

Govt moves to train insurance risk analysts

The sector has only 4 such qualified professionals, though 40 are needed

SUKANTA HALDER

The government is considering setting up an institute to provide education, training and examinations for professional financial risk analysts in the local insurance sector, while also overseeing their professional conduct.

A draft ordinance to this effect has been prepared and made public in September.

The Insurance Development and Regulatory Authority (Idra) has invited feedback from stakeholders, experts and the public on the Bangladesh Actuary Ordinance 2025 until October 16.

Professionally, such financial risk analysts are known as actuaries. Their work combines the skills of a data scientist, economist and forecaster.

Within insurance companies, actuaries quantify financial risks to ensure stability and profitability.

They use mathematics and statistics to design products and set premiums that are both competitive and sufficient to cover future claims.

They also determine the reserves a company must maintain to guarantee payment of all policyholder claims. Besides, actuaries model catastrophic risks and advise management on strategies to protect the firm from insolvency and ensure its long-term financial health.

Despite having more than 80 insurance companies, the country currently has only three or four actuaries, some of them based abroad, according to a senior figure in the Bangladesh Insurance Association.

"We need 30 to 40 actuaries to work well. With that number, the industry can be managed well by sharing resources," said Adeeba Rahman, first vice-president of the Bangladesh Insurance Association and sponsor director of Delta Life Insurance.

Saifunnahar Sumi, consultant for media and communication at Idra, also said there is a pressing need to enact comprehensive actuarial legislation.

She said every life insurance company is required to appoint a professional actuary under the Actuarial Qualification and Responsibility Regulations 2023. However, most firms have failed to comply because of a shortage of qualified actuaries in Bangladesh.

Sumi said such a law would establish a legal framework for the profession,

KEY POINTS	
A new institute will oversee actuarial training, licensing, and regulation	The institute will be governed by a council, initially led by Idra chief
Idra says a shortage of actuaries is hurting the sector	Industry leaders back the move but call for a balanced approach
Firms operating without certified actuaries will face action	Bangladesh needs at least 30-40 actuaries to meet demand
The draft ordinance was published on September 30	Public feedback is open until October 16



nurture qualified actuaries, regulate and raise professional standards, and eventually promote transparency and accountability across the insurance industry.

According to the draft, the ordinance will come into force through a government notification in the official gazette, as there is currently no parliament. It will formally establish the proposed institute.

The Actuarial Society of Bangladesh, now the sole professional body for actuaries, will be dissolved once the new institution is formed.

A council will be created to manage and administer the institute. The Idra chairman will be the president for the first three terms by virtue of office.

Council members will elect a vice-president, general secretary and treasurer from among themselves, and seven fellows or associates of the institute will be nominated as council members.

The draft also outlines acts of professional misconduct.

For example, an actuary will be considered guilty if they pay or authorise payment of any portion of professional fees, commissions or remuneration to anyone who is not a member. Allowing a non-member or an unqualified member

to sign valuation reports or financial statements on their behalf will also be treated as misconduct.

An actuary will be deemed to have acted improperly if they engage in any business or occupation not approved by the council and unrelated to the actuarial profession.

The council will have the authority to remove a member from the register if they are found guilty of misconduct, fail to pay membership fees for up to three years, or in the event of death, according to the draft.

Only members holding a valid certificate of practice from the council will be authorised to work as actuaries in Bangladesh. Every member, except student members, may use the title "Actuary".

The draft further mentions that any company, local or foreign, carrying out actuarial work without registered members will commit an offence under the ordinance. Similarly, no one other than a registered member may sign professional documents on behalf of the institute.

No case under the ordinance may be filed except by the government, a relevant authority, the institute, the council or an authorised representative.

Mohammad Sohrab Uddin, an actuary and former deputy governor of the Bangladesh Bank, welcomed the move, saying the number of qualified actuaries in Bangladesh is far below what the industry requires.

"The initiative to set up an actuarial institute is undoubtedly a timely step," he said, adding that while many countries around the world have their own actuarial institutes, Bangladesh still does not have one.

