Report On

Financial Inclusion Through MFS: The Case of bKash Limited in the RMG Industry

By

B. M. Tanzid-Ul-Islam
20104021

An internship report submitted to the Brac Business School in partial fulfillment of the requirements for the degree of
Bachelor of Business Administration

Brac Business School
Brac University
May, 2024

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.

2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

B. M. Tanzid-Ul-Islam
20104021

Supervisor's Full Name & Signature:

Saif Hossain
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Letter of Transmittal

Saif Hossain
Assistant Professor &
Director (BBA Program)
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Subject: Internship Report Submission

I am honoured to submit my internship report titled "Financial Inclusion Through MFS: The Case of bKash Limited in the RMG Industry" in compliance with the rules.

I have tried to incorporate all relevant information and suggestions, and I have finished the report in the most concise, useful, and comprehensive manner I can. It is my sincere hope and prayer that this report may fulfil all of your needs and demands.

Sincerely yours,

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B. M. Tanzid-Ul-Islam
ID: 20104021
Brac Business School
Brac University
22 April, 2024

Non-Disclosure Agreement

This agreement is made and entered into by and between bKash Limited and B. M. Tanzid-Ul-Islam, the undersigned student at Brac University for strictly upholding the firm's ban on disclosing sensitive information.

Supervisor's Full Name & Signature:	Intern's Full Name & Signature:
Sarabar Kumar Chanda	B. M. Tanzid-Ul-Islam
______________________	______________________
Sarabar Kumar Chanda Vice President, RMG Payroll Commercial Division bKash Limited	B. M. Tanzid-Ul-Islam Intern, Payroll Business, Commercial Division bKash Limited

Acknowledgement

I want to convey appreciation to the people and organisations who have offered significant assistance and direction in the development of this paper. I am thankful to my Academic Supervisor Saif Hossain and Co-supervisor Riyashad Ahmed, whose gracious guidance and teaching have played a crucial role in the successful completion of this report. Their direction and supervision were vital in achieving such a hard assignment.

I am thankful to Mr. Sarabar Kumar Chanda, my on-site supervisor at bKash Limited, for giving me the opportunity to work under his direction in the organizations Payroll Business department. Also, I would also like to convey my gratitude to the respective individuals in the Payroll Business Department, including Talukder Shuvag Md. Rashedul Abedin (General Manager), Ashiqur Rahman (Manager), Riad Mahmud (Assistant Manager), MD Tahmid Islam (Senior Relationship Executive), and Ahbab Rahman Riab (Relationship Executive), for generously sharing their expertise and guiding me with my office duties and responsibilities. Lastly, I would want to show my appreciation to my family, faculties, coworkers, well-wishers, and friends for their trust in me as well as their assistance during every phase of my life.

Executive Summary

This paper contains the brief overview of the bKash Limited company, internship experience, and a research based on the financial inclusion of the garment workers through mobile financial services, especially bKash. The objective of the research was to find out how frequently the workers are using bKash services and what's the average transaction for each service for the workers. Moreover, the research also tried to find out the user experience of bKash among garments workers and how bKash Limited company is assisting the workers to be more financially independent through their services. The research was done primarily through survey among garments workers and interviewing bKash Limited employees. After conducting the research, it was found that bKash Limited is doing a tremendous job to facilitate financial inclusion among garments workers as they are frequently using bKash and monthly average transaction is also significant as the workers are getting a good experience from using the services of bKash Limited.

Keywords: Financial Inclusion; RMG workers; bKash Limited; Adoption Level; User Experience.

Contents

List Of Figures

List of Acronyms

BGMEA: Bangladesh Garments Manufacturers & Exporters Association

BGAPMEA: Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association

CS: Corporate Support

KAM: Key Account Managers

KCP: Key Contact Person

KYC: Know Your Customer

LOI: Letter of Interest

MFS: Mobile Financial Services

NID: National Identity

QC: Quality Control

RMG: Ready Made Garments

TIN: Tax Identification Number

TL: Trade License

Glossary

MFS	Mobile Financial Services (MFS) refers to electronic money services offered to a client using a specific mobile number (referred to as a mobile wallet or account), with a log of funds saved on a digital ledger.
Financial Inclusion	Financial inclusion refers to individuals and companies having access to vital and accessible financial goods and services that fulfil their requirements, such as money transfers, savings, credit, transactions, and insurance, supplied in a sustainable and responsible manner.
KYC	KYC (Know Your Customer) is the obligatory procedure of verifying and recognizing the identity of a client upon creating an account and periodically afterwards.

Chapter 1: Overview of Internship

1.1 Student Information

Name: B. M. Tanzid-Ul-Islam

Student ID: 20104021

Program: Bachelor of Business Administration (BBA)

Majors: Finance, Accounting

Institution: Brac University

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

Company: bKash Limited

bKash Intern ID: IN0722

Department: Payroll Business

Division: Commercial

Period: January 10, 2024 to May 9, 2024

Address: Dhaka Mohakhali Customer Care Center - SKS Tower, 7 VIP Road, Mohakhali, Dhaka - 1206.

1.2.2 Internship Company Supervisor's Information

Supervisor's Name – Sarabar Kumar Chanda

Position – Vice President, RMG Payroll, Payroll Business, Commercial, bKash Limited

Email – sarabar.chanda@bkash.com

1.2.3 Job Scope – Job Description/Duties/Responsibilities

The primary responsibility for Payroll Business interns is to handle KYC forms and the legal documents given by the KAMs and submit them. Secondly, lead generation for potential clients is also an important duty. Furthermore, an intern must have good computer skills because departmental managers require interns to develop various PowerPoint presentations and create different types of Excel database for the department. Also, KAMs sometimes need interns to visit with them to the factories to assist them in their work.

1.3 Internship Outcomes

1.3.1 Student’s contribution to the company

As part of my academic requirements, I completed a four-month internship at the Payroll Business branch in the Commercial branch in bKash Limited. During that time, I took a wide range of duties and participated in many activities across different areas of the department. My job went above a single operation, including a range of duties performed at various points in time.

1. Routine Tasks

The internship process included the completion of periodic assignments. The majority of tasks and responsibilities assigned by the supervisor were novel and unique. However, some tasks were repetitive and required efficient completion. During the 4-month duration of my time as an intern, I acquired and honed abilities that enabled me to comprehend and execute these jobs with efficiency. The following items are:

i. Management of Know Your Customer (KYC) and Quality Control

KYC forms are a crucial element in the process of starting account opening. The KYC paperwork serves as the only source of detailed information regarding both the organization and the signatory linked to the creation of the payment account. The first page provides specific information about the company's method of opening a bKash the disbursement account. The following page provides information about the person who has the authority to make decisions in this instance, as well as the designated point of contact within the organization.

The main duty was gathering necessary customer information to fill out the KYC form and verifying relevant paperwork. After carefully gathering and examining the necessary papers, the fully completed KYC paperwork was sent to the Corporate Support department to initiate the user account creation process and create the associated portals. If any inconsistencies are found within the KYC form, the Customer Service team will instantly notify the appropriate Key Account Manager, whom will supervise the process of correcting the errors. The necessary documentation for starting a corporate account in the bKash are as follows:

▪ NID or any Legal identification card of the applicant

▪ Tax Identification Number Certificate of Institution

▪ Photo of the Signatory

▪ Trade License (TL) of the Company

▪ Board Resolution

▪ Certificate of Incorporation

▪ Article and Memorandum of Association

▪ Personal Information Declaration by the Applicant

Once the required papers have been reviewed and the KYC (Know Your Customer) process successfully passes the first quality control assessment, everything then goes to the relevant departments for additional examination and processes.

ii. Making Presentations

During my time as an intern, I was responsible for creating several PowerPoint presentations that were delivered to different individuals. These presentations have been developed for internal as well as external purposes. The presentation subjects provided to me included the following:

Process of disbursing funds: Clients have been thoroughly informed about the whole process, which includes the transfer of cash form their bank accounts to bKash's bank account, the issuance of E-Money, and the authentication processes that occur at each step. This explanation seeks to improve their understanding of the complexity and safety that accompany the service.

The awareness and training program: It was specifically designed for the garment employees, who are the primary beneficiaries. It consisted of a PowerPoint animated presentation that covered a wide range of subjects. These topics included the benefits of receiving wages through bKash, the various ways funds can be used throughout the bKash account, in addition to educating the workers about prevention of fraud and the significance of keeping their PIN private.

iii. Management of Gift Inventories

Among my first tasks was to go to the inventory holding place that was designated for delivery to potential clients for bKash Limited. During the initial week, our Assistant Manager assigned me to visit the inventory facility and learn about the gifts that are given to clients. After that each time a Key Account Manager needed a gift product out of inventory, I informed our Assistant Manager to give him updates on who is taking what kind of gifts from the inventory.

iv. Prospecting

Throughout my time as an Intern, I was responsible for creating multiple lists of potential customers that could be targeted by the Payroll Business department for acquiring clients. The potential clients were sourced from the web pages of BGMEA, BGAPMEA, and BJMC.

v. Generating leads

My duties required me to generate leads in the RMG businesses from the potential lists. I would approach the obtained prospects via phone call or in person to ascertain their first level of interest. Upon expressing interest, the respective Key Account Manager would schedule a meeting to the prospective customer's office or facility in order to start the onboarding process. I successfully generated four leads in the RMG sector.

2. Atypical Duties

I had been assigned with exceptional responsibilities as tests of my abilities. This section provides a concise overview of the unique tasks I was responsible for during my internship.

i. Client Visits:

Throughout my internship, I was assigned to go with the respective Relationship Executives and Managers for meeting with clients where the duties for the Relationship Managers is to maintain a healthy relationship with the clients, ask about their user experience of the bKash's salary disbursement service and find out if there is any issue with the disbursement and try to fix them. I did around 10 days visits with my seniors and went to around 10 RMG client's factories. I mainly visited factories in Ashulia, Savar and inside Dhaka city. Dekko Group, Ha-Meem Group, Snowtex Group, Standard Group are one of the biggest RMG factories that I have visited with my seniors to learn about relationship management and account management of the clients. Moreover, I did visit some other RMG factories during my visit which are not clients of bKash Limited. I mainly visited those factories to try to get the basic information to set up meetings with my respective key account managers.

ii. Survey:

I recently did a survey for RMG Prime team which was assigned by the department manager. I developed a questionnaire form that contains user experience and usage of bKash's service among RMG workers which included what kind of services they are using and how frequently they are using, what is their average monthly transaction amount for specific services, how is their user experience and so on. I did the survey in two different factories for 7 days. I was targeted to get at least 500 responses for the survey and I got more than 500 responses from the factory workers. I collected the response and reported it to my manager.

iii. Competition Analysis:

I was assigned by the General Manager of the department to find out about the specific details about each service of our competitors and figure out what are their advantages and weaknesses compared to bKash Limited. I primarily focused my analysis on Rocket, Nagad and Upay.

iv. Cross Departmental Duties:

During my internship period, I frequently did work for some of the employees of Merchant Payment, and Payroll department from Chittagong zone and helped them to collect information for their client's KYC form, did quality control and submitted them to Customer Service team.

1.3.2 Benefits of this Internship

Given that it was my first encounter in the corporate world, I made a concerted effort to seek out opportunities for exposures and maximize my learning. I endeavoured to comprehend every aspect of the Payroll Department from a comprehensive perspective. I tried to enhance the job procedure to the utmost of my skills and collaborated with my higher-ups & supervisors to exchange innovative suggestions. bKash is one of the leading companies of Bangladesh and to get a work experience from here has certainly given me motivation to work harder and strive to reach to the top level in an organization like bKash Limited. The knowledge from seniors, the work environment, and the overall work experience that I acquired will certainly help me to grow into the corporate world. The department I worked on is part of the sales team of bKash limited therefore I got extensive knowledge on how to deal with the clients when onboarding and how to keep a healthy relationship with them after onboarding. To illustrate, clients will only take a service when there is a greater incentive associated with it. There is a limited window of opportunity to present a proposal due to the hectic schedules of the Managing Directors/Chief Executive Officers. We must adhere to a high level of accuracy and brevity in relation to what is presented. The client consistently expresses an endless array of requests. Both organizational and client-related changes need a significant degree of dedication and genuineness. The working environment significantly influences effectiveness as well as efficiency. A little alteration in margin may have a significant impact for achieving economies of scale.

