicated bancassurance representatives in each branch to ensure focus.

**Real-Time Monitoring:** Shared dashboards for joint performance tracking and course correction.

**Built-In Incentives & KPIs:** Performance targets and rewards for bank staff to drive engagement.

**Insurer Responsibilities**  
**Ongoing Training:** Continuous

physical and virtual training to ensure product and compliance knowledge.

**Product Simplification:** Designing intuitive, goal-based products for diverse customer segments.

**Sales Enablement Tools:** Providing mobile-friendly brochures, calculators, and instant quote engines.

**Financial Literacy:** Localised communication efforts to improve understanding and encourage informed decisions.

**TDS:** What’s your vision for the future of bancassurance in Bangladesh and Guardian Life’s role in it?

**SRK:** Bancassurance has the potential to become the most impactful life insurance distribution channel in Bangladesh. It’s not just an add-on—it’s a core pillar of inclusive financial protection. As more customers access insurance through trusted banking relationships, we’re creating a scalable, efficient, and deeply personal insurance experience.

Guardian Life’s vision is clear: to lead this evolution with integrity, innovation, and inclusive growth. We will continue strengthening partnerships, launching smarter products, investing in digital platforms, and advocating for meaningful reforms.



Enjoy

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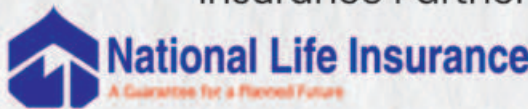
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# ESTABLISHING Bancassurance as a Cornerstone of Financial Inclusion

FARZANAH CHOWDHURY

Chartered Insurer (ACII, UK), Managing Director & CEO, Green Delta Insurance

**The Daily Star (TDS):** How would you assess the current state of bancassurance in Bangladesh? What key trends are shaping the market at present?

**Farzanah Chowdhury (FC):** Bancassurance in Bangladesh is in its early but rapidly developing

**Future initiatives include developing more customised, data-driven insurance products and using analytics to better understand customer segments. Going forward, we also plan to enhance training for bancassurance officers and launch joint marketing campaigns with banks to increase awareness and build trust.**

phase. Initial challenges included low consumer awareness and a traditional preference for direct insurance channels. However, rising financial inclusion and growing trust in banking institutions have significantly boosted adoption. The market is now shifting

from urban saturation to expansion into district towns and rural areas, leveraging the extensive branch networks of banks.

Key trends shaping the sector include digitalisation, customer education, and the development of tailored insurance products, with a strong focus on technology integration and transparency. However, regulatory limitations—such as caps on the number of eligible banks per insurer—and operational inefficiencies remain hurdles. Our existing bancassurance partnerships also exhibit limited branch-level penetration, with services yet to be operationalised across the entire network of our partner banks.

Despite these challenges, industry optimism is high, with expectations for sustained growth as bancassurance becomes a mainstream distribution channel.

**TDS:** What forms of partnership does your organisation maintain with banks that offer insurance products to customers?

**FC:** Green Delta Insurance has formal bancassurance agreements with leading banks, including BRAC Bank, Eastern Bank Limited (EBL), and Mutual Trust Bank (MTB). These partnerships

allow customers to purchase a wide range of non-life insurance products directly through the banks' branch networks, SME units, and agent banking platforms.

To ensure smooth operations, certified bancassurance officers are stationed at partner bank locations. These professionals, trained and approved by the Insurance Development and Regulatory Authority (IDRA), assist customers with product selection, sales, and support. The collaboration is designed to bundle insurance with banking products, enhance accessibility, and drive financial inclusion across Bangladesh.

**TDS:** How do you ensure that the insurance products distributed through bancassurance align with customers' financial goals and risk profiles?

**FC:** Green Delta Insurance works closely with partner banks to co-design insurance products that match the specific needs and risk profiles of their customer base. The company emphasises needs-based selling, with bancassurance officers trained to assess individual requirements and recommend appropriate coverage.

To ensure continuous improvement, we regularly conduct customer

satisfaction surveys and maintain feedback loops to refine our product offerings. Transparency and compliance are prioritised, with clear

**Key trends shaping the sector include digitalisation, customer education, and the development of tailored insurance products, with a strong focus on technology integration and transparency. However, regulatory limitations—such as caps on the number of eligible banks per insurer—and operational inefficiencies remain hurdles.**

policy disclosures and strict adherence to IDRA guidelines to ensure customers fully understand the terms, benefits, and risks before making a purchase.

**TDS:** What are your future plans for expanding bancassurance operations in collaboration with banks across Bangladesh?

**FC:** At Green Delta Insurance, we aim to expand our bancassurance footprint by partnering with more banks—especially those with strong rural and SME outreach—to serve underserved markets. This, of course, is subject to IDRA's approval and modification of existing guidelines.

As an insurance company, we have invested significantly in digital integration to streamline policy issuance, premium payments, and claims processing. Future initiatives include developing more customised, data-driven insurance products and using analytics to better understand customer segments. Going forward, we also plan to enhance training for bancassurance officers and launch joint marketing campaigns with banks to increase awareness and build trust.

Our long-term vision is to establish bancassurance as a cornerstone of financial inclusion, offering risk mitigation solutions to Bangladesh's emerging middle class and rural populations

## KEY BANCASSURANCE STATISTICS (LIFE)

Number of authorised banks for bancassurance:  
As of April 21, 2025

14

Premium income:

Tk 164.804 million

Commission:

Tk 16.019 million

Total number of issued policies:

15,897

From January 2024 to April 21, 2025



### AGREEMENTS BETWEEN INSURANCE COMPANIES AND BANKS

(as of April 21, 2025)

#### INSURANCE COMPANIES

Guardian Life Insurance

American Life Insurance Company (MetLife)

Delta Life Insurance

Pragati Life Insurance

National Life Insurance

Jiban Bima Corporation

Life Insurance Corporation (LIC)

Sandhani Life Insurance Company

#### PARTNER BANKS

City Bank, Dutch-Bangla Bank, Mutual Trust Bank

Eastern Bank, Standard Bank, Brac Bank

Jamuna Bank, Pubali Bank

Mutual Trust Bank

Prime Bank

United Commercial Bank

Premier Bank, Midland Bank

Midland Bank

### PERFORMANCE DATA FROM FOUR COMPANIES

(January 2024 – April 21, 2025)

Insurance companies	Premium Income (million in Taka)	Commission (million in Taka)	Total issued policy
Guardian Life Insurance Limited	35.82	7.06	1985
National Life Insurance	23.37	0.48	12
Pragati Life Insurance	9.5	1.48	688
Delta Life Insurance	55.84	1.10	1,004
Total	124,53	10.12	3,689

SOURCE: IDRA





# CLEAR, SIMPLE

## Insurance for Every Customer

MAHBUBUR RAHMAN  
Chief Bancassurance Officer, BRAC Bank

**The Daily Star (TDS):** What has been your experience with bancassurance so far?  
**Mahbubur Rahman (MR):** It has been a truly rewarding journey, though not without its challenges. On the positive

side, bancassurance has significantly enhanced the value we offer to our customers. I have witnessed first-hand how clients appreciate the convenience of accessing insurance solutions through their trusted banking partner. This integrated approach not only simplifies the process but also deepens customer engagement. We have seen numerous success stories where families and businesses were protected—simply because a relationship officer took the initiative to have that important conversation.

We've had many success stories where customers were able to protect their families or businesses simply because a relationship officer took the time to start that conversation. In some cases, clients still viewed insurance as overly complex or were cautious due to mistrust of certain terms. We had to work hard to bridge that gap through education and transparent communication.

There are also operational hurdles—like syncing systems between the bank and the insurance partner, and ensuring proper documentation every step of the way. But over time, we have learnt to manage these issues with better training, clearer processes, and stronger collaboration with our partners. So yes, while the path hasn't

been without obstacles, the learning has been significant—and the impact has made it all worthwhile.

**TDS:** What types of insurance are currently offered through your bancassurance partnerships? Is there a dedicated team, and how do you ensure customers understand product terms and exclusions?

**MR:** Our primary focus is on life insurance products—such as credit life, term plans, and savings-linked policies. At the same time, we're actively exploring general insurance offerings like health and motor insurance as part of our future roadmap.

We have a dedicated bancassurance team operating both at the head office and across our branch network. They are fully trained and certified, and we work closely with our insurance partners to ensure they have a deep understanding of the products. Just as important as the product knowledge is how we communicate these offerings to our customers.

