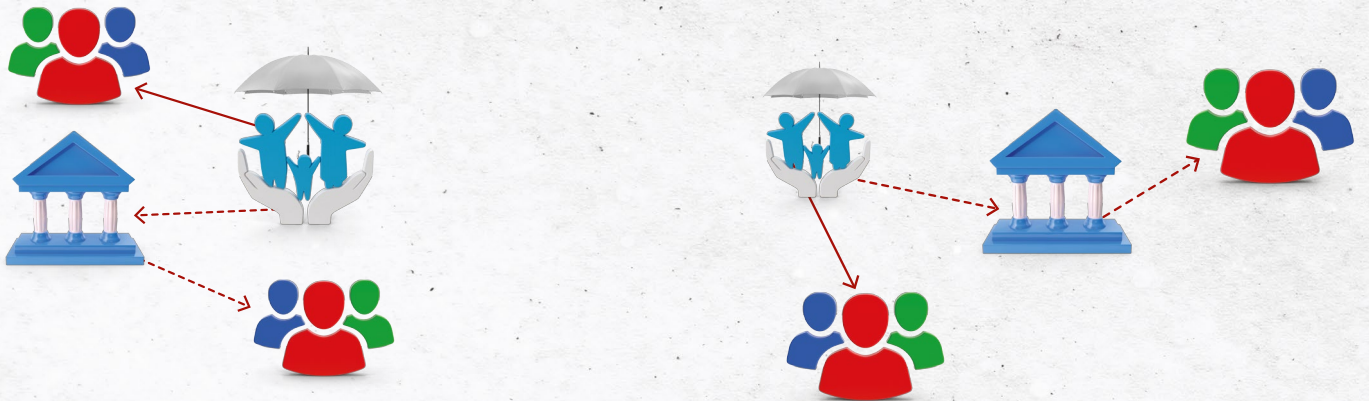


BUSINESS

REVIEW



RECHANNELING INSURANCE:
DAWNING AN ERA
OF BANCASSURANCE
IN BANGLADESH



কাঙ্ক্ষিত লক্ষ্যে পৌঁছাতে দরকার হয় একটু নির্ভরতার!

আপনিও আস্থা রাখুন আইডিএলসি'র চার দশকের দক্ষতা ও অভিজ্ঞতায়

আপনার দুরন্ত স্বপ্নগুলোকে ডানা মেলায় শক্তি দিতে চাই দূরদর্শিতা, দীর্ঘ অভিজ্ঞতা ও দক্ষতা। দীর্ঘমেয়াদী পরিকল্পনা, সুশাসন, স্বচ্ছতা ও আন্তরিক সেবা নিয়ে দেশের সর্ববৃহৎ আর্থিক প্রতিষ্ঠান আইডিএলসি লাখ লাখ মানুষের পাশে আছে আস্থা ও ভরসা হয়ে।



চার দশক ধরে
আপনার ফাইন্যান্সিয়াল
পার্টনার

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**Rechanneling Insurance:
Dawning an Era of
Bancassurance in Bangladesh**

The advent of bancassurance, an alliance between a bank and an insurance company, ushers a new avenue of selling insurance products to the bank's customers. Currently, Bangladesh boasts a total of 81 operational insurance companies, comprising 35 life insurance companies and 46 non-life insurance companies. However, the insurance industry currently contributes to only 0.5% of Bangladesh's GDP. This low insurance penetration is partly due to a deficient claims settlement ratio. Despite this, Bangladesh Bank has implemented a directive on bancassurance, allowing all 61 scheduled banks in the country to act as corporate agents for insurance companies. Addressing regulatory complexities, enhancing consumer awareness, and building trust are foundational steps in highlighting the industry's potential. The trajectory ahead promises a transformative landscape where bancassurance becomes a catalyst for financial inclusion and resilience.



20-25
Expert Opinion on
Cover Story

- **Md. Ashanur Rahman**
Chief Economist and Country
Business Manager, City Bank
PLC.
-

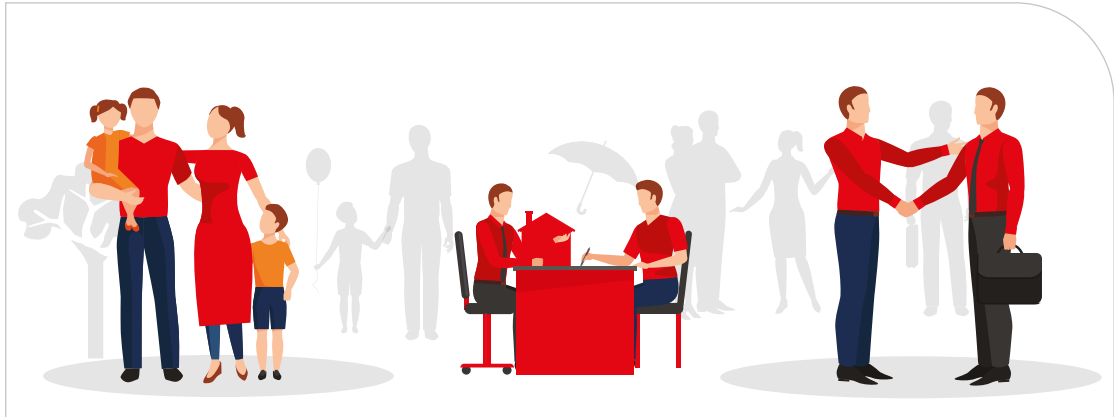
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Rechanneling Insurance: Dawning an Era of Bancassurance in Bangladesh

Bancassurance, the strategic collaboration between banks and insurance companies, is set to bolster the largely untapped insurance industry in Bangladesh. Prominent in Europe and some parts of Asia, bancassurance is defined as the symbiotic relationship between banks and insurance companies, where banks receive a commission for opening an avenue for selling insurance policies while insurance companies gain access to a massive network of clients through banking channels. With a penetration rate of a mere 0.5% and a market size of BDT 5,000 crore in Bangladesh, this synergy can serve as a powerful tool for increasing insurance penetration and financial inclusion in Bangladesh.

Developing economies necessitate the demand for insurance, with higher incomes translating to an increased insured population. Gradually, as more and more people avail of insurance policies and bring

themselves under insurance channels, the premium size is likely to experience a decline and become affordable to the mass population.

The inadequate claims settlement ratio has held back the insurance penetration rate in Bangladesh to a large extent. Delays in settling claims after policy maturity, insufficient returns due to inadequate fund investment, and financial irregularities pose significant challenges for insurance companies. However, the handshake through bancassurance between banks and insurance companies is expected to foster a conducive environment and bring the uninsured population under the insurance umbrella, resulting in numerous opportunities.

Md. Shah Jalal

Editor

IDLC Monthly Business Review

INDUSTRY & EQUITY ANALYSIS TEAM

ASIF SAAD BIN SHAMS

Email: shams@idlc.com

MD. ARIFUR RAHMAN

Email: rarifur@idlc.com

MD. SHAH JALAL

Email: mjalal@idlc.com

AKHLAQR RAHMAN SACHEE

Email: akhlaqur@idlc.com

SYED MD. RAKEEN

Email: rakeen@idlc.com

MUKTADIR MUBASSIR

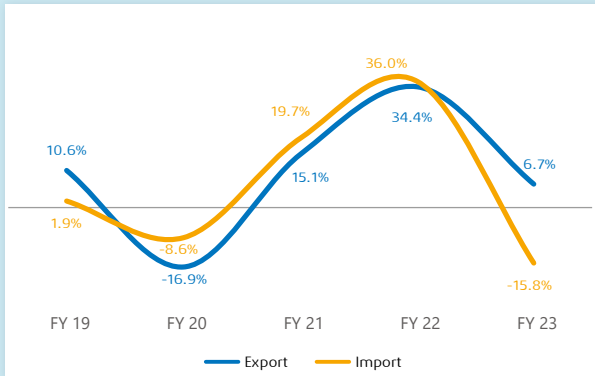
Email: mubassir@idlc.com

ECONOMY AT A GLANCE

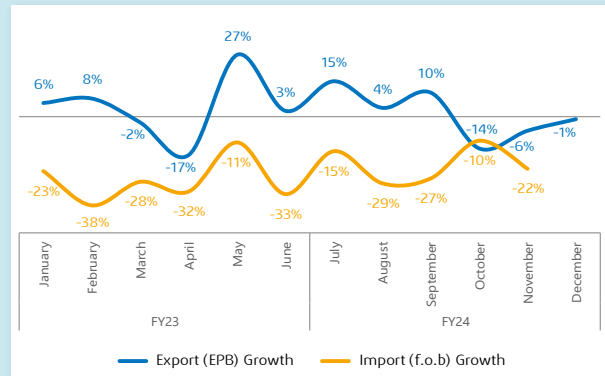
Prepared by IDLCSL Research Team

EXPORT-IMPORT

Growth in Export-Import Trade (Last 5 Years)

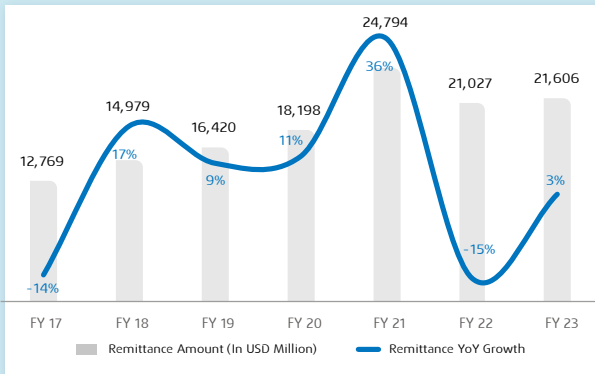


Export and Import Growth (Last 12 Months)

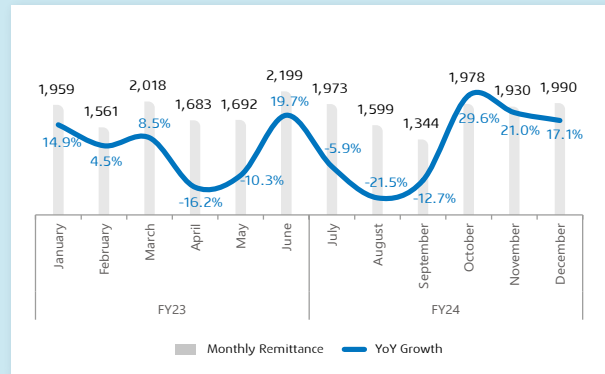


REMITTANCE

Remittance Amount (USD Million, YoY Growth)

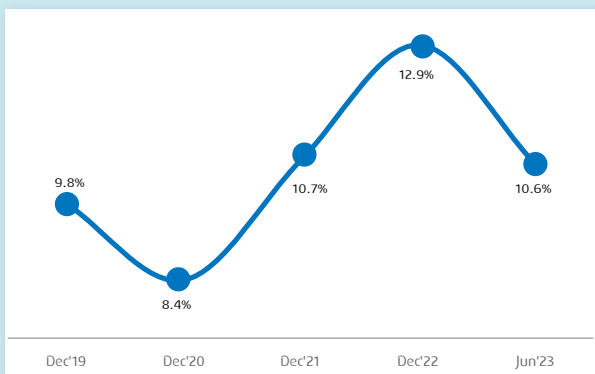


Monthly Remittances (USD million, YoY growth)

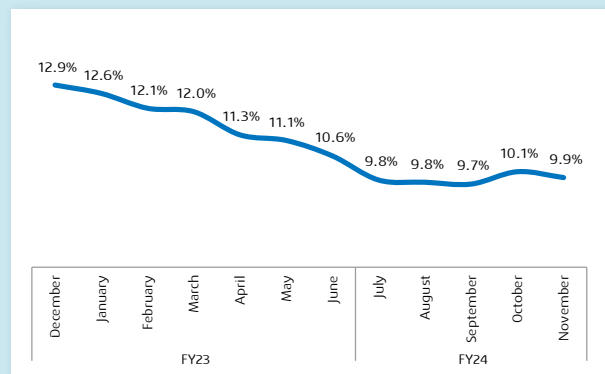


PRIVATE SECTOR CREDIT GROWTH

Private Sector Credit Growth (Last 5 Years)



Private Sector Credit Growth (Last 12 Months)



■ MONTH IN BRIEF

● **Bangladesh's net export earnings from the readymade garments (RMG) sector, totaling USD 8.2 billion** in the period July 2023–September 2023, sustained its dominance in the export category, contributing over 70% to the country's gross export receipts.

● A consortium of three private submarine cable companies is injecting USD 110 million into establishing a dedicated submarine cable network to support the anticipated boost in the country's internet connectivity. This initiative is poised to add around 50,000 Gbps of bandwidth to the national internet highway, potentially leading to a noteworthy reduction in internet costs.

● As per the Bangladesh Bank's announcement on December 03, 2023, Resident Foreign Currency Deposit (RFCD) account holders will receive **interest amounting to the benchmark rate plus 1.50% on the deposits.**

● **Mobile Financial Services (MFS) accounts are now able to receive remittances up to BDT 2.50 lakh. The previous limit of BDT 1.25 lakh** has been doubled as per a circular published by the central bank on December 05, 2023.

● **Bangladesh achieved a notable 8.0% year-on-year growth in trade surplus** with European Union countries, reaching USD 23.6 billion in FY2022-23, as per Bangladesh Bank's statistics.

● In response to the escalating energy costs fueled by the Ukraine War and a commitment to sustainable development, Bangladesh is actively embracing renewable energy. The evaluation of five new renewable **power projects, collectively capable of generating 700 MW, signifies a strategic move to counter global fuel price surges.**

● **The Asian Development Bank (ADB) approved a USD 400 million policy-based loan on December 08, 2023,** to aid the government of Bangladesh in executing its National Adaptation Plan, 2023–2050, and Nationally Determined Contributions 2021 Update to the Paris Agreement. The initiative is part of the Climate-Resilient Inclusive Development Program.

● From March 2024 onwards, Bangladesh will implement an automatic fuel oil pricing system aligned with the international market **as per the conditions of the International Monetary Fund's USD 4.70 billion loan package.**

● As declared at a press briefing on December 10, 2023, recent discoveries have revealed new oil and gas reserves in Sylhet, projecting potential oil reserves of **around 8–10 million barrels and gas reserves of around 200–300 billion cubic feet. The estimated value of the oil and gas reserves is approximately BDT 24,000 crore.**

● **The governments of Bangladesh and the Republic of Korea signed the Record of Discussion (RoD) and Terms of Reference (ToR) on December 10, 2023, for a USD 9.65 million grant** supporting the project titled 'Capacity Building of Statistics Services Based on Platform'. This initiative will help establish an integrated statistical data warehouse, software tools for enhanced statistics services, and support equipment and systems for the National Statistical Data Warehouse (NSDWH).

CURBING HUNDI IS CRUCIAL FOR BOOSTING REMITTANCE INFLOWS, AND STOPPING HUNDI REQUIRES TACKLING MONEY LAUNDERING. WE MUST IMPLEMENT ALL NECESSARY MEASURES TO CONTROL THE RAMPANT SMUGGLING OF FUNDS ABROAD.

Dr Selim Raihan, Executive Director of the South Asian Network on Economic Modeling, on the importance of implementing measures and redirecting remittances through official banking channels. (December 03, 2023. The Business Standard.)

The main goal of the central bank at this moment is to control inflation. Once we alleviate external pressure, the Bangladesh Bank will shift its focus to the governance of banks facing crises.

Md Mezbaul Haque, Spokesperson of Bangladesh Bank, on the central bank's current focus and the challenge it will take on in the near future. (December 17, 2023. The Business Standard.)

Advance estimation of import requirements and better planning and implementation of imports are essential. Measures should be undertaken to protect the poor from the adverse effects of inflation.

Rizwanul Islam, Former Special Adviser to the Employment Sector at the International Labour Office in Geneva, on the importance of supply-side interventions for items that are sensitive to price fluctuations. (December 31, 2023. The Daily Star.)

This MoU has created an opportunity to explore another part of the world. Argentina, being a country rich in natural resources, is highly advanced in agriculture and agricultural technology. This agreement will facilitate importing wheat, soybean, and various animal feeds from Argentina.

Muhammad Abdur Razzaque, Minister of the Ministry of Agriculture, on the Memorandum of Understanding with Argentina to prioritise Bangladesh's imports of soybeans and wheat from that country. (December 07, 2023. The Business Standard.)

We want them to start investing in two to three sectors. As far as investment is concerned, money is not an issue for them. They have the capacity to invest from USD 50 billion to USD 100 billion. But the key question is how much to invest in which sector.

Mahbubul Alam, President of the Federation of Bangladesh Chambers of Commerce and Industries, on the potential investment from Saudi Arabia in different sectors in Bangladesh, including fuel, logistics, textiles, and so on. (December 06, 2023. bdnews24.com.)

Bangladesh has been at the forefront of those warning about the elevated risks of climate change for vulnerable countries as well as stressing the importance of international collaboration to support those in need.

Kristalina Georgieva, Managing Director of the International Monetary Fund, on the collaboration of the development partners for a climate fund of USD 8 billion for Bangladesh. (December 04, 2023. The Daily Star.)

Such a performance reveals our competitive capability over others. Thanks to the EU's EBA scheme which has been one of the key success factors behind the growth and investment in this sector.

Faruque Hassan, President of the Bangladesh Garment Manufacturers and Exporters Association, on Bangladesh positioning itself at the top of knitwear exports to the European Union. (December 19, 2023. New Age.)

In principle, I have told the Bangladesh Telecommunication Regulatory Commission (BTRC) to provide a licence to Starlink. We want to provide equal internet services for people in cities and villages. This will ensure internet connection to remote areas, especially villages, chars and islands.