"If the government succeeds in setting up such an institute, it will greatly contribute to enhancing transparency in the insurance sector as well as other related financial industries," said Uddin, also a former chairman of Sadharan Bima Corporation.

Bangladesh currently has 82 insurance companies, including 36 life insurers and 46 non-life insurers.

Meanwhile, the chief executive of a leading insurance company expressed concern about the inclusion of government officials and agency executives in the new council.

"This is unusual for a professional body. Over time, it might effectively become just a department of the Idra," he said, requesting anonymity.

Wealth management in Bangladesh

PARVEZ MURSHED

When Citibank Chief Executive Officer (CEO) Jane Fraser decided to wind down the bank's retail operations around the world, her main focus was to pivot towards wealth management. HSBC has taken a similar approach, and its recent closure of retail banking in Bangladesh and markets such as Indonesia reflects this shift.

Globally, banks have realised that retail banking involves high costs, consumes large amounts of capital and generates relatively low returns. JP Morgan, for instance, does not offer retail banking outside the United States, its home market. Even with advances in digital banking, maintaining the infrastructure that supports retail operations is enormous. As a result, many international banks are now concentrating on the top of the customer pyramid, focusing on wealthy clients to generate higher revenues through fees, investment products and cross-selling opportunities.

This raises an important question: why are banks in Bangladesh still focusing so heavily on retail banking, with an ongoing expansion of physical branches? In an age of internet and mobile banking, most customers can complete almost all their transactions without ever visiting a branch. For banks operating in urban areas in particular, it makes far more sense to shift their focus towards wealth management.

Recently, I visited the Priority Banking and Wealth Management centres of several leading banks in Bangladesh. What I observed was that most of them offered remarkably similar packages, such as meet-and-greet services at airports, free lounge access, complimentary health screenings and certain service charge waivers.

These are attractive perks, but they are hardly unique. One can barely distinguish the offerings of one bank from another. Where the real gap lies, however, is in the lack of depth and expertise among bankers when it comes to true wealth management advisory.

Wealth management should not simply revolve around privileges and perks. It should offer meaningful insights and expert advice on emerging global trends, investment strategies and legacy planning. This requires experienced professionals who understand not just the financial products but also the broader economic outlook. Unfortunately, many of the relationship managers working in priority or wealth banking in Bangladesh are recent graduates with limited banking experience.

Banks need to invest in structured training programmes to develop these employees into skilled advisers. In mature markets, senior and highly experienced bankers are usually assigned to such roles. They bring credibility, judgement and insight to client conversations.

New entrants are, of course, welcome to join wealth management, but they should first spend time learning the fundamentals of banking regulations, compliance requirements and financial planning before handling client portfolios.

Their roles must evolve beyond answering client phone calls or issuing tax certificates. With artificial intelligence and technology taking over many basic administrative functions, relationship managers must concentrate on what cannot be automated: understanding client aspirations, building trust and providing tailored financial solutions. The human touch, combined with professional expertise, is what sets exceptional wealth managers apart from standardised, one-size-fits-all services.

It is time for banks in Bangladesh to rethink their approach. The future lies not in expanding branches for basic retail services, but in building strong wealth management capabilities that cater to the growing segment of affluent clients. By investing in training, developing advisory skills and nurturing a culture of professionalism, banks can position themselves for long-term success and play a vital role in strengthening the country's financial sector.

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Vietnam upgraded to emerging market status

AFP, Hanoi

Vietnam was designated an emerging market by a major index provider for the first time on Wednesday, a long-awaited upgrade that could accelerate foreign investment into one of Southeast Asia's fastest growing economies.

FTSE Russell is reclassifying Vietnam as a "secondary emerging market", a designation that will put it in the same group with China and India when it takes effect in September next year, the index provider said.

The upgrade from "frontier" status, which is subject to an interim review in March, comes as Vietnam's benchmark stock index has soared over 30 percent in the last year.

"FTSE Russell recognises the progress made by the Vietnamese market authorities in evolving its market... and establishing a formal process for handling failed trades," the company said.

Gold tops \$4,000 for first time

AFP, Hong Kong

Gold prices broke \$4,000 on Wednesday for the first time as investors piled into the safe haven over expectations for US interest rate cuts and worries over the US government shutdown.

