

IDLC MONTHLY

BUSINESS

REVIEW



Women in workplace in Bangladesh

Aspiring to make strides towards
advancement despite obstacles

ফিক্সড ডিপোজিট করতে খুব খেয়াল...

ফিউচার প্ল্যান ফিক্সড করে নেয়ার জন্যই ফিক্সড ডিপোজিট। ভবিষ্যতের সঞ্চয় যেন অভিজ্ঞ হাতে নিশ্চিত থাকে, সেই লক্ষ্যে ফিক্সড ডিপোজিট করার আগে ব্যাংক অথবা আর্থিক প্রতিষ্ঠানটির যে বিষয়গুলোর প্রতি বিশেষভাবে খেয়াল রাখবেন -

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- দেশজুড়ে আন্তরিক সেবাসহ শাখা অফিসের সহজলভ্যতা

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৩৩ বছরের অভিজ্ঞতা
নিয়ে আপনার পাশে



Outperformers: High-Growth Emerging Economies and The Companies That Propel Them (McKinsey)

Bangladesh's standpoint and the take from the findings

RESEARCH IN FOCUS

Bangladesh in McKinsey's Research

Sadly Bangladesh is not in the outperformers list of McKinsey but it has made a place in the list of **'Middlers, which has a recent acceleration'**. Dominican Republic, Ghana, Mozambique, Peru, Philippines, Poland, Rwanda and Sri Lanka are the countries that are in the same list with Bangladesh. Though the Middleder threshold was between 0.95% and 3.5% compound annual growth rate over the period 1965 to 2016, very recent accelerators' GDP per capita growth outpaced long-term outperformers' which is more than 3.6% compound annual growth rate for the period of 2006 to 2016.

From McKinsey's research three global trends has become visible that can be helpful for economy like Bangladesh-

- Rapid evolution with technology
- Rising consumption due to urbanization
- Growing South-South trade

In the research McKinsey has forecasted that Bangladesh can be one of the next outperformers soon considering different indicators. Bangladesh is in Quartile 1 of McKinsey's forecasting that achieved high GDP per capita growth and strong momentum on fundamental indicators since 2011, having the potential to join the next wave of outperformers.

New opportunities for Bangladesh in changing times

Some changes are necessary for Bangladesh to get the new opportunities to become one of the outperformers. These changes include shifting patterns of trade and other cross-border flows; changing demographics and rising urbanization, which will influence consumption and growth; and the increased adoption of automation

Key Information

- Outperformers had more than **3.5%** per capita growth over 50 years
- Had over **5%** growth for more than 10 years.
- China alone generated **44 %** of emerging market consumption growth
- Outperformer countries has twice as many companies than emerging economy which is over **USD 500 million**.
- Revenue relative to GDP is **64%** between the periods of 2011 to 2016.
- Top **10%** of the firm of a outperformer generates more than four times the share of economic profit
- Derive **56%** of the revenue from the new product and services.

technologies. This might be challenging some of the traditional development paths even as they potentially boost productivity and GDP growth. Plus increased global connectedness and openness to cross-border flows of goods, services, and finance has allowed the emerging countries to have the chance to become one of the outperformers.

ABOUT THE RESEARCH

'Outperformers: High-Growth Emerging Economies and The Companies That Propel Them' is a research on 71 emerging countries which has a high growth for a significant timeframe and their star companies value addition to its performance.

FROM THE EDITOR



Changing the face of Bangladesh

In the realm of global corporate leadership, one name resonates loudly across industries and regions: Indra Nooyi, the former CEO of PepsiCo. Hailing from the diversified India, Indra changed the face of PepsiCo when the brand was witnessing dwindling popularity. After she stepped down as the CEO after 24 glaring years in PepsiCo., market analysts are terming the position “very hard to replace” in wake of Indra’s bold and thoughtful leadership style.

This year, the theme for International Women’s Day is aptly kept- #BalanceforBetter. In Bangladesh, Ready Made Garments (RMG) has been the frontrunner in empowering females, where 4 million women found their earning source. Over the years, SME sector has also witnessed surge in active women entrepreneurs, who are highly motivated and aspired to take their business to a whole new level. The growing participation of young female entrepreneurs in F-commerce realm also deserves accolades. In corporate level, however, an unbalanced trend is discerned as we move up along

with the hierarchy ladder. Female employees start falling out as they move to the mid-level in career and start having their own family responsibilities, resulting in a vacuum in top leadership positions. In many research and survey conducted internationally, it has been reflected that women make difference in the boardroom and in the company culture when they are put at helm of a company. It is high time, local corporates should recognize the fact and start working on the female potentials to the betterment of the company and coming up with suitable initiatives and facilities for them. Perhaps, down the line, Bangladesh may give birth to a number of Indra Nooyi’s who will change the face of the total economic scenario with their prudent leadership skills.

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Women in workplace in Bangladesh

Aspiring to make strides towards advancement despite obstacles

There is a dearth of women leaders in the top tiers of the financial sector, which resonates the mid-level drop-out of women professionals due to carrying out their family responsibilities. A huge potential is missed out at that level. FIs need to come up with adequate initiatives and facilities to nurture the young talents and stall the fall-out of mid-level female potentials. On the other hand, women entrepreneurship scenario is getting bright day by day, however, FIs need to extend business facilitation service to the women entrepreneurs to drive them towards growth.

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HOW WOMEN CAN GET TO THE TOP IN THE CORPORATE WORLD?

Women participation in the CEO role is negligible around the globe. In this research, six insights are emerged which can be really helpful to prepare the next female CEOs worldwide. Brief discussion on some core findings of the study is sketched:

- **Women could be ready for the CEO role sooner**

Women have to work harder, longer and prove themselves 10 times more compared to men to gain the CEO post. As they are spending more time to get there, they serve fewer years in top position.

Women are driven by achieving business results and making positive impact: Female CEOs are not only motivated by status, power or money, but also company's positive impact on employee and community attract them a lot according to two-third CEOs.

- **Specific traits are essential to women's success but are in short supply**

Courage, taking risk, resilience, and managing ambiguity: these four are the key traits and competencies of female CEO's success. To become successful in top position, a female needs these qualities badly. One women was demotivated to go to Atlanta as no one could be successful there. However, she went and made it.

- **Despite their potential, women do not see themselves as future CEOs**

Female cannot think of themselves as CEO until they were recognized by someone. Study found that only 5 out of 57 wanted to be the CEO where 3 never wanted to.

Some points need to be worked on creating and sustaining a pipeline of female CEOs. Considering these points can be beneficial to develop women to be the future leader of the company.

Women in corporate world

- **32 companies** out of 500 Fortune companies currently have female CEO
- Only **6.4%** of Fortune 500 companies are run by female CEOs
- Only **5 out of 57** wanted to be the CEO before getting recognized as one.
- Proving eligibility for CEO post for women is **10 times** harder than men.

- **Identify potential early**

Companies should facilitate their potential female leaders by designing a process that includes sponsors, mentors, and role models who recognize women's potential and help them envision a path to becoming CEO.

- **Articulate roles in terms that engage women**

A job description should have some attractive attributes which can motivate female leadership.

- **Beware of the "glass cliff"**

Glass cliff is a metaphor that refers to the tendency of organizations to put women in power during times of crisis. Companies should give proper chance to female to prove themselves.

ABOUT THE RESEARCH

This research is done by Harvard Business Review by taking interview of 57 female CEOs to crack the secret of their success and use those information to help organization to identify potential female leaders.

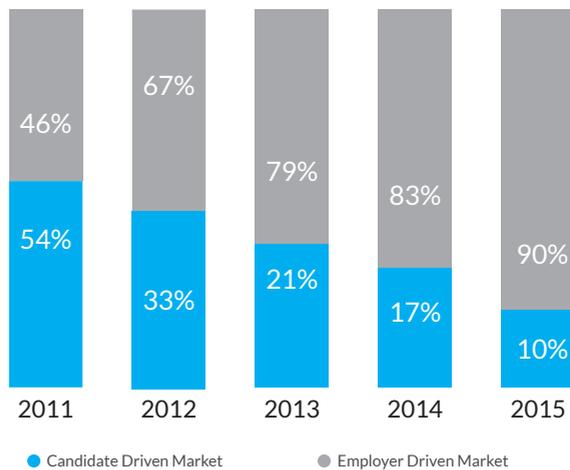
WHEN EMPLOYEES ARE MOST LIKELY TO QUIT?

Labor market is going through a dramatic change of quitting job indicating employees have all the power in workplace but in reality it is just that employees are now able to change jobs more frequently than before with fewer consequences. Research indicating this trend will be carried on over time with even larger intensity as switching has become a comfortable option for many. Following shows how people started believing that the market is candidate driven.

Another interesting fact of workplace revealed in recent studies is that disagreements are inevitable but people who work in the work group never gets into disagreement. To them agreeing with someone is easy than confronting someone, at least in the short run. It is because of the fear of conflict, but ultimately it leads them to a point when they feel that quitting job is necessary for them as their thoughts are not matching with others in the company. Lack of communication with others in the work place make workplace unproductive along with ultimately employees quitting job.

Good managers should deeply keep in touch with the employees to find out issues related to leaving

Describing Todays Labor Market



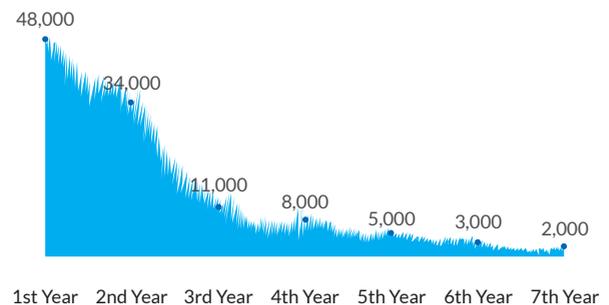
ABOUT THE RESEARCH
 This research is based on an article by Amy Gallo, Author of HBR Guide to dealing with conflict analyzing the trend of quitting job in workplace.

Key Info

- Baby boomers held an average of **10-12** different jobs in a lifetime
- Millennials are likely to see **closer to 20**
- It is mostly seen that employees in their **first anniversary** tend to quit job
- This **trend continues** in the following year
- **Conflict in workplace** or workgroup is one of the important reason.
- Only the best manager can maintain low employee turnover **managing modern workforce.**

the employer and solving those issues promptly. One of the survey result shows that most of the switching is done at the first three or four years and it declines over time, which indicates those who stay longer in a company get adjusted with the environment. But for those who could not adjust, the responsibility of line manager is to communicate more with their employee to solve issues.

Employee turnover rate





**WOMEN IN WORKPLACE
IN BANGLADESH**

**ASPIRING TO MAKE STRIDES TOWARDS
ADVANCEMENT DESPITE OBSTACLES**

WOMEN IN WORKPLACE IN BANGLADESH

ASPIRING TO MAKE STRIDES TOWARDS ADVANCEMENT DESPITE OBSTACLES

Worldwide, the participation of women in workplace has been appreciated over the last four decades, and the scenario has been improved significantly in last few years. Many companies are committed to bring about gender diversity in the workplace as they initiated specialized programs. The trend is also on the rise in Bangladesh. Many women have climbed up the career ladder to top leadership positions of reputed organizations while others have found their dreams in their ventures. The number of females in top leadership position is not substantial but it can be considered as a good start as more women are engaging themselves to pursue a career. However, this is not enough taking the significant number of working-age women population into consideration, who have valuable contribution in the economy.