Zunaid Ahmed Palak, Minister of State for Information and Communication Technology, on the entry of Starlink to Bangladesh. (December 07, 2023. The Daily Star.)

It's quite encouraging that we have received formal letters from a few brands confirming their position to pay a price that absorbs the increase in wages. And we have constantly urged the buyers to up-charge the price for all the orders being negotiated from 1 December 2023.

Faruque Hassan, President of the Bangladesh Garment Manufacturers and Exporters Association, on some international clothing retailers agreeing to pay more due to the rise in wages. (December 27, 2023. The Daily Star.)

Our policy to provide support to investors under one roof through a one-stop service has been improving the ease of doing business situation, and the influx of Foreign Direct Investment will increase further in the economic zones.

Shaikh Yusuf Harun, Executive Chairman of Bangladesh Economic Zones Authority, on Bangladesh Economic Zones Authority receiving investment proposals of USD 26 billion so far. (December 13, 2023. The Financial Express.)

Country	Nominal GDP: 2022 (USD in Billion)	Real GDP Growth: 2022 (Yearly % Change)	Inflation Point to Point (%)		Current Account Balance: (% of GDP)	Interest Rates (%), Ten years Treasury Bond	Currency Units (Per USD)
Frontier Markets							
Sri Lanka	75.30	-8.66	4.00	December-23	-1.94	13.36	322.50
Vietnam	406.45	8.02	3.58	December-23	-0.88	2.23	24,345.00
Kenya	115.99	5.37	6.60	December-23	-4.72	18.31	157.75
Nigeria	477.38	3.25	28.20	November-23	-0.72	13.80	885.20
Bangladesh	453.85	6.03	9.49	November-23	-0.70	10.46	110.00
Emerging Markets							
Brazil	1,924.13	2.90	4.68	November-23	-2.91	10.63	4.88
Saudi Arabia	1,108.15	8.74	1.70	November-23	13.79	N/A	3.75
India	3,386.40	6.83	5.55	November-23	-2.61	7.20	83.04
Indonesia	1,318.81	5.31	2.61	December-23	1.00	6.82	15,501.75
Malaysia	407.92	8.69	1.50	November-23	2.64	3.88	4.65
Philippines	404.26	7.60	3.90	December-23	-4.41	6.27	55.81
Turkey	905.53	5.57	64.77	December-23	-5.38	25.91	29.90
Thailand	536.16	2.64	-0.83	December-23	-3.26	2.79	34.91
China	18,100.04	2.99	-0.50	November-23	2.31	2.57	7.09
Russia	2,215.29	-2.05	7.50	November-23	10.27	12.38	90.93
Developed Markets							
France	2,784.02	2.61	3.70	December-23	-1.71	2.67	0.91
Germany	4,075.40	1.78	3.70	December-23	4.20	2.13	0.91
Italy	2,012.01	3.68	0.59	December-23	-0.73	3.80	0.91
Spain	1,400.52	5.48	3.10	December-23	1.06	3.11	0.91
Hong Kong	360.98	-3.51	2.60	November-23	10.73	3.48	7.81
Singapore	466.79	3.65	3.60	November-23	19.33	2.85	1.33
United States	25,464.48	2.07	3.10	November-23	-3.64	3.98	1.00
Denmark	390.68	3.62	0.60	November-23	12.82	2.35	6.80
Netherlands	993.68	4.52	1.20	December-23	5.49	2.44	0.91
Australia	1,701.89	3.66	5.40	September-23	1.20	4.10	1.49
Switzerland	807.23	1.70	1.70	December-23	9.84	0.79	0.85
United Kingdom	3,070.60	4.05	3.90	November-23	-5.55	3.80	0.78

Bangladesh Data: The new GDP size (FY23) is as per the provisional estimate of Bangladesh Bureau of Statistics and real GDP growth (FY23) is as per new base year. Calculation Method of CA balance (% of GDP) = CA balance of FY23 /Provisional Estimate for GDP of FY23
Interest rate (%) 10 years TB as per December 2023, Inflation as per November 2023 and Currency Unit (per USD) as per 3rd January 2024 are sourced from Bangladesh Bank

Nominal GDP: Data of all countries apart from Bangladesh is sourced from IMF estimates of 2023 data (April, 2023 Outlook)

Real GDP Growth and Current Account Balance: Data of all countries apart from Bangladesh is sourced from IMF estimates of April, 2023 data (World Economic Outlook, April 2023)

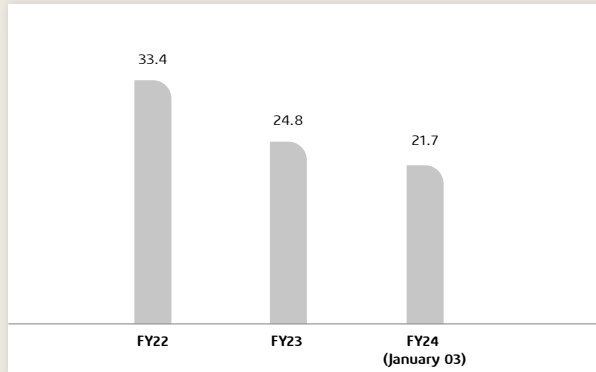
Inflation: Data of all countries apart from Bangladesh is sourced from tradingeconomics.com

Interest rates 10 years TB and Currency Unit : Data of all countries apart from Bangladesh is sourced from Investing.com

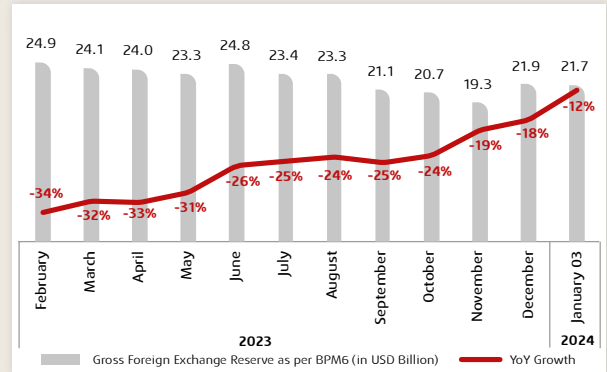
BANKING DATA CORNER

Prepared by IDLCSL Research Team

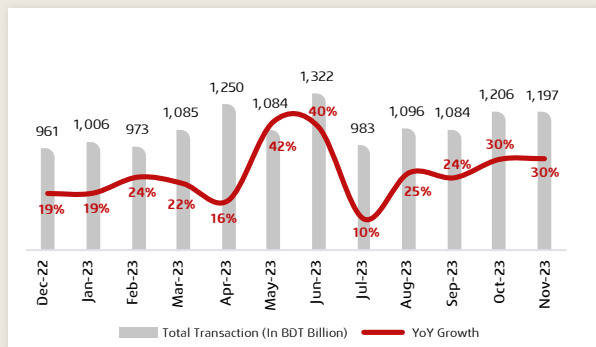
Gross Foreign Exchange Reserve as per BPM6
(In Billion USD and Last 2 Years)



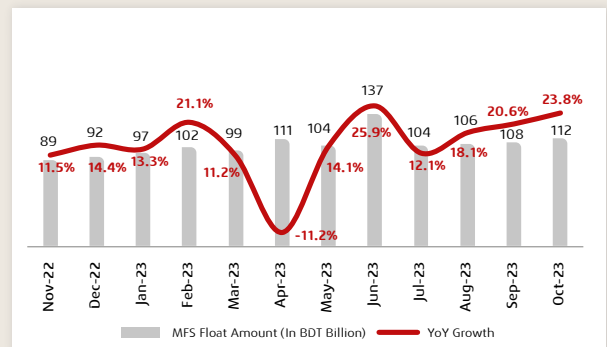
Gross Foreign Exchange Reserve as per BPM6
(in USD Billion and Last 12 Months Trend)



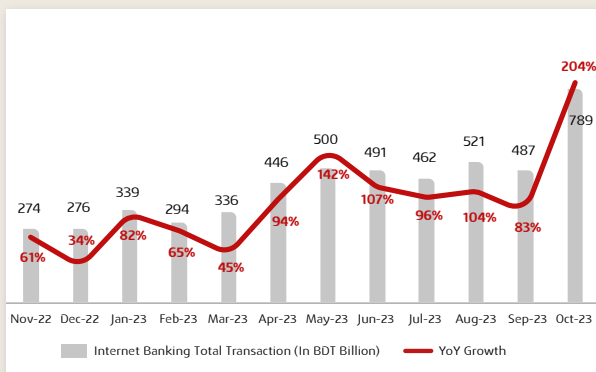
MFS Total Transaction Value
(BDT Billion and YoY Growth)



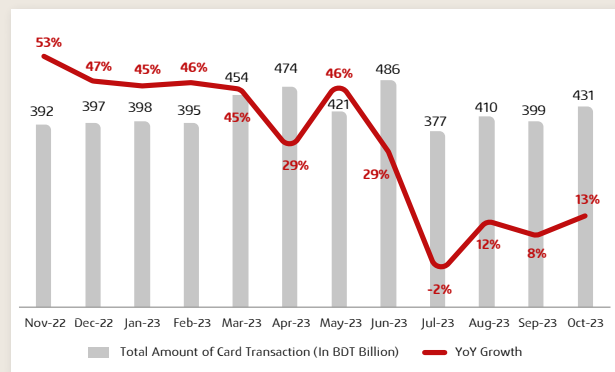
MFS Float Amount
(BDT Billion and YoY Growth)



Total Amount of Internet Banking Transaction
(BDT Billion and YoY Growth)



Total Amount of Card Transaction
(BDT Billion and YoY Growth)



Source: Bangladesh Bank

JRC Board



Redwan Ferdous, PRINCE2®, CSCM™
Chief Executive Officer, JRC Board

Interviewed By
Muktadir Mubassir, Team MBR

The JRC Board is the first ever true IoT development board designed and developed in Bangladesh. It is an ESP32-based development board with built-in WiFi, Bluetooth, PWM pins, touch sensor pins, and a motor driver with a C-type power port. The word JRC stands for the name of the late national professor and scholar, Professor Dr. Jamilur Reza Choudhury, who is the inspiration and motivation for the development of this board. JRC Board is a credit card-sized board that is compatible with the most common electronic project prototyping board, Arduino's shields, and can be programmed in Arduino IDE or Micropython. More than 100 projects have already been developed using this board, 1,500 students have been trained on the use of this board, and three international awards have been won by the participants who used the JRC Board for developing their robots. Team MBR was in a conversation with Mr. Redwan Ferdous, Chief Executive Officer, JRC Board, to learn about JRC Board and its role in facilitating 4IR technologies in Bangladesh.

Muktadir Mubassir: You possess over a decade worth of experience in project management and product development, as well as a diverse background that includes various roles at Labaid, Aamra, Walton, and Pi Labs. How did your journey in embedded systems, data science, artificial intelligence, machine learning, IoT, and robotics influence the development of the JRC Board?

Redwan Ferdous: I started my career as a junior research engineer at Pi Labs. There, I worked for over a year and gained the experience to develop different embedded systems. I can proudly say that we initiated the first ever extensive training on the Raspberry Pi, a compact and portable PC, back in 2014. After that, I shifted to Walton Group,

and there I worked in two different segments: the cellphone R&D department in the earlier days and later on in the electrical department, whose scope included all the real estate properties of the group, including sales points, service centres, factory buildings, headquarters, stalls in the fairs, and so on. Therein, after over two years of my journey in that group, I had the experience of both planning and establishing the electrical setup for any large-scale property, as well as the experience of establishing the first ever cellphone manufacturing factory in the country. Later on, this experience helped me shift and perform in the Aamra Group's cellphone manufacturing factory project, where I worked as the lead engineer and coordinator. After four years of working there, I

shifted to Labaid Cancer Hospital and worked as a senior manager and head of electro-mechanical engineering. I was one of the youngest HoDs there. And that was my last workplace as a jobholder.

From 2017 onwards, in parallel with my job, I was also engaged in youth development in the field of STEM education through a voluntary organisation called Bangladesh Open Source Network (BdOSN) under the leadership of Mr. Munir Hasan. Back in 2017, BdOSN and Computer Services Limited took an initiative called 'IoT Fiesta' aiming to spread awareness regarding the 4th Industrial Revolution among the future generation, especially among the university students who will be in the job market within a short period of time. We reached almost 30 universities within a year, and from there, the journey of the JRC Board started. Back then, the founder of Computer Services Limited, Mr. Momluk Sabir Ahmed, was involved in a project called 'One Dollar Board', which was backed by MIT, USA. Being a development partner of that particular board, the idea of developing a local IP product came to the table, and thus the journey of JRC Board started. A team of developers worked on the JRC Board project who were initially trained and also worked under my supervision in the IoT Fiesta program. Among them, Mr. Maherul Azam Koreshi was the person who made the final design of the board. As a full-time employee in the different organisations mentioned above, most of the time I was engaged during after-office hours. Then, I left my full-time job on December 31, 2022, and started dedicating all my time to the project on January 01, 2023.

During my voluntary journey from 2017 until 2023, we trained almost 23,000 students and teachers, and I personally provided training to more than 2,000 participants in different sectors. Also, I was engaged with the EMK Centre, affiliated with the U.S. Embassy in Bangladesh, as an embedded system consultant for two years and received training on IoT, robotics, big data, data analysis, and artificial intelligence at Fujitsu, Japan, under the scholarship programme of the

12-IT-Park-Project of the Bangladesh Hi-Tech Park Authority back in 2019. All the way through my career, I have tried to work to spread awareness regarding next-generation technologies and knowledge to future generations to ensure a sustainable society as well as create a new scope of business in the country.

Muktadir Mubassir: The JRC Board is named after the late Professor Jamilur Reza Chowdhury, who was one of the most prominent figures in education, science, and technology in Bangladesh. Would you kindly share the inspiration behind naming the board after him and the impact you aim to achieve in line with his legacy?

Redwan Ferdous: As I have already mentioned, I am engaged with one of the reputed not-for-profit organisations, BdOSN. Professor Dr. Jamilur Reza Choudhury was like a banyan tree above us all in all sorts of activities of BdOSN. A versatile character like him served not only for the nation's development but also made the country a countable one on the world map through the empowerment of youths in different intellectual activities in the field of STEM. Dr. Jamilur's dream was to experience at least one scholar winning the Nobel Prize in the field of STEM from Bangladesh by 2030, and we are working towards chasing his unfulfilled dream. As he left us during the COVID-19 pandemic back in 2020, very unfortunately, we have named the board after him as a tribute to keep us recalling that he always worked for the nation and so should we. JRC sir was informed that we were trying to design a development board, but unfortunately he was not among us during its initial release.

Muktadir Mubassir: As the first ever true IoT development board that has been designed and developed in Bangladesh, JRC Board caters to the Fourth Industrial Revolution (4IR) technologies such as automation, robotics, IoT, etc. What were the specific challenges or gaps in the market that you identified that led to the creation of this innovative board?



Redwan Ferdous: The history of electronics, robotics, and automation is not that old. Perhaps a decade at best. After independence in 1971, progress in these fields was very slow-paced and limited. There were many development boards available in our country, and the most interesting thing was that the entire industry was import-oriented. We do not have a single thing to be proud of in this field that we have developed, which led us to develop such a board that we can say is our very own.

All the available development boards are for different purposes and are segmented. We have tried to develop a kind of board that can be used to design and execute any prototype project with the existing add-on boards available on the market. This can be further programmed with the available programming environment that students or developers are familiar with. At the same time, it has IoT enabled with Wi-Fi and Bluetooth connectivity and a basic motor driver that can be used to run basic actuators like DC motors. We have filled the gap of developing an IoT project on a single standalone board, bypassing the use of two or more available boards.

You will be happy to know that the JRC Board's brain is an ESP32 chip, and the producer of this chip has featured our board on their official website as well. Also, the development board, which has the largest market share in our country as well as in the world, released a similar type of board, like the JRC Board, in 2023, whereas our board was released back in 2021.

Muktadir Mubassir: JRC Board's instrumental role in the success of Team Lazy-Go and Team Robonium Bangladesh in the World Robot Olympiad marks a significant achievement for both JRC Board and Bangladesh. Could you elaborate on the features of the JRC Board that set it apart from other development boards available on the market?

Redwan Ferdous: The JRC Board has some feathers in its cap for winning international robotics competitions. Back in 2022, a competition named World Robot Olympiad (WRO) was held in Germany, where a team in the 'Future Engineers' category, 'Team Lazy-Go', won 3rd place among

32 teams. Also, 'Team Robonium Bangladesh' won 8th place among 48 teams from more than 80 countries.

In 2023, in the same competition at WRO international in Panama, Team Robonium Bangladesh, which used the JRC Board for their project, won 5th place among more than 60 teams from more than 90 countries. Also, in another competition, the 'International Robot Olympiad' final in Thailand in 2023, a team won two silver medals where JRC Board was used for the project.

If you see, the JRC Board, which was released for the first time in 2021, was way ahead of the available boards on the market then, and it still has some unique, demanding features, as mentioned below:

Processors:

- CPU: Xtensa Dual-Core 32-Bit LX6 Microprocessor Operating at 240 MHz and Performing at Up to 600 DMIPS
- Ultra-Low Power (ULP) Co-Processor

Memory:

- 520 KB of RAM (Expandable to 8MB Externally)
- 1024 Locations for EEPROM
- 4 MB of Flash Memory (Expandable to 16 MB Externally)

Wireless Connectivity:

- Wi-Fi: 802.11 b/g/n
- v4.2 BR/EDR and Bluetooth LE

Peripheral Interfaces:

- 12-Bit SAR ADC Up to 18 Channels
- 2 × 8-Bit DACs (GPIO 25 and 26)
- 18 × PWM Pins (Controlled by Up to 16 Channels)
- 7 × Touch Sensors (Capacitive Sensing GPIOs)
- 1 × SPI
- 1 × I2S Interfaces
- 1 × I2C Interfaces
- 2 × UART

All digital pins are compatible with an external interrupt.