The rally in the precious metal also came after concerns that a tech-fuelled rally that has sent some equity markets to record highs may have gone too far, fanning talk of an asset bubble.

Traders have been piling into gold all year, pushing it up more than 50 percent since the start of 2025, on the back of a range of issues including global economic uncertainty, Donald Trump's trade war and geopolitical crises.

Its allure was increased further this week by political turmoil in



France, where the prime minister resigned and President Emmanuel Macron's former premier urged him to resign and call early elections.

Gold -- long considered a go-to in times of uncertainty -- climbed to a high of \$4,039.86 on Wednesday, even as the dollar has pushed up against most of its peers in recent days. Silver was also within a few dollars of its own record high.

The closure of parts of the US

government is adding to the sense of unease among investors, with key economic data, including on jobs, being postponed and muddying the waters for the Federal Reserve as it tries to decide on its rate plans.

"The rapid rise in gold prices has been supported by rising inflows into (exchange-traded funds) and central bank buying, including solid demand from China, as gold benefits from political, economic, and inflation uncertainty," wrote Taylor Nugent at National Australia Bank.

And Pepperstone's Chris Weston said, "funds and global reserve managers want a hedge -- against fiscal recklessness, currency debasement, and unpredictable government policy -- and gold sits squarely at the heart of that movement".

Indian garment exporters reel under US tariffs

AFP, Tiruppur

When Donald Trump was elected, Indian garment exporter R.K. Sivasubramaniam thought the new US president would boost business and invested heavily in anticipation of a boom.

But less than a year later, everything is "upside down", he admits with a pained smile.

Trump's 50 percent tariffs on Indian goods, imposed in August, have upset the country's \$11 billion textile export industry and shaken confidence in the US market.

Sivasubramaniam's Raft Garments factory in southern India, normally frenetic with humming sewing machines, is quieter and work hours have been cut, hitting employees' pay packets.

If his US buyers turn to other suppliers, half his business could vanish.

Meanwhile, half a million garments sit in towering stacks, ready for shipment but stalled over who will pay the new duties.

Buyers are asking for a 16-20 percent discount. "We cannot give that much," said Sivasubramaniam, whose desk carries crossed US and Indian flags. "It's a very huge loss for us."

If Raft doesn't shoulder part of the duties, it won't be paid for garments already produced -- leaving it unable to cover costs.

"If it continues for another month... we cannot give work to our employees," he warned.

Trump's anger at India's purchases of

Russian oil -- which Washington says help finance Moscow's war in Ukraine -- has left New Delhi facing some of the world's steepest tariffs.

A trade deal that could ease that hinges partly on progress in peace talks.

But the fallout is being felt in Tiruppur, in the southern state of Tamil Nadu.

Dubbed India's "knitwear capital", and "Dollar City" for its export earnings, the small industrial town produced \$5 billion in garments last fiscal year, two-fifths going to the United States.

Its lanes are dotted with thousands of units including dyeing, embroidery and sewing workshops.

Manufacturers paint a grim picture.

"US orders have largely stopped, around 80 percent of the US business has reduced," said Ramesh Jebaraj of Trinity Tex. In the same season last year, he produced 100,000 garments.

Now he has barely a fifth of that -- forcing him to seek buyers in Israel and the United Arab Emirates.

"This is the situation across Tiruppur," he told AFP. "Some of the bigger factories are on the verge of closing some of their units."

Alexander John of NC John Garments, which supplies Walt Disney, called the tariff standoff "the worst possible situation any business can be in".

With his US orders "completely at a standstill", he has cut shifts and laid off workers.

To stay afloat, he is looking to Europe and Britain but said "none of these markets can replace the US".

Tamil Nadu Chief Minister M.K. Stalin has warned that up to three million jobs could be at risk across the state's textile belt, a grim prospect for a country struggling to provide well-paid work for its youth.



In this photograph, employees work at a garment factory in Tiruppur, in India's southern state of Tamil Nadu. US President Donald Trump's 50 percent tariffs on Indian goods have upset the country's \$11 billion textile export industry.

PHOTO: AFP/FILE