



**Internship Report
On
Performance Analysis of Metlife in Bangladesh**



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Submitted to
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Letter of Transmittal

25 November, 2020
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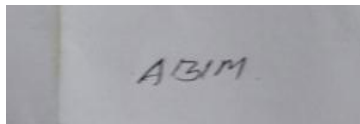
Subject: **Submission of Internship Report**

Dear Sir,

I have completed this report as a part of my internship program. The report has been complied as per your requirements and the host organization. This internship assignment has given me the opportunity to explore the "Performance of Metlife in Bangladesh"

I am submitting the report with the hope that it lives up to your satisfaction. However I would be glad to provide you with any clarification further.

Sincerely yours,

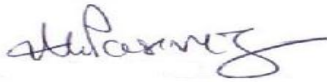


Md. Azim Uddin
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Certificate of Approval

This is to certify that the internship report titled "Performance Analysis of Metlife in Bangladesh" is prepared by Md. Azim Uddin, ID: 133-14-1198, under my direct supervision for the requirement of MBA degree from Daffodil International University.

Md. Azim Uddin bears a strong moral character and a very pleasing personality. It has indeed been a great pleasure working with him. I wish him all success in life.



Mahbub Parvez
Associate Professor
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Acknowledgement

I would like to thank to Almighty of Allah who gives power to accomplish my assign report topic. I would also acknowledge my supervisor **Mahbub Parvez** who provided theoretical, practical, oral & verbal ideas to accomplish my report with specific guidelines. Under his counseling, I have been able to compile this report in a comprehensive manner. I have tried my best to implement his contractive suggestions, wherever relevant.

In compiling the report, I have had to gather the information the company personnel in different department of Metlife Company in Bangladesh. My sincere gratitude goes to the following people for their co-operation in giving me their valuable time and information.

Name	Designation
Ziaul Hoque	Agency manager
Tanvir Ahammed	Agency Executive Manager
Mohi Uddin	Unit Manager
Rasid Khan	Service Manager
Bulbul Ahammed	Claim Department

Special thanks to go to Md. Mozibur Rahman, Financial Associate and Metlife for his assistance. To complete my report, Mr. Hoque, Agency service manager of Metlife in Malibagh Branch, provided different types of practical knowledge & information to complete my report.

Finally, all of my colleagues, friends & university staffs are thanked for their co-operation.

Executive Summary

Metlife Bangladesh is the largest life insurer in the country. It serves over a million customers and is a major employer in Bangladesh with over 16000 filed force and employees. Established in 1952 the company was popularly known as “ALICO” until its acquisition by Metlife, Inc. globally in November 2010 when it was co-branded as ‘Metlife Alico’ and later as Metlife in 2015. Metlife offers financial protection to the people of Bangladesh through a mix of traditional and innovative products such as individual and group life insurance policies, pension schemes, children’s education policy, Shariah based (Takaful) saving schemes and accident and health products.

The financial statement have been prepared on the Historical Cost based expect for certain fixed asserts that were restated at replacement cost, and therefore, do not take into consideration of effect of inflation except the Lands, Buildings and plants & Machinery

The report is mainly a descriptive and analytical outcome. The report is combined of introduction, organization part, a brief discussion about finance and analysis part. The analysis is comprised of two parts qualitative analysis and quantitative analysis

Qualitative analysis means non-financial data analysis which contains industry analysis, external and internal environmental analysis is consisting PEST and SWOT analysis of Metlife in Bangladesh.

Quantitative analysis consisting of four types of analysis , like –income statement analysis, statement of financial position analysis , ratio analysis and also the tread analysis (vertical) and comparative analysis (horizontal) of ratios and other financial data of the last 2-3 years.

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Chapter one

Metlife in Bangladesh



Introduction

1.1. Origin of the report

At the completion of MBA program corporate attachment and thereafter submission of internship paper is a must. I have been serving for seven years in Metlife as a Financial Associate which is combination of two sectors, such as Marketing & Finance. As an business Partner i have participated all parts of insurance activities such as prospect collection, presentation before customer, sale insurance & after sale service. I have been working under the direct supervision of Mohi Uddin, Unit Manager of Ziaul Agency of Metlife, in Malabagh Branch. Metlife is top insurance company of the world. Not only the world but also in Bangladesh all of other 32 local life insurance companies. It achieved Financial Institution Award in 2013 for highest tax payer of all financial institutions. Its main purpose is protection of life from risk by paying premium. So as per the partial fulfillment of MBA program i have decided to work on Performance Analysis of Metlife in Bangladesh. My honorable internship supervisor **Mahbub Parvez** has also approved the project proposal.

1.2. Background of the report

This paper aims to review the role of insurance on economic growth and to analyze challenges and prospects of insurance sector in Bangladesh. Based on the secondary data, this research critically reviews the previous studies to find the contribution of insurance on economic growth and prospects as well as challenges of insurance sector in the context of Bangladesh. Insurance has significant contribution on economic growth of a country that facilitates to create a strong capital base and gain economic independency. The study found that the key problems of this sector are deficiency of publicity, lack of qualified human resource, dearth of marketing policies, absence of business ethics, legal complexities, unskilled agents, poor IT support, insufficient return on investment, lack of transparency, lack of public awareness and traditional management. Therefore, initiating innovative marketing strategies, attracting and retaining talent, developing talent, increasing awareness, adapting information technology (IT), avoiding harmful competition, increasing return on investment, offering diversifies and attracting packages, adapting dynamic management style and implementing effective insurance policy are suggested to overcome the challenges of this sector.

1.3. Objectives of the report

Metlife is a top life insurer in Bangladesh. The main objective of the report is to analyze the performance of Metlife in BD which includes the following specific objectives. They are:

1. To know the overall condition and position of Metlife over the last 3 years by using different ratios, CAMELs Rating & comparative analysis.
2. To know what kind of strategy they follow to operate their operation to gain increasing amount of profit and to increase its value of wealth.
3. To know the performance trend of Metlife in different years along with cooperative performance trend with other similar companies
4. To know the internal strengths and weaknesses of Metlife and external opportunity existing in environment and threats exposed to Metlife.
5. To determine MetLife's strategic position in life insurance industry in Bangladesh in order to assess its overall performance.

1.4 Scope of the study

The study covered activities of the organization that is Metlife as a whole. In doing this, I had covered the activities of mainly company performance, in order to make an evaluation of its performance. It also covered some other SWOT activities of the same industry in order to make competitive study by which it will be possible to identify or assess Metlife's performance and its position in the industry.

1.5. Methodology of the report

Both primary and secondary sources of information are used in writing this report. Basically major portions of information were collected from secondary sources. The required information was collected from primary sources.

Sources of information

Both primary and secondary data are used to reach a convincing result.

Primary sources data

- Personal observation
- Officials discussion of Metlife

Secondary sources data

- ✚ Study the performance of Metlife on department basis.
- ✚ Review the planning to maintain the record of the required documents of Metlife.
- ✚ Study of various reports and records of Metlife.
- ✚ Review of other related literature.
- ✚ Web-sites of Metlife in Bangladesh.
- ✚ Most of the information is collected from IDRA

Primary data collection procedure

I had followed interview and discussion method to collect primary data from the Managers and relevant personnel of Metlife

The report is mainly a **descriptive and analytical** outcome. The information of the report is mainly collected from financial statement of the Metlife. The analysis is comprised of two parts **qualitative analysis and quantitative analysis**. Qualitative analysis means non-financial analysis such as internal & external environment analysis and SWOT analysis.

On the other hand, Quantitative analysis means income statement analysis, financial statement analysis, ratio analysis, trend analysis (vertical) & comparative analysis (horizontal). Finally the report consist some recommendations to show the possible ways to improve company's performance.

Secondary data collection procedure

In this way, I mainly had to rely on studying different reports regarding Marketing Information System and report writing. I had also consulted different journals, articles, web portals, etc.

1.6. Limitation of the study

While preparing this report I had faced the following limitations:

- ❖ Metlife has been maintaining a complex approach in documenting its performance data and way of retrieving those.
- ❖ I have faced limitation on the volume of the report due to which many relevant and important things has remained unexplored in detail.
- ❖ It may not be always possible to contact with busy personnel or managers to collect data or have a detailed discussion with them.
- ❖ It did not provide its all information
- ❖ It has no financial statement because it is not listed capital market.

Chapter Two



Metlife in Bangladesh

Overview of Metlife

2.1. Background of Metlife

MetLife in Bangladesh established in 1952, was known as 'ALICO' until it was persuaded by MetLife Inc. globally in November 2010 when it was co-branded as 'MetLife Alico' and later as 'MetLife' in 2015. It served more than 1 million customers with over 16,000 field force and employees in Bangladesh. Now MetLife Bangladesh is considered as the largest insurance company in the country. It is holding the position of leadership in the market since 1997.

MetLife has 9 sales offices, 14 customer touch points, 56 unit offices and 217 agencies over the country. They have more than 16,000 financial associates all over the country. MetLife Bangladesh basically ensures the financial protection to the people of this country by providing individual life insurance, accident and health insurance, group life and health insurance, employee benefits, annuities etc. They also offer pension schemes, children's education policy, shariah based (Takaful) saving schemes. MetLife Bangladesh received top tax payers' award from NRB, Bangladesh for excellence.

2.2. History of Metlife in Bangladesh

MetLife is among the largest global providers of insurance, annuities, and employee benefit programs, with 90 million customers in over 60 countries. The firm was founded on March 24, 1868. MetLife ranked No. 43 in the 2018 Fortune 500 list of the largest United States corporations by total revenue.

MetLife in Bangladesh established in 1952, was known as 'ALICO' until it was persuaded by MetLife, Inc. globally in November 2010 when it was co-branded as 'MetLife Alico' and later as 'MetLife' in 2015. It served more than 1 million customers with over 16,000 field force and employees in Bangladesh. Now MetLife in Bangladesh is considered as the largest insurance company in the country. It is holding the position of leadership in the market since 1997

2.3. Key Milestones of Metlife in Bangladesh

Any profit-oriented company will always look for effective ways to sell its products and services, and such was MetLife in Bangladesh until 2020. MetLife, previously known as American Life Insurance Company, has been in Bangladesh since 1952, providing life insurance coverage to both individuals and groups.

- MetLife too has also grown in that time. Some 30 years ago, there were only 50 regular staff and 350 field agents. Now, it has 350 regular employees and about 16,000 field agents.
- Its business was focused on Dhaka and Chittagong; now it has a presence in almost every district. It has nine sales offices, 14 customer touch points and 217 agencies in Bangladesh.
- With about 28 percent market share, MetLife is the leading insurance company in Bangladesh.
- It now has about 10 lakh policyholders across the country. As of December 2015, the total life fund of MetLife stood at Tk. 11,941 crore and the total asset size Tk.14,203 crore.
- Of its total investment of Tk. 12,707 crore as of December 2018, 81.62 percent was in the government sector.
- MetLife is also engaged in different activities as part of its corporate social responsibility. It has partnerships with five nongovernmental organizations -- Habitat for Humanity, Concern Worldwide, Swiss Contact, Sajida Foundation and Asian University for Women.
- It also works with the Dhaka University's mathematics and banking and insurance departments to support actuarial education
- MetLife, the largest US life insurer, has presence in 50 countries around the world

2.4. Mission, Vision and Objectives of Metlife

Mission

MetLife, the leading global provider of insurance, annuities, and employee benefits, is devoted to enabling and empowering everyone to attain financial independence and to be recognized as the world's most trusted company.

Vision

Unprecedented levels of world -class customer service, a long history of sound investments, proven corporate social responsibility, innovative products and services, and solid leadership will keep Metlife leading the industry for another 140 years.

Objectives

The primary objective of Metlife companies is to protect individuals and corporations (policyholders) from adverse events. Insurance mitigates the risk involved in human life and trade and commerce. The insurance businesses are of two types, namely, life insurance and property-casualty (general) insurance.

2.5. Diversity of products & services of Metlife

As MetLife in Bangladesh provides insurance policies, so their main focus is on customer's financial security. They have different insurance schemes as below:

- **Single Deposit protection Scheme (SDPS):** Basically SDPS contribute a mature value and also some valuable accidental benefits which act as savings and life insurance plan. Under SDPS, a one-time premium charge is taken off from a single deposit. Systematically the net amount keeps increasing with the investment yield credited to the account which goes into the individual account of the SDPS policy. Accidental Death, Accidental permanent partial disability and Accidental permanent total disability are also included in SDPS.
- **Income Growth Plan:** A distinctive plan combines life and savings insurance. This special plan offers the client a maximum premium payment period of up to 30 years, offering a flexibility to choose tiny payments to suit the financial requirements.
- **Three Payment Plan:** A special system that includes life and savings insurance. Before the policy is matured, 50% of the face amount is to be paid. This scheme also offers a variety of optional add-ons available to customize the package according to client's needs.
- **DPS Super:** A life insurance policy that accumulates the cash and provides life insurance and health insurance coverage for the client and their family. This scheme also comes with a premium waiver.
- **CI ROP Super:** The scheme protects and shields the client from ten critical illnesses for up to 10 years. There is also a possibility for the client to get 100 percent return on their paid premiums.
- **Critical Care:** A unique scheme from MetLife in Bangladesh intended to provide the client and their family with the required economic security in event of diagnosis or surgery for any of the twenty-five critical diseases that are mentioned in this scheme.
- **Hospital Care:** A solitary scheme from in MetLife Bangladesh that provides the client and their family with the required daily money support in case they are admitted to a hospital.