Muktadir Mubassir: The JRC Board eliminates the need for separate WiFi and Bluetooth for communication. Could you shed some light on the technological advancements that enable this seamless communication as well as its implications for the field of robotics and IoT development?

Redwan Ferdous: As I have already mentioned, there are many available boards in the existing market. But those boards for specific purposes, such as the most common development board, Arduino, can be used to develop a specific project or a prototype. But if anyone wants to control that specific project through the internet, i.e., make it 'IoT enabled', he or she needs to use another shield or an add-on board. Also, to make it controllable through Bluetooth, it needs another circuit. Say, for motor control, attaching another board is required.

We have simply replaced the dependency on 7-8 similar types of extra circuits and made them available on a single board—harmonised and synchronized. Another good point is that this board can be used in prototyping as well as small-scale industrial automation.

As the board has internet, Bluetooth, and other significant communication protocols enabled (I2C, SPI, etc.), it can easily be used in any sort of common robot development, even developing a flight controller for a drone! Also, the JRC Board is the first ever board of its kind where a C-type port has been used for physical communication and to make the board more accessible. The quality of the board, PCB, and its colour (dark black) make the board even more attractive and professional-looking.

Muktadir Mubassir: In the realm of IoT development, compatibility with popular IDEs is essential. How does the compatibility of your IoT development board with the Arduino IDE enhance the user experience and streamline the development process for enthusiasts and professionals alike?

Redwan Ferdous: The powerful accepting feature of JRC Board is its compatibility with common programming platforms like C++ (Arduino IDE), Micropython, Lua, and others. Also, Espressif's

IoT Development Framework (IDF) or VSCode with PlatformIO can be used for the programming environment of the JRC Board.

Some common projects and programming can be found in the Github repository of the JRC Board for reference (<https://github.com/jrcboard>).

JRC Board has also achieved the feat of being in the top 50 among more than 7,000 applicants in Bangladesh's flagship event of startup funding, Bangabandhu Innovation Grant (BIG) 2023. We have also become champions in the international entrepreneurship competition by JCI, the 1st JCI Creative Young Entrepreneurs Award 2023, among more than 350 applicants. Also, it was chosen as one of the top ventures of BYLC Ventures Cohort-7 2023. Across all the competitions, JRC Board was well-appreciated for its power to automate anything and its feature of easy programming and deployment.

Muktadir Mubassir: In the realm of educational technology, the JRC Board stands out as a pioneering electronic development board. How does this innovative board actively enhance STEM education, and could you elaborate on any initiatives or partnerships geared towards integrating the JRC Board into the educational curriculum, spanning from schools to universities?

Redwan Ferdous: The JRC Board is experiencing strong early adopter interest, indicating a promising future in the market. We have already trained a few thousand students and enthusiasts using this board through online and offline platforms. JRC Board offers the curriculum for learning IoT from beginner to advanced to pro level. And we are offering this curriculum to different schools as an after-school learning and co-curriculum activity.

FronTech Limited is a newly formed company that is working on commercialising this board. And FronTech has already struck an MoU with a few universities and educational institutions, including RUET, UoS, and others. The JRC Board is being introduced through short and long workshops in different universities like Rajshahi University, BAIUST, and others.

The JRC Board has organised the country's one of the largest hackathons, named 'Subornojoyonty Hackathon', in 2021, with the second one being organised in 2023. In these hackathons, students from more than 100 institutions participated and experienced the JRC Board while solving different problems using the board.

In the year 2024, FronTech Limited is planning to collaborate with 20 universities and increase engagement using the board in the form of competitions, hackathons, workshops, seminars, and other methodologies. Any interested institutions are welcome to reach out to us for collaboration.

Muktadir Mubassir: As Bangladesh plans to incorporate Fourth Industrial Revolution technologies in various industries in the near future, the demand for development boards is expected to experience a sharp rise in the coming decades. Would you kindly share how the JRC Board plans to capitalise on this demand to further enhance its presence in the local market and eventually export the boards to overseas markets?

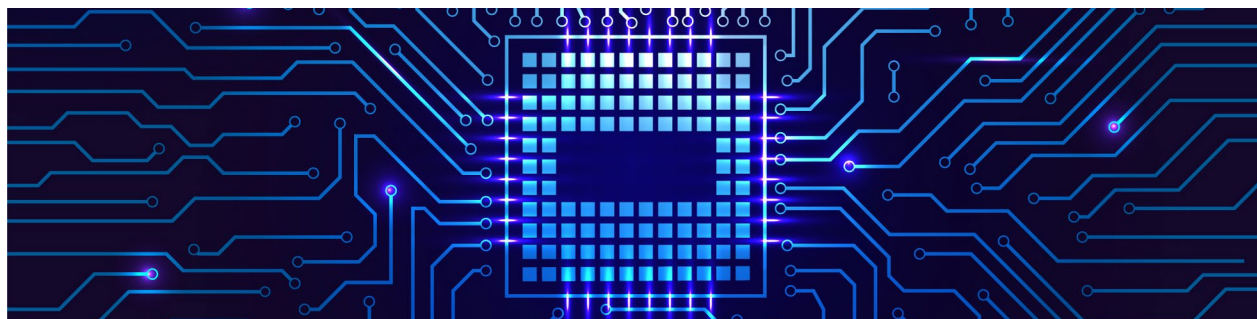
Redwan Ferdous: The era of the Fourth Industrial Revolution started back in 2015, and there were three different industrial revolutions in the immediate previous three centuries, starting in 1765, the year James Watt invented the steam engine. Unfortunately, Bangladesh, as a nation, could not take part in any of the journeys of these revolutions. Though we are talking about 4IR, in most of the sectors, especially in industries including manufacturing, we could not even assure the basic facilities of the second or third industrial revolution. So, it is a bit challenging to ensure 4IR in our emerging industries. Moreover, the next industrial revolution, which is still in its

concept phase but about to become reality, where humans and machines will work collaboratively, is going to be accepted in the world very soon.

As a developing nation, we should focus more on developing capital machinery or increasing our capacity to develop platforms for applications both in hardware and software. We do believe 'JRC Board' was one of the first movements in the revolution. It is true that there will be a high rise in demand for these intellectual properties in the coming decades, and we are planning to capitalise on this in the local and global markets simultaneously. As we have already mentioned, our youngsters have been winning international robotics competitions for the past two or three years. Hence, we have introduced our boards to representatives of different countries who are participating in those competitions, such as the World Robot Olympiad, where almost 90 countries participated. We have already delivered the boards in numbers to countries like Nepal, Vietnam, Thailand, the USA, Azerbaijan, South Korea, Kazakhstan, Germany, Palestine, South Africa, Serbia, etc., reaching a total of 20 countries. We are already in conversation about expanding our business across Latin America through the largest robotics kit providers in that region. The deal was started when we participated in the WRO international in Panama in 2023.

In the local market, we are already focusing not only on providing development boards but also on providing customised solutions to different industries using the boards.

So, yes, we are planning to expand our current market size in the coming years and make the board more affordable and acceptable in the industries, as well as a reliable board to depend on by the industrialists.



Rechanneling Insurance: Dawning an Era of Bancassurance in Bangladesh



Written By
Nusrat Khan
Muktadir Mubassir

In the ever-changing global economy, the expansion of financial services, specifically insurance, reflects the progress of economic development characterised by increasing income levels. Advancements in the insurance industry, such as bancassurance, not only make insurance more accessible but also improve consumer knowledge and understanding. With the help of improved financial literacy, banks have emerged as influential participants in the insurance market, playing a crucial role in bridging the gap in geographical coverage, service, trust, and reliability, particularly in developing economies. Bancassurance, which defies traditional barriers, has become a worldwide phenomenon. Already well-established in Europe and having achieved historical success in Asia, where it was first introduced to India three centuries ago, bancassurance is now making significant strides in the six Southeast Asian markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. According to a report by Swiss Re, one of the world’s leading providers of reinsurance and insurance, in 2023, bancassurance contributed an average of 36% to Life and Health (L&H) insurance premiums in these markets and has facilitated a penetration rate of approximately 3% of the gross domestic product (GDP).

Bancassurance, an alliance between a bank and an insurance company, makes it easier to sell insurance products to the bank’s customers. This collaborative setup proves mutually lucrative, with banks generating additional revenue through insurance product sales and insurance companies expanding their customer outreach without the need for additional sales personnel. The enhanced profitability for both entities stems from the additional commission earned by banks on insurance policy sales and the acquisition of a customer base by insurance companies, all without substantial investments in marketing. This symbiotic relationship forms a pivotal driver for the growth of the bancassurance market. Furthermore, the loyalty of customers to their banks contributes to a higher retention rate, as individuals are inclined to purchase policies based on the financial guidance provided by their trusted banking institutions. This loyalty becomes a key factor propelling the expansion of the bancassurance market.

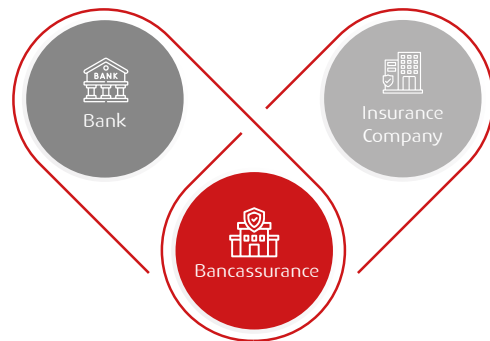
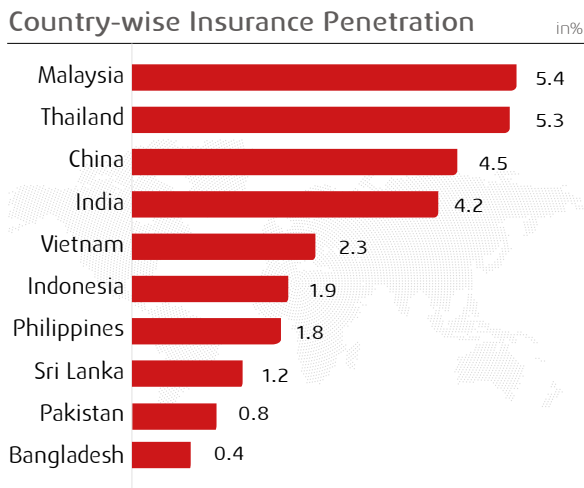


Figure 1: Insurance Penetration of Bangladesh in Comparison to Asian Countries in 2022



Source: Insurance Development Regulatory Authority

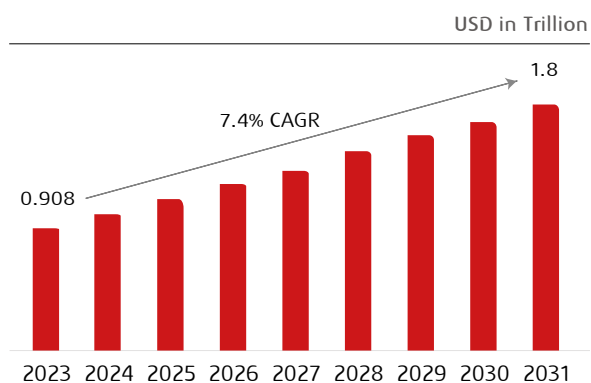
Note: Insurance Penetration Rate of Bangladesh in 2023- **0.5%**

Global Bancassurance Market Segmentation

Expanding economies drive the need for insurance, with higher incomes making it more affordable. The combination of economic growth and improved financial awareness serves as a powerful catalyst, driving the growth of the bancassurance industry.

As of 2021, the global market size of bancassurance was USD 901.5 billion, with projections anticipating it to reach USD 1.8 trillion by 2031, showcasing a Compound Annual Growth Rate (CAGR) of 7.4% from 2022 to 2031, according to Allied Market Research.

Figure 2: Global Bancassurance Market Projection



Source: Allied Market Research

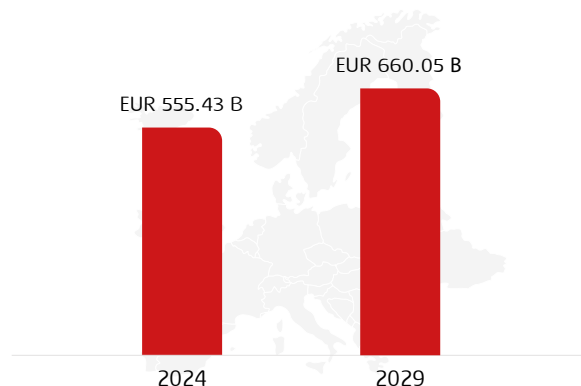
The segmentation of the global bancassurance market encompasses types, distribution channels, and regions. In terms of types, the market is categorised into Life Insurance and Non-Life Insurance. The distribution channels include traditional banks, digital platforms, and InsurTech startups. Geographically, the market spans across North America, Europe, Asia Pacific, the Middle East and Africa, and Latin America.

Life insurance emerges as the predominant type within the global bancassurance market, driven by customers seeking comprehensive financial protection for themselves and their families, while non-life insurance is the fastest-growing segment, driven by cross-selling and upselling through bancassurance. Encompassing a

spectrum of coverages such as property, casualty, health, and motor insurance, non-life insurance products have witnessed rapid growth.

Europe boasts the highest bancassurance penetration rate globally, with numerous regions witnessing over half of their premium income stemming from life bancassurance. As outlined in a Financial Times report, the bancassurance market size in Europe, measured by gross written premiums, is anticipated to escalate from EUR 555.43 billion in 2024 to EUR 660.05 billion by 2029, reflecting 18.84% growth. This expansion is projected to occur at a compound annual growth rate of 3.51% over the period spanning from 2024 to 2029.

Figure 3: Projection of the Bancassurance Market in Europe (EUR in Billion)



Source: Mordor Intelligence

Table 1: Snapshot of the Global Bancassurance Market

Bancassurance Market Report Highlights

Aspects	Details
Market Size By 2031	USD 1.8 trillion
Growth Rate	CAGR of 7.4%
Forecast period	2021-2031
Report Pages	201
By Insurance Type	<ul style="list-style-type: none"> • Life Insurance • Non-Life Insurance
By Model Type	<ul style="list-style-type: none"> • Pure Distributor Model • Strategic Alliance Model • Joint Venture Model • Financial Holding • Others

Source: Allied Market Research

Aspects	Details
By End User	<ul style="list-style-type: none"> • Personal • Business
By Region	<ul style="list-style-type: none"> • North America (U.S., Canada) • Europe (UK, Germany, France, Italy, Spain, Rest of Europe) • Asia-Pacific (China, Japan, India, Australia, South Korea, Rest of Asia-Pacific) • LAMEA (Latin America, Middle East, Africa)
Key Market Players	BNP Paribas, State Bank of India, ABN AMRO Bank N.V., HSBC Group, Citigroup, Inc., Standard Chartered, Wells Fargo, Scotiabank, American Express Company, Mitsubishi UFJ Financial Group, Inc

Economic Growth, Insurance, and Bancassurance in Bangladesh

Ensuring persistent economic growth poses a significant challenge for a developing nation like Bangladesh. The measurement of economic growth hinges on the capacity of an economy to generate goods and services using resources such as capital and labor. As Bangladesh strives to graduate from the category of Least Developed Countries (LDCs) by 2026, there is a compelling need for increased investments across various sectors. Sustaining the current economic growth trajectory, averaging around 7%, is imperative for the nation’s progress, emphasising the critical role of continued investment.

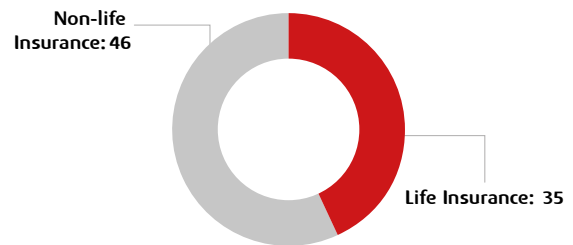
Figure 4: An Overview of the Insurance Industry in 2022



Source: Insurance Development Regulatory Authority

An exploration of the interplay between the insurance penetration rate, investment, and its subsequent impact on economic growth in Bangladesh unfolds a fascinating narrative. Presently, the country boasts a total of 81 operational insurance companies, comprising 35 life insurance companies and 46 non-life insurance companies.

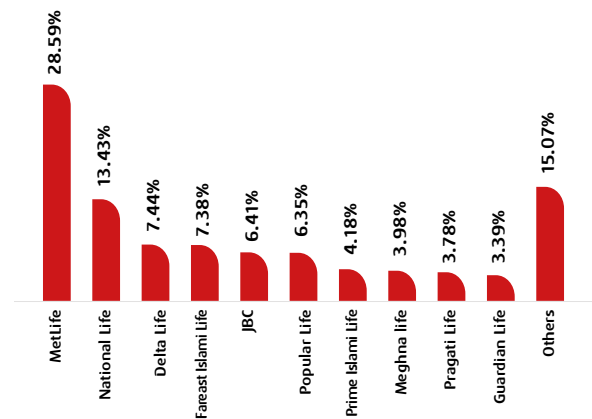
Figure 5: Number of Life Insurance and Non-Life Insurance Companies in Bangladesh



Source: Insurance Development Regulatory Authority

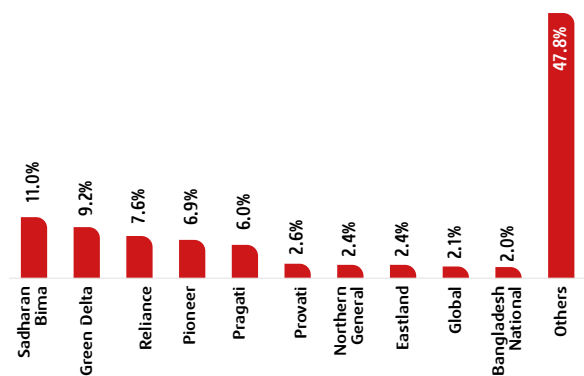
Notably, MetLife holds the majority of the market share among the life insurance companies, while state-run Sadharan Bima Corporation has the largest market share among non-life insurers.

