

Report On

Exploring Possibilities In The Stock Market: A Strategic Recommendation for BRAC EPL Investment Limited in The Investment Banking Sector

By

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Student ID: 20104022

An internship report submitted to the BRAC Business School (BBS) in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

Brac Business School
Brac University
September, 2024

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

Riyashad Ahmed

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66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report on “Exploring Possibilities In The Stock Market: A Strategic Recommendation for BRAC EPL Investment Limited in The Investment Banking Sector”

Dear Sir,

I am pleased to present the internship report fulfilling all the requirements of the Bachelor of Business Administration at BRAC Business School, BRAC University. I am also happy that I was allowed to do my 3-month internship in the Portfolio Management Department at BRAC EPL Investment Limited. I have always wanted to work for such an organization, as it would grow and support my passion for finance. I attempted my level best to prepare the paper providing the relevant information and the proposed recommendation in as meaningful, brief and complete a way as possible.

I pray and hope this paper fulfills the requirements. Thank you.

Sincerely yours,

MD. Farhan Ishraq

Student ID: 20104022

BRAC Business School

BRAC University

Date: September 19, 2024

Non-Disclosure Agreement

The agreement is to certify that this paper does not include any of the confidential or sensitive data or information of the company. It is agreed between the BRAC EPL Investment Limited and the undersigned student at BRAC University, MD. farhan Ishraq

Name: MD. Farhan Ishraq

Student ID: 20104022

BRAC Business School (BBS)

BRAC University

Ashraf Ali

Head of Department, Portfolio Management Department

BRAC EPL Investment Limited

Acknowledgement

To begin with, I want to sincerely thank BRAC EPL Investment Limited for giving me the opportunity to work as an intern in their esteemed Portfolio Management Department. This 3-month period helped me to increase my knowledge of financial management & investment strategies in one of the best merchant banks in Bangladesh.

However, most notably, I want to express my gratitude to my on-site supervisor Ashraf Ali, who is the Head of the Portfolio Management Department. His advices have helped me a lot to overcome difficult financial circumstances and to make my best possible management use of my academic knowledge. Second, I would like to thank my academic supervisor Mr. Riyashad Ahmed, Assistant Professor and Director of Programs , & my academic co-supervisor Mr. Saif Hossain, Assistant Professor, BRAC Business School. They showed a bearable patience reviewing my reports and advising me how to make it better.

Overall, the help received from academic supervisor, co-supervisor & on-site supervisors helped me a lot in combining knowledge and experience, This in turn had an infinitely positive impact on the way I have shaped the report and my contributions and I have greatly influenced my professional abilities. Through the whole internship, the high standards and invaluable critical insights of the help from my academic supervisor aided me immensely in developing my professional skills and my academic achievements.

Executive Summary

The report compares BRAC EPL Investment Limited with the top merchant banks, analyze their products, services and practices to identify whether it is in a competitive position or not. The report examines important factors such as service offerings, pricing structure, technological integration and marketing strategies. Also, a questionnaire involving more than 116 respondents was administrated to explore public perception of the stock market and merchant banks particularly client expectations, experience and investment behaviour.

The results uncover the broken windows of BRAC EPL Investment Limited, and the findings suggest areas where it can bring improvements. Moreover, this paper includes strategic recommendations for BRAC EPL to upgrade its service levels, infrastructural facilities, and technology introduction over other competitors. The report intends to benefit BRAC EPL Investment Limited as it refines its market positioning, enhances customer satisfaction, and secures future successes at a time when the financial sector remains extremely competitive.

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List of Abbreviations

- DSE - Dhaka Stock Exchange
- CSE - Chittagong Stock Exchange
- NASDAQ - National Association of Securities Dealers Automated Quotations
- BSEC - Bangladesh Securities & Exchange Commission (SEC)
- MTB - Merchant Bank
- BEIL - BRAC EPL Investment Limited
- CBC - City Bank Capital
- LBIL - Lankabangla Investement Limited
- IDLCIL - IDLC Investment Limited
- BO - Beneficiary Owner Account
- ID - Identity Document
- IPO - Initial Public Offering
- RPO - Repeated Public Offering
- CBB - Coupon Bearing Bonds
- ZCB - Zero Coupon Bonds
- CB - Convertible Bonds
- ABS - Asset Backed Security
- EPS - Earning Per Share
- DPS - Dividend Per Share
- AUM - Asset Under Management
- MMR - Minimum Maintenance Margin
- PMD - Portfolio Management Department
- M&A - Merger & Aquisition
- RM - Relationship Manager
- NRB - Non-Residential Bangladeshi
- BAS - Bangladesh Accounting Standards
- BFRS - Bangladesh Financial Reporting Standards
- TIN - Taxpayer Identification Number
- AGM - Annual General Meeting
- HR - Human Resource Management

Glossary

- **Merchant Bank** - A non-bank financial institution that aims to provide services like portfolio management, issue management, underwriting, asset management, corporate advisory etc. It generates revenue basically from the fees charged from the clients.
- **Capital Market** - A financial market where stocks, bonds, currencies and other financial assets are bought and sold. This includes stock market, bond market, and Forex.
- **Portfolio Management** - The process of decision making for profitable investment of clients through technical and fundamental analysis of stocks. Employees who are responsible for this, called portfolio manager.
- **Investment Banking** - Is a financial service that is based on corporate advisory aims to raise money for its clients. Generally through this, companies, government and other entities gather funding.
- **Discretionary/ Non-Discretionary Account** - A discretionary account is the account in which to trade, the broker has the permission to do it based on his analysis where in case of non-discretionary account the trader has to communicate with the investor to execute investment decisions.
- **IPO** - Initial public offering is when a company makes its shares available to buy and sell for public for the first time. It is basically underwritten by merchant banks.
- **Bookbuilding** - The process of determining the initial price of a stock by the underwriter. This requires bidding from eligible investors in the market.
- **Underwriting** - The process of verification by the lender that verifies the income, debt, asset, credit to make the approval of the loan request.
- **Mergers & Acquisition (M&A)** - Mergers is the process of two companies combined together for better profitability and outcome and Acquisition means a bigger company acquiring a smaller company to ensure profitability or reduction of competition. Most of the time it is consensual, though sometimes it is forcefully done by the powerful competitors.
- **Relationship Manager (RM)** - Relationship Manager is the trader who works as a portfolio manager of the clients who is responsible for the asset under management of his/her own clients and who deals with the clients regarding the investment activities.

Chapter 1: Overview of Internship

1.1 Student Information:

Student Name: **MD. farhan Ishraq**

Student ID: **20104022**

Program (Department): **Bachelor of Business Administration (BBA)**

Specialization (Major): **Finance & Marketing**

1.2 Internship Information:

1.2.1 Period, Company Name, Department/Division, Address

Period: **03 Months**

Company Name: **BRAC EPL Investment Limited**

Department/ Division: **Portfolio Management Department (PMD)**

Address: **Medona Tower Level-4, 28 Mohakhali Dhaka, 1213**

1.2.2 Internship Company Supervisor's Information:

Name: **Ashraf Ali**

Position: **Head of Portfolio Management Department (PMD)**

Ashraf Ali is the Head of Portfolio Management of BRAC EPL Investments Limited. He has more than 15 years of experience in Capital Market with a 2.5 billion BDT asset under management. He started working at BRAC EPL Investments Limited from the year 2010. He was with SCL Securities, Ltd. before moving on to BEIL.

Ashraf Ali did his Graduation from National University. His depth knowledge in capital market has been pushing BRAC EPL Investments Limited forward to provide better customer service experience.

1.2.3 Job Scope

In the course of my internship session at BRAC EPL Investment Limited, I worked for the portfolio management department. My core duty was assisting my directors and supervisors in the input, documentation and execution of the instruction of the clients of the products that were managed by the portfolio management department and they are Cap Cash, Cap Edge & Managed Cap Edge. During that period I had opportunities to contribute to other departments such as the Investment Banking Department, Administration & Marketing Department & Information Technology Department. This opportunity of getting exposure of the other departments along with mine helped me to understand the overall functionalities of the company from every other dimension and improve my knowledge and skills throughout the journey.

My initial responsibilities were to cooperate in the documentation of the updated information of the clients, assisting customer service in preparing the forms for clients, visiting potential clients to discuss their investment decisions with my manager of the department. and also preparing presentations for my department. Moreover, I was also responsible for designing marketing campaigns and graphical contents for different advertisements for the social media platforms of BRAC EPL Investment Limited. I also participated in preparing the report on the potential names of the online portal of BRAC EPL Investment Limited and the user friendliness of it under the guidance of my supervisor and the department of information technology. I was fortunate enough to participate in almost all the significant activities during that time for the major departments of the company.

1.3 Internship Outcomes

1.3.1 Student's contribution to the company

As per my academic and the organizational requirement, I was entailed to serve BRAC EPL Investments Limited for the duration of three months consecutively at the head branch of the company. During that period though I was a part of the portfolio management department, as i gained experience, efficiency and impressions over time among the employees, I got the opportunities to serve in almost all the important departmental activities of all the other departments which led me to take wide range of responsibilities through improving my overall

skills and knowledge related to the field. And with that, this helped me to have a notable impact in the organization for being able to contribute in an effective and efficient manner as well to their activities. In the following is an elaborated overview of the responsibilities and activities I have participated in during the tenure of my internship session in the company.

Departmental Responsibilities

- **Product-Related Duties:** My recruitment was in the portfolio management department where I was given assignments that were related to my departmental products which are Cap Cash, Cap Edge and Managed Cap Edge. Some of them are Cap Cash which is designed to enable customers purchase and sell their stakes, Cap Edge where one is allowed to purchase and sell stock with a credit facility that enables one to borrow on the purchased stock and the Managed Cap Edge where stock purchase and sales is done under the guidance of experienced traders of the company. It was my core responsibility to learn how to prepare the relevant forms for the clients of these products particularly and to make sure that these forms were organized properly. The experiences that have been most relevant to the tasks have been in dealing with clients together with my supervisor and manager to acquire the necessary information, complete the forms and check whether all prescribed details were accurate before forwarding the documents.

Documentation and Communication

- **Client Information Management:** I was responsible for taking note of different data connected to clients on hand and had to implement all changes demanded by clients with the assistance of the deputy manager of the department I belong to. This was needed to be planned accurately so as to avoid any mistakes that could affect the performance of a request. Once I had all the necessary details, I sent an email to the concerned employees in order to inform them regarding the changes so that they could readily implement the same. It was quite important for me to ensure that records were well kept and updated in line with the relative management of the portfolio.

- **Data Input and Verification:** Besides taking notes of the client data, I also had to enter the same information into the company's computer base. This encompassed capturing of data through documents scanned and entering data in the excel sheets, check and verifications as per

the requirement in the both old and new software. The accountability I show ensured that there was no error in input of the data and that there was correct correspondence with the original documents.

Data Collection and Analysis

- **Stock Market Research:** My additional duty was to assist my supervisor in collecting data related to stocks of different sectors. I gathered information such as stock prices, dividends and P/E ratio. As per this information, I have offered my views and recommendations on the growth and prospects of these companies in light of the principals that my supervisors taught me. The findings of this analysis were utilized by the portfolio management team to make correct decisions on investment and repositioning of the clients' portfolio.

Presentation Preparation

- **Departmental Presentations:** During the course of my internship, I was expected to prepare several presentations for the department dealing with the portfolio management. These presentations were about the performance of the department and the branches; the general performance of the branches of BRAC EPL Investment Limited for annual business meetings and other important strategic plans. My duties included data collection, preparation of lucrative and appealing power point presentation and presentation of information in a concise manner. These presentations were very important in relaying the progress and success of the department up and to the senior management and stake holders.

Client Interaction

- **Client Visits and Discussions:** I was fortunate in a way to be able to go to some of the client visits on behalf of the company, including directors and investors. On such visits, I used to explain the company's products to the clients with the help of my seniors most of the time. I had an opportunity to meet important clients from various background, one of among them is Ahmed Najmul Hussain, the director of administration and road safety programme at BRAC NGO to discuss advantages and functions of our investment products. Such interactions were good as they established rapport with the clients and helped in identifying what they expected.

Customer Service Support

- **Front Desk Assistance:** During my internship I was also responsible for serving the clients at the front desk, and support my seniors that work in the customer service department in serving customers. Some of the tasks that I performed in the course of my work involves handling of the client's queries, helping them with their dealings as well as making sure that they had the best experience dealing with the company. This position demanded to be friendly and attentive, because mostly communicated with the clients.

Trading Room Assistance

- **Support in the Trading Room:** In learning, I was allowed to participate in the trading room whereby I involved in the buying and selling of shares to clients. This required the ability to stay informed with the marketplace, act for buyers and sellers, all while making certain that all transactions were efficient and effective. I understood that my contribution in the trading room was valued in trading the company and meeting clients' investment requirements by having their solutions executed in the market.

Marketing Campaigns

- **Design and Execution of Marketing Materials:** Besides, the responsibilities in the portfolio management department, I was engaged in the Administration & Marketing department to help design and implement several marketing campaigns for the BRAC EPL Investment Limited. Some of my duties involved designing contents related to the promotion of the products, service, and announcement of the company. After a while I when I got a better impression, I was given the chance to create contents for the products of other departments as well. In particular, I cooperated with the marketing department to perform campaigns which are esthetically pleasing and successfully capture the consumers' attention. The activities I carried out for the company ensured that the company's image was portrayed well and the company was able to reach more of the target audience.

- **Campaign Strategy Development:** I also contributed in the planning of marketing strategies and came up with various campaigns that should be taken. This required coming up with creative concepts, examining the market conditions and then come up with techniques on how to

make the campaigns more interesting and customer focused. This made me realize the need for marketing in enhancing the growth of the business as well as promoting the needed engagement with the customers.

IT Department Collaboration

- **Report Preparation:** I got to spend sometime preparing a brief report with the IT department, in which I compiled a brief report on the company's online portals. Some of the elements mentioned in the report were the name of the portals and their functions and aims. To perform this task, one needed to have some idea of the company's IT structure as well as the purpose of each of the business portals.

Cross-Department Tasks:

- **Assistance in Task Completion:** I had the opportunity to work with Investment Banking Department, Operations Department and others. Often when there were tasks that were basic and was not required any involvement of senior expertise, I was given those tasks and was responsible for completing them properly.

1.3.2 Benefits to The Student

The overall experience as an intern at BRAC EPL Investment Limited was extremely pleasant. A student, who is a fresh graduate, will always admire BEIL for their internship because of its friendly environment, mentoring, work experience and scope of learning.

1. **Friendly Environment:** The environment of BRAC EPL Investment Limited is very friendly. The commands are executed based on a hierarchical order, yet from top to bottom, the exercise of autocracy is close to zero. Only for official activities we can see formal communication, otherwise this company has one of the most friendly environment that will motivate a student to start his professional life with great courage.

2. **Generous Mentoring:** The mentoring of the interns are done by supervisors of their respective department. Apart from being friendly, they are helpful in helping the interns to learn and complete a task properly. Sometimes as a new employee we stuck and the seniors see it very positively. They nurture the interns as many times as possible even if he mistakes or forgets again.

3. Cross-Departmental Experience: Another benefit an intern can take is the opportunity to work in the departments out of his department. BEIL is a small company which helps the interns to communicate with head and managers of other departments as well. In this way they can build a rapport and if they are capable enough, they can get a chance to work with other departments which can help the intern to gain versatile experience in that sector.

4. Open Trading Experience: There is an open trading room at BEIL where from investors to interns anyone can come, sit and see the analysis, buy-sell decisions taken by experienced traders. People take long time to learn all these where an intern gets the opportunity to learn it first-hand from the experienced traders. .

5. Brand Value: The brand name BRAC is also helpful for the interns. It is valuable worldwide and when an intern completes his./her internship from such a renowned company or a subsidiary, it adds more value to his/her CV or experience which is excellent for his/her future career opportunities.

1.3.3 Problems/Difficulties (faced during the internship tenure)

The overall experience of mine in BRAC EPL Investment Limited was excellent and quite pleasant. Everything was enough convenient, organized and comfortable. There were no mentionable difficulties that I can talk about, still there were some minor issues that I had to face during my internship period.