Even as globalization has brought millions of women into paid labour than ever, the number of women in the workforce is far behind than that of men. Gender inequalities have also concentrated women at the bottom of the global value chain in the lowest paid jobs, in piece-rate, subcontracted work, and insecure forms of self-employment, with little or no access to decent work and social protection. Women represent half the world's potential; working-age population in the global workforce comprise of 49.6% women. The economics make sense too: if women played an identical role in labour markets to that of men, as much as USD 28 trillion, or 26% could be added to the global annual Gross Domestic Product by 2025.

The increasing involvement of women in informal economy or grey economy is alarming. In Southeast Asia, informal women employment reflects 95% of total women employment. Informal work include those who are self-employed- such as street vendors, petty goods traders and subsistence farmers- as well as waged workers in domestic or seasonal agricultural work. One of the most vulnerable forms of informal employment is contributing family work. Globally, women comprise 63% of these workers, who are employed without direct pay in family businesses or farms. Informal economy falls out of the purview of labour laws, leaving many exposed to low pay and unsafe working conditions, and without social benefits, such as pensions, sick

Still looking for room at the top

- In 2017, corporate boardrooms were **22%** women
- Women hold only **38%** of Managerial Positions globally
- Only **24%** of S&P 500 board seats ruled by female leaders
- Japan, the third largest economy, has a meagre **2.5%** female participation in Executive Committee and Corporate Board level
- In India, **12.4%** of board seats and 3.2% board chairs are occupied by women
- Out of **234 companies**, owning almost 2,000 of the world's most recognized consumer brands, **14** have female CEOs
- Sweden's Central Bank (The Riksbank) got the highest proportion **50.9%** of female in management position
- Iceland has **44%** female leaders in board level- the world record for women representation on boards

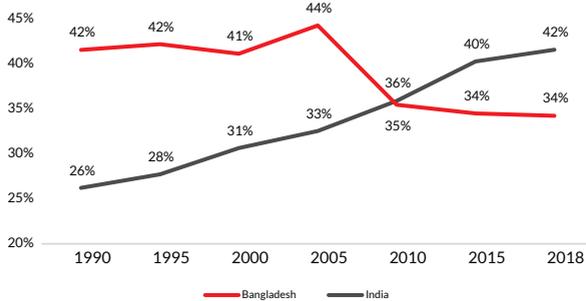
pay and health insurance. In Bangladesh, informal women employment makes up 89% of total women employment.

Women are hard to find at the top echelons in global financial sector

“If women ran the world, there would be no wars.”

It is an old stereotype, but there is something to be said for the effects of more women in leadership positions. Financial Institutions (FI) have been employers of women for decades: historically as tellers, bookkeepers, secretaries, and junior administrative staff. In the 1980s, however, pioneering women began moving into management roles and into frontline business areas, such as investment banking. Despite the observed benefits, however, company leadership around the world remains unbalanced, with women accounting for less than a quarter of management positions globally. The disparity is even greater when it comes to higher-level management positions. Women are far more likely than men to leave the industry or to reduce their level of ambition just at the point in their careers when they need to make the effort to push on to the top. This comes as a surprise to the many younger women entering the profession, who see such low participation of women at the top and become doubtful if she can ever reach the leadership role.

Due to less job opportunities India's women participation in workplace is sinking



Source: World Bank

Women marching forward in workplace: Bangladesh perspective

Women's participation in the labour force increased manifolds over time in Bangladesh. Female participation in the labour force has increased to 35.6% in 2016, from a meagre 4% in 1974. Although, the number is much low compared to that of male labor force participation, the growth is much higher. Interestingly, labour force participation among rural women exceeds (37.6%) than urban women (30.8%). Not only in the export oriented readymade garments sector but in many non-traditional and emerging sectors, such as hotels and restaurants, transportation, real estate services, telecommunications, banking and insurance sectors, women's participation is

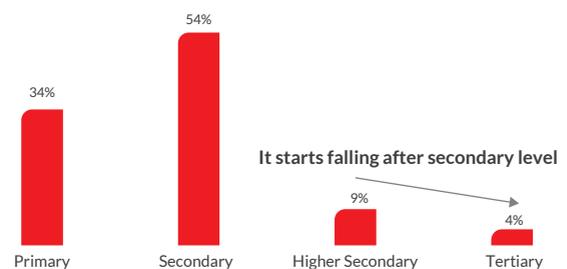
increasing. The phenomenon ascribes to increased access to higher education, accounting for which the prospect for getting into high valued job market has expanded for women in Bangladesh.

According to International Labor (ILO) Organization, the total number of women in workplace was 18.1 million in 2017. According to official statistics, though on average women earn about 94% of what men earn, it varies across sectors. The low share of women's incomes compared to men's on average is partly due to women's involvement in the informal sector to a greater extent.

A number of factors act as barriers for higher participation of women in the labour force. Lack of infrastructure, for instance, lack of transport, toilet, child care facility and overall security hinder them to take part in the job market. Apart from these and the ever-existent societal challenges, technological upgradation in many sectors has taken away more jobs from women than from men. For example, the largest sector for female employment is the RMG factories where female participation was almost 80% of all RMG workers. Unfortunately, female participation in this sector has now decelerated to about 61%, thanks to the automation in the sector, according to a Centre for Policy Dialogue (CPD) survey.

Secondary level educational attainment high in women

Lowest in undergraduation level



Top Management are only 5.2% women in local financial sector

The financial sector has always been considered as the best place for women to work in, although in entry positions. However, the women employment rate in Bangladesh banking sector went down to 12.23% in 2018 from 13.73% in 2016. The ratio of female executives occupying higher ranks in the sector is also

In need of a U-turn? Female leadership in Banking Sector

- More than **22,000** female work in banking sector
- Decline in female participation to **12.2%** in 2018 from **13.7 %** in 2015
- **9.3%** female leaders reflect the corporate board level of top twenty private commercial banks of Bangladesh
- Top management positions run by only **6%** women leaders
- Middle Management are **14%** women
- Entry level positions are filled by **18%** women
- **No female CEO & MD** in private commercial banks
- **5 female leaders** in the capacity of Deputy Managing Director (DMD) and Additional Managing Director (AMD)

negligible, according to a study by Bangladesh Institute of Bank Management (BIBM).

Few reasons ascribe to this phenomenon. Because of the reproductive role, many women are forced to choose between motherhood and careers. A large number of promising young university graduates enter the job market. However, the enthusiasm starts to decline over time due to family responsibilities. This mid-way drop-out of female employees reduces the number of potential women in senior positions.

Women-led SME Businesses: The changing landscape

Out of the 35.6% women participation in total labour force, only 12% has emerged as entrepreneurs. An

estimated 0.43 million women entrepreneurs own and operate businesses accounting for 5.9% of the total entrepreneurs in the country. Although, the numbers does not justify the immense and unleashed potential of the half of the total workforce, there has been a tangible change in the way women do their business.

80% of the business are managed by women entrepreneurs, according to a recent survey on 1510 women-headed enterprises by Bangladesh Institute of Development Studies (BIDS). In earlier times, most of the women-led businesses were actually run by their spouses or any other male family member. The statistics implies that this is a major behavioral shift in women entrepreneurship, which is driven by education.

According to the same survey, more women, having a graduation degree are setting up their own venture instead of going for a formal job. The share of such business women increased to 27% in 2017 from 20% in 2009. The increasing female drop-out rate after a certain position in formal workplace, explains this behavior. Many women who are forced to leave their job due to fulfillment of family responsibilities, seek for financial empowerment by establishing a venture.

Motivating factors shifted from meeting family requirements to empowering herself. In the same survey 29% women business-owners admitted that they are mostly driven by the factor of being self-reliant while running the enterprise, whereas 25% women emphasized on meeting family necessities. However, there was a U-turn in motivating factors in 2009, 48% of the women business owners were working just to meet family needs.

More reliance on institutional credit sources than personal funding. 25% of the surveyed women business owners availed credit from banks, whereas it was 7% in 2009. Few policy-level initiatives like single digit lending rate, refinance scheme for women-led businesses explain this phenomenon. However, the challenges of availing credit from banks are still the same:

- Arranging guarantors and their documents in getting a loan
- Banks asking for mortgage documents

- Lengthy application form
- High interest rate and demand for transaction in a bank account
- Lack of proper information regarding the rules of loans in different banks
- Higher Service Charge
- Lack of proper knowledge regarding the banking system
- Difficulties in availing loan for widows or divorced women

Purnota - A comprehensive package for women entrepreneur by IDLC



‘Purnota’- the meaning of this Bengali word is entirety of something. Carrying much significance with its literal meaning, Purnota - the Women Entrepreneur Loan (WEL) product offers a comprehensive package for the women business owners to take their ventures to the next level. Not only the product offers loan facility with lower interest rate, it also facilitates the women in obtaining regulatory documents and license essential to conduct a business. Furthermore, Purnota Club is established with a view to capacity and skill development of the women, business management and vocational training.

How Financial Institutions are enabling women in the workplace

Globally, most financial firms are genuinely committed to improving gender balance among their senior executives. To that end, they have introduced a number of “women-friendly” programs, such as flexible hours, parental leave, and mentorship schemes.

- **Maternity Leave:** In Bangladesh, banks and FIs provide the facility of mandatory 6-months of

maternity leave to all women employees as part of the policy requirement.

- **Transportation Facility:** Currently, 26 banks have their own transport facilities in order to provide safe commute to their female employees.
- **Daycare Center:** Lack of daycare centers seems to be a major issue that many working ladies are forced to leave their promising career after giving birth to their child. With no actual estimate on the total number of daycare facilities, the number of such centers is meagre. State-run banks opened a daycare center at Motijheel for their employees in 2015. Later, 21 private banks opened another for their employees in the same area. BRAC Bank Limited has their own in-house day-care center to facilitate the working-mothers, although the facility is only confined for female employees working at HeadOffice.
- **Development of Women’s Forum:** Many banks now have a Women Entrepreneurs Development Unit especially focusing on the economic development of the female employees. There are women’s forums that work to empower women to establish their rights and resolve issues. BRAC Bank Tara and IDLC ladies forum are well-known women forums among FIs. Apart from these, many other groups not initiated by FIs are creating impact for the empowerment of women. Also, FIs are now arranging a variety of awareness sessions for their female employees.

Financial Institutions in creation of female entrepreneurs

Having realized the significance and potential of women entrepreneurship, FIs came up with few extra initiatives for their women entrepreneur customers, other than just providing funding facilities.

- **Specialized Finance Products:** Most of the Banks and Non-Bank Financial Institutions (NBFIs) have already launched some special plans and offerings for the female entrepreneurs in order to make them

economically strong and financially independent. Under these schemes, SME women entrepreneurs are entitled to avail collateral-free funding upto BDT 2.5 million (if eligible) at an interest rate not more than 10%.

- **Training and Workshop:** FIs organize training programs for their SME women entrepreneurs in order to make them efficiently run their business. Under the “TARA” platform, **BRAC Bank** is arranging capacity building training sessions on “Media Marketing” to “Networking Capacity Development”, through which women entrepreneurs are able to learn about the essentials directly related to their business. **Eastern Bank Limited (EBL)** signed an MoU with Bangladesh Woman Chamber of Commerce and Industries (BWCCI) to provide credit facilities to the trained women under SEIP project at lower interest rate and easy loan process. **Mutual Trust Bank Limited** also organizes many display fairs and training programs for women entrepreneurs. **IDLC Finance Limited**, under “Purnota (Women Entrepreneur Loan Product)” platform, arranges various training programs in collaboration with SME Foundation for the women entrepreneurs catering to rural areas.