1.3.3 Problems/Difficulties (faced during the internship period)

One of the difficulties I faced was the survey I was doing took a lot of time which was primarily because of the factory being far from me, and not properly notifying the factories about the survey which was solved after my departmental manager, Ashiqur Rahman, contacted with the HR department of the factory. Second hurdle I faced was the workers could not properly understand the questions written in the questionnaire paper. So, I started asking the questions verbally with relatively easier vocabulary so that the workers could properly understand and answer my questions. Other than these factors, I had a very educational and fruitful internship tenure.

1.3.4 Recommendations (to the company on future internships)

1. It will be better if the department supervisors and line managers can have a short session in the start of the internship on what jobs interns can do and what they cannot do. Moreover, informing the other employees about this will also be beneficial so that interns do not have to face the uncertainty of dealing any important work.

Chapter 2: Organization Part

2.1 Introduction

bKash Limited is a revolutionary mobile financial service in Bangladesh which has completely changed the way individuals handle their accounts and conduct transactions inside the nation. bKash was established in 2011 as a joint venture with BRAC Bank and Money in Motion LLC of the USA (About, 2024). Since then, it has seen significant growth and is now recognized as a prominent supplier of mobile financial services in Bangladesh. bKash Limited have been engaged in the payroll industry from 2015, namely via its RMG Payroll Department, which is dedicated to distributing wages to workers who earn under 30,000 takas (The Business Standard, 2023). This solution provides exceptional advantages in comparison to receiving wages via conventional banking methods or in physical currency. This research has been created to provide a thorough knowledge of the beneficial effects on workers' wage receiving process and the subsequent shifts in financial behaviours. The paper primarily utilizes primary research methodologies to clarify the challenges faced by workers and examine the resulting changes in their financial behaviour. This entails administering surveys to get first-hand perspectives from the employees and rigorously examining the acquired data.

2.2 Overview of the Company

The brand 'bKash' has been widely recognized as a symbol of progress, personal well-being, and social progress (About, 2024). Since its inception in 2011, bKash has smoothly merged into the everyday routines of millions of individuals. bKash has become an essential aspect of every home in Bangladesh, as its rapid, user-friendly, and secure digital transactions have made it indispensable (About, 2024). The phrase 'bKash' has even transformed into a verb. Currently, it is a frequent practice for individuals to use the phrase 'bKash koro (me)' as a substitute for the expression 'send me money' (About, 2024). bKash caters to the daily transactional needs of the people, enabling them to pursue their goals and contribute to the development of the nation. Financial Inclusion is a fundamental principle that underpins bKash. The company consistently implements technical advancements and complies with regulations in order to deliver a wide range of services that empower clients and enable smooth financial transactions. bKash has built a strong network consisting of around 330,000 agents and 550,000 merchants throughout the country (About, 2024). In addition, bKash has established strategic alliances with banks, financial institutions, and service providers, strengthening the cashless digital financial system of Bangladesh. As a result, bKash has gained the confidence of a large client base of over 70 million persons.

bKash works under the regulatory framework of Bangladesh Bank as a joint venture involving BRAC Bank, Money in Motion LLC (located in the United States), the International Finance Corporation of the World Bank Group, the Bill and Melinda Gates Foundation, Ant Group, and SoftBank Vision Fund (About, 2024).

Due to its impressive rate of expansion, bKash has gained notoriety on both a local and global scale. During the Bangladesh Startup Summit-2023, Prime Minister Sheikh Hasina awarded bKash with the 'Fintech Pioneer Award' in recognition of its ground-breaking contributions to the fintech industry in the country. Furthermore, the National Board of Revenue has officially recognized bKash as the top contributor of VAT, or value-added tax, in the service sector throughout the fiscal year 2020-2021. bKash has consistently received recognition as the top brand in Bangladesh from 2019 to 2022, based on customer surveys performed by Bangladesh Brand Forum. In 2017, it achieved the 23rd rank in Fortune Magazine's annual 'Change the World' list, acknowledging its noteworthy efforts in tackling social problems. Furthermore, bKash received recognition as the top 'Employer of Choice' among prominent multinational and local enterprises in all sectors for three consecutive years, spanning from 2020 to 2022, as per NielsenIQ's Campus Track Survey B-School (Report, 2023a). In addition, bKash was honoured with the 'Best Financial Institution of the Year' accolade in 2021 for its outstanding efforts in promoting financial inclusion in Bangladesh at the DHL-The Daily Star - Bangladesh Business Awards. Additional acclaim was received through back-to-back accolades as the "Best for Digital Solutions in Bangladesh" in both 2022 and 2023, bestowed by Asiamoney (ASIAMONEY, 2023).

The vision: “bKash aspires to be a global trendsetter in financial inclusion, and a contributor in enriching people’s lives through alternative platforms.” (About, 2024).

The mission: “To be the most preferred financial service provider for all walks of life by providing affordable and innovative service for empowering lives.” (About, 2024).

2.2.1 Products and Services

bKash offers a range of mobile banking services that are rapid, cost-effective, simple, and secure for its consumers.

The following is a comprehensive list of bKash's goods and services:

• Cash Out: Consumers have the option to withdraw funds from their bKash accounts at any time by accessing a bKash agent or through an ATM from the partner bank. The fee for this service is from agent point is 1.85% but from Priyo Agents and ATM it is 1.49%

• Send Money: Any individual with a bKash account may transfer funds from their account to the account of another bKash account user. Users have the ability to transfer funds to individuals who do not have a bKash account.

• Payment: bKash users may make payments to any merchant that accepts this payment option. Payment may be made by bKash account users at over 47,000 locations around the country.

• Mobile Recharge: Any individual with a bKash account has the ability to recharge their own mobile device or the mobile devices of others using the bKash account. Customers have the ability to reload SIM cards from any mobile operators.

• Add Money: Individuals who have a bKash account may deposit funds into their account using banks, Visa, or Mastercard.

• bKash to Bank: bKash account members have the ability to promptly transfer cash from their bKash app to their bank account. This service is accessible for BRAC Bank, Sonali Bank, City Bank, and Agrani Bank.

• Transfer money: Currently, bKash boasts the most extensive bill payment network. The package encompasses several utilities such as power, gas, telephone, water, internet, education, and more.

• Cash In: The consumer has the option to use the agent's services to add funds to their bKash account.

• Remittance: bKash customers have the ability to receive money in their bKash accounts from relatives residing in other countries. Individuals residing outside the country have the legal authority to transfer funds to a bKash account.

• Savings Interest: bKash account holders have the opportunity to earn up to 4% annual interest on the money they maintain in their account, in addition to ensuring its safety.

• Loan: bKash users can now take up to 20000-taka loan if they meet the eligibility criteria.

• Request Money: bKash users can now request for funds from other bKash accounts up to 25000 taka per day.

• Donations: Individuals who have a bKash account have the ability to contribute funds to various charitable organizations via their bKash account.

• Microfinance: Make the loan, savings, instalment payment, DPS to the microfinance organization effortlessly using bKash, from the convenience of the house, and get a digital receipt and passbook.

• Government Services: Customers have the option to make payments for various government services such as NID fees and BRTA costs. Users have the option to use bKash as a means of payment for motor license, ownership registration, tax token renewal, and so on via the BRTA Service Centre. Additionally, they may have tax tokens conveniently delivered at their residence.

• Ticketing: Users of the bKash app has the ability to purchase bus, rail, and plane tickets directly from the app.

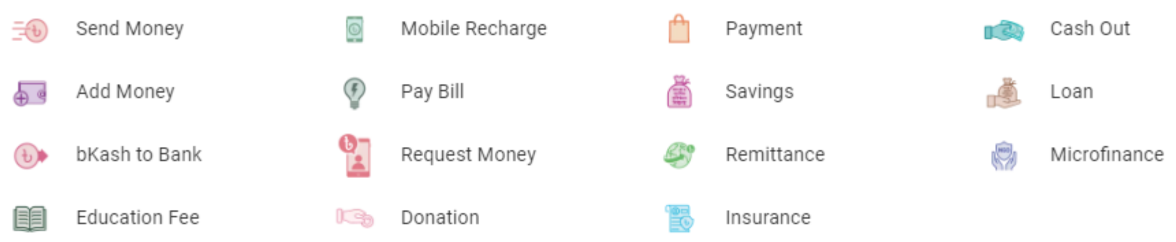

Figure 1: bKash Services

2.2.2 Commercial Division

The bKash Commercial division functions independently as a separate corporation, solely dedicated to promoting the economic interests of bKash Limited. This branch is solely focused on increasing the accessibility of bKash's services by connecting with a wider range of potential clients, therefore supporting the company's growth. In the commercial division, multiple divisions are developed, each assigned with distinct areas of activity that are customized to their respective fields. The commercial section comprises the subsequent departments:

The commercial division includes the following departments:

▪ Distribution and Retail Business

▪ Payroll Business

▪ Merchant Business

▪ Business and Strategy Development

▪ Government Partnership & Business Sales

▪ Telecom & Online Payments

▪ Financial Services

▪ UBP & Education Payments

▪ Trade Marketing & Sales Operations

2.2.2.1 Payroll Department

Payroll companies provide cutting-edge and practical ways for distributing salaries, allowances, and various financial assistance to their customers. The bKash Payroll Business was established in 2015, at the same time as the Viyellatex Group began its activities. Initially, it enabled salary payments for around 300 employees at one location. (BSS, 2021). Subsequently, the payroll industry has undergone continuous growth.

Currently, the bKash payroll division has a customer base of over 1,100 enterprises and is actively meeting the salary distribution requirements of over one million recipients (The Business Standard, 2023). The majority of these businesses operate primarily in the manufacturing and ready-made garment industries. In order to achieve its strategic goals of growth and expansion, the Payroll Business has been focusing on several industries. bKash's Payroll Business is at present working actively in the Ready-Made Garments (RMG), Corporate, and Manufacturing sectors, establishing itself as a prominent provider of payroll solutions in several industries (Star Business Report, 2021). The operational structure of the Payroll Department has three distinct divisions, all under the supervision of the same Department Head. The two components of bKash Payroll Business are:

- RMG Emerging.
- RMG Prime Accounts

The RMG Payroll business operates solely within the Ready-Made Garments (RMG) sector, where bKash is the leading provider of payroll solutions for manufacturers across the country. In contrast, the Corporate and Manufacturing Payroll section is a comparatively new inclusion, with a specific emphasis on providing payroll solutions to corporate employees and manufacturing staff. The description of each sub-pillar is as follows:

RMG Emerging: The RMG Emerging team is responsible for generating leads and acquiring customers within the RMG Payroll Business sub-sector. The acquisition team members are actively searching for chances in various RMG manufacturing companies to increase the reach of bKash Payroll Solution's organization. The main objective of this team is to foster new customer connections, guaranteeing a steady stream of payments in the early phases of involvement. When new clients start making punctual wage payments, their accounts are smoothly transferred to the control of RMG Prime Accounts.

RMG Prime Accounts: The RMG Prime Accounts include of Key Account Managers (KAMs) who are responsible for cultivating and managing relationships with current clients. Key Account Managers (KAMs) regularly visit existing clients to provide support and address any issues they may face when using the bKash Payroll Solution services. Due to the intricacies involved in distributing staff salaries, customers may face different challenges, which the Key Account Managers (KAMs) have constantly shown their ability to handle. The Key Account Managers in this team aggressively strive to encourage wider adoption of bKash's services, lobbying for consumers to expand their usage beyond simple cash withdrawals.

2.2.2.2 The Payroll Business Service

The primary function of the bKash Payroll Business Department aims to provide a system for distributing salaries. It is completely digitized and efficient. The core of the serving is a portal that was created by Huawei™. The service operates in the following manner:

1. From the client company, an Uploader and an Approver are given. Only authorized individuals will have access to the bKash site specifically tailored to the client's organization.
2. The client company deposits funds into the bKash bank account using cash, cheques, or other methods of payment.
3. The issuance and visibility of e-money are limited to the uploader and approver within the portal.
4. The Uploader transfers the file to the portal. The Approver reviews the file and grants approval after providing justification.
5. The salary is sent to the bKash accounts of all the designated workers within 4 minutes of the existing file being approved by the Approver.
6. A comprehensive report is provided that includes both successful and failed disbursements, along with detailed explanations for the reasons behind the failures.
7. The problems have been rectified and just those salaries are being distributed once more.
8. Subsequently, a comprehensive report regarding the distribution of salaries is generated on the client's side.