1. Stock Market Condition: During that period one thing was very frustrating about the market is that the market was stuck for a long time, the index used to be on the negative side most of the time. Some stock prices used to go high beyond the acceptable range which was clearly the result of some unethical activities. So, there were not much movement in the market to learn and see the practices more.

2. Lack of Practical Experience: Despite of being a student of finance, I had no experience in the market and the language used by traders in the market as well. that took time and delayed my learning. If I was familiar with the language and process from the beginning, my learning could be faster and smoother.

3. Old & New Software: The informations and clients data were supposed to be inputted in both old and new software. That was a problem as the employees had to give double labour for the same task.

4. Technical Problem: My computer had the old version of windows, windows 7 and the mouse I was given used to disturb a bit which used to cause minor problems. Also, I did not have access of the color printer and shared drive which used to delay my work sometimes.

5. Transportation: My home was quite close, but when it used to be late for meetings or tasks, I used to struggle to get my transportation to home as after a certain time the transportations was less available.

1.3.4 Recommendations (to the company for future interns)

Internship is a very important practical exposure for fresh graduate or near to graduate students. Thus, it would be better for BEIL to enhance the company of the internship program so that an intern can make full use of his learning. I would also encourage gaining cross-departmental skills and experience by assigning another team with interns at your disposal giving them an opportunity to rotate through different teams. Moreover, It can observes that the interns are having minimal knowledge and experience are 18 sessions of conducting regarding various aspects/ subjects for making easy to grasp some activities by which they would be get a better learning.

Chapter 2: Organization Part

2.1. Introduction

2.2. Overview of BRAC EPL Investment Limited

BRAC EPL Investment Limited (BEIL) is a renowned investment bank operational in Bangladesh. It is a merchant bank that is a subsidiary of BRAC Bank Limited with other subsidiaries like BRAC EPL Brokerage Limited, Bkash etc. It was not founded with this name rather it has its predecessor which was founded in early 2000, known as Equity Partners Limited (EPL). Later in October 1, 2009 it was renamed to BRAC EPL Investment Limited. BRAC EPL Investment Limited has a very proud history of its own. The company is renowned among the investors for its popularity, reliability, quality and transparency. Under the supervision of the board of directors and the top management of BRAC EPL Investment Limited, the company offers various services under the business departments known as Portfolio Management Department (PMD), Investment Banking Department (IBD) and Wealth Management Department (WMD) with the goal to give positive and satisfactory results to the clients

2.2.1. Business Team of BRAC EPL Investments Limited

The business team consist of the departments that is responsible for generating profit for the company. From targeting customers to generate revenue through sales is the main goal of the departments. This includes the Investment Banking Department, Portfolio Management Department, and Wealth Management Department.

2.2.1.1. Investment Banking Department

Investment Banking Department: It provides a comprehensive Investment banking services including Issue management & underwriting reminiscent of the traditional merchant banking activities. It also renders value added services such as Corporate Advisory and Strategic Capital Raising Initiatives and assists in investment facilitations for cross-border transactions. Investment Banking team services consist of many services related to IPO & RPO Rights Issue Capital raising Corporate Advisory Underwriting. The services provided by these departments are given below.

- Public Equity: Public Equity Offering - BRAC EPL Investments Limited (BRAC EPL Investment Limited) takes care of the requirements for clients to raise funds from public equity offerings, including IPO/ RPO or Right Issue and QII Offerings as per guidelines of DSE/CSE. It serves as an issues manager and guides clients through the entire capital-raising journey by suggesting them with the best way in route to raise public equity via the stock exchange. It involves determining the price of the securities, when to offer them, drafting an information memorandum and other offer documents as well as getting any required regulatory approvals. Furthermore, as a bank BRAC EPL Investment Limited can also indirectly aid clients with their public offerings by underwriting the offered securities.
- Private Equity: BRAC EPL Investment Limited offers advice on raising equity capital from the private equity market to companies looking for growth-supporting capital. BRAC EPL Investment Limited's mandate includes valuation of the securities offered, structuring the transaction, preparation of offer documents and assisting in making them public-ready; identifying prospective investors, negotiating with investors for issue size, price etc., and conducting due diligence.
- Quasi Equity: Given this, BRAC EPL Investment Limited has helped clients raise funds through quasi-equity instruments like preference shares as well as convertible bonds. The convertible instruments having the debt structure and equity features can increase their capital from public and private markets.

2.2.1.2. Structured Finance Department

The structured Finance Department is in charge of structuring the debt for clients and raising funds according to their business plan while providing proper advisory solutions based on client needs. You will find the below services from this department;

- Mergers & Acquisitions: BRAC EPL Investment Limited provides buy-side and sell-side advisory solutions. It provides advisory services to its clients in valuations, transaction structuring, and identification of potential investments & opportunity targets/buyer universe; negotiation with counterparties; conducting due diligence; formulating exit strategies, etc.

- Distressed Company Advisory: BRAC EPL Investment Limited offers consultancy to beleaguered institutions. Services provided are financial restructuring, spin-offs, divestitures, and distressed mergers and acquisitions.
- Asset-Backed Securities: Some of the clients use BRAC EPL Investment Limited to raise capital through tailor-made and sophisticated structures, such as asset securitization or Shari'ah compliant instruments like SUKUK.

2.2.1.3. Equity Research Department

Equity Research Department was launched to solve this problem and help investors make better investment decisions with the lowest risks of losing their money. Basic research, technical analysis, research for each sector Valuation models department Conducting the analysis of day-to-day financial data, identifying new investment ideas and contributing to external/internal publications developing its own research agenda as well as presenting all the research shown in front of a variety stakeholders. This desk also delivers company, sector as well as economic research.

2.2.1.4. Wealth Management Department

The Wealth Management Department operates under the guidance of the CEO & The Investment Banking Dept. This is a newer department that has intentions of bringing more products to the table. It is currently concentrating mainly on government securities. And, the department provides services like investment advisory, financial planning, and risk management/succession planning. However, its sweet spot is in offering financial products solutions to fulfill the aspirations of high net-worth individuals using investment advisory services. Services offered by the department include:

- Government Securities: Treasury Bills or Bonds that companies can invest in are some of the things this department majors in doing. A sales target is announced, underpinned by the onus for structuring and documentation to be borne out of that. The company hopes to gain profits from government securities, in particular as the return on investment (ROI) that they present is currently higher compared with other more risky investments.

2.2.1.5. Portfolio Management Department

Some of the services offered by our Portfolio Management Department to individual and institutional investors are as follows; It constructs portfolios tailored to the goals of its individual clients, with regard for such considerations as liquidity, capital appreciation potential, current income needs and length of time before savings begin being employed.

The department provides three distinct products, each combining various features for clients that enable them to achieve their investment goals. These strategies have delivered consistent outperformance across the board for years. The available services are:

- Cap Edge: Cap Edge is a type of discretionary account; however, this remains an investor-controlled account and investors maintain full discretion over which securities to buy/sell and when they will be traded. These professionals often help clients in executing trades and provide ongoing advice. In such cases, the investor pays a management fee and brokerage commissions on trades.
- Managed Cap Edge: Managed Cap Edge is a portfolio manager-managed account. The portfolio managers are responsible for making all the investment decisions, although investors input their return and risk preferences and then it is executed. This is a higher management fee than at Cap Edge, and trading carries brokerage commissions.
- Cap Cash: BRAC EPL Investment Limited also has a distinctive product in Cap Cash which allows customers both margin and non-margin services on individual Beneficial Owner (BO) accounts. Clients have the option to link their other brokerage house accounts with BRAC EPL Investment Limited and can avail existing BO facility at BRAC EPL Investment Limited.

2.2.2. Support Team of BRAC EPL Investments Limited

The support team of BRAC EPL Investment Limited consists of the teams that give assistance to the business team and the overall function of the company. This team includes the Finance Department, Operations Department, Compliance Department, Administration Department, IT Department, and Human Resources Department.

2.2.2.1. Finance Department

The Finance Department provides the capital, both long-term and short-term term that a company needs to grow by coordinating functions like accessing capital via the best possible avenues in the Capital Market, furnishing specific projects with funds based on technical analysis, etc. The department also works towards tax optimization and digs deeper into all the transactions in search of any Tax Queries. It also combines and analyzes budgets, creates regular financial statements, and provides strategic guidance in matching the company goals against operational growth by analyzing performance through financial numbers.

2.2.2.2. Operations Department

The Operations Department also collaborates with the Finance and Portfolio Management departments. Those who work in finance have the following areas of responsibility: preparation and enforcement of internal control policies administration for accounting portfolio operations settlement to brokers They also gather corporate announcements from issuers, process financial statements, on portfolio accounts, and reconcile the securities reports.

2.2.2.3. Compliance Department

This issue is overseen internally and externally by the Compliance Department. On the outside, it makes sure to conform with all legal and regulatory standards as well. The department is also setting up an Enterprise Risk Management (ERM) manual, providing ways to mitigate risks across the organization.

2.2.2.4. Administration & Marketing Department

This involves ensuring that resources are allocated efficiently and is primarily responsible for operational efficiency. It focuses on procurement, proper condition of the workplace, and healthy work environment. The marketing department is also functional under the supervision of this department. From sales efforts to marketing campaigns, all are under the responsibility of this department. Currently, the uprising demand of digital marketing has redefined the responsibilities of the department which include social media marketing and management under this department.

2.2.2.5. IT Department

The IT Department plays a major role in optimizing service delivery and departmental efficacy. The main responsibilities include providing IT support, configuring the network and data center systems, updating system software as well as hardware component replacements in a company IT infrastructure. Currently, the department is focused in developing an online web portal for BRAC EPL Investment Limited to enrich user interaction.

2.2.2.6. Human Resources Department

HR Human Resources Department controls all employee-related tasks from paying via managing attendance and leave with the help of HR Information System. In addition, the department held induction programs for new joiners and conducted training sessions as well contributing towards Town Hall meetings. Major responsibilities also include alignment of HR Policies, managing recruitment process & ensuring performance management through CRYSTAL system along with other employee engagement and recognition activities.

All the departments are working together as a family to ensure the ultimate development and growth of BRAC EPL Investment Limited and ensure a better cooperative environment for the employees.

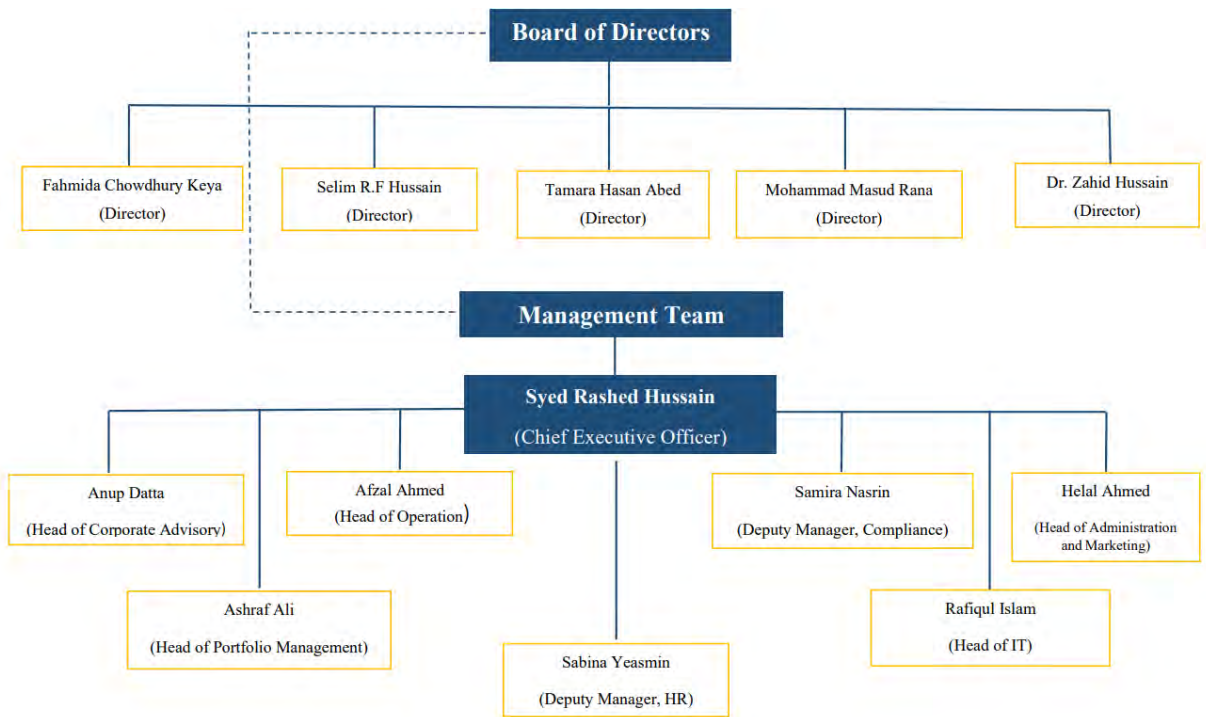
2.3. Management Practices

BRAC EPL Investment Limited, being a merchant bank, operates several departments. Its business departments are Portfolio Management Department, Investment Banking Department & Wealth Management Department. And its support departments are Finance Department, Operations Department, Risk & Compliance Department, Research Department, Administration Department, Information Technology Department & Human Resource Department. All these departments are led by a departmental head and that is under the supervision of CEO and he is under the Board of Directors of BRAC EPL Investment Limited. The directors of BRAC EPL Investment Limited indulge in meeting with each other and they hold an annual general meeting yearly focusing on the assessments and future improvements in the company.

The purpose of the bank management team in the case is to ensure and increase the long-term profits of the company also realized through living by high governance standards that have been seen in more extended roles played by board directors, upper management level, and key employees of BRAC EPL Investment Limited.

That is how BRAC EPL Investment Limited is conducted by a sound system of management that provides effective quality leadership and governance across all departments.

2.3.1. Organogram of BEIL



Under the Board of Directors, CEO - Syed Rashed Hussain.

Under CEO, Head of Departments -

1. Ashraf Ali - Head of PMD
2. Anup Datta - Head of IBD
3. Afzal Ahmed - Head of Operations
4. Helal Ahmed - Head of Administration
5. Rafiqul Islam - Head of IT
6. Sabina Yeasmin - Deputy Manager, HRM
7. Samira Nasrin - Deputy Manager, Compliance

2.3.2. Leadership Style:

In terms of the pattern of leadership practiced in BRAC EPL Investment Limited, The CEO Of BEIL applies a combination of autocratic and participative approaches in his leadership in which he leads with an autocratic pattern to set the goal and target for the year for each business department but also proactive or encourage input from every employee to reach determined goals for the betterment of the company. The CEO of BEIL, department heads, and employees as well discuss the future targets for the overall betterment of BRAC EPL Investment Limited.

2.3.3 Human Resource Planning Process:

BRAC EPL Investment Limited realizes that any business success is dependent greatly on the proficiency of the workforce to meet goals system and sight. The selection of the human resource is the vital function, being supported by the designated HR division at BRAC EPL Investment Limited. Following its planning, BRAC EPL Investment Limited recruits the most skilled candidates who can be a valuable resource and uses the motivational theories to manage the staff. In this respect, the approach of BRAC EPL Investment Limited is to provide a sustainable business that organizes and checks the tasks and relationship with the clients, and will provide assistance until it takes effect.

2.3.3.1 Recruitment and Selection Process:

BRAC EPL Investment Limited follows a recruitment process that is similar to the recruitment processes in the banks or other companies. MANCOM, which comprises general managers of different departments, decides or discusses to hire a new employee or hiring a new employee after discussing with the head of the departemnts of different departments It also depends on budget for the year entry. This process is called requisition. After requisition, they conduct respectively talent sourcing, Preliminary Screening, Interview and Final Round Interview.

2.3.3.2 Compensation System:

BRAC EPL Investment Limited has recognized a fair, competitive and rewarding compensation system. All confirmed employees are entitled to performance bonus in addition to remuneration, which consists of Basic Salary, Home Rent, Medical and Conveyance Allowance, festival bonus which is based on the profit. It is declared by the Board of Directors a percentage of the profit before tax as performance bonus for the practitioners. Sometimes, based on extraordinary profit, employees are entertained with additional bonus as well.