Apart from these, FIs are facilitating the women savers by providing them with higher deposit rates. There are some other initiatives worth to mention that draw the women savers/borrowers to come under the banking net. **AB Bank Limited** signed an agreement with MetLife to provide life insurance coverage for its Shampurna Women’s Savings account holders. Under this arrangement, MetLife Bangladesh will assure the account holders with life and health insurance protection. **EBL Women Banking** is offering BDT 2 million unsecured loans to women executives and professionals.

Central Bank ensuring womens’ strong footprint in banking arena

In a bid to ensure the right and security of female employees, Central Bank instructed the state-owned

banks and private commercial banks to facilitate the female employees with 6-months long full paid maternity leave. Alongside, according to Central Bank’s instruction, female employees of FIs are not bound to stay after the regular office hours, even if they have to stay for some urgent work, the employer (FI) has to arrange for transportation for them.

In order to accelerate female entrepreneurship, Central Bank undertook following policy-driven actions:

- To ensure balanced industrial development, minimum 15% of total SME Funds has been allocated for women entrepreneurs in SME sector
- The applicable interest rate of the credit for women entrepreneurs will be Bank rate (which is at present 5%) plus maximum 5%; not more than 10%
- Banks/Financial Institutions will accept and settle all types of loan applications of women entrepreneurs in SME sector with high priority
- Banks and financial institutions shall take initiative to advertise all the facilities for women entrepreneurs in both electronic & print media
- Banks and Financial Institutions can provide a maximum loan facility of Tk.2.5 million against personal guarantee if borrower is woman or maximum share of the enterprise held by woman
- Banks/Financial Institutions shall establish special advice and service centre for women entrepreneurs in selected branches; ensure service friendly approach towards women entrepreneurs.

Alongside these policy-driven initiatives, Central Bank arranges a SME Women Entrepreneur Fair every year on the occasion of International Women’s Day where women clients of every bank can showcase their products, create networking and get recognized.

IDLC PURNOTA



9th March 2008
First Women Entrepreneur Loan
BDT 0.7 Million

Since Inception till date

BDT 12,057
mn
disbursed

2324
customers
served

Framework to ensure better representation of women

- **Initiating “Mentorship Program”**

According to Annual Corporate Directors Survey 2018, nearly 95% of directors in corporate level agree that diversity brings unique perspectives to the boardroom, while 84% believe it enhances board performance. Holding on to that viewpoint, FIs can identify the leadership qualities in young women professional at entry-level and initiate mentorship program for them so that they can groom themselves from nascent stage and reach top leadership positions eventually.

- **Stalling the “mid-level drop out” rate by ensuring facilities**

A lot of corporate women professionals become bound to leave their jobs in mid-level due to fulfilling family responsibilities, primarily due to looking after their in lack of support. If FIs can collaborate together and create a common day-care facility for the working women, they can show higher productivity at work and at the same time, be loyal to the organization.

- **Increasing the number of business facilitation services to rural women entrepreneurs**

FIs are already providing the rural women entrepreneurs with necessary trainings on non-financial services such as, how to maintain business accounts or on loan documentation. As

the statistics reveals, rural women are engaging themselves more and more in entrepreneurial ventures and FIs need to increase the reach of these services in rural areas to a greater extent.

- **Ensure gender equality policies:**

In India, such policies are abundant and widespread, with 64% of Indian businesses adopting equal pay for men and women performing same roles, and 55% implementing non-discrimination policies for recruitment. Bangladesh can follow this and attract the larger chunk of female participants. Organizations must evaluate the gender distribution in their top management and develop a vision. This has to be followed by an analysis of how many potential women employees are currently in the middle rung of the organization to take up those available top slots over the next half decade.

- **Changing mindset**

Lastly, societal mindset needs to be changed. Beyond the horizon of financial services, many women are reaching top in their respective fields; Bangladesh is proud to have her first female pilot, first female Everest Winner, a handful of female CEOs leading MNCs like Berger Paints Ltd, Microsoft Bangladesh and the like. Both in societal and corporate level, unless there is a change in the mindset in the top-tier people, female professionals and female business owners can never come out of their shell and prove their worth.

JOURNEY OF 'PURNOTA'



★ Launch of IDLC Purnota in 2015



★ IDLC Finance Limited organized a 03-day long Purnota Fair in 2017 where the budding women-owned enterprises got an opportunity to showcase their products.



★ IDLC Finance Limited organized Purnota Fair in 2016 where the budding women-owned enterprises got an opportunity to showcase their products.



★ IDLC Finance arranged a training at Narshingdi in collaboration with SME Foundation on "Effective Business Management" at April'17



★ IDLC Finance arranged a training at Bogra in collaboration with SME Foundation on "Effective Business Management" at April'17



★ Agreement signing between IDLC Finance Ltd. and Bangladesh Bank for Credit Guarantee Scheme under project financed by UNCDF

BEING THE ROLEMODEL OF YOUNG FEMALE PROFESSIONALS



Having joined Bangladesh Bank as an Assistant Director in 1988, Laila Bilkis Ara is now serving as Executive Director for over a year. She comes from Chuadanga district and went to school there, before completing HSC from Begum Badrunnesa Govt. Girls College in Dhaka. She completed both her honors and masters from University of Dhaka. She has worked her way up by serving in the Foreign Exchange Policy Department, Banking Regulation and Policy Department, Agricultural Credit Department, Bangladesh Bank Training Academy and Chittagong Office of Bangladesh Bank. She also participated in various foreign and national training courses, seminars, symposiums on institutional requirement.

Laila Bilkis Ara

Executive Director, Bangladesh Bank

MBR: How was your journey to the top leadership position of Bangladesh Bank?

Ms. Laila Bilkis Ara: In the central bank, the presence of obstacles on the way of female employee's progression is relatively low. The system here is slightly different from that of other organizations of our country. If someone works sincerely, s/he is always appraised fairly at the time of performance evaluation. When I joined here in 1988, I was posted at the then BCD (now BRPD), owing to my background in Economics.

After working there for three years, I was posted in the Foreign Exchange Policy Department. It is mentionable here that the fact that I am a woman, was never considered in case of placement. Here I worked for four years and also worked on Agriculture Credit Policy for one and a half years. I was also transferred to our Chittagong office and there I was posted in DBI, our inspection department. In Bangladesh Bank, all the departments have a congenial environment for female employees. Also, over time, the method of performance evaluation has been changed and it has now been more performance-based. I always tried to carry out my assigned duties properly, and every time I excelled and thus I have reached my current position. I was also at Bangladesh Bank Training Academy because education is my favorite sector. In between, I worked at MRA on deputation. Though that sector is external to Bangladesh Bank, it provided me with good learning opportunities. When BSCS was formed for recruitment at fourteen organizations, I led its inception.

Even today I see in the newspaper that women are concerned about their security while working late at

night, but the lack of security is never felt in Bangladesh Bank. Generally, women do not have to work here till late night, and even if they have unfinished works, they are encouraged to finish it from home or the next morning or even on weekend.

I ranked first among women in my joining batch. However, I am not satisfied with the proportion of female participation in Assistant Director (AD) intake. The percentage of women coming into the Central Bank in AD intake is pretty low, about 15%-20%, compared to the number of females graduating from universities every year.

“ I have this trait of doing my job very diligently and with full concentration. Usually, when I am at office, I concentrate on office chores fully and do not think about family issues. On the other hand, when I am at home, I am totally with my family. ”

MBR: Do you think Financial Institutions (FIs) offer adequately congenial environment for their female employees? What are the steps that FIs can undertake so that more female participation can be encouraged and more female in the leadership role become evident?

Ms. Laila Bilkis Ara: Yes, FIs are now providing a few facilities to women so that they can concentrate on their career, but the more are required. Women really need day care centers, because normally the responsibility of

Advice to the young women professionals



BE TRUE TO YOUR WORK

Carry out assigned duties properly, and you will excel and reach great heights. Fair performance evaluation will ensure this.



PREPARE YOURSELF

There is no alternative to study. Young professionals should have up-to-date knowledge, and an attitude of developing leadership skills in themselves.



NURTURE YOUR LEADERSHIP QUALITIES

Bring out the positive qualities of your subordinates. Then you will be able to put the right person at the right place at the right time to get the job done properly.

children falls upon females. Transportation facility too would help in this regard. Bangladesh Bank has given instruction to allow women employees to leave after dusk. Those who have a high salary can avail Uber, but it is not viable for those earning less. Due to infrastructure issues, transportation in the city is a problem. Security is essential. I don't feel everyone needs to have a vehicle. In Singapore, very few use private cars. But the hope is that the metro rail construction work is progressing. Many such problems will be solved in three to four years. If we can travel in short time, have security and if women can be relieved of worry for children through day care centers, they can give more output. Women are very sincere, they always try to give their best shot in any task assigned to them.

MBR: As we see in the SME realm, the participation of women in the business world is increasing, though at a very slow pace, what can be the role of FIs to enable more women to enter into this section?

Ms. Laila Bilkis Ara: Bangladesh Bank facilitates low interest rate and collateral free financing for women. There are instances of misuse though, where the husband takes out the loan in the name of the wife. Although Bangladesh Bank is monitoring these activities, the main responsibility lies on FIs. Giving door to door advice would help, because the same product is not appropriate for all regions. FIs can enable the women entrepreneurs with marketing, procurement of raw materials and other non-financial services. This is how FIs can be true partner in development of women entrepreneurs as a whole. FIs can extend the range of advisory services and also conduct monitoring strictly. Loan recovery should be done timely to avoid adding to the NPL, and also to prevent the women entrepreneur from spending money elsewhere as it comes in. "Right Time", "Right Place" and "Right Person" are key

here. Not all women will become entrepreneurs, but we need to work with those who have the potential to become one.

MBR: Central Bank took some commendable initiatives to accelerate women's participation in FIs (maternity leave, transportation) and in SME sector (single digit lending rate, refinancing scheme). What other initiatives can central bank take to increase female participation?

Ms. Laila Bilkis Ara: Fairs can be arranged to attract female entrepreneurs. Showcasing of their products and networking opportunity surfaces in these fairs. The government can look into and conduct training for skill development. The government is doing some now, but its proper implementation has to be ensured. Further such possibilities need to be explored. This is because about 50% of our population is women, and our economy will not move forward without developing them and bringing them into the workforce. The government gives importance to the recruitment of women, but they have to move up the ladder through their skill.

MBR: Could you please share your family life with us? How did you juggle between maintaining family and work at the same time?

Ms. Laila Bilkis Ara: I have two sons. The elder one completed BBA from IBA, Jahangirnagar University and MBA from IBA, Dhaka University. Currently he is working at IDCOL as AVP. The younger one is a graduate of Computer Science and Engineering from North South University and is working as a Software Engineer at an IT firm. Even after being a working lady, I managed to make some time for them, however little that may have been. I was lucky to find my spouse extremely supportive in my journey.

RAINBOW VALLEY CENTRE FOR EARLY CHILDHOOD DEVELOPMENT



Zinia Jesmin Karim

Founder, Rainbow Valley
Centre for Early Childhood Development

A woman's care is paramount for a child's development. However, Ms. Zinia Jesmin Karim has reached heights through education and dedication to work. She has become a specialist in her field after years of experience working in various places. Her work is her passion, and that adds to her output, propelling children forward towards self-growth.