2.3 Management Practices

The rapid and remarkable success of bKash Limited may be attributed mostly to the management team's stringent adherence to ethical standards, exceptional talent, and remarkable abilities, among other factors. bKash's management methods are categorized into the following sections:

2.3.1 Organizational Hierarchy

The daily activities of every functional division within the company are vital for maintaining a well-organized hierarchical structure. bKash has set up an international standard for administrative and functional hierarchy. The division is subdivided into various sub departments, each responsible for fulfilling specific organizational goals. The heads of the departments, who report directly to the departments head and hold the highest positions in the divisional hierarchy, are responsible for overseeing the departments. A multitude of officials diligently work and submit reports concurrently under the supervision of the department head.

The organizational hierarchy is depicted in the following figure:

Figure 2: Organizational Hierarchy

2.3.2. The core focus of the management team

In an interview with Sheikh Md. Monirul Islam, bKash's CECAO and CAMLCO Major General (retired), the interviewer reviewed the present objectives of the board of directors and management team. Every shareholder has a representative on the board of directors at bKash. The board of directors convenes quarterly to deliberate on both recent and past performance, and also prospective initiatives. Kamal Quadir, the founder and CEO of bKash, emphasizes to all employees that the investors have no intention of seeking immediate financial gains. Recognizing that investors highly value the services provided by bKash and that this will have a long-lasting positive impact on society is undeniably advantageous. The management team at bKash achieved success by making strategic investments, selecting people who aligned with the company's specific human resource needs, and emulating the business strategies of reputable investors.

2.3.3 The HR planning structure of bKash

● Hiring Process: The HR department efficiently and expertly manages the recruitment and training of new workers. The primary obstacle encountered by any HR department is the task of locating high-calibre individuals. Applicants are required to complete a series of steps in order to submit their application for a position at bKash. Reducing staff turnover is the second most significant challenge for firms.

● Compensation System: The bKash compensation scheme is really enticing. The conducive working atmosphere and corporate culture of bKash enable every employee to operate productively. Each and every employee desire to progress in their professions, which is entirely dependent on continuous skill and knowledge enhancement.

● Programs and activities aimed at enhancing skills and knowledge: Engaging and instructional training sessions can fulfill the employees' need for professional growth. By conducting interactive training sessions, it is possible to foster team unity and resolve misunderstandings and conflicts between police officers and their superiors. The Human Resource Department (HRD) of bKash has established Employee Relation Programs (ERP) to assist employees in fostering and sustaining favorable working relationships. In order to enhance the interns' readiness for the imminent corporate obstacles, the bNext program has recently acquired revised training. The management has implemented an exceptional Performance Management System (PMS) to address the requirements and issues of the personnel.

● Employee Benefits: The exceptional compensation and benefits package provided by bKash enables the company to uphold its professionalism and attract highly competent professionals to join the team. bKash's salary and other benefits serve as evidence of its status as the premier employer in the sector. The bKash management provides the following compensation and remuneration packages:

- Short-term benefits for employees - Temporary gratuity provision
- The Fund for Workers Profit Participation (WPPF)
- Compensated time off for vacation and public holidays
- Insurance benefits for the dependents of the employees
- Assessment of performance: Through this review, completed in accordance with the quarterly review regulations, employees are informed about their deficiencies and opportunities for improvement.

2.4 Marketing Trends

2.4.1 Marketing Strategies

The company use marketing approaches to establish profitable relationships with consumers and channel partners, and also to provide value to customers. These strategies are sometimes referred to as business concepts. bKash employs effective advertising strategies to maximize client acquisition and diligently supports every household. The marketing department is responsible for various tasks such as engaging with consumers, establishing and promoting the brand, marketing products and services, generating leads and demand, utilizing social media and digital platforms for promotion, creating content, managing relationships with consumers, and maintaining databases.

2.4.2 The 4 Ps of Marketing

● Product: bKash primarily offers its financial services via USSD and a mobile app for financial transactions.

● Price: There is no price for cash-in transactions with bKash. There is a single charge for cashing out, which amounts to 18.50 tala every 1000 taka cashed out. However, through Priyo Agent, cash out charge gets reduced to 14.5 taka for every 1000 taka cashed out. At the moment, customers can assign 2 Priyo agents with their account and can cash out 50000 taka per day by cashing out 25000 taka from each Priyo Agents. When using the bKash App or USSD to transfer funds to any given number, there will be no charges incurred as long as the amount does not exceed 100 Tk. If your monthly transaction amount is between 15,000 Tk and 25,000 Tk, a fee of 5 Tk will be applied for each transaction when sending money to any number, except for Priyo numbers. There will be a fee of 10 Tk for transferring money to any number other than Priyo numbers if the monthly transaction exceeds 25,000 Tk. There are supplementary fees linked to the payment of utility bills.

● Place: There are over 85,000 bKash operators available nationwide to provide assistance as needed. They provide a customer care contact for customers to get help with any concerns or difficulties. Bkash has branches in Dhaka, Mymensingh, Sylhet, Chittagong, Khulna, and Bogra, among other locations.

● Promotion: bKash often collaborates with brands on promotional campaigns, particularly during festive seasons. The real-time cash back service offers clients a slight reduction in price when they make payments to particular merchants using bKash. This service is also compatible with Huawei's Mobile Money platform. One of the main goals of bKash's marketing strategy is to accomplish this task. By integrating both above-the-line and below-the-line advertising techniques, bKash will successfully attain its marketing goals. bKash provides a range of above-the-line marketing opportunities, such as print ads, TV commercials, and broadcasting. Below-the-line promotional strategies involve advertising on billboards, at occasions, and by telemarketing. bKash considers various essential factors when strategizing the promotional process, such as unique selling propositions (USPs), developing messages based on the AIDA model (Attention, Interest, Desire, Action), synchronized offers or prominent publicity, information about the target audience, eliminating time-limited options, considering budget constraints, and ensuring successful allocation.

2.4.3 Marketing Channels

- Agents
- Merchants
- Distributors
- Mobile Network Operators (MNO)

2.4.4 Product Development Team

The product development team consists of individuals responsible for creating and improving products. The main objectives of the product development team are to carry out a substantial number of surveys, meticulously evaluate the research, and enhance the value-added benefits of the products. bKash may enhance their understanding of their market position, customer behaviour, product reliability, untapped opportunities, and costs of service assessment by performing these surveys. The service development group conducts research either via offline or online methods. The head of the group explicitly provides all of the reports to the marketing executive of the division.

2.4.5 Creative Team

The team of creatives is responsible for developing plans for goods and services, TVC scripts, blurbs, trim plans, selection of bulletin colors, and overall plans. In addition, they oversee website content, generate online material, and maintain the website's data structure to ensure that current data is shown prominently. This group is responsible for developing all of bKash's distinctive marketing strategies.

2.5 Financial Performance and Accounting Practices

2.5.1 Financial Performance

I have collected annual report of bKash Limited from 2021 to 2023 year and analyzed the financial performance of the company. I have calculated the company's liquidity ratio, profitability ratio, solvency ratio, efficiency ratio and Dupont analysis to figure out the company's financial performance for the past three years.

1. Liquidity Ratio

To evaluate bKash Limited's liquidity, I have calculated company's current ratio from 2021 to 2023.

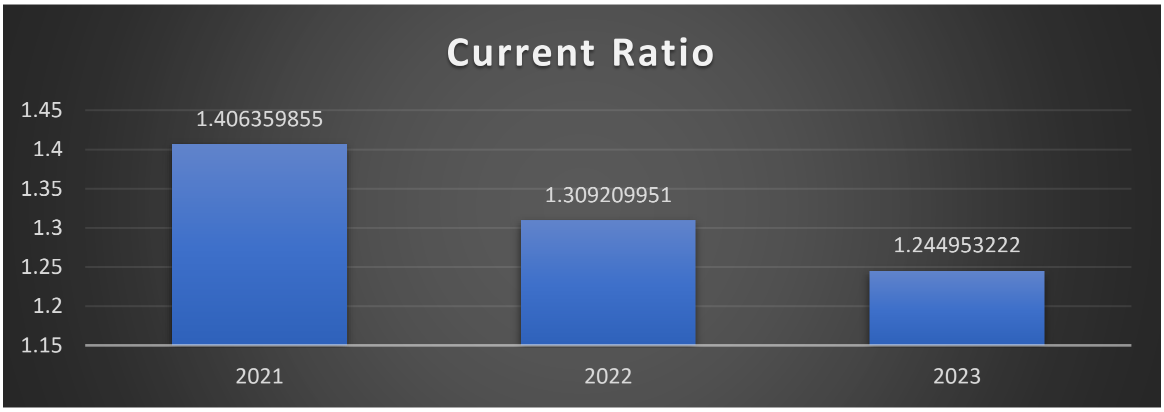

Figure 3: Current Ratio

From the graph we can see that company has maintained more than 1 unit of current ratio each year meaning they have more assets than liabilities in the company. However, we can see from the graph that the ratio is declining meaning year by year meaning company loses a bit more assets or acquires a bit more liabilities per year. So, even though the ratio is positive its performance is declining per year.

2. Profitability Ratio

To evaluate company's profitability, I have calculated company's Net Profit Margin and Return on Assets for the past 3 years.

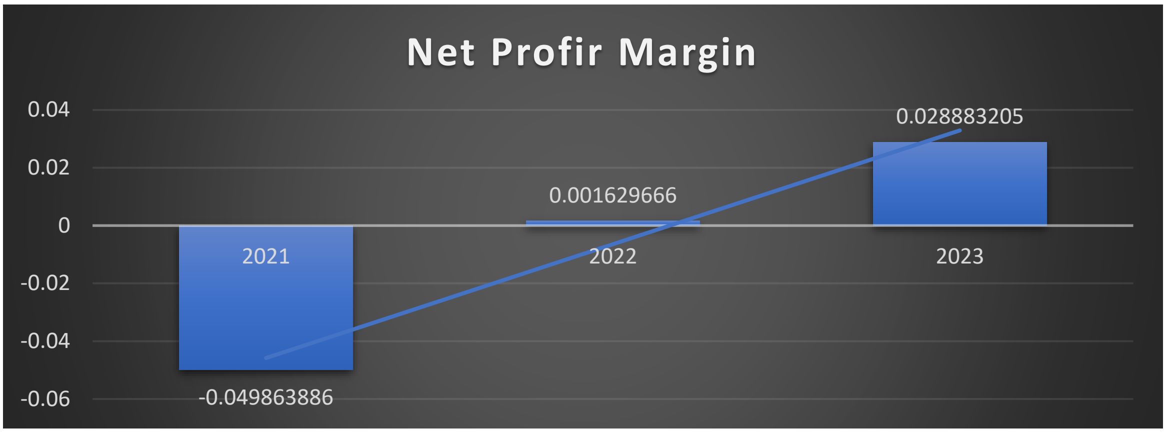

Figure 4: Net Profit Margin Ratio

From the above graph, we can see that in 2021 the company's net profit margin was negative because the company had net loss in that year. However, in 2022, and 2023, we can see that the company has a significant increase in net profit margin as the company had net profit in both 2022 and 2023. So, we can say that the performance of the company's net profit margin is not good enough as the ratio throughout the year is still very low but the company is gradually improving its performance year by year.

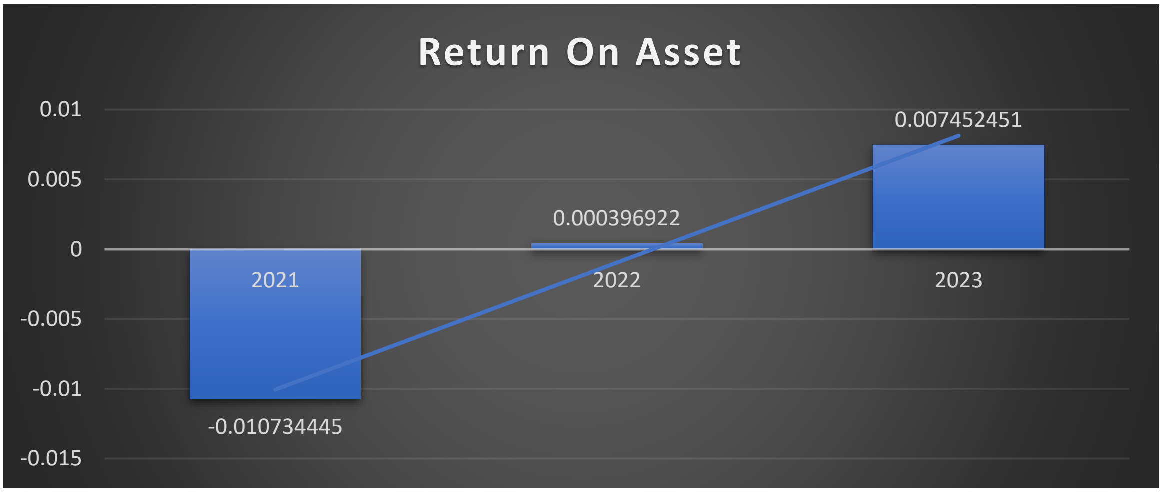

Figure 5: Return On Asset Ratio

Furthermore, we can see the similar trendline in the company's ROA from 2021 to 2023. As the company had net loss in 2021 it had negative ROA. But in 2022, & 2023 the company positive return on asset meaning the company is showing potential to properly utilize its assets over the last two years. However, we can see that the ROA is still less than 1% each year meaning the company still has areas of inefficient asset management.

