Report On

Financial Literacy, Guidance, and Capital Market Participation in Bangladesh: Evidence from Finance Students and Professionals in Dhaka

By

Nuzhat Tabassum

22104171

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of

Bachelor of Business Administration (BBA)

BRAC Business School

BRAC University

May, 2026

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing my 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 have acknowledged all main sources of help.

Student's Full Name and Signature:

Nuzhat Tabassum

22104171

Supervisor's Full Name and Signature:

Sumon Paul Chowdhury

Associate Professor

BRAC Business School

BRAC University

Letter of Transmittal

Sumon Paul Chowdhury

Associate Professor

BRAC Business School

BRAC University

Kha-224 Merul Badda, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

Respectfully, it is my honor to submit my internship report titled Financial Literacy, Guidance, and Capital Market Participation in Bangladesh: Evidence from Finance Students and Professionals in Dhaka to the requirements of obtaining a Bachelor of Business Administration degree from BRAC Business School, BRAC University.

This report is based on my three-month internship at UCB Stock Brokerage Limited Research Department from 3rd December 2025 to 3rd March 2026 during which I was involved in equity research, daily market publications and valuation of Jamuna Bank PLC using Residual Income Model. The report also shares the findings from primary research conducted through a survey of 105 finance students and professionals in Dhaka, Bangladesh, examining the challenges to the capital market participation in Bangladesh.

I have done my best to ensure the report is accurate, well-structured, and fulfills the academic purpose for which it is written. I sincerely hope it meets your expectations.

Sincerely yours

Nuzhat Tabassum

ID — 22104171
BRAC Business School
BRAC University
May 2026

Non-Disclosure Agreement

This agreement attests that the internship report was created solely for academic purposes and does not include any sensitive or private information from the company. The report maintains complete confidentiality regarding client data or internal records and is based on publicly available data, general observations made during the internship period, and authorized discussions with the research team.

This contract is made between UCB Stock Brokerage Limited and the undersigned, Ms. Nuzhat Tabassum, a student enrolled in the Bachelor of Business Administration program at BRAC University.

Nuzhat Tabassum

22104171

BRAC Business School

BRAC University

Acknowledgement

First and foremost, I would like to express my gratitude to **Almighty Allah (SWT)** for giving me the strength and ability to complete this report successfully.

I would like to express my sincere gratitude to my university supervisor, **Sumon Paul Chowdhury,** Associate Professor, BRAC Business School, BRAC University, for his constant assistance, understanding and valuable suggestions during the internship as well as the report preparation. The academic rigour and practical focus of this work were both influenced by his direction.

I would also like to extend my sincere gratitude to the team comprising Hasib Reza, CFA (Head of Research), Anik Mahmud, CFA (Deputy Head of Research), Numair Ahmed, Fahmid Islam Sadhin and Nafiz Zaki (Research Department) at **UCB Stock Brokerage Limited** for their mentorship, patience and generous sharing of their knowledge and experience over the three-month period. This internship was a truly transformative experience in a professional environment they created.

Last but not least, to my family, **my parents** and those who have been around me and never given up. Their belief in me has been my constant motivation.

Executive Summary

This internship report is submitted in partial fulfillment of the Bachelor of Business Administration degree at BRAC Business School, BRAC University. The report is based on a three-month internship at UCB Stock Brokerage Limited's Research Department, from 3rd December 2025 to 3rd March 2026, and is organized into three chapters.

The overview of the internship (Chapter One) provides details of the student, placement, scope of internship responsibilities and reflection on outcomes. The main tasks involved were preparing Morning News Snippets and Evening Market Updates for investor distribution, performing a detailed equity valuation of Jamuna Bank PLC on five methodologies including Residual Income Model, monitoring mutual fund NAVs, earning disclosure and preparing Annual Equity Research Report and Banking Sector Report. The internship gave practical exposure to a key personal outcome of opening an account with Beneficial Owner (BO) and starting investing for the equity market for the first time.

Chapter Two provides an organizational analysis of UCB Stock Brokerage Limited, the number one ranked Stock Brokerage House of Bangladesh according to the DSE market share since December 2021. The chapter includes background on the company, management and leadership principles, marketing strategy, digital platforms (UTrade and UINVEST), financial performance indicators, operational systems and competitive positioning. A Porter's Five Forces and SWOT analysis are done while competitive analysis is carried out with BRAC EPL Stock Brokerage, LankaBangla Securities, Shanta Securities, and City Brokerage.

Chapter Three reports on a primary research study which examined why there remains low participation in the capital markets among finance students and banking/NBFI professionals in Bangladesh, a population with above-average financial education and still a low rate of participation in the equity market. 105 respondents were reached through a structured survey process who were in Dhaka. The results show only 30.5% have BO account, 77.1% have never used research report to make investment decision and 83.8% think that university finance education is lacking in practicing investing. The three key barriers that were outlined are lack of structured guidance, behavioural loss aversion from deposit preference and a significant institutional trust deficit, where 76.2% felt that market manipulation occurs. The chapter ends by giving some recommendations to the universities, banks and NBFIs, namely the UCB Stock Brokerage and the Bangladesh Securities and Exchange Commission (BSEC).

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Chapter 1: Overview of the Internship

Internship is such a necessary part of gaining real-world experience. Internships are never exactly how anyone anticipated. The period of three months (December 2025-March 2026) at UCB Stock Brokerage Limited's Research Department was the most useful. At the country's number one brokerage house, day-to-day tasks included the preparation of market reports, monitoring earnings announcements and performing a complete equity valuation of Jamuna Bank PLC using the Residual Income Model. Crucially, it was in this internship that the first ever BO account was opened and active trading began - after four years of studying finance! This chapter discusses the internship overview, responsibilities undertaken, learning outcomes, contributions made, along with an internally reflective account of challenges faced and how the experience could be improved for future interns.

1.1 Student Information

Name: Nuzhat Tabassum

ID: 22104171

Program: Bachelor of Business Administration (BBA)

Major: Finance

Minor: Economics

University: BRAC University

1.2 Internship Information

1.2.1 Internship Period, Company Name, Department, Address

Internship Period: 3rd December, 2025 – 3rd March, 2026 (Three Months)

Company Name: UCB Stock Brokerage Limited

Department: Research Department

Office Address: Bulus Center, Gulshan Avenue-1, Road 34, Dhaka-1212

1.2.2 Company Supervisor's Information

During the internship period, I worked under the direct supervision of the following officials from the Research Department of UCB Stock Brokerage Limited:

Name: Numair Ahmed

Position: Research Associate (CFA Level I)

Name: Fahmid Islam Sadhin

Position: Research Associate (CFA Level I)

Name: Nafiz Zaki

Position: Research Associate

In addition, I had the opportunity to work closely with senior members of the research team during team coordination activities and weekly deliverable reviews:

Name: Hasib Reza, CFA	**Name:** Anik Mahmud, CFA
Position: Head of Research	**Position:** Deputy Head of Research

1.2.3 Job Scope

My work as a Research Intern at UCB Stock Brokerage Limited primarily revolved around three interrelated tasks: supporting equity research, daily market communication, and financial data analysis. The position involved regular updates used for direct communication to clients, assisting the research team in valuations of companies, and ongoing organization of financial data sets. The work required accuracy, punctuality and a good grasp of both the fundamentals of individual companies and the dynamics of the market.

I outline my responsibilities below.

A. Morning News Snippet Preparation

One of my key responsibilities of mine was the Morning News Snippet - it was a report that was prepared for the pre-market briefing and was distributed in the morning. I was responsible for collecting and organizing market-related information from various reliable sources. This report comprises macroeconomic reports, banking reports and sector reports, capital market reports, and foreign market reports.

The snapshot normally covered the money market rates, Bangladesh market picture (DSEX, DS30, DSES indices), world market movements (S&P 500, Nikkei 225, FTSE 100), daily exchange rates, and other commodity markets like Brent crude, Gold Spot and Cotton prices. Information was obtained through reputable financial newspapers and sites such as The Business Standard, Financial Express, The New Age and The Daily Star, Bangladesh bank site, Bloomberg commodities etc. To cope with the time-sensitive character of this task, we were guided to use power automation to automatically collect and organize data. After completing, the report was rechecked by my supervisor and then it was distributed to the investors in the official process of the research team publication.

B. Equity Research and Valuation Work — Jamuna Bank PLC

Besides my day-to-day activities in the market, I was undertaking equity research and estimation of intrinsic value of Jamuna Bank PLC. The work involved the gathering of historical financial and market data since 2015 and developing long-term assumptions in forecasting and developing financial projections up to 2029.

To estimate the fair value, I used two methodologies to triangulate to a fair estimate of the value, which included, and relative valuation based on the Price-to-Book (P/B) multiple and retained earnings. Other key drivers of the banking performance and credit risk factors that I have done was the growth and composition of the loan portfolio (in particular the corporate-oriented lending book of the bank), deposit growth and funding structure, indicators of asset quality, such as the Non-Performing Loan (NPL) ratio and the trend of the provisioning, the Capital Adequacy Ratio (CAR) relative to the Bangladesh Bank-imposed regulatory requirements and the investment in treasury bills trend at a time when the overall growth in the private sector credit was low. All the data was obtained using publicly accessible sources such as Jamuna Bank annual report, DSE disclosure and Bangladesh bank macroeconomic and sector data.

C. Evening Market Update and Weekly Market Update

I also prepared the Daily Market Update, a formal summary of the equity market performance of the day, after a trading day is closed. This report contained the index-level performance (DSEX, DS30, DSES), market breadth and turnover, sector performance summary, top gainers and losers and selected global market indexes including the S&P 500, Nikkei 225 and FTSE 100. The DSE was used as the main source of data, which was complemented by Bloomberg and Yahoo Finance where possible. Besides gathering and formatting the data, I included a brief commentary of the market review to put context to the data. I also contributed to the Weekly Market Update every Thursday, which gives an overview of the market trend over the week in general.