Insurance can often seem complex or technical, so we have made it a priority to simplify the experience. We use visuals, easy-to-understand

brochures, and clear, jargon-free explanations. We also emphasise open and honest conversations—especially about what's covered and what's not. Because at the end of the day, if a customer walks away not fully understanding the conditions or exclusions, then we haven't done our job right.

**TDS:** What is your process for handling insurance-related complaints, and how do you ensure compliance with Bangladesh Bank and IDRA guidelines?

**MR:** We take complaints seriously—especially when it comes to insurance, where people are trusting us with very personal risks. All complaints are logged centrally in our bank's complaint management system, and we have a specialised team that follows up on each case. We work closely with our insurance partners to make sure every issue is resolved as quickly and fairly as possible.

In terms of compliance, we ensure our operations align with Bangladesh Bank's and IDRA's regulatory requirements. That includes everything from how we sell the products to how we document conversations and follow

up with customers. I am personally quite involved in ensuring these checks and balances are in place—it is a big part of building trust in this space.

**TDS:** What is your outlook on the future of bancassurance in Bangladesh?

**MR:** I am very optimistic about the future of bancassurance in Bangladesh. We have a growing young population, and there's a rising awareness about the importance of financial protection. Bancassurance has the potential to significantly bridge the insurance gap—particularly in areas where traditional insurance agents have limited reach.

The next phase will be defined by digital integration and product personalisation. Solutions like micro-insurance, embedded insurance, and app-based servicing will be key to expanding financial inclusion.

As banks, we already have the trust of our customers, strong distribution networks, and access to data. If we leverage these assets responsibly and thoughtfully, bancassurance can become a core pillar of financial inclusion in Bangladesh.

# Smart Choices in Bancassurance

Life insurance provides financial security for your loved ones, ensuring your responsibilities are covered even in your absence. The dual benefit of risk coverage and long-term savings of life insurance plans, aligns well with our needs, making them more acceptable.

MIFTAHUL JANNAT

You walk into your bank to open a savings account—and come out with a life insurance policy. No separate visits, no confusing paperwork, no unfamiliar agents. Just one trusted institution handling both your financial needs and your future protection.

This is the promise of bancassurance, a growing model in Bangladesh where banks are no longer just places for deposits, loans, and payments—they're also becoming hubs for insurance services. By offering protection plans alongside everyday banking, institutions are making insurance more accessible, understandable, and—for the first time in many cases—trusted.

"We have seen numerous success stories where families and businesses were protected—simply because a relationship officer took the initiative to have that important

conversation," said Mahbubur Rahman, Chief Bancassurance Officer at BRAC Bank.

Explore life insurance plans that future-proof your family

Life insurance provides financial security for your loved ones, ensuring your responsibilities are covered even in your absence. "The dual benefit of risk coverage and long-term savings of life insurance plans, aligns well with customer needs, making them more acceptable," commented Md. Ahsan-uz Zaman, MD & CEO, Midland Bank.

Almost all banks offer life insurance products in collaboration with different insurance companies. For instance, City Bank offers conventional life insurance in collaboration with Guardian Life Insurance as well as shariah-compliant plans in partnership with Akij Takaful Life Insurance for customers seeking faith-based options.

Additionally, the bank offers life insurance bundled with their loan products. "Our personal loan facility includes life insurance coverage of 200% of the loan amount, up to BDT 40 lacs, provided by Guardian Life Insurance,"

SEE PAGE J9



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# REIMAGINING INSURANCE Through Product Innovation



M. NAZEEM A. CHOUDHURY  
Deputy Managing Director, Prime Bank

**The Daily Star (TDS):** What has been your experience with bancassurance so far?

**M. Nazeem A. Choudhury (MNAC):** My experience with bancassurance has been both insightful and promising, though not without its challenges. Bancassurance is still at a relatively early stage, both for bancassurance and the insurance industry. Currently, our insurance penetration ratio is just 0.40%, while even our neighbouring countries have a much higher penetration ratio—Sri Lanka (2.0%), Pakistan (0.91%) and India (3.70%). So we can understand that the potential is significant in Bangladesh for insurance. With the expanding banking network and growing awareness of financial protection among customers, bancassurance can play a significant role in increasing our insurance penetration ratio.

One of the key positives has been that we have been able to provide a new offering in our existing product basket, enabling our customers to attain insurance services from our banking channel. Our clients are now realising that it is beneficial to access all financial services under one roof.

Overall, the experience so far shows strong potential for growth, and with the right investments in technology, training and customer education, bancassurance in Bangladesh can play a transformative role in increasing insurance penetration and ensuring financial inclusion across the country.

**TDS:** What types of insurance (e.g. life, general) are currently offered through your bancassurance partnerships? Is there a dedicated team, and how do you ensure customers clearly understand product terms and exclusions?

**MNAC:** Currently, only life insurance services are being offered through our bancassurance partner—National Life Insurance PLC—as that is the way to reach the majority of the population of the country. Life insurance products are sometimes too complex or not aligned with the financial profile of typical banking customers. Simpler, need-based products are required to build traction, and we are working with our partner to introduce such products in the market.

We have already introduced an affordable short-term life insurance product in the market—Prime Life. This product provides life insurance

coverage for one year from as low as BDT 345. Besides, our products are tailor-built to satisfy the needs of customers, i.e. pension for old age, children's education, Hajji, and even for Den-Mohor. We offer both conventional and Takaful insurance for our customers.

In addition, we plan to offer health insurance, which is a highly need-based product designed to safeguard the health and financial security of families. Given the rising cost of healthcare and increasing awareness of medical risks, health insurance has become an essential part of financial planning.

To ensure that customers clearly understand the product terms and exclusions, we have taken several structured measures. Regulatory training is provided to our Relationship Managers, and only those who have successfully completed this training are authorised to sell insurance products.

In addition, our insurance partner conducts comprehensive, product-specific training to enhance the team's understanding and communication skills. Furthermore, representatives from the insurance partner are present during the sale process to provide support.

**TDS:** What is your process for handling insurance-related complaints, and how do you ensure compliance with Bangladesh Bank and IDRA guidelines?

**MNAC:** We follow a structured and collaborative approach to handle insurance-related complaints, ensuring full compliance with the guidelines issued by both Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA).

All complaints received at branches, call centres, or other channels are formally documented and escalated to our centralised Service Quality team. They work closely with the bancassurance team and the respective insurance partner to investigate and resolve issues within the prescribed timeframe. Customers are kept informed throughout to ensure transparency.

**TDS:** What is your outlook on the future of bancassurance in Bangladesh?

**MNAC:** The future of bancassurance in Bangladesh appears promising, given the growing banking network, increasing financial inclusion, and evolving customer needs. However, to realise its full potential, several critical areas must be addressed.

Firstly, there is a pressing need to shift towards need-based insurance products that are simple, affordable, and tailored to the financial realities of the average customer. Customised solutions—rather than one-size-fits-all offerings—will be essential in driving meaningful adoption and long-term engagement.

Secondly, regulatory and product training for bank staff must be more comprehensive. While progress has been made, there is still room for improvement in the depth and consistency of training. In addition, training centres need to be decentralised to ensure that staff in rural and semi-urban areas are equally equipped to advise and serve customers responsibly.

Lastly, increasing public awareness and trust in insurance is crucial. A coordinated effort from banks, insurers, and regulators is needed to build awareness, educate customers, and dispel longstanding misconceptions about the industry. We also need to come up with innovative insurance products to make bancassurance a success in Bangladesh.

## Bancassurance's Promise for Bangladesh

FROM PAGE J11

BIA has conducted 86 training courses with participation from over 5,000 bankers. These trained professionals are now equipped to offer insurance products to customers while maintaining compliance with regulatory standards and building consumer trust.

### Challenges and Opportunities

Despite a promising start, the insurance sector in Bangladesh continues to face challenges, including persistently low insurance penetration, which declined to 0.41% in 2024 from 0.50% in 2016. This figure remains significantly lower than that of neighbouring countries such as India, where insurance penetration stands at approximately 4%.

However, the extensive network of over 11,000 bank branches across the country—including more than 5,000 in rural areas—presents a unique opportunity to reach underserved populations. Bancassurance allows customers to easily purchase insurance products while conducting regular banking activities, thereby improving financial protection, promoting savings, and enhancing risk management for individuals and families. It is expected that maturity claims will be settled on the due date, with other claims processed in the shortest possible time.

### Future Prospects

The integration of bancassurance into Bangladesh's financial sector holds immense promise for increasing insurance penetration, enhancing financial literacy, and providing risk coverage to a broader segment of the population. It also offers a new revenue stream for banks. As banks leverage their customer relationships and distribution networks to offer insurance products, collaboration between banks and insurers is expected to create a more resilient and inclusive financial ecosystem in the country.