2.3.3.3. Training and Development Initiatives:

It is a well-known fact that training is not an expense but an investment. For that reason BRAC EPL Investment Limited never pauperize about this. The organization gives both Practical training and Academic training which includes:

- Induction Training
- Field Training
- Professional Training
- Need-Based Training
- Mentoring Program
- Cross Departmental Training

2.3.3.4. Performance Appraisal System:

BRAC EPL Investment Limited engages in an organized performance appraisal system that sustains works for the employees growth and development while at the same time focusing on the interest, targets and overall distribution of investment services implementations. The system looks for the right mix of quantitative and qualitative appraisals, tracking job-specific key performance indicators (KPIs). Employees are assessed every year on the basis of their performance in achieving business targets, satisfaction from clients and team work as well to live company values.

This means that the performance review process includes self-assessment and supervisor evaluation in a balanced way while maintaining transparency. Regular feedback is given, and employees are advised to use their reviews as times for discussing progress with career goals. In addition, BRAC EPL Investment Limited provides development plans based on appraisal findings for continuous professional developmental efforts. The aim of the system is to not only measure the past but also detect where improvements are necessary in order to drive a culture of excellence and accountability across our organization.

2.4 Marketing Practices

2.4.1 Marketing Strategy

The marketing strategy of the company is about expanding as many clients and to be one among all in the sector of investment banking and merchant banking. The company targets Wall Street-savvy investors as well as newbies to the stock market. There is a fine balance between

traditional and digital marketing elements at the heart of its strategy to engage its audience, along with maintaining an elevated standard of personalized client service.

The company also combines digital marketing strategies with direct verbal outreach to gain clients. Speaking of marketing, with the availability to engage in advertising over phone, Portfolio Management Department & Investment Banking Department are allowed to serve clients in a more real and trust-building manner. The departments cater for differing customer requirements, including stock trading and buy/sell transactions according to orders. In addition, the marketing plan involves providing advice for beginners to ensure that clients are able to make as much money off of their investment as possible.

2.4.2 Target Customers, Targeting, and Positioning Strategy

The company is largely focused on two types of customers -

1. Experienced Investors: These investors have a good enough knowledge of stock market where they may be preferring merchant banking to make buy/sell transactions in respectively accounts. The company does things a bit differently — instead of traditional brokerage services, this one offers investment management on demand from the clients themselves, eighting towards more personalized financial plans.
2. Inexperienced Investors: In light of the fact that many are unprepared to invest, they will also attempt to attract people who have never invested before. They consult clients in making Buy-Sell decisions and with their personalized advise n investment they form long lasting relationships.

The positioning of the company is apparent and that is as a trustworthy merchant bank with a competent professional team that can effectively manage investments and lead customers towards profitability and loyalty.

2.4.3 Marketing Channels

They use a mix of traditional and digital marketing channels to attract their target market.

1. Digital Marketing:

- Social Media Platforms: Facebook, LinkedIn (Company page only. No personal profiles exist) Some of their social media campaigns revolve around advertising their services, giving updated news about the market and sharing financial insights become excellent resources to gain potential client trust. For example, the advertisement of bonds, T-bills and other new offerings are advertised on these platforms by BEIL.

- Website: This is another critical digital marketing channel for the company. It features thorough information for services, portfolio or issue management history etc. The website is also where prospective clients can reach out and inquire about investment possibilities.

2. Word of Mouth: Word of mouth is an important channel for the company. It conducts its client acquisition through direct contact with both the Portfolio Management and Investment Banking Departments. This method of marketing is most efficient in the cases where B2B clients have a high-value proposition like advisory services, IPO, Treasury bills and bonds etc.

3. Branch Network: It has a total of 8 key branches throughout the country in Mohakhali (Head Office), Gulshan, Chittagong, Sylhet, Comilla, Chowmuhani (Noakhali), Mirpur and Motijheel. They aimed to provide a local presence to support their marketing efforts and branches were designed to be hubs for face-to-face contact. Having a physical presence in many locations affirms the company's availability and individualized assistance.

2.4.4 Products of BEIL

Under various departments on the basis of the clients demands, BRAC EPL Investment Limited offers a range of services.

1. Equity Capital Market: This division assists clients in raising funds from public equity offerings such as IPOs, RPOs, and rights issues. They facilitate private equity investments for when companies need additional investment above and beyond the public market, as well they offer quasi-equity products such as preference shares and convertible bonds mixing debt characteristics with equity returns to help companies raise capital.

2. Debt Capital Market: It caters to the clients seeking funding through loan syndication and club financing, in which two or more banks pooling their funds together in order to finance a single borrower. They are also engaged in project finances for large infrastructure projects and provide funds to public for fund raising using different kinds of bonds like coupon bearing bond, Zero Coupon bond. They also raise regulatory capital for financial institutions.

3. Portfolio Management: The Portfolio Management Department create bespoke portfolios tailored to each clients' objectives. These services are called Cap Edge, when your accounts stay under control of the investor and Managed Cap Edge when portfolio managers manage the investments. Cap Cash provides margin and non-margin services associated with customer brokerage accounts.

4. Corporate Advisory – BEIL provides advice on Mergers and Acquisitions, Capital Structure changes and Re-Structuring of Corporate. They also support troubled firms and provide asset-backed securities to assist customers in resolving financial complexities.

5. Wealth Management- This service helps their customers protect and grow wealth by investing in treasury bills, bonds, and other financial properties as well as helps with risk management for a volatile market.

2.4.5 Branding Activities

The essence industry will work hard to give the organization a reputation for being reliable and expert in handling their finances. The branding activities of BEIL is given below.

1. Brand Message: The message at its heart is about providing trustworthy advice to all your clients, whether they are experienced investors or newbies. Clients should feel that they are supported and know confidently in what they invest.

2. Primary Branding Channels: Social Media platforms, Website & Word of Mouth The presence of these branches also help to raise the visibility of the brand as each branch is very active in customer and community outreach.

3. Focus on Customer Satisfaction: This helps in boosting the brand image of the company as customer oriented. Another unique characteristic of the organization, which also sets it apart from similar firms is their commitment to educate newer clients about how the stock market works. Over that, BEIL has its open client dedicated trading room where the clients can come, discuss their investment planning with their RM, can see the trading and also they are entertained with tea, coffee & snacks.

2.4.6 Advertising and Promotion Strategies

The company utilizes digital as well as conventional ways for marketing and promotion.

1. Digital Advertising: They are running a campaign on Facebook and LinkedIn to reach out to their prospective customers, sharing financial analytics as well as highlighting the successful client stories. Digital platforms give rise to targeted marketing, a mode for the company to focus on certain demographics as a result of their online behavior and investment interest.

2. Social Media: The firm communicates with clients through social media updates on market trends, new services and financial news. This also works as a platform where the facility to talk directly to the potential client can be established, and hence quick queries can be made.

3. Word of Mouth: In addition to other digital efforts, verbal marketing still forms an essential promotional strategy as well. On both sides, the Portfolio Management and Investment Banking Departments are out in the field verbally hawking plan sponsor services to non-clients, by phone or at live functions. Also, the 8 branches BEIL has is a sign that it promotes face-to-face communication for better results out of promotions.

2.4.7 Critical Marketing Issues and Gaps

The marketing efforts are improving day by day, but there are some critical gaps that we need to fill for continued growth:

1. Scope of Digital Marketing: The present digital presence is good but limited to three major platforms – Facebook, LinkedIn, and the company website. Expansion into other channels like Instagram, YouTube or focused financial forums and targeted more towards community like-

minded platforms could capture a wider demographic audience from younger clients that are less likely to only engage with another digital platform.

2. Insufficient Marketing Data: A weakness in the potential application of marketing aids. By integrating more sophisticated tracking solutions on each digital platform, it would enable real-time customer insight and interaction that can drive targeted marketing campaigns.

3. Marketing Department Structure: With the Head of Administration also overseeing marketing, there may be an opportunity to establish a standalone unit for all things related to marketing strategies, which can improve the overall productivity.

4. Client Education Initiatives – It provides expert advice for the beginners but could further advise on a client education program. This may consist of webinars, online tutorials, or a workshop to get the clients informed and involved. Online courses are also good options.

In conclusion, if we look at other merchant banks we can see that they are either too developed in one part of their marketing where in other part they lack. In case of BEIL we can see a balanced approach which is surprising. The organization can carry on improving its marketing through addressing these gaps and expand its client base more efficiently.

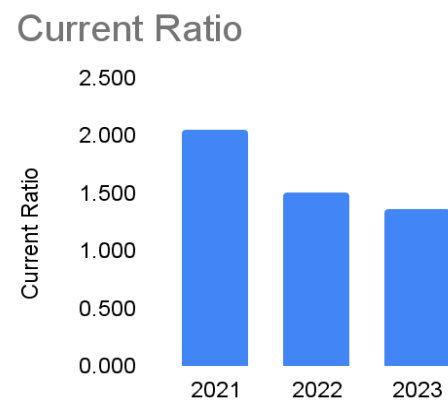
2.5 Financial Performance & Accounting Practices

2.5.1 Financial Performance

For the analysis of the financial performance, I have analyzed the annual report of BEIL from 2021 to 2023. For the analysis I have calculated the current ratio, return on assets (ROA), net profit margin, debt ratio, asset turnover ratio and return on equity (ROE) to analyze the financial performance of BEIL for the last three years

2.5.1.1. Liquidity Ratio: Current Ratio

Liquidity Ratio	
Current Ratio = Current Asset / Current Liabilities	
Year	Current Ratio
2021	2.046
2022	1.512
2023	1.363

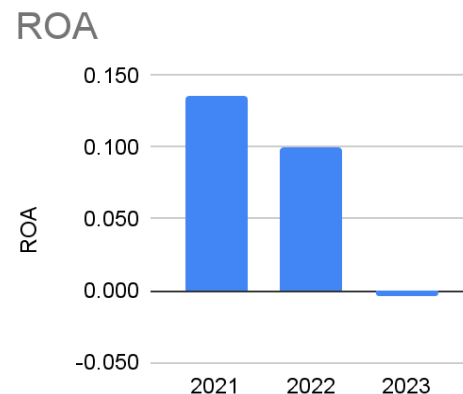


As of the end of 2021, the company's current ratio stands at 2.046. This means that for every unit of liability, due within a year, the company had about 2. The amount that can be devoted to meeting it is forty-six units of assets. This is a good position, signifying that the company had ample amount of short-term resources to pointers its short-term obligations. The current ratio has also a slight downward trend in 2022 which is recorded to be equal to 1.512. While still above 1 which is widely considered appropriate, this has improved which means that the company's capability to offset its current liability with current assets declined. When it comes to liabilities the company was still able to cover it with the help of available assets but had less margin than in 2021. It was 0.55 by 2023 and it shows that current ratio is even lower than for 2018 and further declined to 1.363. This further decline is alarming given that it indicate the company's near-term liquidity is worsening. However, the company has more assets than liabilities even if this gap is getting narrowed every year.

This decline in the current ratio represents reduction of the liquidity which indicate that if this continues to degrade, the company may struggle in the future in front of short-term demands. This issue can be mitigated by taking proper and effective steps by the management.

2.5.1.2. Profitability Ratio: Return on Assets (ROA)

Profitability Ratio	
Return On Assets = Net Income / Total Assets	
Year	ROA
2021	0.135
2022	0.100
2023	-0.004

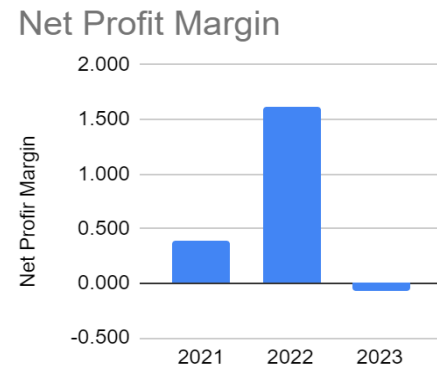


In the year 2021, 0.135 was the ROA which means that BRAC EPL Investment Limited gained 13.5% of profit against each asset unit. This is a positive sign on the performance of the company which says that it was utilizing its assets effectively in gaining profits. But in 2022, that dropped to 0.10 which is a clear decline and that represents that the efficiency of the company to achieve profits against its assets reduced while it stayed on the profitable side. And then, in 2023 the ROA turned negative which is -0.004. This was problematic as it says that this is causing the loss of money against the assets for the company as we already know that a negative ROA communicates that the assets are not being used properly for a profitable income which is leading it towards losing money.

This downward trend from a positive ROA from 2021 to 2023 is a matter of serious worry. The management should take proper steps to understand the root cause behind the usage of assets that has not seen profit and take necessary measures to reverse it as well.

2.5.1.3. Profitability Ratio: Net Profit Margin

Net Profit Margin = Net Income / Sales	
Year	Net Profit Margin
2021	0.385
2022	1.612
2023	-0.069

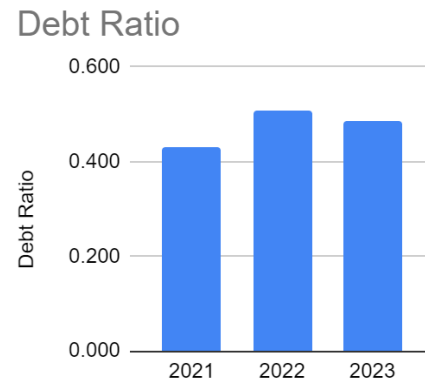


BRAC EPL Investment Limited had a net profit margin of 0.385 in 2021 which means that the percentage of its sales turning into profit is 38.5 which is a strong margin to prove the profitability of the company positively. In 2022, this net profit margin went up to 1.612 which is 161.2% which again represents a huge profitability of the company and its success in the year. But this went down to -0.069 in 2023 which communicated that the company started losing its money against its each unit of sales. This sharp decline suddenly is an alarming condition which demonstrates that the company suddenly within a year went unprofitable from a highly profitable one which is frustrating.

The transition from a strong overall operating profit margin in 2022 to a minus in 2023 indicates the unsustainability of the company. The reason needs to be investigated with proper attention to this and it is necessary to find out whether any external force influences the profitability or not.

2.5.1.4. Solvency Ratio: Debt Ratio

Solvency Ratio	
Debt Ratio = Total Liabilities / Total Assets	
Year	Debt Ratio
2021	0.431
2022	0.508
2023	0.487



The debt ratio was 0.43 in 2021 which means that through debt 43% of the company was being financed. The level of debt was moderate and represents a decent use of debt in financing the assets of the company. In 2022, the ratio went up to 0.508 which is a demonstration of the fact that half of the company was financed through debt and it says that the company using more debt in comparison to its assets which can lead to financial risk for the company. Fortunately, in 2023, the debt ratio went down to 0.487 which means that the dependence on debt was reduced and the company started efficiently working on reducing the debt level, though it was still higher than in 2021.

The fact that the debt ratio has been on the rise in the past three years means that the company has been utilizing more of its debts in the funding of its activities. However, it is not very high and the company must not afford to let the level of debt rise because it increases the level of financial risk.

2.5.1.5. Efficiency Ratio: Asset Turnover Ratio

Efficiency ratio	
Asset Turnover Ratio = Sales / Total Assets	
Year	Asset Turnover
2021	0.352
2022	0.062
2023	0.051

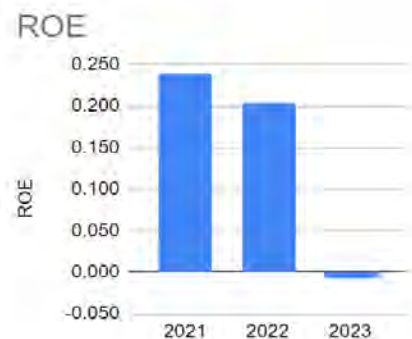


The asset turnover ratio was more than 0.35 in 2021 which represents that from assets the company gained 35% of its sales. This ratio communicates the efficiency of BRAC EPL Investment Limited in the utilization of its assets in producing revenue. The ratio dropped to 0.062 in 2022 which indicates that BRAC EPL Investment Limited became slightly ineffective in the proper utilization of its assets in sales generation. Again in 2023, it dropped to 0.051 which is a clear sign of inefficiency and this continuous downward trend in the ratio represents the less efficiency in the usage of assets in sales generation.

This concern is more noticeable from the fact that the carrier has been experiencing a decline in its asset turnover ratio hinting that the company is not efficient enough in its utilization of its assets to generate revenues. It could be domestic inefficiency or poor asset management of the company, that is causing such a situation.