D. Earnings News Tracking and Excel Data Entry (Margin Loan Support)

Another daily responsibility involved tracking financial earnings and dividend declaration related information from DSE news, relevant to the research team's margin loan monitoring process. I kept well-organized Excel documents so that the team could always keep updated company performance data that could enable them to make decisions at the right time.

E. Mutual Fund Tracking

I maintained a weekly update (mostly on a Thursday) of the mutual fund tracking file by gathering the latest Net Asset Values (NAVs) and dividend payouts. This was a time-consuming and meticulous process that had to be done consistently to be integrated with the team's bigger investment tracking system.

F. Ad-Hoc Research Support

In addition to my scheduled duties, I also offered ad-hoc research assistance to senior analysts when needed. This involved data gathering and sorting of public sources like the Bangladesh Bank and the Bangladesh Bureau of Statistics (BBS), and helped in the preparation or format of inputs to internal research reports. It is worth noting that since my internship was towards the close of the financial year, I participated in the preparation of the Annual Equity Research Report, the 2026 Director Report and the

Banking Sector Report, which offered me a wider scope of the formal institutional research publication procedures.

In every duty, a high level of professional discipline, analytical rigour, and clear written communication were necessary in the work environment at the Research Department of UCB Stock Brokerage, since most of their work had a time constraint and was directly used in the investor-facing publications.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

During the three months internship, my work in the Research Department at UCB Stock Brokerage Limited became part of the normal output of the team. I was tasked with the responsibility to carry the Morning News Snippet and the Evening Market Update, two publications, which were time-sensitive and which the research team would send out to investors, on a daily basis. Keeping such reports accurate and timely meant adhering to a strict attention to the sources of market data and a standard of presentation which I could continue to maintain throughout the internship.

My valuation and equity research project of Jamuna Bank PLC were a direct input to the pipeline part of the analysis. I independently constructed financial models, conducting valuation scenarios, and summarized publicly available data into structured analytical results helped me offload the senior analysts and enabled them to devote more time to more high-level research. The data sets and models that I created were perused and utilized by the research team as work inputs.

Besides the actual deliverables, I proactively ensured the availability of the mutual fund tracking database and the earnings monitoring Excel files that formed the stable source of updated data to tabulate the margin loan oversight endeavors of the team. I also had an impact on external institutional publications that are distributed to wider international investors since my work was included in the preparation of the Annual Equity Research Report, the Director's Report to 2026, and the Banking Sector Report, which meant that my work had a greater impact than day-to-day internal work.

1.3.2 Benefits to the Student

The UCB Stock Brokerage Limited internship became a transformational and markedly substantive practical experience that enriched my knowledge of the equity market in aspects that would not otherwise be learnt under classroom instruction. My experience in a professional research setting provided me with firsthand experience of how the capital market actually functions, starting with the daily pulse of market surveillance through the analytical rigor that is needed to make judgments on valuing equity of individual companies. Among the key personal accomplishments of the internship, I should mention the fact that I opened my Beneficial Owner (BO) account and started investing in the equity market on the first time. This was a practical move, which I did through the internship process and provided me with a first- hand view of the process of investment decision making- evaluating the shares, analysing the trends in the sectors and making informed opinion on the market positioning. It also intuitively nurtured the tendency to keep track of macroeconomic trends, Bangladesh Bank policy changes, corporate profitability reports, and the news on regulation on a routine fashion. I learnt to value the active engagement in the capital market as there is a feedback loop of financial awareness that enhances a person to have a deeper view of the economy at large.

Technical skills that I acquired were also important. The equity research project on Jamuna Bank PLC helped me develop greater proficiency in financial modelling, especially the application of discounted cash flow models, building banking specific financial projections and use of credit risk indicators. Practical skills in using the Bloomberg, Power Automate, and DSE data platforms as professional research tools are also gained by me. The opportunity to work on institutional publications like the Annual Equity Research Report and the Banking Sector Report was also a further experience in the area of written communications in the research field.

Outside of the technical aspect of the experience, the internship provided me with a first-hand experience of the way capital market professionals think - how they perceive market signals, analyze the information asymmetry and present their results to investors. This exposure has largely influenced my career thinking and bolstered my desire to have a career in equity research and capital markets.

1.3.3 Problems and Difficulties Faced During the Internship

Although the internship was very enriching, it also had a series of challenges that were educative in their own ways. The first threat was the very high learning curve due to the pace and accuracy needed in a professional research setting. Most of the daily tasks- especially Morning News Snippet and the Evening Market Update - were time-sensitive and there is hardly time to waste or lose. During the initial weeks, it was a strenuous task to ensure that the speed and accuracy was achieved simultaneously as I continued to familiarize myself with the data sources and how each output ought to be given.

The second challenge was technical complexity of work on equity valuation. For the purpose of developing the multi-year financial models of a banking entity such as Jamuna Bank PLC, I required a hands-on experience with banking-specific financial ratios - NPL, provisioning, capital adequacy ratios, treasury yields dynamics to name a few which was beyond the scope of my academic studies. To learn these, I had to do a lot of self-study, and frequent discussions with my supervisor which at times was not very convenient given the lack of time of the research team.

The work schedule was also a bit difficult to adjust at times in the beginning, as I had to change from the academic schedule. In academics, we have a long revision period, which is not the case with the internship, where I have to produce quality work within given deadlines every day. Another very difficult but at the same time one of the most professional experiences, was to learn how to develop the discipline to deliver quality and accurate work with tight deadlines.

1.3.4 Recommendations to the Company

Before I get to make any suggestions, it's important to acknowledge the reasons why it is an enriching experience to be part of this internship program at UCB Stock Brokerage Limited. The Research Department provided a supportive, challenging and incredibly enriching environment to work in. I was most struck by the team's professionalism. Although they have all had a lot of experience (CFA certificates, head of research, years of exposure to the capital markets), everybody in the team, from the research associates to the head of research, humbly and generously shared their expertise with me.

That said, here are some things that I would recommend to make the internship program even better for future interns:

Understanding the Full Research Process: Future interns will gain more hands-on experience on how to conduct professional equity research and use it to win international clients if they are exposed to the full cycle of equity research, from initial sector and company screening to the generation of final research reports.

Capital Market Literacy: Many finance interns have minimal practical experience in the capital market, so a short overview of the Bangladeshi equity market at the start of the internship, explicitly detailing the process for opening a BO account, the margin loan system and the basic structure of the market would help future interns be more confident in executing market-related tasks.

Periodic Performance Assessments: Introduction of mid-term and final performance assessments, where supervisors provide feedback to interns on their performance and improvement areas, would add considerable professionalism to the placement and help the future interns track their progress during the placement period.
These recommendations, if considered, would further strengthen an already excellent internship programme and better prepare future participants for careers in capital markets and equity research.

Chapter 2: UCB Stock Brokerage Limited - at a Glance

2.1 Introduction

2.2 Overview of the Company

UCB Stock Brokerage Limited is the leading stock brokerage house in Bangladesh, and it is ranked number 1 of all brokers present in the Dhaka stock exchange (DSE). It is a one hundred percent ownership subsidiary of United Commercial Bank PLC (UCB), one of the largest first-generation private commercial banks in Bangladesh that are regulated by the Bangladesh Securities and Exchange Commission (BSEC).

It has its backgrounds in Equity Partners Securities Limited (EPSL) which was a brokerage house established in early 2000. On 31 July 2009, United Commercial Bank PLC bought a majority 51 per cent stake in EPSL and later on, 39 per cent stake on 2011, giving it a total of 90 per cent ownership. This was later renamed as UCB Stock Brokerage Limited. Approximately eight and a half years following the commencement of its operations under the banner of the UCB. In December 2021, the company was ranked the number one among all brokers listed on the DSE, which the company still holds. The firm is registered as a privately limited company under the Companies Act 1994 and it has its registered office at Bulus Center, 17 th floor, Gulshan Avenue-1, Road 34, Dhaka-1212.

UCB Stock Brokerage Limited is a member of TREC (Trading Right Entitlement Certificate) in the Dhaka Stock Exchange (TREC No. 181) and the Chittagong Stock Exchange (TREC No. 015) and a registered Depository Participant of Central Depository Bangladesh Limited (CDBL). The company has 2 principal branches, 12 extension offices and 11 digital booths, the highest number of digital booths in all the brokerage companies in Bangladesh. It has also gone global with a digital booth in Dubai, UAE that serves Non-Resident Bangladeshis (NRBs). The business has about 286 people working in the business.

2.2.1 Vision, Mission and Core Values

Vision: To be the brand of choice in stock broking within the capital market of Bangladesh.

Mission: To enable clients the tools, knowledge, and advice that they require to succeed in the fast-moving world of stock trading as well as to maintain the highest levels of compliance, integrity and quality of service provision.

The core values of the company are based on the client-centricity, compliance and ethical behavior, human capital investment, and focus on innovation in digital financial services. These principles can be seen in the research output that leads the industry, in its position of compliance as a BSEC-regulated organization, and in its future investment in digital trading infrastructure.

2.2.2 Services Offered

UCB Stock brokerage Limited provides a full spectrum of financial services to a wide client base comprising of individual retail client, domestic institutional client, foreign portfolio client, corporate client and NRB. Its core services include:

1. **Equity Brokerage Services**: Brokering of buy and sell orders on the DSE and CSE both on behalf of retail clients and institutional clients.
2. **Margin Loan Facilities:** This involves the provision of leveraged financing to qualified clients to invest in equities.
3. **Discretionary Portfolio Management Services:** The management of client portfolios by the professional team of the company.
4. **Equity Research:** Industry reports, company analysis, country reports, and investment advice through a highly rated CFA qualified research team.
5. **Institutional Sales Department (ISD):** Special service to local and foreign financial institutions with the assistance of Research Department.
6. **Foreign Trading Desk:** Special trade execution services of foreign portfolio investor.
7. **UTrade:** Professionally developed real-time trading software that allows clients to trade, track in real-time portfolios, view interactive chart, and trade anywhere in the world.

8. **UINVEST:** A self-service mobile and web-based client portal (BO account opening, fund deposits and withdrawals, IPO applications, real-time portfolio statements, generation of tax certificates, etc.)