Figure 6: Market Share of Life Insurers in Bangladesh



Source: Insurance Development Regulatory Authority

Figure 7: Market Share of Non-Life Insurers in Bangladesh



Source: Insurance Development Regulatory Authority

The Bangladesh Insurance Association (BIA) has excluded three significant non-life insurance sectors, namely marine hull, marine cargo, and fire insurance, from bancassurance. These sectors collectively contribute to more than 80% of the non-life insurance premium. The BIA justified their exclusion by stating that these sectors are not yet prepared for inclusion.

Despite the considerable number of insurance entities, the insurance penetration rate remains relatively low. This rate is defined as the proportion of total insurance premiums to the total GDP of a country in a given year. The insurance industry currently contributes only 0.5% of GDP, but the government intends to increase it to 4%.

Claim Settlements

The low insurance penetration in Bangladesh is partly due to a deficient claims settlement ratio. Approximately 10 lakh policyholders face uncertainty as 29 life insurance companies are unable to clear dues, amounting to BDT 3,050 crore in unsettled claims over four years until the second quarter of 2023, as per data from the Insurance Development and Regulatory Authority (IDRA).

Evidently, the life insurance sector experienced a decrease in the overall claims settlement ratio department. According to IDRA, this ratio dropped from 88.32% in 2020 to 68.79% in 2021. In contrast, the non-life insurance sector saw a significant increase in its claims settlement ratio, even though it had a much lower ratio to begin with as the ratio rose from 31.60% in 2020 to 41.49% in 2021. Several factors contribute to these low ratios, including delays in settling claims

upon policy maturity, stiff competition among companies, inadequate fund investment leading to insufficient returns, and instances of corruption and financial irregularities. Additionally, the lack of agent professionalism, incomplete information provided to policyholders, and a gap between promised benefits and reality upon policy maturity further contribute to negative perceptions.

Despite these challenges, some companies stand out with their claim settlement ratios. Below are some key insights retrieved from The Daily Star:

- A total of 17 firms accounted for more than 95% of the claim settlement ratio
- 9 out of those 17 firms reached settlements for less than BDT 100 crore
- 8 insurance companies resolved claims totaling more than BDT 100 crore and had a claim settlement percentage of more than 95%.
- Those 8 insurance firms include Popular Life Insurance, Pragati Life Insurance, Prime Islami Life Insurance, Sandhani Life Insurance, Guardian Life Insurance, Meghna Life Insurance, MetLife Bangladesh, and Rupali Life Insurance.

Bangladesh Bank's Policies on Bancassurance

Bangladesh Bank (BB) has enforced a directive on bancassurance, effective immediately on December 12, 2023. All 61 scheduled banks in the country are authorised to participate in bancassurance as corporate agents of insurance companies. Guidelines, released on December 20, 2023, outline the qualifications for insurance services, contract procedures, and eligibility criteria for banks. Banks with over 5% net non-performing loans or below a 12.5% capital risk-weighted asset ratio are ineligible to sell insurance. They must maintain a minimum credit rating and CAMELS grade of 2, along with a positive net profit over the last three years. Banks can provide the service through branches and digitally, ensuring voluntary customer involvement. Notably, common beneficial owners of banks, insurance companies, or related parties are disqualified from bancassurance engagement.

The bancassurance business plan and review

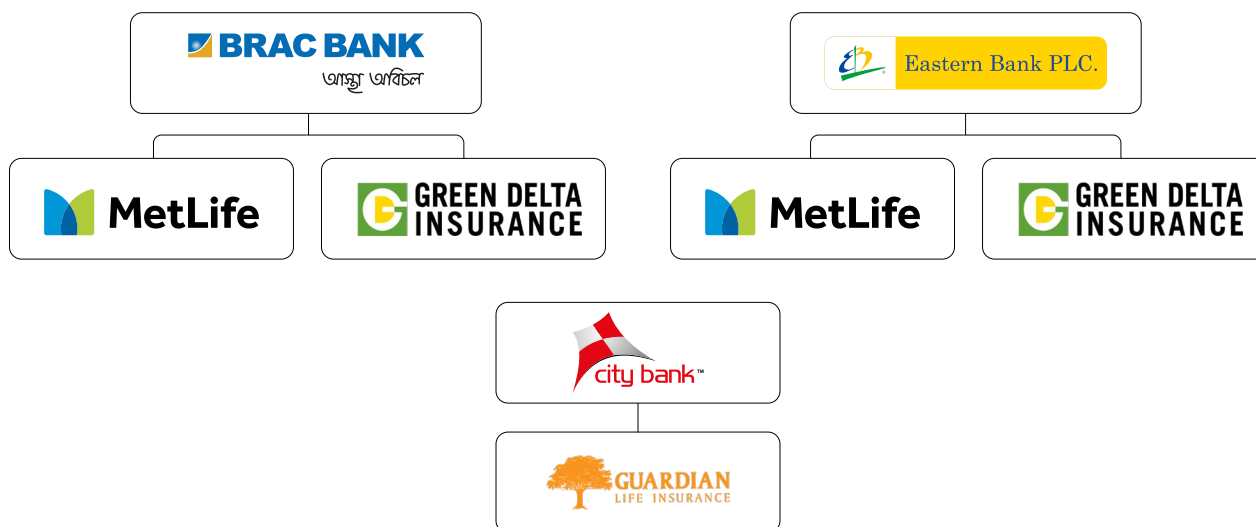
mechanism require approval from the banks’ Board of Directors, subject to a review every three years. Changes to contracts with insurance companies necessitate permission from Bangladesh Bank. To operate a separate bancassurance unit, banks need qualified personnel and must obtain prior approval from the central bank. Agent licences from the Insurance Development and Regulatory Authority are also mandatory for insurance development and regulation.

If a bank terminates an arrangement with an insurance company, it must continue offering

services to customers until the agreement period expires. Upon the expiration of an insurance customer’s designated period, the banks will credit the customer with the agreed-upon amount. Client complaints will be collaboratively managed by both the bank and the insurance carrier.

After receiving approval from Bangladesh Bank, prominent banks in Bangladesh have established collaborations with renowned insurance companies. For instance, both BRAC Bank and Eastern Bank have formed partnerships with MetLife and Green Delta Insurance while City Bank has joined forces with Guardian Life Insurance.

Figure 8: Collaborations for Bancassurance in Bangladesh (As of January 9, 2024)



Challenges and Solutions in Bancassurance Implementation

Bancassurance may face significant obstacles in Bangladesh, particularly due to the complex regulatory landscape that governs the insurance and banking sectors separately. The process of aligning these regulations is a challenging endeavour, highlighting the need for a cohesive framework to establish a smooth bancassurance environment. Moreover, the lack of awareness among the general public regarding insurance products offered through banks presents another barrier. Overcoming this gap necessitates collaborative initiatives from both banks and insurance companies to enlighten customers about the benefits and convenience of bancassurance.

Building consumer trust is of utmost importance for the success of bancassurance. It requires addressing concerns related to transparency, conflicts of interest, and doubts about the expertise of bank staff. To achieve this, it is essential to establish a strong regulatory framework, uphold ethical standards, and conduct awareness campaigns. The effective implementation of bancassurance relies on the expertise of skilled professionals, which necessitates continuous training and skill development for bank staff. This enables them to educate customers and facilitate seamless purchases.

Despite the integral role of technology in bancassurance, Bangladesh may face hurdles in infrastructure, particularly limited internet connectivity in rural areas. Enhancing technological

infrastructure and promoting digital literacy are vital for broader bancassurance accessibility. Advances in data analytics, artificial intelligence, and machine learning enhance personalisation and efficiency, making bancassurance more profitable. As technology advances, it holds the potential to significantly boost the bancassurance market.

As we navigate the intricacies of bancassurance, it becomes evident that overcoming challenges and fostering its growth demand a multifaceted approach. Addressing regulatory complexities, enhancing consumer awareness, and building trust are foundational steps. The symbiotic relationship between banks and insurance

companies, fueled by economic growth and financial literacy, underscores the industry's potential. The imperative for Bangladesh to foster its insurance sector extends far beyond the conventional notion of risk transfer. It is a strategic move to bolster the nation's economic foundation by paving the way for sustainable growth. Insurance does, in fact, aid in capital accumulation and economic progress. As Bangladesh progresses towards inclusive growth, the synergy between banking and insurance will foster financial inclusion, allowing millions to secure their financial future and contribute to the nation's progress. The trajectory ahead promises a transformative landscape where bancassurance becomes a catalyst for financial inclusion and resilience.

The viewpoints presented in this write-up belong solely to the authors and do not necessarily reflect the editorial stance of this publication.





Md. Ashanur Rahman

Chief Economist and Country Business Manager,
City Bank PLC.

Interviewed By

Syed Md. Rakeen, Team MBR

Md. Ashanur Rahman recently played a pivotal role in finalising a groundbreaking deal with Guardian Life Insurance, marking the introduction of bancassurance in Bangladesh. Commencing his banking journey as a Management Trainee at Mercantile Bank in 2004, Rahman showcased his prowess across various divisions such as retail, credit, research, and planning. In 2008, he transitioned to The City Bank, where his expertise extended to encompassing multiple facets of risk management, including credit, market, and operational risks. The year 2013 saw him contributing his skills to the Royal Bank of Canada, serving in the capacity of a retail banker. Returning to The City Bank in 2019, Rahman assumed the role of Chief Economist and Country Business Manager. In a recent conversation with Team MBR, Mr. Md. Ashanur Rahman shared his valuable insights on the potential of bancassurance in Bangladesh. His wealth of experience and expertise shed light on the promising collaborative journey between banks and insurance companies, providing a glimpse into the future prospects of this innovative venture.

Syed Md. Rakeen: The alliance of banks and insurance companies brings fresh hope to the insurance industry by enabling the accessibility of its products through the wide distribution network of banks. Would you kindly share in detail how the strategic collaboration between banks and insurance companies will work in promoting bancassurance in Bangladesh?

Md. Ashanur Rahman: I am of the opinion that the partnership between banks and insurance companies holds the potential for creating a synergistic relationship. Synergy, in this context, goes beyond the simple arithmetic sum of 2+2

equating to 4. Instead, it implies a combined effect that could be 5 or even greater. Within the banking sector, we universally define a bank as the embodiment of an individual's trust, standing out as one of the most highly leveraged industries globally.

Using City Bank as an example, our liabilities total around BDT 39,255 crore, and our assets come to around BDT 39,608 crore, giving us a balance sheet size of around BDT 78,863 crore. Notably, the paid up capital stands at a mere BDT 1,224 crore. This stark contrast reveals that the organization has amassed significant deposits in comparison to its shareholder equity, resulting in

a leverage of nearly 32 times. Given this scenario, individuals may harbor doubts about entrusting their funds to such an institution.

Despite the aforementioned circumstances, people continue to place their trust in banking institutions. It is crucial to acknowledge that banks, like any other industry, grapple with issues related to transparency, separating the well-performing banks from their less successful counterparts. The most successful banks actively seek collaborations with premier insurance companies, and vice versa. Banks are inclined towards fostering transparency, recognising that deceiving clients in insurance sales could lead to client loss.

In light of these considerations, the concept of bancassurance emerges. The initial hurdle involves educating the masses about the significance of insurance. However, I firmly believe that bancassurance represents the future and is a promising avenue for banks to generate non-interest income, thereby securing substantial fee-based revenue.

According to a PwC report, a 1% increase in insurance penetration correlates with a 2% boost in GDP. This implies that if Bangladesh's insurance penetration rises from 0.57% to 1.57%, the projected GDP of 6.2% could potentially escalate to 8.2% or even 8.5%. With this optimistic outlook, we are hopeful that strategic collaboration between banks and insurance companies will prove to be successful.

Syed Md. Rakeen: As per the Swiss Re Institute report, one of the world's leading providers of reinsurance and insurance, the insurance penetration in Bangladesh was only a mere 0.4% in 2022, while neighbouring countries such as India maintained a rate of 4%. From your perspective, which factors have prevented the growth of the insurance industry in Bangladesh so far?

Md. Ashanur Rahman: To begin with, insurance penetration in Bangladesh lags behind that of

South Asia and East Asia, let alone the more developed markets like the USA or Europe. Currently, the insurance penetration rate in Bangladesh stands at a mere 0.57%, underscoring a notable lack of trust in insurance. Religious convictions have an impact on this skepticism because many people believe that they will not suffer harm or experience sudden death because of Almighty Allah's blessing.

Moreover, I am of the opinion that insurance sales pitches often focus excessively on potential accidents or deaths, dissuading people from considering insurance. The predominant approach seems to revolve around selling risk and promoting products that are inherently Death Protection Schemes in nature. Unfortunately, sellers tend to highlight the benefits without adequately explaining the associated risks, hindering the growth of insurance companies significantly.

Compounding these challenges, the regulatory structure for the insurance sector in Bangladesh has faced issues. Initially under the Ministry of Commerce, it later fell under the jurisdiction of the Ministry of Finance, unlike in many other countries where the central bank regulates the insurance industry. Coordination among governing bodies has been lacking, leading to a dearth of governance, transparency, and accountability. This has resulted in delayed and inadequate claim settlements, leaving policyholders in distress.

Comparatively, India initiated bancassurance in 2000, leveraging its 250-year-old insurance industry, while Bangladesh has been a late entrant to this sector. To pave the way for the future, regulatory bodies overseeing insurance companies need to be strengthened and shielded from political influence. Unifying insurance companies and bank regulators under a single umbrella can minimise discrepancies and enhance overall governance.

A technical committee that Bangladesh Bank formed, of which I was a member, started

the official discussion on bancassurance in Bangladesh in December 2019. Despite progress, the finalisation of bancassurance details took place in 2023, highlighting a four-year journey since the discussion's initiation. Harmonising the pace of various governing bodies is crucial to accelerating insurance penetration. Autonomy and the independent functioning of regulatory bodies are imperative, mirroring the successful approach adopted by India over the past 22 years.

Syed Md. Rakeen: The erosion of trust in the insurance industry has hindered the sector's growth to a large extent. As people generally associate trust and reliance with well-functioning banks, how can these banks act as an area of assurance for policyholders in Bangladesh?

Md. Ashanur Rahman: Firstly, it is crucial to clarify that the underwriting body or the insurance companies are assuming the associated risks in the case of bancassurance. Banks, in the context of bancassurance, do not undertake the risks. Rather, banks serve as facilitators, providing a channel for the insurance business. Our role is centred around pitching insurance products to our clients.

For individuals to sell insurance under bancassurance, possessing a licence from the Insurance Development Regulatory Authority (IDRA) is imperative. The licencing process should be rigorous, ensuring that selling agents thoroughly understand the products, rules, and regulations to prevent unethical practices. Sellers must grasp why clients may seek insurance and ensure they recommend the appropriate products. Additionally, they should elucidate the underlying conditions that determine the grounds for an insured person to claim insurance.

Considering the client's perspective, many individuals, in an attempt to minimise premiums, may falsify declarations regarding qualifications such as medical conditions and other qualitative factors. While insurance policies outline specific

conditions that must be met, sellers often neglect to communicate these criteria for claim settlements. For instance, a client may indicate 'no' for any medical conditions to keep the premium low. However, if an insurance company later discovers undisclosed medical conditions, it may reject any claims.

This highlights a pervasive issue which is the clients need to be educated on the importance of accurate information disclosure. Simultaneously, insurance companies must simplify and make policy conditions more reader-friendly to encourage clients to thoroughly review them. This collaborative effort, involving both sellers and clients, is crucial. Over time, with joint efforts and increased awareness, it is hopeful that these issues will gradually diminish.

Syed Md. Rakeen: The Bangladesh Insurance Association (BIA) decided to exclude three major non-life insurance businesses, namely marine hull, marine cargo, and fire insurance, from bancassurance. In your opinion, why were the aforementioned insurance products, which comprise over 80% of the non-life insurance premium, left out of bancassurance?

Md. Ashanur Rahman: In my view, there are both positive and negative aspects to such a decision for bancassurance. Strengthening the Insurance Development Regulatory Authority as a regulatory body holds the potential to regulate various activities, including claim settlements, and enforce penalties, thereby enhancing transparency in the insurance industry. Many companies currently operate with deficiencies in areas such as reserves, reinsurance treaties, and board and management quality. A robust regulatory body can address these issues and ensure a more accountable and reliable insurance sector.

On the flip side, non-life insurance products are inherently more complex than life insurance products. Given that bancassurance is a relatively

new concept, the focus has initially been on life insurance products. Some challenges persist in these areas, such as the absence of mandatory third-party insurance for cars. While non-life insurance products have been initially excluded due to these challenges, the intention is to gradually introduce them into bancassurance as the industry evolves.

Starting with life insurance allows for a smoother entry into bancassurance, providing an opportunity to address challenges and gain insights into customer behaviour and market dynamics. This learning process will contribute to informed decision-making and pave the way for the eventual inclusion of non-life insurance products in bancassurance. It is crucial to navigate these challenges to ensure the successful adoption and long-term sustainability of bancassurance. Continuous learning and adaptation along the journey will be essential for maximising insurance penetration in the market.