In this context, adopting smart financial habits—such as the 50:30:20 rule—can further



strengthen personal financial stability. This rule suggests allocating 20% of one's monthly income to savings and investments: 10% through bank schemes like deposit pension schemes (DPS) or term deposits, and the remaining 10% in insurance policies via bancassurance or other channels. Such habits not only promote financial discipline but also contribute to building a secure and

stable financial future.

In a country like Bangladesh, where many face economic uncertainties and climate-related challenges, insurance provides not only financial protection but also vital peace of mind.

**Md. Rashed Akter** is the Head of the Retail Distribution Division and Chief Bancassurance Officer (CBO) at Midland Bank.



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# BANCASSURANCE

## as a Cornerstone of Financial Well-Being

**MD. SHAFQUAT HOSSAIN**  
Deputy Managing Director and Head of Retail Banking Division, Mutual Trust Bank

**The Daily Star (TDS):** What has been your experience with bancassurance so far?

**Md. Shafquat Hossain (MSH):** I believe bancassurance will open a new horizon for the insurance industry in Bangladesh, as this collaborative arrangement will help insurers expand their coverage at an affordable cost. This will not happen overnight, but the steps in the right direction have been initiated, for which I would like to congratulate both Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA).

On the experience side, I would highlight the fact that this will require a lot of hard work from both the insurance companies and the banks, particularly in terms of imparting the necessary training to bank staff members to sell insurance products to the bank's customers. Mutual Trust Bank has a long-standing reputation for sustainability and reliability, which has allowed us to gradually build trust with our customers in this new avenue.

Through consistent communication, training, and customer engagement, we have been able to create awareness about the benefits of insurance as a

financial planning tool.

**TDS:** What types of insurance (e.g., life, general) are currently offered through your bancassurance partnerships?

**MSH:** At Mutual Trust Bank, we currently offer both life and non-life insurance products through partnerships with leading insurers in Bangladesh. For life insurance, we have strategic collaborations with Guardian Life Insurance Ltd. and Pragati Life Insurance. In the non-life category, we work with Green Delta Insurance.

Our life insurance offerings include endowment plans and credit shield products. Endowment policies are designed to help customers accumulate savings over time while also providing financial protection in the event of death or permanent disability. These plans support long-term financial planning and encourage disciplined savings, while also offering tax benefits.

Credit shield insurance protects borrowers by covering outstanding loan liabilities with the bank in the event of death or permanent and total disability. This prevents financial hardship for dependents, shielding them from the burden of debt repayment. It also

protects the bank by reducing default risk from such unforeseen events. In the non-life segment, we offer insurance solutions that cover health, motor vehicles, and travel.

We have established a dedicated Bancassurance Department. This team works in close coordination with branch-level officers and ensures that all staff members receive comprehensive training on product features, benefits, and exclusions.

To promote clarity and transparency, we provide regular refresher courses, internal guides, brochures, FAQs, and visual aids. Our goal is to ensure that customers are well-informed, enabling them to make confident and responsible insurance decisions that secure their future and promote financial resilience.

**TDS:** What is your process for handling insurance-related complaints, and how do you ensure compliance with Bangladesh Bank and IDRA guidelines?

**MSH:** Customer satisfaction is our top priority, and we follow a structured process to address insurance-related complaints. Our dedicated Bancassurance Department remains on standby to support both branches and

customers with product clarifications, onboarding guidance, claims assistance, and post-sales queries. We emphasise resolving issues promptly at the branch level through trained relationship managers.

We also maintain strict compliance with the regulatory guidelines of Bangladesh Bank and the IDRA. Our Bancassurance Department closely collaborates with our insurance partners to regularly monitor operations, ensuring that all disclosures, documentation, and sales protocols strictly adhere to regulatory standards. Furthermore, we have implemented an escalation mechanism for swift resolution of complex cases.

**TDS:** What is your outlook on the future of bancassurance in Bangladesh?

**MSH:** The future of bancassurance in Bangladesh is promising. Although still in its early stages, it holds significant potential in a market like ours where insurance penetration remains relatively low. Banks play a pivotal role in bridging this gap, serving as trusted intermediaries between customers and insurers. In the coming years, the focus will need to be on raising awareness,

educating customers, and building long-term credibility.

At Mutual Trust Bank, we recognise this responsibility and have taken proactive steps to contribute to this journey. We are one of the pioneers in launching a community engagement programme at the Gulshan Society Lake Park, which included free health check-ups. This initiative not only promoted wellness but also provided a valuable opportunity to educate the community and potential customers about the importance of insurance and financial protection. We plan to host a few more of these by the end of 2025.

With the regulators' increasing emphasis on financial inclusion and the Sustainable Development Goals (SDGs) 2030, bancassurance is positioned to become a vital instrument in ensuring financial security for the underserved and marginalised populations. We anticipate deeper collaborations between banks and insurers, an expansion of product offerings tailored to diverse customer needs, and a growing reliance on digital platforms to deliver seamless, accessible insurance solutions.

## Key Considerations for Getting Bancassurance

ZARIF FAIAZ

In Bangladesh, bancassurance is gradually becoming a popular and convenient way for customers to purchase insurance products through their banks. This service allows individuals to access both life and non-life insurance policies directly from their trusted banking institutions, often alongside their regular banking transactions. If you are thinking about getting bancassurance—that is, buying insurance through a bank—it is important to understand the process and the key factors that will help you make a well-informed decision tailored to your needs.

Bancassurance refers to the partnership between banks and insurance companies that enables banks to sell insurance products to their customers. This means that when you visit your bank for everyday banking activities or loan services, you can also explore insurance options such as life insurance, health insurance, motor insurance, or travel insurance. Many banks in Bangladesh, including prominent names like Eastern Bank Limited and BRAC Bank, have started offering these services to make insurance more accessible and convenient for their customers.

Opening an insurance policy through bancassurance is designed to be straightforward and customer-friendly. Typically, you would begin by visiting your bank branch or using the bank's online platform, where bank staff can guide you through the available insurance products. You will need to provide identification documents such as your National ID card or passport. Thanks to the electronic Know Your Customer (e-KYC) system introduced by Bangladesh Bank, this process is often quick and requires minimal paperwork—sometimes completed within just a few minutes.

Once you have selected the insurance product that suits your requirements, you will complete a simple application form. Premium payments can often be linked directly to your bank account, allowing for convenient automatic deductions. After completing the process, you will receive your

insurance policy documents either physically or digitally, which will outline the coverage, terms, and conditions of your policy.

Before committing to a bancassurance policy, it is essential to consider several important factors. Understanding the coverage and exclusions of the policy is critical. Every insurance product has specific terms detailing what risks are covered and what is excluded. For example, a health insurance policy might not cover certain pre-existing conditions or specific treatments. It is important to ask the bank representative to explain these details clearly and to clarify any doubts you may have.

Another key consideration is the insurer's claim settlement record.



In Bangladesh, life insurance companies generally have higher claim settlement rates compared to non-life insurers. Knowing how efficiently and fairly claims are settled can save you significant stress in difficult times. You can request this information from your bank or check reports published by the Insurance Development and Regulatory Authority (IDRA).

It is also wise to compare premiums and benefits offered through bancassurance with those available from other insurance providers or agents. While bancassurance offers the convenience of purchasing insurance through your bank,

premiums and benefits can sometimes vary. Ensuring that the policy provides good value for money and meets your financial goals is essential.

You should also consider your financial needs and budget. Insurance should be affordable and appropriate for your situation. Avoid purchasing policies that are too expensive or provide coverage you do not need. Reflect on your current and future financial responsibilities—such as protecting your family, securing a loan, or covering health expenses—and choose a product that aligns with these priorities.

Understanding the payment terms is equally important. Many bancassurance products allow

premiums to be automatically deducted from your bank account, which is convenient. However, you should be aware of the payment frequency—whether monthly, quarterly, or yearly—and the consequences of missing payments, as some policies may lapse if premiums are not paid on time.

Finally, inquire about policy servicing and customer support. It is helpful to know how you can access assistance, make changes to your policy, or file claims. Banks typically provide dedicated bancassurance units or contact points, but understanding the process and expected timelines will help you manage your policy effectively.