2.3 Management Practices

2.3.1 Leadership Style

The leadership approach at UCB Stock Brokerage Limited is more of a participative leadership style, which is characterized by top-down strategic direction and an active delegation style of operation decisions and professional judgment to department heads and team leaders. This was especially pronounced in the Research Department, where the Head of Research and the Deputy Head of Research created an atmosphere where analysts were supposed to independently judge the research process, share their ideas with current projects, and assume the responsibility of their final product.

This type of leadership is particularly suitable to a research-oriented setting, in which the intellectual product is strongly anchored upon the motivation, interest and professional independence of the respective contributors. The leadership style of the management to lead by example with the top-level people having the CFA charter credentials with their professional involvement manifesting naturally to interns and junior employees created a culture of learning that was continuous. More importantly, the participative leadership style in UCB Stock Brokerage also is compatible with its compliance orientation: a company where all members of a team are knowledgeable and internalizing the relevant regulatory standards is much less susceptible to governance failures, as compared to a company where compliance is imposed top-down.

2.3.2 Human Resource Planning Process

UCB Stock Brokerage Limited human resource practice indicates the strategic emphasis the firm has placed on talent quality. Being the largest brokerage firm in the country, the company draws members of the capital market and the financial services fraternity in Bangladesh, especially focusing on analytical skills, professional qualifications and legal expertise.

Recruitment and Selection

For research positions, applicants with CFA designation or CFA candidate status are preferred, as the department is concerned with international standards of financial analysis. The sources of recruitment such as direct professional networks, LinkedIn, and in-capital market referrals. It is usually a two-step process that involves technical evaluation, which includes financial modeling, valuation, and market knowledge and competency-based interviews with senior team members.

Compensation

UCB Stock Brokerage provides competitive remuneration that is compared to the overall market of the financial services industry. Research professionals are remunerated according to industry standards in capital market responsibilities, and other incentives are based on publication research result and institutional client interaction. Non-financial compensations are also in the form of the institutional reputation of the company and its first position in DSE ranking.

Training and Development

The company invests heavily in professional development. The Research Department has a culture of knowledge sharing in terms of team discussion, internal research review and interaction with international institutional clients which encourages the analysts to pursue and maintain CFA candidacy within the department**.** Professional research standards are similarly exposed to interns at the earliest possible stage, with expectations of quality of deliverables being above a publishable level. This makes the learning experience challenging and satisfying and speeds up professional development. Moreover, the organization organizes frequent internal trainings with a professor of the Dhaka University, at which the employees receive training regarding such topics as valuation techniques, financial modeling, and application of Python in the valuation-related work. These sessions are not enforced but instead the employees are encouraged to participate.

Performance Appraisal

The Research Department is gauged on performance in the quality, accuracy and timeliness of research products and services, level of client interaction and helping towards group goals.

Since much of the department output is delivered directly to institutional and retail investors, accountability standard is high and self-enforcing - a poorly-researched or inaccurate output exposes the department to direct reputational risk and this is a natural incentive to conduct an extreme self-review.

2.4 Marketing Practices

UCB stock brokerage limited is not a large multinational company that has a fully established standalone marketing department. Since it is a subsidiary and can be found in a niche of financial services, its marketing efforts are purposeful and specific.

2.4.1 Marketing Strategy

The marketing strategy of UCB Stock Brokerage is based on three pillars, namely, institutional reputation, quality of research, and availability. The company does not aim to engage in widespread advertising to consumers, but it aims at establishing itself as the most trusted and competent brokerage partner of institutional investors, high-net-worth individuals, and foreign portfolio investors. Its number one DSE position itself is an effective marketing message, it speaks of scale, trust and quality of execution to its potential clients without them having to spend much on promotion. The reputation of the research team in publishing internationally and CFA standard reports has served as a major marketing feature, especially in drawing foreign institutional customers who insist on quality and impartial equity analysis as a pre-condition to invest capital in Bangladesh.

2.4.2 Target Customers, Targeting and Positioning

UCB Stock Brokerage has four main clients. Retail individual investors e.g. domestic investors and NRBs are served via the relationship managers and the UINVEST digital platform. The Institutional Sales Department serves domestic institutional investors, including mutual funds, insurance companies and asset managers. Foreign portfolio investors are another especially significant category: the company has a whopping roughly 60% market share in the foreign portfolio investment implementation in Bangladesh, which is indicative of its high research output, compliance and execution standards. Personal trading and research services are offered to corporate clients. The positioning of the company is of premium and professional nature, it is not the lowest commission rate that the company competes but on the quality of the service, the research, and the execution.

2.4.3. Development of the products and services.

UCB Stock Brokerage persistently expands its services to suit the changing client demands. The company has two specific digital solutions, UTrade, which is a professional level real-time trading platform with live charts, portfolio management, and order placement in the world, and UINVEST, a customer self-service platform that allows management of BO accounts, IPO applications and generation of tax certificates. Collectively these platforms will support different user walks - UTrade active traders, UINVEST account and administration management - a more holistic digital ecosystem than what most competing brokers can provide. It has also ventured into discretionary portfolio management services as well as has an internationally renowned equity research role.

2.4.4. Critical Marketing Issues and Gaps

UCB Stock Brokerage is experiencing a significant marketing challenge in the market despite its leadership in the market in the acquisition and retention of retail investors. The pool of retail investors in Bangladesh is shallow compared to the potential in the market and there is low financial literacy of the market towards equity investing. The institutional and high-net-worth segment of the market is the most productive area currently served by the company, but transforming the much larger segment of the market consisting of financially educated albeit inactive capital market participants, such as students and bank workers, young businesspeople, etc., is a huge market gap that remains unaddressed and a gap in its client acquisition strategy at present. It could fill this gap by a more organized retail financial literacy program, incorporated into its UINVEST platform, that will also increase its retail customer base.

2.5 Financial Performance and Accounting Practices

2.5.1 Financial Performance

UCB Stock Brokerage Limited is a subsidiary of United Commercial Bank PLC, which is a privately owned company that does not issue separate audited financial statements. Its financial performance is incorporated in the annual reports of the parent bank. That means the actual financial reports cannot be found publicly. Nevertheless, the financial performance of the company can be effectively evaluated based on the identifiable market performance indicators, revenue proxy data, and the position in the Bangladesh brokerage market.

Market Share and Revenue Proxy

Performance Indicator	Details / Data
DSE Market Rank	#1 among all DSE brokers (since Dec 2021)
Foreign Portfolio Market Share	~60% of all foreign portfolio investment execution in Bangladesh
Digital Infrastructure	11 digital booths (most of any broker in Bangladesh)
Staff Strength	~286 employees
Branch Network	2 branches, 12 extension offices, 1 international digital booth (Dubai)
Recognition	Best Brokerage House & Best Research House 2019 – International Finance (UK)

UCB Stock brokerage has the best financial performance indicator in terms of the DSE market rank. The DSE ranks brokerage firm by the cumulative value of trades conducted on behalf of customers, the direct proxy of the revenue of brokerage commission, which is the main source of revenues of any brokerage house. The sustained and highest rank among all brokers since December 2021 is an indication that UCB Stock Brokerage holds the largest portion of the total DSE trading turnover that directly translates to the highest amount of brokerage commission revenue among its rivals.

Besides, it has a market share of about 60% in the execution of foreign portfolio investment which is especially impressive in terms of its profitability. Foreign institutional trades usually have higher per-trade commission and service revenues compared to retail trades. The ability to preserve a dominant market share in this segment is important to emphasize the high quality of execution, research, and compliance standards of the company that are some of the barriers to entry of other brokers.

Competitive Benchmarking

To put UCB Stock Brokerage's performance in context, the table below compares key indicators across five leading brokerage houses in Bangladesh.

Indicator	UCB Stock Brokerage	BRAC EPL Stock Brokerage	LankaBangla Securities	Shanta Securities	City Brokerage
Parent Organization	United Commercial Bank PLC	BRAC Bank PLC	LankaBangla Finance PLC	Shanta Group	City Bank PLC
Established	2009 (rebranded from EPSL)	2000 (as EPSL)	1997	N/A	N/A
DSE Market Position	#1 since December 2021	Top 5 consistently	#1 for 15 consecutive years (until 2021)	Top tier, emerging player	Top 20 — DBA Award 2023
DSE & CSE Membership	Both DSE & CSE	Both DSE & CSE	Both DSE & CSE	DSE only	Both DSE & CSE
Digital Platform	UTrade (trading) + UINVEST (self-service client portal)	BRAC EPL Trade App	iBroker (iOS) + TradeXpress (Android)	Shanta EasyTrade + Shanta EasyX	Limited digital presence
Branch / Office Network	2 branches, 12 extension offices, 11 digital booths, 1 international booth (Dubai)	8 branches — Dhaka, Chittagong, Sylhet, Comilla	Nationwide branch network, 68,000+ clients	Limited branch presence	Selected locations
Research Capability	CFA-qualified team — Best Research House 2019, International Finance (UK)	Strong research team — pioneer in foreign portfolio investment in Bangladesh	Market updates and research via iBroker platform	Research available through EasyTrade platform	Institutional client focus

Key Competitive Strength	#1 DSE rank, ~60% foreign portfolio share, dual digital platforms, NRB Dubai booth	BRAC brand credibility, NRB investing via Probashi Biniyog, institutional relationships	Longest-standing market leader, largest historical client base, ISO certified	Digital-first approach, TradingView partnership, competitive commission rates	City Bank institutional backing, focus on corporate and institutional clients
DBA Top 20 Award 2023	✓	✓	✓	✓	✓

The analysis demonstrates that, although some brokers are operating in certain segments in a vigorous competition - BRAC EPL with institutional credibility and NRB services, LankaBangla with its long-established client base and national coverage, and Shanta Securities with its digital innovativeness and competitive pricing, UCB Stock Brokerage is the only company to hold the highest DSE market rank, the largest percentage share of foreign portfolios LankaBangla Securities had been the leading DSE rank for around 15 years straight until they were overtaken by UCB in December 2021, which means that UCB is not only a rank gain but a historical competitive in the Bangladesh brokerage division.

