

BUSINESS PERSON OF THE YEAR

Building a collective dream



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REFAYET ULLAH MIRDHA

He could have fulfilled the dream of his student life of becoming a civil engineer or a doctor. He had even prepared for it, retaining both mathematics and biology in his array of subjects for the intermediate level of education.

He also got admitted to the Department of Civil Engineering at the Bangladesh University of Engineering and Technology (Buet) in Dhaka in 1963 after passing the Higher Secondary Certificate exam from Rajshahi Government College.

But this brilliant student did not

join public service although there were ample opportunities in his life.

Instead, AKM Mosharrar Hussain, managing director of Standard Group, embarked on a journey to becoming a businessperson with his close friend and roommate at the then Quaid-e-Azam Hall of Buet.

Although his friend, Atiqur Rahman, took up a job as a government engineer, their journey as partners in business has continued for over 54 years.

Hussain was born on 14 September 1942 in a village called Burungi in Kazipur upazila under Sirajganj district.

The village no longer exists, having fallen victim to river erosion. But such calamities instilled in Hussain a fighting spirit.

While studying in class seven, he used to operate a rice huller, earning 10-12 paisa for processing every maund (around 37 kilogrammes) of paddy.

When he grew up and started a new phase in life after joining Buet, he realised a huge number of people in his village were poor and unemployed.

The urge to ensure a livelihood for such people prompted him to open up a business after graduation.

He and his friend started a construction business in 1969 and started employing people, mainly those who used to reside in his village and had been left without a home or livelihood due to river erosion.

Hussain had chosen the construction business due to the fact that he had some experience in it, having worked for some years with his elder brother, who was a contractor.

But as fate would have it, there was no scope for permanent employment in his construction business because he used to take on projects that had specific timeframes. This meant that once he completed a project, there was no scope to retain the workers.

In other words, if there was no new project, there was no employment for the workers.

So, instead of staying within his comfort zone, Hussain's entrepreneurial mind sought to meet the challenge head-on.

In 1976, the two friends set up a factory to produce garments, which

is very labour intensive, hence capable of generating employment on a large scale.

Primarily, the duo employed nearly 500 workers at a rented space at Kalabagan in Dhaka and started manufacturing formal shirts for export to the US.

Such were the humble beginnings for Hussain, who is now one of the leading garment exporters in the country alongside an outstanding textile entrepreneur.

He currently employs nearly 50,000 workers. Interestingly, 95 percent of them are from the Kazipur upazila and Sirajganj district.

He now makes an array of products -- primarily woven shirts, trousers, jackets, sweaters and accessories -- through a total of 20 factories.

The products are mainly sold to customers in Europe and the US, fetching annual revenues of nearly \$500 million.

Those revenues took a hit when the pandemic arose and business underwent a bit of a decline, but the group fared comparatively better than the global supply chain, which suffered a massive jolt.

That his business is still going strong can be credited to his foresightedness on the need to diversify and expand his footprint in other sectors.

Hussain is also the chairman of International Standard University, a director of Jamuna Bank Limited and owner of Standard Insurance Limited.

During an interview with The Daily Star at his office at Mohakhali in Dhaka, Hussain said he was not

currently planning any business expansion as the next generation was coming up to assume responsibility of the family business.

Hussain's three sons and Atiqur's two daughters are currently on the board of the group, learning the ins and outs of the business as directors.

Standard Group strictly maintains legal compliances as set by the government as well as the demanding compliances set by customers throughout the world, the group said on its website.

"At Standard Group we prioritise security and welfare by following rigorous safety compliance to ensure safety of all our employees and safeguard company resources. These safety regulations include fire safety, movement, worker health and safety and various others," the group says on its website.

The group's mission is to provide quality, price-competitive and timely readymade garments to the retail market, all produced under socially and environmentally responsible conditions.

Some of the group's major corporate social responsibility (CSR) activities include helping communities in Kazipur upazila and Sirajganj district avail free training on manufacturing skills.

The group also provides financial services to the communities, including educational loans and medical loans. Throughout winter, warm clothing is distributed among financially insolvent residents of the villages.

Hussain has been named as the Business Person of the Year at the 21st Bangladesh Business Awards, hosted by DHL Express and The Daily Star at Sheraton Dhaka on October 17.



AKM Mosharrar Hussain

BEST FINANCIAL INSTITUTION OF THE YEAR

Drawing strength from values



Independence is more pronounced here [Brac Bank] than in any other bank in the country.

Selim RF Hussain
Managing Director of
Brac Bank

MD MEHEDI HASAN

Although the banking sector in Bangladesh is facing multiple challenges, including an alarming amount of bad loans, Brac Bank has been able to strengthen its financial health by keeping its values at the core of every activity.

Known for its focus on small-and-medium enterprises (SMEs), Brac Bank is the first and only bank in the country to have achieved the milestone of US \$1 billion in market capitalisation.

Thanks to its innovative and unique business model, the bank's growth in profits has been constantly increasing in recent years.