In conclusion, we can say that the bKash Limited is gradually improving its profitability performance over the last two years but the company is yet to achieve a stable profitability performance.

3. Solvency Ratio

To evaluate solvency ratio, I have calculated debt ratio of bKash Limited for the past three years.

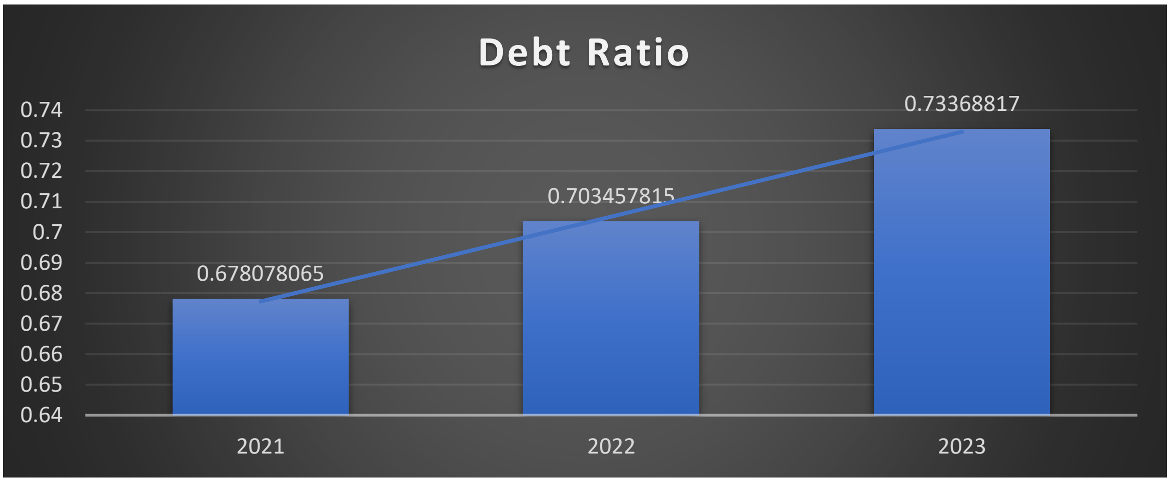

Figure 6: Debt Ratio

From the above graph we can see that the debt ratio keeps increasing yearly for bKash Limited. It means that the company keeps financing more assets year by year with debt. The less debt ratio is achieved the better performance is achieved for the company. So, we can say that the solvency performance of bKash is not good.

4. Efficiency Ratio

To evaluate efficiency performance of bKash Limited, I have calculated asset turnover ratio of the company for the past three years.

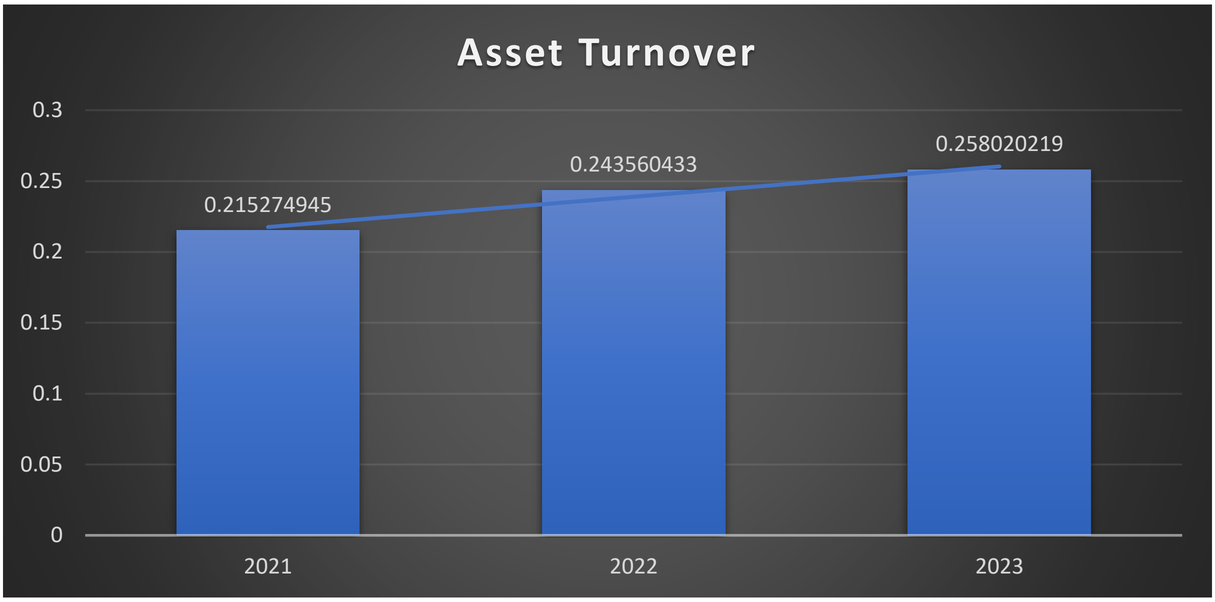

Figure 7: Asset Turnover Ratio

From the graph, we can see that the asset turnover ratio of bKash is increasing slightly for the last three years and each year it has shown positive performance. However, the ratio ranges between 0.21 to 0.26 for the last three years meaning the company is generating a around 0.21 to 0.26 taka worth of revenue for every 1 taka worth of asset. Therefore, the performance is favourable as the ratio is increasing year by year but it needs to even better to achieve a stable efficiency for the company.

5. Dupont Analysis (ROE)

To do the Dupont analysis for bKash Limited, I have calculated the return on equity ratio for the past three years of the company.

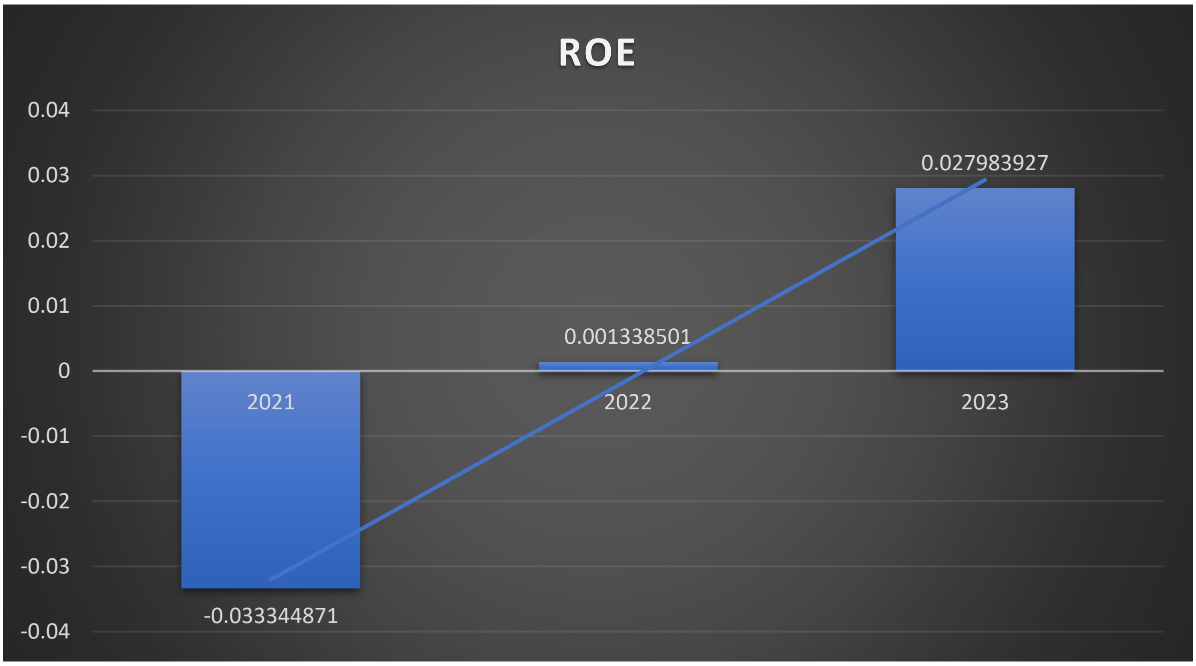

Figure 8: Dupont Analysis (ROE Ratio)

From the above graph, we can see that in 2021 the company had negative ROE as the company had net loss that year. In 2022 and 2023, the company showed positive ROE meaning the company generated some profit from the capital invested by the investors. In 2023, the ROE is 2.79% meaning the company is generating 2.79 takas for every 100 takas invested in the company. Therefore, we can say that the company is improving its overall financial performance but still needs to be improves to have a significant financial performance.

2.5.2 Accounting Practises

The financial reports of bKash Limited is prepared in compliance with the International Financial Reporting Standard (IFRS). The preparation of the annual reports has been done in line with the International Accounting Standards (IAS) 34 Interim Financial Reporting and the statements should only be read in accordance with the accordance with the annual financial statements of bKash Limited for the year ended December 31, 2021 or 2022 or 2023 and so on, as the previously finalised financial statements of the company. The reporting period of the annual reports of bKash Limited cover the nine months period which end on September 30 of the respective years.

bKash Limited is not affected by seasonal or cyclical factors, save for activities driven by festivals and events such as Pohela Boishakh, Boi-Mela, Eid, and others, which occur at various times throughout the year.

2.6 Operations Management and Information Systems Practices

The operational methodology of bKash Limited closely resembles that of a traditional bank. However, the primary distinguishing factor in terms of core business is that bKash exclusively concentrates on offering FinTech related digitized services. bKash's operation's core consists of three elements:

● Manual USSD-based Service: Customers in Bangladesh may access manual USSD-based bKash capabilities by dialling *247# from any SIM provider.

● Mobile application service: The bKash app may be downloaded from the Google Play Store and provides users with convenient access to all of the service's sophisticated and intelligent features. Opening an account has been simplified with the bKash app.

● Customer Service: Customers are able to receive 24/7 assistance by dialling the support line number 16247. Customers have the option to contact bKash's customer care service at any moment to inquire about any issue.

Furthermore, bKash Limited's information system procedures include the accompanying fundamental components:

- Ensuring continuous contact between SIM card suppliers and banking institutions.

- Managing confirmation messages and client transaction information to guarantee accurate collection of transaction data.

- Safeguarding and guaranteeing the protection of confidential customer data. Both e-KYC and KYC include the maintenance of client databases.

- Developing and managing software for customer relationship management and data management.

- Analyzing transaction statements for exceptional conditions and mitigating risks

- mitigating fraudulent activities and safeguarding against financial risks via user authentication

2.7 Analysis of the Industry and Competition

Despite its current dominating position in the Bangladeshi MFS business, the company faces competition as more respected institutions are entering the market to provide MFS services. The Porter's Five Forces model and a SWOT analysis have been provided below to assist you in evaluating the business's industry as well as competitive landscape.

2.7.1 The Porter's Five Forces Model

2.7.1.2 Threat of New Entrants (Moderate)

Although bKash now has a dominant position in the industry, there are many other notable mobile financial service (MFS) providers such as Nagad, Rocket, and Upay. Additionally, there are several factors that might provide challenges for new entrants in this sector. For new rivals, it might be difficult to immediately reduce their operating expenses for customers who are already benefiting from cost-effective services. However, there are now 28 banks nationwide that possess the necessary qualifications and approvals to engage in the MFS market. The current epidemic has led to a rise in the frequency of cashless transactions. Hence, in order to maintain their competitiveness, banks will undoubtedly want to enter the market by leveraging their existing, conventional client base. Currently, new participants face difficulties while attempting to join the MFS market.