2.5.1.6. Dupont Analysis: Return on Equity (ROE)

Dupont Analysis	
Return On Equity = Net Income / Total Equity	
Year	ROE
2021	0.238
2022	0.204
2023	-0.007



The ROE was 0.238 in 2021 which means that the company achieved 23.8% return on equity which represents a good performance and in the process of generating profit, proper and effective utilization of the shareholder's equity overall. But in 2022, it went down to 0.204. It is a clear decline from 2021 though still on the positive side represents that the company losing its effectiveness in the proper utilization of the shareholder's equity to generate profit. Although it was still generating returns but in 2023 the return on equity went to negative which is -0.007 and that showed that the company was on the side of losing its money against its equity. This was alarming as this ROE which is negative is a representation of the bad performance of a company for not being able to generate profits for the shareholders.

In particular, the transition from an ROE of 23.8% in 2021 to a negative value in 2023 is a problem. Based on this decline, the company should discover possible causes including but not limited to lower profitability, wasted asset utilization or high financial leverage, and reverse the effects for better returns.

Based on the analysis of BRAC EPL Investment Limited, it is apparently clear that the financial ratios are declining since the year 2021 to 2023. Liquidity ratios as well as profitability, efficiency, and solvency all have negative trends, and the most worrisome being a negative profitability and returns outlook in 2023. These are the problems the company has to solve in the shortest possible time. The company has to increase assets turnover, learn to manage debts, and bring stability among all the other things so that it can operate profitably again. If its problems are not solved constructively, the company will have substantial negative economic consequences in the upcoming years.

2.5.2 Accounting Practices of BRAC EPL Investment Limited

The main goal of the accounting practices of BRAC EPL Investment Limited is to give reliable, accurate and structured financial information to its investors to establish transparency and help them make better investments. BEIL's accounting cycle runs from 1 January to 31 December, with the company using an accrual basis for accounting revenue and expenses. This system recognizes income once it is earned as opposed to when it is received. Similarly, expenses are also recorded when they are incurred and not when they are paid. The company uses the Bangladesh Financial Reporting Standards (BFRS), the Bangladesh Accounting Standards (BAS) and the Companies Act 1994 to prepare its financial records. BEIL uses the straight-line depreciation technique in accordance with the provisions of BFRS. Determination of taxable profits is in the mandate of the local tax office in Bangladesh. The company is generally taxed using the revenue minus the expenses module.

2.5.2.1. Comments on Accounting Practices of BRAC EPL Investment Limited

BRAC EPL Investment Limited (BEIL) adheres to established accounting principles and practices and follows strict maintenance of records covering all activities committed in the financials. The company uses the accrual basis method of accounting, so revenue is recognized when earned and expenses are recorded when incurred, regardless of when cash transactions take place. By doing so, it gives a more accurate picture of the company's financial performance and position, enabling stakeholders to make informed decisions.

In preparing the financial statements, BEIL conforms with the Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) and the Companies Act 1994; reconfirms that its standing aligns to national regulatory requirements of such financial reporting. The purpose of these frameworks is to bring consistency, transparency and reliability in financial reporting across the board that helps in improving the veracity of company's financial statements. Also, the policy of BEIL is to depreciate its Property, Plant and Equipment on straight-line basis. It allocates the cost of assets to accounting periods in such a manner that the cost is spread as evenly as possible over all the life years they are likely to be used. This should enable BEIL to deliver financial information that is more predictable over time, and will assist long term planning and investment decisions.

From a tax perspective, Company profits are taxed based with local tax laws in Bangladesh on net revenue funded from operating revenues after deducting expenses. By following these guidelines of compliance, the BEIL shows excellent financial responsibility that adds to its overall financial stability.

BEIL's accounting standards are compliant, transparent and accurate making sure that investor faith is perfectly placed and BEIL sits in a corner itself as the trusted household financial name. These are practices that help the company grow and keeps their market reputation.

2.6. Operations Management and Information System Practices

2.6.1. Operations Management

BEIL's operations management is centered on the business departments that include the portfolio management department and investment banking department. After the close of the trade hours, investors will receive a comprehensive file about profit and loss reflecting Securities purchased price. The operations team works outside regular business hours to execute the transactions, generate all required documentation and communicate with all related parties. It also follows changes in organization and static data that keep the company precise. This is the backend work that must be done to keep BEIL going and operation on a day-to-day basis.

Along with this operative work, scheduling and allocating resource are vital. The team operates under close knit integration with daily market & client needs and ensure that tasks are completed on time by operation team of BEIL. Good practice of quality management, which involves keeping accurate records of every transaction and occasionally updating the portfolio details which as a result improves client trust.

2.6.2. Information System Practices

BEIL practices strong information systems to support its activities. BRAC EPL Investment Limited's Information Technology department needs to keep all your employees and clients connected to digital platforms. As mentioned above BEIL uses multiple software platforms including mBank for portfolio management and an in-house tool to handle trade activities. Inside, a new infotainment software delivers better workflow for the employees. Also, a central drive is operated with the help of IT department which makes the overall operation easy to store, transfer and deliver documents to designated employees even if outside head office. The IT team secures and stores data, especially investor information, and maintains a company common drive for document sharing. They also take care of technical problems for all branches from the corporate office in Mohakhali. The development of a new web portal is underway in BEIL to better serve its clients and expand its digital presence. Using office management software, operations and IT teams work in tandem to maintain easy access of documentation and information across all internal teams or external stakeholders.

2.7 Industry & Competitive Analysis of BRAC EPL Investment Limited

Though BRAC EPL Investment Limited hold a competitive position in the investment banking sector, the company is facing competitive challenges from its existing and new competitors. The Porter's Five Forces and The SWOT analysis can help to evaluate the overall industry competition for BEIL.

2.7.1. Porter's Five Forces Analysis

Porter's Five Forces is a tool that is used to determine industry competitiveness which includes threat of new entrants, bargaining power of suppliers, bargaining power of buyer, threat of substitute and competitive rivalry. Below the analysis of Porter's Five Forces of BRAC EPL Investment Limited is given:

2.7.1.1. Threat of New Entrants: Low

One of the main factors reducing competition for investment banking services is how difficult it is to enter the market. Establishing an investment bank requires heavy start up costs, all types of regulatory burdens and very specific knowledge skills. Bangladesh has particularly strict regulatory requirements, making new entrants a challenge - especially for merchant banks. BEIL benefits from these barriers because they keep the number of competitors entering the market in check, which means that current players (including BEIL) are able to conduct business in a kind of competitive peace and quiet.

Furthermore, BEIL comes with a strong brand association through its connection with BRAC. Besides that, the reputation itself scares away any newcomer who would have a hard time creating such brand equity and customer trust. It's hard for new firms to step in when competing with players such as BEIL which have seasoned traders & large amount of asset and resource to splurge.

2.7.1.2. Bargaining Power of Suppliers: Low

For vendors, that term suppliers is typically associated with another party like financial data player, software provider etc. Suppliers have very little power when bargaining with BEIL because there

are several suppliers in the market offering similar services. This would allow BEIL to more easily switch suppliers if it deemed it necessary for any reason, at minimal cost and disruption of operations.

Furthermore, established investment banks such as BEIL can negotiate significantly improved terms from suppliers due to their size and market presence. As BEIL belongs to a trust, BRAC, it has more bargaining power in negotiating with suppliers. I think the business may outsource the IT or some technical side since team with small in size, but for supplying doesn't have much Powers because alternatives more available for companies.

2.7.1.3. Bargaining Power of Buyers: High

The Bargaining Power of Buyers tends to be high in the investment banking industry where corporates and High Net Worth Individuals seek financial services as clients have quite an array of choices available for select from. At present, there are 67 operating merchant banks in Bangladesh and clients have options to leave BEIL if they suffer from lack of skilled manpower. Buyers in this space are price-sensitive and look for the lowest cost of fees — especially on investment banking services such as: IPO management, mergers and acquisitions (M&A) advisory, bullet trades on stocks, NCDs investment etc.

On the flip side, brand association with BEIL shareholders such as BRAC is a positive for attracting clients. However, it also makes client retention difficult given highly competitive margins. Experienced traders at BEIL and expert services are a competitive advantage for it, but service has to be on par at all times or clients will move to larger, more digitally inclined firms instead.

2.7.1.4. Threat of Substitutes: Moderate

Threat of Substitutes for Investment Banking Services in Bangladesh is moderate. Though traditional investment banks like BEIL provides highly specialized services, but sometimes you can find alternative capital providers such as private equity firms, venture capitalists and even commercial banks as a replacement of raising that type of capitals. Although in other instances corporation choose these over approaching to an investment bank for help.

Additionally, pieces of the merchant banking products such like loan faculties are now being replicated by brokerage houses like BRAC EPL Brokerage Ltd., that creates a greater risk for the clients to switch shifted to other alternatives in future phase. Although BEIL's large asset base and differentiating service offerings minimizes this risk, it still competes with these alternative products, particularly to the extent they offer similar features at better prices.

2.7.1.5. Competitive Rivalry: High

There is an extreme level of the competitive force within the investment banking industry in Bangladesh. BEIL would be competing with other well established firms like UCB, who have created strategies which has worked in their favor to bring and retain clients. Some units of BEIL are also not performing well and could loose the client because better performing competition as a potential threat. This intense competitive rivalry, in turn, encourages price wars, which erodes profit margins and drives investment banks to develop and enhance service lines.

It is changing market dynamics more broadly by the new leadership at DSE and BSEC, creating new opportunities & challenges. In a competitive environment with well-performing firms like LankaBangla Investments & UCB, BEIL has to be quite adaptable to these changes to survive.

2.7.2. SWOT Analysis of BRAC EPL Investment Limited

SWOT analysis is a structured method which is used to evaluate the Strengths, Weaknesses, Opportunities, and Threats associated with a business. The SWOT analysis of BRAC EPL Investment Limited (BEIL) is given below:

2.7.2.1. Strengths

1. Variety of Financial Services: BEIL services consumers from all walks of life and is there for everyone who needs help with everything finance. BEIL has been able to do this by catering to a broad spectrum of financial needs and hence BEIL is now regarded as one of most trusted organizations in financial services within the borders of Bangladesh. Further, its multiple revenue streams also reduce reliance on traditional business lines and make it less vulnerable to market downturns.

2. Strong Brand Equity: One of the most reputed global organizations BRAC which is based in Bangladesh and BEIL benefits from the strong brand value of its parent company. BEIL is the pioneer investment bank of Bangladesh for propelling book-building method for public offerings, and has successfully managed landmark projects such as Bank Asia, Marico, Union Bank and Unique Hotel & Resorts. Thus, the distinct brand reputation has major impact on both client acquisition and retention differentiating BEIL to stand out as a leading player in the investment banking segment.

3. Strong Leadership and Labor: This work centers around BEIL, which the grouping describes as having a workforce full of talented staff that are always up to date with industry trends. All the workforce undergoes regular training programs which helps in delivering customers with appropriate, innovative financial solutions. This dedication to delivering a self-refining or excellent product is one of the reasons why Zodiac has continued to be so successful.

4. Expert Traders and Unique Services: BEIL benefitted from having seasoned traders which are instrumental in the provision of specialised and expert financial services. These traders manage clients portfolios and share market knowledge and trading tactics. One of the reasons why BEIL scores over its rivals is the unique services it provides, which are far from usual in the market.

5. Large Asset Under Management: BEIL has a large amount of assets under management indicating that it will survive financially. Such a large asset base gives BEIL excellent cash flow generation and is evidence of high faith clients have in the firm to handle their investments.

6. Geographical Reach: BEIL has an operational presence in several regions across Bangladesh, with its branches in a majority of the divisions. With its geographic footprint, Bazista is in a position to have an access to the whole of regional markets and provide services locally thus increasing client engagement which gets reflected into loyalty.

2.7.2.2. Weaknesses

1. Limited Workforce: While it does not look like a very large team, BEIL is run by about 50 employees with two to four people in its marketing department and only one person working in their risk and compliance division. This small group of laborers also hinder mass-production capabilities, bulk processing capacity, and multi-project endeavors. The staff is then stressed and more likely to burn out or leave as well because of the limited labor force.

2. Marketing and Promotion Are Limited: BEIL markets inadequately due to a small inexperienced marketing team and as a result does not have any high performing campaigns. Even though the company is working towards improving its marketing strategies, there are holes in even the current approach which do not allow them to reach potential customers through all regions and result in growth opportunities being untapped.

3. Financial Setbacks: BEIL has experienced financial trouble as a result of administration failures in the last few years before Trash to Trade. While the firm is taking action to address these, it will likely need additional rounds of funding as well to recuperate and build a stronger financial status which could raise concerns with interested investors or clients.

4. Lack of Online Infrastructure: Its digital infrastructure is way behind the likes of the LankaBangla Investments. Its lack of an extensive online platform or web portal is a downside to technical clientele who prefer digital interactions, especially in the ever more computerized financial markets of today.

5. Lack of Expertise: The leadership or team of traders at BEIL have been in the space for a long while, but some new employees are manning various departments — most notably in their Investment Banking Department. The resulting lack of expertise could limit the company from providing top-tier services in certain regions, which can hamper growth.

2.7.2.3. Opportunities

1. Changing Market Dynamics: Merchant banks see golden opportunity as new leaders take over the realm of Dhaka Stock Exchange (DSE) and Bangladesh Securities and Exchange Commission (BSEC). As new policies and reforms are implemented, these regulatory changes may create an advantageous market environment for investment banks such as BEIL in a way that can allow them to expand their operations.

2. Rising Stock Market Popularity among Youth: Many young people are now engaging in investments in the stock market. BEIL can benefit from this trend by catering those segments with relevant product and investment education, creating a broader client base.

3. Increased Demand of Corporate Advisory: Increasingly, businesses in Bangladesh are pursuing M&A opportunities in order to gain strategic footholds into new markets or capture access to new technology. Thus notably increasing the potential for BEIL to earn fees through advisory and financing services, and facilitating cross-selling of other financial products.

4. Promotion Through Local Branches: BEIL can utilize its competitive advantage over other merchant banks through using its branches and promoting their services locally through experienced traders who are experts in relationship management as well.

2.7.2.4. Threats

1. Market Instability: The market has made a small comeback, but we are not yet seeing stability. The concern is that investors could exit in the markets quieten down, leaving BEIL with fewer clients and lower revenues. For this reason, banks and financial institutions are always in danger, which is even more in an emerging market like Bangladesh.

2. Regulatory Changes: The astronomical compliance costs and the increasing regulatory demands on investment banks. With regulations becoming more onerous and capital charges rising, some banking activities are becoming less profitable. If BEIL cannot of this trend, the factors of profitability and competitive will be hesitate so that it cannot to continue its business.

3. Competitive Rivalry: There are many competitors in the market. Of the total 66 merchant banks, Bhutan Industrial and Finance Company (BIFC), established in 1989 as a public limited company, is one of the successful players surviving in highly competitive market. UCB, through successful strategic initiatives is gaining competitive advantage against BEIL attracting domestic investors which will keep limiting the already low EBITDA margins of BEIL.

4. Underperforming Branches: Not all of BEIL's branches are quite living up to expectations. Such branches (only if they already themselves are not relocation) inevitably hurt BEIL and its overall image by losing clients as a result of sustained underperformance and unproductivity.

5. Imitation of Services: Some of those financial products are now being copied by even brokerage houses like BEBL (BRAC EPL Brokerage Ltd.) This mimicking by BEIL's competitors could potentially water-down the competitive advantage that comes with a force fit customer for a broker so clients turn to the brokerage service rather than implementing BEIL's offerings.

These are the strengths, weaknesses, opportunities and threats for BRAC EPL Investment Limited. BEIL should take this information into consideration to take necessary steps for the sustenance of the overall competitive advantage.

2.8. Summary and Conclusions

BRAC EPL Investment Limited is a versatile company that focuses on different segments in its unique way. The coordination is excellent which leads to better managerial outcomes. From the business teams to the support teams, all work together to make sure the optimal growth and profitability of the company. Still, there are other competitors in the market that are always focused on achieving competitive advantage over other players in the market. BEIL should keep that in mind and take necessary steps through development of their products, enriching brand equity, srthenthening technology and implementing marketing strategies.

