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Ceylinco life gains 35% market share - IBSL

Ceylinco Life's claims of continuing market leadership in 2008 and the growth of its share of the market have been independently validated by the most authoritative source, the Annual Report of the Insurance Board of Sri Lanka (IBSL).

In the recently released document, the sector regulator has confirmed that total premium income in the long term (life) insurance segment grew 13.9 per cent to Rs 23.613 billion in the 12 months ending December 31, 2008, and that Ceylinco Life's premium income, at Rs 8.257 billion, represents a 34.97 per cent share of the market.

Figures in the report also

confirm that Ceylinco Life recorded a growth of 20.6 per cent in the year reviewed, a full 6.7 percentage points higher than the industry average, and that Ceylinco Life was the only company in the life insurance segment to significantly increase its market share, by 1.94 percentage points.

In contrast, the second largest life insurer in the country witnessed a decline of 2.56 per cent in its market share, which fell to 19.05 per cent at the end of 2008, giving Ceylinco Life a lead of nearly 16 percentage points in market share over its closest competitor. All other life insurance businesses either maintained their market share or posted marginal growth in

the review period.

Commenting on this important substantiation of performance in the insurance sector, Ceylinco Life Deputy Chairman R. Renganathan said: "Besides its role as a regulator, the IBSL provides a great service to the investing public in Sri Lanka by providing valuable information on the performance of all players in the sector. This means that the public is able to verify the accuracy of numerous claims and statements that emanate from companies."

He said Ceylinco Life's achievement of retaining its market leadership for the fifth consecutive year and the fact that the company has increased

its lead over the competition, are clear indicators of the degree of trust it continues to enjoy among policyholders and potential customers alike, even in a challenging environment.

Among other noteworthy indicators reported in the 2008 Annual Report of the IBSL, was that all life insurers together had sold 555,886 new life policies in the year reviewed, achieving a growth of 5.4 per cent. Of these new policies sold, Ceylinco Life, in its own Annual Report for 2008 discloses that it had sold 188,483 new policies, accounting for 33.9 per cent of new business in the life insurance segment in 2008.

The IBSL also reports that penetration of life insurance

had grown from 8.8 per cent at the end of 2006 to 10.4 per cent at the end of 2008. "Ceylinco Life can claim to have contributed significantly to increasing penetration because it is the only company to substantially increase its market share, and to invest heavily in programmes to increase the size of the market by improving awareness of the need for life insurance," Renganathan added.

Ceylinco Life has more than 750,000 lives covered by active policies. The company's Life Fund stood at Rs 22.57 billion at of 30th April 2009, and its solvency margin at the end of the concluded financial year was five times the requirement specified by statute.

BoC sells a million CommBank Bourse looks up on volumes with both indices also gaining



The Colombo bourse looked up yesterday with turnover growing to Rs.439.6 million, up from the previous day's Rs.168.5 million, with both indices too moving up slightly - the All Share by 3.93 points (0.17%) and the Milanka by 8.09 points (0.35%).

Substantial trading in the Commercial Bank, Pan Asia Banking Corporation, Lanka Cement and Asian Hotel Properties boosted turnover.

"Both volumes and sentiment showed a distinct improvement," Prashan Fernando of Acuity Stockbrokers said. "There were some crossings and foreign buying was likely although I can't say for sure until the figures are in."

Brokers said the Bank of Ceylon had been the biggest seller of CommBank yesterday with a million shares crossed.

Commercial Bank saw over 1.6 million shares traded, gaining Rs.2.25 to close at Rs.132.50 on a trading range of Rs.130 to Rs.133 contributing Rs.216.4 million to turnover.

Brokers said that some big parcels including one of a million shares were done at Rs.133. There was a parcel of 250,000 shares, one of 155,700 shares and two of 50,000 shares each also concluded at the Rs.133 price.

Pan Asia was up 75 cents to close at Rs.15.50 on nearly 3.2 million shares done between Rs.14.75 and Rs.15.75.

Although there were no extraordinarily large parcels of this counter traded, there were a few parcels of 100,000, 50,000 and many of 20,000 or a little more and 10,000 done.

Lanka Cement continued to move up gaining Rs.1.75 to close at Rs.28.50 on over 1.2 million shares done between Rs.27 and Rs.29.