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**AHSAN ZAMAN CHOWDHURY**  
Managing Director & CEO, Trust Bank

# TOWARDS A FUTURE of High-Quality Insurance Solutions

**The Daily Star (TDS):** What is the rationale behind your bank's interest in entering the bancassurance sector alongside its existing financial services?  
**Ahsan Zaman Chowdhury (AZC):** As a leading and trusted private commercial bank in Bangladesh, Trust Bank PLC is dedicated to improving the financial

**With life's uncertainties on the rise, insurance has become a vital part of securing financial stability for families. However, access to insurance remains limited, particularly in semi-urban and rural areas. The growing convenience of banking channels presents an opportunity to bridge this gap.**

well-being of our customers through innovative and accessible solutions. In line with our commitment to being a comprehensive financial partner, we are preparing to launch bancassurance services. While operations are yet to begin, we are diligently laying the groundwork for a seamless, compliant,

and customer-focused rollout. Our decision to enter the bancassurance sector is driven by a deep understanding of our customers' changing financial needs. With life's uncertainties on the rise, insurance has become a vital part of securing financial stability for families. However, access to insurance remains limited, particularly in semi-urban and rural areas. The growing convenience of banking channels presents an opportunity to bridge this gap. By leveraging our widespread branch network and strong customer trust, Trust Bank aims to make insurance accessible and convenient. Bancassurance aligns with our mission to deliver trusted services, foster financial inclusion, and provide a complete financial planning solution for individuals and businesses.

**TDS:** What types of insurance products do you plan to offer through bancassurance partnerships? Will there be a dedicated team to manage these offerings, and how will you ensure that customers fully understand the product terms, conditions, and exclusions?  
**AZC:** Initially, Trust Bank will offer life insurance, health insurance, and

personal accident coverage through partnerships with reputable insurance providers. In the future, we plan to expand our portfolio to include non-life products such as motor, travel, and agriculture insurance tailored to customer needs. To deliver these products effectively, we are establishing a dedicated Bancassurance Unit, staffed with professionals trained in product knowledge, compliance, and customer service. Our branch officers will also receive training and tools to clearly explain the benefits and limitations of each product. Transparency is central to our approach. We will provide clear, easy-to-understand brochures, FAQs, and digital resources detailing product features, terms, conditions, and exclusions—empowering customers to make informed choices. **TDS:** What systems or processes will be implemented to handle insurance-related complaints? How will you ensure compliance with the regulatory frameworks of both Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA)?  
**AZC:** Trust Bank prioritises customer satisfaction and regulatory

compliance. To address insurance-related concerns, we are setting up a centralised Bancassurance Complaint Management Cell within our existing Customer Experience and Service Quality framework. This unit will work closely with our insurance partners to resolve issues promptly and fairly, supported by a structured escalation process for transparency and accountability. We are fully committed to complying with the guidelines of Bangladesh Bank and IDRA. Our internal policies and standard operating procedures, developed with legal and compliance experts, will ensure all bancassurance activities meet the highest regulatory standards. Regular audits will further uphold operational integrity. **TDS:** How do you view the future of bancassurance in Bangladesh, and what role do you foresee your bank playing in its development?  
**AZC:** Bancassurance holds immense potential to transform Bangladesh's financial services landscape. With increasing awareness of insurance and the convenience of banking channels, the sector is set for significant growth. For Trust Bank, this is an opportunity to diversify services while deepening

customer loyalty through value-added offerings. We aim to lead this transformation by delivering high-quality insurance solutions underpinned by strong governance, ethical practices, and exceptional customer experiences. Our goal is not just to offer insurance but to promote financial resilience and risk awareness. In the long term, we plan to integrate bancassurance into our digital platforms, such as the Trust Money app and internet banking, enabling customers to explore, apply, and manage policies with ease. We also believe bancassurance can contribute to national priorities like poverty alleviation, social security, and improved healthcare access. Through effective regulation, technology, and collaboration, bancassurance can become a cornerstone of Bangladesh's financial ecosystem. Trust Bank's entry into bancassurance reflects our unwavering commitment to supporting and protecting our customers' financial well-being. As we move forward, we pledge to deliver reliable, transparent, and meaningful insurance solutions that bring real value to the lives of those we serve.



# MTB BANCASSURANCE

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## Bancassurance for Her

SAUDIA AFRIN

When women hold families together through crises, manage budgets on shoestrings, and put others' needs first, who protects them? As banks and insurers come together, a new chapter in financial protection is unfolding—one that puts women at the centre. Through bancassurance, banks and insurers have started rolling out accessible and tailored insurance products aimed at women—especially in rural areas. While the reach is still limited, the approach signals a promising shift toward bridging long-standing gaps in financial protection, trust, and inclusion for those historically left out.

One example of this shift can be seen at BRAC Bank, where nearly 60,000 women currently receive remittance services—making up 35% of the bank's total remittance accounts. Recognising the opportunity to offer these women more than just financial transactions, the bank set an ambitious goal in May 2025: to extend health and life insurance benefits to 50,000 female remittance beneficiaries within the year.

As part of this initiative, BRAC Bank partnered with Green Delta Insurance to offer free insurance to customers of the 'TARA Probashi Family Account'. These benefits include life coverage up to BDT 200,000 and health coverage up to BDT 50,000, encompassing maternity care, outpatient, and inpatient treatments. Additional banking benefits include debit cards, internet banking, and monthly interest earnings to encourage saving habits.

Previously, BRAC Bank's TARA programme also collaborated with MetLife to provide a Micro Deposit Insurance Facility for rural women, supported by a grant from the Gates Foundation. This initiative, delivered through the Agent Banking Channel, aimed to enhance both financial inclusion and health security, reaching over 5,000 rural TARA women clients with free insurance coverage.

To simplify the customer experience, the bank introduced visuals, easy-to-understand brochures, and jargon-free



language. "We also prioritise open and honest discussions about what's covered and what's not," shares Mahbubur Rahman, Chief Bancassurance Officer at BRAC Bank. "If a customer walks away confused, then we haven't done our job properly."

Eastern Bank Limited (EBL) has partnered with Green Delta Insurance and MetLife, serving as a corporate agent to distribute insurance products. According to M. Khorshed Anwar, Deputy Managing Director at EBL, this partnership provides holistic financial solutions that simplify how customers manage both banking and insurance under one roof.

One of the standout products available through this partnership is Green Delta's Nibedita Insurance Policy for Women, which offers comprehensive and affordable insurance. The policy includes coverage from Tk. 100,000 to Tk. 1,000,000, with premiums starting at just Tk. 580. It also features trauma allowances for survivors of gender-based violence, including rape and acid attacks—making it uniquely impactful.

Under the EBL Women Banking programme, women maintaining a

minimum balance of BDT 25,000 in their savings accounts receive complimentary insurance coverage, which includes accidental death, permanent disability, and medical reimbursements up to BDT 100,000.

Looking to the future, banks recognise the need to move beyond generic offerings. M. Nazeem A. Choudhury, Deputy Managing Director of Prime Bank, noted, "There is a pressing need to shift towards need-based insurance products that are simple, affordable, and tailored to the financial realities of the average customer."

Prime Bank has introduced unique products such as Denmohor, a Shariah-compliant insurance product offering financial security and profit-sharing to women. Their broader women-focused initiative, Neera, promotes independence and wellness through exclusive partnerships, such as a 20% discount on Konna Health Cards in collaboration with Konna Well-being Ltd.

As banks evolve into gateways for empowerment, these early steps could spark a lasting shift where every woman, no matter where she lives, has the tools to secure her future.





# A POWERFUL TOOL

## for Inclusion, Risk Mitigation, and Resilience

SHEIKH MOHAMMAD MAROOF  
Managing Director and CEO, Dhaka Bank

**The Daily Star (TDS):** What is the rationale behind your bank's interest in entering the bancassurance sector alongside its existing financial services?

**Sheikh Mohammad Maroof (SMM):** Dhaka Bank views bancassurance as a transformative extension of our financial services that will enhance profitability, deepen customer engagement, and align us with the future of inclusive financial ecosystems. The rationale is grounded in three core dimensions:

**Strategic diversification:** In a competitive and margin-sensitive banking environment, bancassurance allows us to unlock new income streams by monetising our large customer base through insurance partnerships.

**Financial inclusion:** Bancassurance empowers us to address critical gaps in insurance access, particularly for retail, SME, and rural segments, who have historically been under-protected.

**Alignment with national goals:** As Bangladesh pursues broader socio-economic advancement, improved insurance penetration complements sustainable development, health security, and financial resilience.

Through bancassurance, we aim not only to expand our service portfolio but also to support national priorities in risk protection and long-term financial

planning.

**TDS:** What types of insurance products do you plan to offer through bancassurance partnerships?

**SMM:** Dhaka Bank plans to offer a broad spectrum of both life and non-life insurance products, structured around the needs of individuals, SMEs, and rural clients. These include:

**Life Insurance:** Term life (for loan/mortgage protection), endowment and whole life (for savings and future planning), and credit life (linked to loans).