2.7.1.3 Threat of Alternatives (Moderate)

Top firms such as bKash have successfully dominated the financial market by providing banking services that are comparable to traditional banks, resulting in significant time and cost savings for clients. Conventional banking, on the other hand, is not progressing in the other direction. It remains a very popular and dependable approach, particularly among those living in metropolitan areas. However, bKash and other MFS providers are making significant efforts to familiarize clients with their financial service during transactions. Additionally, it is seeing substantial growth in competition with payment card alternatives offered by banks. Consequently, the alternatives available to the MFS business are currently somewhat restricted.

2.7.1.4 Bargaining Power of Buyers (Moderate)

MFS firms often serve both commercial and individual clientele. Corporate customers use the cost-effectiveness and operational efficiency of mobile banking services to conduct transactions between businesses, remunerate employees, and perform other administrative duties. Currently, the use of BKASH as a payment method is increasingly common on many both digital and physical platforms, which includes ride-sharing services, food delivery services, online payments, chain shops, shopping purchases, and more. In metropolitan regions, consumers have several options available to them, such as multiple Mobile Financial Services (MFS) providers, banks, and ATMs located around the city. However, customers residing in rural areas have a lower chance of success. There is a limited number of MFS vendors, and an even smaller number for banks. Nevertheless, due to the presence of formidable rivals in the market, bKash consumers possess significant leverage to move to other Mobile Financial Service (MFS) providers. bKash offers distinct benefits and costs compared to its competitors because to its extensive agent presence in rural areas. In contrast, Nagad, Rocket, and other companies provide similar services but at varying transaction pricing. Consequently, the ability of purchasers to negotiate is restricted.

2.7.1.5 Bargaining Power of Suppliers (High)

Key players in the mobile financial services (MFS) market include of mobile network providers and IT enterprises. MFS firms are reliant on the wireless connections offered by the network providers in order to function. Mobile Network Operators (MNOs) are created via the collaboration of enterprises in the Mobile Financial Services (MFS) industry with operators. By forming relationships with these Mobile Network Operators (MNOs), Mobile Financial Services (MFS) providers are able to cater to a diverse range of clients throughout the nation. In order to successfully carry out the MFS tasks, it is essential to have specialist IT assistance and a well-coordinated IT infrastructure. Hence, specialist IT service providers have significant influence in the industry. In general, the corporation provides its suppliers with a significant amount of bargaining leverage.

2.7.1.6. Competitive Rivalry (High)

Market monopoly does not exist since banks and other financial institutions have the ability to deliver mobile finance services. The mobile financial services sector has significant potential for expansion, but its expansion is dependent on state-of-the-art technology. The factors that are fuelling the expansion of digitalization will also drive the growth and various pivotal moments of mobile financial services (MFS) products and solutions. Following bKash, Nagad (Bangladesh Post Office) and Rocket (Dutch Bangla Bank) are the predominant methods of payment in Bangladesh, with a growing user base and widespread adoption by distributors. Another crucial factor for the MFS business to enhance its competitiveness among providers is the abundance of unexplored markets inside the country. MFS suppliers will surely strive to promote such. The rivalry among the current competitors is intense, as evident from meticulous research of the market.

2.7.2 SWOT Analysis

SWOT Analysis refers to the process of evaluating the strengths, weaknesses, opportunities, and threats of a certain subject or entity.

Strengths

● The nation's most widely used MFS provider.

● Has an extensive distribution system across the country and utilizes advanced innovations from Ant Financial and Huawei.

● bKash has garnered significant support from numerous investors.

● The company has a strong reputation.

● Maintains a dedicated department that focuses on this area and has the ability to adhere to the compliance and regulatory standards set by the Central Bank.

● bKash has gained prominence on both national and international levels due to its robust corporate culture and profitable business approach.

● Due to the presence of investors such as Alipay, IFC, and the Bill & Melinda Gates Foundation, consumers have a greater propensity to place faith in bKash.

● bKash has gained a substantial technical edge via its strong affiliations with prominent organizations such as Alipay.

● bKash has expanded its customer base by incorporating many shops, businesses, RMGS, and billers. This widens its foundation of support.

Weaknesses

● The expenses associated with transactions and service fees are higher compared to those of some competitors.

● Customer grievances must be promptly addressed.

● Due to the need of complying with the stringent regulations set by Bangladesh Bank, bKash is limited in terms of the freedom that newer Mobile Financial Services (MFS) providers have.

Opportunities

● The government's strategy for a digital Bangladesh aggressively promotes the use of MFS services by government-supported organizations. Increasing the likelihood of bKash's success as a consequence.

● The Covid situation has created a favourable situation for bKash as an increasing number of people are switching to electronic payment methods.

● With more competitors entering the market, there are new pricing and marketing tactics being developed. This provides bKash with an opportunity to foster innovation and solidify its position.

● There is an increasing interest in Mobile Financial Services (MFS) from various entities such as RMGs, companies, non-profit organizations, and financial institutions. This creates new possibilities and expands the possible customer base.

● People find cashless transactions fascinating.

Threats

● Increasing corporate tax rates and supplementary fees

● Owing to heightened rivalry in the market, a multitude of illicit activities, including fraud, counterfeit phone calls, hacking, and money laundering, often take place.

● The rise of new rivals who provide superior service. With the increasing number of competitors in the market, distributors and agents are faced with the challenge of serving an increasing amount of participants. This poses a difficulty in fairly compensating them for their services.

2.8 Summary and Conclusion

Undoubtedly, bKash Limited has the dominant position in Bangladesh's FinTech and digital finance industries, resulting in substantial advantages for both the population and economy of the country. Amidst the ever-changing landscape of the profession, where technology breakthroughs continuously provide fresh options and expand opportunities, bKash still has significant potential to do more. bKash has established a strong and reliable brand image since its inception. The marketing and creative teams of bKash are always seeking methods to improve their strategies for attracting customers and establishing their brand's position. Additional departments including Payroll Business, Product & Technology, Finance, External Affairs, etc all make significant contributions to the company's success. For example, Payroll Business helps respective business sectors to improve salary structure by introducing faster salary disbursement method for the factory workforce. The Product & Technology department actively searches for the best product solutions, while the Finance & Supply Chain department collaborates with Bangladesh Bank to implement rules and regulations in order to reduce risks. bKash has the most extensive market-wide distribution and service network compared to its competitors. The bKash agent network is particularly advantageous for providing financial services and ensuring their widespread availability across the country. The availability of bKash merchant payments has led to an increase in the range of conventional banking transaction services, since customers may now make payments using their bKash accounts. Although bKash has become the largest MFS platform, it must exercise more vigilance to avoid fraud and unlawful conduct. Criminals and other malicious individuals use this platform due of its convenience and cost-effectiveness. Nevertheless, the potential of bKash is widely recognized, enabling it to eventually extend its activities internationally.

2.9 Recommendation

▪ Advanced Security Features: Consistently allocate resources to improve safety features in order to protect account information and transactions. Deploy multi-factor authorization, biometric verification, and real-time fraudulent surveillance options.

▪ Enhanced Merchant Network: continually broaden the base of retailers who are willing to receive bKash payments. This encompasses both digital and physical retailers, boosting the ease with which individuals may use bKash in their day-to-day financial activities.

▪ Customer Support: Allocate resources to establish and maintain comprehensive support for customer services that effectively address and resolve any problems or difficulties that users may have. These options may include a specialized hotline, real-time chat assistance, and thorough Frequently Asked Questions (FAQs). Also, increase the number of customer service center in crucial areas.

▪ Financial Education: Offer customers instructional materials on proficiently managing their money via the use of bKash. This may include advice on budgeting, saving, and making well-informed financial choices. Furthermore, educating about the updates and new features to the customer through online and in real life.

Chapter 3: Financial Inclusion Through MFS: The Case of bKash Limited in the RMG Industry

3.1 Introduction

3.1.1 Background

bKash is involved in the payroll industry since 2015, namely via their RMG Payroll Department, which specialises in distributing wages to workers who earn under 30,000 takas (The Business Standard, 2023). This department provides enhanced advantages in comparison to receiving wages via conventional banking networks or in physical currency. The readymade garment (RMG) industry is of great importance for the economy of Bangladesh. This sector employs 45 percent of the industrial labour force and contributes 13% in the GDP and the industry has around 4.4 million employees (Islam & Halim, 2022). More than 1100 enterprises nationwide have used bKash's payroll system for distributing salaries, acknowledging its potential advantages (Press Release, 2024). The digital payroll system has been popular with RMG enterprises, enabling immediate distribution of salaries to employees and workers. bKash Limited possesses a significant 50% percent of all authorised MFS customers in the country (Press Release, 2023).

By the end of 2023, the total number of verified bKash accounts exceeded 11 crores, with the majority of them belonging to unbanked individuals (Press Release, 2024). The amount of the bKash account is closely followed by the amount of bank account, which amounts to 12.35 crore. This system provides convenience, security, clarity, and promptness in distributing salaries, resulting in time savings for both employers and workers. Furthermore, it alleviates security concerns related to carrying physical currency, diminishes problems such as fraudulent money and the need for delivering change, and improves the general clarity and responsibility of wage distribution procedures (bKash, 2024). As a result, workers and staff members get substantial respite from a range of difficulties and dangers, which in turn empowers them in concrete ways. The use of bKash for salary disbursement has provided garment factory workers with more autonomy over their salaries, enabling them to exert more significant influence over their financial resources (Star Business Report, 2021). By adopting a prudent attitude towards expenditure, employees may save a percentage of their earnings in their accounts, enabling them to avail themselves of supplementary services such as savings. Employees may now improve their money management abilities by digitising their wage transactions with the bKash payroll system. Users have the opportunity to access digitised nano loans, insurance, and a range of other financial products and services provided by financial institutions via bKash accounts (Islam S. M., 2023).

From the data presented, it is clear that bKash has a positive effect on addressing the difficulties experienced by RMG workers while receiving their salaries. Additionally, it has a notable influence on shaping their current financial behaviours.

3.1.2 Objectives

The primary objective of this paper is to research on the financial inclusion among RMG workers in mobile financial services sector through bKash where I tried to find out how bKash is helping the users in terms of financial inclusion by surveying the garments workers in two different factories.

Specific objectives:

1. Usage frequency of bKash app among RMG workers

- This objective focuses on what percentage of people uses bKash app and how frequently they avail the service.

2. Adoption level of bKash services by the RMG workers

- This objective focuses on the average monthly transaction of the primary services made by the surveyed garments workers.

3. User experience of bKash among RMG workers

- This objective focuses on how the surveyed feels about using the services of bKash and find out if they have existing problems regarding the services of bKash.

4. bKash Limited on facilitating financial inclusion among RMG workers

- This objective illustrates how the employees of Payroll Business helps RMG workers to integrate them into the ecosystem of bKash and ultimately into the MFS sector.

3.1.3 Significance

The research highlights and points out to what extent the garments workers have been integrated in the mobile financial service sector. Furthermore, through this research we can have knowledge on kind of services RMG workers primarily use. From this research, we can understand how is the current financial literacy among garments workers and in what sectors of financial literacy it can be improved. Through this research, bKash Limited company can have a better idea on the needs and desires of the users of RMG sector from where the company can come up with better campaign that suits this particular market. Furthermore, bKash can use the positive data to influence the potential client to integrate them in the RMG Payroll service department.

3.2 Methodology

The research is done with both qualitative and quantitative research approaches.

1. Survey Questionnaire (Quantitative):

I developed a survey questionnaire consisting 28 questions to collect data from the garment workers. The questionnaire contained both open-ended questions and close-ended questions in order to gather in-depth information from the surveyed workers. Furthermore, the employee information has been collected as well to verify whether the survey was done properly or not. As per bKash Limited's non-disclosure agreement, I cannot disclose the factories I have visited for the survey.

Method of survey: On-site survey

Sample size: 100

2. Interview (Qualitative):

I interviewed the Key Accounts Managers from Payroll Business department regarding salary disbursement, training workers about bKash services, security measures and on. Payroll Business KAMs have the primarily responsibility of onboarding garment factories in salary payout services. Moreover, they train workers and employees of the factories regarding bKash services and security protocols. Which is why they are the perfect candidates to interview regarding the bKash's role on financial inclusion among RMG workers. Payroll Business has overall more than 20 KAMs around the country. I interviewed 8 KAMs containing Relationship Executives and Senior Relationship Executives to collect information regarding my research.