Syed Md. Rakeen: Growing income inequality has prevented a large population of lower-income individuals from availing of insurance products owing to a lack of awareness and insufficient funds to buy policies. Since that massive demographic is also unbanked in Bangladesh, how can banks devise strategies to ensure that the unbanked population is brought under both banking and insurance channels?

Md. Ashanur Rahman: I concur that a number of factors affect the dynamics of insurance premiums in Bangladesh, and addressing these elements is essential for bancassurance to succeed. One significant aspect contributing to higher premiums is the relatively low number of insured individuals. This limitation in the pool of insured people can lead to difficulties in settling claims, especially if the reserves from premiums are not substantial. Economies of scale can play a pivotal role in gradually reducing premiums as more people avail of insurance products over time.

There is also the challenge of certain insurance products not being widely adopted in Bangladesh. Term insurance, for instance, is not extensively sold, possibly due to misconceptions about its benefits and low premiums. Educating the public about the importance of diverse insurance products, including their benefits and affordability, is essential. People need to understand that insurance is not just a financial burden but a safeguard against unforeseen risks.

Literacy and transparency in the insurance sector are highly needed. People often underestimate the value of insurance, believing that nothing adverse will happen to them. Efforts to increase awareness about the significance of being insured, coupled with transparent communication from policy sellers, can contribute to changing this perception.

In addition to that, understanding life expectancy is crucial. The actuarial calculations used by insurance companies should be updated to reflect the current life expectancy in Bangladesh. Incorporating more recent data into these calculations would not only enhance accuracy but also potentially lead to a reduction in premium sizes. This reevaluation of outdated metrics is indeed a timely and necessary step for the insurance industry to adapt to evolving demographics.

In conclusion, bancassurance can play a pivotal role in addressing these challenges by fostering collaboration between banks and insurance companies, promoting education, and enhancing transparency to make insurance more accessible and beneficial for the people of Bangladesh.

Syed Md. Rakeen: The Insurance Development and Regulatory Authority (IDRA) issued the Insurance Development and Regulatory Sandbox Guidelines in 2023 to allow innovation in insurance product offerings and policies, with around 10 tech firms already working with insurance companies. Given the huge pool of technical resources

of banks, how can banks leverage InsurTech to increase the accessibility of insurance products and strengthen the prospects of insurance in Bangladesh?

Md. Ashanur Rahman: It is evident that the integration of technology is a crucial aspect for the future of bancassurance, and the adoption of digital channels is gaining momentum among forward-looking banks. Leveraging existing client KYC forms and incorporating digital platforms, such as Citytouch integrating insurance offerings, streamlines the insurance process. Digitalization offers convenience, efficiency, and accessibility, particularly for tech-savvy clients.

However, acknowledging the diversity in preferences and access, there is a recognition that some individuals in remote areas may still prefer physical interactions over digital channels. For the unbanked or less tech-savvy population, creating physical channels remains essential. Striking a balance between offline and online channels is crucial to ensure inclusivity and to reach a broader audience, particularly those without smartphones or reliable internet access.

Syed Md. Rakeen: There is a huge dearth of insurance literacy in Bangladesh, and banks are expected to play a vital role in reducing the literacy gap among consumers while protecting their interests and prohibiting malpractices. From your perspective, how can banks ensure the proper integration of insurance products into their services?

Md. Ashanur Rahman: In response to the issue of insurance literacy, there is a commitment to addressing malpractices and ensuring proper integration of insurance products into banking services. The emphasis is on stopping tied selling and establishing internal guidelines to prevent coercion into buying insurance. Certification for insurance sellers explicitly prohibits involvement in malpractices, with a system of warnings and escalating punishments for fraudulent practices. Conducting customer need analysis ensures that

customers are offered products tailored to their requirements.

The proposal for a dispute settlement committee between banks and insurance companies, held regularly, can be a proactive step toward addressing concerns about claim settlements. By fostering collaboration, coordination, and awareness, it is anticipated that initial challenges will gradually diminish over time. The commitment to capital punishment for persistent malpractices demonstrates a strong stance against illegal activities, reinforcing the dedication to creating a transparent and ethical bancassurance environment.

Syed Md. Rakeen: As per the data from the Daily Star and the IDRA, the market size of the insurance industry is BDT 5,000 crore with 530,360 insurance agents and nearly 90 lakh policy numbers in 2022. From your perspective, how do you envision the future of the insurance industry now that bancassurance will be adopted across various banking channels?

Md. Ashanur Rahman: The initial two to three years from the implementation of bancassurance are anticipated to be a learning phase for all involved parties. Some banks may intensify their efforts in selling insurance by forming strong collaborations with insurance companies, introducing new insurance products, and enhancing market penetration. Notably, the government's substantial subsidy of BDT 12,000 crore in vulnerable sectors could witness a reduction if the insurance industry flourishes. This potential savings could then be redirected towards other national priorities, contributing positively to the country's economy.

The impact on the economy is particularly significant when considering the vulnerable sectors in Bangladesh. Currently, around 8% of the population sells their lands to cover substantial medical expenses. Bringing these individuals under the insurance umbrella could alleviate the

need for such drastic measures, fostering financial stability for the population.

The potential for economic growth through increased insurance penetration is evident in the statistic that a 1% increase in insurance penetration correlates with a 2.25% to 2.5% increase in GDP. This growth is crucial for banks with revenue targets, primarily driven by interest income. Bancassurance provides an opportunity for banks to diversify their income through fee-based earnings or commissions, without taking on additional financial risk. As fee-based income grows, it can mitigate the need for aggressive

lending, promoting a healthier financial position for banks.

Furthermore, the collaborative efforts of banks and insurance companies in bancassurance have the potential to foster transparency in the insurance industry. This handshake is envisioned as a means to strengthen the country's overall economic position and earn the trust of the public in the realm of insurance. Ultimately, the synergy between banks and insurance companies is seen as a positive step towards achieving financial stability, economic growth, and public confidence in insurance services.



The Horticulture Industry in Bangladesh:

Sowing the Seeds for a Prosperous Agricultural Landscape

Written By
Syed Md. Rakeen



Home to many lush greeneries on the outskirts of Dhaka, Bangladesh boasts a strong agricultural foundation with a large scale of high-value crop production annually. Such has been the instrumental role of agriculture in terms of food security that horticulture has only risen in prominence over the years. The term ‘horticulture’ refers to the small-scale production of crops in greenhouses or formal flower beds, usually in an enclosed gardening system for growing edible and non-edible plants. Unlike most large arable lands where agricultural practices are employed, horticulture takes up less space and garners a much higher per-hectare benefit when compared to agricultural practices. In order to mimic arable land, scientific methods and technologies are used to maximise crop yield. This, in turn, leads to an increased supply of horticulture products, which can then be sold to farmers. Horticultural farming accounts for 7% of the total crop production, utilising 4% of the total farming area in the process.

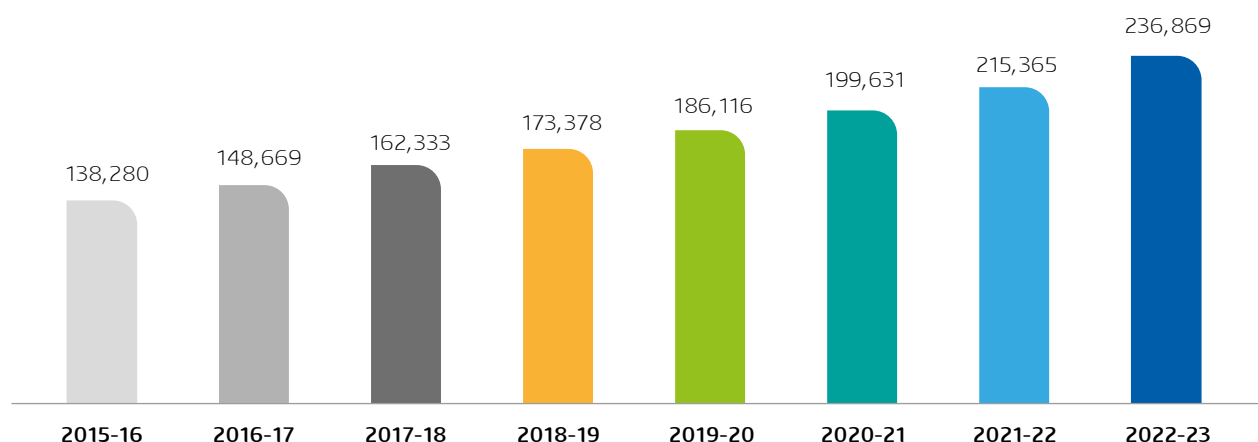
Promising Outlook of the Industry

From a geographical perspective, South Asia possesses quite a diverse agro-climatic environment, which provides an excellent culture for the cultivation of horticultural crops. Generally,

SAARC countries boast myriads of indigenous vegetables, fruits, flowers, spices, plantation crops, and herbs commonly used for therapeutic or medicinal purposes. The prospective landscape of horticulture in Bangladesh can be attributed to climate and regional variations, which have led to an increase in horticultural crops like fruits, vegetables, potatoes, tropical tuber crops, mushrooms, ornamental, medicinal, and aromatic plants, plantation crops, and spices. Agro-horticultural crops play a crucial role in poverty alleviation, employment creation, and food security. Generally, there are three productive seasons for crops where the cultivation of vegetables is intensified in two particular seasons, namely summer and winter (rabi). While summer production poses significant challenges for farmers due to heavy rainfall and an increasing number of pests and diseases, the prices of crops increase sharply, leading to a huge influx of profits. Horticulture produce is perceived to be more profitable as it can garner huge market prices compared to staple goods such as rice. In the fiscal year 2022–23, the contribution of crops and horticulture to Bangladesh’s GDP stood around BDT 236,869 crore, experiencing a 10% rise from the fiscal year 2021–22, when the figures were BDT 215,365 crore.

Figure 1: Crops and Horticulture GDP at Current Market Prices in the Last Seven Concluded Fiscal Years (In BDT Crore)

Crops and Horticulture GDP at Current Market Prices (In BDT Crore)



Source: Ministry of Finance

Exploring the Horticulture Value Chain

In Bangladesh, the value chains of horticulture involve different types of middlemen, namely local traders (forias), commission agents (aratdars), wholesalers, and retailers. Farmers sell their produce to consumers or local traders at domestic markets or bring it to wholesale markets. At times, farmers strike deals with forias, aratdars, and wholesalers regarding the sales of fruits and vegetables from fruit orchards and vegetable fields, respectively, in return for obtaining loans. Once the produce is sold to the forias, fruits and vegetables are then organised through assembling, sorting, grading, and cleaning before reaching the hands of the aratdars. The aratdars are responsible for arranging or negotiating the sales or fixing the commissions of sellers. They play the role of wholesalers and establish wholesale shops of their own. The wholesalers purchase the produce from the aratdars in a wholesale market and then sell it to the retailers. Then, the retailers sell the horticultural produce to consumers at retail stores or street vendors.

The flourishing supermarket business has facilitated the demand for fruits and vegetables. These products are sourced from some wholesale markets or farmers through contract farming. Despite a small market share in the fruits and

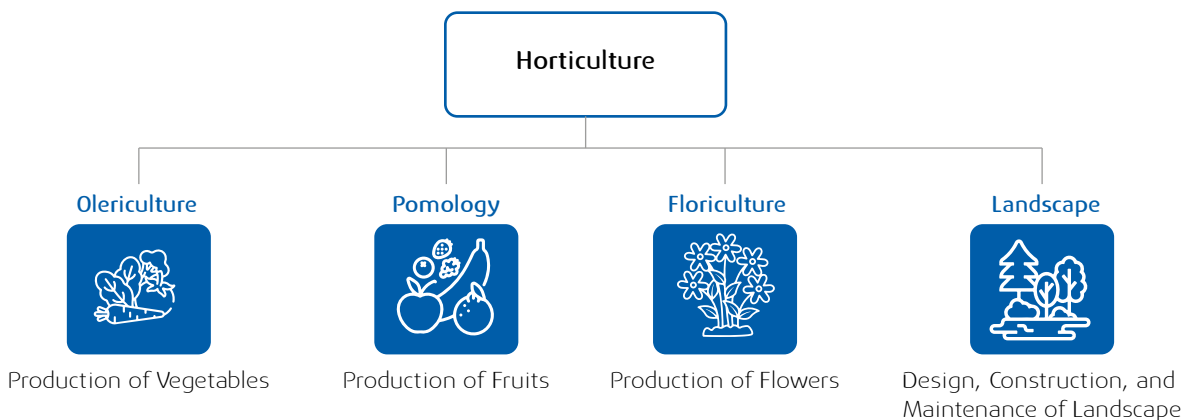
vegetables category, local retail companies have expanded their operations via their own supermarkets.

Open trucks are the most common mode of fresh produce transportation. As trucks are generally filled with various products, the produce tends to lose its quality, leading to spoilage. The usage of cold storage is growing but is still quite minimal. In the majority of cases, they are owned by aratdars and used for selected horticultural produce such as potatoes, spices, and imported fruits. As per the Bangladesh Cold Storage Association, there are 428 cold storages in the country with an approximate 5.5 million metric tonnes as of 2019.

As per Growth Market Reports, the global horticulture market size was USD 22.42 billion in 2022 and is expected to reach USD 52.43 billion by 2031, expanding at a compound annual growth rate of 9.9% during 2023–2031. Currently, Bangladesh is already exporting to about 40 countries in the world, with the majority of the markets in Saudi Arabia, Qatar, Kuwait, the UK, and Malaysia for diaspora markets. Exports fluctuate frequently due to issues with the quality control of horticultural produce. Several export shipments are declined owing to contamination and failure to meet standards, leading to a great dearth of infrastructure and logistics required to build an efficient export channel.

Horticultural Segmentation

Figure 2: Segmentation of Horticulture



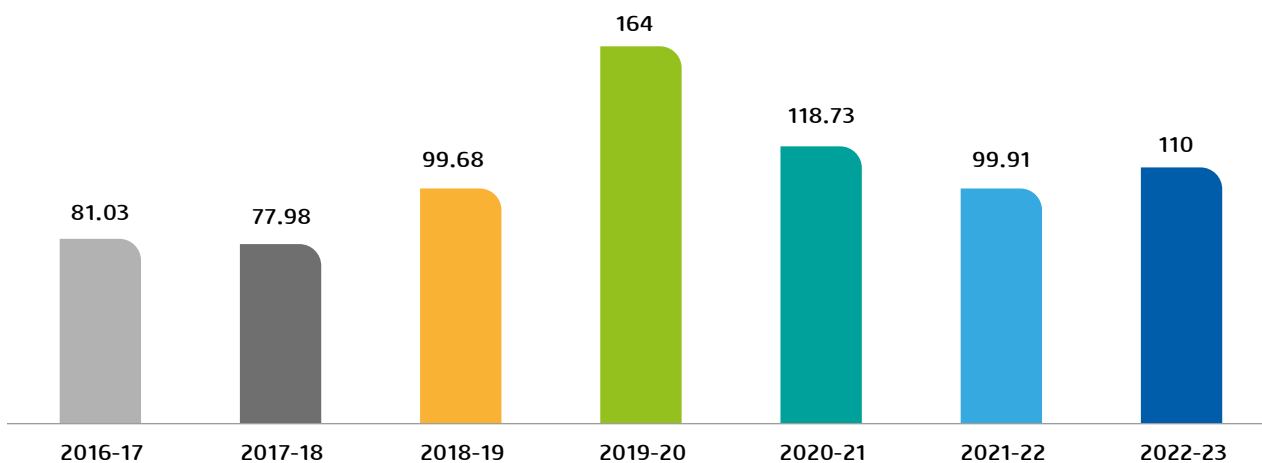
Olericulture

Olericulture refers to that branch of horticulture that consists of vegetable and herb production in Bangladesh. In the last few decades, vegetable production has experienced a growing popularity due to its consumption by a massive population, inevitably creating a huge local market, export-oriented markets, and local processing demand. For commercial and semi-commercial farmers in Bangladesh, vegetables are considered the pick of the bunch for crop cultivation.

With a production capacity of over 150 vegetable crops, the essential vegetables are considered

to be onion, garlic, tomato, brinjal, cauliflower, gourd, chilli, and cabbage. A horticultural study conducted by Advance Consulting, Resilience and Edge Consulting revealed that the Annual production of vegetables totals over 6.5 million tonnes, of which 1.9 million tonnes are summer vegetables, 2.5 million tonnes are winter vegetables, 1.8 million tonnes are onion, and 466 thousand tonnes are garlic. In Bangladesh, potato is also a major horticultural crop. The production of such vegetables is scattered throughout the country, although there are major producing regions in southern and northern Bangladesh, namely Jashore to the north-west part of Bangladesh called Rangpur and Jamalpur.

Figure 3: Vegetable Exports in USD Million



Source: Export Promotion Bureau Bangladesh

Floriculture

Floriculture deals with the production of field-grown or greenhouse-grown plants for their flowers or showy leaves. The increasing demand for flowers in Bangladesh has helped the floriculture industry to thrive, leading to increased commercial cultivation of flowers. According to the Business Post, in 2022, the floriculture industry registered an impressive annual growth rate of 10%–15%. The Horticulture Foundation, a state-run organisation, reported that the domestic flower and foliage sector is currently experiencing an annual turnover of BDT

1,600 crore. The current industry landscape is a stark contrast to a decade and a half ago, when Bangladesh relied heavily on flower imports to meet 80% of its local demand. According to the Bangladesh Flower Society, Bangladesh now meets 95% of the domestic demand through local production, with the remaining 5% of the demand being met from India, China, and Malaysia.