2.9. Recommendation

Finally, as an intern at BEIL, according to what I see and analyze here, I want to suggest a few things that can be implemented for the benefit of this company in the future. Since they are the suggestions that should help the company in the long term to grow and prosper or remain competitive in the market. Firstly, BEIL has recently climbing from their financial boundary which is becoming gradually profitable but however, I would like to advice them to employ more of youth, who can provide fresh, perspective ideas and ease from high workload on existing personnel.

Chapter 3: Project Part

3.1 Introduction

This report provides a comprehensive evaluation of the competitive status of BRAC EPL Investment Limited in the context of Bangladeshi merchant banking. Assess where BRAC EPL's products, services and operational practices stand in comparison with the top three merchant banks of the country. This study aims to bring actionable insights for BRAC EPL Investment Limited in order to make them stronger entrant and beat their rivals after comparing the different factors related with service offerings, fee structures, technology integration and marketing strategies.

The study also examines the perception of merchants banks in general and stock exchange market by the public in Bangladesh. The survey results are based on answers from 116 people polled about their attitudes to investment, investment banks, what they expect from a merchant bank, their past experience of investing services and the improvements they want.

This study is unique that it not only synthesizes and contrasts the BRAC EPL marketplace with comparable service providers, but also provides a sentiment analysis of the customer relations. The data collected will enable BRAC EPL to identify ways in which the company can align its services with market demand and increase client satisfaction by percentage of market share closing. This report will make suggestions for BRAC EPL, improving of its services, updating its technological instruments and make it more competitive to choose for the clients for long term success of the company

3.1.1. Background

Bangladesh is a developing country with huge possibilities in the industries in Bangladesh, where financial sector is no exception (Rashid, 2008). People are interested in doubling their wealth through investment, and most of these people are young in age. Not only in Bangladesh, but also worldwide, people of young age are interested and actively invested in the capital market which is a result of motivation, education, and proper advertisement (Munawar, 2022). According to the survey of Global Retail Investor, the percentage of retail investors that is under 45 years of age, reaches 70. If we look at China, almost 90% people who are below 32 years old claim to have investment planning in their future (Spear, 2024). In our neighbouring country, India, the market is growing rapidly where the unique tax ID from 2019 to 2024 reached 92 million from 27 million, a 240% rise in number in NSE (National Stock Exchange of India) (Das, 2024). The number reached 120 million of the retail investors (Spear, 2024).

But the stock market of Bangladesh is declining. The number of users are going down as the number of BO accounts dropped to 1.87 million which was over 2.6 million just 2 years back and in 2019 which was almost 2.85 million (Habib & Halder, 2024). The market is losing its attractiveness, where the return from 2013 to 2022 was approximately 4.9%, the yield in fixed deposits in banks was 6-8% per year which is frustrating (The Daily Star, 2024). Globally, in this year Bangladesh went to the bottom in this market for the performance, where the index was almost -17.24%, a clear loss, from May 1, 2023 to May 30, 2024, which is the worst among other Asian countries where even Pakistan was on the profitable side, the index reached +81.42% (Elahi, 2024). Investors lost over 1000 billion dollars in Dhaka Stock Exchange from January to April of 2024 and this underperformance is coercing the investors to leave the market (Mohajan, 2024).

As a result, the investment banks are suffering as well, and the reasons include the funding source & cost, mismatch of asset & liability, risky investments, poor capital market condition and regulations, competition, lack of secondary market and human resource etc (Hassan, 2013). As people are eager to invest in the market, to explore and utilize the scope of the possibilities, we need to find out the reasons for the underperformance of the market, take necessary steps to fix them and allow the market to move on its own for optimal growth (Mohajan, 2024).

3.1.2. Research Objective

Primary Objective:

The primary objective of the study is to explore the competitive opportunity of BRAC EPL Investment Limited in the investment banking sector in Bangladesh, comparing its products or services with the top three merchant banks, and evaluating the public perception and insights through conducting a survey.

Specific Objectives:

Objective 01: Public interest and expectations on investment, stock market and merchant banks.

To examine the statistical framework regarding the public perception about investment and entry into the stock market and their expectations toward the stock market, investment banks and top competitors in detail.

Objective 02: Customer experience and insights on the stock market and possible improvements in the investment banking sector.

To evaluate the overall experience of participants in the stock market with merchant banks and insights regarding the expected possible improvements for the optimal growth of the sector.

Objective 03: Comparison of the products with the products of the top investment banks.

To compare the variety of products or services and fees between BRAC EPL Investment Limited and other investment banks and to underline the relevant areas of the comparison, such as the price quality comparison, scope for product line expansion, difference of the product designs etc to understand the scope for improvements.

Objective 04: Comparison of technological and marketing efforts of the top merchant banks.

To analyze the current structure of inclusion or implementation of technology and marketing strategies in BRAC EPL Investment Limited in comparison with the other leading investment banks in Bangladesh.

Objective 05: Strategic recommendation for BRAC EPL Investment Limited for optimal competitive advantage.

To collect and analyze data and information from product comparisons and conducted survey and suggest how BRAC EPL Investment Limited can improve through the execution and implementation of the recommendations to be more public orienting to stay competitive in the market.

3.1.3. Significance

The significance of this research is crucial because it seeks to examine the competition that merchant banking companies face in Bangladesh, and doing so with an insight of BRAC EPL Investment Limited that in one of the prominent banks in the market. In an challenging competitive environment it is very important that merchant banks have clear picture on the type of products offered, quality of their services and client satisfaction that the company acquire on each service. This research is meant to assist BRAC EPL Investment Limited in capitalizing on its competitive advantages by identifying competitive gaps and areas of potential opportunity for competitive advantage.

In addition, it provides relevant consideration to public conceptions which are rarely take into account in the corporate strategy. Drawing data from more than 116 respondents, the survey conducted in the paper asked a combination of both potential and existing clients over their expectations and experiences in the stock market and also what investors and clients are basically looking for from investment banks. And this is beneficial for BRAC EPL Investment Limited by enabling the company to tailor its services with market demand, so as to produce customer satisfaction which will eventually help boost customer loyalty.

Furthermore, the results of this study have implications to the entire merchant banking industry in Bangladesh. With the dynamic financial market, it is becoming more critical to provide customized services and also how the new age technologies & efficient HR and Marketing practices get implemented. The recommendations in this research can help BRAC EPL and other banks to improve their methods of competing with each other so that they can be able to increase customers.

Finally, this study adds to academic knowledge by linking theoretical financial strategies with merchant banking in practice. The findings have implications for policy related to financial services in Bangladesh, such as banking regulation and assimilation of technology in the banking business.

3.2. Methodology

This research used both quantitative and qualitative methods based data of products and services in investment banking sector in Bangladesh.

1. Survey

Data Type: **Qualitative Data**

I conducted an online survey which included 17 questions that received 116 responses. These people were selected from the general population, at random but informed, to have some investment experience or some interest in investment. The survey was conducted to determine the investments potential of the capital market, familiarity with merchant banks and improvements desirable in the banking service of the respondents. We used social media to distribute the survey link, making our reach wider.

2. Company Website

Data Type: **Quantitative Data**

The information was taken from the official websites of BRAC EPL Investment Limited, City Bank Capital, LankaBangla Investment Limited and IDLC Investment Limited. The information collected was about the products, services and offerings they have which includes the structure of their issue management, portfolio management, corporate advisory and other capital market services. This was a crucial first step for comparing the products and services of different merchant banks.

3. Phone Calls

Data Type: **Quantitative Data**

In addition to the information found on the websites, I contacted customer service departments at each of these four merchant banks via telephone to get more details concerning fees and charges. This step helped confirm the online data and clarify any disparities. Communication was direct so the service cost information was very current and verifiable, though some of the merchant banks were not available on calls.

4. Interviews with Experts

Data Type: **Qualitative Data**

I also briefly interviewed people working in the investment banking industry to verify my findings and collect more specific feedback. I revisit and verified the information to check on products and comparison figures. They helped me cross-check a few of my data.

Interviewee 01:

Araba Hoque, Financial Analyst, Investment Banking Department, BRAC EPL Investment Limited

Interviewee 02:

Didarul Ahsan, FAVP, Capital Management, Jamuna Bank Capital Management

5. Secondary Method

Data Type: **Quantitative and Qualitative Data**

I also discussed on secondary sources in wider spectrum about merchant banks and financial companies of Bangladesh. These resources equipped the findings and offered a broader perspective of the industry which helped me to analyze better and relate with the finding in my survey well. The sources are:

- Research papers
- Web Journals
- Articles
- News Portals
- Websites

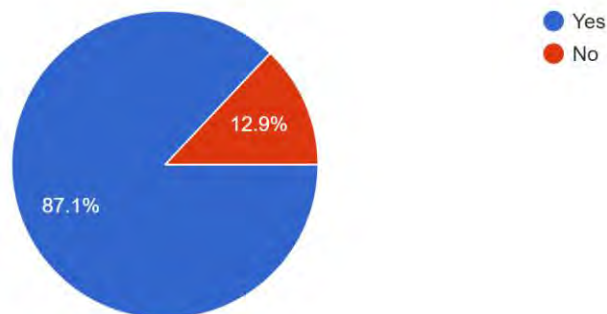
3.3. Findings and Analysis

In this part, firstly, we will be conducting a survey to understand the public perception and insights about investing, capital market, their interest, experience and expectations. After that, we will compare the products and services of the top competitors with BRAC EPL Investment Limited. In each part, we will focus on the disparities and specify the scopes for BEIL's overall betterment in the outcomes.

3.3.1. Survey on Public Perception on Stock Market

Are you interested in investing your money?

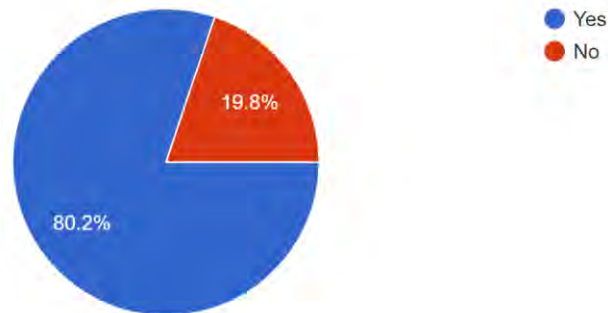
116 responses



In the pie chart above, we can see the interest of people, specially young people in the investment sector. 116 people participated in the survey and all of them attempted the question. This is over 100 from 116 who voted for yes which is over 87% of the total sample size. A survey conducted by Audire Institute, 32% french people aging 18 and above interested in the equity investments (AMF, 2023). From 2019 till the last year, data says that the investor number crossed well above 120 million in india (Spear, 2024). So, as worldwide including our neighbouring country India, this is happening, it is very possible to happen in Bangladesh, specially among the youth who are profoundly connected with the world for globalization.

Do you consider Capital Market (Stock Market, Bond Market, Currency Market or Forex) for your investment?

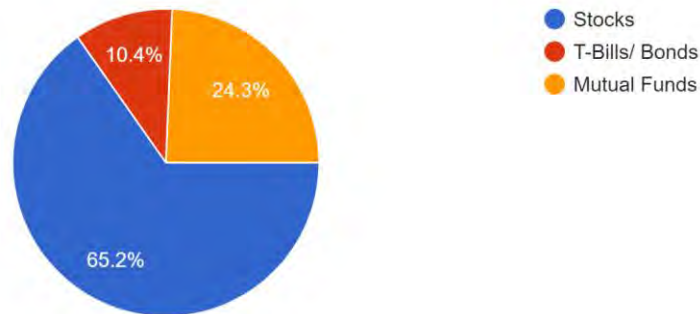
116 responses



All the participants attempted this question. More than 80% voted for yes and showed their interest for the capital market. Capital market includes stocks, bonds, currency market or forex. But interestingly, almost 20% of the participants voted for no which means that they are not interested in the capital market. In the previous question we saw that 12.9% was not interested in investing, and in this question 19.8% shows their incuriosity about the capital market which means that from the participants who wants to invest, almost 7% from them do not want to invest in the capital market. According to World Economic Forum, young people globally are actively investing in the capital market and Global Retail Investor Survey says that from those retail investors, 70% are under 45 years of age. 90% people aging from 22 to 32 years old in china considering investment in the capital market a major plan in their future (Spear, 2024).

Which part of the capital market interests you the most?

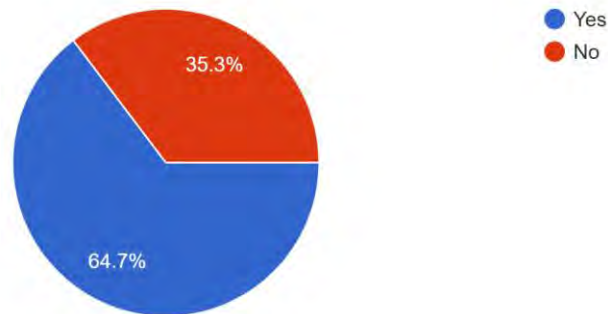
115 responses



Almost all of the participants participated here as well. Most of the participants voted for stocks. More than 65% of them which is 75 people from 116 is interested in stocks. Second comes Mutual funds. As we already know mutual funds are bundles of stocks to ensure risk aversion by expert analysts of stocks. So, technically this portion of the participants also found their interest in the stock market but they are a bit risk averse. They resemble almost 24% of the total participants. The rest of the participants voted for T-Bills or Bonds which is above 10% of the total sample size. The growth of bond market is slow in this country. The average of the issuance of corporate bonds in the last three years in this country is around 100 billion BDT (Kibria, 2024). As loan facility is available for strong banking sector, this bond market is not getting enough space to grow.

Do you prefer to invest in IPO (Initial Public Offering) for your investment?

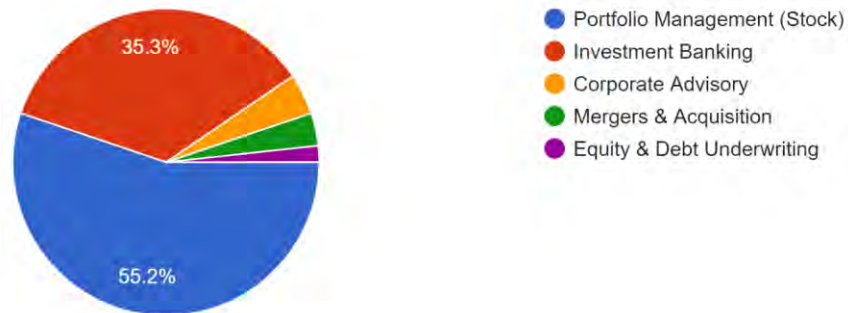
116 responses



Almost 65% of the participants voted for yes which demonstrates their interest for IPO. A little more than 35% does not want to invest in this instrument which is also a considerable number. This is because there are certain pros and cons in this matter. First of all, those who are interested they prefer the almost risk free approach where the initial price of shares is 10 BDT which jumps to a lot more than this. Very unlikely is that the price will go down. Most of the people earn profit from investing in IPO. But the cons is that, a person can not buy as much IPO as possible as there is always a limit which will be distributed among the applicants. For that, the amount they get as profit is low. Moreover, you have to be an eligible investor for that. Still, as this generates almost guaranteed profit, people are mostly interested in this. Merchant banks can utilize it as from 41 IPO from 2019 to 2023, 32 were managed by merchant banks (Islam & Rahman, 2024)

Which of the merchant bank products you have heard of or you would like to use for your investment?