**Health Insurance:** Critical illness coverage, hospitalisation benefits, and supplemental health plans.

**Property & Casualty (P&C):** Home and auto insurance, tied to mortgages and vehicle financing.

**Microinsurance:** Simplified, affordable plans for low-income populations (e.g., crop, livestock, or loan-linked coverage).

**Travel Insurance:** For short-term trips, integrated with credit card and booking services.

We will integrate these products seamlessly with banking solutions—for example, life insurance with mortgages or auto insurance with car loans—enhancing relevance and ease of adoption. Personalisation using data analytics and a digital-first customer

journey will be at the core of our approach.

A dedicated Bancassurance team has already been formed, combining expertise from both the banking and insurance sectors to ensure strategic rollout, customer service excellence, and operational compliance.

To ensure that customers fully understand product terms, conditions, and exclusions, we are adopting a multi-layered approach:

**Clear communication:** Pre-sale disclosures in plain language, visual summaries of benefits, exclusions, and pricing.

**Staff training:** A strong focus on ethical selling and customer-first advisory.

**Customer education campaigns:** In-branch, digital, and community-based initiatives to promote insurance literacy.

**Ongoing support:** Dedicated helpdesks and after-sales follow-up to address customer concerns.

**TDS:** What systems or processes will be implemented to handle insurance-related complaints?

How will you ensure compliance with the regulatory frameworks of both Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA)?

**SMM:** We are implementing a robust, tech-enabled complaints management

system to handle insurance-related grievances. Key components include:

A clearly defined bancassurance complaints policy.

A centralised, digital complaints handling platform.

Multiple channels for complaint submission: call centre, email, website, mobile app, and in branch.

A trained, dedicated complaints resolution team, aiming for resolution within 48 to 72 hours.

On the compliance front, we fully recognise the dual oversight by Bangladesh Bank and IDRA. We are establishing a structured and transparent compliance management framework that integrates regulatory governance, robust internal control mechanisms, continuous staff training, periodic audits, and the digital tracking of compliance KPIs.

**TDS:** How do you view the future of bancassurance in Bangladesh, and what role do you foresee your bank playing in its development?

**SMM:** The future of bancassurance in Bangladesh is promising and transformative. With insurance penetration below 1% of GDP and over 170 million mobile subscribers, there is enormous scope for tech-enabled, customer-centric insurance distribution.

As financial literacy grows and consumers seek bundled, convenient financial solutions, bancassurance is poised to become a cornerstone of retail financial services.

Key trends shaping the future include:

Increased demand for health and life protection post COVID.

Growth of microinsurance for rural and underserved populations.

Rising need for insurance in trade, logistics, and SME sectors.

Dhaka Bank envisions playing a pioneering role in this evolution. We aim to:

Partner with reputable life and general insurers.

Expand insurance offerings across our digital and physical channels.

Leverage our nationwide footprint for inclusive distribution.

Bundle microinsurance with savings and credit for the unbanked.

We do not see bancassurance as merely an additional revenue line. We see it as a powerful tool for financial inclusion, risk mitigation, and national resilience.

Dhaka Bank is committed to shaping the bancassurance ecosystem in Bangladesh—as a distributor, educator, innovator, and enabler of responsible insurance access for all.

## SMART CHOICES IN BANCASSURANCE

FROM PAGE J5

said Md Ashanur Rahman, DMD, Chief Economist & Country Business Manager, City Bank. "Moreover, our SME and remittance beneficiary loan products provide life insurance coverage of up to BDT 10 lacs, underwritten by Guardian Life Insurance and Delta Life Insurance."

Life insurance plans like BRAC Bank's Future Star ensure that even in the absence of parents, a child's education never comes to a halt. "Our primary focus is on life insurance products—such as credit life, term plans, and savings-linked policies," added Mahbubur Rahman, Chief Bancassurance Officer at BRAC Bank.

Midland bank has introduced short-term money-back plans and long-term life policies that combine financial protection, savings, and attractive bonus benefits - ensuring both security and future planning for the customers and their families.

Prime Bank also offers life insurance services through their partner National Life Insurance. "We have already introduced an affordable short-term life insurance product in the Market-Prime Life. This product is providing life insurance coverage for one year from as low as BDT 345," noted M. Nazeem A. Choudhury, Deputy Managing Director, Prime Bank.

More institutions like Dhaka Bank and Trust Bank are planning to launch bancassurance soon, with primary focus on life insurance products. In this regard, Ahsan Zaman Chowdhury, Managing Director & CEO of Trust Bank commented, "Initially, Trust Bank will offer life insurance, health insurance, and personal accident coverage through partnerships with reputable insurance providers."

If you're considering life insurance through bancassurance, start by checking with your bank to see if they already offer suitable plans or have any upcoming launches in the pipeline. Today, banks and insurance companies are collaborating more closely than ever to simplify life insurance products that were once overly complex or mismatched with the financial realities of everyday customers—making protection easier to understand and accessible for all.

Other general insurance options for every situation

General or non-life insurance products offer essential protection for the things that matter most in your daily life—your health, home, car, business, and more. These plans are designed to shield you from unexpected financial losses due to accidents, natural disasters, or other

unforeseen events.

Recognising this need, bancassurance offerings are now providing personalised non-life insurance plans designed to fit your lifestyle, needs, and the unexpected moments life throws your way. "Our products are tailor built to satisfy the customers' needs i.e., Pension for Old Age, Children's Education, Hajj and even for Den-Mohor. We offer both conventional and Takaful Insurance for our customers," said Choudhury from Prime Bank.

Beyond these, a wide range of additional coverage is also available through bancassurance, ensuring all aspects of life are well protected under one roof. M Khorshed Anowar, Deputy Managing Director at Eastern Bank, noted that their non-life portfolio includes motor, health, and travel insurance.

Further expanding on this, Zaman from Midland Bank said, "In non-life insurance, we are authorised to provide Motor, Travel, Agricultural, and Crop Insurance. Initially, Motor and Travel Insurance are being offered through our partnered companies. We will introduce the others gradually."

These non-life insurance coverages act as crucial safety nets, protecting both your well-being and your wallet. Health insurance, in particular, has become a smart necessity amid rising medical costs and limited public healthcare services.

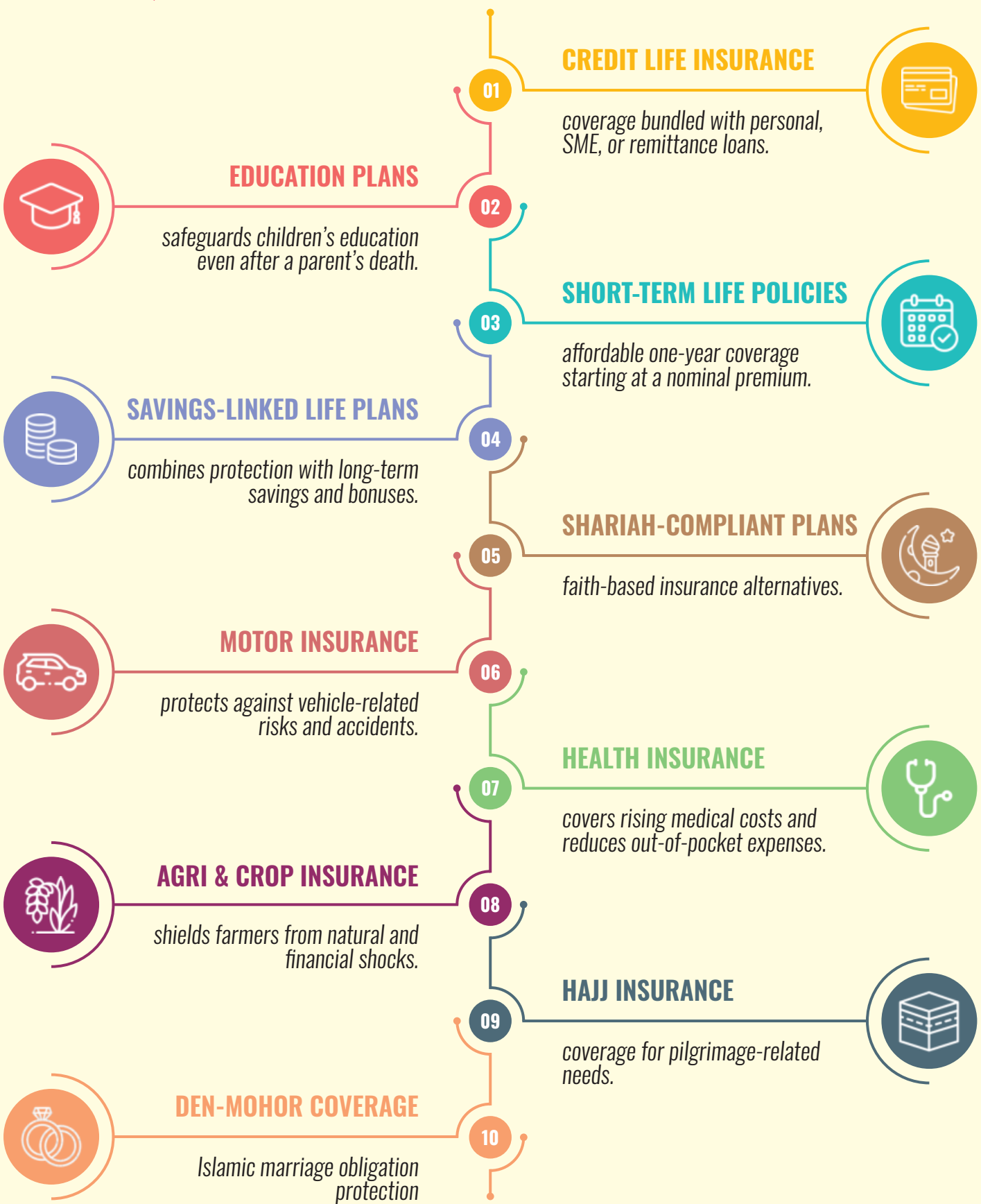
As Md Ashiq Iqbal, Social Policy & Economic Specialist at UNICEF, pointed out, "Per capita public health expenditure in our country is just BDT 1,326 (FY23), with out-of-pocket spending as high as 70%, indicating heavy reliance on private healthcare." In such a scenario, having health coverage isn't just wise—it's essential.