Trend Analysis

Regarding the growth of the operations, the fact that the company began at the 102th position in the list of 250 DSE brokers (at the time of its inception) and has now taken the first position in that list is impressive growth in market share and customer confidence. This growth shows stable investment in quality research, digital infrastructure and institutional relationships throughout the years, and is a compound competitive outcome and not a single-time benefit.

2.5.2 Accounting Practices

Since the UCB Stock Brokerage Limited is a company incorporated and regulated by the Bangladesh Securities and Exchange Commission (BSEC) according to the Companies Act 1994 of Bangladesh, the company has to adhere to the relevant accounting standards and regulatory financial reporting requirements. Depending on its regulatory environment and practice within the industry, the following accounting principles are likely to be followed:

1. **Basis of Accounting:** According to the principles of accrual accounting and BSEC rules, brokerage commission revenue is recorded when earned (i.e., at the time of

trade execution and settlement) as opposed to being recorded at the time of receipt of the cash.

2. **Revenue Recognition**: Primary brokerage revenue is recognized on a trade-by-trade basis at the agreed-upon commission rate. The interest income on margin loan is obtained within the loan period.
3. **Depreciation:** Fixed assets such as office equipment, technology infrastructure and installations in digital booth are to be depreciated under the straight-line or reducing balance method in line with the Bangladesh financial reporting standards.
4. **Regulatory Reporting:** As a BSEC-regulated entity, the company presents periodic financial and operational reports to the Commission, which is a certain degree of financial transparency and accountability.

2.6 Operations Management and Information System Practices

The operational excellence of the UCB Stock Brokerage Limited is anchored on a platform of well-developed and efficient technology infrastructure, rigorous research processes, and effective regulatory compliance frameworks. The combination of these three aspects technology, research process, and compliance all determine the way the organization brings values to its clients in their day-to-day operations.

2.6.1 Information Systems and Technology

DSE and CSE-integrated trading platforms facilitate real-time execution of orders, settlement and monitoring of positions, the main trading activities of the company. The UINVEST mobile and web-based application is the client-facing interface, which enables retail clients to access trading, BO account management, fund deposit and withdrawals, IPO applications, real-time portfolio statements as well as tax certificates self-service. On institutional level, the Research Department is using Bloomberg terminals, DSE and Bangladesh Bank data platforms, Data aggregation workflow using power automate and excel-based financial modelling tools. All these systems can help the team to generate and share daily market publications such as the Morning News Snippet and Evening Market Update efficiently and precisely.

The information of clients, trade, and portfolio are stored in the secure, centralized systems combined with the depository records of CDBL, which ensures the proper reconciliation of holdings in real-time. The data infrastructure in the company serves not only its retail clientele, but also its institutional shareholders, necessitating strong data governance and data security measures.

2.6.2 Quality Management and Operations

Quality management at UCB Stock Brokerage is incorporated in its research and execution processes. The Research Department has a review process in which all their publications, such as Morning News Snippet and official equity research reports are reviewed prior to their distribution to their clients. Before publication, the work of junior analysts is checked by senior ones and does not jeopardise the quality of the work, which has given the department its international fame.

The arrangement and planning of the Research Department is organized according to a day-weekly cycle: publications in the morning precede the market open, daily industry analysis in the market are finalized after the market is open, and project-oriented researches (as company valuation reports) have their schedules and timelines, in addition to regular tasks. It is this well-disciplined workflow management that enables a relatively lean research team to deliver the volume and quality output that UCB Stock Brokerage is reputed to deliver.

2.7 Industry and Competitive Analysis

2.7.1 Porter's Five Forces Analysis

1. Rivalry Among Existing Competitors — High

The Bangladesh brokerage market has a high level of competition with a number of about 250 brokers holding the TREC competing with one another in the market share in the DSE. Key competitors include BRAC EPL Stock Brokerage Limited, the brokerage arm of BRAC Bank, backed by the BRAC group, and one of the most well-known brands in the financial service sector, and Shanta Securities Limited, a tech-focused brokerage company which has heavily invested in the online trading platform through Shanta "EasyTrade" and Shanta "EasyX" apps and explicitly positioned itself around the theme of competitive commission and easy online trading.

They are both significant competitive threats, but in two different direction: BRAC EPL by institutional credibility and brand reach and Shanta Securities by digital innovation and attracting retail investors. The majority of brokers provide duplicate core services; equity trading, margin loans and BO account management, which produces commoditized competition, especially at the retail level of the market. UCB Stock Brokerage is not competing directly on price but instead on the quality of its research, institutional relationships, and brand recognition, which protects it to some extent against direct competition on commissions rates.

2. Threat of New Entrants — Low to Moderate

The barrier to formal brokerage is that one must be a member of the DSE or CSE, gain approval from the Bangladesh Securities and Exchange Commission (BSEC) and meet minimal capital and compliance infrastructure requirements - all of which present a high entry barrier. Digital financial services and fintech startups are however starting to bring in some closer competitive pressure on the retail investor acquisition space, with simplified investing experiences that could slowly undermine traditional broker retail bases over time. The barriers are higher by far in the case of the institutional and foreign investor segments of UCB Stock Brokerage and therefore the segment is more defensible.

3. Bargaining Power of Buyers — Moderate to High

The bargaining power of the retail investors is moderate; they are small, individually, but when they all act as such collectively, they are of great influence on commission revenue, especially given the low-market-activity environment. Bargaining power of institutional investors especially foreign portfolio investors is significantly high: they require high quality of execution, research coverage, and responsiveness of services, and will switch mandate to other brokers in case of their inability. The fact that UCB Stock brokerage holds about 60 percent of the market share in implementing foreign portfolios indicates that the company has managed to achieve these high standards, though this does not imply that the firm is not expected to continue making investments to sustain them.

4. Bargaining Power of Suppliers — Low

The stock exchanges (DSE and CSE) and CDBL are the main 'suppliers' of the brokerage industry that offer the trading and depository infrastructure. These are regulated utilities whose fee structure is fixed, which makes the suppliers have limited power in the conventional meaning. The power of technology vendors and data providers (including Bloomberg) is moderate, and the prices of these sources can be controlled compared to the earnings of a leading broker in the market. The most strategically important supply-side constraint is human talent, namely, CFA-qualified research professionals.

5. Threat of Substitutes — Moderate and Rising

Direct digital investing using fintech platforms is the primary alternative to traditional brokerage services and is becoming more and more available as an option to enable investors to access equity markets with a reduced level of friction and reduced costs. The threat in Bangladesh is moderate at the moment, the market remains dominated by traditional brokerage networks, but is increasing with the infiltration of smart phones and the increasing financial education among younger investors.

2.7.2 SWOT Analysis

Strengths

- Top-ranked in DSE market since December 2021, with unrivaled brand credibility and institutional trust.
- CFA-qualified research team, which has been awarded and internationally recognized as the Best Research House (International Finance, 2019).
- Overwhelming market share of 60% in foreign portfolio investment implementation, which is indicative of high standards of compliance and quality of research.
- Dual digital platform ecosystem - UTrade (professional real-time trading) and UINVEST (client self-service), with a more comprehensive offering on the digital side than most competing brokers.
- United Commercial Bank PLC’s support, which offers institutional credibility, capital support, and cross-referral opportunities.
- The biggest network of digital booths in Bangladesh (11 booths), which has extended geographical coverage at low costs.

Weaknesses

- Being a private limited company, the external accountability is minimized through limited financial disclosure and the potential clients face greater challenges in benchmarking performance.
- The excessive dependence on institutional and foreign investor revenue is susceptible to capital market crashes or foreign investor Bangladesh-specific risk-offs.
- The retail investor base, which has been increasing via UTrade and UINVEST, is however, still underdeveloped in terms of the institutional strength that the company possesses and changing financial literate albeit inactive in the market is still a challenge.

Opportunities

- The capital market in Bangladesh is highly underutilized in relation to its GDP performance, and the high volumes of financially-educated but market-inactive population translate into a big market growth opportunity in terms of retail client acquisition.
- Growing the NRB investor base by open international digital booths especially in the GCC countries where the community of Bangladeshi diaspora is large.
- The FTSE Emerging Markets Watchlist (Q2 2025) listing of Bangladesh suggests that the market is increasingly considered mature by foreign investors, and additionally a formal index entry into index funds would automatically create trillions of dollars-worth of automatic inflows into the DSE and grow the UCB client base with the most lucrative customer base by a dramatic margin.
- The growing institutional interest in Bangladesh as an emerging market equity destination generates additional demand to research and execution services of high quality.

Threats

- Growing threat of fintech and digital brokerage entrants attacking the retail investor segment with cheaper, more convenient deals.
- The volatility of Bangladesh capital market, especially the repetition of market down almost like the case in 2010-2011, decreases retail participation and total brokerage revenue.
- BSEC regulatory changes such as the modification of the commission rates, margin requirements or TREC eligibility would have a direct impact on the revenue model of the company.
- The depreciation of currency and macro-economic instability can put the inflows of foreign portfolios off which will directly impact the most lucrative client base of UCB Stock Brokerage.

2.8 Summary and Conclusions

The chapter has presented a formal organizational analysis of UCB Stock Brokerage Limited which is the largest brokerage house in Bangladesh by DSE market share. The transition of the company to the top ranked broker in the market within eight years since it was a relatively late entrant into the market is an indicator of the impact of systematic strategic decisions: development of an internationally recognized research team, investment in digital infrastructure before its competitors, high levels of regulatory compliance and the presence of institutional relationships that have brought it a dominant market share in the high-value foreign portfolio investment sector.

The UCB Stock Brokerage management style, which is participative, meritocratic and highly focused on training and development, also offers the environment for talent recruitment, training and retention. Its UINVEST platform is a forward-looking investment in technology to service clients, which will see it well positioned to deal with the threat of fintech competitors in the area of retail investment. Porter's Five Forces and SWOT Analysis show while the institutional competitiveness of UCB Stock Brokerage is well positioned, the retail investor base is a neglected opportunity as well as a strategy against competition.