Vision and mission

Founder of Rainbow Valley, centre for early childhood development, Zinia Jesmin Karim has initiated this project in 2013. Her vision and mission behind this work is twofold. She wanted to raise awareness about early childhood development in the urban society so that it will reduce the number of autistic children in the future. Zinia Jesmin mentioned that brain development process takes place rapidly from birth of a child till 3.5 to 4 years. The main development areas in the brain are - cognitive, emotional, social, language and physical development. Within 3.5 to 4 years of a child's life, these key areas start to develop. For many reasons, this development can be delayed. For instance, in recent times, it can be observed that a large percentage of children suffer from speech delay. Increased addiction to gadgets and high 'screen time' leads to one-way communication as the child does not get proper intervention from the environment. Continuous negative exposure during the critical phase of brain development pushes the child towards Asperger syndrome or autism spectrum disorder- which are early forms of autism. Without proper treatment, the problem will become severe and they will soon be in the group 2 of autism. Zinia was motivated to share her knowledge with parents in the urban areas so that they can save their children.

Zinia Jesmin had a lot of experience in early childhood development. She worked abroad and in renowned companies in Bangladesh such as BRAC and a range

of others NGOs. Her goal was to establish a day care of international standard which focuses on the mental wellbeing of children. In general, she observed a lack of awareness and knowledge about child development among parents. Educating the parents is also crucial and thus, she also holds parental workshops. She wants to work with the parents' hand-in-hand so that children can reach their full potential. Additionally, she wants parents to come out of the mindset that mothers are solely responsible for a child's wellbeing.

Source of inspiration

When Zinia first came to this country after years of living abroad, she realized that parents have a deep-rooted misconception. Parents think that when the children grow up and reach a certain age, only then they should make 'investments'. She figured out that most people think that young children do not have much to learn and they will develop on their own.

Zinia Jesmin was in touch with elite people of the society but she realized that they lacked basic knowledge about raising a child. She wanted to do something to raise awareness otherwise, the children will not reach their full potential. Surprisingly, she figured out that parents in urban areas are the least aware about early childhood development. She wanted to make positive contributions to the society by taking her idea forward through better centres and collaborations. Within five years, she hoped to make significant changes in the field.

Rainbow Valley's children

Zinia Jesmin pointed that children do not just rest and eat in the daycare. They follow an international curriculum which focuses on overall welfare. Zinia Jesmin is a trainer of a daycare at SME foundation-early childhood development. She holds workshops in many schools and corporate places.

Daycare is an integrated system. It is important that financial institutions come forward with resources. In order to make a meaningful impact zone-wise. Every zone of Dhaka such as Dhanmondi, Gulshan, Baridhara should have a day care centre. It will promote women entrepreneurship.

Zinia Jesmin Karim has collaborated with Robi Axiata. She is the in-charge of Robi daycare. Robi has highly valued her and her purpose. Apart from daycares, she organizes parental workshops in Robi as well. Organizational staffs can help to make a bigger impact. She wants to go to the next step and include more organizations so that she has a wider outreach.

Demand side of daycare in Bangladesh

It is a common trend among women to drop out of work to raise their child. Due to increased female labour force participation, daycare demand is on the rise. Zinia mentioned that she also provides counseling. She thinks that it is crucial that her idea is sustainable and is affordable to all economic classes. In recent times, Prime Minister is also relaxing rules on daycare. Daycare policies are being formulated with a lot of drafts completed. Although daycares are not given trade licenses, within this year, she is hopeful that a policy will be formulated.

Most daycares internationally keep children from 6 months to 6 years. However, Zinia Jesmin keeps children above that age. It is to be noted that development process is different for older children. If daycares can provide specialized facilities, it would be great. Individualized teaching is essential to cater to different age groups. Additionally, babysitting is also necessary to assist working women. Zinia wants to go forward with her vision and create a legacy. She considers herself as a women entrepreneur who highly values other women. In her daycare, she has hired all women to enhance empowerment. Her employees have flexible routines so that they can continue their studies and pursue higher goals.

Challenges throughout the journey

Firstly, absence of trade license is a problem. 'Day care' is not enlisted in Bangladesh. Rainbow Valley is enlisted as a consultancy firm with many segments. Thus, her organizational is legal and she is a regular tax payer. The second challenge is a financial concern. Initially she faced many hurdles and had to keep her personal possessions as mortgage. However, she was still determined to do something for her community. It was difficult for her to obtain loans from banks since daycares do not have trade license. The third challenge is regarding real estate. It is challenging to obtain individual houses for daycares because owners are reluctant to support the idea of daycares. The rent is also exceedingly high. She urges the rich echelons of the society to come forward to help in this cause. Because of lack of financial support, she has set up in a limited space. She created a small indoor garden because she did not have the space to do it outside. Zinia wishes to expand and give more space to children and urges the government to subsidize these centres. Another issue that she pointed out is, those who want to work in this sector should not commercialize it. They should have proper knowledge and passion because children are not products. Currently her centre can accommodate around 50 children.

Beyond the horizon

Zinia Jesmin plans to expand and looking for financing opportunity to open up another branch and renovate existing one. She mentioned that to do something passionately, one cannot compromise with quality. She hopes for a miracle that will give her a bigger space because the demand is huge.

'Rainbow Valley' is not just a daycare, but a holistic system of early childhood development which also works with parents. This centre will prepare children for school, while mothers can also work at ease. Mothers lose their productivity if they constantly think about their children because research says that women are sincerer towards their children. If a woman is given additional support, the positive effects will be reflected in the household, community and even in the country. Companies should also come forward with initiatives to support women as part of corporate social responsibility.

TRIPPING

Business prudence is essential to identify potential opportunities in business. Ms. Samia Rashid ventured into an area that is expected to thrive in Bangladesh in the coming years – tourism, both local and international. People are now riding upon higher incomes to spend on tourism. She is a pioneer in an industry that has been dominated by men, exemplifying that women are capable of doing anything.

Motivation behind Tripping

Being an adventurous person, Ms. Samia Rashid completed study in environmental science but hardly wanted to be an environmentalist. So the career of teaching did not work for her as she had a knack for business and entrepreneurship from early days of her career. She got involved with boutique and home décor business in Facebook, and that was her first learning stone towards becoming an entrepreneur. She is happily married with a 4-year old daughter. Her passion towards travelling led her to work on the lack of transparency and service quality in the travel industry. It was a great help for her that her husband's family was in Tourism business for over 30 years and the result was 'Trippin' – a travel aggregator.

How it works

Planning for a trip is more exciting than actual the trip but the market although having many tour Operators, (over 1500 to be precise) still has a gap in giving enough time to a customer to help them plan a trip. Travel packages are also not transparent and usually made with a lot of hidden cost and clamps customers within the frame work of inclusion and exclusion.

Tripping has over 45 tour operators as agent partners who are the best in the country with proven quality service and; Tripping showcase over 350+ travel packages from these operators. A customer can choose to select any of the travel packages from the website and at the same time they can send a customized query and design their own travel packages. More importantly Tripping has a set of very dedicated travel enthusiasts working as Travel counselors and they literally assist the customers as a personal shopper to plan their trip. In a nutshell, Tripping is a bridge to bring in the brick and mortar tour operator with transparency to the millennial and digital savvy customer segment.



Samia Rashid
Managing Partner, Tripping

Marketing strategies for higher growth

Tripping was among the first few to launch a Travel company through a digital platform. Since inception our most challenging job was to identify the Tour Operators they wanted to partner with as agent and explain them the complete procedure and excite them enough to be part of Tripping. Then they expanded their marketing efforts by attending Travel fairs, Digital advertisement, PR and a lot of direct marketing. To expand their service, they are now moving to Travel Agent partners beyond Bangladesh. Recently they have tied up with one of the leading Tour Operator in Europe where they are offering customers with Group Tours of over 30 Itineraries and 1000+ travel dates.

For the next stage growth, they are planning to bring in the traveler experience from other countries, with interesting products like Group Tours with people from all over the world, fixed date departure tours, back



pack tours, women tours, Islamic Tours and so on. Also typically Bangladeshi Travelers mostly travels within the South East Asian Countries, so they are expanding to promote Europe, Oceania, South America, Africa and Middle Eastern Countries. They have done some such exotic tours for Fiji in Oceania region, Jordan, Uzbekistan and Azerbaijan in Middle Eastern Region. Apart from that travelers are also getting interested in cruise trips at multiple islands, adventure trip like Himalaya Trekking, Motor bike trip to Ladak etc.

Blockages for a female to pursue entrepreneurial venture

Ms. Samia had a smooth ride on the way of pursuing entrepreneurial venture. In her opinion, Bangladesh, especially Dhaka is going through a very positive phase, where entrepreneurship is highly appreciated, and women entrepreneurs are on that list substantially. She did not find any obstacle rather she got benefits being a female entrepreneur. It is more women than men, who will ask her how she is managing this business and family together. If men can do it, women can also do it. The ride of entrepreneurship is never smooth and it required relentless effort, belief and patience. Ms. Samia thinks women have these qualities more than men, so it is just about nurturing the ideas and taking the first step to believe that, women can be an entrepreneur.

Take on fighting traditional traveling mindset

There is a transition period required for a country to move from brick and mortar services to its digitization. But Bangladesh is adopting it much faster, with the Mobile Financial Services, E-commerce and Logistic services like ride sharing – startups of Bangladesh came quite far.

Travelling is also in that transition phase, but for travelling unlike other countries there will always be a requirement of a physical service mainly due to visa requirement for Bangladeshi passport. Travel for Bangladeshis cannot be completely digital and also from a country perspective we always strive to have an expert opinion before choosing anything online. Tripping is exactly catering to this need of the customer and is operating in between the digital and physical travel service space. The changing need of customers and the market is going to be adopted and eventually there will come a time when Bangladesh can export

their digital travel service platform to the world.

Roadblock of startup ecosystem

In terms of an ecosystem, Bangladesh has grown a lot in last couple of years. There is a clear difference in the infrastructure since the initiation of Tripping in 2015. More than the ecosystem, entrepreneurs are lacking imagination, which according to her includes her too. We have been following more on what is happening in our country and we often try to copy what others are doing and may be introduce a little bit of innovation surrounding it. Lack of imagination comes when the tendency to take risk is not much and the investor also wants to go with a safer and more relateable business than putting their money on a more untested and ground-breaking idea.

Sustainability plan for the long run

Service industry requires continuous learning on travelling products and the evolving travelling needs of customers and offering it to customers. Tripping's strength lies in knowledge and capability to understand the need of customers. Making a travel product and selling it to customers is not rocket science but what differentiates Tripping and will keep on doing so in the long run is to create that perfect trip for customers. Also supply chain has been the key strength of Tripping, locally and globally Tripping is only company working with the top travel and tour operators and service providers and it will continue to maintain the same high quality in future.



HOW ONLINE HOMEMADE FOOD DELIVERY MARKET CAUGHT UP WITH THE MARKET DEMAND?

Online homemade food delivery is getting increasingly popular in Bangladesh day by day. People who work in Dhaka city have a common concern for food all the time. In Dhaka, ordering food from restaurant is costly and unhygienic. Even if some of the restaurants are hygienic, most of them are harmful for health. Besides, millennials seek convenience and value time-saving. Thus, they are showing an ever increasing demand for food delivered to their houses or offices. For those who are concerned about healthy food, there is no other option except homemade food.

The world is already facing disruption in the food industry and Bangladesh is no different. In the last couple of years, food delivery services such as Foodpanda, HungryNaki etc. have caused significant changes in consumer behavior as people now eat restaurant food in the comfort of their home.

