



What is life fund?

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

BY THE NUMBERS



Total life insurance companies **33**
 Listed firms **13**; data from one unavailable
 Life fund of **5** went down
6 companies' life fund rose

INSURANCE PENETRATION

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

WHY LIFE FUND FELL



Low trust on insurers : Fund embezzlement : High competition : Pandemic impact

Total life fund

In crore taka;

SOURCE: ANNUAL REPORTS

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



Daily Business News

January 06, 2022

BUSINESS NEWS ANALYSIS REPORT

Capital Market News

Stocks' rally continues

Dhaka stocks finished higher yesterday compared to the preceding day as traders hoped for the index to better perform in the upcoming days. The benchmark index of Dhaka Stock Exchange (DSE), the DSEX, edged up 36 points, or 0.53 per cent, to 6,929. This is fifth consecutive trading days' rise for the index. Investors' participation was higher in the market. Turnover of the premier bourse soared by around 20 per cent to Tk 1,414 crore.

As the market is rising, people are regaining their confidence, said a top official of a stock brokerage firm. So general investors are also pouring in funds and the stock index is rising, he said, adding that

they should not lose hope when it undergoes a correction. They should invest in good stocks so that their investments remain safe, even if the Omicron variant has a big impact in the country, he added. If anyone invest in companies with good performance records, they will not be detrimentally impacted in the long run, he added. At the DSE, 218 stocks advanced, 121 fell and 39 remained the same.

Among the major sectors, non-bank financial institutions (NBFIs), services and real estate and textile closed in the positive. Life insurance, mutual funds and pharmaceuticals faced correction, according to UCB Stock Brokerage. Bangladesh Shipping Corporation topped the gainers' list, rising 9.94 per cent, followed by Robi Axiata, National Housing Finance and Investments, Bangladesh Thai Aluminum, and

Taufika Foods and Lovello Ice-cream.

Prime Insurance Company stocks shed the most, eroding 5.75 per cent, followed by National Life Insurance Company, Popular Life Insurance Company, Sonali Paper and Board Mills, and Sonali Life Insurance Company. Stocks of Beximco were traded the most, worth Tk 100 crore, followed by Bangladesh Shipping Corporation, Fortune Shoes, Power Grid Company of Bangladesh, and Saif Powertec.

<https://www.thedailystar.net/business/economy/stock/news/stocks-rally-continues-2933476>

Industry News

Interest rate spread of 30 banks increases in November

The overall weighted average interest rate spread of 30 banks increased in November as they managed to reduce their cost against deposits. Tightened sales process of national savings certificates and the downward trend of Bangladesh's stock market in the last couple of months enabled the banks to attract more funds, bankers said. As a result, the banks got the scope for offering lower interest rate against their deposit products as they were still having adequate amount of liquidity in their hands, they said.

The officials said that the credit demand in the country's private sector was inadequate to absorb the excess liquidity and so the banks were reluctant to offer higher interest against deposit products. The banks, however, were barred from offering interest rate below the inflation rate against pension funds of the government entities or private entities and term deposits of any amount meant for the payment of post-retirement benefits.

According to the latest Bangladesh Bank data, still 22 banks' weighted average deposit rates were less than 4 per cent. Against the increase of weighted average interest rate spread of 30 banks, the spread of 27 banks declined and it remained unchanged in three banks. However, the overall interest rate spread of the banks inched up to 0.02 percentage points to 3.16 percentage points in November against 3.14 percentage points in the previous month.

Of the banks, weighted average interest rate of spread was highest 5.15 percentage points in the foreign commercial bank, the rate was 3.3 percentage points in private commercial bank, 2.18

percentage points in state-owned commercial banks and 1.54 percentage points in specialised banks. In November, weighted average lending rate in the banking sector remained unchanged at 7.15 per cent.

In the private commercial banks, the weighted average lending rate was 7.45 per cent, the rate was 5.97 per cent in foreign commercial banks, 6.12 per cent in state-owned commercial banks and 7.09 per cent in the specialised banks.

On the other hand, weighted average deposits rates in the banking sector declined by 0.02 percentage points to 3.99 per cent from 4.01 per cent in the previous month. Weighted average deposit rate in the private commercial banks stood at 4.15 per cent, the rate was 0.82 per cent in foreign commercial bank, 3.94 per cent in state-owned commercial bank and 5.55 per cent in specialised banks.