3. Secondary Information Method (Quantitative):

I also took information and data from online sources for my research. The sources contain websites such as:

- Research Papers
- Articles
- Journals
- bKash's Blogposts
- News Portals

3.3 Findings and Analysis

3.3.1 Usage frequency of bKash app among RMG workers (Objective 1)

Form the conducted survey, it is found that the usage frequency of bKash app and its services among RMG workers is significantly high.

One of the primary types of information that I have gathered was to what extent the RMG workers were using the services of bKash. They were asked about whether they used the bKash app or not, what services they frequently and how much transaction they make per services monthly.

Figure 9: Do you use bKash app?

From the following Figure 9, we can see that around 93.9% of the survey population of RMG workers use the bKash app on smartphone while 6.1% use the USSD code service. So, we can see that garments workers are more leaning toward using bKash smartphone app rather than using USSD code feature. Also, the primary reason for using USSD code is that most of those workers do not have smartphones. So, the number of bKash app users can increase if the workers have more access to smartphones.

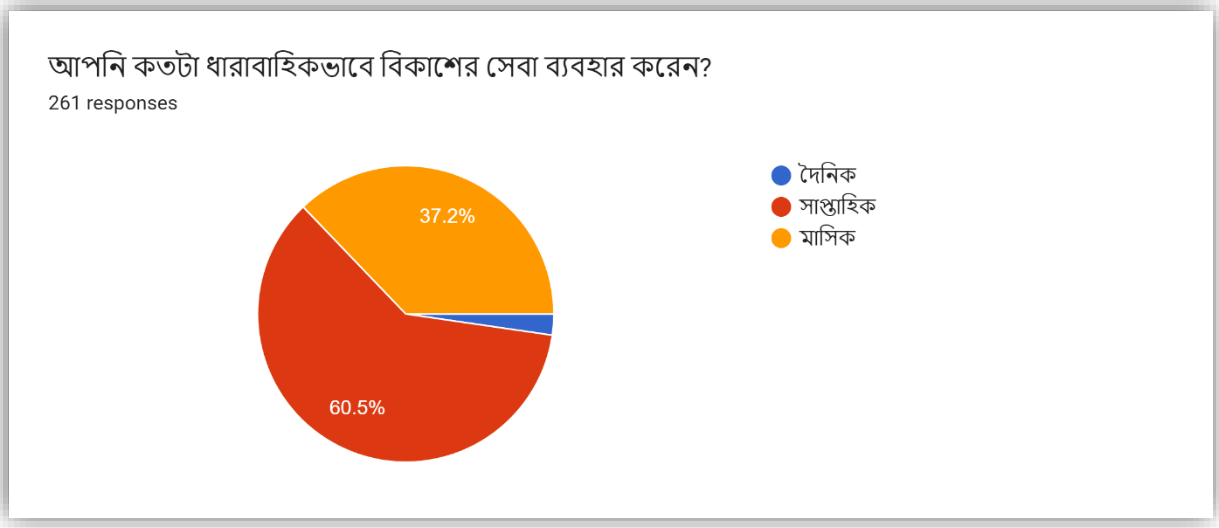

Figure 10: How frequently do you use the services of bKash?

Lately the use rate of bKash is increasing among RMG workers. Primarily because around 1100 RMG factories in Bangladesh disburse the worker's salary through bKash Limited. Also, from the Figure 10, we can see how frequently the workers are using bKash average. We can see that around 60.5% of the workers uses bKash weekly. These workers primarily use mobile recharge and send money service on weekly basis. Also, we can see that 37.2% of the workers use bKash monthly meaning they are using bKash 2/3 times per month as they mostly cash out a major portion of their salary and rarely use mobile recharge and other service per month. Lastly, around 2% of the workers uses bKash daily meaning they are using some services of bKash on a daily basis. As we can see that major part of the workers use bKash on a weekly basis which means they are becoming more confident and trusting more to the services of bKash.

3.3.2 Adoption level of bKash services by the RMG workers (Objective 2)

From the survey, it was found that garments workers have significantly adopted the financial services of bKash Limited as they are using various services and doing routine transaction with those services.

The surveyed RMG workers were asked about what kind of services they avail from bKash, and what is the average monthly transaction for each service. From the responses, it shows that around 57.1% of the people use the "Send Money" service frequently. 81.2% of the surveyed population use the Mobile Recharge service while 100% of the surveyed population use the

Cash Out service. Pay Bill and Payment is other significant services that slowly growing in the demand of RMG workers as we can see that around 10.3% surveyed population use the Pay Bill service and around 3.4% use the Payment service. (See the following figure 11)

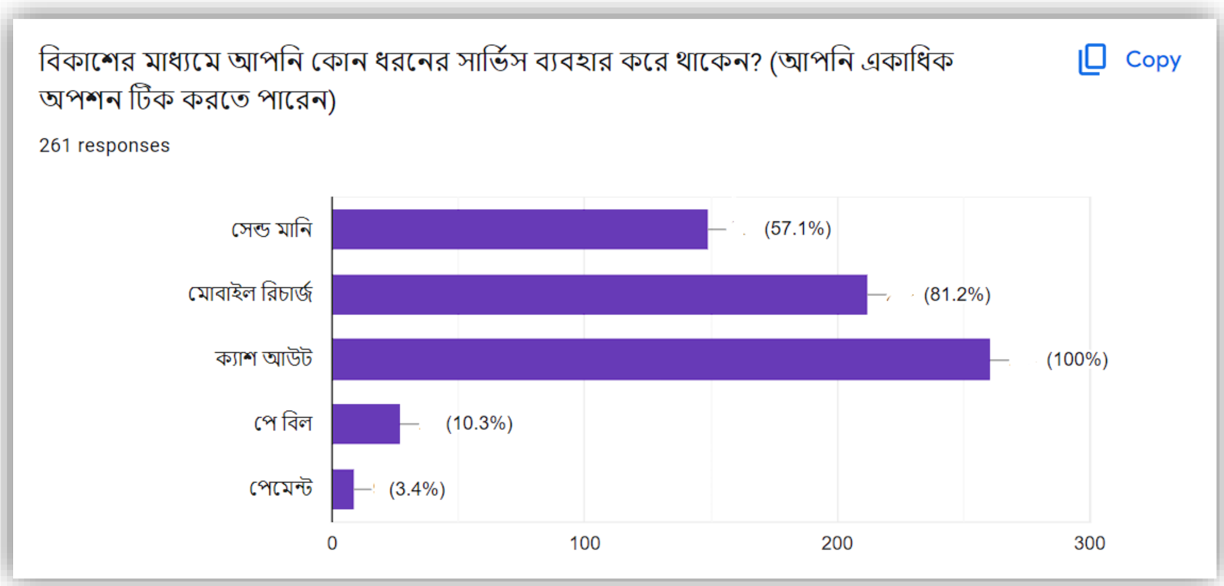

Figure 11: What kind of services do you avail from bKash?

The data shows that all the workers still use cash out as their primary service of bKash. Mobile recharge service is also increasing as workers can instantly recharge their SIM card through bKash. Send money is also another prominent service as most of the workers send a portion of their salary to their homes and relatives through bKash.

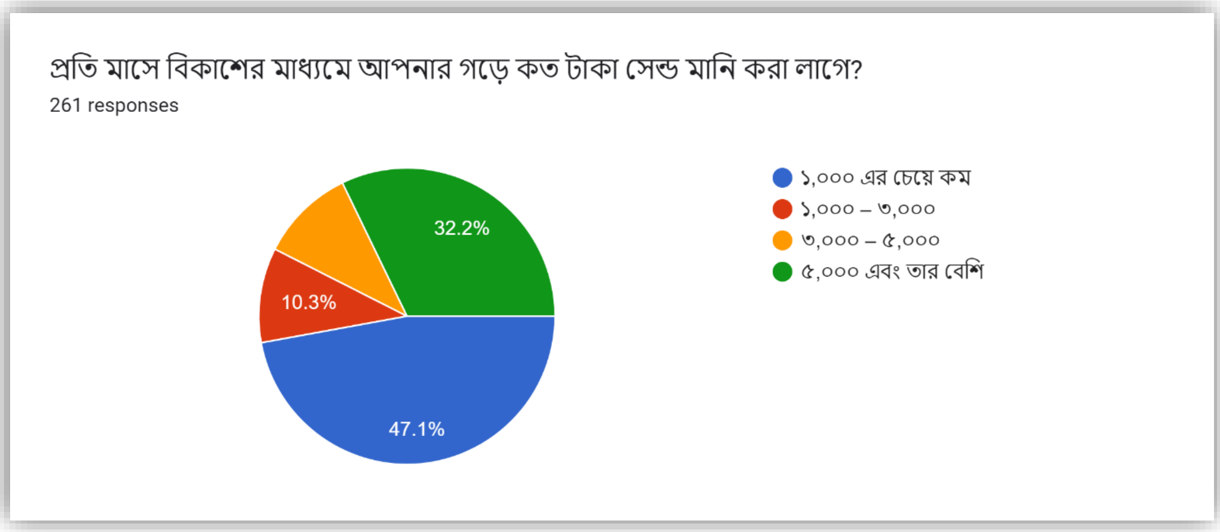

Figure 12: How much money do you send through Send Money service monthly on average?

If we see figure 12, it shows that around 32.2% workers who uses send money services transacts more than 5000 takas monthly through this service. These transactions are primarily, as previously mentioned, going to the workers homes and relatives like wife, husband, parents and so on. We also can see that around 47.1% of the workers sends less than 1000 takas per month through send money service. These transactions are primarily irregular transactions that happens when the users suddenly need to send money somewhere. Lastly, there are around 20.7 of the workers who uses send money service sends around 1000 to 5000 takas monthly on average. These transactions contains both monthly transactions to homes and relatives and also irregular transactions as mentioned before.

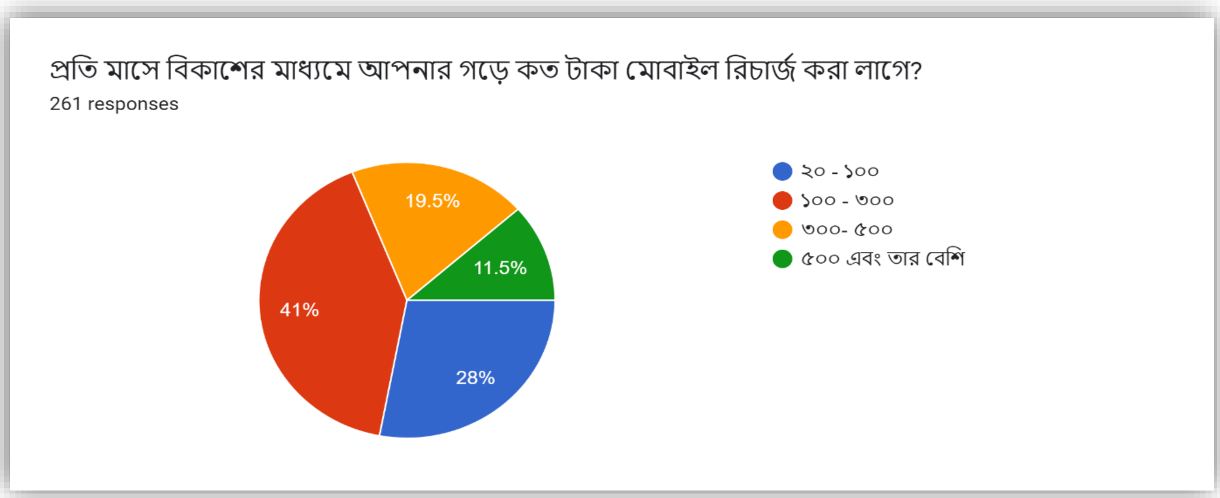

Figure 13: How much money do spend through Mobile Recharge service monthly on average?

From the Figure 13, it shows that 41% of the workers who use mobile recharge service of bKash spends around 100 to 300 takas monthly on average on mobile recharge. From the survey it was found out that most of the workers buys weekly call minutes and internet packages which is why the majority of the monthly spending on mobile recharge revolves around 300 takas. Furthermore, around 28% workers spend around 20 to 100 takas monthly on average. These workers, mostly recharge around 20 takas per week as they do not have much need to contact anyone through phone calls or use much internet in their phones. Around 11.5% workers spend more than 500 takas per month. These workers usually get bigger internet packages and call minutes for themselves and also recharges their family's mobile phones as well.