2.9 Recommendations

- **Retail Investor Education Programme:** Since the greater disparity in capital market participation in Bangladesh is directly linked to low financial literacy and perceptions of equity investing as a risky or speculative endeavor, UCB Stock Brokerage can efficiently harness this by incorporating a systematic retail investor education program as part of the UINVEST platform - including tutorials, simulated investment tools, and market-available commentary aimed at first-time investors.
- **Enlarge NRB Digital Outreach:** The Dubai digital booth is a successful model of the company that can be adopted in other GCC countries where Bangladeshi diasporas are also substantial such as Saudi Arabia, Qatar, and the UAE in general to expand further the client base of the NRB.
- **strengthen integrity of research dispersion and availability:** The company already focuses on research services and institutional support. Additional enhancement of the packaging of research to different audiences (retail and institutional) can enhance higher engagement and enable research to be more actionable to wider audiences of investors.
- **Maintain the culture of the supportive team and feedback loop:** The existing teamwork culture, frequent coordination, and positive guidance are obvious advantages. These practices will keep on enhancing the output quality and ensure the interns and the junior analysts grow more rapidly in the time constrained work environment.

Chapter 3: Financial Literacy, Guidance, and Capital Market Participation in Bangladesh

3.1 Introduction

The capital market of a country is one of the brightest predictors of the direction in which the economy is moving. By being able to raise funds in the stock market as opposed to solely depending on bank loans, businesses invest more, expand more quickly, and generate more employment. When ordinary people invest their savings in equities rather than leaving them in fixed deposits, wealth grows faster, spreads more broadly, and the entire financial system becomes more dynamic. It has already been demonstrated in literature. Garretsen, Lensink and Sterken (2004) discovered that a 1 per cent increase in GDP growth is correlated with a 0.4 per cent increase in market capitalization relative to GDP and Bekaert, Harvey and Lundblad (2005) found that opening equity markets to wider participation is linked to about 1 percentage point of incremental in real economy.

The capital market in Bangladesh, even after decades of building up since its renaissance in 1976, is small, relatively illiquid and extremely reliant on a small group of investors. In comparison with other countries such as India, Malaysia, or South Korea where market capitalization as a ratio of GDP often goes over 80-100% the ratio of Bangladesh is well less than 20%. The root of this disparity is a very basic yet persistent issue: a majority of the potential investors do not invest.

The central argument of this chapter is straightforward. The problem with capital market participation among finance students and finance professionals in Bangladesh is not that they do not have a general financial education, it is that they do not have a specific, equity-market knowledge and systematic advice. The student of finance might complete all courses on valuation and not know how to open a BO account, read a brokerage research report or even make their first trade. A bank officer may administer a portfolio of corporate loans every day and still retain all the taka of their personal savings in a fixed deposit since they do not trust equities in the intellect and since nobody ever took them through the procedure in a practical manner. This distance between the theoretical training in finance and the reality of market entry is the very issue that this chapter explores. It is enhanced by behavioral obstacles, especially loss aversion, and psychological comfort of guaranteed deposit returns, and an underlying absence of institutional trust, which the history of market crashes and perceived manipulation in Bangladesh has created. The combination of these three barriers maintains a big, economically viable population on the fringes of a market that they can and ought to be in.

This pattern has a very real cost. In 2024, the average commercial bank deposit rate in Bangladesh stood at approximately 8.53% (Bangladesh Bank, 2024) and inflation reached 8.58% in January 2026 (Bangladesh Bureau of Statistics, 2026). It also suggests that the person who invests his/her money in a fixed deposit is earning a real rate of almost zero - his/her purchasing power is not growing, it is at best, stationary. And by staying away from the equity market, due to fear, they are consciously trading off their wealth for the illusion of security. Such is the information that should be provided as a part of financial education - but it is not.

This research is inspired by my experience of being an intern at the Research Department of UCB Stock Brokerage Limited. As a Finance major, it was only during the internship, with exposure to daily equity research, Residual Income Model (RIM) valuations, market news and mentoring, that a BO account was opened for the first time and investing started. This personal experience of "finance student but not a market investor until one is provided the environment to do so" is the very goal of this chapter, to investigate and resolve this issue.

This chapter explores the low rate of capital market participation among finance majors and professionals in Bangladesh, the reasons behind this (behavioural and structural), and what UCB Stock Brokerage Limited and other market institutions can do to address this.

3.1.1 Background and Problem Statement

For a capital market to operate effectively, it requires two participants: sellers (companies to list and raise capital) and buyers (investors). The first is reasonably well advanced in Bangladesh - but the second still lags. There is low retail investor participation, a limited investor base, and, with the exception of a relatively small number of industry professionals, most educated Bangladeshis are not participating in the equity market (Akhter & Islam, 2019; Mujeri & Rahman, 2009).

It's not just a question of wealth or education. Those surveyed here are finance students and banking or NBFI professionals; they are aware of financial concepts such as risk and return, they work in financial institutions and have the resources to invest. The reason many of them aren't investing in the equity market is because the barriers are more than just superficial. They are behavioral, structural and trust barriers.

We know of the behavioral barrier. Kahneman and Tversky's (1979) Prospect Theory demonstrated that people feel about twice as much pain from loss than the pleasure of an equivalent gain. This loss aversion makes the certain nominal return of a bank fixed deposit more attractive than any equity investment, even when the return of such deposit is next to nothing. Such feeling has been deeply ingrained in Bangladesh by two stock market crashes in 1996 and 2010-2011. Those wiped out the savings of thousands of retail investors and the narrative that the stock market is manipulated and not suitable for retail investors has been circulating ever since (Chowdhury, 2012; Mobarek and Mollah, 2005).

The organizational setting is the lack of an entry point into the market. In developed markets, retail investors have access to professional advice and employer-based personal savings programs, online platforms that have built-in educational resources and other investors (BSEC, 2022). This is not the case in Bangladesh. UCB Stock Brokerage Limited has significantly invested in e-access (UTrade and UINVEST) and its Research Department has world-class equity research - but this is mostly inaccessible to first-time investors who don't know where to find it or whom to believe (BSEC, 2022).

The trust barrier compounds both of the above. Even among those who understand the market intellectually (often graduates in finance), a general perception that Bangladesh's capital market is rigged and unfair holds back many investors. Restoring this trust requires not only regulatory changes but also the visibility, consistency and integrity of market institutions, of which UCB Stock Brokerage (the number one broker in the country) is one.

In combination, these three issues - behavioural, structural and trust - result in a very thin capital market for Bangladesh's economy, given its size and future growth potential. Overcoming them is an opportunity for individuals and a national economic challenge.

3.1.2 Objectives of the Study

The study is guided by the following objectives:

Primary Objective

To understand whether capital market literacy and availability of structured support or mentorship play a significant role in capital market participation (BO account holding and investing in the capital market) among finance students and finance professionals in Dhaka.

Secondary Objectives

- To explore the behavioural bias towards bank fixed deposits and monthly deposits, and to determine whether this is due to better understanding of real returns or is primarily a reflection of loss aversion.
- To examine the influence of trust and fairness in the market on participation.
- To examine whether the perception that stock market investment is gambling is related with lower participation, even for respondents with education in finance.
- To examine differences in participation between sub-groups (i.e., finance students and banking professionals) to determine if more relevant knowledge leads to greater participation.
- To understand why finance students often choose to work as bankers and corporations rather than in capital markets, and whether the lack of guidance during their education plays a role in this.

3.1.3 Scope of Study

This study looks at Dhaka finance students and finance professionals in banks and NBFIs. It does not include those who are already employed in brokerage, asset management or investment banking - they were deliberately kept out because the purpose of the study is to examine those who have a finance education but who have not yet taken up investing in the equity market.

3.1.4 Contribution of the Study

Existing studies on the capital market of Bangladesh tend to focus on market efficiency, pricing or regulatory issues. This research examines the human factors; why the educated do not invest. The study is relevant for schools that need to look at how finance is taught, for entities like UCB Stock Brokerage wanting to increase the retail investor population, and for policymakers wanting to deepen and strengthen the market. the research originated from seeing this need from the inside at UCB's Research Department.

3.1.5 Limitations

Our sample is a convenience sample, through personal and professional connections, so it is skewed towards BRAC University students and younger people. The sample size of 105 is a good sample size but not a big enough sample size to represent all finance professionals in Dhaka. Survey results are also based on self-reports. Survey responses are not always reflective of actual behaviour. These should be considered while interpreting the results.

3.2 Literature Review

The link between financial literacy and participation in the capital market is a popular area of study in personal finance. Lusardi and Mitchell (2014) demonstrated that individuals with higher financial literacy are more likely to engage in active savings and retirement planning and invest in formal assets - and this is true regardless of their income or education. In the case of Bangladesh, Akhter and Islam (2019) found that people's knowledge of the capital market, rather than their basic financial literacy, is what determines their active investment in the capital market, as measured by the opening of a BO account. It's one thing to know about finance and a different to know about the equity market.

An interesting theme in the literature is the knowledge-action gap. Van Rooij, Lusardi and Alessie (2011) discovered that people with greater financial literacy are twice as likely to invest in stocks than others - but even among this group, many still fail to invest in the equity market. This, say the authors, is not because of a lack of knowledge, but a lack of self-assurance and experience. We simply do not invest in products we have never been taught to use, even if we have a great deal of theory about them. In Bangladesh, this is especially apparent in the case of bankers - people who professionally manage money but have never had their own experience in opening a BO account or buying shares (Akter & Rahman, 2023).

The popularity of FDRs and DPS schemes plays into this. Deposits in banks are safe because there is no apparent loss - the interest income is "paid" and nothing is lost. What is being overlooked by depositors is inflation. If the interest rate on bank deposits and the rate of inflation is equal - as they are in Bangladesh at the moment - then the real return on a fixed deposit approaches zero (Lusardi & Mitchell, 2014). Wealth is not increasing; it is merely being maintained. This is a hidden cost, the effects of which should be corrected by proper equity market education.