-
- **Education Protection Plan:** The scheme provides an elastic plan with terms of up to 21 years. It gives a periodic income to take care of the higher education expenses of the clients child in the terrible instance of the clients death.
 - **Takaful DPS:** A rare scheme that provides protection and savings guide by the standards of Islamic Shariah and is regularly supervised by the Shariah council.
 - **Group Death and Disability:** This unique scheme offers a scope of advantages that can meet an assortment of protection prerequisites dependent on the business capacities and business structure. The inclusion gives installment to the recipient, if the protected client is deceased or become somewhat paralyzed because of disorder or sickness. The case will coordinate the sum the client is guaranteed for.
 - **Group Medical Plans:** MetLife Bangladesh provides medical plans and with their different items portfolio and many years of experience they can give Group Medical advantages that will suit client's needs going from little to huge estimated organization or a worldwide partnership. MetLife Bangladesh provides complete inclusion and a proficient case adjusting that will be of worth when the workers of the client's organization need it the most. The scheme is an arrangement with complete plan that is produced for Bangladesh market needs.
 - **Group Personal Accident and Health:** This scheme is significant method for giving gathering inclusion to client's employees. It is intended for organizations to diminish the monetary effect of their employee's accident. The real promotions incorporate death, disability and Medial costs induced because of the accidents only. The scheme has some advantages that covers accidental death or disability or the expense of medical consideration gotten by a safeguarded individual because of a covered accident. The advantages likewise cover treatment cost of explicit illnesses up to the guaranteed sum.
 - **Insurance for Credit Card:** The scheme provides all types of insurance solutions for all credit cards. The Credit Shield is a priceless protection advantage, defending the difficulties achieved by incapacity or abrupt downfall of the cardholder. In the tragic occasion of death, or perpetual inability, the whole levy of MasterCard record will be postponed without making any burden the

2.6 Management team of Metlife in Bangladesh

The operations of Metlife in Bangladesh are supervised and monitored by the regional head quarter of the Middle East Asia and South Africa (MEASA) which is situated in Dubai. The local management team is as follows:

Department & Position	Name
RVP & GM OFFICE Regional Vice President & General Manager Bangladesh (Reg. Executive)	Mr. M. Nurul Islam
SALES & DISTRIBUTION Senior Regional Agency Director Bangladesh, Nepal & Pakistan Regional Agency Director	Mr. Rezaul H. Khan
Agency Director (Executive) Deputy Agency Director (Executive) Sales Managers	Mr. M. Jalalul Azim Mr. Nafis Akhter Ahmed Mr. Lutfor rahman Mr. Md. Riazul haque Mr. K. M. Mahfuz
Chief Operating Officer Bangladesh (Executive)	Mr. Akhlaqur Rahman
Business Development Deputy Marketing Director (Executive)	Mr. Rumi Ahmad
Chief Financial Controller Metlife Bangladesh & Nepal (Executive)	Mr. M. Ala Uddin Ahmad
Training Manager	Mr. Jaynal Abedin Bhuiyan
Agency Services Manager	Mr. M. Mubarak Hossain
Personal Accident Manager	Mr. Md. Kamruzzaman
Group Manager	Mr. Md. Alamgir
Underwriting Manager	Dr. Md. Nazrul Islam
Claims Manager	Mr. Emran Ahmed
Human Resources Manager	Chowdhury Khaled Bin Habib
Real Estate & General Services Manager	Major (Retd.) Habib R. U. Ahmed
Customer Services & Conservation	Mr. Kazi Masud Karim
Data Transfer & Processing	Mr. M. Manum

The overall operation of Metlife Bangladesh is executed under **four main working divisions**. These divisions and their respective departments are stated as follows:



2.7 Marketing division

The main works of marketing division is sales increase, motivation of financial associate, increase of field force and supervision of agency. This department is also working more activities such as new recruitments, training, issue license, get promotion as unit manager, and also agency manager. It also makes some rates, commission rate of different product, different incentives and commission of sales agents, calculation of persistency, draw of different contest such as leaders club, VIP club and century club. Moreover, it also arrange some program, cultural program, annual program, annual picnic etc.

2.7.1. Sales and distribution department

The main works of sales and distribution department are to set sales target. Every agency has one agency directors. This director gives a target to agency manager. All types of support are given by the agency director to fulfill the agency target. Under the supervision of the agency supervisor, Metlife divided all of its agencies into a number of groups and each group has been working under a marketing & sales manager. Marketing & sales manager of a particular group is solely responsible for:

- ☒ Making sales target
- ☒ Find the ways to fulfill sales target
- ☒ Making sales group
- ☒ Giving efficient training
- ☒ Find out best performers
- ☒ Give promotion to unit manager from financial associate
- ☒ Give promotion also agency manager from unit manager
- ☒ To reach sales target company find out some new strategy

2.7.2 Training department

Department of training organises different types of training activities for the financial associates as well as for the staff of the principle office. The general training program arranged by this department for new field force provides a general idea on the types and responsibilities of Metlife. The main purpose of this department is to build a financial associate as a representative of Metlife. It also makes different professional training to increase knowledge and efficiency. It also works different market to expansion of Metlife activities.

2.7.3 Personal accident department

There are different types of life insurance products available of Metlife in Bangladesh. These products are Working by different ways. Some main products are 3 payment plan, education protection plan, DPS & IGP etc. some supplementary products which are working as riders. These products another name are PA (personal accident) products. Some PA products are:

- ❖ Hospital Care (HC)
- ❖ Critical Care (CC)
- ❖ Disability Protection Rider (DPR)
- ❖ Waiver of Premium (WP)
- ❖ Income Benefit Rider (IBR)
- ❖ Family Protection Rider (FPR)
- ❖ Accidental Death Benefit (ADB)
- ❖ Accidental Indemnity Certificates (AI)
- ❖ Limited Accident Insurance Certificate (AX)

2.7.4. Agency services department

This department is to supervise of 217 agency offices. All types of information are to provide company representatives. This department works are: -

- To appoint of financial associate
- Relationship with financial associate, Unit Manager and Agency Manager
- Making rates of commission and bonuses
- Making various types of opportunities for financial associates such as commission, bonus, loan facilities, and medical treatments
- Terminate of financial associates for various reason
- Giving money for expenses of agency offices.
- Segment of various types of document to the agency office
- Making of various types of reports which are VIP Club, yearly production report, yearly agency performances.

2.7.5. Group insurance department

Almost 500 different companies are taken service of group insurance from Metlife. Generally group insurance is taken for their employees. Employees are included to insured to free from risk. When a company want to take group insurance, Company provides all the list of employee to the Metlife. Metlife calculate the premium to the employee designation and salary. Some of the important features of group insurance are listed as follows:

- Minimum 10 people must be to get group insurance
- Contract must be required to renew every year
- Premium must be given every year.
- Rate of premium must be equal for all classic employee
- Generically it very on designation and salary.
- Minimum 30 persons are given medical coverage

-
- Accidental death and permanent total and partial disability is product of group insurance
 - The process of executing a group insurance contract includes
 - ➡ Request for group proposal through an application form
 - ➡ Census information about the proposed group
 - ➡ Plan design on the basis of the information.

2.8 Operational division

2.8.1. Underwriting department

Underwriting can be defined as the assessment of the level of risk on a proposed applicant's life. The basic idea behind a life insurance is to cover the financial risk of a family in case of the absence of the applicant. From underwriting perspective, policy should be given to such a person who has regular, steady and earned income, in brief, whose absence incurs a financial loss to a family. It is the duty of an underwriter to assess the necessity of insurance in the applicant's life. An underwriter plays a very important role in insurance because their ability of assessment determines the future of a new business.

There are four types of risk that are directly related to any person's life. The risks are Medical Risk, Social Risk, Financial Risk and Occupational risk. At the time of underwriting these four are carefully considered because they help an underwriter to find out the basic questions of underwriting-"why does the applicants need insurance?"

Agency offices submit the applications of new business along with their respective transmittal form to the underwriting department on daily basis. An underwriter carefully examines the application form. If the form is properly filled up and all the above mentioned risk related to that policy is in an acceptable range, the policy is then underwritten as standard. A policy may be underwritten as substandard if

the associated risks are high. The rate of premium of a policy is also determined by this department.

The underwriting department of Metlife in Bangladesh has the authority to underwrite up to substandard 'D' and face amount of 40 lacks. If a policy exceeds any two of them, the application form is then underwritten by regional head office in Sharjah. This department is also required to submit daily and monthly report to regional head office.

2.8.2. Claims Department

This department operates with two types of claim – Death Claim and Living Claim.

Death claim

Company got message of death declaration form. A reserve fund is accumulated against the death claim. But policy must be enforced position. To apply for claim settlement, some documents are to send which are:

- Claim statement form
- Identification form
- Physician statement form.
- Age-proof document
- Death certificate

In case of accidental death claims. Some papers are required-

- Police report
- Autopsy report
- Newspaper cutting / News clipping.

Living Claims

Policyholder faces different types of living claims such as HC, CC, AI, AX etc. They have to get living claims and are to apply to the company for living claims. Company sends some paper to apply for living claims

- Two claim forms
- All hospital papers and bills
- All reports and prescriptions of policy holders.

After necessary investigation, company perform living claims benefits.

2.8.3. Customer services and conservation department (CSC)

Customers of Metlife can be grouped as Internal and External. Internal customers are the field forces and external customers are the policy owners. The CSC has the responsibility to keep a policy enforced by providing all the necessary services to both groups of customers. The different services that this department offers to the customers are as follows:

- The various changes in a policy- A policy owner is allowed to make different kinds of changes in his policy. Some of the changes are – beneficiary of the policy, signature of the policy owner, change of address, mode of premium, term of policy, plan of policy, agent code change under certain conditions. A policy owner may also increase or decrease the face amount of his policy.
- A policy owner has the right to add or cancel different available riders to his policy.
- In case of a new policy an applicant may cancel his policy and get the money back if he applies for cancellation within 45 days of the policy issue.

-
- Loan provision- Loan can be taken against a policy which has sufficient cash value. CSC department performs all the functions related to sanction of a loan.
 - Processing of the payment claims at the time of maturity and partial maturity of a policy.
 - A policy can be in a lapsed position if the policy owner fails to pay premium for a long time. This department also allows a policy owner to enforce his policy again by the process of reinstatement or re-dating.
 - All the activities related to surrender or conversion of a policy to extended term insurance (ETI) and reduced paid-up. After growing cash value, if a policy owner does not want to continue his policy he may choose any of these options-all of them offer payment of no more premium.
 - Correspondence with the policy owner- This department is also responsible for maintaining necessary correspondence with the policy owner and answering all kinds of enquiries of the policy owner.
 - CSC department has two customer service counters where customers can come any time within the office hour to get their necessary information.

2.8.4. Data transfer & processing department

This department mainly responsible for the following activities:

- ⇒ Network support is established and maintained by this department
- ⇒ New operational software is developed
- ⇒ All the existing software, like *TOGAS*, *OLAS*, and Accounting Information System are maintained
- ⇒ How to use this software is giving training to the all employees
- ⇒ Update the database of all of policies
- ⇒ Taking after the hardware equipment of DTP department.
- ⇒ Intranet connectivity with home office & regional head quarter is maintained

2.9 Finance division

2.9.1. Accounts department

This department works with all the financial matters involved and also some part of controlling activities. Major activities of this department are:

- Premium collection and making agent's commission
- Different types of disbursement
- Inter banking activities- like, payment cheques and transfer of fund.
- Maintaining of account
- Calculate income tax deductible at source and to deduct value added tax from the parties where is applicable
- Preparation of budget
- Payments of salary
- Supervision of cash counters activities
- Internal audit arranged
- Investment of fund
- Income tax certificates are issued
- Procurement related services.
- Provide information to the country head office about the business of company in Bangladesh.

2.10 Administrative division

2.10.1. Real estate & general service department

Real estate & general service department is responsible for the following functions:

- ⇒ All the tangible & non-tangible assets is looked after by this department
- ⇒ All types of security build up

-
- ⇒ Despatch section is maintained
 - ⇒ Canteen & tea room are maintained
 - ⇒ Annual picnic, award night, annual staff dinner, and different foreign tours are arranged
 - ⇒ New agency office space is arranged
 - ⇒ Annual budgets for all the agencies is established and maintained
 - ⇒ Logistic support is maintained to the sales offices, head office, and all the agencies.

2.10.2. Human resource department

This department is working of some activities-

- Perform of recruitment process of company
- Making database of employee information
- Making working information of all employees.
- Arranging various development programs and training program for all of employee
- Making payment procedure of corporation

2.10.3. Actuarial department

This department is working for the following activities-

- Create various actuarial activities
- Making and preserve new and existing policies
- Planning of new design
- Building relationship with people

Chapter Three



Performance Analysis of Metlife in Bangladesh

Qualitative Analysis

3.1. Environmental Evaluation of Metlife in Bangladesh

Metlife has some internal strengths and weaknesses, and external opportunities and threats which has discussed in the following Metlife business operation. To operate a business, every company is formed of some internal strengths and weakness. It has also remained some external opportunities and threats.

3.2. Internal Environment Analysis

3.2.1. Strengths

3.2.1.1. Concentrated Business Approach

In Bangladesh, there are so many insurance companies. These insurance companies are operating various types of service such as personal life insurance, business insurance land insurance and machinery /equipment insurance. Metlife is only one who works only personal insurance. Personal insurance is its core business. As a result, it is working of the demand of customer, because it gives full concentration and full attention of customer viewpoints.

3.2.1.2. *Worldwide Recognized Standing*

World's largest life insurance company is Metlife. At this moment in Bangladesh, customer gets service from Metlife as international standard. Metlife is operating business all most 51 countries of the world. It has a huge experience to provide service to personal life insurance coverage.

3.2.1.3. Countrywide Agency Distribution

Now, Metlife has 217 agencies in Bangladesh. By using 217 agencies it sales huge number of policy every month compare to other competitors. The whole country of Bangladesh, it is operating business by using its all agencies. Every year Metlife is increasing its agency to increase its business. Now Metlife target market is rural area of Bangladesh.

3.2.1.4. Efficient Sales Force

Metlife has now 16000 financial associate. All financial associate are higher educated, smart and honest. They are well trained up and efficient knowledge about the life insurance business. These employee sales huge numbers of policy every month compare to other local companies. Employees (Financial associates) of Metlife are working all over the country in Bangladesh.

3.2.1.5. Commitment to Continuous Improvement

To improve their financial associate, every department head provides different types of training their employees. Sothat employees have huge knowledge about company products. Financial associates can increase their communication skill, personal skill, and business skill and product knowledge. Moreover every department now runs workshop and practical field work to identify practical problems of sales technique of their financial associate.

3.2.1.6. Reward System

Financial associates are given different typed of reward from Metlife to increase sales. Generally the types of prizes are financial and non-financial. Every year some of top sales financial associates are sent to foreign tour at different country. It is depend on their yearly target. Number of financial associate are fixed but best qualifier are selected by the sales and production

3.2.1.7. Superior quality

Metlife service quality is excellent. All of customers of Metlife are satisfied to get quality full service. It has excellent customer care for all types of information on 24 hours.

3.2.1.8. Dynamic

World standard service provides by Metlife. Its technology is totally different compare to others local insurance company. It is changing its service by dynamic process every year. Its network works to provide better service. By using software, company operates its business all over Bangladesh.

3.2.1.9. Financial strength

Today the financially sound company is Metlife. It the mother concern of America. It has 12707 million taka invested to different government bond. It has huge life fund to settlement of claim. Customer gets early return from Metlife because it has huge financial investment in different government sectors. The main investment sectors of Metlife are Treasury bond.

3.2.1.10. Efficient management

The management skill of Metlife is highly well. All types of service are provided by the management with the band image. It works with team management and operates business with the well communication.

3.2.1.11. State of the art technology

The best world information technologies are used by the Metlife compare to other local insurance companies. By the using technologies, it communicates with other department to head office very smoothly, quickly and cheaply. Different types of database support software like OLAS and SWISS Re etc. are used to perform all function of Metlife. Now Metlife is communicating with all sales office by using different types of software.

3.2.1.12. Expertise

The employee of Metlife is highly trained of their assign field. Their employees are the main reason of their success. Because, they are highly educated, well trained, discipline hard worker and patience.

3.2.1.13. Excellent working environment

An excellent workplace provides by Metlife. Any complex situation is handling by Metlife head office. It all activities is decorated by the multinational way. The work can be done with well smooth.