<https://www.newagebd.net/article/159114/interest-rate-spread-of-30-banks-increases-in-november>

Investment Galore in spinning despite Covid

The spinning sector in Bangladesh witnessed a major jump in investment last year as entrepreneurs set up 26 new mills to meet rising demand despite uncertainty in the global apparel supply chain owing to the pandemic. Entrepreneurs invested Tk 5,970 crore in the new manufacturing plants, adding more than 745,400 new spindles to their combined capacity, according to data from the Bangladesh Textile Mills Association (BTMA).

Mondol Group, one of the leading garment exporters, has invested Tk 450 crore to establish a spinning

mill at Mirzapur in Tangail. The plant went into production on December 15 and is producing 50 tonnes of cotton yarn per day. The raw material is used in manufacturing garments items for international buyers. The company now plans to expand the production capacity to 75 tonnes with an investment of another Tk 300 crore this year. It has installed 77,000 spindles through the first investment and another 40,000 spindles will be added this year. The new factory may sell 30 per cent of the yarn to others.

<https://www.thedailystar.net/business/economy/news/investment-galore-spinning-despite-covid-2932676>

Economy News

Bangladesh's forex reserve falls to \$44.33b

Swelling import expenses, coupled with routine payment to the Asian Clearing Union (ACU), have put the country's foreign-exchange (forex) reserves under pressure again, officials said. The reserve fell below US\$44.50 billion on Wednesday after making a routine payment to the ACU against the imports of the November-December period of last calendar year (2021).

After the payment, the country's forex reserve came down to \$44.33 billion on the day from \$46.29 billion of the previous working day, according to the central bank's latest statistics. On November 04 last year, Bangladesh's forex reserve came down to \$44.87 billion from \$46.47 billion of the previous working day on the same

ground. The forex reserve has been maintaining a falling trend in the last couple of months following higher import payment obligations along with lower flow of inward remittances, they explained.

Bangladesh's actual import in terms of settlement of letters of credit (LCs) jumped by 53.74 per cent to \$30.32 billion during the July-November period of the current fiscal year (FY), 2021-22, from \$19.72 billion in the same period of the previous fiscal year.

However, opening of LCs, generally known as import orders, rose by more than 53 per cent to \$35.43 billion during the period under review, from \$23.12 billion in the same period of FY 21. Higher prices of essential commodities, including petroleum products, in the global market have pushed up the country's import payments during the period, the officials explained. Besides, imports from the ACU member countries, particularly from India, increased by nearly 19 per cent to \$1.93 billion in the last two months of 2021 from the previous \$1.63 billion.

<https://thefinancialexpress.com.bd/economy/bangladeshs-forex-reserve-falls-to-4433b-1641438234>

Pharma export buoyant

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

Medicines worth \$105.50 million were exported in the July-December period, up from \$86.33

million in the same period a year ago, data from the Export Promotion Bureau showed. One important addition to the export basket in recent years has been anti-coronavirus drugs as the countries scrambled to find solutions to treat Covid-19 patients when the health crisis was termed as a pandemic in March 2020 by the World Health Organisation.

The continuous shipment of anti-viral drugs -- Remdesivir and Favipiravir -- used to treat coronavirus patients has expanded the export basket of the pharma sector. Now, around 20 companies from Bangladesh, including Eskayef, Beximco, Incepta, Beacon, Square, Popular, Opsonin, ACI, Renata, and Ziska Pharmaceuticals export Covid-19 drugs.

<https://www.thedailystar.net/businesseconomy/news/pharma-export-buoyant-2933491>

LIFE INSURANCE business LIFELESS for long

Bangladesh's listed insurers' life funds, or portfolios into which policyholder's life assurance premiums are paid and claims are paid out of, have remained nearly the same in amount since 2015. The reason – low trust on whether claims would be met and increased competition from new companies amidst the pandemic. Of 33 life insurance companies running with approval, 13 are listed. Of the 13, life funds of five decreased and six slightly increased. Data of one was unavailable.

Though their business was bearish, share prices were on a bull run the past two years. Some new companies opened midway of the past decade, raising competition

but were capable of little market penetration, said Sheikh Kabir Hossain, president of Bangladesh Insurance Association. The pandemic hit right when the market was showing prospects, he said, adding that digitalisation was yet to be all-encompassing while selling policies was still a door-to-door affair.

The Insurance Development & Regulatory Authority (IDRA) brought many positive policy changes to restore people's faith, he added. Ten companies opened in 2014, according to the IDRA. They are namely Alpha Islami Life Insurance, Astha Life Insurance Company, Diamond Life Insurance Company, Guardian Life Insurance, Jamuna Life Insurance Company, LIC Bangladesh, NRB Global Life Insurance Company, Swadesh Life Insurance Company, NRB Islamic Life Insurance and Akij Takaful Life Insurance.