On guidance, Islam and Hossain (2020) found that access to a mentor or structured investment advice was a better predictor of whether young Bangladeshi professionals make their first investment in the equity market than income or education. This is a fascinating result - it suggests that what's missing is not wealth or knowledge, but a mentor or life rail that makes the first step more accessible. This is supported by Hassan (2022), who found that experiential learning (internships, mentored investments, financial wellness programs at work) is superior to classroom teaching in promoting participation. UCB Stock Brokerage's Research Department, with its internship program, offers this opportunity; but only to a handful of students.

Rashid and Nishat (2009) and Rahman (2020) both report that even financially savvy people are unlikely to invest in markets they believe to be rigged or unfair. In Bangladesh, where the 1996 and 2010-2011 stock market crashes are still within living memory, this lack of trust is a real obstacle that cannot be addressed by information or advice. This is where regulators and market institutions such as UCB Stock Brokerage can play a direct role, by enforcing regulations and ensuring efficient, transparent operation of markets, along with direct investor protection.

3.3 Methodology

3.3.1 Research Design

The research design is quantitative, cross-sectional survey. The questionnaire is based on a survey conducted among finance students and finance professionals in Dhaka. We opt for a quantitative approach because the key questions - what is the extent of BO account ownership? loss aversion? understanding of real deposit returns? - can only be addressed for a sample, not a few individuals.

3.3.2 Population Sampling

The population of interest is two classes: mostly finance students in or recent graduates of different universities from mostly Dhaka, and finance professionals in banks, NBFIs, and the like. The two groups were selected because they are finance literate but not insiders of the capital market industry - so the most appropriate population to test the hypothesis that proximity to finance does not directly lead to participation in the equity market. We omitted respondents working in brokerage or asset management to avoid any upward bias in the participation and knowledge scores.

Convenience and purposive sampling were used. A questionnaire was sent via Google Forms through university and professional networks, with a minimum of 100 valid responses.

3.3.3 Survey Instrument

The questionnaire has five sections, as outlined below.

Section	Theme	Key Variables
A	**Respondent Profile**	Status, education level, background, university, sector, work experience
B	**Participation Behaviour**	BO account ownership, market-following frequency, instruments used, research report usage, future investment intent
C	**Financial Literacy & Guidance**	Knowledge of learning pathway, access to mentor, comprehensibility of research reports, availability of trusted resources, adequacy of university investing education (Likert)
D	**Trust, Risk & Deposit Preference**	FDR vs stocks safety perception, preference for guaranteed returns, inflation awareness, market trust, manipulation belief, gambling perception, fear of loss (Likert)
E	**Career & Barriers**	Capital market career willingness, reasons for avoidance, understanding of job roles, perceived career growth, biggest participation barrier, most impactful intervention

Sections C and D use a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). Sections A, B, and E use categorical and multiple-choice formats.

3.3.4 Data Analysis

We used descriptive statistical measures (frequencies, percentages and mean scores) to analyse the data. Cross tabulation was employed to compare key variables between groups: Finance students and Banking/NBFI professionals; BO account holders and non-holders. The results are shown in tables and figures in Section 3.4.

3.3.5 Ethical Issues and Limitations

The survey was voluntary and anonymous. The participants were a convenience sample from the author's personal network of academic and professional peers and the findings can be considered indicative but not representative of the population in Dhaka. Care needs to be taken when generalising.

3.4 Findings and Analysis

A total of 105 respondents, mostly from Dhaka, who were students and banking/NBFI professionals, responded to the survey. Here we present their responses in five sections: profile, participation, financial literacy and advice, trust and deposit preference and career prospects and constraints.

3.4.1 Respondent Profile

Our respondents were young and early career. The largest proportions were Intern/Trainee (28.6%), full-time employed (25.7%) and students (22.9%), followed by part-time employed (12.4%) and unemployed (10.5%). As for education, 42.9% had a Bachelor's degree in progress and 35.2% had completed them. Finance was the most popular major (34.3%), followed by Economics (19%), non-business (19%) and Business-other (17.1%). 42.9% were from BRAC University. Experience was low, 43.8% had less than a year and 27.6% had none which is to be expected in a young, early-career sample.

Category	Key Distribution
Current Status	Intern/Trainee 28.6%, Employed full-time 25.7%, Student 22.9%
Education Level	Bachelor running 42.9%, Bachelor completed 35.2%
Education Background	Finance 34.3%, Economics 19%, Non-business 19%, Accounting 10.5%
Work Experience	< 1 year 43.8%, No experience 27.6%

3.4.2 Capital Market Participation Behaviour

The most important number in this entire survey: only 30.5% of respondents have a BO account. Less than one in three. And this is a sample of people who study or work in mostly in finance field.

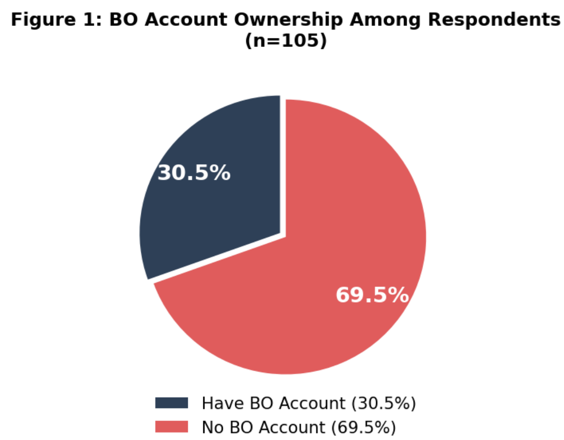

Figure 1: BO Account Ownership Among Respondents (n=105)

Following the market is just as rare. 41.9% never follow it at all, and a further 31.4% follow it only rarely. Only 9.5% check it daily, which is roughly the same share that follows it 2-3 times a week or once a week.

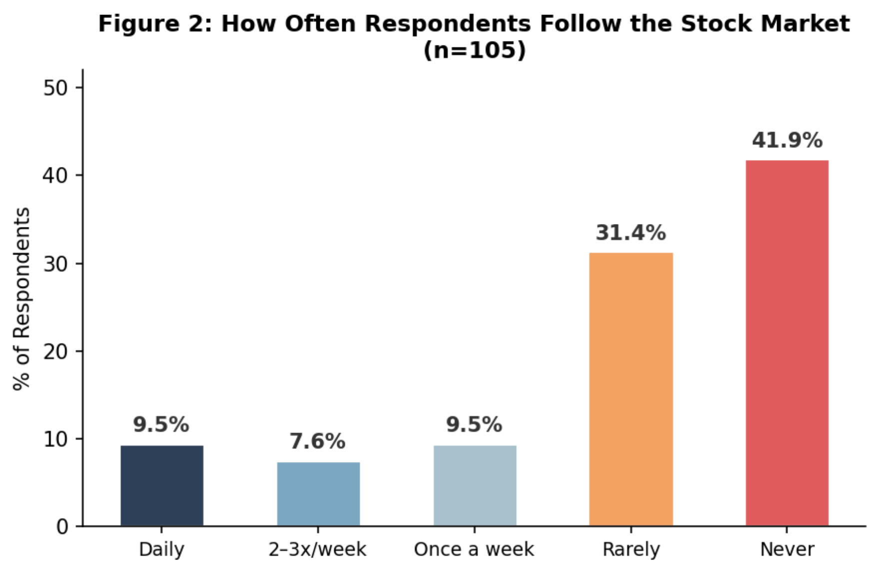

Figure 2: How Often Respondents Follow the Stock Market (n=105)

47.6% had not invested in anything in the last 12 months. Among those who did, stocks on the DSE or CSE were the most common choice at 32.4%. Mutual funds, bonds, and sukuk accounted for very small shares.

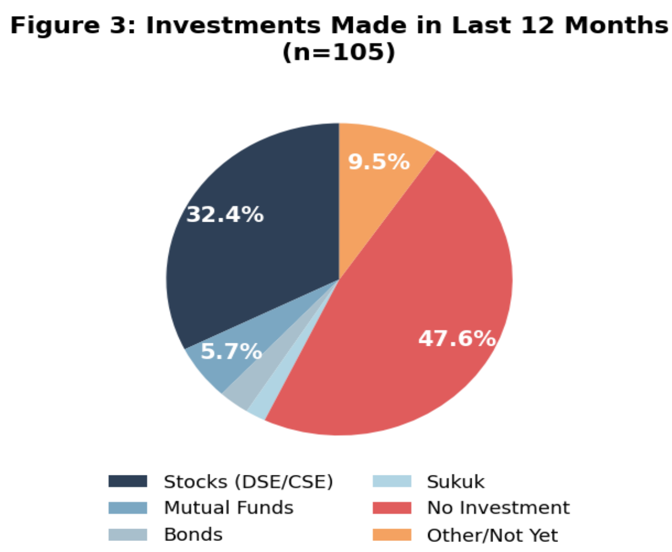

Figure 3: Investments Made in Last 12 Months (n=105)

77.1% have never used a research report or market update to help make an investment decision. UCB Stock Brokerage's Research Department puts out daily market publications and institutional-grade equity reports, and by these numbers, almost none of it is reaching the educated non-professional investor.

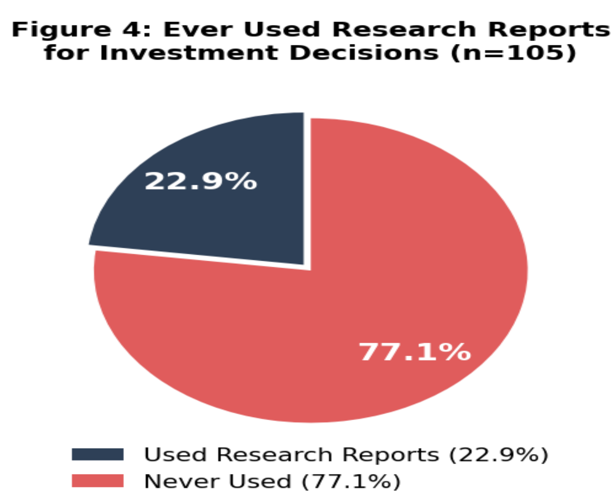

Figure 4: Ever Used Research Reports for Investment Decisions (n=105)

39% said they plan to invest in stocks or mutual funds soon, and another 19% said maybe.it shows people are interested. What's missing is whatever it takes to convert that intention into action.