3.2.2. Weaknesses

3.2.2.1. Lack of Co-ordination among departments

Lack of coordination among different departments process as question mark in Metlife's standing. It has been clearly evident that sales & Marketing department does not have good and effective coordination with other departments. As a consequence of this, policy generation and delivery of policy documents takes more time than it actually requires. This lack of co-ordination also delays the entire task of insurance processing.

3.2.2.2. Policy Status

Evert month, Financial associates of Metlife generate high sales volume. Financial associates are not selling insurance policy in various sectors in good numbers. All the financial associates are selling average every month taka 200000 the company sells will be increased double. Moreover the financial associate when sells the policy cannot given proper information. A customer who is able to take 7500000 taka policy financial associate sells only 200000 taka policy. Moreover financial associate always target middle class customers. They cannot prospect businessman, doctors or white colour employee

3.2.2.3. Lack of interconnectivity in between Head office and Agencies

Metlife head office does not have any interconnectivity with local agencies. Head office mostly communicates with telephone conversation. It must increase online communication for providing better service or better business.

3.2.2.4. Unfair Business Practice

Metlife's financial associates who are collecting premium but do not deposit proper time which hamper their business vastly. As a result, most of policies are surrender and policy owners do not get claim when he /she gets accident. .

3.2.2.5. Disproportionate growth of different policies

Although Metlife enjoying the market leader position with almost no threat from its competitors and rapid growth, its group policy scheme still has not got the right growth in compared to ordinary life policies. It has been showing a relatively slow growth.

3.2.2.6. Sales force oriented reward system

Although Metlife has a very lucrative reward system for its sales force to motivate them, does not have such any such reward system for its other departments. This is creating some sort of dissatisfaction among employees, which eventually leads to hamper in performance standard of Metlife.

3.3. External Analysis

3.3.1. Opportunities

3.3.1.1. Government support

Government of Bangladesh has rendered its full support to the insurance sector for a sound financial and socio-economic status of the country, as now it is becoming one of the vital sources of savings and investment in the country. Such government concern will facilitate and support the long-term vision for Metlife.

3.3.1.2. Large Number of Population is still untouched

At present in Bangladesh, only 50 lacks people of total 16 crore people have insurance on their life. That's why there is still a huge number of population are available to sell insurance policy. This life insurance industry is in fact a very big market in Bangladesh. As a market leader, Metlife has the opportunity to grip a very big portion of this market. And also the market is expanding and it's very much an attractive one.

3.3.1.3. Interest Restriction in Banking Sector

Government is trying to restrict high interest in banking sectors. In fact Govt. is trying to discourage saving in banks rather than invest in share market. But at the same time govt. is putting little restriction on interest of life insurance industry. This also creates another opportunity for life insurance industry to become more attractive and potential industry to invest. As market leader, Metlife can easily take the best out of this new opportunity.

3.3.1.4. People are becoming conscious

In this very tough reality of economic hardship, people are becoming more and more conscious about the need of life insurance. People are starting to realize that life insurance is the only means, which can give them an opportunity to save money for future and also ascertain the financial support in case of his/her death. Both government and people are also becoming concerned about the significance of life insurance in national economy.

3.3.1.5. Professionals are becoming available

People who have huge knowledge about the life insurance are available in our country. Metlife has haired these to give training of their employees. Now a day huge number of life insurance companies are operating business in Bangladesh. For that, Metlife is also conscious to appoint of their employees. Now Metlife is appointing experience and educated person to their organization. What types of service customers need /want? Employees of Metlife can easily understand market demand Company can produce demand types product.

3.3.1.6. State of the economy

State of the economy also paves an opportunistic passage for Metlife. Despite few ups and downs in economic status of Bangladesh, it has been almost in a predictable nature. Government has also been emphasizing on savings by the means of insurance business rather than banking sector. Life insurance also has the impact to bring socio-economic stability in the country. Because a life insurance can provide financial means in case of death of the earned member of a family, which eventually weakens the negative impact on the consumption leveling the national economy. All these economic states are eventually creating a favorable and harmonious environment for life insurance business.

3.3.1.7. Technological advancement

For the technological advancement, insurance company's information is very easily to get customers. What is the company position in the market? Customers get this information very easily by the use of technologies. Moreover, customer can easily take their policy information and pay premium. Information about new product and service can take from their website which was totally absent before. At the previous customer was depending on agent to get service which sometime created confusion and made indiscipline about company goodwill. .

Technological advancement opens different types of opportunities for insurance companies like Metlife. By the use of internet, Metlife can easily build up a worldwide communication network for its branches (i.e. distributed all over the country), existing and new consumers, and knowledge takers and for many others. This type of high speed network will create Metlife's activities more easy and first. As a result, customers get excellent, effective & efficient service. Company will enhance the satisfaction level of customers.

3.3.1.8. Evolution of e-banking

Emergence of e-banking will open more scope for Metlife to collect premium not only in quick time, but also more cheaply. It will also facilitate wide area network in between the many banks and the accounts unit of Metlife to smooth operation to meet the desired need with least deviation.

3.3.2. Threats

3.3.2.1. Emergence of competitors

There are huge numbers of life insurance companies which get new license to operate business. Now 32 life insurance companies are operating business in Bangladesh. Now Metlife has 31 competitors and these competitors are increasing day by day. As this sectors demand are increasing day by day. As a result, the companies of insurance are enlarging.

3.3.2.2. Emergence of Global Open Market Economy

As the position of life insurance market is very positive in Bangladesh. The whole world wants to invest in Bangladeshi market. As Bangladesh agreed on WTO convention, from 1st January, 2005 Bangladesh will be a member of the world of global economy. As a result of this, many multinational companies want to enter into Bangladeshi market. The market of life insurance in Bangladesh is very popular. This new entry will stand of competitors of Metlife. Metlife will lose the leadership position from Bangladeshi market. Now Metlife has 31 listed competitors.

3.3.2.3. Mergers and acquisitions

The borderless market trend of mergers and acquisition in financial organization is causing attention towards the industry and competitors are increasing in power in their respective areas. In future many foreign may acquire some potential local company as means to enter into this attractive and potential market. This effort of many foreign company will also poses question mark on Metlife's market share and growth.

3.3.2.4. Poor telecommunication infrastructure

As previously mentioned, the world is advancing towards e-technology very fast. Though Metlife has taken effort to join the stream, it is not possible to complete the mission due to the poor technological infrastructure of our country.

3.3.2.5. Government Approach

Government of Bangladesh is creating pressure on Banking sector to reduce their interest rate on personal savings to encourage investment in share market by putting no such pressure for life insurance sector, which eventually making this sector as a very attractive sector to invest. But it's not certain that Govt. will not create pressure on this sector to reduce its bonus rate paid to customer at the maturity of the policy. If Govt. creates such pressure like it has been in banking sector, life insurance industry may lose its brightness compared to its present status.

3.4. Evaluation of Existing Strategy of Metlife

Metlife has been applying a very aggressive market penetration strategy (i.e. Offensive Strategy). Benefits of Current Strategy are:

- ▣ Generating large number of business over the years.
- ▣ Market in expanding very quickly.
- ▣ Placing great competitions and tough challenge to the competitors in generating new businesses.
- ▣ Strengthening the company's financial base.
- ▣ Allowing the company to maintain a very dominant position in the life insurance industry in Bangladesh.

3.5. Market Share Analysis

Actually, at present, different life insurance companies are standing in such a way in the market that it's very tough to plot them into BCG matrix to determine their position on the basis of their Growth-Market Share position. From the analysis, it has been found that Metlife has the highest market share (e.g. 31.5%) and has a moderate growth rate.

3.6. Market Competitors of Metlife in Bangladesh

Government allowed private Companies to undertake both Life and General Insurance business in the country. 78 Companies (32 for Life and 46 for General) have obtained registration. Insurance development regulatory authority (IDRA) regulates the business by supervision, auditing and registration of the Insurance Companies, as per the Insurance Act, 1938.

S/L No	Organization Name	Established Year	Listed with or Not
1	JBC	1973	State own insurer
2	Metlife	1974	Foreign Company
3	National Life Insurance	1985	Stock exchange
4	Delta Life Insurance	1986	Stock exchange
5	Sandhani Life Insurance	1990	Stock exchange
6	Maghna Life Insurance	1996	Stock exchange
7	Fareast Islami Insurance	2000	Stock exchange
8	Padma Islami Life Insurance	2000	Stock exchange
9	Popular Life Insurance	2000	Stock exchange
10	Pragati Life Insurance	2000	Stock exchange
11	Prime Islami Life Insurance	2000	Stock exchange
12	Progressive Life Insurance	2000	Stock exchange
13	Rupali Life Insurance	2000	Stock exchange
14	Sunlife Life Insurance	2000	Stock exchange
15	Baira Life Insurance	2000	Not Listed
16	Golden Life Insurance	1999	Not Listed
17	Homeland Life Insurance	1996	Not Listed
18	Sunflower Life Insurance	2000	Not Listed
19	Best Life Insurance	2013	Not Listed
20	Chartered Life Insurance	2013	Not Listed
21	NRB Global Life Insurance	2013	Not Listed
22	Protective Islami Life Insurance	2013	Not Listed
23	Sonali Life Insurance	2013	Not Listed
24	Zenith Islami Life Insurance	2013	Not Listed
25	Alpha Islami Life Insurance	2014	Not Listed
26	Daimond Life Insurance	2014	Not Listed
27	Guardian Life Insurance	2014	Not Listed
28	Jamuna Life Insurance	2014	Not Listed
29	Mercantile Islami Life Insurance	2014	Not Listed
30	Swadesh Life Insurance	2014	Not Listed
31	Trust Islami Life Insurance	2014	Not Listed
32	LIC (Bangladesh) Ltd.	2016	Not Listed

Quantitative Analysis

The analysis of this report is conducted based on both quantitative is to develop and employ mathematical models and theories for best describing the phenomena. The report consolidated financial statement of Metlife.

3.7 Investments by Metlife of different types of Bond

Metlife is already renowned for its facility and business performance as sanction, disbursement, investment and deposit are increased. Metlife most efficiently uses its fund by investing as 2nd year bond, 5 year bond, 10 year bond, 15 year bond and 20 year bond

The comparative position of different investment mode of Metlife for last two years is given below:

Types of investment	2017 (Taka million)	2018 (Taka million)	Change (%)
2 year Bond	100		-100%
5 Year Bond	7923	7820	-1.30%
10 Year Bond	30664	29142	-4.96%
15 Year Bond	24443	30566	25.05%
20 Year Bond	26651	28174	5.71%
Total	89781	95702	6.59%

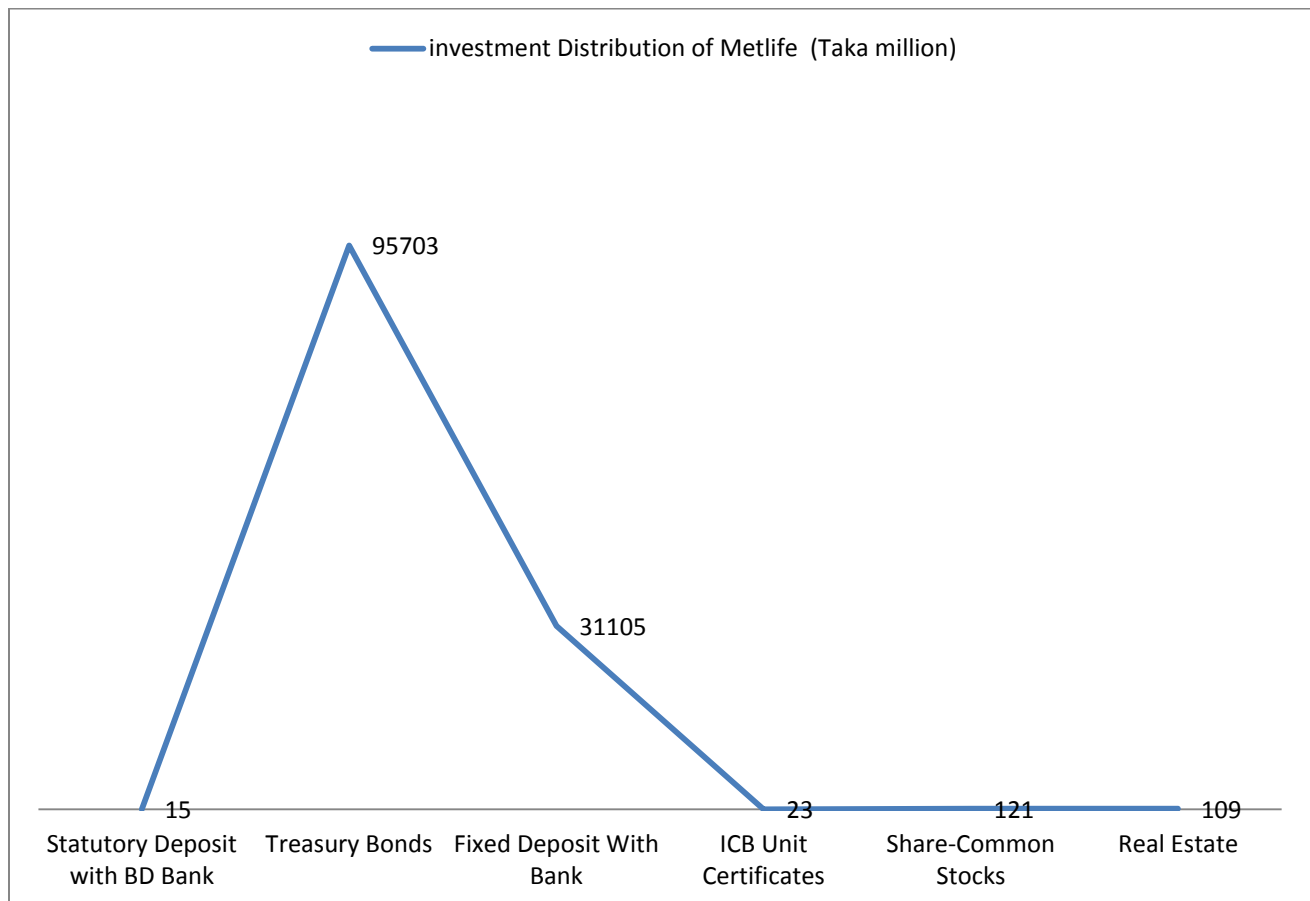
Table: comparison between investments of last two years

Under the competitive market Metlife has been to utilize its deposits by investing in different modes. It invests of Taka 89781million in 2017 and 95702 million in2018 showing the company has a positive growth of 6.59% in terms of investment.

Metlife reduces its investment of 2nd year bond, 5 year bond and 10 year bond because as these products contain law return. On the other hand 15 year bond and 20 year bond investment are increased mostly which with lead positive income.