<https://www.thedailystar.net/businesseconomy/news/life-insurance-business-lifeless-long-2933501>

Company News

Padma Bank gets 10yrs to adjust losses

Padma Bank, previously known as Farmers Bank, got 10 years to adjust losses in phases amid its initiative to fetch overseas investments to make the bank functional. The bank received an approval from the Bangladesh Bank in this regard on Wednesday. The approval would be applicable if the bank can fetch overseas investors, otherwise the bank would not be entitled to get the benefit, BB executive director and

spokesperson Md Serajul Islam told New Age on the day.

In September 2021, liquidity crunch-hit Padma Bank signed an agreement with DelMorgan & Co, a US-based investment bank. The agreement was signed for potential investments worth \$700 million, including \$350 million equity investments and the rest Tk 350 as credit facility. The central bank, however, issued a no-objection certificate to Padma Bank to bring only equity investments, a BB official told New Age on the day.

Under the investment agreement, DelMorgan as an arranger of the investments would receive 3 per cent on the fund it would arrange for Padma Bank. Prior to the approval, the BB rejected Padma Bank's plea to merge with any of the five state-owned banks — Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, and the Bangladesh Development Bank — as its losses were growing day by day.

In 2019, four state-owned banks and an investment bank injected Tk

715 crore into the bank to keep it operational. The entities jointly now holds 60 per cent stake in the entity. So far, the entity's accumulated losses stood at around Tk 800 crore and the amount of defaulted loans in the bank stood at Tk 3,585.88 crore at the end of September 2021.

<https://www.newagebd.net/article/159195/padma-bank-gets-10yrs-to-adjust-losses>

Bangladesh Finance to open Shariah-based wing

The central bank has allowed the listed company Bangladesh Finance to open Islami shariah-based wing in six branches including the principal one. Bangladesh Finance has received approval from the central bank for opening this wing.

As per the regulatory approval, the company will open Islami shariah-based wing in its Principal Branch, Bangshal Branch, Uttara Branch, Gazipur Branch, Chattogram Branch and Jashore Branch. "Bangladesh Finance has already formulated policies regarding

shariah manuals, implementation of separate Islamic CBS (Core Banking Solutions), formation of shariah supervisory committee, deposit receiving, and income distribution in line with the conditions set by the central bank," Md. Kyser Hamid, managing director at Bangladesh Finance, said in a release.

The Bangladesh Finance, presently an 'A' category company, was listed with the stock exchanges in 2007. The company's sponsor-directors hold 30.08 per cent shares, institutes 17.24 per cent, and general shareholders 51.88 per cent as on November 30, 2021. The company's share price closed at Tk 55.70 each on Wednesday with a rise of 1.46 per cent on the Dhaka Stock Exchange (DSE).

<https://thefinancialexpress.com.bd/stock/bangladesh-finance-to-open-shariah-based-wing-1641441024>

Price Sensitive News

Trading Code: ICB

News Title: ICB: Sale Declaration of a Corporate Director

News: Bangladesh Development Bank Ltd., one of the Corporate Directors of the Company, has expressed its intention to sell 1,00,000 shares out of its total holding 20,65,38,492 shares of the Company at prevailing market price (in the Public Market) through Dhaka Stock Exchange within next 30 working days.

Post Date: 2022-01-06

Trading Code: ENVOYTEX

News Title: ENVOYTEX: Sale and Buy Confirmation of Corporate Sponsor & Sponsor Director

News: Fontina Fashion Limited, one of the Corporate Sponsors of the Company, has further reported that it has completed sale of 24,01,832 shares whereas Mr. Kutubuddin Ahmed, one of the Sponsor Directors of the company, has further reported that he has completed his buy of 24,01,832 shares of the company at prevailing market price through Dhaka Stock Exchange as per declaration disseminated on 30.12.2021.