Brokers said that this was a favourite retail play which had been speculation driven over the last several weeks.

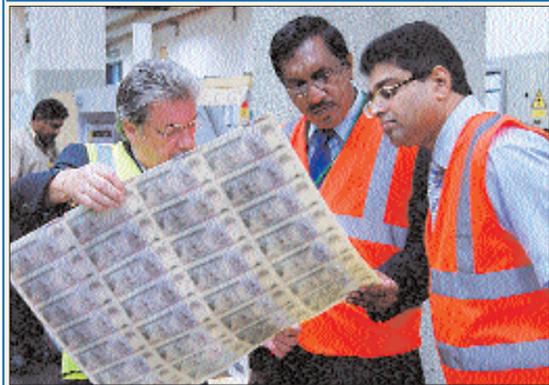
Asian Hotel Properties was another gainer, up 75 cents to close at Rs.53.25 on nearly 0.6 million shares done between Rs.52.75 and Rs.53.25. One parcel of 500,000 at Rs.53 accounted for most of the shares traded.

Piramal Glass with slightly over 2.2 million one-rupee shares done between Rs.1.70 and Rs.1.80 declined 10 cents to close at Rs.1.70.

Among other banking counters, Sampath lost 75 cents to close at Rs.105 with 93,200 shares done between Rs.105 and Rs.106.75, the NDB lost Rs.1.25 to close at Rs.156 on 42,100 shares traded between Rs.155.50 and Rs.157. DFCC Bank was up one rupee to close at Rs.132 on 24,500 shares while the NTB closed flat at Rs.31 on 535,400 shares done between Rs.31 and Rs.31.25.

Sathosa Motors announced a dividend of Rs.6 per share XD from Aug. 31 and payment on Sep. 9.

PRODUCTION OF CURRENCY NOTES



Anura Pridharshana Yapa, Minister of Enterprise Development and Investment Promotion and Channa Palansuriya, Board Member of the BOI are briefed on advanced security printing technology and shown a sheet of currency which is printed in Sri Lanka, by David Donaldson, Director and General Manager of De La Rue Lanka Currency and Security Print Pvt Ltd. De La Rue, a British Company and world leader in their field, have been printing currency for many countries at their plant at the BOI's Biyagama Export Processing Zone.

NDB Group launches its operations in Bangladesh

NDB Capital Limited, NDB Bank's Bangladesh joint venture investment bank, was formally launched on the 1st of July in Dhaka, Bangladesh. NDB Capital Limited hopes to contribute to the development of the capital markets in Bangladesh. NDB Capital Limited was formed by the NDB Group acquiring a controlling stake in Capital Market Services Limited, a licensed merchant bank in Bangladesh. The investment gave NDB Bank a 77.8% equity stake in the merchant bank. NDB Capital Limited plans to introduce a range of innovative investment banking products in Bangladesh to fulfil the needs of the market. The Company would customize globally available products to the Bangladeshi market conditions, practices and regulatory framework. NDB Group is of the view that there would be opportunities for corporate advisory services such as feasibility studies leading to fund raising, restructuring, diagnostic studies and mergers and acquisitions. The major attraction of Bangladesh for investment banking related activities is the similarity of cultural and social aspects between the two countries.

NDB Capital Limited will leverage on the expertise within the NDB Group, especially NDB Investment Bank (NDBIB). NDBIB is the premier investment bank in Sri Lanka

with market leadership in both financial advisory services and debt and equity distribution. NDBIB has developed in-depth expertise in the areas of securitisations and structured finance, project finance and loans syndications, initial public offerings, corporate valuations, balance sheet restructuring and financial advisory services. NDB Bank's Chairman P. M. Nagahawatte said "NDB Capital provides the NDB Group's investment banking business an opportunity to benefit from the larger Bangladeshi market, and also position NDB Group for future expansion in banking and financial services in a new market".

Speaking on the occasion, Nihal Welikala, Chairman, NDB Capital Limited, stated, "Like most emerging economies, Bangladesh is seeking to increase its capital investment in order to drive higher economic growth. High and consistent growth is a necessary condition to meet popular expectations of higher incomes, more jobs and better living standards". Further, he stated, "two essential drivers of growth is the amount of capital investment and the efficiency of its usage. Bangladesh is fortunate in that it enjoys surplus national savings at present; this needs to be channelled into productive investments.