Participation Indicator	Finding
Have a BO account	Yes: 30.5% | No: 69.5%
Never/rarely follow market	73.3% combined
No investment in last 12 months	47.6%
Never used research reports	77.1%
Plan to invest soon	Yes 39%, Maybe 19%, No 35.2%

3.4.3 Financial Knowledge and Support

All the Likert statements in this section are less than 2.5 out of 5. It's not that people don't know about financial matters, it's that they don't know how to get started in the market, don't have a person they can ask questions to, and don't think the resources they have are useful. 76.2% also disagreed or strongly disagreed that they have a step-by-step strategy to learn investing in Bangladesh. 70.5% disagreed that they have a mentor they can trust. As for research reports, the type of reports UCB publishes, 76.2% agreed brokerage reports are difficult for new investors. And on university finance degrees: 83.8% disagreed that they learned sufficient investing skills in their finance degree. That's the most striking result in the survey.

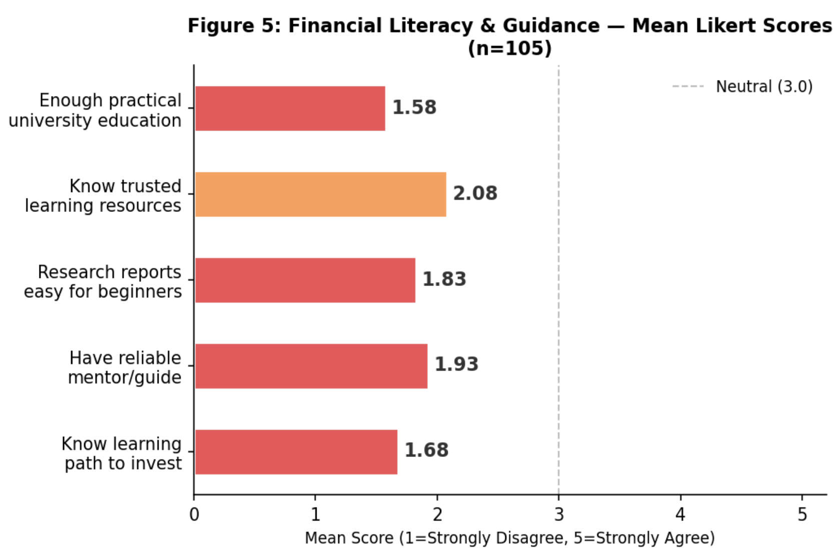

Figure 5: Financial Literacy & Guidance — Mean Likert Scores (n=105)

Likert Statement	Mean Score (/5)	Dominant Response
Know a clear learning path to invest	1.68	Strongly Disagree – 51.4%
Have a reliable mentor/guide	1.93	Strongly Disagree – 46.7%
Research reports easy for beginners	1.83	Strongly Disagree – 48.6%
Know trusted learning resources	2.08	Disagree – 41.9%
Enough practical education in university	1.58	Strongly Disagree – 63.8%

3.4.4 Trust, Risk Perception, and Deposit Preference

64.8% agreed or strongly agreed that bank deposits and FDRs are safer than stock investing, with a mean of 3.82. 68.6% agreed or strongly agreed they prefer a guaranteed return even if it is lower (mean of 4.02). These statistics confirm what we know from previous behavioural finance literature: investors will choose the certain option, even when the rational choice can be the other way.

When asked whether inflation reduces the real value of bank deposits, opinions were mixed. 37.1% disagreed, 31.4% were neutral; that is, two-thirds are unsure or don't believe it. The average deposit rate and the inflation rate are almost the same in Bangladesh during 2024 and 2025. Depositors who kept their money in FDRs at that time would have earned close to zero in real terms. But the majority didn't know or didn't believe it.

Confidence in market is low. Just 7.7% believe they trust the fairness of Bangladesh's capital market (mean score 1.89). 76.2% thinks the market is manipulated. 65.8% believe the regulator and market institutions don't do enough to protect investors. And 44.8% tend to agree that investing in the Bangladesh stock market is gambling. These are the majority opinion of finance literates.

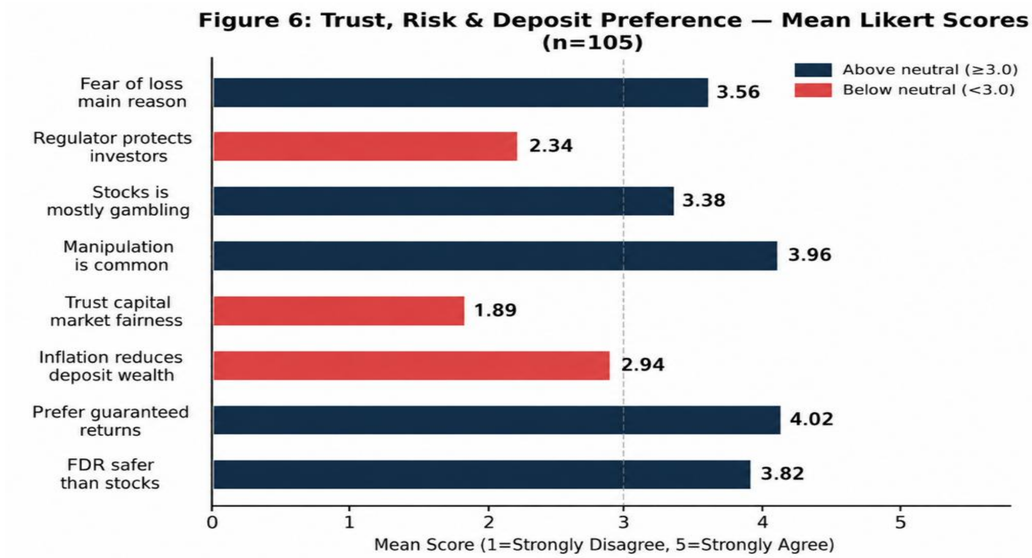

Figure 6: Trust, Risk & Deposit Preference — Mean Likert Scores (n=105)

Likert Statement	Mean Score (/5)	Dominant Response
FDR/bank deposits safer than stocks	3.82	Agree – 34.3%
Prefer guaranteed returns even if lower	4.02	Strongly Agree – 38.1%
Inflation reduces real wealth in deposits	2.94	Neutral – 31.4%
Trust fairness of capital market	1.89	Strongly Disagree – 46.7%
Market manipulation is common	3.96	Agree – 45.7%
Investing in stocks is mostly gambling	3.38	Neutral – 35.2%
Regulator protects investors sufficiently	2.34	Disagree – 44.8%
Fear of loss is main reason to avoid	3.56	Agree – 40%

3.4.5 Career Outlook and Participation Barriers

30.5% have a BO account. 77.1% have never used a research report. 73.3% rarely or never follow the market. These are finance students, bank interns, and NBFI employees. The issue isn't that they don't know what a stock is, it's that they've never been shown how to actually participate.

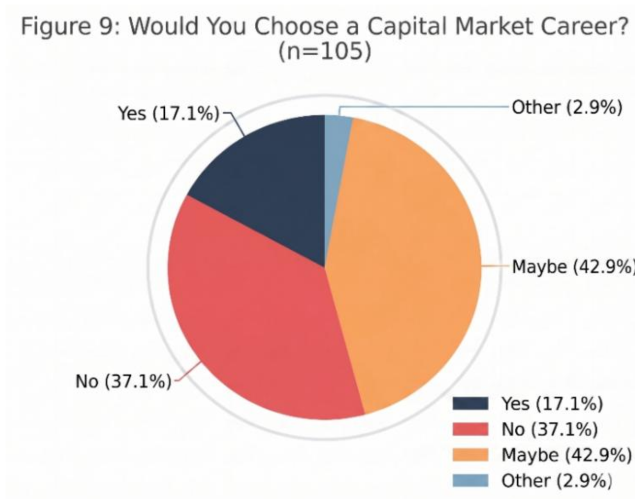

Figure 9: Would You Choose a Capital Market Career? (n=105)

The most interesting number here is: if there was a good training and mentoring program, would you choose a career in the capital markets? 49.5% said yes or yes, definitely. That's almost triple the 17.1% who would now accept a job in the capital markets. So, it shows, willingness is there. But they're not getting the guidance.

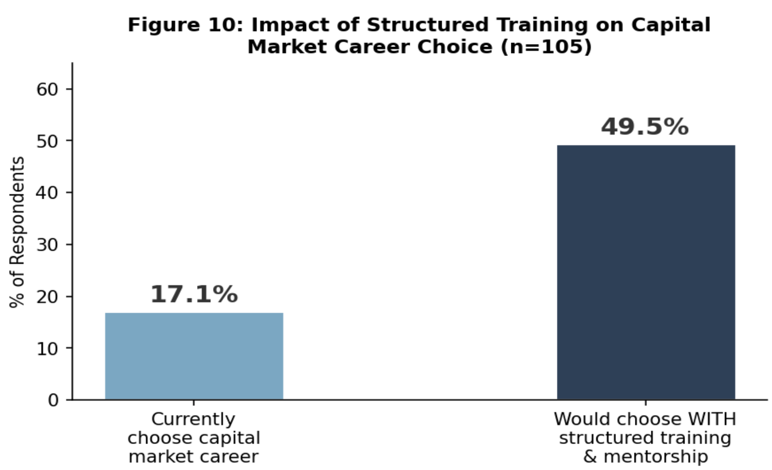

Figure 10: Impact of Structured Training on Capital Market Career Choice (n=105)

Lack of guidance was the largest factor at 79% and the most common by far. Lack of knowledge and financial literacy at 63.8%, lack of trust and fear of manipulation at 47.6%, fear of loss at 41%, lack of funds at 29.5% rounded out the list.