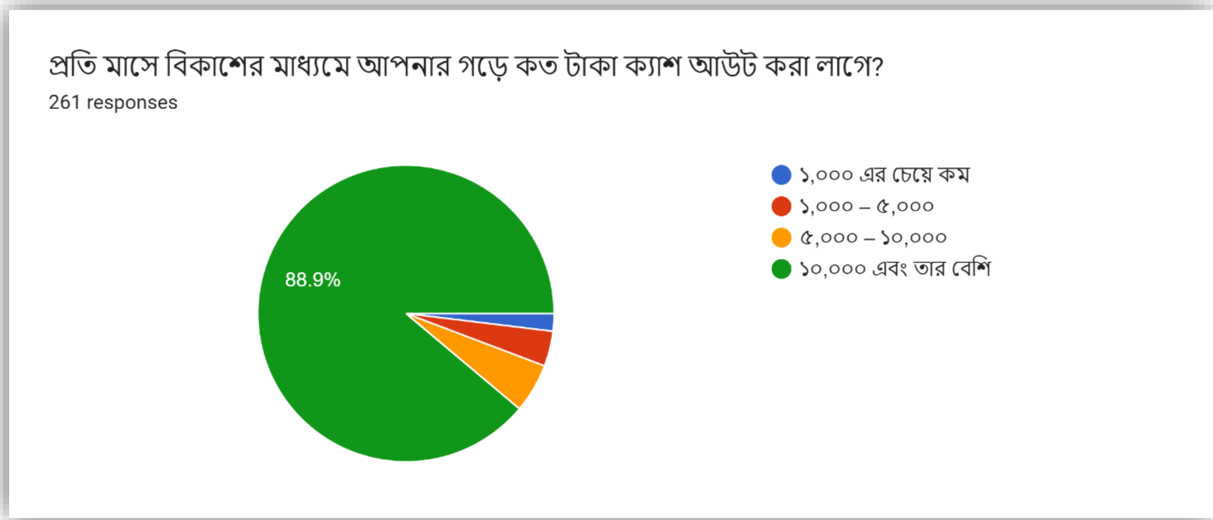

Figure 14: How much money do you cash out per month on average?

From the Figure 14, we can see that around 88.9% of all surveyed workers transacts more than 10000 takas per month on average. One of the primary reasons for cashing out this huge amount is that the workers still prefer having cash in hand rather than e-money in their phones. Also, they still use cash for daily expenditures for their whole family like shopping, travel, bills and so on. From the graph we can see that 5.4% of the workers cash out around 5000 to 10000 takas monthly on average and very few workers cash out less than 1000 takas to 5000 takas. These workers mainly cash out for their own expenditure and live alone which is why they need to cash out very less.

3.3.3 User experience of bKash among RMG workers (Objective 3)

From the survey, it was found that almost all of the workers are having a good user experience or better and they have very little if not no point of dissatisfaction from the services of bKash Limited.

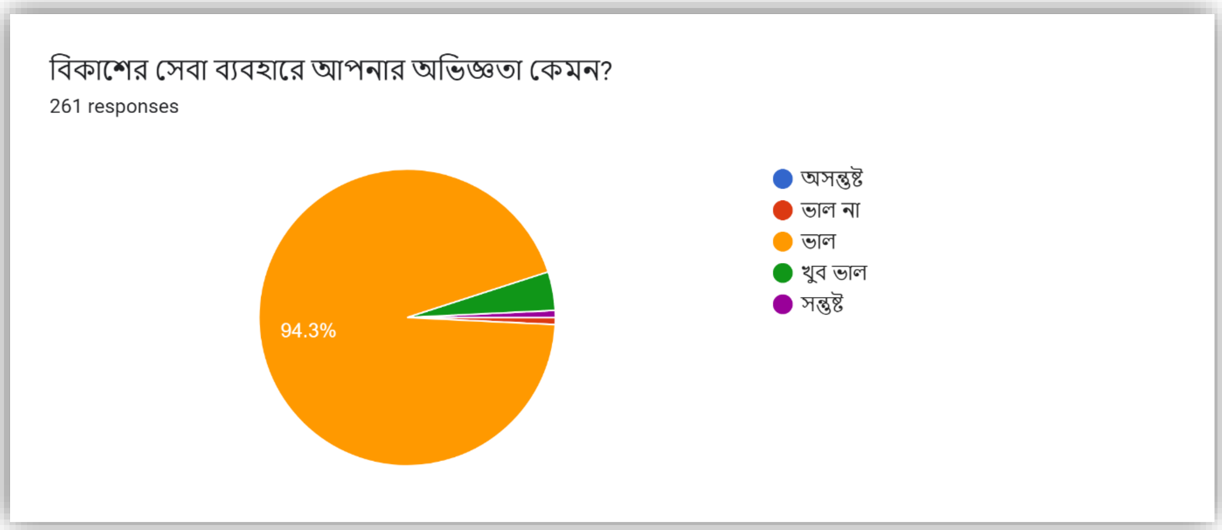

Figure 15: What is your user experience on using the services of bKash?

As we can see from the Figure 3.3.3.1, around 94.3% of the worker stated that they have had good experience on using the services of bKash. Around 5% of the workers have collectively stated that they have had very good or satisfied user experience. Less than 1% of the workers stated that their user experience of using bKash is not good. It can be stated that bKash Limited is doing a tremendous job on providing mobile financial service to the RMG workers as having around 99% good or better user experience is nothing short of marvellous.

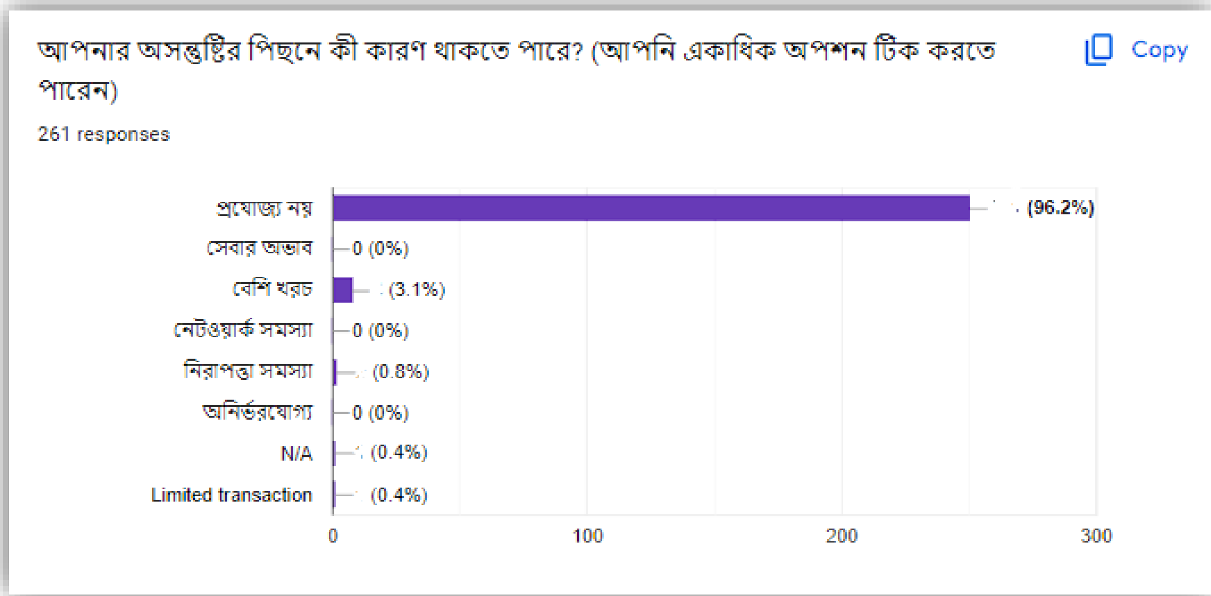

Figure 16: What might be the reason behind your dissatisfaction?

The survey also tried to find out what is the exact reason for the user's possible dissatisfaction for using bKash. We can see form the figure 8 that 96.2% of the response is not applicable in this regard as they are having overall good experience on using bKash. 3.1% of the workers stated that they feel that bKash is charging high cost to avail their services. Less than 1% of the workers have security concerns on using bKash which is a positive sign that very few people are having security concerns at the moment. Another concern was mentioned by very few people was the limited monthly transaction of some services. After analysing the all the dissatisfaction parameter, it can be stated that the dissatisfaction level among RMG workers is very little and also bKash is actively working on tackling these matters. bKash has now enabled users to have two "Priyo Agents" meaning users can cash out up to 50000 takas per month (25000 takas from each agent) at 1.49% service charge. For security concerns, the Key Account Managers organize frequent training program on the factories regarding the matter.

3.3.4 bKash Limited on facilitating financial inclusion among RMG workers (Objective 4)

After interviewing the employees of bKash Limited, it was found that bKash Limited does tremendous job on facilitating financial inclusion among RMG workers by giving them training, and providing training presentations of the bKash services.

Apart from onboarding RMG factories in the payroll service, bKash Limited also emphasizes on increasing the financial inclusion among garments workers in MFS sector. From interviewing the Key Accounts Managers (KAM) of RMG Payroll (Payroll Business) Department, we can understand how the KAMs facilitate financial inclusion. One of the primary works KAMs do to provide financial literacy is giving on-site training to the workers. The training contains how the users can avail each service through mobile phones, how the accounts manager of the factories can disburse salaries to the workers, what security measures need to be taken by the workers to prevent fraud and so on. Moreover, every onboarded factories are required to inform the security measures regularly to the workers which is instructed by bKash Limited. KAMs also make the workers aware of primary services such as Cash Out, Send Money, Savings, Loan Eligibility, Payment scopes and so on. Lastly, they also take collective and individual concerns from the workers and try to solve then as soon as possible.

3.4 Summary and Conclusion

The findings of the research verify that bKash Limited, by virtue of its MFS products and services, is a key player in financially enabling RMG workers. The widespread acceptance and use of bKash's services demonstrates workers' great confidence and reliability. Furthermore, bKash's proactive methods, that involve on-site training and resolving customer problems, considerably improve user happiness and the overall performance of its services. This study emphasises the significance of ongoing assistance and education in increasing financial inclusion, and it identifies bKash as the benchmark for MFS in related sectors. Finally, bKash's strategy demonstrates how tailored financial solutions and committed assistance can revolutionise the economic environment for the worker groups, establishing a standard for MFS innovation globally.

3.5 Recommendations / Implications

3.5.1 Recommendations

1. KAMs can provide video presentation on each service of bKash that can be played in the factories for the workers on a regular basis.

2. Workers need to be educated about savings and loan services more thoroughly and how they can be eligible for getting loan.

3. Know Your Customer form should be digitized so that it is convenient for KAMs to write and Customer Service to cross check the forms more quickly and easily.

4. bKash Limited can launch campaign which especially catered to the needs of RMG workers.

5. Every line manager, HR managements of the factories must be provided with the in-depth knowledge on bKash services so that workers can get instant help when needed.

3.5.2 Limitations

1. The survey was only done in the RMG factories. So, the data may not represent overall financial inclusion and usage of in general users of bKash.

2. Due to security concerns regarding the risk of critical information of the company being published, I could not access to all the data and information for the research as per organization policy.