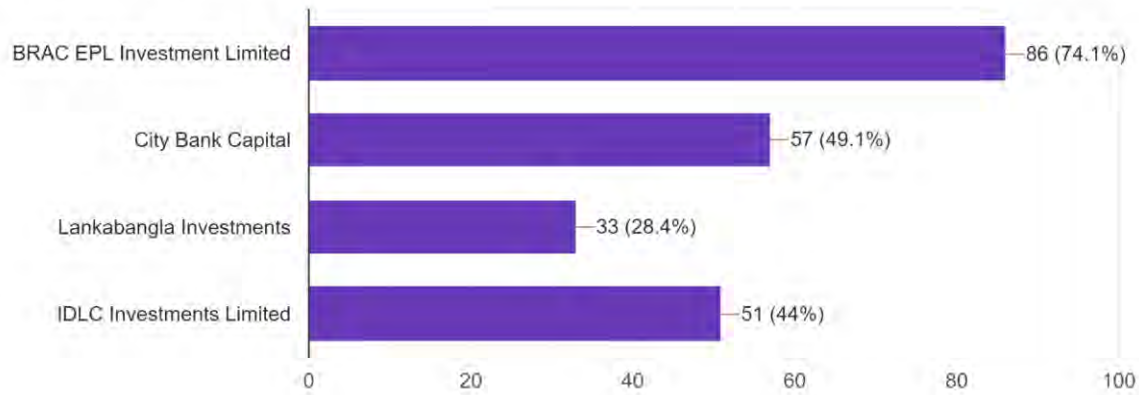
116 responses



Merchant banks offer various services. Among them, the most popular services are Portfolio Management and Investment banking. Over 55% of the participants voted for portfolio management and over 35% voted for Investment Banking. The rest, which is less than 10% voted for other services like corporate advisory, mergers and acquisition, equity and debt underwriting. Under the portfolio management, the stock trading and investment is focused basically. For that reason, most of the people voted for the portfolio management as most of them want to invest in the stocks. The second largest group who are interested in the investment banking sector, is familiar with their activities related to T-bills, bonds and others. They also focus on asset management, research and advisory which is mostly familiar to general people after the stock market services. More than 90% of the participants picked between these two options.

Which of the following merchant banks you are familiar with?

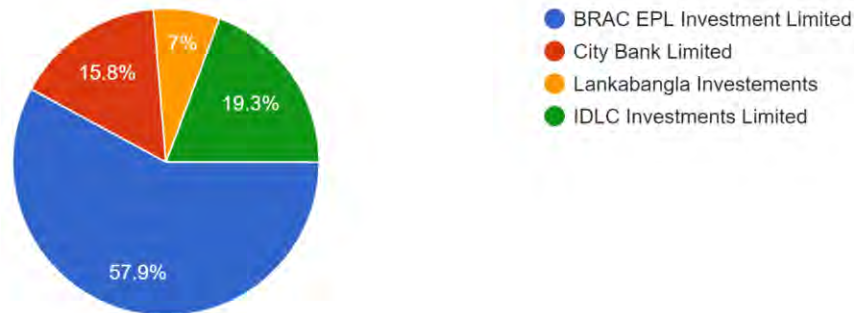
116 responses



This was a checkboxes question and the most known merchant bank seems to be BRAC EPL Investment Limited. 74.1% of the total participants know about this merchant bank. This is due to the extraordinary performance of the company in the last few years. However, the brand value of BRAC also played a huge role in this case as most of the people associated the brand with the name of this company which can influence them to be familiar with this company. Just after that, the next merchant bank which is familiar the most is IDLC Investments Limited. This is a renowned merchant bank with various services provided on their list. With a huge reputation for a long time, the company focused well in marketing that also helped them to be familiar for the general people. After that, City Bank Capital comes third and almost 50% people know the company. At last, Lankabangla Investments Limited and 28.4% people know about this merchant bank.

Which merchant bank you think offer better services and will be preferred by you in case of any investment decisions in future?

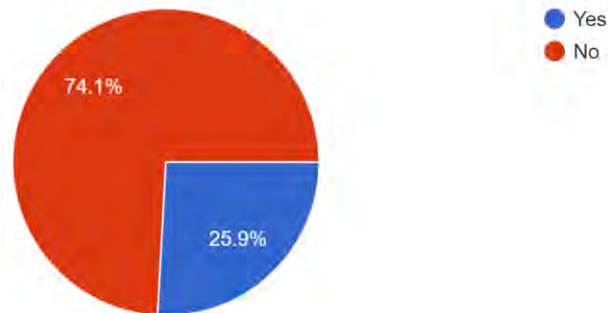
114 responses



This was a multiple choice question where the participants, unlike previous question, had no other way except to vote for only one of the merchant banks above and the query was based on their preference if in case any day they decide to invest in the capital market. In that, 57.9% of the participants voted for BRAC EPL Investment Limited, which is again a matter of proud for the company as more than half of the people who want to invest in the stock market preferring BRAC EPL Investment Limited for any future investments. The brand value again played a vital role in that preference as the brand name of BRAC ensures reliability. 19.3% voted for IDLC Investments Limited which is obvious from the previous response. 15.8% voted for City Bank Capital and for Lankabangla Investements Limited, 8 from 116 people voted which is 7%.

Do you have a BO Account (Beneficiary Owner's Account; required to invest in the stock market of Bangladesh)?

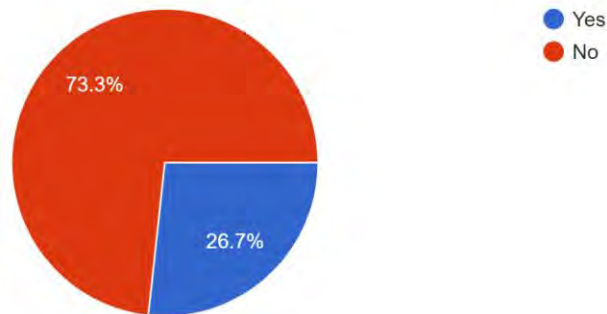
116 responses



In this question where the participants were asked about their BO account, 25.9% of them only claimed that they have their own BO account but the rest 74.1% do not have any BO account. BO account is required if someone wants to invest in the stock market in Bangladesh. People are unaware about the procedures, how to open and what to do for it. For that reason despite of interest in the stock market, people do not have BO accounts. Moreover, the overall market condition plays a vital role in this as it forces people to believe that the market is not suitable for investors as it is corrupted. In 2023 the number of BO accounts was almost 1.9 million where in 2022 the number was over 2 million. In 2021 which was over 2.5 million accounts (Habib & Halder, 2024).

Have you before invested in the stock market?

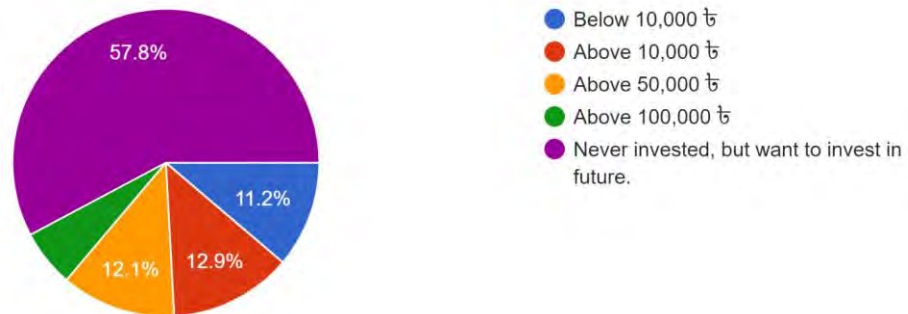
116 responses



Here we can see that, though 73.3 % of the people voted for no, 26.7% voted for yes. Interestingly, in the previous question the percentage of people not having BO account was 25.9%. Here, in the percentage of people who invested in the stock market raised to 1% which means that though the number is few, people without BO accounts tend to invest in the stock market. People sometimes give their money to their known people To invest and share the profit. In that case they take the help of them who have BO accounts. On the other hand there are also cases where people opened BO account but did not invest in the market. From January of 2024, the BO accounts that had no shares at all reached numbers beyond 67 thousand (Dhaka Tribune, 2024).

How much approximately you have invested in the stock market?

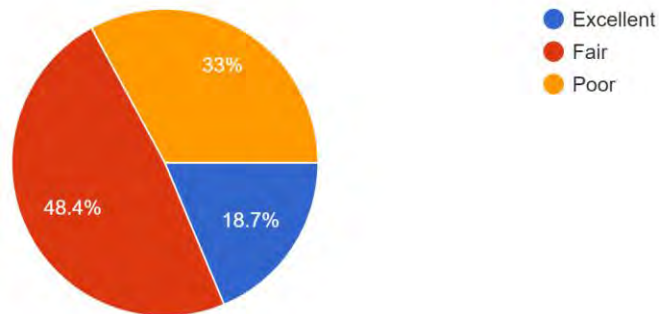
116 responses



If we look at the pie chart we can understand that most of the people did not actually invest in the stock market but they are interested in the market. Almost all the participants attempted this question. Over 62% invested in the stock market. 12.9% of them invested above 10,000 BDT, above 12% invested above 50,000 BDT, above 11% invested below 10,000 BDT and only 6% invested above 100,000 BDT. These are the people who are the investors or already invested. After them comes the large group that is though interested but due to fear of loss, literacy, experience or other reasons, they were refrained from investing in the market.

What was your overall investing experience?

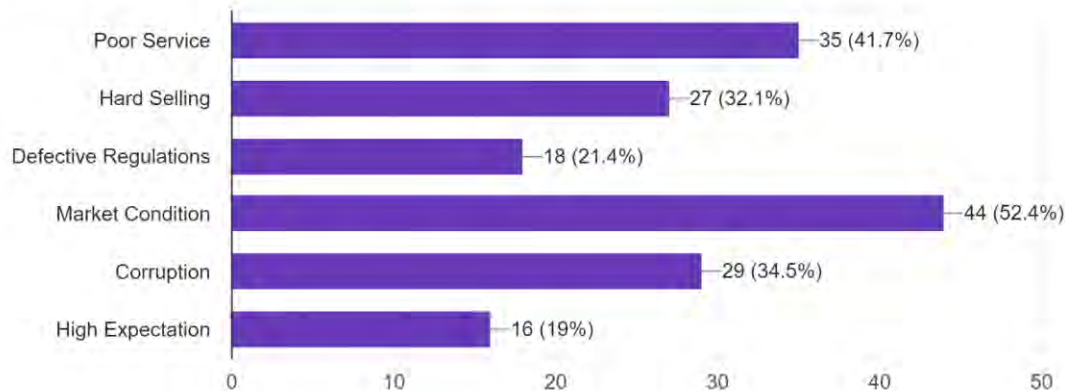
91 responses



The chart represents the overall condition of the investors of Bangladesh. The investors of this country struggled the most in this market. For external forces that manipulated the market, general people suffered a lot. People, though earned as well but most of the people struggled. In the pie chart we can clearly see that the percentage of people claiming their experience fair is the highest in number, 48.5% almost where the second largest group with 33% vote claims it to be poor. Only less than 19% agreed too have an excellent experience. For that reason at the end, the market started losing investors and now the market is not as filled with investors as it used be earlier. In 2024, this year the performance of Bangladesh Stock Market marked as the worst as the market lost 333 index points (Elahi, 2024).

If your experience was not good, what was the reason/reasons behind such experience of yours you think?

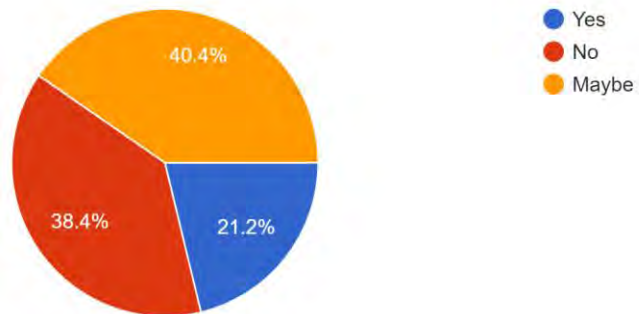
84 responses



This is the question which got the least attempts, 84 responses from 116 participants. However, it can be relevant because 18.7% of the sample voted for excellent about their experience and as this question is about the reason behind their bad experience, for obvious reason, those who voted poor or fair attempted this question. In this part we can see the pain of investors, people do not want to, or those who invested do not claim a good experience due to a few reasons, and the overall market condition topped that. 52.4% which is 44 from the 116 participants voted for that. A related point is corruption which also got the third highest in the list with 34.5% votes. Almost 75% of the total sample size is tired of the market condition which is mostly sick because of corruption and other illegal activities. According to, Market Insider report, BDT 1 Trillion (100,000 Cr.) has been stolen by higher authorities of the stock market in Bangladesh over the last 15 years and over that, in this duration, 250 billion BDT (25,000 Cr.) has been illegally misappropriated in the activities related to IPO offerings which is huge (Rahat, 2024). The next two reasons that people voted for is poor service and hard selling. 41.7% voted for poor service by merchant banks or brokerage services and 32.1% voted for hard selling which has become very common among the traders for a pressure that is put on them from the company through giving them a yearly target. And then comes defective regulations, 21.4% voted for this which talks about the regulations of the market that is not favouring the investors. And lastly comes high expectations of the people with 19% votes which is a reason most of the investors fail.

Did you quit or planned to quit the stock market at any time during your investment tenure?

99 responses



If we look at the pie chart, we can see that people voted for yes about their quitting the stock market decision and the percentage is over 21%. But interestingly 38.4%, almost 40% people voted for no which means they did not quit or do not want to quit the stock market. This is almost double of the number of people who want to quit. And 40.4% of the people is confused about their decision whether they want to stay or they want to quit the market. Mostly people do not want to leave, they are interested in this market but various reasons like corruption, market condition, improper selling or regulatory defects influence them to stay out of the market which is not done willingly by them.

What about the stock market can help your mind to change positively?

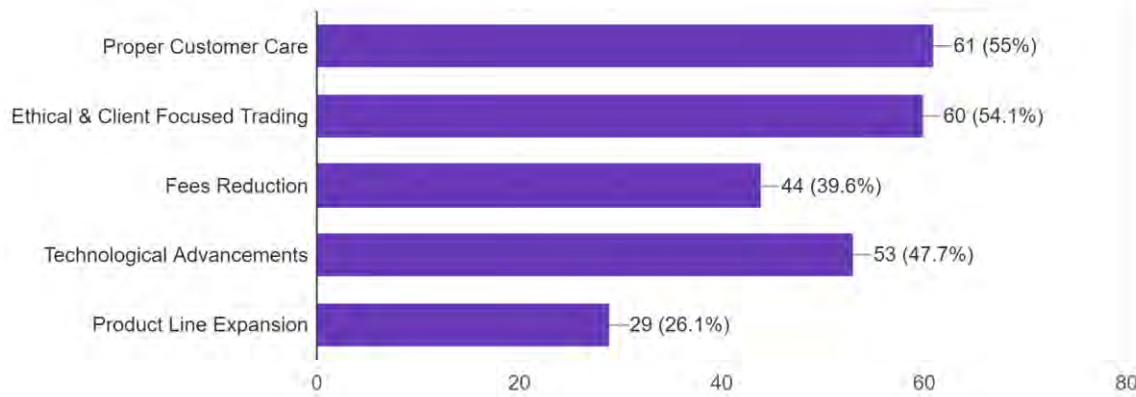
110 responses



From the above checkboxes question we can see a different picture than figure no. 12. People mostly voted for two factors which are poor customer service and ethical selling. For poor customer service 52.7% voted and 51.8% voted for ethical selling. For a few years, after the downfall in the market due to various reasons, the market started shrinking and losing its clients rapidly. As we already know the number of BO accounts dropped from 2.5 million to 1.9 million approximately from year 2021 to 2023 (Habib & Halder, 2024). Apart from market conditions, the thing that disappointed the most was hard selling and improper customer services. As we already discussed about the matter, traders were under pressure due to set targets from their company which influenced them to do unnecessary trades that generated profit for traders but hampered the profitability of the investors. So, the changes have to start from the traders and then the market condition, regulations and minimization of corruption can help in the long run.

What improvements you want to see in your preferred merchant bank?

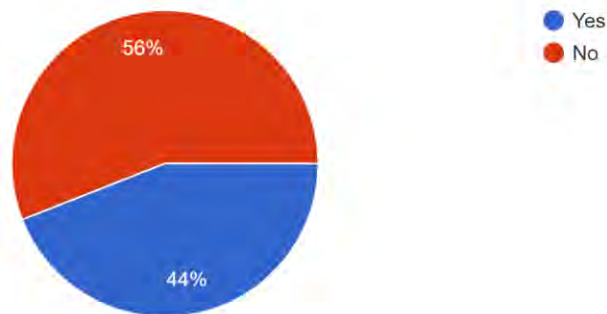
111 responses



In this segment, almost all of the participants voted. Mostly they voted for proper customer care and then ethical and client focused trading. Respectively these two points got 55% and 54% of the votes. These two things are completely dependent on the RM or the traders if they can work freely without any pressure on them. With that improvement, the investors will be satisfied and also the company will be able to build rapport with the clients and that will be a win-win situation. After that the improvement clients want from their preferred merchant bank is technological improvements to include in their system for better engagement and optimal profitability. In our country, though fintech has already a successful position, the inclusion of fintech in the capital market is negligence. In the neighbouring market India has many fintech platforms for investors like Zerodha, Upstox etc. Within a few years, after it has been founded in 2010, the company zerodha crossed 3 billion dollars in valuation in that market which communicates the possibilities of this inclusion (Habib & Halder, 2024). However, in Bangladesh, there is a new startup known as Trek which is trying to be the first next-generation online trading platform which will be a start of new era in the fintech for Bangladesh (The Business Standard, 2024). After that, the most voted improvement option was fees reduction. Though merchant banks try to offer their services in as low cost as possible, still there are some costs that the investors need to bear which reduces their overall profit like the interest they need to pay for margin accounts is a bit higher than normal banks for that reason it is important to reduce the amount in terms of fees and charges. Lastly, 26% almost voted for product line expansion which is necessary to attract and reduction of losing or shifting of clients.