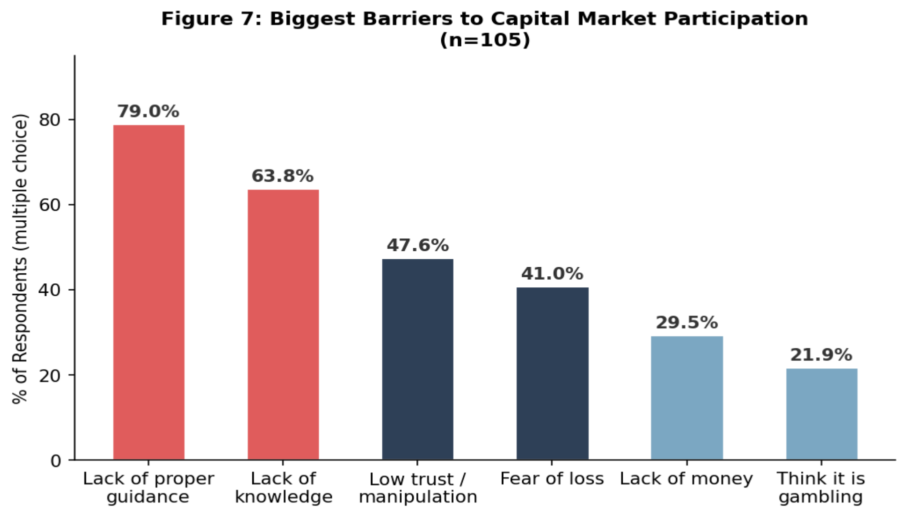

Figure 7: Biggest Barriers to Capital Market Participation (n=105)

80% indicated that the most effective change would be practical training on the capital market while at university. Workplace training and better enforcement of the regulations received 41% each. Simpler digital sign-up (which relates to services like UCB's UTrade and UINVEST) was selected by 34.3%. Simplified brokerage research was selected by 30.5%.

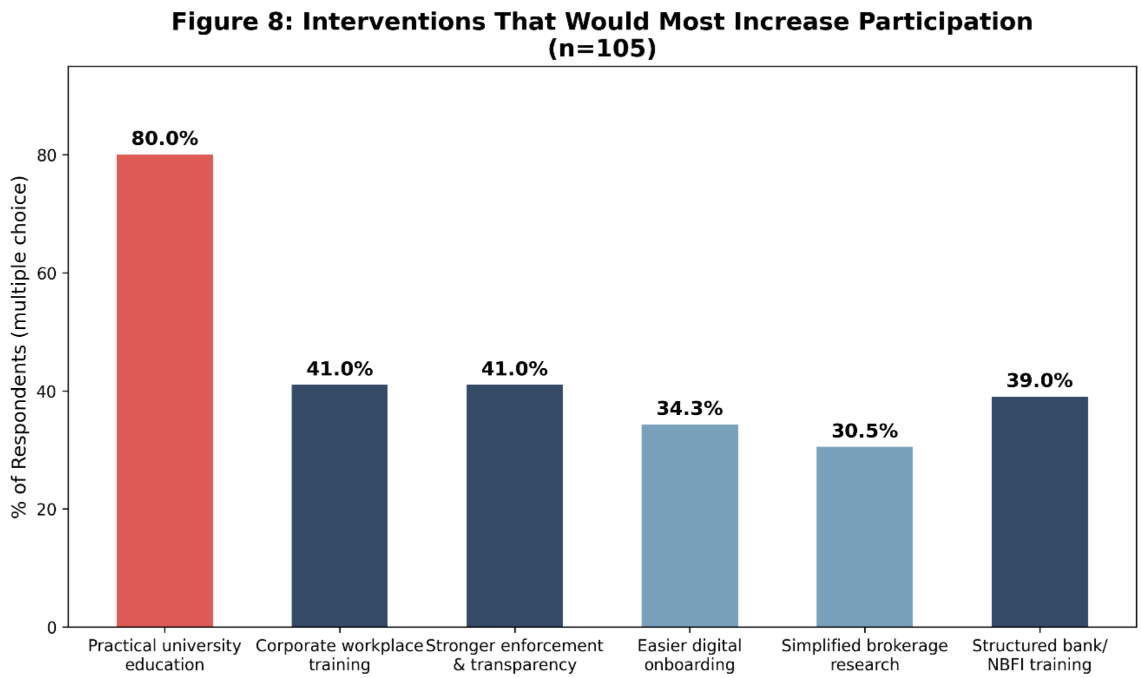

Figure 8: Interventions That Would Most Increase Participation (n=105)

Barrier / Intervention	% of Respondents
Lack of proper guidance — BIGGEST BARRIER	79.0%
Lack of knowledge / financial literacy	63.8%
Low trust / fear of manipulation	47.6%
Fear of loss	41.0%
Would choose capital market career WITH training	49.5% agree/strongly agree
Practical university education — TOP INTERVENTION	80.0%
Easier digital onboarding (BO, trading apps)	34.3%
Simplified research from brokerages	30.5%

During my internship at UCB Stock Brokerage Limited, it was observed that: The Research Department was also in search of research analysts but couldn't find a suitable candidate. Despite thousands of finance graduates each year, few come with the experience and knowledge of the equity market required by a research team. They tend to move into corporate finance, MTOs in banks or government jobs, not because the capital market is unappealing, but because it's unfamiliar and the compensation can't match up. This was not uncommon even in the team: while on internship, one analyst resigned from the Research Department to join a bank as an MTO, only because he could earn more in the corporate role. In more mature capital markets such as the US, UK, India or South Korea, the capital market and equity research are the most remunerative jobs in finance. The salary of a CFA-trained analyst working for a leading brokerage house or asset manager is almost unmatched in corporate finance. But this is a function of market size. A small capital market and limited retail participation mean the pie for brokerages and asset managers is small and so are the salaries. This results in a vicious cycle where low participation leads to a small market, which leads to low capital market salaries, which in turn means that equity research talent is attracted to banking and corporate finance, which means the market doesn't get the research talent it needs to develop.

3.5 Summary and Conclusions

This survey was trying to find the answer to a simple yet fundamental question: why are people with finance education still not investing in the equity market? And 105 responses provide a clear answer.

There are three reasons why they're not investing. First, no guidance, 79% think lack of proper guidance is the main barrier and 70.5% don't have someone to consult about investment. Second, fear; 68.6% prefer guaranteed returns to higher uncertain returns, 76.2% believe manipulation is common and 56.2% think fear of loss is the reason they don't invest. Third, no confidence; only 7.7% think Bangladesh's capital market is fair, and 65.8% think the regulator doesn't look after them.

The career findings are another way of saying the same thing. 17.1% would choose a career now. But 49.5% would want one if there was a training and mentoring program. The difference between 17% and 49% is a lack of visibility.

This is where UCB Stock Brokerage comes in. It's Bangladesh's number one broker. It has internationally known research analysts. It has UTrade for trading and UINVEST for clients. It has all it needs to be the institution to fill this gap, the research, the technology, the people. 80% of those surveyed want practical university education, 34.3% want simpler digital onboarding, 30.5% want less complex brokerage research. UCB could deliver on each.

Investing in the equity market is not all about money. People who invest, who are following companies, who see how macroeconomic events impact their investments, who read analysts' reports because they are important to them - they see the economy differently. They think like investors. That skill, learned early, makes a finance graduate a financially literate professional. Bangladesh is an emerging economy, with a young demographic and a tiny capital market. Those who start early will be best placed as that market expands and as Bangladesh develops into a more open and financially advanced economy.

3.6 Recommendations

These ideas are based on respondents' feedback. These are for universities, banks, and UCB Stock Brokerage.

For Universities

- 80% of respondents wrote practical capital market education at universities would be most helpful. A credit course, not just theory but practical equity analysis and how to open a BO account and read a research report and how the DSE works - that would be the missing element from four years of finance study that would give students the hands-on experience they can't get in the classroom.

- Universities can work with UCB Stock Brokerage's Research Department. Guest lectures, market sessions, research workshops, internships - it would bring the market to students in a way that no textbook can. BRAC University (42.9% of the respondents to our survey) would be an obvious choice.

For Banks and NBFIs

- 39% of the respondents called for training within banks and NBFIs. A bank staff member who is familiar with equity investments, mutual funds and retirement planning through capital market instruments is not only building their own financial wealth, they are becoming a more effective financial advisor. Training on investment literacy, opening of the BO account and portfolio education should be a part of induction.
- Opening a BO account can be the first hurdle. This can be facilitated by financial institutions as part of the hiring process for employees - in the same way they open a salary account or provident fund.

For UCB Stock Brokerage Limited

- 30.5% wanted easy-to-understand research. UCB's institutional research is good but it's for professionals. If UCB produced a one-page summary, in layman's terms, of what the report said, what it means, and whether you should buy, hold or watch, the report would be something a retail investor could use. That's not dumbing it down. It's about opening up the market to a new audience.
- 34.3% said simpler online onboarding would be most useful. There are already UTrade and UINVEST platforms at UCB, but are they investor-friendly? A basic introduction to investing, an easy way to set up an account, and an explanation of what a BO account is and how investment trading works would go a long way for the 69.5% who don't currently have one.
- My experience was that the internship at UCB's Research Department was what I needed to open a BO account and begin investing (despite being a Finance major). This type of experiential learning is effective. A larger internship program and a community of post-internship market enthusiasts would take the impact even further than the current program.

For Regulators (BSEC)

- 76.2% think market manipulation is prevalent. 65.8% don't trust regulatory protection. These statistics won't get better by themselves. What's needed is for BSEC to enforce the market - not just catch violations, but let people know about them. Investor belief in the integrity of the market is a hard issue. It is one of the toughest institutional barriers this survey found, and it will exclude educated investors for as long as it is in place.

The barriers this study found are not inevitable. They are there because education, guidance and trust in the institution have not been established - and they can be. The capital market in Bangladesh is not as big as it should be, given the size of the economy and the number of well-educated people who could invest in it. The finance graduates and professionals outside the market are not disinterested, they are just uninvested. Once they have that chance, the market will expand.

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