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Appendix

bKash Limited
Statement of financial position

In Taka	30 September 2022	31 December 2021
Assets		
Property, plant and equipment	**2,802,623,786**	2,578,896,713
Intangible assets	**2,406,974,615**	2,560,631,513
Deferred tax assets	**858,571,050**	877,822,622
Investment in Government securities	**3,671,054,523**	-
Non-current assets	**9,739,223,974**	6,017,350,848
Operational and other receivables	**3,392,038,542**	2,101,987,475
Advances, deposits and prepayments	**840,145,279**	728,365,983
Contract assets	**1,124,123,012**	1,130,981,177
Current tax assets	**935,485,863**	651,478,571
Airtime in circulation	**3,218,151,543**	862,765,288
Trust cum settlement account and investments	**66,635,843,801**	58,633,542,114
Investment in fixed deposits	**16,094,575,827**	18,213,467,327
Cash and cash equivalents	**764,010,885**	6,176,857,884
Current assets	**93,004,374,752**	88,499,445,819
Total assets	**102,743,598,726**	94,516,796,667
Equity		
Ordinary shares	**38,194,900**	38,194,900
Share premium - ordinary shares	**1,286,205,568**	1,286,205,568
Ordinary share capital and premium	**1,324,400,468**	1,324,400,468
Preference shares	**16,310,400**	16,310,400
Share premium - preference shares	**30,610,126,295**	30,610,126,295
Preference share capital and premium	**30,626,436,695**	30,626,436,695
Capital Reserve	**18,479,529**	18,479,529
Retained earnings	**(1,501,505,426)**	(1,542,286,625)
Total equity	**30,467,811,266**	30,427,030,067
Liabilities		
Operational and other payables	**800,281,582**	808,957,534
Lease liabilities	**436,957,289**	352,785,706
Non-current liabilities	**1,237,238,871**	1,161,743,240
Defined benefit plan - gratuity	**154,460,569**	72,241,033
Customer and other deposits	**66,429,989,882**	58,533,439,086
Operational and other payables	**1,523,716,234**	1,389,842,139
Lease liabilities	**193,310,928**	125,257,891
Accrued expenses	**2,737,070,976**	2,807,243,211
Current liabilities	**71,038,548,589**	62,928,023,360
Total liabilities	**72,275,787,460**	64,089,766,600
Total equity and liabilities	**102,743,598,726**	94,516,796,667

The annexed notes 1 to 4 form an integral part of these financial statements.

Chief Executive Officer
Kamal S. Quadir
Chief Executive Officer

Chief Financial Officer
Moinuddin Mohammed Rahat
Chief Financial Officer

bKash Limited
Statement of profit or loss and other comprehensive income

	For the period ended		For the period ended	
In Taka	30 September 2022	30 September 2021	July to Sep 2022	July to Sep 2021
Gross revenue	**28,545,708,941**	23,284,752,508	**9,754,508,854**	7,676,556,134
VAT	**(3,521,433,564)**	(2,937,654,301)	**(1,176,060,351)**	(959,199,230)
Revenue	**25,024,275,377**	20,347,098,207	**8,578,448,503**	6,717,356,904
Cost of services	**(18,327,355,290)**	(15,574,190,461)	**(6,020,097,788)**	(5,074,553,449)
Gross profit	**6,696,920,087**	4,772,907,746	**2,558,350,715**	1,642,803,455
Operating and administrative expenses	**(5,358,137,190)**	(4,283,703,500)	**(1,726,186,031)**	(1,435,618,260)
Commercial expenses	**(1,947,834,851)**	(1,593,224,454)	**(556,237,936)**	(509,636,144)
Operating profit	**(609,051,954)**	(1,104,020,208)	**275,926,748**	(302,450,949)
Net finance income	**879,989,810**	55,941,979	**285,003,061**	(2,843,410)
Profit before contribution to WPPF	**270,937,856**	(1,048,078,229)	**560,929,809**	(305,294,359)
Contribution to WPPF	**(13,546,893)**	-	**(13,546,893)**	-
Profit before tax	**257,390,963**	(1,048,078,229)	**547,382,916**	(305,294,359)
Income tax (expense)/income	**(216,609,764)**	33,492,848	**(81,973,412)**	10,675,521
Total comprehensive income	**40,781,199**	(1,014,585,381)	**465,409,504**	(294,618,838)

The annexed notes 1 to 4 form an integral part of these financial statements.

Chief Executive Officer

Kamal S. Quadir
Chief Executive Officer
bKash Ltd.

Chief Financial Officer

Moinuddin Mohammed Rahgir
Chief Financial Officer
bKash Limited

bKash Limited

Statement of financial position (un-audited)

In Taka	30 September 2023	31 December 2022
Assets		
Property, plant and equipment	**2,659,934,280**	2,829,835,577
Intangible assets	**2,497,380,509**	2,610,670,039
Deferred tax assets	**1,527,507,112**	1,026,955,363
Investment in Government securities	**3,552,146,018**	4,671,614,861
Non-current assets	**10,236,967,919**	11,139,075,840
Operational and other receivables	**3,790,579,186**	2,033,648,941
Advances, deposits and prepayments	**1,192,264,097**	879,871,944
Contract assets	**1,054,930,614**	1,095,523,848
Current tax assets	**924,464,575**	1,118,418,206
Airtime in circulation	**3,390,084,532**	1,823,331,600
Trust cum settlement account and investments	**80,040,942,480**	68,528,984,067
Investment in Government securities	**5,841,887,377**	-
Investment in fixed deposits	**8,105,131,259**	13,094,575,827
Cash and cash equivalents	**3,642,710,550**	5,870,995,279
Current assets	**107,982,994,670**	94,445,349,712
Total assets	**118,219,962,589**	105,584,425,552
Equity		
Ordinary shares	**38,194,900**	38,194,900
Share premium - ordinary shares	**1,286,205,568**	1,286,205,568
Ordinary share capital and premium	**1,324,400,468**	1,324,400,468
Preference shares	**16,310,400**	16,310,400
Share premium - preference shares	**30,610,126,295**	30,610,126,295
Preference share capital and premium	**30,626,436,695**	30,626,436,695
Capital Reserve	**36,011,137**	36,011,137
Retained earnings	**(503,473,704)**	(1,384,502,156)
Total equity	**31,483,374,596**	30,602,346,144
Liabilities		
Operational and other payables	**736,882,143**	736,882,143
Lease liabilities	**287,313,267**	413,273,174
Non-current liabilities	**1,024,195,410**	1,150,155,317
Defined benefit plan - gratuity	**229,148,723**	135,847,865
Customer and other deposits	**79,409,537,033**	68,304,799,919
Operational and other payables	**2,321,420,321**	1,940,656,574
Lease liabilities	**175,344,678**	183,398,957
Accrued expenses	**3,576,941,828**	3,267,220,776
Current liabilities	**85,712,392,583**	73,831,924,091
Total liabilities	**86,736,587,993**	74,982,079,408
Total equity and liabilities	**118,219,962,589**	105,584,425,552

The annexed notes 1 to 4 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

1

bKash Limited

Condensed statement of profit or loss and other comprehensive income (un-audited)

	For the period ended		For the period ended	
In Taka	30 September 2023	30 September 2022	July to Sep. 2023	July to Sep. 2022
Gross revenue	**34,676,063,989**	28,545,708,941	**11,523,216,987**	9,754,508,854
VAT	**(4,172,923,390)**	(3,521,433,564)	**(1,338,909,048)**	(1,176,060,351)
Revenue	**30,503,140,599**	25,024,275,377	**10,184,307,939**	8,578,448,503
Cost of services	**(21,416,759,687)**	(18,327,355,290)	**(6,895,841,312)**	(6,020,097,788)
Gross profit	**9,086,380,912**	6,696,920,087	**3,288,466,627**	2,558,350,715
Operaiing and administrative expenses	**(6,513,900,647)**	(5,358,137,190)	**(2,105,724,265)**	(1,726,186,031)
Commercial expenses	**(2,449,412,549)**	(1,947,834,851)	**(830,002,008)**	(556,237,936)
Operating profit	**123,067,716**	(609,051,954)	**352,740,354**	275,926,748
Net finance income	**1,224,572,620**	879,989,810	**393,573,104**	285,003,061
Profit before contribution to WPPF	**1,347,640,336**	270,937,856	**746,313,458**	560,929,809
Contribution to WPPF	**(67,382,017)**	(13,546,893)	**(37,315,673)**	(13,546,893)
Profit before tax	**1,280,258,319**	257,390,963	**708,997,785**	547,382,916
Income tax (expense)/income	**(399,229,867)**	(216,609,764)	**(210,248,210)**	(81,973,412)
Total comprehensive income	**881,028,452**	40,781,199	**498,749,575**	465,409,504

The annexed notes 1 to 4 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

bKash Limited

Condensed interim statement of financial position (un-audited)

In Taka	31 March 2021	31 December 2020
Assets		
Property, plant and equipment	2,765,082,327	2,285,406,207
Intangible assets	1,263,228,676	1,286,812,184
Deferred tax assets	501,356,481	482,538,139
Non-current assets	4,529,667,484	4,054,756,530
Operational and other receivables	1,267,803,265	1,242,919,916
Advances, deposits and prepayments	628,122,598	527,414,110
Contract assets	1,015,179,983	939,833,410
Current tax assets	360,972,767	331,727,767
Airtime balance	445,598,494	1,164,985,936
Trust cum settlement account and investments	47,908,850,976	47,728,470,067
Investment in fixed deposits	1,800,508,400	2,800,508,400
Cash and cash equivalents	3,023,001,198	2,565,167,230
Current assets	56,450,037,681	57,301,026,836
Total assets	60,979,705,165	61,355,783,366
Equity		
Ordinary shares	38,194,900	38,194,900
Share premium - ordinary shares	1,286,205,568	1,286,205,568
Ordinary share capital and premium	1,324,400,468	1,324,400,468
Preference shares	8,796,300	8,796,300
Share premium - preference shares	8,286,915,782	8,286,915,782
Preference share capital and premium	8,295,712,082	8,295,712,082
Capital Reserve	18,479,529	18,479,529
Share money deposit	505,162	505,162
Retained earnings	(610,325,055)	(369,428,518)
Total equity	9,028,772,186	9,269,668,723
Liabilities		
Other non-current liabilities	7,145,802	7,145,802
Lease liabilities	522,804,340	598,494,684
Non-current liabilities	529,950,142	605,640,486
Defined benefit plan - gratuity	320,936,477	299,192,243
Customer and other deposits	47,460,393,364	47,008,492,699
Operational and other payables	2,231,545,628	2,449,295,878
Lease liabilities	156,011,314	160,048,444
Accrued expenses	1,252,096,054	1,563,444,893
Current liabilities	51,420,982,837	51,480,474,157
Total liabilities	51,950,932,979	52,086,114,643
Total equity and liabilities	60,979,705,165	61,355,783,366

Figure: Statement of Financial Position (BRAC Bank, 2021)

bKash Limited

Condensed interim statement of profit or loss and other comprehensive income (un-audited)

In Taka	For the period ended 31 March 2021	31 March 2020
Gross revenue	7,627,382,043	6,484,744,011
VAT	(946,549,824)	(765,973,497)
Revenue	6,680,832,219	5,718,770,514
Cost of services	(4,977,009,022)	(4,377,625,609)
Gross profit	1,703,823,197	1,341,144,905
Operating and administrative expenses	(1,344,520,482)	(1,147,192,935)
Commercial expenses	(583,267,597)	(494,675,592)
Operating profit	(223,964,882)	(300,723,622)
Net finance income	28,973,299	175,815,955
Profit before contribution to WPPF	(194,991,583)	(124,907,667)
Contribution to WPPF	-	-
Profit before tax	(194,991,583)	(124,907,667)
Income tax (expense)/income	(45,904,954)	(49,586,804)
Total comprehensive income	(240,896,537)	(174,494,471)

Figure: Statement of Profit or Loss or Other Comprehensive Income (BRAC Bank, 2021)

bKash Limited

Liquidity Ratio		
Current Ratio = Current Asset / Current Liabilities		
Year		Current Ratio
2021	88499445819/62928023360	1.406359855
2022	93004374752/71038548589	1.309209951
2023	107982994670/86736587993	1.244953222
Profitability Ratio		
Return On Assets = Net Income / Total Assets		
Year		ROA
2021	(1014585381)/94516796667	-0.010734445
2022	40781199/102743598726	0.000396922
2023	881028452/118219962589	0.007452451
Net Profit Margin = Net Income / Sales		
Year		Net Profir Margin
2021	(1014585381)/20347098207	-0.049863886
2022	40781199/25024275377	0.001629666
2023	881028452/30503140599	0.028883205

Solvency Ratio		
Debt Ratio	Total Liabilities /Total Assets	
Year		Debt Ratio
2021	64089766600/94516796667	0.678078065
2022	72275787460/102743598726	0.703457815
2023	86736587993/118219962589	0.73368817

Efficiency ratio		
Asset Turnover Ratio=	Sales / Total Assets	
Year		Asset Turnover
2021	20347098207/94516796667	0.215274945
2022	25024275377/102743598726	0.243560433
2023	30503140599/118219962589	0.258020219

Dupont Analysis		
Return On Equity = Net Income / Total Equity		
Year		ROE
2021	(1014585381)/30427030067	-0.033344871
2022	40781199/30467811266	0.001338501
2023	881028452/31483374596	0.027983927