3.8 Distribution of investment of Metlife in Bangladesh

Sectors wise distribution of fund of Metlife in 2018 is given below:



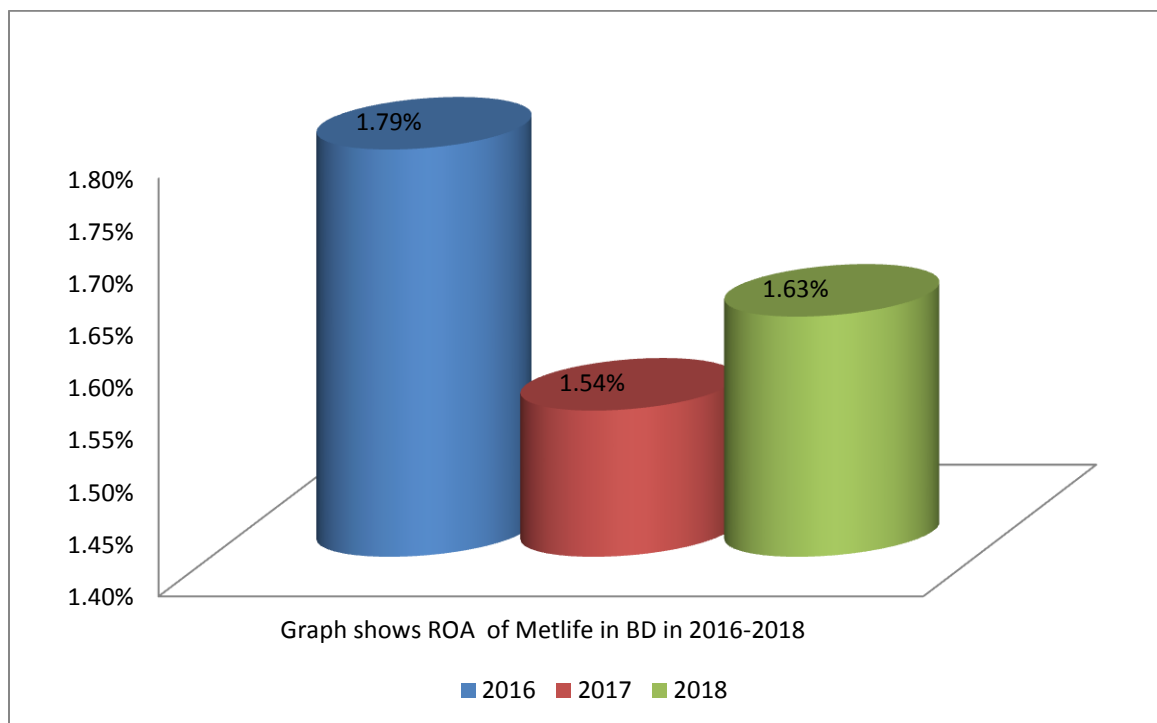
From the graph it shows that the Metlife invests in diversified sectors. Its main focus on Treasury bond which is 95703 million and 2nd position of investment of Metlife is 301105 million in fixed deposit with bond. Share- common sectors and real state are 121 and 109 million statutory deposits with Bangladesh bank were fixed 15 million.

3.9 Ratio and graph analysis

3.9.1 Return on assets (ROA)

Return on assets indicates that how efficiently management uses its assets to make return

Return on asset (ROA) = Net profit after tax/ Total assets



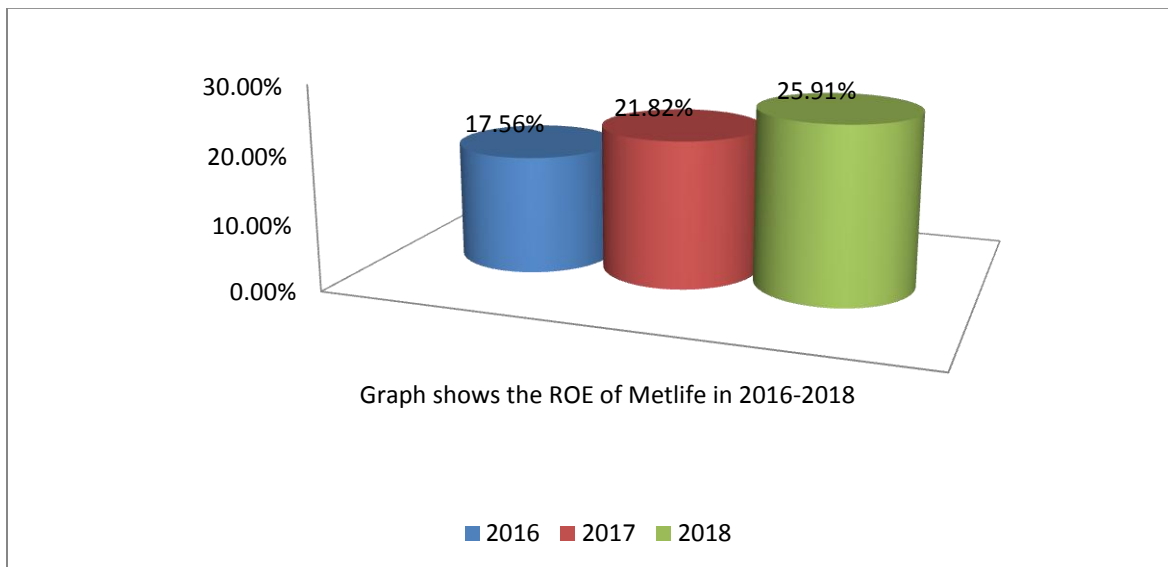
Year	2016	2017	2018 in (million)
Net profit after tax	2034	1947	2312
Total assets	113491	126747	142039

The graph shows the return on assets which return was 1.79% in 2016 highest position compare to others two years and 1.63 was in 2018. In 2017, ROA was 1.54%. Return on assets is primarily an indication of managerial efficiency. It indicates how capability the management of finance has been converting the organization's assets into net earnings. In 2018 ROA was 1.63 which indicates by using of 100 taka Metlife earned 1.63 taka.

3.9.2 Return on Equity (ROE)

Return on equity (ROE) measures how effectively management is using a company's assets to create profits. Whether an ROE is considered satisfactory will depend on what is normal for the industry.

Return on Equity (ROE) = Net profit after tax/ Total Equity Capital



year	2016	2017	2018 in million
Net profit after tax	2034	1947	2312
Total equity capital	11586	8923	8923

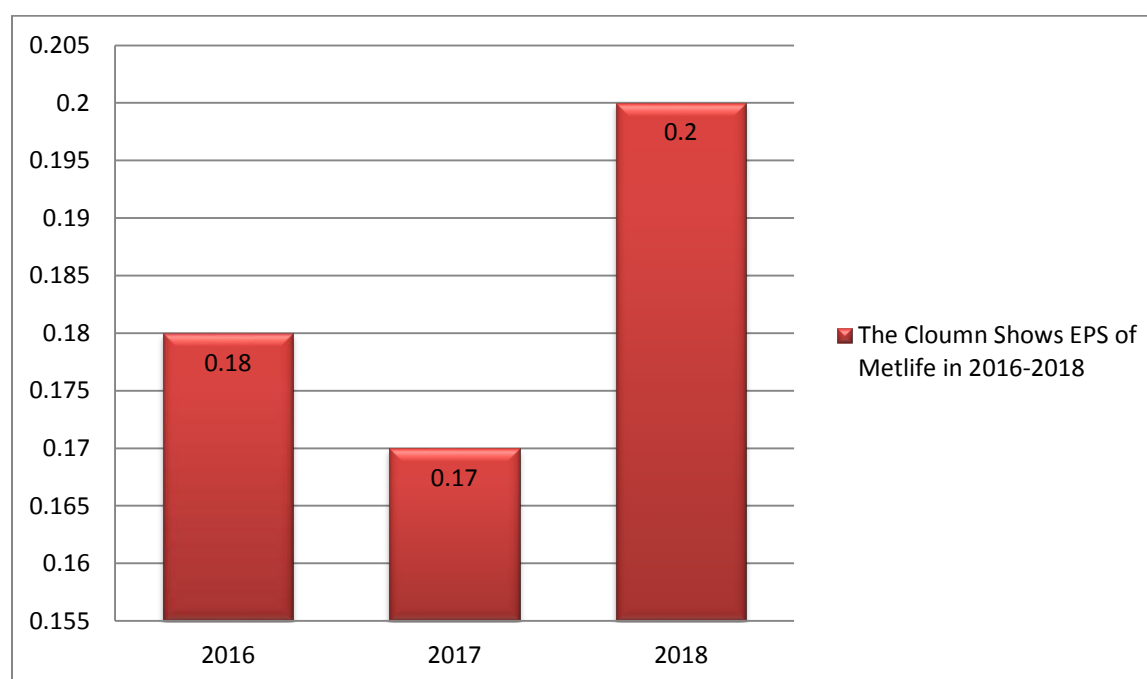
2

Return on equity of Metlife of 3 years (2016, 2017, 2018) was positively increased which was 17.56%, 21.18% and 25.91%. Return on equity is 14% as acceptable and below 10% is poor condition of company. In 2018, return on equity measure of the rate of return flowing to the Metlife shareholders. It indicates by using capital of 100 taka Metlife earned 25.91 taka.

3.9.3 Earning per Share (EPS)

Earnings per share (EPS) are an important financial measure which indicates the profitability of company the highest of the earning per share of a company, the better its profitability. The formula of (EPS) is:

$$\text{Earnings per share (EPS)} = \text{Net profit after tax} / \text{Total no. of shares outstanding}$$



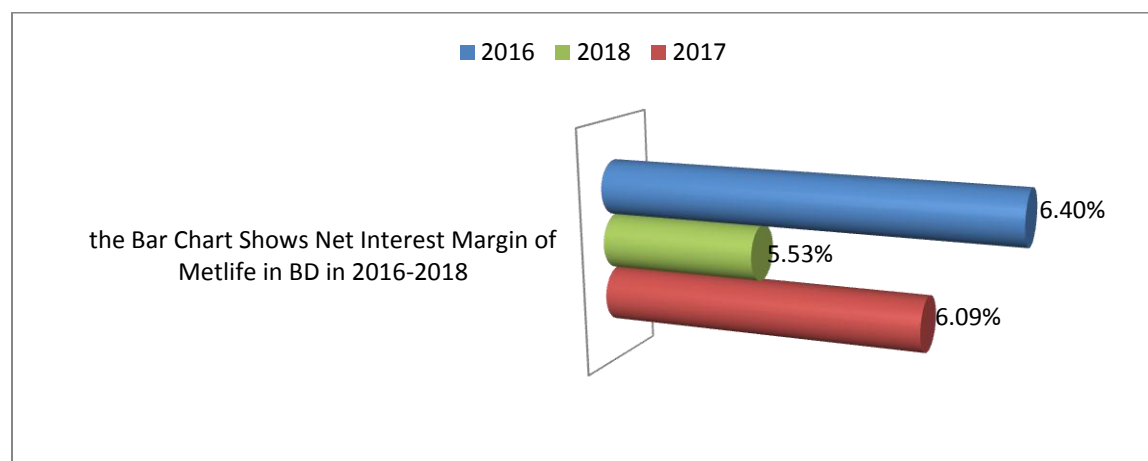
Year	2016	2017	2018 in million
Net profit after tax	2024	1947	2312
Total no. of share outstanding	11300	11300	11300

Earnings per share (EPS) are a portion of a company's profit that is allocated to every individual share of the stock. EPS of Metlife in 2016 and 2017 was 0.18 and 0.16. On the other hand, in 2018 it was 0.20 which was better than last 2 years. It expressed each share of Metlife earned 0.20 taka

3.9.4 Net Interest Margin (NIM)

Net interest margin is the different between the interest income and interest expense of the amount of this assets. A positive net interest margin suggests that an entity operates profitability, while a negative figure implies investment inefficiency. In the letter scenario, a firm may take corrective action by applying funds toward outstanding debt more profitable investments.

Net interest Margin (NIM) = Interest income - interest expense / Total assets



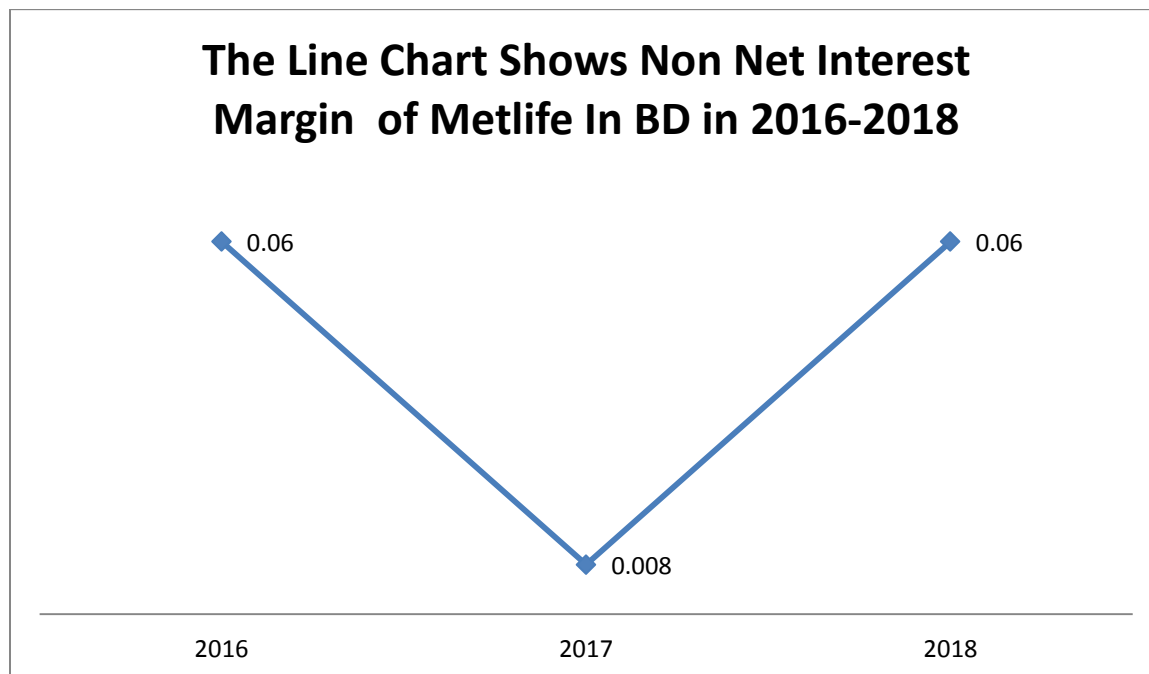
Year	2016	2017	2018 in million
Interest income	10435	11002	12268
Interest expense	3168	3285	4420
Total assets	113491	126747	142039

The bar chart shows NIM was 6.40% in 2016 which was highest and NIM was 5.53% in 2017. The total scenario indicates that a positive net interest margin of Metlife of last three years. In 2018, net interest margin was 6.09% which expressed of profit efficiency indicating how well management & staff have been an able to keep growth of revenues ahead of rising costs. Every 100 taka Metlife earned 6.09 taka.