Homemade food delivery in India

There is huge demand for homemade food in our neighboring country India where an incredibly successful business model of 'Dabbawala' meets the demand of homemade food. They deliver fresh food to the customer right on time, every time. Their business model banks on their incredibly efficient delivery system. Harvard Business School termed it to be the world's best food delivery system which earned a Six Sigma performance by Forbes Magazine. This business has not only provided a saving mechanism for the customers who are mostly office workers, but it has also provided huge employment opportunities to the home cooks and especially the delivery men who are called the 'Dabbawala' and hence the name. Around 5000 delivery men are responsible for 200,000 delivery boxes each day and can earn Rs. 8,000 monthly, guaranteeing them a life-long job. But surprisingly, this intricate and huge volume of delivery was not done with any technology

Homemade Food Delivery Fact

- Delivery sales to reach **USD 365 billion** worldwide by 2030
- **By 2030** most meals ordered online will be home cooked
- **Young professionals and housewives** are major customers
- Cookups serves **1500+ orders** a month and **100+ cooks** are working on the platform
- Homechef receives **20-30 orders daily** on an average and special events can hike orders to 300

back in 1890 Bombay. Rather it started off as a complete manual work. They have recently revamped their operations by combining digital services which will undoubtedly enhance the service further. This example of Dabbawala provides for hope and inspiration for the Bangladeshi startups and highlights factors where the company can introduce improvements especially in logistics to enhance the experience. Therefore, with the development of technology, infrastructure, growing middle class and rising income, we can expect people to increase their consumption in the online marketplace, allowing this sector to make some room in the economy and become the next act of urban genius.

Homemade Food Delivery in Bangladesh

Mostly two companies of Bangladesh are making name for themselves with a unique approach to homemade food delivery services. These are Cookups and HomeChef. Cookups was started by Namira Hossain and Misha Ali who shared their love of cooking. They

noticed how people often craved for home cooked meals and different delicacies, especially when families are increasing in working members who do not find the time to cook their meals. They wanted to create a platform that would bridge a gap between them and home cooks. Cookups started out as a Facebook group and now operates as a full-fledged platform while outsourcing their delivery services. This platform not only allows people to have home-made food of different cuisines but also they are providing the home cooks with a purpose in life and an earning opportunity while doing what they love, and to showcase their culinary talents while not taking the hassle or risk of running a separate business. The home cooks have the flexibility to decide their menu and post attractive photos of their food and take orders accordingly. Cookups also ensures that the kitchens of the cooks meet their safety and hygiene standards. The platform also allows the users to anonymously rate the cook which Cookups use for evaluation.

While on the other hand, HomeChef follows a similar business model but allows the users to note down the recipes of the food they are ordering and explore the taste of amazing Bangladeshi cuisine. Founded by Mr. Ashiqur Rahman Rean, Homechef started out merely as a recipe sharing platform and later evolved to bridge the gap between demand and supply of homemade and healthy food. Since the market is underdeveloped at the moment, Homechef has started out with a small community targeting office lunch and tiffin for children along with providing takeaway service. They

offer services in Dhaka and Chittagong and working to expand in other divisions in Bangladesh. Unlike Cookups they use their own delivery team now but might start outsourcing if they find reliable services. The home cooks are recruited on a referral basis and even though Homechef does not carry out a formal quality inspection of the kitchen, they carry out a quality control mechanism by ensuring positive reviews of the home cooks before their registration. Homechef plans to introduce an app in the near future that will have a location based delivery system which will allow users to find home cooks in their area.

The market for home-made food delivery services is still in a nascent stage and some people are still not convinced with the phenomenon of ordering home-cooked foods online. Although many people are now coming out of this conventional mindset, it will take time for this market to become popular.

This is the prime challenge that companies like Cookups and HomeChef are facing at this moment, which is to make people comfortable with ordering food online. In other words, making this service a lifestyle for the customer.



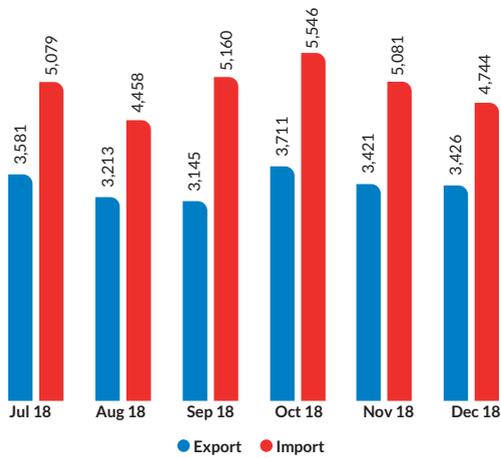
ECONOMY AT A GLANCE

Private credit growth slumps
at 13.33%
 in December '18

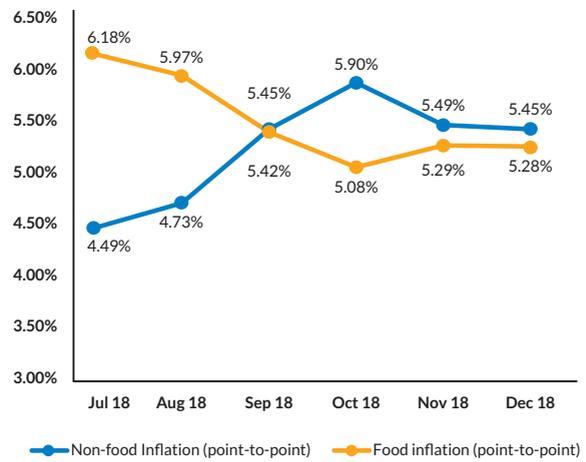
Remittance inflow up
8.06%
 y-o-y in July-December 2018

Inflation rate Down
General inflation
5.35%
 in December '18

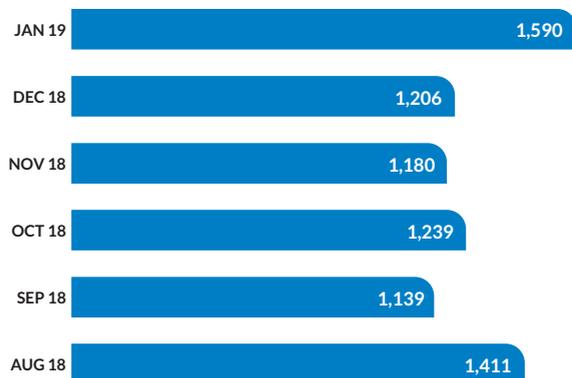
EXPORT-IMPORT (USD in million)



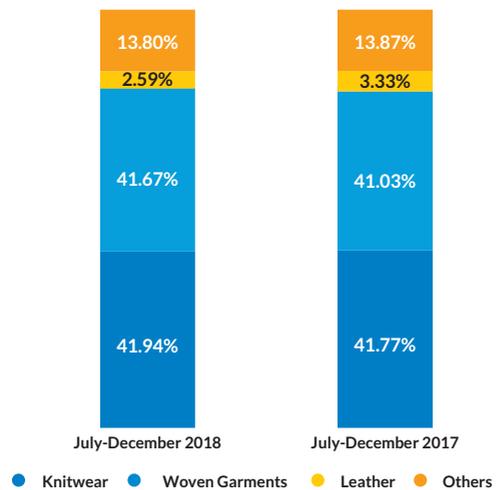
INFLATION



REMITTANCE (USD in million)



SECTOR-WISE EXPORT



IDLC Announces Partnership with Exotix Capital to Provide Extensive Bangladesh Research to Global Investors

IDLC, the largest multi-product multi-segment non-banking financial institution in Bangladesh, and Exotix Capital, the leading developing markets investment platform, today announce a new partnership to provide extensive research insights and corporate access into the Bangladeshi market to global investors.

Exotix will distribute in-depth insights from IDLC via its innovative new research platform to its global subscriber base. This partnership follows additional agreements of Exotix with other industry-leading brokerages in Egypt, Zimbabwe, Saudi Arabia, Vietnam, Sri Lanka and Pakistan.

Duncan Wales, CEO of Exotix Capital said: “This partnership further develops our deep, local connections in emerging markets and enables us to provide an unparalleled level of insight. He added: “IDLC’s experience and corporate access into Bangladesh is unrivalled, and we are thrilled to start delivering their expertise to clients around the world searching for investment opportunities in that market.”



financing happiness



“Insightful research and corporate access give IDLC Securities unique local expertise. Exotix Capital, on the other hand, has multi-market expertise, especially in the emerging and the frontier markets. The synergy of both Companies will let the international clients make better investment decisions in Bangladesh market,” said Md Saifuddin, Managing Director of IDLC Securities Limited.

“Our network of global partners continues to grow, putting Exotix at the vanguard of emerging markets investment research and intelligence,” said Paul Domjan, Head of Research, Analytics & Data at Exotix. “One of the most established financial institutions in Bangladesh, IDLC will enable us to provide clients with the local insight and expertise they need to support their investment decisions in one of the region’s most dynamic developing economies.”

আইডিএলসি 'র হোম লোন-এ বাড়ি করার সময় এখনই!

আমরা জানি, বাড়ির সাথে শুধু স্থল না, জড়িয়ে আছে আপনার হাজারো দুঃস্বপ্ন ও স্বপ্ন। তাইতো, ট্রেসল 'এ' সেকিউরিটি কেটিং এবং ৩৩ বছরের অভিজ্ঞতা নিয়ে দেশের সর্ববৃহৎ আর্থিক প্রতিষ্ঠান আইডিএলসি শুধু হোম লোন-ই নয়, আপনাকে দেয় আত্মা, নিশ্চয়তা ও নিরাপত্তা। এবার সব দুঃস্বপ্ন জমা দিন আইডিএলসি'তে আর আপনি নিজে যান হোম লোন, নিশ্চিন্তে।

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■ মেয়াদ শেষের আগেই সম্পূর্ণ বা আংশিক খণ্ড পরিশোধের সুযোগ ■ কোনো হিজেন চার্জ নেই

হোম লোন পেতে: ☎ ১৬৪০৯ 🌐 idlc.com



Zara Jabeen Mahbub

Country Director
Kazi IT

A daughter, wife, mother of three and corporate woman, Zara Mahbub epitomizes the juggle between personal and professional life. Her life has taken her across countries and business sectors, but she excelled through her job performance and the addition of university degrees. Ms. Mahbub is considered as one of the finest women business leaders in the country. MBR had the opportunity to catch up with her to share her story to inspire all the female young professionals out there. Read on to know more about her amazing journey and her views on working women.

The Formative Years

Zara Mahbub grew up in an unusual joint family with both sides of her family (maternal and paternal) in one family compound called Rajshahi House in Moghbazar. She was so interested in playing cricket, football and climbing trees that it became a little worrying for all the seniors in the family about where she was headed. She was a good swimmer and loved to cycle all over Moghbazar and Kakrail. “Zaru is a classic tomboy” was the explanation everyone gave to each other. They loved her. She was a rebel right from the start and questioned everything and everyone around her starting from religion, politics and family traditions. She liked tradition but she would only do something as long as she liked it and which made sense to her. She never followed anything blindly. Her maternal grandmother gave her tones of books to read and encouraged this

curiosity and always tried to explain things to the best of her abilities. Her extended family worried about her naughtiness but since her grades were good she tended to get away with a lot. She was the favorite of the strictest elders in the family. The most beautiful thing she learnt growing up in our family was unconditional love and positivity. Nothing was impossible and insurmountable.

Her parents wanted their children to be themselves... they did not want them to grow up in a mould. And this philosophy allowed her to explore new things to the extent that she even modelled for TV commercials when she was 15. She did her O’levels, went to university and during her 3rd year in university her father had his first heart attack. Thus began her first career.... she enrolled and transferred 69 out of 97 credits to North South University and began working full time at her father’s buying house.



Her dynamic Communications and Brand team at BRAC Bank Limited

In 1998 after her father completely recovered and went back to work, she got married to her childhood crush and moved to the US where she again changed courses and became a software specialist doing HTML, JavaScript coding and learned to develop software GUIs. It is with Mr Naveed's unwavering support that she dabbled in different IT & Marketing careers in Michigan and California and then enrolled into UC Berkeley's Haas School of Business for her MBA in 2005.