Brac Bank's net profit stood at Tk 576.3 crore by the end of 2022, up from Tk 554.7 crore a year earlier. It was Tk 454.1 crore in 2020.

And while the overall volume of bad loans in the banking sector has increased over the past fiscal year ending in June, Brac Bank was actually able to slightly reduce its default rate to below 4 percent.

In recognition of its innovative solutions, financial performance and work as a value-based organisation, Brac Bank has been recognised during the Bangladesh Business Awards 2022 this year.

Jointly sponsored by The Daily Star and DHL, the award for "Best Financial Institution of the Year" was handed over to the bank through a gala event at the Sheraton Dhaka on October 20.

Brac Bank has been able to set itself apart from other banks as the lender's values in terms of governance, compliance, ethics, transparency and sustainability are key to how it does business, according to Selim RF Hussain, managing director of Brac Bank.

He informed that more than 46 percent of the bank's shares are owned by Brac, the world's largest NGO and a leading development organisation that adheres to a unique set of values.

The bank was founded in 2001 to provide access to finance for unbanked SMEs across the country.

With the aim of helping SMEs realise their potential, Brac Bank was the first to introduce small-ticket,

collateral-free loans. This brought many grassroots entrepreneurs under the formal banking umbrella, thereby contributing significantly to revitalising the economy and generating employment.

While describing the bank's board of directors, Hussain said it is a small board comprising of only nine members, three of which are nominated by Brac while the other six are independent directors.

These independent directors are expert professionals in their own fields. They include economists, chartered accountants and retired bankers.

"This kind of mix is not seen in any other bank. Besides, the board allows our management team to work independently," he added.

Hussain pointed out that the bank aims to ensure harmony in the segregation of its board and management.

"So, independence is more pronounced here [Brac Bank] than in any other bank in the country," he said.

Hussain went on to say that owners of the bank work more as partners and the board of directors regularly monitor progress and performance, but never interfere in operational activities.

"The management team itself is also very professional and strong," he said.

Brac Bank follows the values of Brac, particularly in regards to ensuring financial inclusion, good governance and sustainable

banking.

"That is why everyone trusts Brac Bank," Hussain added.

Over the years, Brac Bank has emerged as the largest collateral-free SME financier.

With 187 branches, 11 sub-branches, 324 ATMs, 39 RCDMs, 9 CRMs, 457 SME unit offices and 1,000 agent banking outlets, the bank's operations now cover all territories of the financial hypermarket.

With 1.4 million customers, the bank continues to broaden its horizon to the SME, retail, corporate, treasury remittance, mobile financial service and agent banking sectors.

"We have a very diverse client



segment, with SMEs being a major focus while the corporate and retail segments are doing big business as well," Hussain said.

About 50 percent of the bank's deposits come from the retail segment while around 32 percent come from the corporate segment and 17-18 percent come from the SME segment.

"As a result, our risk is very diverse. And when a bank can diversify its risks, its assets are sustainable," he added.

More than 33 percent of the bank's publicly-issued shares are owned by overseas investors, which is the highest amount of foreign investment in the stocks of a listed company in Bangladesh.

Brac Bank takes pride in having the highest credit rating (BI) by Moody's Investor Services among all banks in Bangladesh while also being the only local lender to have a sovereign equivalent rating since 2019.

Brac Bank was also the first bank in the country to launch a comprehensive women's banking solution, called "TARA", to provide tailor-made services to women from

all strata of society.

"We lead the country in every parameter of financial indicators and our financial health has strengthened continuously for the past eight years," Hussain said.

"In terms of balance sheet, we are in the top three or four banks in the country and our growth has increased significantly in recent years," he added.

Besides, Brac Bank is the market leader in terms of retail banking portfolio, with solid assets in home loans, auto loans, personal loans and so on.

"We will become the second-largest bank in the country within just one year. And after a few more years, we will become the biggest," Hussain said.

The loans, deposits and revenue of the bank have increased due to higher investment in the digital segment.

The bank has been designing plans for a digital transformation since 2018 and those plans have been put into action since 2019.

"Brac Bank has four objectives of digital transformation. The first is to enhance customer service. Secondly,

increase revenues and the number of customers. Thirdly, reduce the operational cost and fourthly, make our system more transparent and auditable," Hussain said.

"We are getting great dividends for investing in technology in the last four to five years," he added.

Hussain also informed that Brac Bank has the friendliest customers' app -- Astha -- and their corporate payment solution is the fastest-growing in the country.

"Digitalisation is a key priority in our bank and the bank continuously invests in the segment to tackle cyber risks," he said.

The bank also offers a competitive pay package and fringe benefits, health insurance, timely promotion of eligible employees and local and overseas training opportunities, which motivates employees to work towards the bank's growth.

The bank has received many awards for its efforts, including the DHL-Daily Star Bangladesh Business Awards-2008 as the best financial institution.



Selim RF Hussain