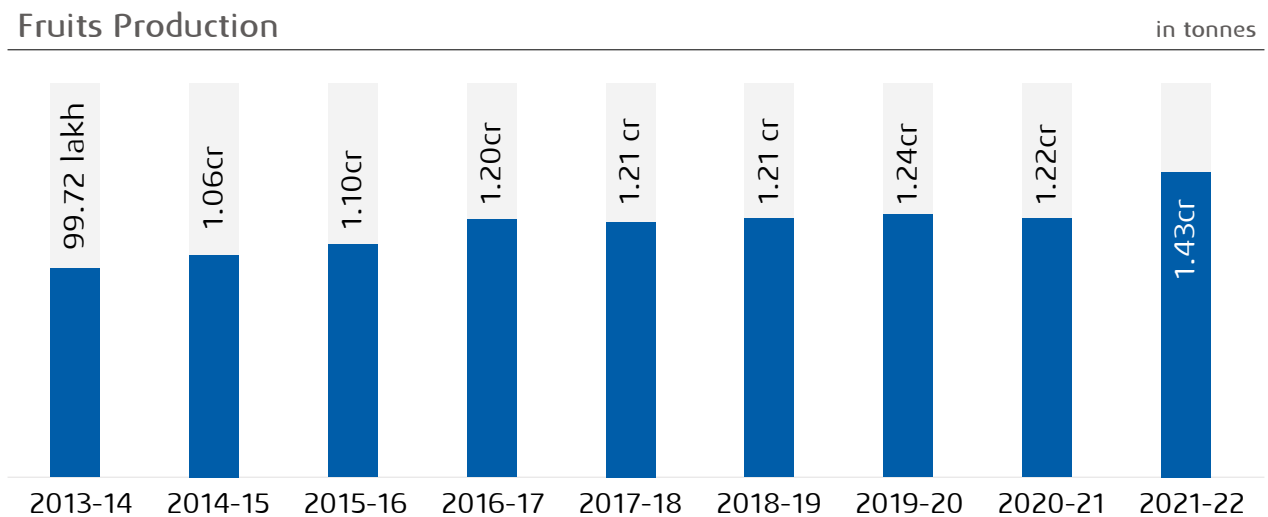
Domestic flowers experienced a surge in demand in the global market, primarily in Europe and the Middle East. The export categories of flowers include tuberose and gladiolus in Saudi Arabia, Pakistan, the UK, Belgium, Canada, Germany, India, Italy, and the UAE, among other countries.

Pomology

Pomology is concerned with the cultivation, production, harvest, and storage of horticultural fruits. Successful commercial farming has led to massive fruit production in Bangladesh during the last 20 years. With an average annual rise in fruit output of 11.5% for the previous 18 years, Bangladesh ranks among the top 10 tropical fruit-producing nations in the world, according to the Food and Agriculture Organisation (FAO)

of the United Nations. Local fruit production has experienced significant expansion in the commercial sector between 2013–14 and 2021–22. Fruits grown on a large scale include java plum (jaam), litchi, jujube, star fruit (kamranga), wood apple, lemon, pineapple, lotkon (Burmese grape), custard apple, and sapodilla (safeda). Over the past ten years, Bangladesh has evolved from producing 56 to 72 different fruit kinds, according to the Ministry of Agriculture.

Figure 4: Production of Fruits in the Last 9 Fiscal Years



Source: Department of Agricultural Extension

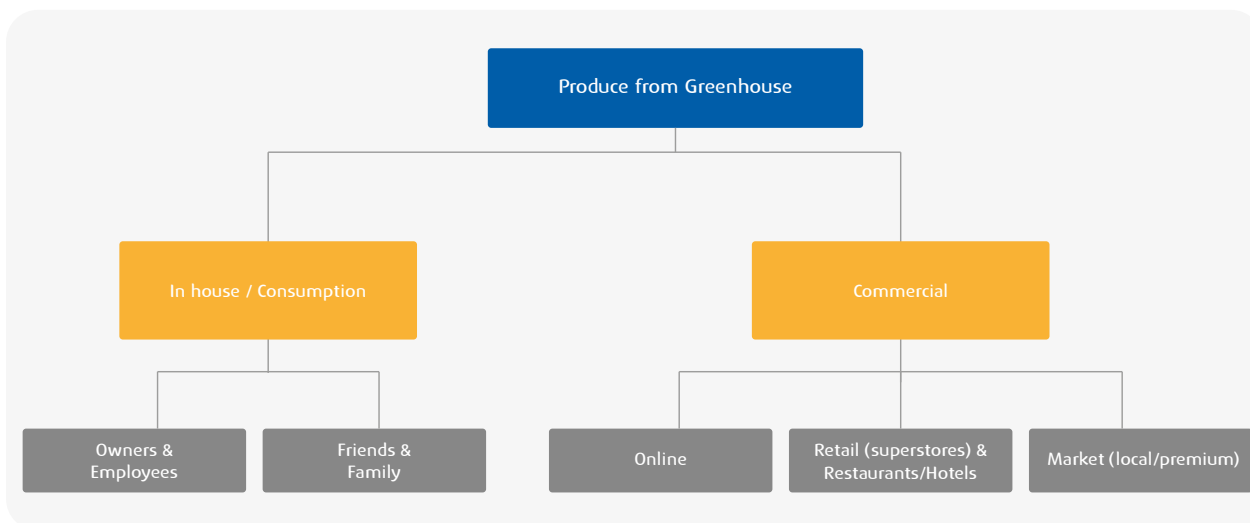
Landscape Horticulture

The area of horticulture that deals with growing plants for decorative purposes in both indoor and outdoor environments by harbouring a natural environment is known as landscape or environmental horticulture. Landscapes are of two varieties, namely, natural and artificial landscapes. The natural landscape is immune to human activities and remains strong, provided the living and non-living natural environment can move freely. Artificial landscape refers to artificially created plants for landscaping an outdoor environment. Its benefits reside in its minimal maintenance.

Market-Oriented Greenhouses Private Companies

A study found that there are several greenhouses that are already established, including the likes of Paramount Agro, Farm Fresh Organics, Shourov Fisheries and Agro, Paragon Agro, Square Food & Beverage, and Tamishna Group. Greenhouse produce often rivals imported vegetables and domestically grown crops in Dhaka by competing in the niche segment of high-value crops. Although competition exists, greenhouse produce possesses a lot of demand, with market players predicting the sector to expand. Greenhouses prefer direct online sales, sales to supermarkets, and, at times, sales to the local premium markets for commercial sales. The marketing efforts are customised and generally vary according to the locations.

Figure 5: Marketing Channels for Greenhouses



Source: Horticulture Report titled “Opportunities of Protected Horticulture in Bangladesh”

Figure 6: Organic Vegetable Cultivation of Farm Fresh



Source: Horticulture Report titled “Opportunities of Protected Horticulture in Bangladesh”

Research Centres in Bangladesh

According to Agro Bangladesh, a total of five horticulture research centres are up and running under BARI at Joydebpur, Rahmatpur (Barisal), Hathazari (Chittagong), Akbarpur (Moulvibazar), and Nababgonj (Rajshahi). These research centres currently deal with a huge volume of research programmes related to fruits, vegetables, and spices to elevate the current production technologies of farmers’ and meet their needs, enabling them to utilise natural resources and maximise the production of their horticulture produce.

Table 1: Greenhouse Crops Cultivated in Bangladesh

Crops cultivated in Greenhouses	
Tomatoes - Cherry,	Basil Leaf
Beef, Black	
Capsicum	Bok Choi
Mint	Lettuce
Strawberry	Celery
Cucumber	Leafy Vegetables
Spinach	Chili
Cabbage	Long Beans
Cauliflower	Flowers (gerbera)
Basil	Rock Melons
Honeydew Melons	Other Experimental (grapes)

Source: Horticulture Report titled “Opportunities of Protected Horticulture in Bangladesh”

Existing Obstacles in Horticulture Practices

Despite the promise of massive yield per hectare of area relative to agriculture, the implementation of proper horticulture practices can be difficult in terms of execution. For greenhouse-based companies, the cultivation process can be quite challenging, as the cultivation process is reliant on the solution used in the case of nutrition sources for plants or fertilizers. These chemicals are not recognised by authorities as agriculture-friendly chemicals with no HS codes on them, leading to heavy taxes during industrial usage.

Seeds for indoor cultivation with large yields are crucial to this sector. However, there are not many recognised seed suppliers in Bangladesh. This creates a situation where businesses are forced to source seeds from certain indoor seed suppliers. Inefficient cultivation practices have also largely hindered the growth of this industry, while natural calamities and poor production planning have disrupted supply chains. Lastly, despite the escalating demand for horticulture produce, farmers' share in the consumer price is extremely low owing to the long list of middlemen that exists, preventing farmers from getting their deserved shares.

In spite of Bangladesh's large population, shrinking arable land, and frequent natural disasters, the country has made significant progress in achieving self-sufficiency for the

production of agricultural crops and reducing poverty. The farming sector now employs almost half of the population. Hence, the interests of this sector must therefore be taken into account in national policies, especially at a time when the country faces many challenges as a nation. The country will continue to move forward, and the agricultural sector will thrive if marginal farmers can be protected and new technologies are put in place. Besides, the government had already outlined a list of plans for the enhancement of the agriculture sector, namely the National Agricultural Policy 2018, the 8th Five-Year Plan, Vision 2041, Sustainable Development Goals, Delta Plan-2100, etc. While the policies are conducive to fostering the horticultural industry, the large-scale implementation of horticultural practices is still in progress.



Sasthya Seba Limited



Waziha Islam Taaseen

Co-founder and Managing Director, Sasthya Seba Limited

Interviewed By

Syed Md. Rakeen, Team MBR

Sasthya Seba is more than a healthcare platform; it is a lifeline. With a network of over 3,000 seasoned doctors providing in-chamber and video consultations, it has redefined healthcare accessibility. Yet, its commitment does not end there. It guarantees an ambulance within 30 minutes across the nation. It proudly leads as the largest ambulance service provider in Bangladesh, promising a swift response in critical moments and ensuring a new benchmark in emergency services. Team MBR was in a conversation with Ms. Waziha Islam Taaseen, Co-founder and Managing Director, Sasthya Seba, to learn about her startup's impact in the healthcare sector of Bangladesh.

Syed Md. Rakeen: Hailing from a dual background of microbiology and biotechnology, you have always been in close proximity to medical research and healthcare. Would you kindly share the inspiration behind building such a much-needed platform like Sasthya Seba?

Waziha Islam Taaseen: The inspiration behind founding Sasthya Seba stems from a deep-rooted desire to address critical gaps in the healthcare sector. Having a background in microbiology and biotechnology provided me with different perspectives on the challenges within the industry. Witnessing the difficulties people face

in accessing timely healthcare, coupled with the inefficiencies in the system, ignited a passion to create a solution.

Sasthya Seba aims to bridge the accessibility gap in healthcare, particularly in remote areas, through telemedicine services. The vision is to leverage technology to make healthcare services more readily available, streamline doctor-patient interactions, and provide swift emergency medical services. The goal is not just to build a platform but to contribute to transforming the healthcare landscape, making quality healthcare accessible to all, irrespective of their geographic location.

Syed Md. Rakeen: Sasthya Seba offers a wide variety of medical services, including requesting doctor's appointments, booking ambulances, requesting diagnostic tests, and so on. May we know in detail about the range of services, in which modes these services are being offered, and how technologies have been incorporated in the offering of these services?

Waziha Islam Taaseen: At Sasthya Seba, our goal is to offer a comprehensive suite of healthcare services, ensuring that users can access medical assistance in various forms. Currently, our revenue-generating services include in-chamber doctor's appointments, video consultations with doctors, and emergency ambulance services.



Moreover, we are actively running our MVP for several innovative services.

Requesting Sample Collection for Lab/Diagnostic Tests: Users can conveniently request sample collection for diagnostic tests.

Health Checkup Package and Health Insurance Package Purchase: We are facilitating the purchase of health checkup and insurance packages.

On-Demand Doctor at Home Service: Users can avail themselves of doctor consultations in the comfort of their homes.

Domiciliary Service: This includes a range of services such as nurse services, physiotherapy, elderly and baby care, and patient care attendants.

In addition to these, we provide free healthcare suggestions where users can describe their health issues via text or voice messages. Our Medical Advisory Board, comprising 30 specialist doctors, reviews and provides expert suggestions for each case.

Furthermore, users can discover and explore reputed hospitals through our platform. Hospitals manage their profiles, sharing details about services, doctors, facilities, and costs. Every doctor on our platform has access to a Practice

Management System, allowing them to update information as well as manage schedules, patients, digital prescriptions, and track their growth. We have also developed a dedicated app for doctors to enhance their experience on our platform. The integration of these services showcases our commitment to leveraging technology for the betterment of healthcare accessibility.

Syed Md. Rakeen: Sasthya Seba has managed to onboard doctors with years of experience in their respective fields, such as gynaecology, haematology, orthopaedics, urology, paediatrics, pulmonology, neurology, oncology, and many others. Would you kindly shed some light on the procedure and the criteria to onboard a doctor on Sasthya Seba's platform?

Waziha Islam Taaseen: The process of onboarding experienced and reputable doctors onto the Sasthya Seba platform involves a collaborative effort between our dedicated sourcing team and the doctors themselves.

Our proactive sourcing team actively seeks out doctors specialising in various fields, such as gynaecology, haematology, orthopaedics, urology, paediatrics, pulmonology, neurology, oncology, and more. During in-person visits, our team articulates the advantages of joining our platform and gathers essential information about the doctors. Subsequently, our meticulous data management team takes charge, uploading the collected data, creating comprehensive profiles, and providing access to the respective doctors.

Simultaneously, we have designed a user-friendly doctor onboarding portal, enabling doctors who are keen on joining our platform to initiate the process independently. Through this portal, doctors can create their profiles and upload crucial documents such as NIDs, MBBS certificates, BMDC certificates, and any specialisation certificates. They can also update information about their specialisations, schedules, workplaces, fees, and other pertinent details.

In both approaches, our rigorous data management team plays a crucial role in verifying the authenticity of all submitted documents, including NIDs, MBBS certificates, BMDC certificates, and any specialisation certificates. Once the verification process is successfully completed, the doctors' profiles go live on our platform.

This meticulous onboarding process ensures that our platform features experienced and trusted healthcare professionals, contributing to the credibility and reliability of Sasthya Seba.

Syed Md. Rakeen: Revenue generation from healthcare businesses such as hospitals, clinics, diagnostic centres, and drug manufacturing businesses is highly interlinked. Would you kindly share the revenue-generating wings of Sasthya Seba with us?

Waziha Islam Taaseen: Revenue generation for Sasthya Seba primarily revolves around key services that address critical healthcare needs. Our three main revenue-generating wings are Ambulance Service, Video Consultation with Doctors, and In-chamber Doctor's Appointments.

Firstly, our Ambulance Service stands as a flagship offering, positioning us as the largest ambulance service provider in Bangladesh. We take pride in our ability to provide ambulance services within 30 minutes, not only in Dhaka City but also across all 64 districts of Bangladesh. With three fully equipped ambulances in our fleet and an extensive partner network of 400 ambulances under exclusive agreements, we ensure swift and reliable emergency medical assistance.

Secondly, our Video Consultation with Doctors service has gained prominence as a convenient and accessible mode of healthcare delivery. Patients can engage in virtual consultations with experienced doctors, who are offering them timely medical advice and reducing the need for physical visits.

Lastly, our In-chamber Doctor's Appointments cater to those seeking traditional in-person medical consultations. This service streamlines the appointment booking process, reducing wait times and ensuring that patients receive prompt attention from qualified healthcare professionals.

It is noteworthy that our revenue model is transparent and straightforward. We do not impose additional service charges beyond the fees determined by our doctors. Instead, doctors share their revenues with us, fostering a collaborative and mutually beneficial relationship.

In essence, these revenue-generating services underscore Sasthya Seba's commitment to providing comprehensive and accessible healthcare solutions, aligning with our mission to revolutionise the healthcare landscape in Bangladesh.

Syed Md. Rakeen: Tech-savvy individuals will undoubtedly be able to reap the benefits of SasthyaSeba's services. However, people with less technological know-how may not be able to avail of these services. How is Sasthya Seba raising awareness about its platform and working on the inclusion of less tech-savvy individuals on its platform?

Waziha Islam Taaseen: At Sasthya Seba, our commitment to inclusivity goes beyond catering to tech-savvy individuals. We understand that not everyone may be familiar with the intricacies of technology, and our goal is to ensure that everyone, regardless of their technological proficiency, can access our healthcare services.

For individuals with less technological understanding, we have established a dedicated hotline number, 09611 530 530, where they can reach out to our customer support team directly. Our team is equipped to provide assistance and facilitate any service available on our platform in real-time. This ensures that even without a smartphone, computer, or internet access, individuals can still benefit from the full range of services offered by Sasthya Seba.

To further enhance awareness and inclusion, we actively promote these alternative avenues through various channels. Our social media platforms and digital campaigns highlight the hotline option and emphasise that our services are accessible through direct communication with our customer support team.

Additionally, we engage in field activations to reach communities directly, spreading awareness

about our services and the different ways individuals can avail themselves, irrespective of their technological comfort. These efforts align with our broader mission to make healthcare services not only accessible but also tailored to the diverse needs of our population.

Moreover, on our social media platforms, we consistently share valuable health awareness contents. These contents, curated in collaboration with healthcare professionals, aim to boost health literacy and empower users with the knowledge needed to make informed decisions about their well-being.

Syed Md. Rakeen: Confusion regarding seeking consulting from the right kind of specialists is one of the key problems in the healthcare sector of Bangladesh, and people often fail to find the right doctors for their symptoms. What kind of assistance is being offered to the users while they are looking for doctors on Sasthya Seba, and how is it ensured that they are moving in the right direction?