3.9.5 Net Non Interest Margin (NNIM)

Net non-interest margin is a financial measurement that helps the assets usefulness of the revenue from non interest items such as fees and service charge. Any income of a company earns from activities other than its core business or from investment in termed as non-interest income, on the other side company's fixed operating and overhead assets are classified as non-interest expense.

Net Non interest Margin (NNIM) = Non-Interest income- Non interest expense/ Total assets



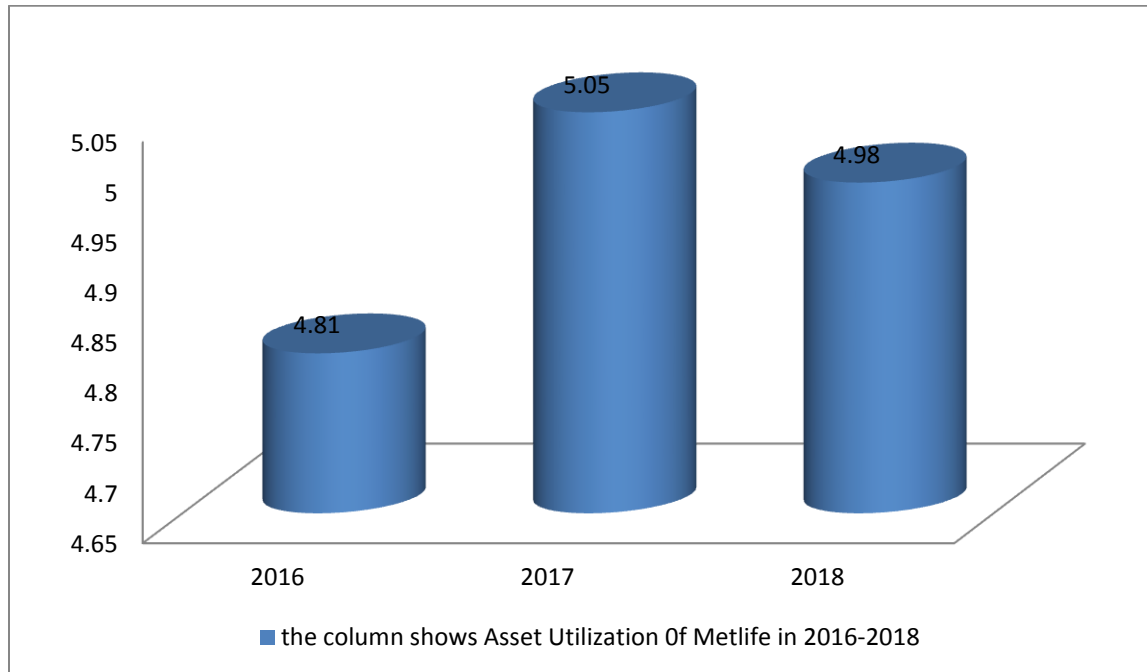
year	2016	2017	2018 in million
Non-Interest income	64	62	101
Non-Interest expense	1	52	21
Total assets	113491	126747	142039

The line chart illustrates that the NNIM was 0.06 of both year which was 2016 and 2018. 0.008 was in 2017. NNIM of 3 years was positive which means Metlife ability to dial up non-interest income to project profit margins or even increase margins in good items was a positive. The more drivers of income of financial institution have the better it is able to weather adverse economic conditions.

3.9.7 Assets Utilization (AU)

Asset utilization ratio measure the efficiency with which the firm uses its assets to generate sales revenue to reach a sufficient profitability level.

Asset Utilization (Au) = Total operating revenues/ Total assets



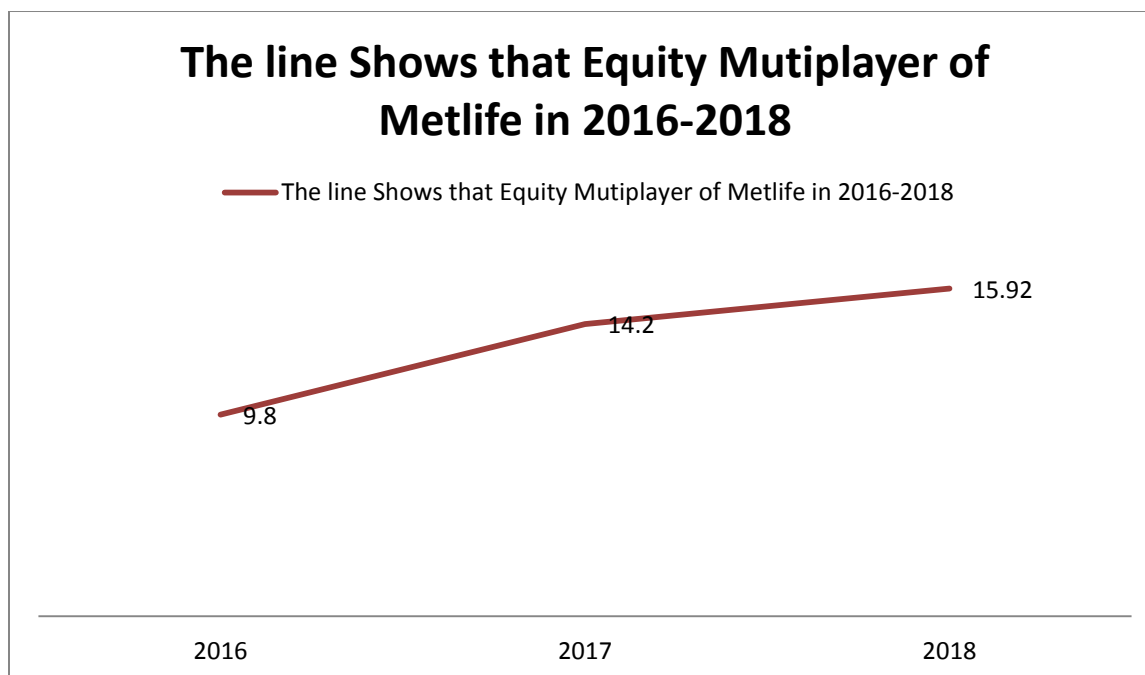
Year	2016	2017	2018 in (million)
Total operating Revenues	5462	6407	7071
Total assets	119276	126748	142598

The graph shows assets utilization of 3 years. The ratio of AU in 2017 was 5.05% and 2018 was 4.98 and 2016 was 4.81%.

3.9.7 Equity Multiplies (EM)

An equity multiplier is a financial ratio that measures how much the company assets are financed through stockholder equity. A low equity multiplier indicates a company is using more equity and less debt to finance the purchase of assets.

Equity Multiplies (EM) = Total Asset/ Total No. of equity outstanding

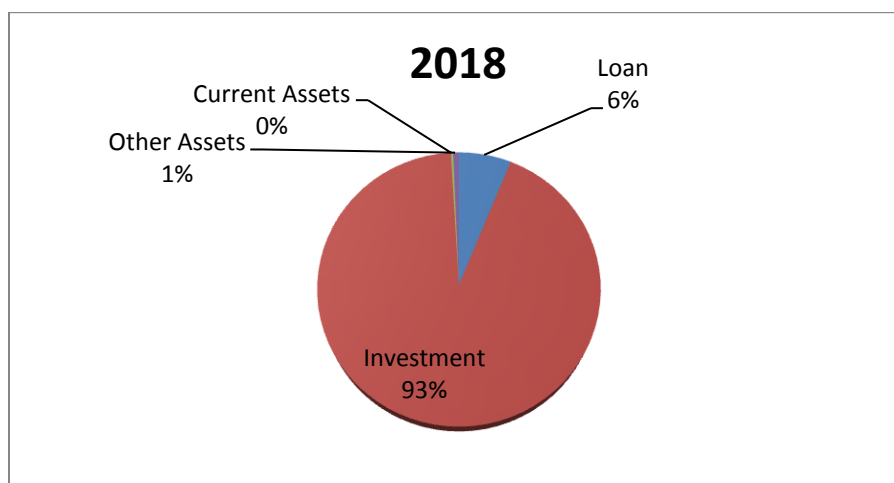


Year	2016	2017	2018 (in million)
Total assets	113491	126747	142039
Total No. of equity Outstanding	11586	8923	8923

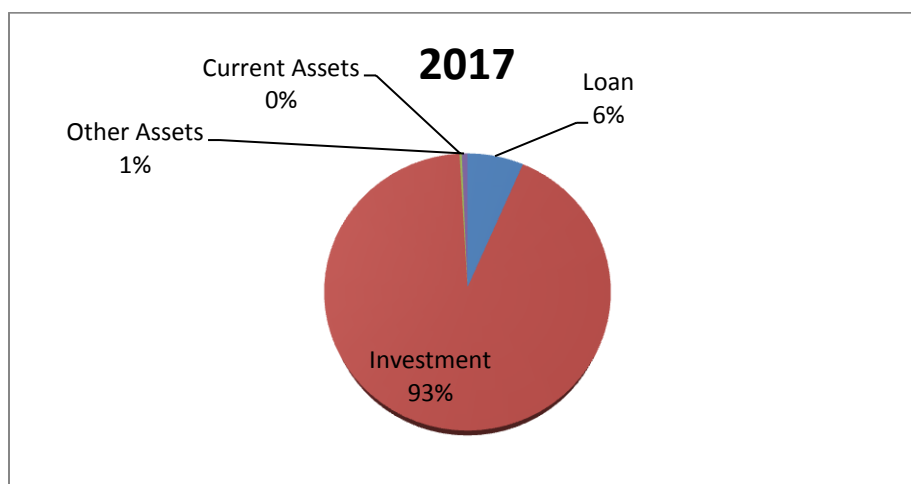
Equity Multiplies (EM) was 9.8 in 2016 but it was 15.92 in 2018. It is gradually positive increased. A high equity multiplies reflects company's effective business strategy that allows it to purchase assets at a lower cost.

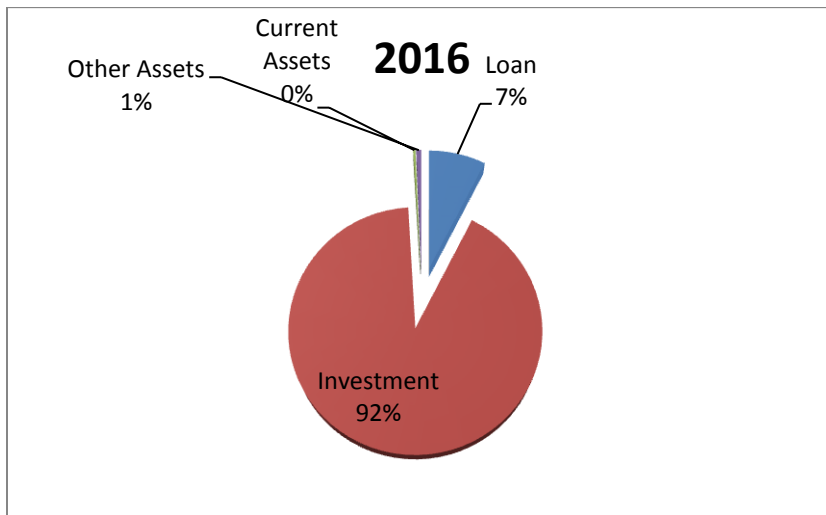
3.10 Common size of financial position of Metlife in Bangladesh

3.10.1 Assets: An asset is a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide a future benefit.

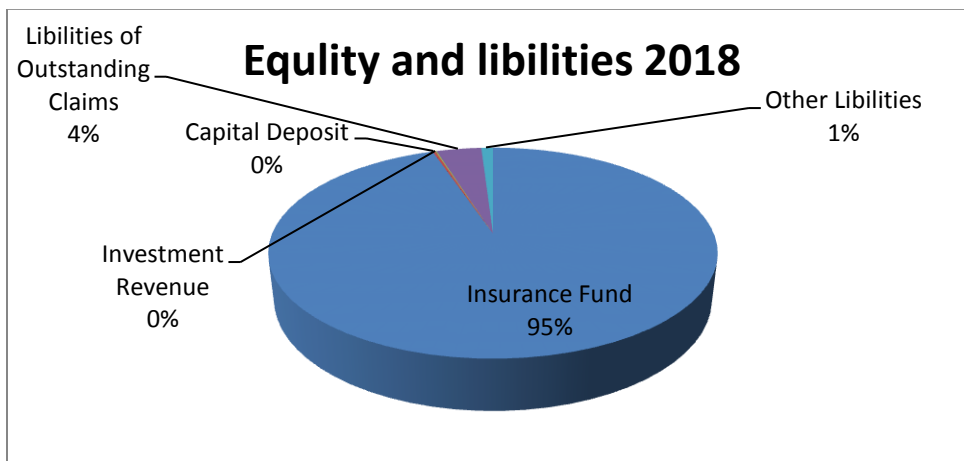


Metlife investment position was almost 93% compared to two other assets. The 2nd position of investment was loan which was above 6%. Current assets were 0% and other assets were 1%.

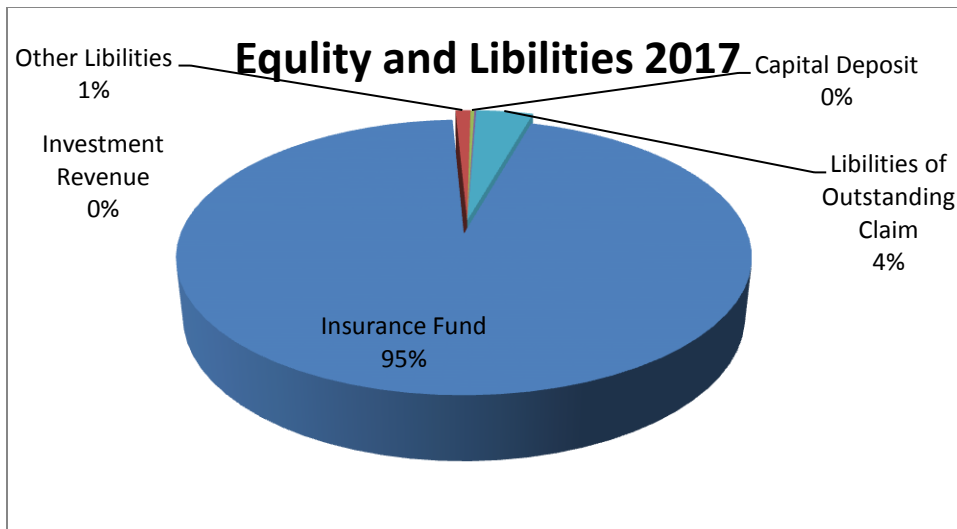




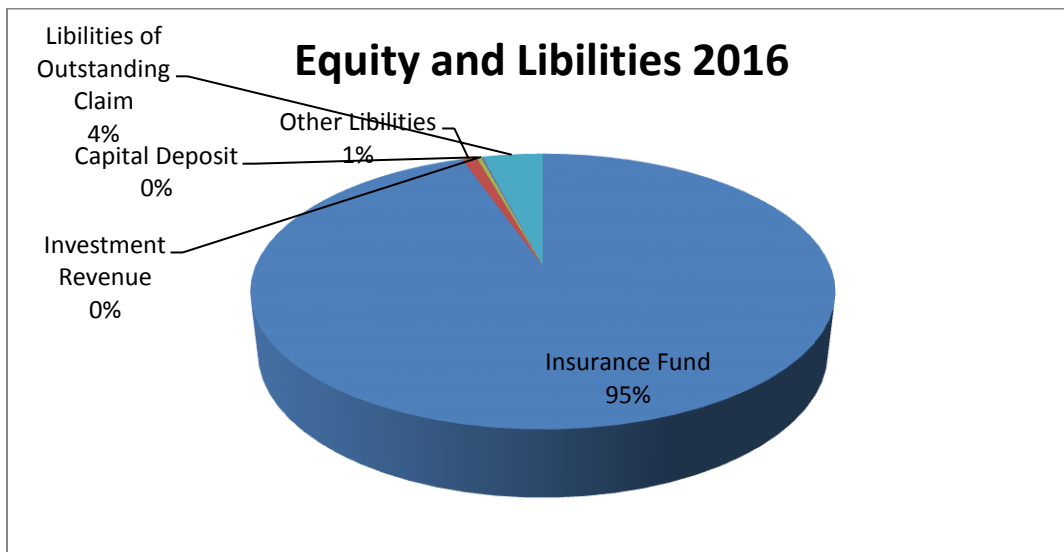
3.10.2 Equity & liabilities of Metlife in Bangladesh



Equity is ownership of assets that may have debts or other liabilities attracted to them. Equity is measure for accounting purpose by subtracting liabilities from the value of an asset. A liability is something a person or company owes usually a sum of money.