In 2008 having completed her MBA, her husband Naveed Mahbub and she moved back to Bangladesh with their 3-year-old daughter to be close to their families and open Dhaka's first comedy club. Incidentally Naveed's Comedy Club turns 9 on the day MBR took this interview.

The most amazing thing was that while the rest of the world was scrambling with recession, bank/FI failures and stock market crashes, Bangladesh was on the uptrend. What a great time to be back!!

And now, having lived 10 years in Dhaka and 3 kids later, they have never looked back. With a few hiccups here and there the overall experience has been phenomenal for them.

Exposure across different industries

The RMG sector was her biggest challenge... people in the garment industry weren't used to 20-year-old women negotiating and doing quality control at factories. But they prevailed. This is an industry that is run by women so why would the other gender drive it? Looking at the industry today... among the amazing leaps, we now have a woman running for the BGMEA president. Kudos to that!

The US was a great experience as she was smack in the middle of the dotcom boom and mitigating the millennium bug. It was something like the IT industry in Bangladesh today but less globally connected.

The BRAC Bank experience over the past 10 years is essentially the crux of her work experience in Bangladesh. She worked in different capacities as the head of premium banking, service quality, retail marketing, call center, brand, marketing and CSR. It was a fascinating experience... to have worked in a values based performance driven organization. It has been just stellar.



Zara & Naveed Mahbub

She also sits on the board of TORU Institute which is a center for inclusive innovation and she is the CIO at Naveed's Comedy Club.

Observations & improvement points on Banking Industry in Bangladesh

So many banks and FIs in such a small country is what she believes to be the biggest risk in the banking industry. Banks need to put customers first and operate with the customers' interest and benefit in mind. As a team member of a values based bank they tried out best to put people first and that turned around numbers, improved business and made the bank more prosperous every year.

Last year's liquidity crisis and interest rate challenges left the banks grappling to stay afloat. Instead of focusing on its individual businesses and products, the banks faced challenges to shift gears in order to conform to the sudden guidelines that was sent forth. This impacted borrowing, investments, savings and the industry was affected as a whole. Innovation was put on hold.

The entire industry has to become nimble and digital. As we approach cashless generations, products and services have to become available on our finger tips.... banks have no alternatives to going completely digital.

Thoughts on working women in the Financial Sector

Even though we have come leaps and bounds, there are miles to go before we sleep. She worked in an organization that epitomizes empowerment and facilitation of women in the workplace. It provides crèche, transport facilities, career counselling, helplines and many opportunities for women. These have to become standard in all industries and with the current societal and safety situation in Bangladesh, organizations have to become much more aware and conscious to the needs of its employees. Not just women... towards all employees in general.

A few quick suggestions which may seem a little silly to us but is really important are treating female colleagues with respect, maintaining a physical personal distance, refraining from making comments regarding their clothing and appearance, refraining from making insensitive comments like, "She is a mother so of course she will be late". In reality they are not late because they are mothers but they are late because they are parents and have certain responsibilities as parents.

Women have to buck up and do our parts too. Since we seem to be more under the radar, we need to work diligently with respect towards work and colleagues.

Organizations should not give lesser targets to women... it makes them feel inadequate. They are nearing 2020 and Bangladeshi women stitch clothes for the rest of

the world to wear. Giving them less targets doesn't make them feel good about themselves. So instead of lowering their targets, help them manage the other challenges that they face on a daily basis so that they can do equally well or better at the jobs they are hired to do.

An inherent change in attitude has to be made towards females... as a colleague and as an organization. The reasons are twofold - organizations have not recognized the merit of having women employees at leadership roles & women themselves have not pushed hard enough to reach those leadership positions.

Women and organizations have to both work together to get women in the top roles that we want them to be in.

Roadblocks of the Career

Career wise she did not face too many challenges but she has had people attempt to slander and say a lot of things about her character.

My loud, in your face, fun loving and involved nature makes it overwhelming for many... people are not used to "my type of people". So I don't blame them. I'm happy to change their opinions about me.

But it is a pity, when in male dominated organizations, such rumors negatively impact a woman's career growth and professional development. History has shown us that similar stories about men have invoked the opposite results for them! All this certainly makes her thankful for the #MeToo movement.

Takeaways for the young female professionals

SHE BELIEVES THAT WORK IS RELIGION AND IS THANKFUL FOR THE ABILITY TO BE ABLE TO WORK. FEW OF HER SUGGESTIONS FOR ALL WOMEN ARE:



BE YOURSELF

Don't attempt to be anyone else but you.



BELIEVE IN YOURSELF

Believe in your dreams.



MARKET YOURSELF

Sell your dream to those who matter and to those who will take you further towards that dream.



CREATE YOUR SUCCESS CIRCLE

No one can do anything on their own... no one. So create that success circle and celebrate your success as a part of the team's success. This is something I learnt in the joint family.



IT'S NEVER TOO LATE

Begin now and just do whatever it takes to get there. Do what you have to do... never let discouragements take you down.



FINALLY, I'm sitting here in New Delhi as my father is recovering from his open heart surgery. Everything is on hold. Just everything and nothing else matters... because family always comes first.

MONTH IN BRIEF

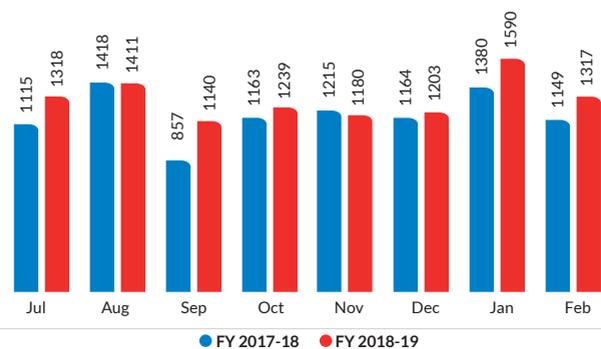
● **RMG exports to non-traditional markets soar 36%** because of a government stimulus package and duty-free market access.

● **FDI posts over 32% growth** in Jan-Nov 2018 owing to equity and reinvestment by foreign companies doing business here.

● **12 international companies to invest USD 5.78b in SEZs** which will generate 13,000 new jobs for local people.

● **Net foreign investment at DSE positive in January** as shares worth BDT495.19 crore bought against sales of BDT319.90 crore.

Remittance Inflow (\$ in million)



● **Remittances rise by 10% in 8 months** on strong dollar

● **Banks' capacity to write off loans without filing lawsuit enhanced to below BDT 2 lakh.**

● **BD improves 0.5 points ranking 121st economically freest country,** with property rights and government integrity have higher scores.

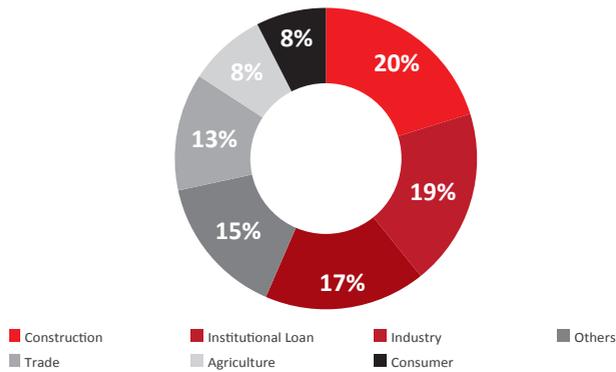
● **961 export-oriented RMG units come under digital mapping,** meaning credible detailed data about the industry will now be at hand.

● **Deposit through agent banking rises 122%** with the number of agent banking accountholders doubling year-on-year to 24.56 lakh last year.

● **ADP spending highest in six years** as the figure of BDT 62,282 crore is an increase of 13.82% year-on-year.

MONTH IN BRIEF

● Credit Growth in Major Areas of Private Sector (in%)



● **FY '16 to be new GDP base year from July 2020** which can raise the size of the economy by 10%.

● **Blue economy worth USD6.2bn** as Bangladesh can extract resources from within 118,813 square kilometres of the Bay of Bengal.

● **Default loans soar 26%** with the amount of BDT 19,608 crore last year being the highest rise in seven years.

● **Mobile operators add 5.55 lakh subscribers in Jan** raising the total to 15.75 crore.

● **World Bank gives USD100m** to make financial reporting better and bring greater transparency and accountability in selected government agencies.

● **ADB lowers growth forecast for Bangladesh to 7.5%** owing to the ongoing US-China trade war.

● Inflation rises after 16 months

Trend of Inflation (figures in %)



● **Indian passenger vehicles, mainly SUVs, witnessed 20% average sales growth** in Bangladesh in the last three years.

● **Country's trade deficit drops by 11% in H1** with import and export growth at 5.73% and 14.01% respectively.

HOW VENTURE CAPITAL CAN HELP TO ESTABLISH A STARTUP?

Among all possible sources of finance for startups, venture capital is an option that is generally not considered for one that is in its early stages. However, that perception is changing. Venture capital firms are investing in a broad range of companies, especially technology, and also early to mid-stage profitable and unprofitable companies.

Venture capital investment usually means an equity investment in a potentially successful company (or one which has the potential to be) that is not traded publicly in the stock market. Venture capital investments are usually made by venture capital firms and high net worth individuals in a business operating as a private limited company.

After a investing, VC investors can create value by addressing the missing elements that are crucial for startup success, such as marketing or sales expertise, in order to accelerate the business and achieve scale. They aim to increase the value of the underlying asset by assisting founder teams with the VC firm's own operational experts, sometimes combining newly acquired assets with already existing assets to create a stronger whole, or refining promising products to unlock growth potential.

Stages of VC investment

Capital is provided for:

- **Seed stage investment:** A business idea. The capital generally support product development and market research.
- **Early stage investment:** Companies moving into operations and before commercial sales have occurred.
- **Formative stage investment:** Starting or scaling up of operations.

Attracting Venture capital investments for startups

- Offer a private investor an **ownership position**
- Treats an investor as a **partner** in the business
- Accept that future decisions may require discussion with **extranal VC partner**
- Potentially take **CXO role** of the business for the greater good
- **Later stage investment:** Further expansions and scaling up prior to the company going public.

The shares of a private company are not traded in public. Hence, value of the shares of a private company cannot be evaluated readily and is the outcome of a negotiation process between a the investors firm and the founders. To ascertain value, private equity firms use a number of valuation techniques. The selection of an appropriate valuation technique depends on the stage of investment.



Performance of Equity Markets of Bangladesh and Peer Countries

Bangladesh equity market faced some correction during February, 2019 after stellar return in January. During the month the broad index DSEX declined by 1.9%, losing 109.2 points. Blue chip index DS30 lost 0.5% as well. However, Shariah index DSES stayed flat with 0.3% return.

Among the regional peers, Pakistan and Sri Lanka lost

4.3% and 2.9%, respectively during the month, while Vietnam gained 6.0%. Meanwhile, MSCI Frontier Markets Index gained 0.9%. Vietnam showed the most encouraging longer term track record with a 5 years' return of 64.6%, while Bangladesh yielded 20.3% return during the same period. In the meantime MSCI Frontier Markets Index had 4.0% return.