Bancassurance is rising to meet this growing demand. Choudhury from Prime Bank shared, "We plan to offer health insurance, which is a highly need-based product designed to safeguard the health and financial security of families."

Other banks are also gearing up to expand their non-life insurance offerings. BRAC Bank shared their future plan of expanding bancassurance to provide more general insurance options, as Mahbubur Rahman said, "We're actively exploring general insurance offerings like health and motor insurance as part of our future roadmap."

Ashanur Rahman from City Bank echoed a similar goal, saying, "By the end of this month, we will expand our portfolio to include motor insurance, offered through our partnership with Reliance Insurance Limited.

## QUICK GLANCE AT WHAT YOU GET





# SHAPING the Future of Financial Protection



**MD. AHSAN-UZ ZAMAN**  
Managing Director & CEO, Midland Bank

**The Daily Star (TDS):** What is the rationale behind your bank's interest in entering the bancassurance sector alongside its existing financial services?

**Md. Ahsan-uz Zaman (MAZ):** Bancassurance, an arrangement between a bank and an insurance company, allows the insurance company to sell its products to the bank's customers. Insurance penetration in Bangladesh is low despite the high number of insurance companies. Given the importance of protection through insurance in one's financial planning, we felt it

**The future of bancassurance in Bangladesh looks promising, particularly as the sector grows with strong compliance and proper governance. Besides, being a commission-based model, it will provide a valuable opportunity for non-funded income for the Bank, which aligns well with a long-term sustainable growth strategy.**

necessary to enter into collaboration with insurance companies to help our customers gain income protection in the event of death and also protection from accidents related to motor cars, travel, and crop failure. At the same time, since we shall earn additional revenue by selling insurance products—and insurance companies shall be able to expand their customer bases through bancassurance without increasing their sales force—we felt this was an important initiative for us.

As a relatively new concept in our banking landscape, and within our institution in particular, it has required a significant mindset shift and adaptation across our organisation to offer bancassurance. One of the primary challenges we experience is the limited familiarity and experience among bankers regarding insurance products.

Furthermore, unlike traditional banking products, insurance is inherently a product that people are generally not willing to avail. The additional challenge for our staff is positioning and promoting life insurance offerings alongside our core banking services. Further, non-life insurance products—such as motor, travel, agricultural, and crop insurance—tend to be infrequent in nature, which might add another layer of complexity in terms of sales consistency and planning.

That said, life insurance products have shown relatively encouraging traction. Their dual benefit of risk coverage and long-term savings aligns well with our customers' needs, making them more acceptable, which is a promising sign as we continue to develop our bancassurance capabilities.

**TDS:** What types of insurance products do you plan to offer through bancassurance partnerships?

**MAZ:** In compliance with the regulatory guidelines of Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA), Midland Bank (MDB) has strategically planned to offer a comprehensive range of insurance products under its bancassurance partnerships, covering both life and non-life insurance segments. In the life

insurance category, we have introduced short-term money-back plans and long-term life policies that combine financial protection, savings, and attractive bonus benefits—ensuring both security and future planning for our customers and their families. In non-life insurance, we are authorised to provide motor, travel, agricultural, and crop insurance. Initially, motor and travel insurance are being offered through our partnered companies, and we will introduce the others gradually.

To support these services, we have established a dedicated Bancassurance Department at our Head Office, in line with regulatory requirements. Ensuring our officials are well-equipped, we conduct regular training sessions in collaboration with our insurance partners. Additionally, around 102 of our officers have received professional certification from the Bangladesh Insurance Academy (BIA). We also utilise internal training programmes to continually educate our staff. Through these continuous efforts, we prioritise transparency and customer understanding by ensuring that all product features, terms, and exclusions are clearly communicated—enabling informed decision-making and fostering trust in our bancassurance services.

Moreover, to facilitate informed decision-making, we have arranged for support from the respective insurance companies. Their representatives will provide proposal forms, brochures, and other product literature to help customers fully understand the features, terms, conditions, and exclusions of each product before purchase.

**TDS:** What systems or processes will be implemented to handle insurance-related complaints? How will you ensure compliance with the regulatory frameworks of both Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA)?

**MAZ:** Midland Bank has established a structured process for its bancassurance services, in compliance with the guidelines established by Bangladesh Bank and the Insurance Development & Regulatory Authority.

Customers can lodge complaints through numerous channels, ensuring both accessibility and convenience. The available methods for submitting complaints include branch complaint boxes, the Contact Centre (by dialling 16596), email communication, and our official website.

Upon receiving a complaint, the MDB Bancassurance Head Office Team will promptly acknowledge it and initiate a thorough investigation. The team will communicate with the customer to collect any necessary information or clarification. This process is designed to uphold transparency and fairness, ensuring timely resolution.

Throughout the complaint handling process, customers are kept informed of the status of their complaints until final resolution. After resolving the issue, we actively seek feedback to evaluate customer satisfaction and conduct follow-ups to ensure the customer is fully satisfied with the resolution.

**TDS:** How do you view the future of bancassurance in Bangladesh, and what role do you foresee your bank playing in its development?

**MAZ:** The future of bancassurance

in Bangladesh looks promising, particularly as the sector grows with strong compliance and proper governance. Besides, being a commission-based model, it will provide a valuable opportunity for non-funded income for the Bank, which aligns well with a long-term sustainable growth strategy. Given the relative lack of awareness regarding insurance products, there remains a risk of mis-selling. However, with appropriate training, transparency, and a customer-centric approach, we have taken steps towards mitigating these risks through ongoing staff training, monitoring, and customer feedback to build long-term trust.

As banking platforms are among the most trustworthy, there is the possibility of increasing the penetration rate of insurance through bancassurance. In countries like Singapore, insurance penetration exceeds 7%, while in India it stands at 3.7%. Nepal has achieved 44.64% life insurance coverage. In contrast, Bangladesh has one of the lowest insurance penetration rates in the region—just 0.40%.

At MDB, with the passage of time, we are committed to developing our bancassurance business with a clear focus on becoming one of the leading banks in this category, ensuring successful claim settlements for our clientele, as we always prioritise 'quality over quantity'. Selection and engagement of suitable customers plays a vital role in the present circumstances to recognise that early policy discontinuation—something common in the market—can be avoided, to create long-term viability of an insurance policy.

## Why it's wise to start INSURANCE AT AN EARLY AGE

ZARIF FAIAZ

Starting insurance early is one of the smartest financial decisions a person can make—especially in Bangladesh, where insurance penetration remains low while the need for financial protection is rising. Early adoption not only safeguards against unforeseen risks but also brings long-term financial advantages that grow in value over time.