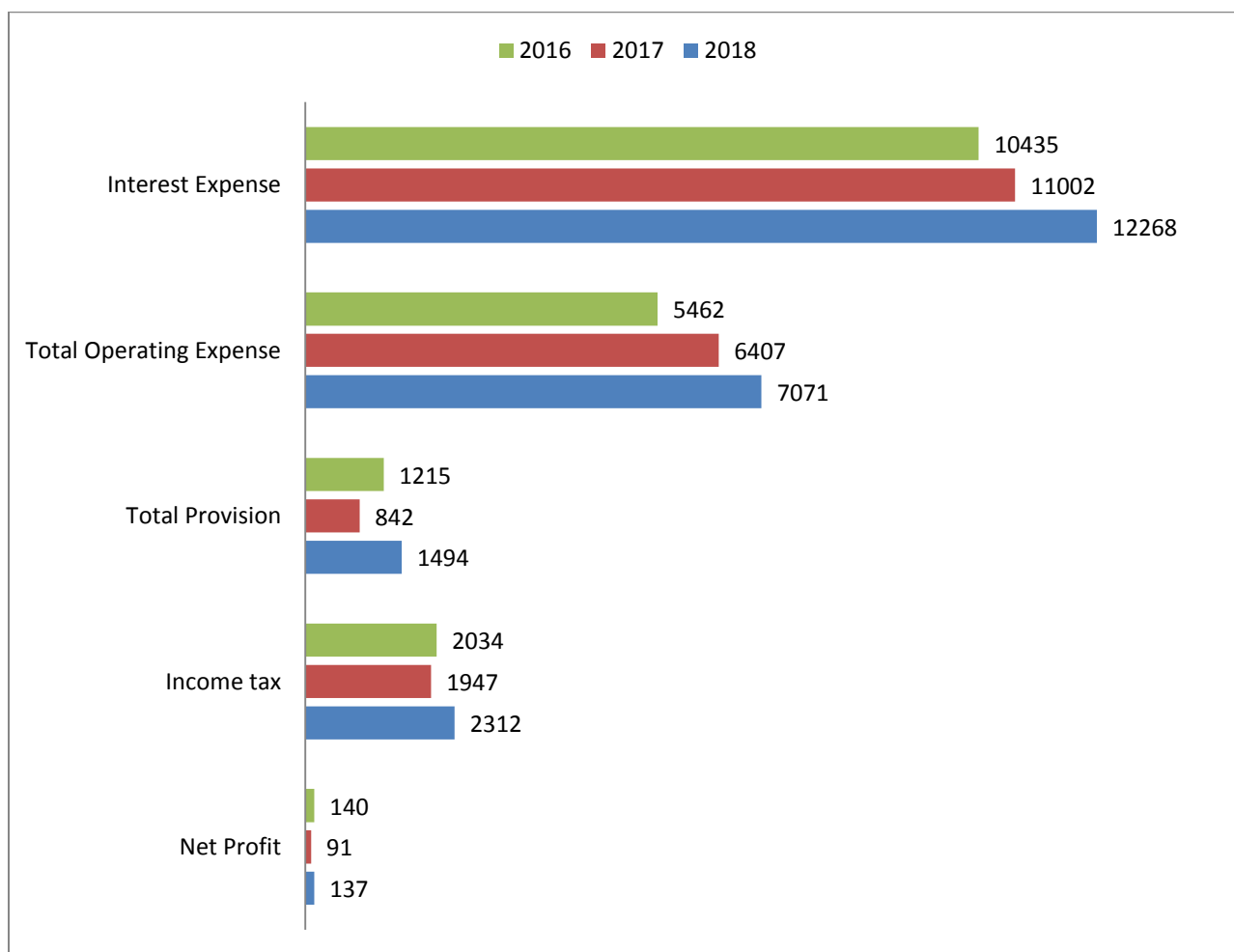


The graph illustrates that the insurance fund of Metlife in 3 years was 95% of total equity and liabilities. Capital deposit was 0% and other liabilities were 1%. Liabilities and outstanding claim was 4% all over the year of Metlife in Bangladesh.



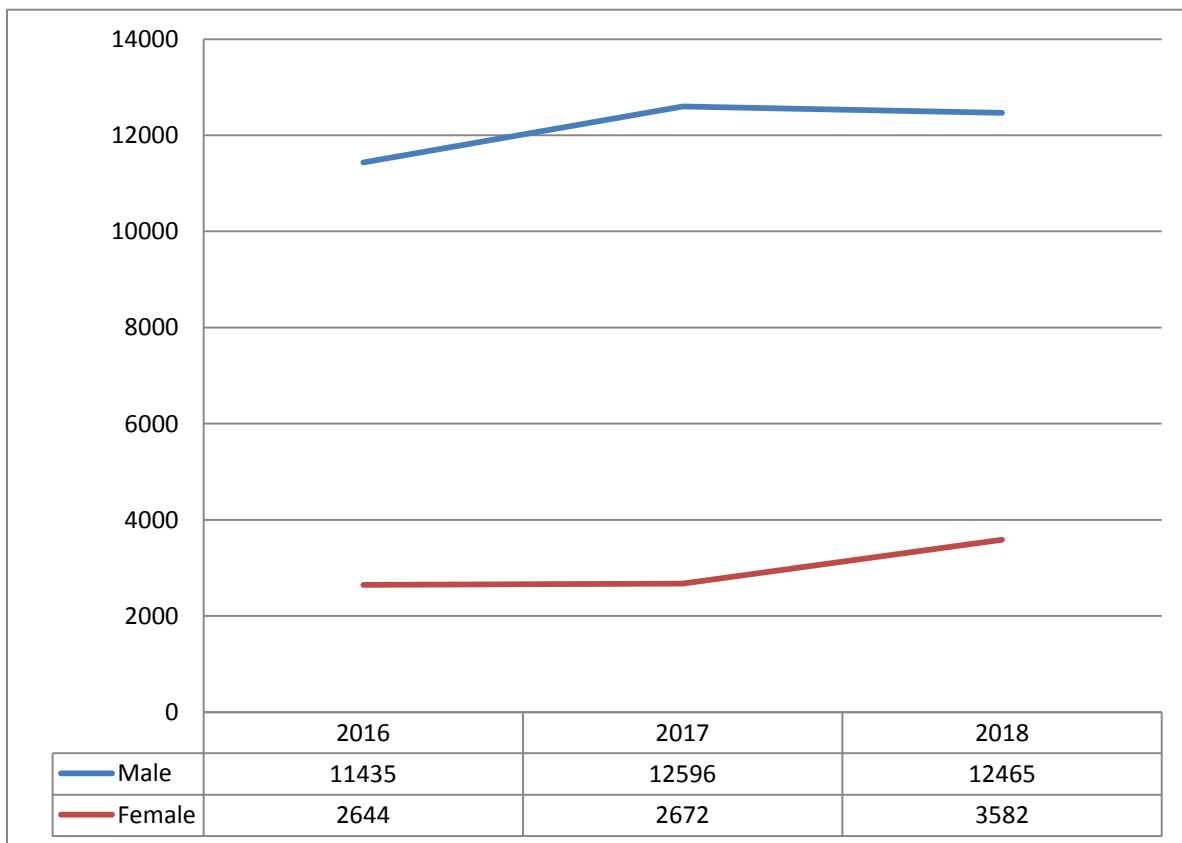
3.10.3 Common size of income statement of Metlife (Taka million)

An income statement or profit and loss account is one of the financial statement of a company shows the financial revenues and expenses during the financial period.



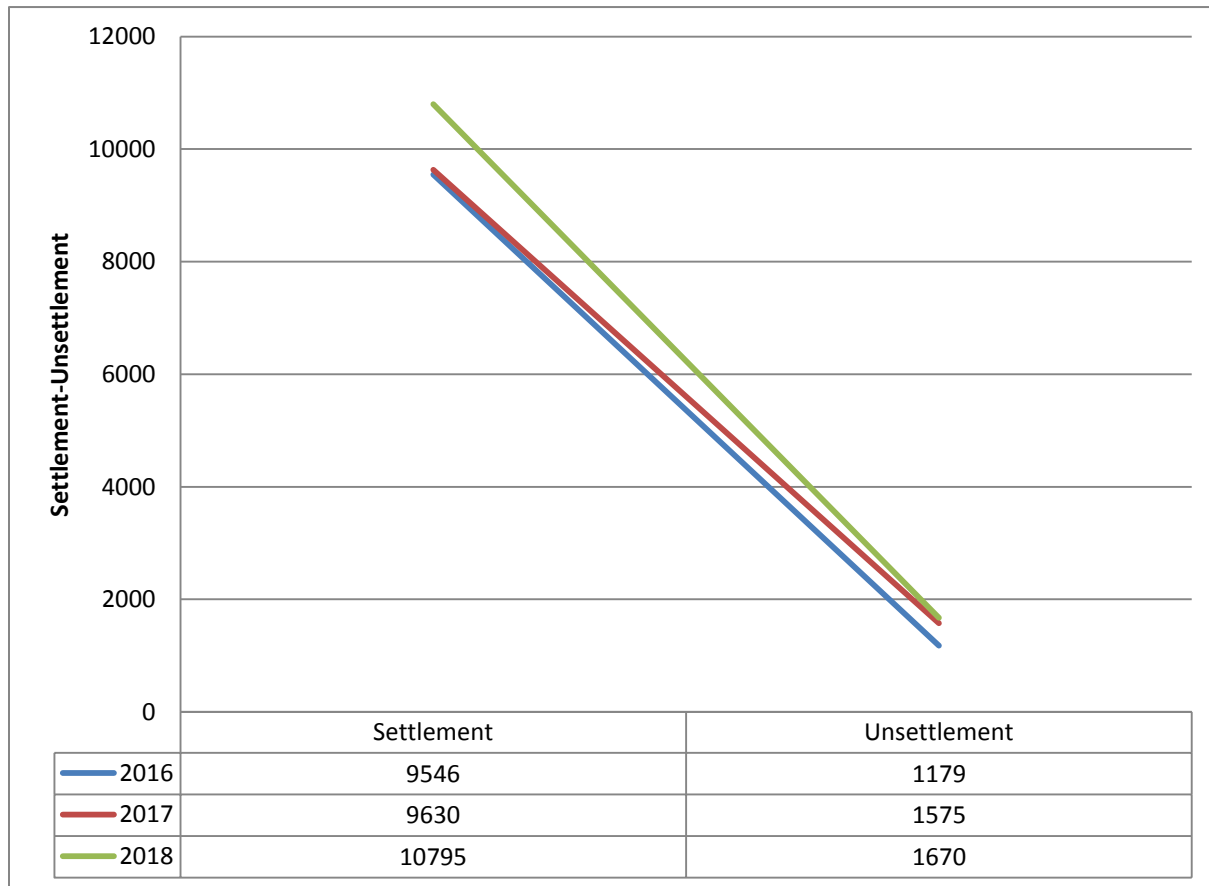
Total net profit of Metlife in 2016 was 140 million and 91 million was in 2017 and 137 million in 2018.

3.11 Number of Financial Associates of Metlife in Bangladesh



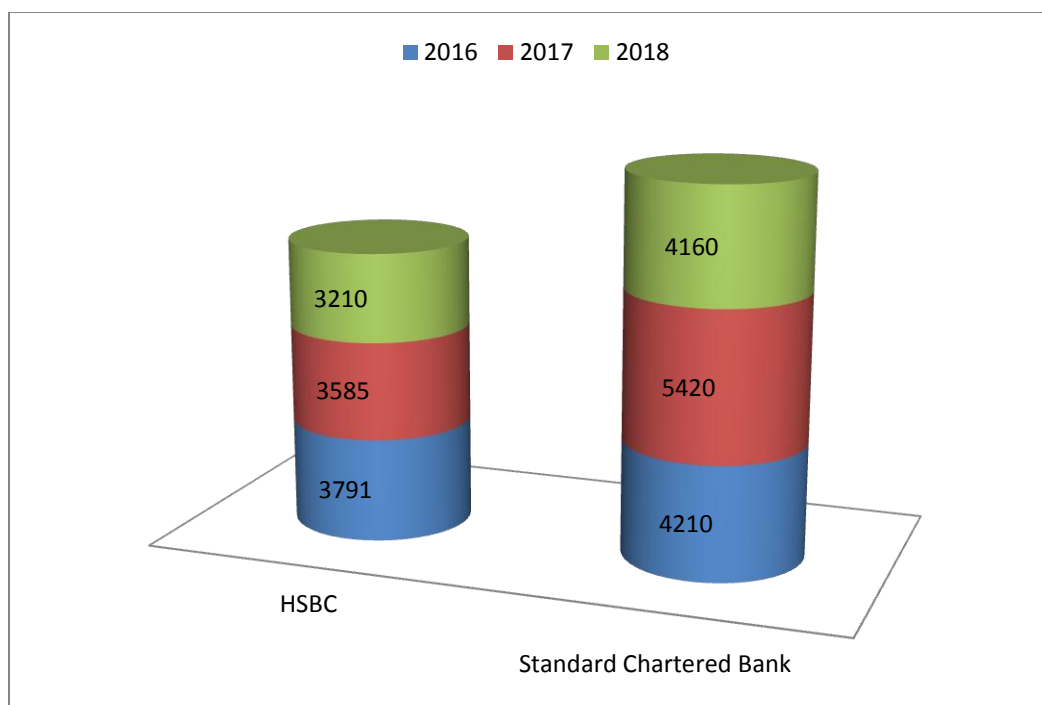
The bar chart shows the total number of financial associate. Total financial associates were $(11435+2644) = 14079$ in 2016 and it was $(12596+2672) = 15268$ in 2017. In 2018, total financial associates were $(12465+3582) = 16047$ which was positive increased year by year.