Table 1: Equity market performance in Bangladesh and peer countries

Indices	Index Points, February, 2019	Return*					
		1M	3M	YTD	12M	3Y	5Y
Bangladesh							
DSEX	5,711.8	-1.9%	8.2%	6.1%	-1.6%	26.6%	20.3%
DS30	1,998.7	-0.5%	7.4%	6.3%	-6.9%	16.0%	18.0%
DSES	1,314.6	0.3%	7.5%	6.6%	-3.4%	19.5%	N/A
Peer Countries							
Pakistan (KSE 100)	39,054.6	-4.3%	-3.6%	5.4%	-9.7%	24.5%	51.5%
Sri Lanka (CSE - All Share)	5,816.3	-2.9%	-2.9%	-3.9%	-11.2%	-6.1%	-2.1%
Vietnam (VNI)	965.5	6.0%	4.2%	8.2%	-13.9%	72.6%	64.6%
MSCI Frontier Markets Index	711.0	0.9%	2.1%	5.5%	-16.3%	19.3%	4.0%

* All returns are Holding Period Return

Source: Investing.com, MSCI, DSE

Liquidity Condition in Equity Market of Bangladesh

During February, the total market capitalization decreased by 0.3%, while free float market capitalization decreased by 1.7% as well. Meanwhile, average turnover of February 2019 was BDT 7.7 bn (USD 91.0 mn), decreasing by 21.2% from that of last month. Accordingly, turnover velocity which represents overall liquidity of the market decreased to 39.8% in February compared to 64.4% of last month.

Table 2: Market capitalization and turnover statistics

Particulars	27-Feb-19	31-Jan-19	% change
Total market capitalization (USD* mn)	49,325	49,478	-0.3%
Total equity market capitalization (USD mn)	42,341	42,472	-0.3%
Total free float market capitalization (USD mn)	17,036	17,324	-1.7%
Daily Avg. Turnover (USD mn)	91.0	115.5	-21.2%
Turnover Velocity~	39.8%	64.4%	N/A

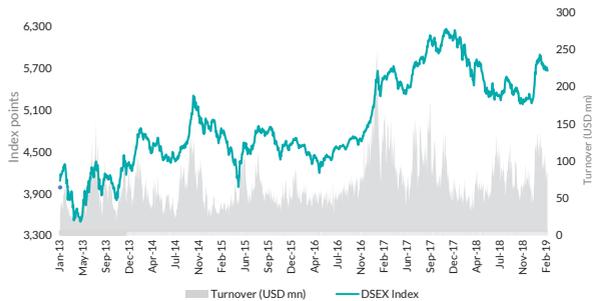
*All USD figures are converted using an exchange rate of 84.15 as of February 28, 2018 as per Bangladesh Bank website.

~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 January 27, 2013, DSEX yielded a holding period return of 40.8% till February, 2019. During the same period, daily average turnover of the market amounted to BDT 5.6 bn (USD 66.1 mn) (Figure 1).

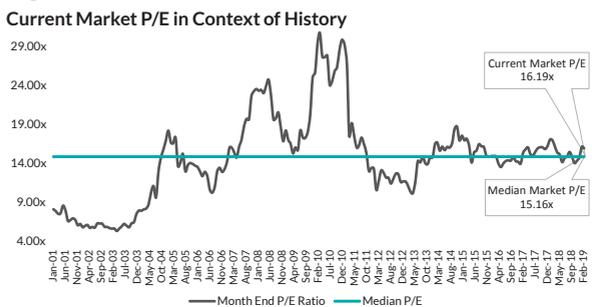
Figure 1: DSEX since inception along with market turnover



Market Valuation Level - P/E Ratio:

The market P/E decreased slightly to 16.19x in February, 2019 which is greater than 18 years' median market P/E of 15.13x (Figure 2). In terms of trailing 12 month P/E ratio equity market of Bangladesh is the cheaper than most of its regional peers. (Figure 3).

Figure 2: Historical market P/E* and it's median

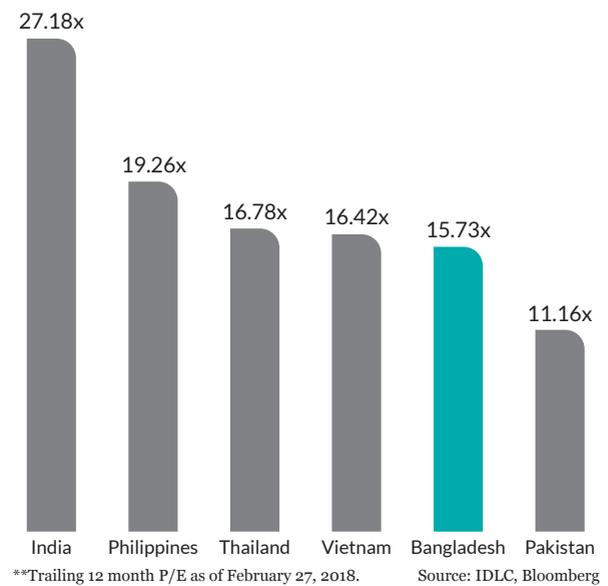


*Price Earnings (P/E) Ratio is calculated by dividing total market capitalization of all profit making listed companies with their total audited annual earnings.

Source: CEIC, DSE

Source: CEIC, DSE

Figure 3: Current market P/E* of Bangladesh and peer countries



Sector Performance

Among the major sectors, Miscellaneous yielded the highest return, appreciating by 15.0% in February. Telecommunication followed next, advancing by 3.2%. Besides, Pharmaceuticals & Chemicals and Food & Allied increased by 2.8% and 2.5%, respectively during the month. On the contrary, NBFI faced the highest selling pressure during the month, declining by 5.3% followed by Life Insurance and Bank sector which lost 4.2% and 3.9%, respectively.

The largest sector in terms of market capitalization, Bank is still relatively undervalued in terms of P/E ratio. On the other hand, Telecommunication sector has the highest dividend yield of 6.8% 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			
Bank	7,325	4,132	-3.9%	10.1%	5.5%	-2.4%	76.6%	60.6%	10.7	1.0	2.7%
Telecommunication	6,656	721	3.2%	14.2%	12.7%	-10.4%	78.2%	123.7%	15.7	14.2	6.8%
Pharmaceuticals & Chemicals	6,398	3,561	2.8%	5.3%	6.1%	-0.9%	31.6%	93.8%	18.3	2.6	1.7%
Fuel & Power	6,100	1,579	1.3%	19.3%	18.2%	41.4%	70.6%	75.5%	13.5	1.7	3.6%
Food & Allied	3,457	1,264	2.5%	10.8%	5.1%	2.8%	30.8%	76.3%	22.0	8.2	1.6%
NBFI	2,347	726	-5.3%	7.0%	3.4%	-6.5%	43.5%	23.6%	24.4	2.0	2.9%
Engineering	2,465	1,256	-0.1%	7.1%	4.4%	7.9%	23.5%	101.5%	17.1	1.8	1.3%
Textile	1,728	967	-2.0%	6.7%	8.1%	33.1%	72.1%	75.8%	16.8	1.1	1.8%
Miscellaneous	1,571	408	15.0%	23.6%	24.5%	38.7%	59.7%	186.9%	30.9	1.4	1.0%
Cement	1,198	490	-3.3%	3.8%	0.2%	-15.9%	-25.1%	2.9%	39.9	2.8	2.4%
Non-Life Insurance	647	368	-3.4%	47.4%	35.4%	36.9%	101.4%	25.5%	16.0	1.2	2.4%
Ceramics	412	158	7.2%	16.8%	20.4%	16.5%	18.0%	56.0%	22.0	2.3	1.1%
Tannery	338	162	1.8%	3.3%	2.6%	7.8%	26.2%	38.5%	17.2	2.6	2.1%
Travel & Leisure	260	149	1.0%	0.4%	1.1%	0.3%	31.9%	-9.6%	21.6	0.6	3.2%
Services & Real Estate	232	120	-3.6%	7.2%	8.9%	-0.3%	1.9%	72.2%	17.9	1.1	3.8%
IT	250	169	-2.3%	-2.2%	2.6%	16.6%	99.4%	247.3%	21.9	2.4	1.1%
Paper & Printing	197	64	-9.1%	9.0%	-7.1%	29.5%	44.6%	302.9%	30.4	1.8	2.1%
Life Insurance	707	340	-4.2%	11.3%	-5.4%	24.8%	31.4%	-21.1%	17.2	5.8	1.8%
Jute	54	38	-4.0%	26.0%	-4.1%	149.9%	465.1%	670.1%	87.9	16.3	0.1%
Market	42,197	16,569	-1.9%	8.2%	6.1%	-1.6%	26.6%	20.3%	15.9	1.9	3.0%

* 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 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 February, all the cap classes faced correction except for Large Cap Class (+2.4%). Despite the appreciation, the Large Cap Class was the highest dividend yielding (3.4%) class with the lowest PE ratio (15.5x).

Table 4: Performance of different market cap classes

Cap Class	Market Capitalization of Constituent Companies (USD mn)	% of Total Equity Market Capitalization	Return*						P/E (x)	P/BV (x)	Dividend Yield
			1M	3M	YTD	12M	3Y	5Y			
Large	≥120	81.2%	2.4%	12.2%	10.7%	3.7%	58.0%	94.5%	15.5	2.1	3.4%
Mid	36-119	11.7%	-2.1%	10.1%	5.5%	0.9%	33.0%	36.5%	15.9	1.2	1.7%
Small	12-35	5.6%	-2.6%	5.0%	4.9%	13.3%	52.7%	75.7%	23.0	1.1	1.5%
Micro	<12	1.5%	-3.0%	14.3%	9.9%	12.8%	49.3%	64.5%	23.9	1.0	1.4%
Market	-	-	-1.9%	8.2%	6.1%	-1.6%	26.6%	20.3%	15.9	1.9	3.0%

* 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 (+24.7%), BSCCL (+22.9%) AND DUTCHBANGL (+20.2%) posted significant return. On the contrary, CITYBANK (-11.6%), ISLAMIBANK (-7.7%) and LHBL (-7.5%) faced high selling pressure during the month.

Majority of these companies yielded outstanding return over longer time horizon (5 years) such as BRACBANK (+409.0%), BERGERPBL (+315.7%), RENATA (+172.7%), CITYBANK (156.9%) and GP (+135.5%).

Among the scrips SUMITPOWER, TITASGAS, CITYBANK, EBL, MJLBD, ISLAMIBANK and GP recorded a higher dividend yield compared to that of market. Moreover, SUMITPOWER has the highest dividend yield (7.1%) and lowest P/E (8.3x) among the 20 largest companies.