One major benefit of starting young is the cost advantage. Premiums for life and health insurance are typically much lower for younger individuals, as they pose lower health risks to insurers. Locking in these low premiums early results in significantly lower costs over the policy's lifetime compared to starting coverage later, when premiums rise due to age and health issues. This is particularly important for young professionals in Bangladesh, many of whom are just beginning to build their financial foundations.

Early insurance also allows more time to build cash value in policies like whole life or endowment plans, which combine protection with savings. These products grow in value over time, offering maturity benefits or bonuses. For example, MetLife Bangladesh's "My Child's Education Protection

Plan" enables parents to save for future education while ensuring financial protection in case of an untimely event. Starting early helps policyholders maximise compound interest and long-term bonuses—an essential advantage in a developing economy.

Health insurance is another key area where early enrolment pays off. Younger applicants are more likely to be accepted without medical exclusions or waiting periods. They also avoid costly out-of-pocket healthcare expenses later in life. Many insurers offer no-claim bonuses, providing discounts or increased coverage for those who remain claim-free. Accumulating these benefits over time makes insurance more affordable and comprehensive with age.

In a country like Bangladesh, where medical costs are rising and quality care can be expensive, early health insurance ensures peace of mind. For students and young professionals, affordable plans—such as the one offered at the Institute of Health Economics—cover both inpatient and outpatient services at modest premiums. Starting early means protection is in place before any health shocks occur, reducing financial strain on individuals and their families.




Another compelling reason to begin insurance early is the financial security it provides to dependents. Life insurance ensures that in the event of the policyholder's death, the family receives support for ongoing expenses, debts, or long-term goals such as children's education. Many education protection plans in Bangladesh guarantee uninterrupted schooling even if the main breadwinner passes away. Getting insured before these responsibilities arise builds a strong safety net as family and financial obligations increase.

Beyond protection, early insurance fosters disciplined financial habits. Regular premium payments encourage saving and budgeting. Policies with investment elements complement other financial tools, helping build a diversified portfolio. This is crucial in Bangladesh's changing financial environment, where long-term planning is needed to cope with rising education, healthcare, and retirement costs.

Starting early also gives policyholders more flexibility and choice. Younger people often have access to a wider range of products, including policies with better terms and optional riders for enhanced coverage. As people age, health issues may limit options or raise costs. Enrolling early enables adjustments over time, such as increasing coverage or adding benefits as circumstances change.

As Bangladesh's insurance sector continues to evolve, young adults who secure coverage early are positioning themselves for a more secure and financially stable future. Early action leads to lower costs, better coverage, and long-term peace of mind. Delaying insurance, on the other hand, often means higher premiums and increased vulnerability to financial risks that could have been avoided with timely protection.



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# TRUST

## Is the Policy People Buy First

MOHAMMAD ALI  
Managing Director & CEO, Pubali Bank

**The Daily Star (TDS):** What has been your experience with bancassurance so far?  
**Mohammad Ali (MA):** Bancassurance has really only just begun its journey in a limited way. However, from my perspective, the progress so far seems promising. There are many challenges, and one major challenge for banks is the development of human resources. At Pubali Bank— in the first batch, we recruited 50 people, selected from 50 different branches where they were already working. But when we tried to carry out transfer postings, we saw that

**Just last month, I saw that we were issuing more than 250 policies per month — which is not bad at all. After all, the customer who purchases a policy today will keep paying instalments for the next 10 years — meaning these will eventually grow into large accounts.**

operations at those branches would come to a halt. Then we realised that each branch should ideally have at least three trained staff in bank insurance within general banking. That way, even if someone is transferred, the work won't be disrupted. If we want to do this for every branch, that's the model we need. So far, we've been able to implement this in about half of our branches. We hope that by 2026, we will be able to implement this in all branches with fully-fledged human resources.  
Now, for those who have received training — since we have an agreement

with Delta Life — from their side, they are very satisfied with the progress. Speaking from our end, however, I feel that the necessary publicity or awareness among customers about bancassurance hasn't really taken off yet. That's another challenge. But when we approach customers — particularly those who are looking to make long-term deposits — we've seen that they show interest in insurance.  
Given that our per capita insurance coverage is still very low, we can hope that as bank insurance becomes more popular and more widely understood, and as people gain more assurance from it, interest will grow. I believe there's strong potential for growth in this sector.

**TDS:** What types of insurance (e.g., life, general) are currently offered through your bancassurance partnerships?  
**MA:** Right now, we have only signed an agreement with Delta Life Insurance, a single life insurance company. In the future, based on the performance of this partnership, we plan to move forward with a general insurance company as well. Currently, we are preparing ourselves — we chose a company that has a good claims settlement record and some brand value. After partnering with them, we decided that once our human resources are sufficiently trained in life insurance, we will move on to general insurance.  
If each of our branches has two or three staff members knowledgeable about insurance, then they can approach incoming customers — asking whether they are interested in insurance and informing them about the available products, alongside

general banking services. We've also assigned the person responsible for branch operations the additional role of Chief Bank Insurance Officer.  
Our growth has been very encouraging. Just last month, I saw that we were issuing more than 250 policies per month — which is not bad at all. After all, the customer who purchases a policy today will keep paying instalments for the next 10 years — meaning these will eventually grow into large accounts.

**TDS:** What is your process for handling insurance-related complaints, and how do you ensure compliance with Bangladesh Bank and IDRA guidelines?  
**MA:** We've received training support from IDRA. Whenever we've wanted to send a batch for training, they have provided it, and we're seeing the effectiveness of that training — those who are receiving it are able to perform well.  
Additionally, our IT system developers have also provided training. So, with everything combined, I haven't received any complaints or dissatisfaction from customers, which means the staff are successfully onboarding clients.  
We've instructed them to clearly explain the details to customers — this is the premium, this is what you will receive, and this is the amount you can expect.

**TDS:** What is your outlook on the future of bancassurance in Bangladesh?  
**MA:** In the future, we will need to take many kinds of initiatives in the insurance sector. What I feel is, for example, health insurance is usually handled by life insurance companies,

but those companies haven't yet brought healthcare providers like diagnostic clinics under their network. We need to take such sector-specific initiatives.  
For instance, think about all the corporate offices — can we raise awareness among them so they bring

**People will only gain confidence when they see that the moment they are hospitalised, the insurance company steps forward to support them — without causing bureaucratic suffering. That trust must be built among the public. When people experience that — someone receiving treatment, and another person asking “Who paid for it?” and they say “The insurance company” — that word of mouth becomes the best promotion.**

their employees under health insurance or group insurance coverage? So that both they and their families receive health support. And this should come with the kind of instant decision-making that shows our commitment — a commitment to corporate governance.

In the U.S., the entire healthcare system operates through health insurance and corporate insurance. Customers never feel uncertain about whether they'll receive a claim after falling sick — whether for outpatient care or hospitalisation. That kind of tension doesn't exist there. But here, one of the biggest concerns among customers is: “Will I really receive the money if I fall ill?” Once that trust is built and people see that they actually get the support, they will understand that insurance isn't just about life and death — it's about everyday services connected to people's lives. Health is one such crucial issue, and group insurance is another.  
People will only gain confidence when they see that the moment they are hospitalised, the insurance company steps forward to support them — without causing bureaucratic suffering. That trust must be built among the public.  
When people experience that — someone receiving treatment, and another person asking “Who paid for it?” and they say “The insurance company” — that word of mouth becomes the best promotion.  
Bancassurance is essentially a combination model — we're just providing the support service. But the moment public trust in insurance increases, the model will flourish.  
There's strong potential here. We need to take proactive initiatives. Yes, there are still some gaps in our corporate governance, but if insurance companies gradually improve their claim settlements, you'll see a bright future. I really believe the future here is bright — I'm seeing a huge response.

# BANCASSURANCE'S

## Promise for Bangladesh

MD. RASHED AKTER

In a significant move to deepen financial inclusion and revitalise the insurance sector, Bangladesh has embraced the bancassurance model, allowing banks to sell insurance products directly to their customers and enabling insurance companies to reach a wider market without developing their own extensive distribution networks.

### Global Perspective on Bancassurance

Bancassurance is a concept that originated in France in the 1980s. The term itself is a combination of the French words banque (bank) and assurance (insurance). It has gained substantial popularity globally. In countries like France, Spain, and Italy, bancassurance accounts for over 60% of life insurance premiums. In Asia, nations such as India, China, and Malaysia have successfully adopted this model, leveraging the extensive reach of banks to distribute insurance products and thereby increasing insurance penetration among the population.