Post Date: 2022-01-06

Trading Code: LHBL

News Title: LHBL: Recommencement of Aggregate business

News: (Continuation news of LHBL): The Company has further informed that on January 05, 2022 the Division Bench of the Honorable High Court Division of the Supreme Court of Bangladesh has delivered their judgment making the Rule absolute. Accordingly, the Company has recommenced the production and sales of Aggregate with immediate effect. (end)

Post Date: 2022-01-06

Trading Code: EXCH

News Title: DSENEWS: Commencement of Bidding of JMI Hospital Requisite Manufacturing Limited

News: (Continuation of DSENEWS): through Mercantile Bank Limited (A/C Name: Dhaka Stock Exchange Limited, A/C No.:135413134079404) in between 10:00 a.m. of January 09, 2022 to 2:00 p.m. of January 12, 2022 (during banking hour). Please visit the following website for bidding related updates: <https://www.essbangladesh.com>. (end)

Post Date: 2022-01-06

Trading Code: LHBL

News Title: LHBL: Recommencement of Aggregate business

News: (Continuation news of LHBL): The Company also informed that the Company had filed a Writ Petition No. 8371 of 2021 before the Honorable High Court Division of the Supreme Court of Bangladesh impugning the said letter issued by the Ministry of Industries. On October 11, 2021 the Honorable Court issued the Rule in the above matter. (Cont.2)

Post Date: 2022-01-06

Trading Code: EXCH

News Title: DSENEWS: Commencement of Bidding of JMI Hospital Requisite Manufacturing Limited

News: (Continuation of DSENEWS): The minimum bidding value is BDT 20,00,000.00 (twenty lakh only). The Central Depository Bangladesh Limited (CDBL) shall send a report to the exchange regarding holding of EIs in listed securities and the exchange shall ensure the compliance in this regard. Participating EIs will be required to pay full bid amount (100%) and bidding fee BDT 5,000.00 (five thousand only) (cont. 4)

Post Date: 2022-01-06

Trading Code: LHBL

News Title: LHBL: Recommencement of Aggregate business

News: Refer to their earlier news disseminated by DSE on 30.09.2021, 17.11.2021 and 24.11.2021 regarding aggregate business of the Company. The Company informed earlier that the Ministry of Industries by letter dated September 16, 2021, directed LafargeHolcim Bangladesh Ltd. to stop aggregate business. (Cont.1)

Post Date: 2022-01-06

Trading Code: EXCH

News Title: DSENEWS: Commencement of Bidding of JMI Hospital Requisite Manufacturing Limited

News: (Continuation of DSENEWS): approved gratuity funds and other EIs of BDT1,00,00,000 (one crore only) at market price in matured listed securities as on December 30, 2021 (day-end) as per Rule 2(1)(e) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015; which is in accordance with the BSEC consent letter to JMI Hospital Requisite Manufacturing Limited Ref: BSEC/CI/BB-21/2019/600 dated November 25, 2021. (cont. 3)

Post Date: 2022-01-06

Trading Code: EXCH

News Title: DSENEWS: Commencement of Bidding of JMI Hospital Requisite Manufacturing Limited

News: (Continuation of DSENEWS): report submission period for Eligible Investors through Electronic Subscription System (ESS) of the Exchanges will start at 10:30 a.m. on January 13, 2022 and continue till 10:30 a.m. on January 17, 2022. Each Eligible Investor (EI) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of BDT 50,00,000 (fifty lakh only) for approved pension funds, recognized provident funds and (cont. 2)

Post Date: 2022-01-06

Trading Code: INDEXAGRO

News Title: INDEXAGRO: Category Change

News: The Company will be placed in 'A' category from existing 'N' category with effect from January 09, 2022 as the Company has reported disbursement of 25% cash dividend for general public shareholders (Post IPO Shares) other than Sponsors/Directors/Pre IPO shareholders for the year ended on June 30, 2021. The general public shareholders (Post IPO shares) hold 82,53,649 shares out of total 4,72 53,649 shares of the company.

Post Date: 2022-01-06

Trading Code: EXCH

News Title: DSENEWS: Commencement of Bidding of JMI Hospital Requisite Manufacturing Limited

News: Commencement of Bidding of JMI Hospital Requisite Manufacturing Limited through Book Building Method: (Revised) The bidding period for Eligible Investors to determine the cut-off price of shares of JMI Hospital Requisite Manufacturing Limited through Electronic Subscription System (ESS) of the Exchanges will commence from 5:00 p.m. on January 09, 2022 and will continue till 5:00 p.m. on January 12, 2022 (round the clock) and valuation (cont. 1)

Post Date: 2022-01-06

Trading Code: INDEXAGRO

News Title: INDEXAGRO: Dividend Disbursement

News: The Company has informed that it has disbursed the cash dividend for the year ended on June 30, 2021 to the respective shareholders.

Post Date: 2022-01-06

Daily

Business News

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