3.12 Number of claim of Metlife in Bangladesh



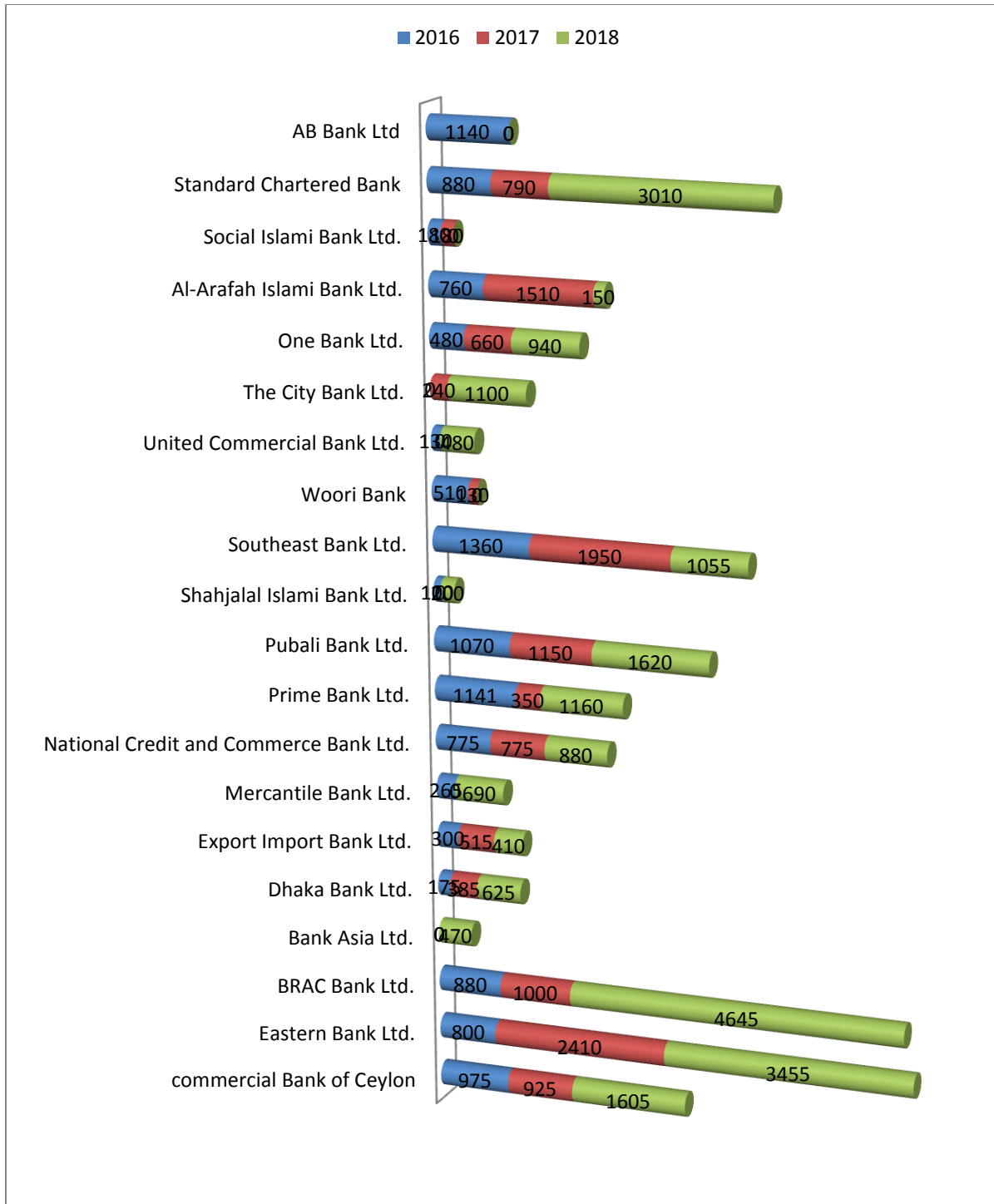
Claims are a more vital element of any types of insurance. Settlements claim mean any types of claims such as Death claim, Hospital Care (HC), Critical Care (CC), Disability Protection Rider (DPR), Waiver of Premium (WP), Income Benefit Rider (IBR), Family Protection Rider (FPR), Accidental Death Benefit (ADB), Accidental Indemnity Certificates (AI), Limited Accident Insurance Certificate (AX) claims. In 2016 total claims were 9546 but un-settlements were 1179. 10795 claims were drawn in 2018 and 1670 was un-settlement.

3.13 Fixed deposit of Metlife of different banks (more than 1 year) (Taka million)

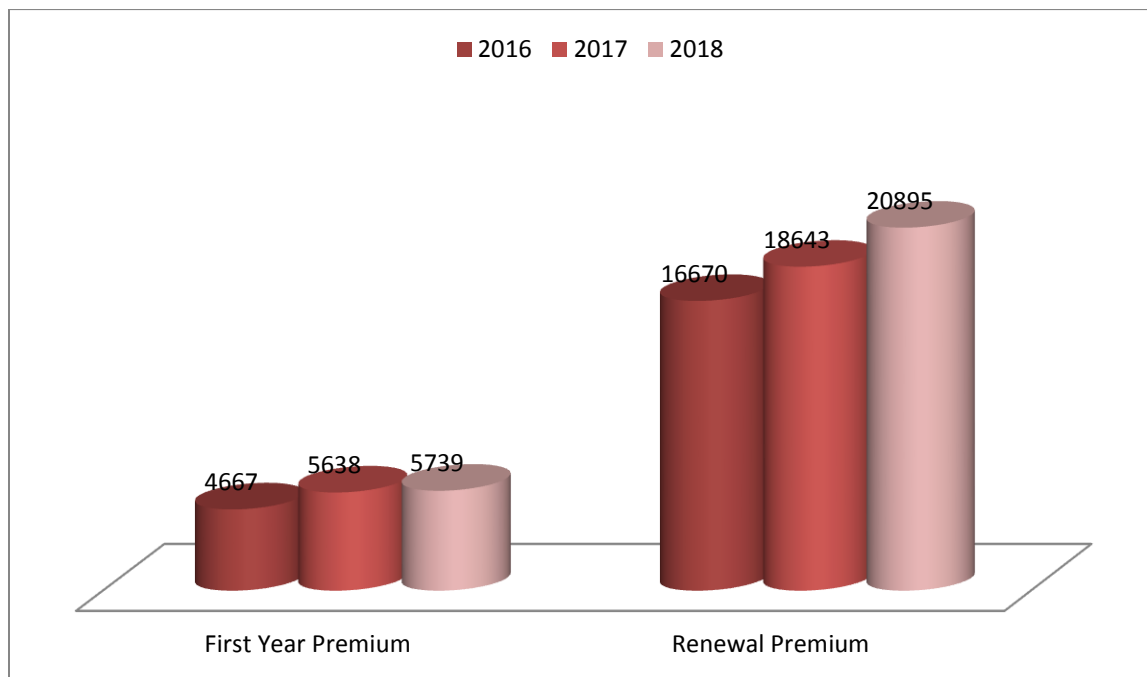


Metlife invested its deposit money as fixed which more than one year. There were mainly two banks for long term investment. Total collected premium of Metlife was deposited in almost 500 million in standard chartered bank among 3 years. On the other hand HSBC bank was invested almost 3500 million among 3 years

3.14 Short term deposit (up to 1 year) with different bank of Metlife (Taka million)

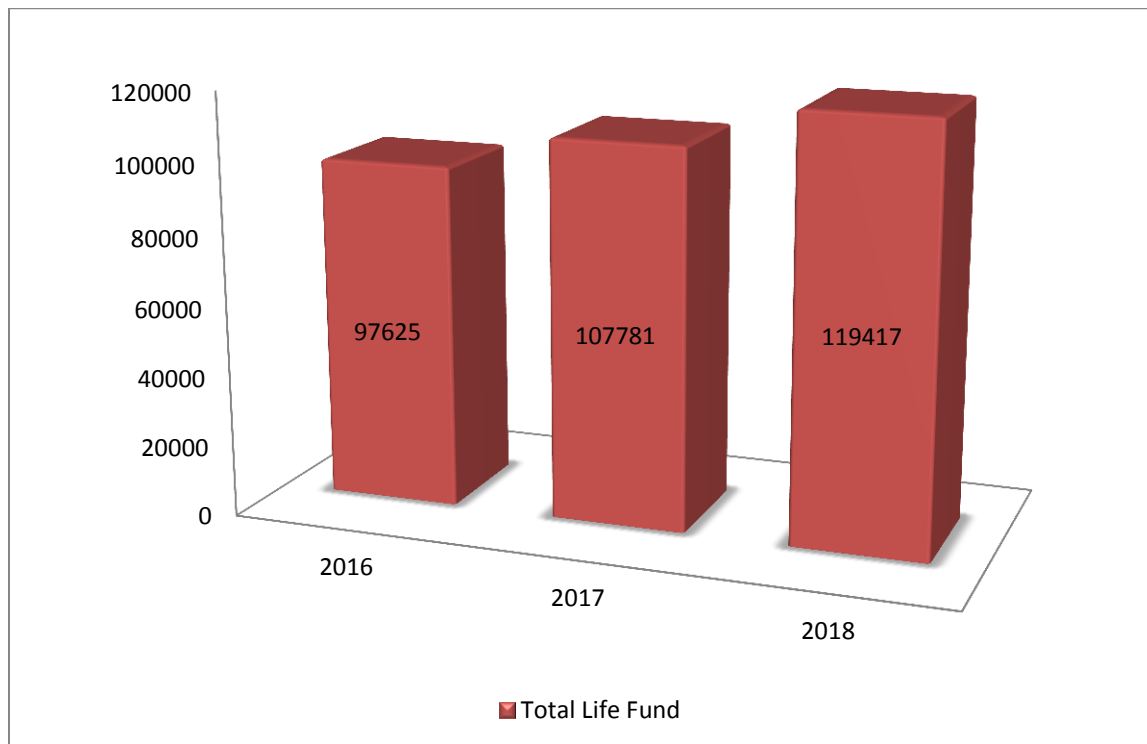


3.15 Frist year and Renewal Premium collection of Metlife (Taka Million)



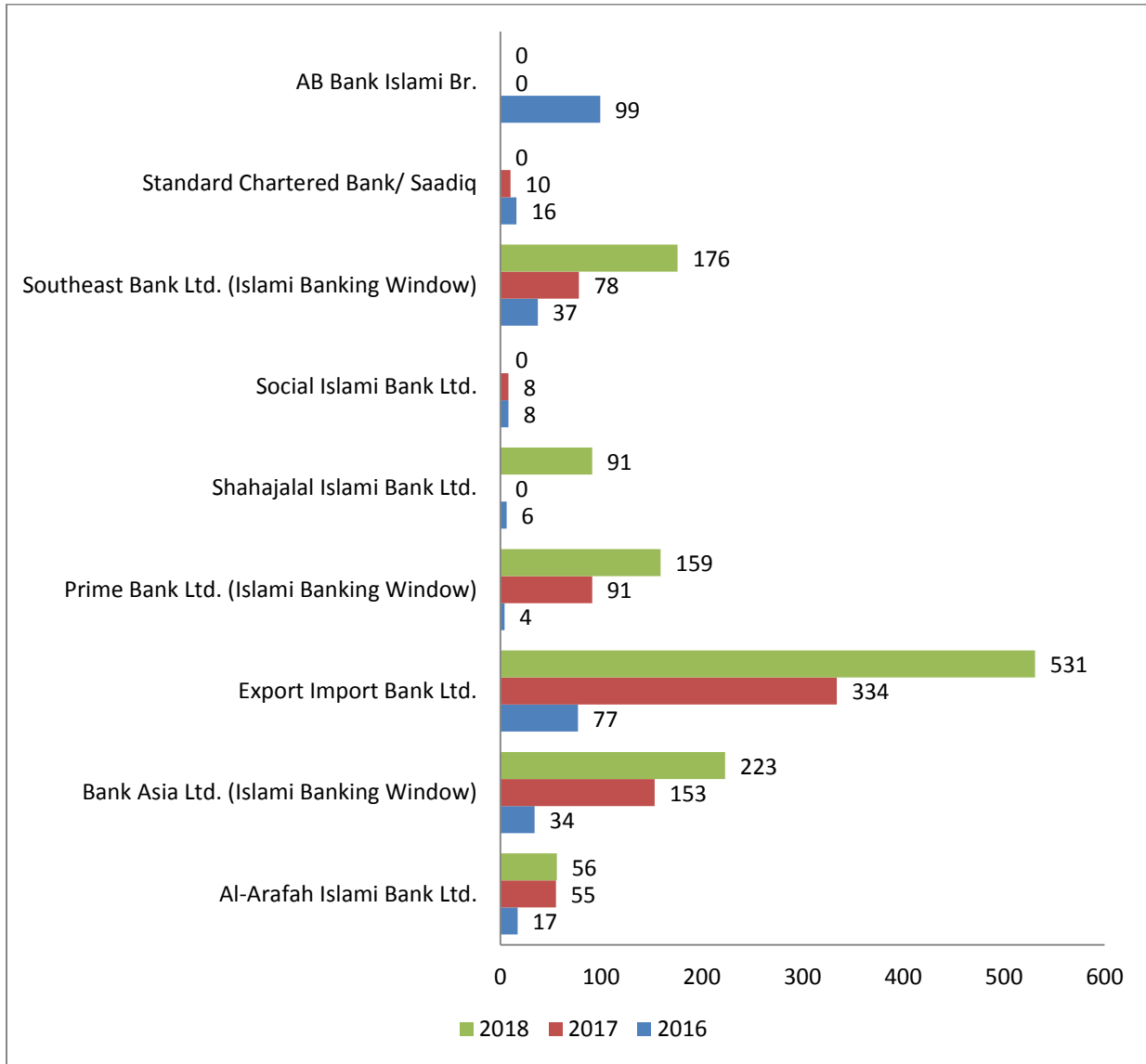
Renewal premium collection is most important work for every insurance company. Those insurance companies are so much strong who have collection of premium is strong. Meltlife collection of premium or renewal was positive trend. If we noticed to the graph its collection of premium was increased day by day and also first year premium was also increased and positive trend.