### Bangladesh's Entrance into Bancassurance

Recognising the potential of bancassurance, Bangladesh Bank issued a directive on 12 December 2023, permitting all 61 scheduled banks—subject to eligibility—to operate as corporate agents for insurance companies. This initiative aims to enhance the accessibility of insurance products, especially life insurance, to a broader segment of the population. Under the guidelines, each bank may partner with up to three life and three non-life insurance companies, subject to approval from the Insurance Development and Regulatory Authority (IDRA) and Bangladesh Bank, and based on the following criteria:

- Capital to Risk-Weighted Asset Ratio (CRAR) minimum 12.5%
- Bangladesh Bank credit rating

- maximum grade 2
  - CAMELS rating maximum 2
  - Maximum Net Non-Performing Loan (NNPL) 5%
  - Positive profit in the last three consecutive years
- Through this process, Bangladesh Bank ensures that only strong and financially sound banks are granted licences to operate in the bancassurance business—ensuring

### BANCASSURANCE

Many of these banks have already begun offering insurance products through their branch networks, telesales, and digital platforms. According to IDRA, 8,413 insurance policies were sold through banking channels as of December 2024.

greater safety and security for customers and long-term sustainability for the model. Not all banks will receive licences unless they meet the regulatory criteria. As of now, only 12 out of the 61 scheduled banks have met the requirements and received approval to commence bancassurance operations. These pioneering institutions include City Bank, Eastern Bank, Standard Chartered Bank, BRAC

Bank, Dutch-Bangla Bank, Midland Bank, Mutual Trust Bank, Prime Bank, Jamuna Bank, Pubali Bank, United Commercial Bank, and Premier Bank.  
Many of these banks have already begun offering insurance products through their branch networks, telesales, and digital platforms. According to IDRA, 8,413 insurance policies were sold through banking channels as of December 2024. Life insurance policies

have proven to be more popular than non-life products within the bancassurance model.  
**Training and Capacity Building**  
To ensure the effective implementation of bancassurance, the Bangladesh Insurance Academy (BIA) has played a key role in training bank personnel. Since the initiative's launch,

SEE PAGE J6

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## A TRANSFORMATIVE Path to Holistic Financial Inclusion

**M. KHORSHED ANOWAR**  
Deputy Managing Director, Eastern Bank

**The Daily Star (TDS):** What has been your experience with bancassurance so far?

**M Khorshed Anowar (MKA):** Eastern Bank PLC (EBL) received approval from Bangladesh Bank to commence bancassurance operations on 24 January 2024. This landmark approval has opened new avenues to support the insurance sector's growth through the banking channel. While initial customer awareness posed a challenge, we are now seeing steady progress. Our relationship managers are becoming more adept at explaining insurance products, and customer interest is growing.

At EBL, we view bancassurance as more than just an additional product line—it is a strategic initiative that enhances the customer journey. This partnership model enables us to provide comprehensive financial solutions under one roof, simplifying our customers' ability to manage both banking and insurance needs. The response, especially from middle-income and emerging affluent segments, has been encouraging, as they value the trust and convenience that EBL brings.

**TDS:** What types of insurance are currently offered through your bancassurance partnerships?  
**MKA:** We currently offer both life and general (non-life) insurance through our bancassurance model. Our life insurance offerings provide

protection in the event of death and other unforeseen circumstances, while our non-life portfolio includes motor, health, and travel insurance.

To ensure smooth and compliant service delivery, EBL has established a dedicated bancassurance team. This team works closely with our insurance partners and is responsible for sales, product training, customer support, and regulatory compliance.

Customer education remains a top priority. We emphasise transparency by training our relationship managers to clearly communicate product benefits, exclusions, premiums, and claims procedures. More than 250 certified Bancassurance RMs are deployed across our network, each receiving ongoing training to maintain service quality and compliance. This focus on clarity empowers customers to make informed choices and builds lasting trust.

**TDS:** How do you handle insurance-related complaints, and how do you ensure regulatory compliance?

**MKA:** Customer feedback and complaints are handled with the utmost care. We operate a centralised grievance redressal system that addresses both banking and insurance issues. Insurance-related complaints are jointly managed by our bancassurance team and our partner insurers to ensure timely resolution. Complaints are categorised, monitored, and escalated

when needed, with special attention given to claims-related matters.

We maintain strict adherence to guidelines issued by Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA). Our practices include rigorous training, full disclosure, and documentation protocols. We also conduct regular audits and maintain proactive engagement with regulators to stay aligned with evolving compliance requirements.

**TDS:** What is your outlook on the future of bancassurance?

**MKA:** The future of bancassurance in Bangladesh is highly promising. With insurance penetration still below 0.5% of GDP, bancassurance offers a tremendous opportunity to bridge the gap through banks' wide-reaching customer networks. Leveraging digital platforms such as mobile and online banking will further enhance accessibility, efficiency, and cost-effectiveness in policy issuance and claims processing.

However, challenges remain. For instance, under current regulations, banks are not permitted to distribute major non-life products like fire and marine insurance. This restriction particularly affects banks serving SMEs, which often require such coverage.

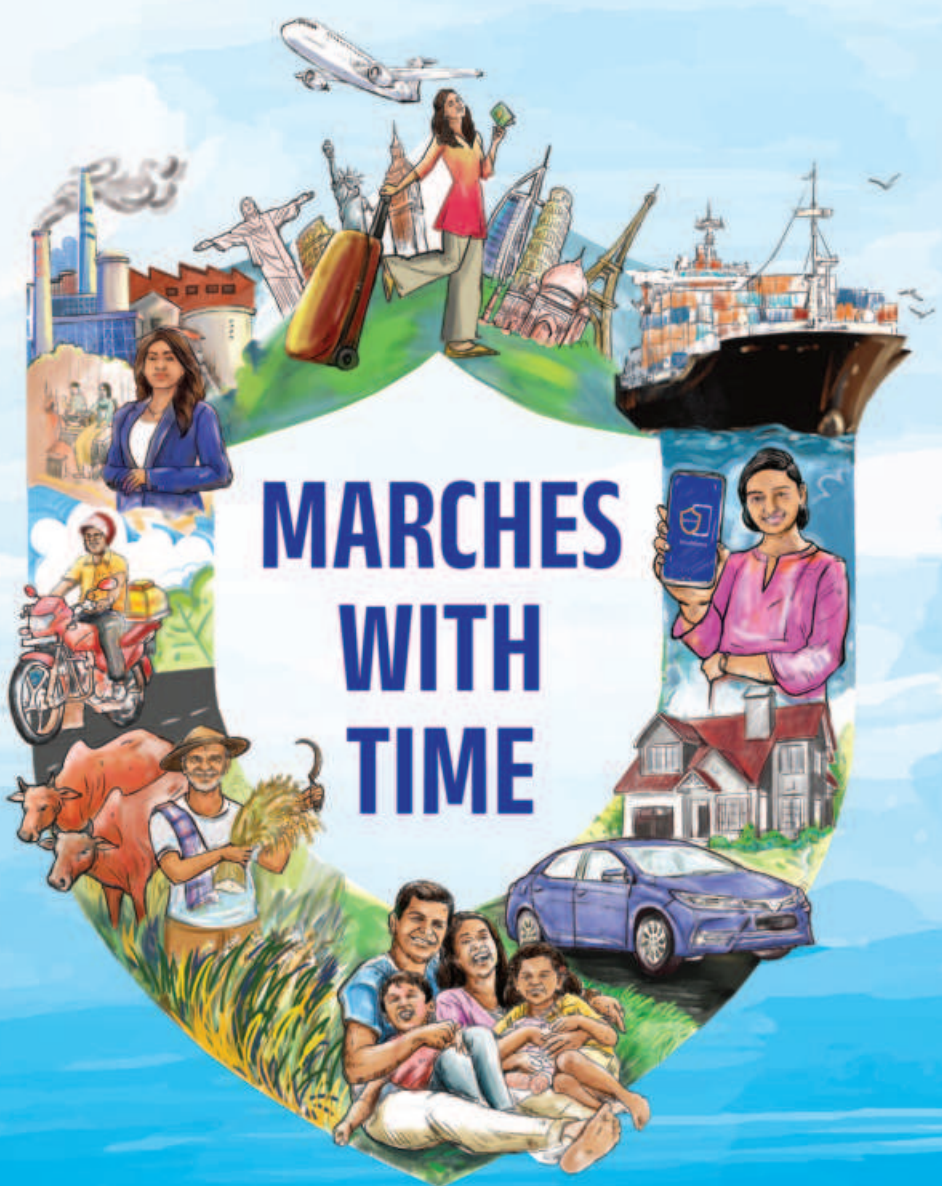
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