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

DSE Code	Sector	Market capitalization (USD mn)		Dividend Yield (%)	Return*						P/E (x)	P/ BV (x)	Dividend Yield
		Total	Free Float		1M	3M	YTD	12M	3Y	5Y			
GP	Telecommunication	6,314	631	1.72	2.7%	12.8%	11.4%	-11.7%	78.4%	135.5%	15.1	15.9	3.9%
BATBC	Food & Allied	2,650	701	0.08	4.2%	12.1%	5.0%	4.9%	38.5%	78.5%	21.3	8.1	1.6%
SQURPHARMA	Pharmaceuticals & Chemicals	2,567	1,683	2.40	4.0%	3.9%	7.7%	-5.3%	36.7%	79.3%	17.2	3.5	1.2%
UPGDCL^	Fuel & Power	2,321	232	5.87	4.2%	40.9%	40.2%	218.3%	287.3%	N/A	26.0	7.2	1.8%
RENATA	Pharmaceuticals & Chemicals	1,117	545	0.20	2.4%	2.2%	2.2%	7.2%	46.0%	172.7%	27.8	5.9	0.7%
BRACBANK	Bank	1,035	576	1.20	3.4%	11.7%	11.7%	10.8%	201.6%	409.0%	17.2	2.7	0.0%
BERGERPBL	Miscellaneous	1,011	51	0.70	24.7%	32.2%	36.5%	66.3%	91.3%	315.7%	51.6	13.7	0.5%
ICB	NBFI	997	32	0.03	-2.1%	6.9%	3.4%	-6.6%	38.6%	21.7%	100.2	2.4	2.4%
LHBL	Cement	563	199	0.29	-7.5%	0.5%	-6.2%	-31.8%	-43.6%	5.2%	72.3	3.2	2.5%
OLYMPIC	Food & Allied	551	398	0.40	-3.5%	6.5%	7.3%	-8.6%	-8.5%	91.3%	25.2	6.8	2.1%
SUMITPOWER	Fuel & Power	536	197	0.37	0.2%	8.2%	7.1%	27.0%	30.4%	53.0%	8.3	1.1	7.1%
MARICO	Pharmaceuticals & Chemicals	490	49	0.10	5.8%	7.9%	9.2%	18.1%	10.9%	61.8%	19.9	23.7	1.1%
ISLAMIBANK	Bank	480	251	0.11	-7.7%	6.8%	3.7%	-17.4%	22.1%	-5.6%	8.8	0.8	4.0%
TITASGAS	Fuel & Power	457	114	0.21	-4.4%	5.7%	6.9%	-0.6%	1.1%	-39.7%	9.1	0.6	6.4%
BXPBARMA	Pharmaceuticals & Chemicals	439	381	0.27	4.6%	15.3%	15.0%	-12.1%	14.8%	133.7%	12.4	1.3	1.4%
DUTCHBANGL	Bank	426	55	0.49	20.2%	37.1%	24.1%	55.8%	100.6%	82.7%	10.1	1.7	1.7%
MJLBD	Fuel & Power	375	107	0.15	-0.6%	6.9%	0.3%	0.7%	46.6%	105.7%	17.8	2.6	4.3%
BSCCL	Telecommunication	341	89	3.95	22.9%	99.1%	86.3%	79.5%	72.9%	-17.9%	60.9	4.8	0.3%
EBL	Bank	337	230	0.05	-2.8%	10.7%	6.7%	-2.1%	84.9%	96.4%	10.0	1.3	5.2%
CITYBANK	Bank	332	232	0.36	-11.6%	-7.4%	-4.3%	-16.6%	66.5%	156.9%	9.3	1.2	6.3%
Market		42,197	16,569	90.97	-1.9%	8.2%	6.1%	-1.6%	26.6%	20.3%	15.9	1.9	3.0%

* All returns are Holding Period Return

^ Five years' return is not available for UPGDCL as it was not listed then.

Top Performing Mutual Funds:

Top ten open end mutual funds based on 3 year CAGR outperformed the market during the same period. Among them VIPB Accelerated Income Unit Fund (12.0%) and UFS-Popular Life Unit Fund (10.5%) made significant return. However, during 2019, Second ICB Unit Fund made the highest return (+11.70%) followed by Sixth ICB Unit Fund (+11.60%).

Table 6: Top ten open end funds based on 3Y return (CAGR) performance

Name	Asset Management Company	Fund Size (USD mn)	Return		
			2019 YTD	2018	2016-2018 ~
VIPB Accelerated Income Unit Fund~	VIPB	12.8	4.9%	-7.8%	12.0%
UFS-Popular Life Unit Fund~	UFS	9.3	-0.5%	-4.6%	10.5%
MTB Unit Fund	Alliance	9.2	-0.1%	-4.2%	9.2%
Sixth ICB Unit Fund	ICB	3.9	11.6%	-9.3%	8.9%
Third ICB Unit Fund	ICB	4.1	10.4%	-7.0%	8.6%
Seventh ICB Unit Fund	ICB	5.5	9.0%	-11.9%	8.4%
Fifth ICB Unit Fund	ICB	4.6	8.9%	-7.0%	8.1%
Second ICB Unit Fund	ICB	1.7	11.7%	-7.1%	7.2%
Peninsula AMCL BDBL Unit Fund One	Peninsula	2.5	5.6%	-14.3%	7.1%
LankaBangla 1st Balanced Unit Fund	LankaBangla	5.0	2.0%	-2.0%	7.1%
Market			6.1%	-13.8%	5.2%

~ 2016-18 returns are calculated from inception date in 2016.

The top ten closed end mutual funds on the basis of 5 years (2014-2018) performance yielded positive return in February, 2019. However, among these funds, only PRIME1ICBA (+9.7%), GRAMEENS2 (+8.5%) and RELIANCE1 (+6.3%) outperformed the market.

Despite strong performance in February, 2019, the funds are traded at a lucrative discount compared to their NAV. Besides, all the funds also offered higher dividend yields compared to market except for EBL1STMF. (Table 7)

Table 7: Top ten close end funds based on 5Y return (CAGR) performance

DSE Code	Fund Manager	Fund Size (USD mn)	Price ¹ (BDT)	NAV ¹ (BDT)	Price/NAV	Dividend Yield ² (%)	2019 YTD	NAV Return ³			Redemption Year ⁴
								2018	2016-18	2014-18	
NLI1STMF	VIPB	9.12	13.0	15.25	85.2%	10.8%	5.2%	-8.0%	13.3%	14.6%	2019
SEBL1STMF	VIPB	16.85	11.9	14.21	83.7%	10.9%	5.0%	-8.3%	12.8%	13.7%	2023
GRAMEENS2	AIMS	43.70	13.0	20.16	64.5%	9.2%	8.5%	-1.6%	12.2%	12.4%	2023
IJANATAMF	RACE	38.24	4.8	11.10	43.2%	4.2%	2.8%	-4.5%	7.1%	10.3%	2020
RELIANCE1	AIMS	10.03	9.4	13.95	67.4%	11.7%	6.3%	-1.1%	12.0%	10.2%	2020
PHPMF1	RACE	36.61	4.7	10.93	43.0%	6.4%	2.9%	-4.9%	8.5%	10.2%	2027
EBL1STMF	VIPB	19.18	7.3	11.15	65.5%	2.7%	3.4%	-3.5%	9.5%	10.0%	2021
POPULAR1MF	RACE	39.70	4.4	11.17	39.4%	4.5%	2.9%	-4.4%	8.3%	10.0%	2021
PRIME1ICBA	ICB AMCL	10.43	6.2	8.78	70.6%	11.3%	9.7%	-8.6%	7.6%	9.4%	2020
ABB1STMF	RACE	33.27	4.6	11.71	39.3%	4.3%	3.8%	-5.0%	8.5%	9.2%	2021
Market						3.0%	6.1%	-13.8%	5.2%	4.8%	

1 Price and NAV published on February 27, 2019.

2 On last cash dividend declared.

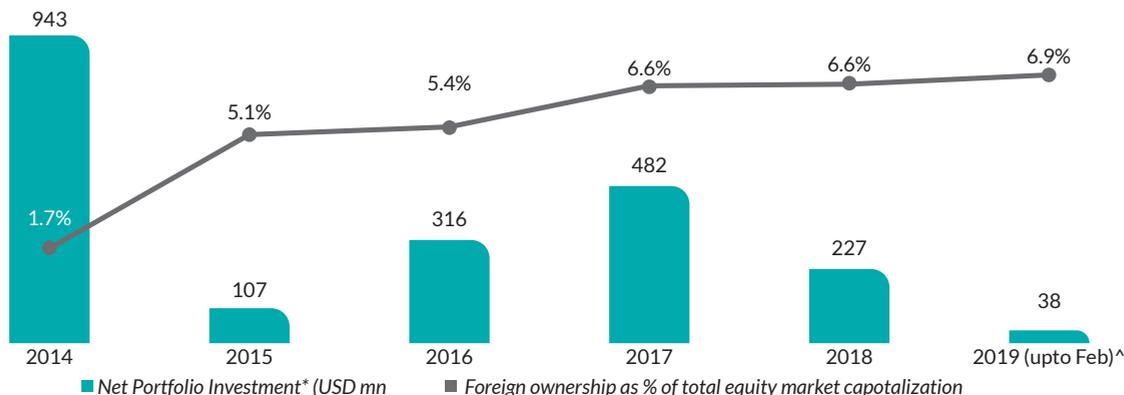
3 CAGR computed for respected periods, except for 2018 and 2019 YTD, adjusted for dividend. YTD returns of funds debuting within the year represent return generated since debut, hence is not directly comparable with return of funds that operated throughout the year.

4 In reference to BSEC Press Release বিসেসইসি/মুস্বপার (০৯ খত)/১০১১/১৫ published on September 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 surge of foreign investment. As of January, 2019 total foreign ownership stood at 6.9% of the total equity market capitalization, which was only 1.7% in 2014.

Figure 4: Net foreign portfolio investment and foreign ownership as % of total equity market capitalization~



Source: DSE and Bangladesh Bank

^The Daily Star

*Net portfolio investment data are as of December of the respective years.

~% of foreign ownership of equity market capitalization data are as of December of the respective years except for 2019.

Among all the companies with foreign ownership, DBH had the highest foreign shareholding of 43.3% as of December 2018, followed by BRACBANK with 41.1%.

Table: Top ten companies with highest foreign shareholding as of February

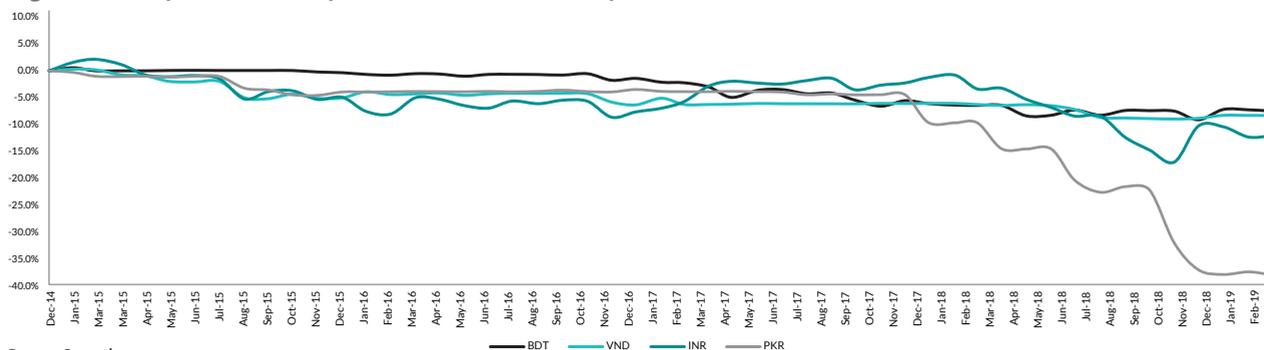
Ticker	Sector	Foreign Shareholding
DBH	NBFI	43.3%
BRACBANK	Bank	41.1%
OLYMPIC	Food & Allied	40.6%
BXPHERMA	Pharmaceuticals & Chemicals	38.1%
ISLAMIBANK	Bank	24.0%
RENATA	Pharmaceuticals & Chemicals	22.4%
MLDYEING	Textile	21.9%
SHEPHERD	Textile	21.1%
SQURPHARMA	Pharmaceuticals & Chemicals	19.4%
VFSTDL	Textile	18.3%

*Source: DSE

Performance of BDT and Currencies of Peer Countries against USD

Since 2015, BDT retained its value better than the currencies of peer countries. While BDT depreciated by 7.6% against US Dollar, other currencies of neighbor countries like Vietnamese Dong (VND), Indian Rupee (INR) and Pakistani Rupee (PKR) lost 8.5%, 12.4% and 38.7%, respectively.

Figure 5: Five year's relative performance of BDT and peer currencies



Source: Investing.com



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