Do you believe that investors should remain loyal to their traders or their merchant banks rather than looking for better alternatives based on their (trader/merchant bank) performance?

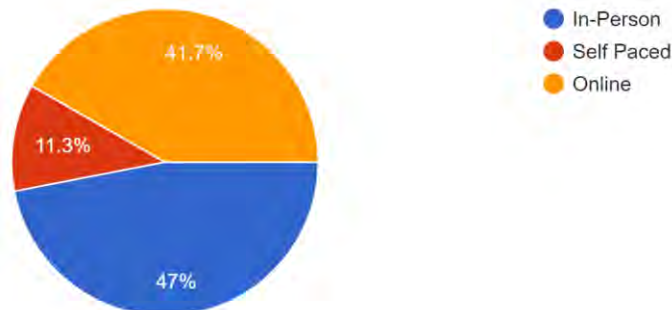
109 responses



In the chart above we can see that most number of the participants voted for no, which means they prefer to switch their trader or merchant bank over their loyalty towards them if they are not providing satisfactory services. 56%, the majority of the participants voted No for that. Yet we need to focus on an important thing is that almost 45%, which is still a huge portion of the participants, are still on the favour of their trader even after they performing poor. This is because the RM of investors tend to explain things that seem logical, in favour of the investor and nice overally. For that reason, even after rising doubts, investors who are not smart enough to take their own decisions remain convinced with the explanations given by their Relationship manager for that they prefer to stay loyal to their known trader. Also, investors think about the fact that how much it will help them even if they shift which can lead to a worst performing RM and the wealth will be under loss.

As we know, knowledge about trading can help us in taking better investment decisions. Are you interested in learning about the stock market? if yes, which format you prefer?

115 responses



Success in trading or investing is not only possible with money, it needs proper knowledge of analysis, history, psychology and patterns. Most of the people invest in the market to gain profit, end up with losses. To change this, proper education is mandatory, specially about investing. And the investment banks or businesses in this market needs to take this initiative. In our neighbouring market, the fintech capital market startup, Zerodha has its own online learning platform for complete free of cost, which is known as Varsity by Zerodha (The Economic Times, 2019). This helps the company to guide it investors to make better investment decisions which can lead to profitable investments for them and as a result the company gets a chance to build a rapport with the investors which is invaluable. So, BEIL can take this initiative as already there are experienced investors with years of experience. In the pie chart above, we can see that on the query about the format of learning about the stock market, almost all the participants participated. 11.3% voted for self-paced where 41% voted for online and majority of the participants voted for in-person learning, which is 47% of them.

3.3.1.1. Outcomes from The Survey on Public Perception & Insights (Objective 01 & 02)

- From the survey we can see that people, specially young people are highly interested in large number in investing in the capital market but not being able to participate profoundly due to lack of confidence and fear of losing their money.
- Apart from traditional trading of stocks, the interest for IPO, Bonds and T-bills are increasing among the investors because of better risk-return facility provided by these elements.
- From the top competitors, after BRAC EPL Investment Limited, people are mostly familiar with and also willing to invest in IDLC investment Limited and that is because of their good performance and marketing strategy.
- Despite of having BO accounts a small percentage of people are not investing in the market anymore, which is concerning as this part of the investors will start leaving the market gradually.
- The overall experience of people was not good in the market, for which not only the market condition, defective regulations or corruption is responsible only, but also the poor service, hard selling, high charges and backdated technological support is also responsible which is a matter of concern from non-bank financial institutions operational in this market.
- Investors and to-be-investors are highly interested in learning about the market and investing, which can be a wonderful initiative that can be executed by merchant banks, brokerage houses and asset management companies to build rapport and establish credibility of the company. BRAC EPL Investment Limited can leverage this through utilizing its talent resources or trading and investment experts and enrich brand equity.

3.3.2. Comparison of the Products of Merchant Banks in Bangladesh

There are almost 66 merchant banks in Bangladesh according to the official website of Dhaka Stock Exchange. As we already know the primary focus of merchant banks is the management of the investment of their clients. More or less, all the merchant banks are focused on providing an equal number of services for their clients demonstrating the imitation of similar activities. However, every merchant bank indeed has their own unique selling propositions that make it different than their competitors. For that reason, we will stick to the top competitors in that sector and analyze their product line to give a strategic recommendation to BRAC EPL Investment Limited by navigating them toward the scope for proper improvements.

For our research, we have chosen three of the top competitors of BRAC EPL Investment Limited in the investment banking sector. Those merchant banks are City Bank Capital Limited, Lankabangla Investment Limited, and IDLC Investment Limited. All of them offer similar kinds of services for their clients, still, there are notable differences among them. Below in the chart we will mention all the services the merchant banks offer and categorize them under respective departments.

Comparison Chart

Departments	BRAC EPL Investment Ltd.	City Bank Capital Ltd.	Lankabangla Investements Ltd.	IDLC Investments Ltd.
Portfolio Management	- Discretionary (Managed Cap Edge) - Non Discretionary: Cap Edge (Margin), Cap Cash (Non-Margin)	- Discretionary - Non Discretionary - Margin Lending	- Discretionary - Non Discretionary (Margin Loan upto 50%)	- Discretionary (Easy Invest, MAXCAP, Profit Loss Sharing 30% etc.) - Non-Discretionary (Margin, Non-Margin)

Equity Capital Market	- Public Equity - Private Equity - Quasi Equity	- Public Equity - Private Equity - Preference Shares	- Public Equity - Private Equity	- Public Equity
Debt Capital Market	- Loan Syndication - Project Financing - Bond & Regulatory Capital	- Loan Syndication - Commercial Paper - Bonds	- Loan Syndication - Bonds - Islamic Financing - Commercial Paper - Project Financing - Securitization	- T-Bills & Bonds
Wealth Management	- T-Bills & Bonds only - Equity Research	- Proprietary Trading - Research & Risk Management	-	-
Corporate Advisory	- Mergers & Acquisition (M&A) - Distress Company Advisory - Asset-Backed Securities	- Mergers & Acquisition (M&A) - Issue Management - Underwriting	- Mergers & Acquisition (M&A) - Valuation Services - Corporate Restructuring - IPO Services	- Mergers & Acquisition (M&A) - IPO Advisory - Foreign Transaction (Non-Listed Companies) - Sales (Listed Companies)

Portfolio Management

- Discretionary & Non-discretionary Account: All the above merchant banks provide discretionary and non-discretionary accounts. BEIL has Managed Cap Edge, IDLCIL provides many services like Easy Invest, MAXCAP etc. A unique product from IDLCIL is profit loss sharing option and capital protected scheme as well.
- Margin & Non-margin options: All of the merchant banks above provide both of them. CBC provides margin lending specially. All the margin options are available under the non-discretionary account as that associates additional risk with the utilized investments.

Equity Capital Market

- Public Equity: All of the merchant banks provide public equity services. IPO, RPO, Underwriting etc. is available in all of their services.
- Private Equity: BEIL, CBC and LBIL is involved in private equity as well. Advisory and equity capital raising is common among them
- Quasi Equity: BEIL and CBC provide this. This includes preference shares, convertible bonds etc.

Debt Capital Market

- Loan Syndication: All the merchant banks almost provide loan syndication facility. Multiple departments can be associated.
- Bonds: All the merchant banks above focus on the services related to bonds. They provide the sales and marketing facility as well.
- Commercial Paper: CBC and LBIL provide commercial paper service for under their corporate advisory department.
- Securitization: LBIL provides securitization services through transferring bundle debt assets to Trust or SPV which issues securities to investors. BEIL also provides asset-backed securities which is kind of similar.
- Islamic Financing: LBIL provides islaming financing which is a good approach to cater islamic minded investors.

Wealth Management:

- Proprietary Trading: This is practiced by CBC which is initialized with the purpose of generating profits for the company. Other merchant banks practice it as well but CBC is officially involved in it.
- Equity Research: BEIL and CBC has their own support team for the reaserch of equity for investments. Other merchant banks also operate this under this department or corporate advisory.
- Risk Management: CBC provides this facility to their clients. For the overall investment planning, BEIL has a compliance department though. LBIL and IDLCIL do not explicitly mention any of their service under this segment.

Corporate Advisory:

- Underwriting: Merchant banks that offers corporate advisory, mostly offers underwriting services to their clients.
- Issue Management: All the merchant banks above give this service. They issue mostly public equity in the form of IPO, RPO etc.
- Mergers & Acquisitions (M&A): All the merchant banks above provide this service for the clients that aim to merge or acquire.

Though most of the merchant banks provide kind of similar services to their clients, still all of them have their own uniqueness in their respective sectors. This makes them competitive and through analyzing these differences and executing the gaps, it is possible to achieve competitive advantage.

Fees & Charges:

A main factor that drives clients towards a service is the cost of the service based on its quality. In case of merchant banks it is same as other sectors. As all the merchant banks provide similar services ensuring similar kind of quality, people will go towards a cheaper option rather than spending more for the same service of same quality. Below we will compare the fees structure of two most popular merchant bank products (Margin & Non-Margin) under the portfolio management departement, BRAC EPL Investment Limited & IDLC Investement Limited. We will also mention the

BRAC EPL Investment Limited	IDLC Investments Limited
<ul style="list-style-type: none"> ● Product Name: Cap Cash (Non-Margin) Minimum Amount: 1000 BDT Documentation Fee: 500 per year Settlement Fee: 0.40 per trade ● Product Name: Cap Edge (Margin) Minimum Amount: 100,000 BDT Management Fee: 1.5% Settlement Fee: 0.40 per trade Opening Fee: 1000 Loan on Investment: 50% (17% interest on loan) 	<ul style="list-style-type: none"> ● Product Name: Easy Invest (Non-Margin) Minimum Amount: 5000 BDT Documentation Fee: 500 per year Settlement Fee: 0.50 per trade Management Fee: 3% ● Product Name: Cap Invest (Margin) Minimum Amount: 100,000 BDT Management Fee: 1.5% Settlement Fee: 0.35 per trade Opening Fee: 1000 Loan on Investment: 50% (15% interest on loan)

CBC and LBIL fees structure was not compared above due to confidentiality. BEIL and IDLCIL fees structure will suffice.

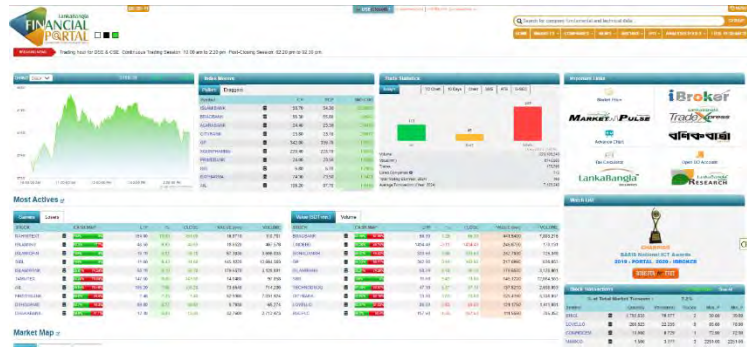
3.3.2.1. Outcomes from the Comparative Analysis of the Competitors with BRAC EPL Investment Limited (Objective 03)

- In portfolio management, BRAC EPL Investment Limited provides almost all the possible major facilities in the sector its competitors provide. However, some services are exceptionally customer attracting. For example, capital Protected Scheme is a lucrative service that can attract risk averse investors. Also, Profit-Loss Sharing is a service provided by IDLC Investment Limited where the company bears 30% of the loss of the client, in case of any negative consequences.

- In Equity Capital Market, BRAC EPL Investment Limited offers all the facilities that are expected under this including quasi equity which contains preference shares or convertible bonds. With time people are getting interested in IPO as well which can be a good opportunity for BRAC EPL Investment Limited to focus on Public Equity as well.
- In Debt Capital Market, BRAC EPL Investment Limited offers all the facilities that is required. But there are a few lucrative services provided by other merchant banks that BEIL can consider. City Bank Capital and Lankabangla Investments Limited offers commercial paper which is in demand in this field. Also, Islamic Financing provided by Lankabangla Investments is an exceptional product that aims to cater Islamic minded or Shariah compliant investors.
- In Wealth Management, most of the merchant banks are aiming to grow. However, City Bank Capital has advanced itself through entering in the proprietary trading, research and risk management etc. BRAC EPL Investment Limited just started the department which is only working on government securities now that includes T-Bill and Bonds. Soon it needs to focus on the core functions of the department.
- In Corporate Advisory, all the merchant banks are providing similar kind of services and BRAC EPL Investment Limited also has all the necessary products under this segment from underwriting, issue management, mergers & Acquisition etc.
- About Fees & Charges, almost all the merchant banks follow same patterns. In terms of charges, it slightly varies. BRAC EPL Investment Limited provides competitive prices, yet the settlement fee, which is 0.40 per trade and the interest on margin loans which is 17% needs to be competitive. In comparison to BRAC EPL Investment Limited, IDLC Investment Limited asks for 0.35 per trade and 15% interest on loans provided.

3.3.2.2. Additional Outcomes on Comparative Analysis on Support Activities (Objective 04)

- About Technological Inclusion, BRAC EPL Investment Limited should consider technological advancements to reach greater number of clients, specially people of this generation who wants to invest through online platforms. Lankabangla has their own web portal like <https://lankabd.com>. In that case BRAC EPL Investment Limited can also consider this inclusion.



- About HR & Marketing Practices, BRAC EPL Investment Limited should focus on these sectors as well. Lankabangla sponsor club events, like ECA Career Expo 2.0 of Dhaka University and advertise their brand name. Moreover, social media attractiveness is also necessary in this digital era. For example, CBC maintaining good quality of the content they post on their social media. BRAC EPL Investment Limited can consider all these factors.



3.4. Summary and Conclusion

The aim of this paper is to provide a comparative analysis between products and services offered by the renowned merchant banks in Bangladesh which includes BRAC EPL Investment Limited, City Bank Capital, Lankabangla Investment limited & IDLC Investment Limited. The qualitative and quantitative data were obtained from a variety of sources including website-based data collection, telephone inquiries into fee schedules and charges, interviews with industry experts, and an online survey.

This information was highly crucial to the merchant banks, as it allowed buyers to know that they provided services in investment banking, equity management, debt market services and more. Phone calls were as well the customer service departments of these banks to verify details related to their charges and fees. In order to dig deep into the core of the merchant banking sector and further knew about its working, I interviewed experts and employees in my reach who are working in that field. Additionally, secondary data sources such as past studies conducted on related topics and published articles in journals were also employed for orientation of the research. In addition, 116 individuals with mixed experience were surveyed with 17 questions. To determine the level of interest among them in investment, familiarity with merchant banks and their views regarding services and overall improvements.

Lastly, the comparative analysis of the top selected merchant bank in Bangladesh focusing especially on the core services are more or less the same across all four banks, though there are differences in fees, customer service and product availability or structure that affect how satisfied people end up with their merchant bank. Insights from interviews and the survey show that customers desire increased transparency, decreased fees, and improved customer engagement. These are issues that merchant banks specially BRAC EPL Investment Limited would need to tackle so as to improve the competitiveness and build higher level of trust with their customers.

3.5. Recommendation

3.5.1. Strategic Recommendation for BRAC EPL Investment Limited (Objective 05)

From all the research work done in this paper, for the overall betterment of BRAC EPL Investements Limited, the company should consider the strategic recommendations given to them based on the comparative analysis and conducted survey results.