Waziha Islam Taaseen: Navigating the complexity of healthcare is a common challenge, and at Sasthya Seba, we have implemented a range of features to guide users effectively in finding the right specialists for their healthcare needs.

Our platform facilitates a comprehensive search for doctors, allowing users to search based on various criteria such as the doctor's name, degree, specialisation, field of concentration, working hospital, or location. For instance, if someone is dealing with joint pain, they can simply enter 'joint pain' in the search bar, and our system will present a list of doctors who specialise in treating joint-related issues. Users can further refine their search based on location, hospital, or other preferences. The map feature provides a visual representation of doctor locations for added convenience.

To ensure users make informed decisions, each doctor's profile includes detailed information. Users can view the doctor's field of concentration, patient feedback, blogs, and videos. This holistic approach allows users to gain a comprehensive

understanding of the doctor's expertise and approach before booking an appointment. For those who may be uncertain about the type of specialist they need, our customer support team is readily available. Users can reach out through our helpline or through the help and suggestion section, describe their health concerns, and our experienced customer support agents provide guidance on the appropriate medical discipline or specialty. In cases where the issue is complex, our support team collaborates with our Medical Advisory team for additional insights.

It is essential to note that we never recommend specific doctors; instead, we guide users towards the right specialty. Furthermore, our platform holds a disease-based knowledge base, providing users with valuable information to enhance their understanding of various health conditions.

By combining advanced search features, comprehensive doctor profiles, and expert support, we have established a user-friendly and informative environment that empowers individuals to make well-informed decisions about their healthcare journey.

Syed Md. Rakeen: Attracting foreign users or onboarding foreign doctors is not something beyond Sasthya Seba's capability, considering it is an online platform that does not face any geographical constraints. How has Sasthya Seba seized this opportunity and scaled its operations?

Waziha Islam Taaseen: Expanding our reach beyond geographical boundaries has been an exciting prospect for Sasthya Seba, allowing us to cater to a wider audience and leverage the expertise of foreign doctors.

While we are not actively targeting foreign users, our platform includes a feature called 'Sasthya Seba Probashi', designed for nonresident Bangladeshis. This feature enables them to book video consultations using our platform, ensuring that distance is not a barrier to accessing quality healthcare advice.

In terms of foreign doctors, we have successfully onboarded more than hundreds of doctors from

neighbouring countries such as India and a few from Dubai, Thailand, and Singapore. This diversity of medical professionals adds richness to our platform, providing users with the opportunity to seek second opinions and advice through video calls. It is important to note that foreign doctors on our platform adhere to regulations, and the prescription of medicines during video calls is restricted according to BMDC rules.

Beyond individual practitioners, we have also established partnerships with various foreign hospitals and ambulance service providers. This allows our users to explore and avail themselves of healthcare services offered by these international entities through the Sasthya Seba platform.

Looking ahead, our vision includes further expansion of Sasthya Seba's operations beyond borders. We believe that ensuring our nationwide availability and refining our services domestically will serve as a solid foundation before venturing into new territories. This strategic approach aligns with our commitment to providing accessible and top-notch healthcare services, not only locally but also to the global community.

Syed Md. Rakeen: With 6,000 subscribed users, 2,100 onboarded doctors, 5,000 completed appointments, 1,200 active ambulances, and a staggering revenue of around BDT 3.00 million in 2023, Sasthya Seba surely enjoyed a successful year as a startup. Given the huge bar of expectations, what new things can we expect from Sasthya Seba in 2024? How do you envision its role in the healthcare sector of Bangladesh in the future?

Waziha Islam Taaseen: The success we have achieved in 2023 is a testament to the growing trust in Sasthya Seba's platform, and I am thrilled about the exciting prospects that 2024 holds for us.

In the coming year, we are geared towards strategic expansion and innovation. Our focus is on enhancing the user experience and service offerings. We plan to roll out new features such as 'Sasthya Seba Probashi' to cater to nonresident Bangladeshis, reinforcing our commitment to inclusivity and accessibility.

Additionally, we aim to further strengthen our network of healthcare providers, both nationally and internationally. Collaborations with renowned hospitals, specialised clinics, and more foreign doctors are on the horizon, allowing us to offer an even broader spectrum of healthcare services.

As we continue to prioritise user convenience, the introduction of advanced telemedicine features and the expansion of our digital health services are in the pipeline. We are exploring partnerships with pharmaceutical companies and diagnostic centres to create a more comprehensive healthcare ecosystem within our platform.

Our vision for 2024 is not just about numbers. It is about making a lasting impact on the healthcare sector in Bangladesh. We aspire to be a catalyst for positive change, fostering a culture of health consciousness and accessibility. By leveraging technology, collaboration, and a commitment to excellence, Sasthya Seba is poised to play a pivotal role in shaping the future of healthcare in our country.



CAPITAL MARKET REVIEW

Performance of Equity Markets of Bangladesh and Peer Countries

Bangladesh equity market closed the month of December in mixed territory. During the month, the broad index DSEX increased by 0.4%, Shariah index DSES increased by 0.8% while blue chip index DS30 declined by -0.7%.

Among the regional peers, Pakistan, Sri Lanka and Vietnam reported a positive return of 3.2%, 0.4% and 3.3% respectively. MSCI Frontier Markets Index increased by 2.6% in December. Over 5-year horizon, Sri Lanka (+76.0%) yielded the most encouraging return.

Table 1: Equity market performance of Bangladesh and peer countries

Indices	Index Points, December 2023	Return*					
		1M	3M	YTD	12M	3Y	5Y
Bangladesh							
DSEX	6,246.5	0.4%	-0.6%	0.6%	0.6%	15.6%	16.0%
DS30	2,093.8	-0.7%	-2.2%	-4.6%	-4.6%	6.6%	11.3%
DSES	1,364.1	0.8%	0.3%	0.4%	0.4%	9.8%	N/A
Peer Countries							
Pakistan (KSE 100)	62,451.0	3.2%	38.5%	54.5%	54.5%	42.7%	68.5%
Sri Lanka (CSE - All Share)	10,654.2	0.4%	-6.4%	25.3%	25.3%	57.3%	76.0%
Vietnam (VNI)	1,129.9	3.3%	0.9%	12.2%	12.2%	2.4%	26.6%
MSCI Frontier Markets Index	748.0	2.6%	2.2%	11.1%	11.1%	0.5%	11.0%

*All returns are Holding Period Return.

Source: Investing.com, MSCI, DSE

Liquidity Condition in Equity Market of Bangladesh

During December, the total market capitalization increased by 1.2%. The daily average turnover was BDT 5.3 bn (USD 48.8 mn) in December, up by 24.4% from that of last month. Turnover velocity which represents overall liquidity of the market stood at 15.7% in December, compared to 14.8% of last month. In 2022, turnover velocity of Bangladesh equity market was 30.7%, in comparison to 65.3% in 2021.

Table 2: Market capitalization and turnover statistics

Particulars	31-Dec-23	30-Nov-23	% change
Total market capitalization (USD* mn)	70,986	70,165	1.2%
Total equity market capitalization (USD mn)	40,590	40,466	0.3%
Total free float market capitalization (USD mn)	15,773	15,736	0.2%
Daily Avg. Turnover (USD mn)	48.8	39.2	24.4%
Turnover Velocity~	15.7%	14.8%	N/A

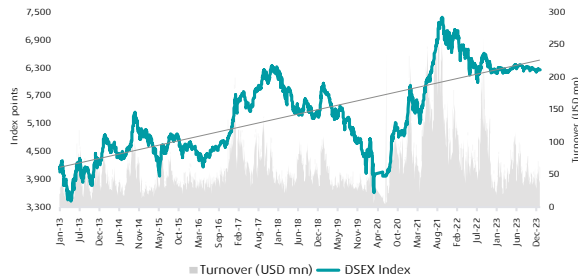
*All USD figures are converted using an exchange rate of 110 as of December 31, 2023 as per Bangladesh Bank website.

~Turnover velocity is calculated by dividing monthly total turnover with month-end market capitalization. The figures are annualized.

Historical Index Points and Market Participation Data

Since its inception on February 27, 2013, DSEX yielded a holding period return of 54.0% till December 2023. During this period, daily average turnover of the market amounted to BDT 6.8 bn (USD 61.5 mn) (Figure 1).

Figure 1: DSEX since inception along with market turnover



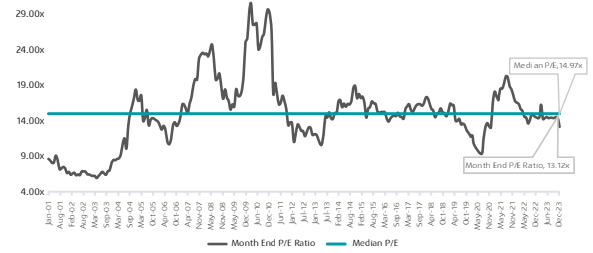
Source: DSE

Market Valuation Level - P/E Ratio

The market P/E decreased to 13.12x in December compared to November's 14.97x. It is lower than the 23 years' median market P/E of 15.00x (Figure 2).

Figure 2: Historical market P/E* and its median

Current Market P/E in Context of History



*Price Earnings (P/E) Ratio is calculated by dividing total market capitalization of all profit making listed companies with their total audited annual earnings.

Source: CEIC, DSE

Sector Performance

Large cap sectors mostly posted positive return in December 2023. Life Insurance sector posted the highest return of 2.4%. On the other hand, Travel and Leisure sector (-20.3%) faced the most price correction.

Telecommunication sector has the highest dividend yield of 5.9% among all sectors.



Table 3: Sector performance snapshot

Sector	Market Capitalization (USD mn)		Return*						P/E (x)**	P/BV (x)^	Dividend Yield~
	Total	Free Float	1M	3M	YTD	12M	3Y	5Y			
Pharmaceuticals & Chemicals	6,576	3,490	0.5%	2.9%	1.5%	1.5%	23.2%	55.2%	14.5	3.2	2.4%
Bank	6,223	3,424	0.7%	0.6%	5.5%	5.5%	26.1%	31.6%	6.4	0.7	4.1%
Telecommunication	5,275	581	0.0%	0.0%	3.1%	3.1%	-5.7%	10.5%	14.3	6.0	5.9%
Engineering	4,836	1,069	0.3%	2.9%	3.3%	3.3%	5.9%	43.3%	32.8	2.5	2.3%
Fuel & Power	4,059	1,167	0.7%	2.7%	3.6%	3.6%	14.1%	16.3%	13.3	1.4	3.7%
Food & Allied	3,568	1,131	-0.4%	-0.6%	4.7%	4.7%	38.8%	60.7%	17.4	8.8	3.2%
Miscellaneous	2,091	873	2.4%	3.6%	5.5%	5.5%	59.6%	117.5%	41.5	2.5	1.5%
NBFI	1,703	553	0.3%	0.3%	1.1%	1.1%	1.0%	4.3%	24.9	2.0	1.5%
Textile	1,578	909	0.7%	3.7%	2.0%	2.0%	44.5%	3.0%	27.2	1.1	1.8%
Cement	1,107	435	1.1%	-0.7%	12.3%	12.3%	47.9%	26.5%	12.3	3.2	5.0%
Non-life Insurance	929	526	2.0%	-9.7%	12.6%	12.6%	0.2%	161.6%	18.0	2.0	2.8%
Life Insurance	670	394	2.4%	-0.6%	5.5%	5.5%	22.0%	12.9%	108.9	7.3	1.9%
Tannery	299	159	2.3%	0.2%	3.4%	3.4%	67.2%	16.5%	38.4	2.9	1.8%
IT	346	215	1.7%	-6.6%	-0.2%	-0.2%	52.1%	60.4%	31.5	3.0	1.6%
Ceramics	292	118	0.0%	1.8%	0.7%	0.7%	46.1%	31.4%	43.6	2.1	1.7%
Travel & Leisure	295	154	-20.3%	-26.5%	-20.2%	-20.2%	41.4%	43.1%	25.5	1.1	2.4%
Paper & Printing	354	128	-2.2%	-2.6%	-1.8%	-1.8%	105.7%	30.9%	24.3	2.8	0.9%
Services & Real Estate	250	130	-0.2%	-3.3%	3.4%	3.4%	48.9%	65.5%	26.4	1.6	3.3%
Jute	37	34	-8.1%	3.3%	10.7%	10.7%	39.2%	-17.0%	62.3	21.1	0.1%
Market	40,590	15,489	0.4%	-0.6%	0.6%	0.6%	15.6%	16.0%	13.3	1.8	3.3%

*All returns are Holding Period Return.

**Price Earnings (P/E) Ratio is calculated by dividing total market capitalization of all profit making listed companies with their annualized earnings.

^P/BV is calculated by dividing total market capitalization of listed companies with their respective total book values, excluding companies with negative book values.

~Dividend yield is calculated by dividing last year's declared cash dividend with market capitalization

Cap Class Performance

During the month of December, Large cap (+0.5%) class and Small cap (+2.2%) managed to close the month in positive territory. Micro cap (0.0%) remain unchanged. On the other hand, Mid cap posted negative return of -1.5%.

Table 4: Performance of different market cap classes

Cap Class	Definition based on market capitalization (USD mn)	% of total equity Mcap	Return*						P/E (x)	P/BV (x)	Dividend Yield
			1M	3M	YTD	12M	3Y	5Y			
Large	≥92	76.8%	0.5%	0.9%	3.7%	3.7%	47.3%	61.8%	12.1	1.7	4.1%
Mid	28-91	11.7%	-1.5%	-2.3%	-0.7%	-0.7%	-34.0%	-31.1%	18.5	1.4	2.5%
Small	9-27	8.4%	2.2%	2.0%	6.2%	6.2%	56.5%	61.3%	26.1	1.1	2.2%
Micro	<9	3.2%	0.0%	2.5%	18.0%	18.0%	-82.9%	-82.7%	31.9	0.9	1.7%
Market		100.0%	0.4%	-0.6%	0.6%	0.6%	15.6%	16.0%	13.3	1.8	3.3%

*All returns are Holding Period Return

Performance of 20 Largest Listed Companies in Bangladesh

Among the 20 largest listed companies in terms of market capitalization, BERGERPBL increased by 3.13% followed by POWERGRID (+1.91%), MARICO (+1.62%), LHBL (+1.17%), ICB (+0.32%), SQRPHARMA (+0.24%) and UNILEVERCL (+0.12%). All the other stocks of this list remained unchanged.

Majority of these companies yielded outstanding return over longer time horizon (5 years) such as BEACONPHARMA (+1472.5%), BEXIMCO (+448.1%), UNILEVERCL (+146.2%), MARICO (+143.6%), and BXPBARMA (+116.2%).

Among the scripts, GP, LHBL, SQRPHARMA, BATBC and UPGDCL recorded higher dividend yield compared to that of market.

Table 5: Snapshot of 20 largest companies in terms of market capitalization

DSE Code	Sector	Market Capitalization (USD mn)		Daily Avg. Turnover (USD mn)	Return*						P/E (x)	P/ BV (X)	Dividend Yield
		Total	Free Float		1M	3M	YTD	12M	3Y	5Y			
GP	Telecommuni- cation	3,518	352	0.04	0.0%	0.0%	3.3%	3.3%	-8.6%	-1.7%	10.7	13.3	7.7%
WALTONHIL	Engineering	2,885	29	0.00	0.0%	2.9%	2.9%	2.9%	-1.9%	N/A	39.3	4.0	2.9%
BATBC	Food & Allied	2,546	674	0.05	0.0%	0.0%	1.9%	1.9%	44.2%	54.9%	15.5	8.5	3.9%
SQURPHARMA	Pharmaceuti- cals & Chemi- cals	1,695	1,107	0.73	0.2%	5.3%	5.3%	5.3%	8.2%	9.0%	7.8	2.6	5.0%
ROBI	Telecommuni- cation	1,429	143	0.02	0.0%	0.0%	2.3%	2.3%	3.0%	N/A	68.2	2.6	2.3%
RENATA	Pharmaceuti- cals & Chemi- cals	1,270	619	0.07	0.0%	0.5%	0.5%	0.5%	32.7%	58.3%	34.2	7.1	0.5%
UPGDCL	Fuel & Power	1,232	123	0.00	0.0%	3.4%	3.4%	3.4%	-2.5%	1.5%	18.7	5.1	3.4%
BEXIMCO	Miscellaneous	921	615	0.01	0.0%	0.9%	0.9%	0.9%	114.1%	448.1%	(36.6)	1.7	0.9%
BERGERPBL	Miscellaneous	748	37	0.05	3.1%	0.5%	3.0%	3.0%	28.8%	42.5%	28.5	11.3	2.3%
LHBL	Cement	732	262	0.54	1.2%	-0.1%	9.4%	9.4%	59.8%	84.5%	11.6	5.2	6.9%
MARICO	Pharmaceuti- cals & Chemi- cals	705	70	0.05	1.6%	-0.5%	2.9%	2.9%	23.8%	143.6%	15.5	42.1	3.0%
ICB	NBFI	674	24	0.00	0.3%	0.3%	0.3%	0.3%	-5.2%	-6.4%	(7.8)	7.8	0.3%
BXPBARMA	Pharmaceuti- cals & Chemi- cals	593	414	0.02	0.0%	2.4%	2.4%	2.4%	-20.1%	116.2%	10.5	2.1	2.4%
BRACBANK	Bank	524	281	0.06	0.0%	0.0%	1.8%	1.8%	3.5%	-20.3%	8.2	1.5	1.9%
BEACONPHAR	Pharmaceuti- cals & Chemi- cals	515	309	0.07	0.0%	0.7%	-13.8%	-13.8%	216.5%	1472.5%	38.3	19.2	0.7%
ISLAMIBANK	Bank	477	306	0.00	0.0%	0.0%	1.8%	1.8%	29.5%	56.4%	9.0	0.9	3.1%
DUTCHBANGL	Bank	402	52	0.00	0.0%	0.0%	4.3%	4.3%	32.5%	68.0%	8.0	1.7	2.8%
TITASGAS	Fuel & Power	368	92	0.00	0.0%	1.2%	1.2%	1.2%	45.4%	41.1%	146.1	0.6	1.2%
UNILEVERCL	Food & Allied	354	51	0.01	0.1%	0.2%	14.2%	14.2%	19.5%	146.2%	43.0	34.5	0.7%
POWERGRID	Fuel & Power	340	85	0.05	1.9%	1.9%	1.9%	1.9%	34.4%	27.4%	(9.2)	0.7	1.9%
Market		40,590	15,489	48.83	0.4%	-0.6%	0.6%	0.6%	15.6%	16.0%	13.3	1.8	3.3%

*All returns are Holding Period Return.