From left - Kusal Jayawardana (Managing Director, NDB Capital Ltd), Al Maruf Khan (Director, NDB Capital Ltd), P.M. Nagahawatte (Chairman, NDB Bank Limited), Nihal Welikala (Chairman, NDB Capital Ltd), Vajira Kulatilake (Director, NDB Capital Ltd), Ajith Wickremaratne (Director, NDB Capital Ltd)

Sri Lanka first country in Asia to sign UN Convention against corruption

UNDP activates anti bribery tool kit for SL

By Steve A. Morrell.

"Bribery and corruption is a way of life in most third world and developing countries, true or false? Reply 'True and not so true'.

Former Secretary General, United Nations, Kofi Annan, said "Corruption hurts the poor disproportionately by diverting funds intended for development. Corruption is a key element in economic under-performance and a major obstacle to poverty alleviation and development".

Through the aegis of the United Nations Development Programme, (UNDP) and direct activation of the bribery commission, resurgent interest bringing to bear renewed interest to stem corruption has again interested the Government of Sri Lanka to foster greater interest in its implementation. Assistant Resident Representative (Programme), Zoe Keeler commenting on progress since its implementation in January this year said considerable lateral progress has been made to realize given objectives.

UNDP direct funding is approximately \$300,000, to see the project through. "Would these funds be sufficient?" "Certainly not. Total requirement is approximately \$858,500. We will have to raise what we need. That will be done through various sources." Zoe Keeler said.

The UNDP view was that corruption is a problem not peculiar to Sri Lanka only. Most other third world countries, and developing countries were victimized by this unseen hand called corruption. In a retrograde climate such as this, Government's interest was

powerful in its containment efforts and through self initiatives of the UNDP, the current programme commenced this year.

The UNDP is of the view Sri Lanka is making serious efforts to combat corruption. Sri Lanka was the first Asian Country to sign the UN Convention against corruption,



and also second in the world to do so. Having those head start pointers as benchmark indicators progress this time would be comparatively swifter seeking legal activation to have the Bribery Commission attaining positive clout for implementation.

Similar project was activated some time ago, but because of numerous excuses the end result report was that that report languished on some government shelf completely ignored.

The report produced this time, end three years, the period expected for completion of the project, would have certain elements that would provoke active consideration for imple-

mentation.

As already said no person in the country was above the law.

The UNDP tool kit, contains Capacity Development and Recovery Project, (CADREP) with the Ministry of Public Administration and Home Affairs. Additionally most recently the UNDP intensified action through the

Commission to investigate Allegations of Bribery or Corruption (CIABOC), and include such training for various Government departments.

This new project builds on UNDP's earlier partnership with CIABOC and introduces new strategies for fighting corruption.

Initial training included the Legal department particularly in Anuradhapura, and Polonnaruwa and also Colombo, involving 247 persons who have been imparted training.

The project period will be three years.

Interestingly training sessions will also include the police, and other Government departments.

Singapore out of recession

Singapore roared out of recession with growth of 20.4 per cent in the second quarter over the previous quarter, marking the first expansion in a year and prompting the Government to raise its 2009 growth forecast.

The flash estimates, which are based mainly on April and May numbers, showed growth in the construction sector and a sharp

improvement in manufacturing, thanks to the drugs cluster.

"The Singapore economy is back, and back with a vengeance," said HSBC economist Robert Prior-Wandesforde, who expects other regional economies to produce similar rallies.

The Government also revised its 2009 growth forecast upwards after three down-

grades.

The Ministry of Trade and Industry (MTI) now expects the economy to contract by 4 to 6 per cent instead of the 6 to 9 per cent decline predicted in April, thanks to the 'less severe contraction' in the first half of the year.

However, it is sticking to its outlook for the rest of the year - a weak recovery that will be at risk from more bad news. -ANW

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Staying ahead in Excellence

Over the past five decades Kandos pioneered the chocolate industry in Sri Lanka and earned immense credibility for our respected brand name whilst winning the trust of consumers.

In keeping with the Kandos promise of superior quality to our ever expanding customer, we now have the much acclaimed Superbrand award to serve you even better. We are indeed proud to announce that it is the only 'Superbrand' award bestowed on a chocolate in Sri Lanka.

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