3.16 Total life fund of Metlife (Taka million)



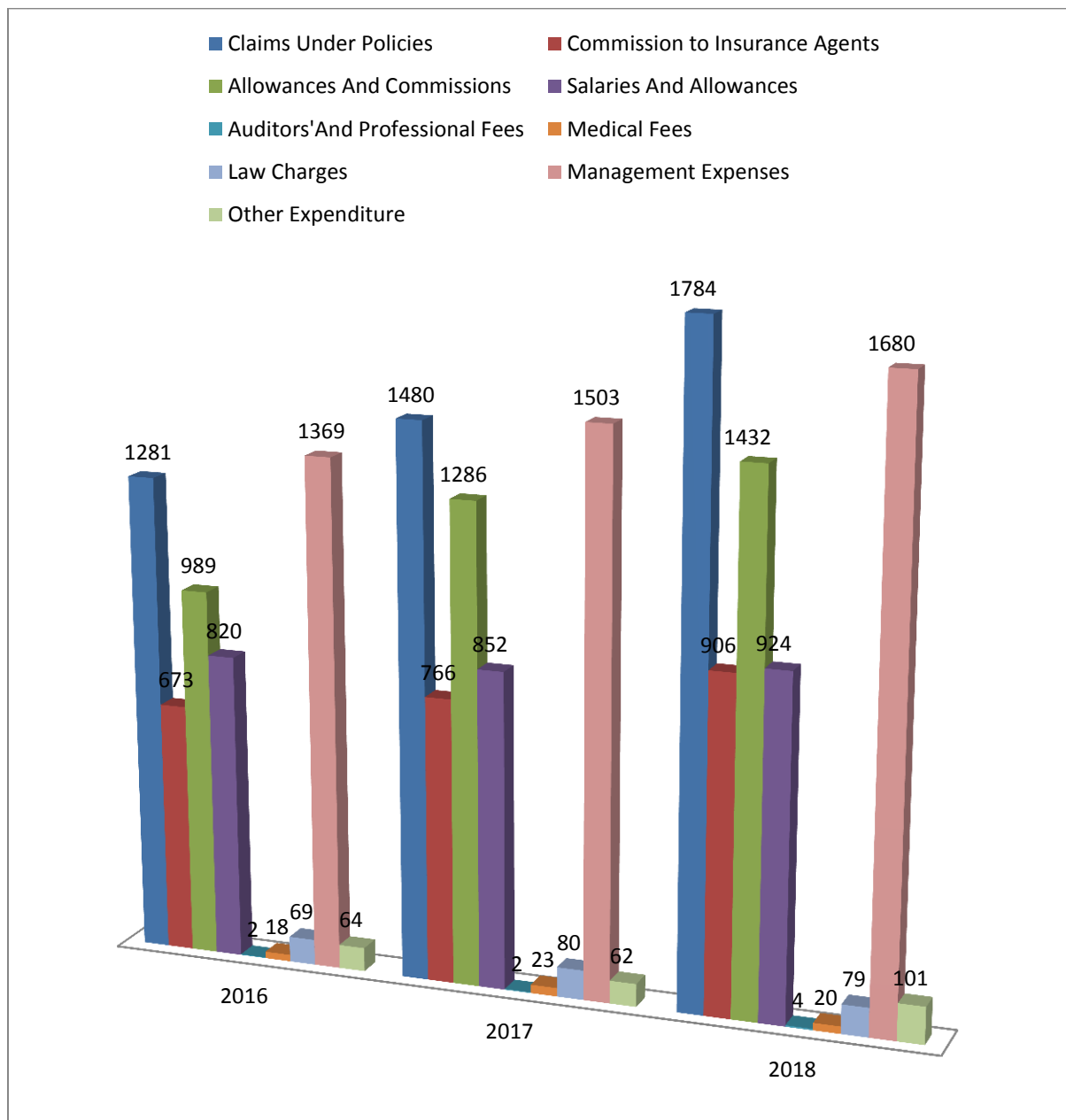
A life fund is a portfolio which can be made up of stocks, bonds, cash and alternatives into which policyholder's life insurance premiums are paid into and claims are paid out of. Some life funds was with portfolio policies which pay out an annual bonus from the insurance company's profit.in 2016 total life fund was 97625 million and it was 107781 in 2017 and 119417 was in 2018 which was positive increased.

3.17 Takaful deposit of different banks of Metlife (Taka million)



Takaful is a type of Islamic insurance where members contribute money into a pool system to guarantee each other's against loss or damage. Takaful branded insurance is based on sharia or Islamic religious law which explains how individuals are responsible to cooperate and protect one another.

3.18 Total Expenditure of Metlife in Bangladesh (Taka million)



3.19 CAMELS Rating

CAMEL rating is used by the Bangladesh Bank as a tool for evaluating the strength and performance of a non- banking financial institution. The composite rating adjudged by the Bangladesh Bank signifies satisfactory performance of Metlife in Bangladesh .the report contained no adverse material observations of the Bangladesh Bank on the activities of the company.

Capital Adequacy =Tair 1 capital+ Tair 2 Capital/Total risk Weighted Assets *100

$$=42423/ 34621*100$$

$$=12.25\%$$

The capital adequacy falls under taking under (1) strong category

Assets quality ratio=Classified loans /Total loans *100

$$=54551/3337412*100$$

$$=1.63\%$$

The Asset Quality falls under taking under (1) strong category

Management rating

Management efficiency=C+A+E+L+ S/5*100

$$= 1+1+2+2+3/4*100$$

$$= 1.8\%$$

The management efficiency falls under taking under (2) satisfactory category

Earnings Ability =Net profit after tax /Total asset *100

$$=1456/142598*100$$

$$=1.02\%$$

The earning falls under taking under (2) satisfactory category

Liquidity rating = Liquid assets / Total time & demand deposit liabilities * 100

$$= 42782 / 202421 * 100$$

= 21.13%

The liquidity rating falls under taking under (2) satisfactory category

Sensitivity to Market risk:

As we know that if the interest sensitive asset is lower than interest sensitive liabilities that the mean company is in a negative gap. So there is a chance of facing losses and NIM will be reduced, if the market interest rises and vice versa. In the other case, if the interest sensitive asset is higher than interest sensitive liabilities, that the mean company is in a positive gap. So there is a chance of facing losses and NIM will be reduced, if the market interest falls and vice versa. Interest sensitive asset of Metlife was 350 million whereas interest sensitive liabilities of Metlife were 597 million. That means Metlife is in liability sensitive company. So there is always negative relation with the market rate. So the capital rating falls under taking under (3) fair category.

Composite Rating = Capital Adequacy X .20 + Assets quality .20 + Management ability X .25 + Earning capacity X .15 + Liquidity X .10 + Sensitivity to Market risk X .10

$$= 1 \times .20 + 1 \times .20 + 2 \times .25 + 2 \times .15 + 2 \times .10 + 3 \times .10$$

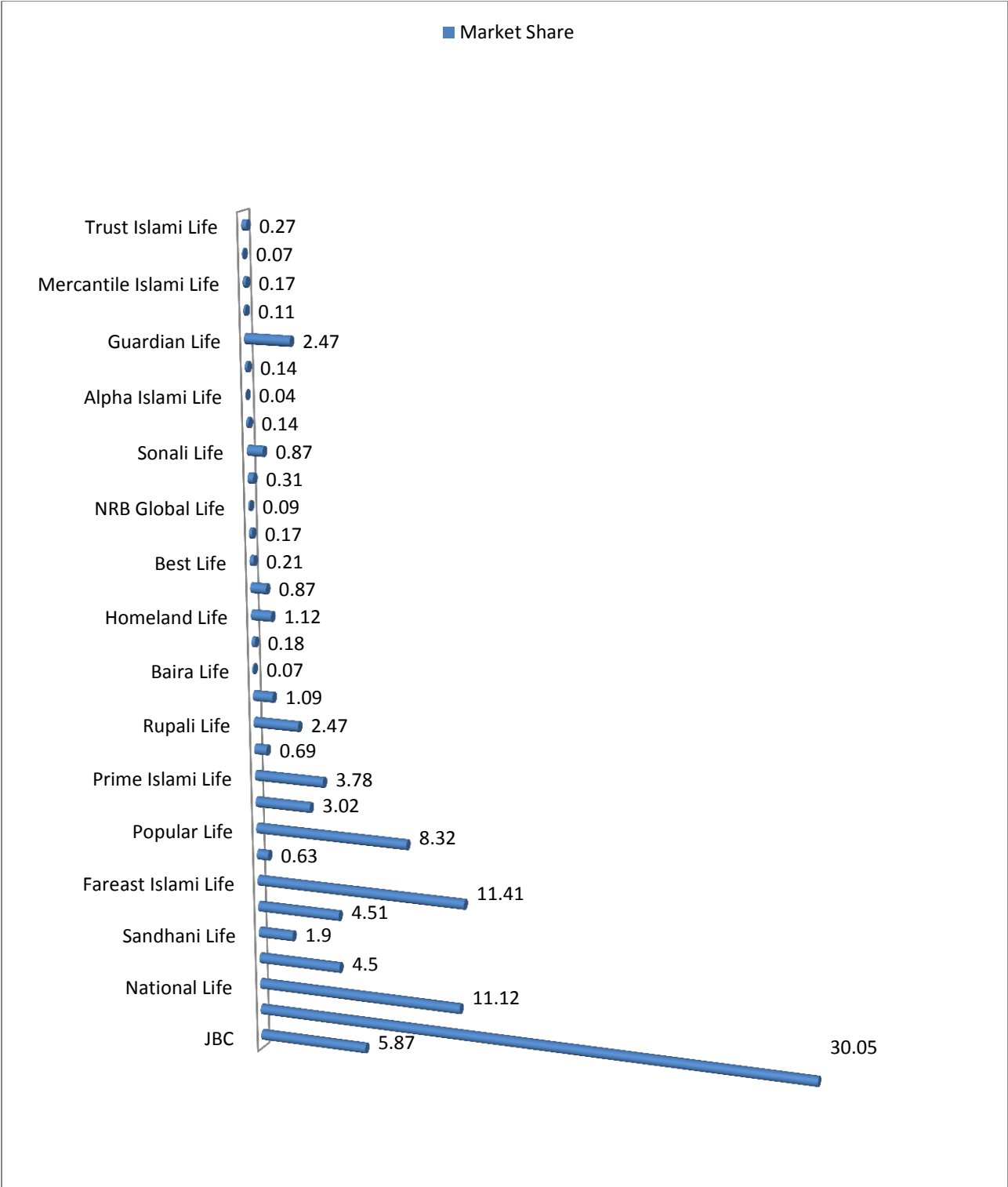
$$= 1.7 \text{ (satisfactory)}$$

It is satisfactory & rating is 2

Composite Rating 2(1.50-2.49)

- ☒ Fundamentally sound
- ☒ Finding are of a minor nature and can be handled routinely
- ☒ Stable and can withstand business fluctuations well
- ☒ Supervisory concerns are limited to the extent that findings are corrected.

3.20 Comparison all of life insurance companies in Bangladesh (Market Share position)



Chapter Four



Metlife in Bangladesh

Findings, Recommendation & Conclusion

Findings

From the above analysis it is found investment is dependent on premium collection. Though 5 new agencies are launch and existing 212 branches are not enough for this over populated country, Metlife is performing well. There are some specific findings that are inherent from the analysis are given below:

- ❖ Long term bond investments position of 10 years and 20 years was very poor.
- ❖ Metlife's total insurance fund was 119417 million in 2018. 93% of 119417 million was invested in different banking sectors .But rate of return was so poor.
- ❖ Capital deposit and investment revenue were very little.
- ❖ Net profit was 137 million in 2018 and 140 million in 2016.
- ❖ Statutory deposit with Bangladesh bank which was constant last three years was 15 million
- ❖ Return of Assets (ROA) was low which was 1.63% in 2018 and 1.79% was in 2017
- ❖ Earnings per Share (EPS) were 0.18 in 2016. In 2017, it was 0.17 and in 2018 was 0.20
- ❖ Net non-interest margin (NNIM) was equal (0.06) in 2018 and 2016 but it was 0.008 in 2017
- ❖ Assets utilization was 4.98 in 2018 compare to 5.05 in 2017
- ❖ On the job training is not sufficient for the agents
- ❖ Actual presentation must not be presented to the customer by the company representatives

Recommendation

During the preparation of the report and working as a financial associate of Metlife at Ziaul agency in Malibagh, it is found to have such types of finding which must be implemented to achieve the goals of Metlife. It is believe that the suggestion and recommendations mentioned below will obviously increase the efficiency of Metlife performance in Bangladesh:

- ▣ Old idea of insurance must be changed to survive in market
- ▣ Long term investments are to be increased
- ▣ Metlife may choose diversified sectors for its investment to increase rate of return
- ▣ Metlife should practice marketing through the use of promotional tools such as advertising, sales promotion, public relation and publicity, personal selling and direct marketing.
- ▣ Metlife should expand their target market by providing responsive services and establish efficient departments to perform such task
- ▣ Metlife needs to modify their recruitment strategies with increased focus on the marketing and sales training
- ▣ Metlife should regain and maintain a positive public image by providing better service
- ▣ Its claim settlements should maintain a service standard

Conclusion

The oldest life insurance company is Metlife in the world. It is doing business all over the world. Before birth of Bangladesh, it was registered. The position of Metlife in Bangladesh is one compare to all others 32 companies which are compared with collected annual premium. Large number of competition is to face by the company in every year. To catch whole market in Bangladesh, it must improve its selling technique by using advertising. Customers must be conscious of the new plans available of Metlife. To promote its product, company uses different types of social media such as television, facebook, newspaper etc. Huge progress of life insurance field is noticed in Bangladesh. Now people do not afraid to invest money in life insurance and do not tension for long term investment. Metlife caught the urban and rural market with cheaper product (DPS) and smellier policy terms. Anybody can buy insurance by paying small amount of premium and can take risk coverage. Now male people are more interested for taking insurance compare to female. Almost 6 million of people have accepted life insurance plans from Metlife in Bangladesh. Now Metlife has covered 32 % of market share of life insurance in Bangladesh.

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Acronym

- EPP= Education Protection Plan
- 3PP= Three Payment Plan
- WP= Waiver of Premium
- ADB= Accidental Death Benefit
- AI= Accidental Indemnity Certificate
- AX= Limited Accident Insurance Certificate
- CMELS= “Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity”
- SWOT= Strength, Weakness, Opportunities, Threats
- IT= information technology
- IDRA= Insurance Development Regulatory Authority
- NBR= National Revenue Board
- SDPS= Single Deposit Protection Scheme
- DPS= Deposit Pension Scheme
- CI= Critical Illness
- ROP= Return of Premium
- FA=Financial Associate
- WHO= World Health Origination
- ROA= Return on Asset
- ROE= Return on Equity
- EPS=Earnings per share
- NIM= Net interest margin
- NNIM= Net non-interest margin
- AU= Assets utilization
- EM= Equity multiplies
- CSC= Customer services and conservation
- HRM= Human Resource Management