^ WALTONHIL got listed on Sep 23, 2020. ROBI got listed on Dec 24, 2020.

Top Performing Mutual Funds

The top ten open end mutual funds are selected based on the latest published fund size. In the year of 2023, all ten open end mutual funds mentioned below has outperformed the market.

Table 6: Top ten open end funds based on Fund Size

Name	Asset Management Company	Fund Category	Fund Size (USD mn)	NAV Return		
				2023	2022	2021-23
Bangladesh Fund	ICBAMCL	General	161.0	3.7%	-3.8%	7.9%
ICB AMCL Unit Fund	ICBAMCL	General	79.7	3.6%	-2.7%	8.4%
Grameen Bank-Aims First Unit Fund	AIMS	General	14.7	7.1%	N/A	N/A
ICB AMCL Second NRB Unit Fund	ICBAMCL	General	12.5	3.9%	-3.2%	7.2%
VIPB SEBL 1st Unit Fund	VIPB	General	9.3	2.8%	-3.5%	N/A
SEML PBSL Fixed Income Fund	SEML	Fixed Income	9.3	1.8%	N/A	N/A
Shanta First Income Unit Fund	Shanta	General	8.5	0.8%	-5.3%	8.9%
MTB Unit Fund	Alliance	General	8.2	2.2%	-2.5%	7.8%
Sandhani AML SLIC Fixed Income Fund	Sandhani	Fixed Income	7.9	6.3%	1.7%	N/A
First ICB Unit Fund	ICBAMCL	General	7.7	6.3%	-3.9%	10.1%
Market (Broad Index) Return (%)				0.6%	-8.1%	5.0%

*Based on published NAV and DSEX point of December 28, 2023

All the top ten closed end mutual funds on the basis of 3 years (2021-2023) outperformed the market during the same horizon. Among them ICBEPMF1S1 (+13.3%) posted the highest return. In the year of 2023, PF1STMF (+6.7%), ICBSONALI1 (+5.2%) and ICBEPMF1S1 (+4.5%) were the top performers.

Table 7: Top ten close end funds based on 3Y return (CAGR) performance

DSE Code	Fund Size (BDT mn)	Fund Size (USD mn)	Price ¹ (BDT)	NAV ¹ (BDT)	Price/NAV	Dividend Yield ² (%)	NAV Return ³			Redemption Year ⁴
							2023	2022	2021-23	
ICBEPMF1S1	703.5	6.4	7.8	9.4	83.2%	3.0%	4.5%	0.8%	13.3%	2030
1STPRIMFMF	272.0	2.5	31.2	13.6	229.4%	11.0%	3.7%	0.5%	13.0%	2029
PF1STMF	571.8	5.2	9.9	9.5	103.9%	3.0%	6.7%	-4.1%	12.6%	2030
ICBAMCL2ND	509.5	4.6	8.7	10.2	85.4%	3.0%	4.4%	-0.8%	12.1%	2029
ICB3RDNRB	904.0	8.2	6.6	9.0	73.0%	3.0%	4.2%	-1.1%	12.0%	2030
PRIME1ICBA	965.0	8.8	9.1	9.7	94.3%	3.0%	3.0%	-2.3%	11.0%	2030
ICBSONALI1	1012.0	9.2	8.2	10.1	81.0%	2.5%	5.2%	-1.1%	9.6%	2033
IFILISLMF1	936.0	8.5	7.8	9.4	83.3%	3.0%	4.7%	1.7%	9.4%	2030
CAPMBDBLMF	550.4	5.0	9.9	11.0	90.2%	6.0%	-4.1%	4.7%	9.2%	2027
ICBAGRANI1	1027.6	9.3	9.2	10.5	87.9%	5.4%	4.7%	-1.6%	9.2%	2027
Market							0.6%	-8.1%	5.0%	

¹Price as on January 2, 2023 and index value as on December 28, 2023.

²On last cash dividend declared.

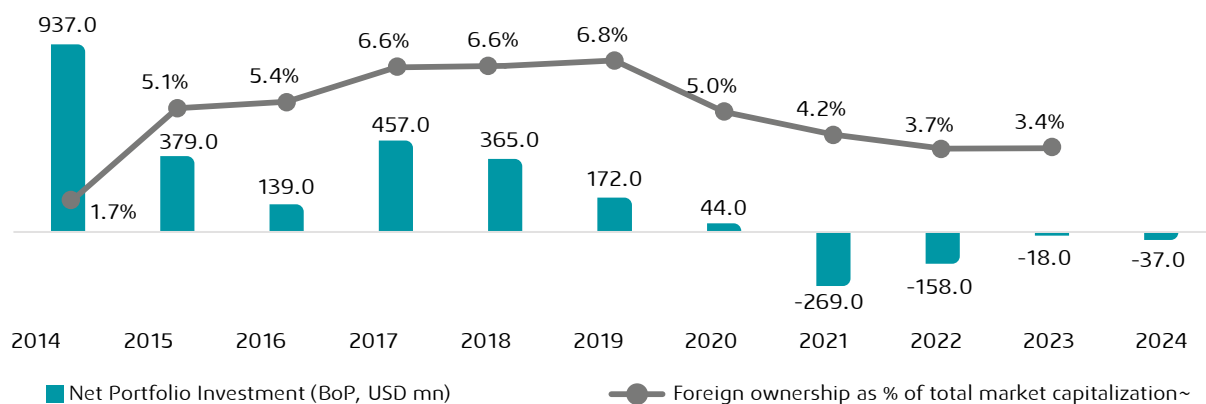
³CAGR computed for 2021-2023, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

⁴In reference to BSEC Press Release বিসেসি/মুখপত্র (৩য় খণ্ড)/২০১১/২৫ published on Sep 16, 2018, tenure of existing listed closed end mutual funds can be extended by another tenure equal to maximum 10 years, provided that the full tenure of the subject fund does not exceed 20 years in total. However, the mutual funds those are not willing to extend their tenure will still have the option to convert or wind up as per rules and regulations.

Foreign Participation in Equity Market of Bangladesh

Over last 5 years, Bangladesh equity market has seen a fall of foreign investment. As of November 2023, total foreign ownership stood at 3.4% of the total equity market capitalization, which was only 1.7% in February 2014.

Figure 3: Net foreign portfolio investment and foreign ownership as % of total equity market capitalization



Source: DSE and Bangladesh Bank

Note:

1. % of foreign ownership of equity market capitalization as of November 2023 and net portfolio investment as of June of the respective years.
2. Net portfolio investment of FY'24 includes Jul-Nov, 2023.

Among all the companies with foreign ownership, BRACBANK had the highest foreign shareholding of 30.3% as of November 2023, followed by BXPHARMA with 28.9%.

Table 8: Top ten companies with highest foreign shareholding as of November 2023

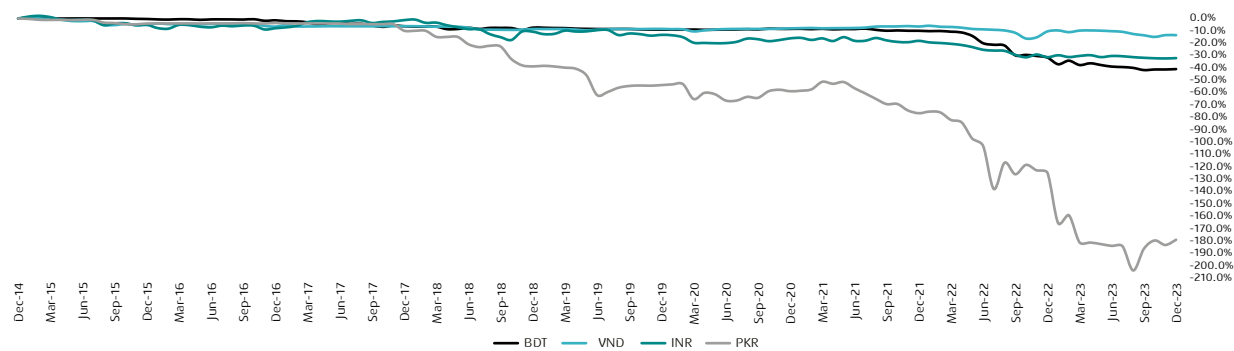
Ticker	Sector	Foreign Shareholding*
BRACBANK	Bank	30.3%
BXPHARMA	Pharmaceuticals & Chemicals	28.9%
NAVANAPHAR	Pharmaceuticals & Chemicals	27.7%
OLYMPIC	Food & Allied	24.8%
RENATA	Pharmaceuticals & Chemicals	22.7%
BSRMLTD	Engineering	17.3%
DBH	NBFI	17.0%
SQURPHARMA	Pharmaceuticals & Chemicals	13.6%
ISLAMIBANK	Bank	13.2%
SHEPHERD	Textile	9.5%

Source: DSE

Performance of BDT and Currencies of Peer Countries against USD

BDT depreciated by 40.9% against US Dollar while other currencies of neighbor countries like Vietnamese Dong (VND), Indian Rupee (INR) and Pakistani Rupee (PKR) also lost value against US Dollar by 13.4%, 32.0% and 178.7% respectively, since December 2014.

Figure 4: Nine year's relative performance of BDT and peer currencies



Source: Investing.com

Major Commodity Price Movement

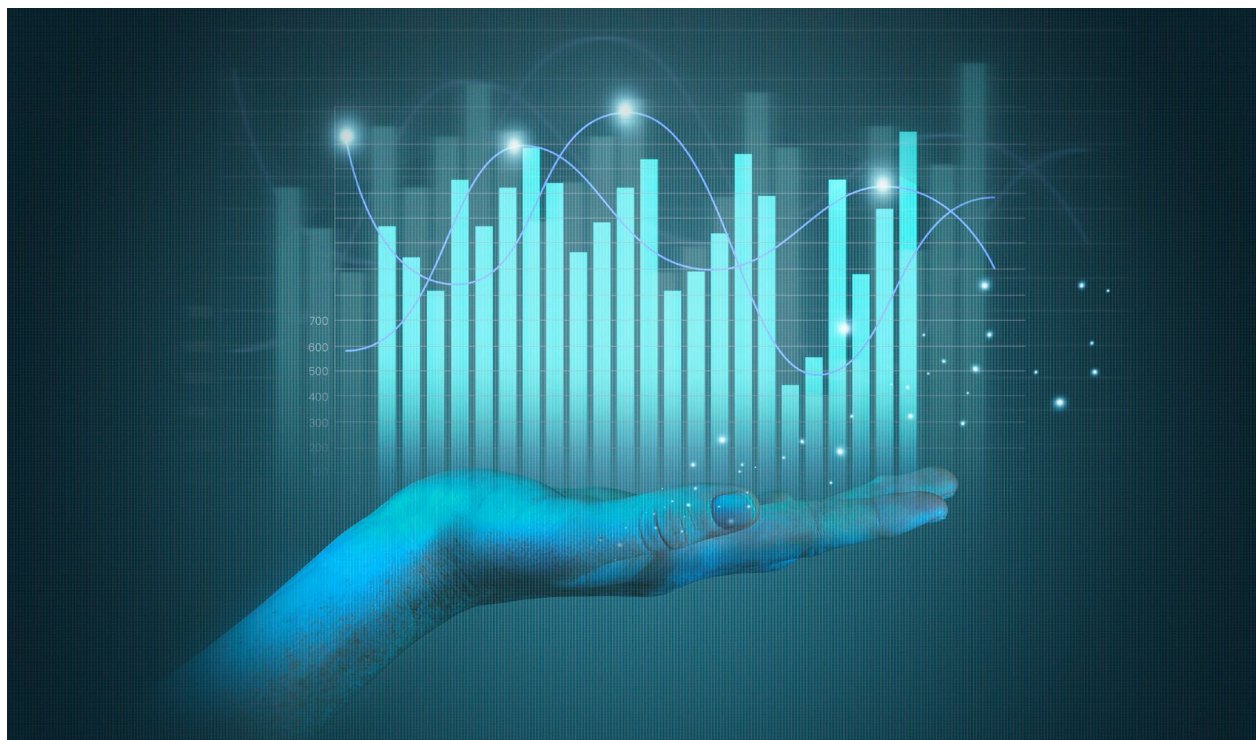
Among the major commodities, Wheat increased by 2.7% in December, followed by Cotton (+0.1%). On the other hand, Crude Oil witnessed the most correction of -6.9% and Aluminum decreased by -0.9%. Over last 5 years, wheat price hiked the most by 43.0%.

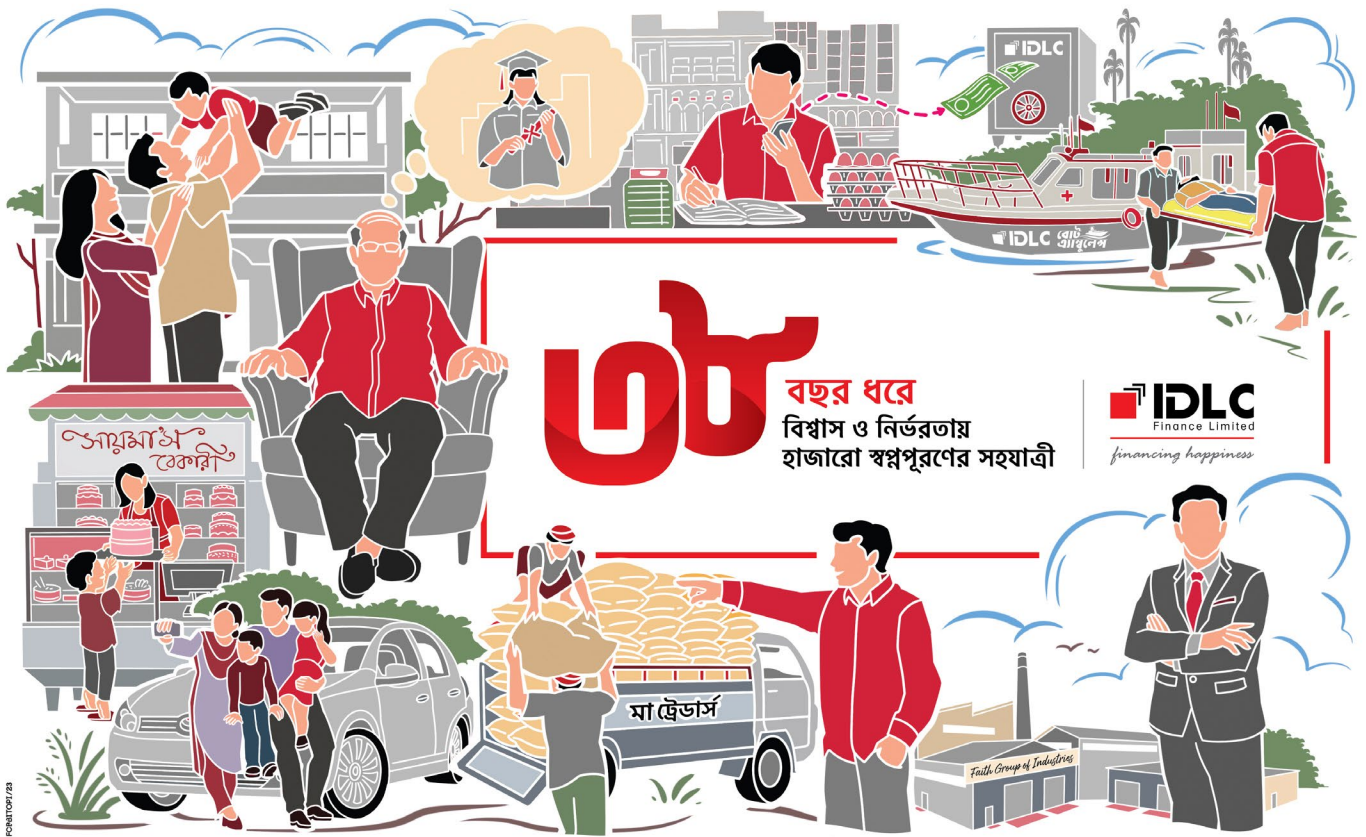
Table 9: Major Commodity Price Movement

	Price Change (%)					
	1M	3M	YTD	12M	3Y	5Y
Crude oil (Average)	-6.9%	-17.9%	-3.0%	-3.0%	79.0%	21.5%
Wheat (US HRW)	2.7%	-7.5%	-24.6%	-24.6%	6.6%	43.0%
Cotton (A Index)	0.1%	-7.6%	-10.3%	-10.3%	16.5%	4.3%
Aluminum	-0.9%	-0.1%	-9.1%	-9.1%	12.8%	12.6%

Source: World Bank Pink Sheet

*Average of Crude oil (Brent), Crude oil (Dubai), Crude oil (WTI)





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