1. BRAC EPL Investement Limited offers versatile products and services, still there are some products or services that are available in other merchant banks but not in BEIL like the Profit-Loss Sharing option & Capital Protected Scheme of IDLC Investment Limited, Commercial Papers offered by City Bank Capital, Islamic Financing by Lankabangla Investment Limited for islamic minded investors etc. Additionally, the Wealth Management Department is growing where City Bank Capital is providing couple of services under this department. So, BRAC EPL Investement Limited should consider this and expand their product line.
2. Technological advancement should be one of the top priorities for BRAC EPL Investement Limited. People of this generation grew up in technology so this is crucial for maintaining brand relevance and popularity. BRAC EPL Investement Limited should focus on developing a user-friendly interactive web portal that can help the users to use it pleasantly.
3. Relationship Managers should be cautious about the wealth of the clients and prioritize clients benefit over their own and for that, the upper management needs to be customer-oriented and client friendly. Moreover, fees and charges charged against services provided should also be competitive in this market which should be considered by BEIL.
4. On the social media platforms, BRAC EPL Investement Limited should promote all the products and also announce important and lucrative investment options like IPO, RPO, Bonds etc. Moreover, BEIL should also focus on the other social media platforms like Twitter, Instagram, YouTube etc.
5. BRAC EPL Investement Limited should consider all the improvements that are expected by the investors which is important for ensuring competitive advantage and overall brand equity enhancement that can influence the betterment of the company.

6. BRAC EPL Investement Limited should focus on young potential clients who are interested in investing in the market. Sponsoring events of clubs related to finance, accounting or economics can help target potential youth audience.
7. Lastly, user-friendly learning opportunity should be introduced to make the investors literate about investment and build brand loyalty through building rapport with the customers.

3.5.2. Limitation

Although this study has been conducted with a focus on merchant banks in Bangladesh, the research work contained a number of limitations which might have impacts on the comprehensiveness and depth of the study.

1. **Lack of Relevant Research:** One of the biggest issues I faced was that most of the recent researches was not relevant with my topic. Whichever studies that were relevant to the topic of my paper, most of the studies and papers about merchant bank products and services in Bangladesh were outdated or confined, limiting the availability of recent trends and demands.
2. **Insufficient Information from Websites:** The websites of the selected merchant banks which includes City Bank Capital & LankaBangla investment limited could not also provide sufficient information required for the study. These websites usually gave a brief explanation of their services, but there was not much detail provided on fees, charges and the overall details of the services
3. **Problems in Communication:** Calls were placed to the company's customer service departments in order to validate the data with additional information, at the time of data collection. That said, not all calls were answered or responded to promptly, which restricted my feedback in certain categories as I am unable to provide a complete picture of their fees and other details that were unavailable on their websites.
4. **Small Sample:** The survey involved 116 people who participated in an online survey and were basically members of the general public with different levels of experience investing, even with zero experience as well. And the answers, though interesting, were difficult to analyze with only a small number of responses available from non-industry-leading individuals.
5. **Security and Data Limitations:** For security reasons in the merchant banking sector, some of the detailed data on products and services offered by these merchant banks were unavailable or limited. For example the product description, fees & charges, asset under management or client numbers per relationship manager etc. This made comparing all merchant banks as a whole more difficult.

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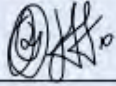

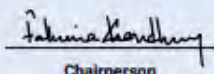
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Appendix


Annual Report 2020-21

BRAC EPL Investments Limited				
Statement of financial position				
In Taka	Note	31 December 2021	31 December 2020	
Assets				
Property, plant and equipment	5	9,527,894	9,122,579	
Intangible assets	6	-	200,029	
Right-of-use assets	7	3,094,166	6,520,810	
Deferred tax assets	8	207,934,376	283,711,094	
Non current assets		220,556,436	299,554,512	
Account receivables	9	28,764,319	27,660,186	
Intercompany receivables	10	-	267,439	
Investments securities	11	1,018,842,981	1,048,344,047	
Current tax assets	12	26,478,858	26,235,106	
Loans and advances to customers	13	289,309,374	638,535,533	
Accrued interest and management fees receivables	14	22,064,675	306,655,209	
Advances, deposits and prepayments	15	1,760,762	1,914,046	
Cash and cash equivalents	16	215,983,749	14,440,818	
Current assets		1,603,204,718	2,064,052,384	
Total assets		1,823,761,154	2,363,606,896	
Equity				
Share capital	17	2,585,000,000	2,585,000,000	
Share premium		436,825,951	436,825,951	
Retained earnings		(1,984,938,405)	(2,231,889,285)	
Total equity		1,036,887,546	789,936,666	
Liabilities				
Lease Liabilities	18	3,143,081	3,781,320	
Non current liabilities		3,143,081	3,781,320	
Liabilities				
Customer deposits	19	154,173,011	79,536,443	
Bank overdrafts	20	590,713,887	798,660,711	
Short term loans	21	-	640,000,000	
Account payables	22	6,698,571	18,809,802	
Other liabilities	23	31,401,658	29,024,754	
Lease liabilities		743,400	3,353,677	
Intercompany payables	24	-	503,523	
Current liabilities		783,730,527	1,569,888,910	
Total liabilities		786,873,608	1,573,670,230	
Total equity and liabilities		1,823,761,154	2,363,606,896	

The notes on pages 7 to 30 are an integral part of these financial statements.

 Chief Executive Officer	 Director	 Chairperson
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As per our report of same date.

 Auditor
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Ali Ashfaq, Partner, Enrolment Number: 509
 Rahman Rahman Huq, Chartered Accountants
 KPMG in Bangladesh
 Firm Registration Number: N/A
 DVC : 2203200509AS335408

Dhaka: 13 Mar 2022

BRAC EPL Investments Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December

In Taka	Note	2021	2020
Revenue	25	641,475,831	247,278,427
Direct expenses	26	(92,860,345)	(149,998,209)
Gross Profit		548,615,486	97,280,218
Operating expenses	27	(217,800,965)	(49,036,204)
Other Income	28	215,448	176,499
Operating Profit		331,029,969	48,420,513
Finance income		446,013	47,013
Finance costs		(955,040)	(942,229)
Net finance costs	29	(509,027)	(895,216)
Profit before tax		330,520,942	47,525,297
Income tax expense	30	(83,570,062)	(3,303,507)
Profit for the year		246,950,880	44,221,790

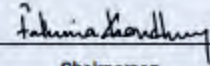
The notes on pages 7 to 30 are an integral part of these financial statements.



Chief Executive Officer



Director



Chairperson

As per our report of same date.

Dhaka: 13 Mar 2022



Auditor

Ali Ashfaq, Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2203200509AS335408

BRAC EPL Investments Limited

Statement of financial position

In Taka	Note	31 December 2022	31 December 2021
Assets			
Property, plant and equipment	5	9,453,714	9,527,894
Intangible assets	6	2,394,458	-
Right-of-use assets	7	6,481,064	3,094,166
Deferred tax assets	8	602,758,082	207,934,376
Non-current assets		621,087,318	220,556,436
Account receivables	9	22,217,323	28,764,319
Investments securities	10	1,040,469,819	1,018,842,981
Current tax assets	11	9,387,752	26,478,858
Loans and advances to customers	12	741,921,801	289,309,374
Accrued interest and management fees receivables	13	51,459,044	22,064,675
Advances, deposits and prepayments	14	2,644,860	1,760,762
Cash and cash equivalents	15	157,852,605	215,983,749
Current assets		2,025,953,204	1,603,204,718
Total assets		2,647,040,522	1,823,761,154
Equity			
Share capital	16	2,585,000,000	2,585,000,000
Share premium		436,825,951	436,825,951
Retained earnings		(1,719,475,016)	(1,984,938,405)
Total equity		1,302,350,935	1,036,887,546
Liabilities			
Lease Liabilities	17	5,020,633	3,143,081
Non-current liabilities		5,020,633	3,143,081
Customer deposits	18	145,631,465	154,173,011
Bank overdrafts	19	1,124,578,963	590,713,887
Short term loans	20	-	-
Account payables	21	43,325,971	6,698,571
Other liabilities	22	24,219,880	31,401,658
Lease liabilities	17	1,912,675	743,400
Current liabilities		1,339,668,954	783,730,527
Total liabilities		1,344,689,587	786,873,608
Total equity and liabilities		2,647,040,522	1,823,761,154

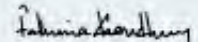
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Syed Rashed Hussain
Chief Executive Officer



Mohammad Masud Rana
Director



Fahima Choudhury
Chairperson

As per our report of same date


Auditor

Ali Ashfaq, Partner, Enrolment Number: 509
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2304040509AS888498

Dhaka, 29 MAR 2023

BRAC EPL Investments Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December

In Taka	Note	2022	2021
Revenue	23	164,685,180	518,893,779
Direct expenses	24	(117,228,791)	(92,860,345)
Gross Profit		47,456,389	426,033,434
Income/(loss) from investment in securities	25	(83,857,802)	122,582,052
Operating expenses	26	(66,710,284)	(217,800,965)
Other Income	27	234,600	215,448
Operating Profit		(102,877,097)	331,029,969
Finance income		711,285	446,013
Finance expense		(1,281,155)	(955,040)
Net finance costs	28	(569,870)	(509,027)
Profit before tax		(103,446,967)	330,520,942
Income tax expense	29	368,910,356	(83,570,062)
Profit for the year		265,463,389	246,950,880

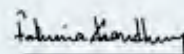
The notes on pages 7 to 30 are an integral part of these financial statements.



Syed Rashed Hussain
Chief Executive Officer



Mohammad Masud Rana
Director



Fahima Choudhury
Chairperson

As per our report of same date.


Auditor

Ali Ashfaq, Partner, Enrolment Number: 509
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC : 2304040509AS888498

Dhaka, 29 MAR 2023

BRAC EPL Investments Limited
Statement of financial position

In BDT	31 December	
	2023	2022
Assets		
Property, plant and equipment	8,332,165	9,453,714
Intangible assets	1,549,350	2,394,458
Right-of-use assets	42,534,547	6,481,064
Deferred tax assets	644,433,959	602,758,082
Non-current assets	696,850,021	621,087,318
Account receivables	43,877,215	22,217,323
Investments securities	1,077,008,877	1,040,469,819
Current tax assets	5,947,634	9,387,752
Loans and advances to customers	481,215,460	741,921,801
Accrued interest and management fees receivables	70,502,568	51,459,044
Advances, deposits and prepayments	11,314,690	2,644,860
Cash and cash equivalents	136,072,975	157,852,605
Current assets	1,825,939,419	2,025,953,204
Total assets	2,522,789,440	2,647,040,522
Equity		
Share capital	2,585,000,000	2,585,000,000
Share premium	436,825,951	436,825,951
Retained earnings	(1,728,411,852)	(1,719,475,016)
Total equity	1,293,414,099	1,302,350,935
Liabilities		
Lease Liabilities	38,190,759	5,020,633
Non-current liabilities	38,190,759	5,020,633
Liabilities		
Customer deposits	125,371,257	145,631,465
Bank overdrafts	1,043,539,232	1,124,578,963
Short term loans	-	-
Account payables	3,145,806	43,325,971
Other liabilities	14,621,964	24,219,880
Lease liabilities	2,532,689	1,912,675
Intercompany payables	1,973,634	-
Current liabilities	1,191,184,582	1,339,668,954
Total liabilities	1,229,375,341	1,344,689,587
Total equity and liabilities	2,522,789,440	2,647,040,522

Syed Rashed Hussain
Chief Executive Officer

Mohammad Masud Rana
Director

Fahima Choudhury
Chairperson

As per our report of same date.

Ali Ashfaq, Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enlistment Number: CAF-001-080

BRAC EPL Investments Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December

In BDT	2023	2022
Revenue	129,873,921	164,685,180
Direct expenses	(127,168,134)	(117,228,791)
Gross Profit	2,705,787	47,456,389
Income/(loss) from investment in securities	26,534,354	(83,857,802)
Operating expenses	(69,132,714)	(66,710,284)
Other income	747,641	234,600
Operating Profit	(39,144,932)	(102,877,097)
Finance income	4,166,348	711,285
Finance costs	(1,596,013)	(1,281,155)
Net finance income/(costs)	2,570,335	(569,870)
Profit/(loss) before tax	(36,574,597)	(103,446,967)
Income tax (expense)/ income	27,637,761	368,910,356
Profit/(loss) for the year	(8,936,836)	265,463,389

Syed Rashed Hussain
Chief Executive Officer

Mohammod Masud Rana
Director

Fahima Choudhury
Chairperson

As per our report of same date.

Ali Ashfaq Partner
Enrolment Number: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enlistment Number: CAF-001-080

Dhaka, 21 MAR 2024
DVC: 2404020509AS246934

Financial Performance Calculations

Liquidity Ratio				
Current Ratio = Current Asset / Current Liabilities				
Year	Current Asset	Current Liability	Calculation	Current Ratio
2021	1603204718	783730527	1603204718/783730527	2.04561
2022	2025953204	1339668954	2025953204/1339668954	1.51228
2023	1825939419	1339668954	1825939419/1339668954	1.36298
Profitability Ratio				
Return On Assets = Net Income / Total Assets				
Year	Net Income	Total Assets	Calculation	ROA
2021	246950880	1823761154	246950880/1823761154	0.13541
2022	265463389	2647040522	265463389/2647040522	0.10029
2023	-8936836	2522789440	-8936836/2522789440	-0.00354
Net Profit Margin = Net Income / Sales				
Year	Net Income	Sales	Calculation	Net Profit Margin
2021	246950880	641475831	246950880/641475831	0.38497
2022	265463389	164685180	265463389/164685180	1.61194
2023	-8936836	129873921	-8936836/129873921	-0.06881

Solvency Ratio**Debt Ratio = Total Liabilities / Total Assets**

Year	Total Liabilities	Total Assets	Calculation	Debt Ratio
2021	786873608	1823761154	786873608/1823761154	0.43146
2022	1344689587	2647040522	1344689587/2647040522	0.50800
2023	1229375341	2522789440	1229375341/2522789440	0.48731

Efficiency ratio**Asset Turnover Ratio = Sales / Total Assets**

Year	Sales	Total Assets	Calculation	Asset Turnover
2021	641475831	1823761154	641475831/1823761154	0.35173
2022	164685180	2647040522	164685180/2647040522	0.06221
2023	129873921	2522789440	129873921/2522789440	0.05148

Dupont Analysis**Return On Equity = Net Income / Total Equity**

Year	Net Income	Total Equity	Calculation	ROE
2021	246950880	1036887546	246950880/1036887546	0.23817
2022	265463389	1302350935	265463389/1302350935	0.20383
2023	-8936836	1293414099	-8936836/1302350935	-0.00691

Survey on Public Perception



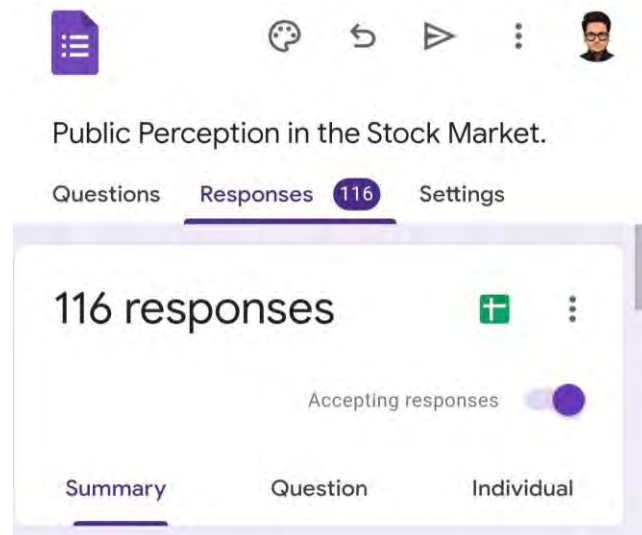
Public Perception in the Stock Market.

Questions Responses **116** Settings

Survey on Public Perception in the Stock Market of Bangladesh.

B I U  

This survey aims to understand the general public's views on the stock market of Bangladesh. Your responses will help identify investment preferences, concerns, and sectors required proper attention for merchant banks. The information will be used for research purposes to suggest improvements in stock market services. Thank you for your participation!



Public Perception in the Stock Market.

Questions Responses **116** Settings

116 responses

Accepting responses

Summary Question Individual