Report On

Financial Performance Analysis of bKash Limited of Last 5 years

By

Sauptik Saha
Student ID: 18104101

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
October,2022

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:

____

Sauptik Saha
Student ID: 18104101

Supervisor's Full Name & Signature:

____

Dr. Mohammad Enamul Hoque
Assistant Professor
BRAC Business School
BRAC University

Letter of Transmittal

Dr. Mohammad Enamul Haque
Assistant Professor
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Internship report on "Financial Performance Analysis of bKash Limited of last 5 years."

Dear Sir,

It is my privilege to provide my internship report to you as it is the requirement to complete the BBA program. Throughout the semester you have guided me to write the report. For my report, I followed both your specific directions and the guidelines and education I received at BRAC Business School. I have worked tirelessly to finish the report with accurate information and analysis.

I therefore, pray and hope that, you would be kind enough to accept my internship report & oblige thereby.

Sincerely yours,

____

Sauptik Saha
Student ID: 18104101
BRAC Business School
BRAC University
21.10.2022

Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between bKash Limited and the undersigned student at BRAC University …………Sauptik Saha…………………………….

Acknowledgement

Theoretical learning by itself is not adequate to gain mastery on a subject, and this is something I learned while completing my internship at bKash Ltd. All of the knowledge and skillset that I gained while completing my Bachelor of Business Administration degree was further complemented with the practical industry experience at bKash Ltd. My endeavors so far would not have yielded any fruitful results if not for some amazing individuals I met along the way.

Firstly, I want to express my heartfelt gratitude to my university supervisor Dr. Mohammad Enamul Hoque, DBA, Assistant Professor, BRAC University. His constant support and availability guided me smoothly through the entire internship process. Additionally, Mr.Mahmudul Haq, Associate Professor, BRAC University was kind enough to provide me his assistance as my co-supervisor.

I would also like to pass on my gratitude to Mr. Akbar Kabir Md. Niyamul Khoda (VP, Cluster Head, Distribution & Retail Business, Commercial Division, bKash Ltd.). His mentoring allowed me to explore previously unknown avenues. He patiently spent long hours teaching me all the in-and-outs of my department, and equipped me with skills that will be instrumental in furthering my career.

Finally, I would like to thank all my faculties and other officials at bKash Ltd. Their teachings and advice helped guide me through an intense and invaluable internship experience.

Executive Summary

This report provides a detailed account of my internship at bKash Ltd. bKash is a Mobile Financial Service company which started its journey in 2011. In just a few years, it revolutionized the industry and became a household name. Nowadays, sending money through mobile devices is synonymous with bKash. Being a financial company, bKash was the perfect fit for my research topic 'Financial Performance Analysis of bKash of Last 5 Years'.

My report aims to analyze how bKash performed financially over the last 5 years. Being a startup company, bKash burned massive amounts of cash from its inception. Until very recently, it was operating below breakeven. My report explores how bKash maintained its momentum despite operating at a loss and constantly improved its valuation.

This report further delves into the factors behind bKash's financial success, including current asset management, profitability, liquidity etc. Correlation and regression analysis of those factors gives us a dynamic overview on the impact of these factors on the performance of bKash.

Keywords: Mobile Financial Service; Performance Analysis; bKash;

Table of Contents

List of Tables

List of Figures

.

List of Acronyms

DH- Distribution house

DSO= Distribution Sales Officer

MC= Money Collector

Chapter 1

Overview Of the Internship

1.1 Student Information

Name: Sauptik Saha

ID: 18104101

Program: BBA (Bachelor of Business Administration)

Major: Finance, Banking & Insurance

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

Period: 4 Months (14th June-13th October)

Company Name: bKash Limited

Department: Distribution & Retail Business

Division: Commercial

Address: Shadhinata Tower, 1, Bir Sreshtha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka 1206

1.2.2 Internship Company Supervisor Information

Name: Mr. Akbar Kabir Md. Niyamul Khoda

Position: VP, Cluster Head, Distribution & Retail Business, Commercial Division.

1.2.2 Job Description

There are some duties & responsibilities that I was assigned as an intern:

- We have been a given a 15 weeks learning module. The first responsibility was to learn those topics from my assigned mentor/ Territory Manager.
- Regular market visit with different agenda.
- Visit with the field force to observe the market closely.
- Give feedback of the visit to the Territory Manager.
- Provide daily report to the Territory Manager.

1.3 Internship Outcomes:

1.3.1 Student's Contribution to the company

I was assigned to the Distribution & Retail Business department of bKash Limited, which operates the organization's core function, where I gained extensive knowledge about the distribution house and its operation, as well as how it facilitates transactions through the provision of proper retail service.

Under the guidance of my mentor, I have learned how a distribution house functions and operates, as well as who the bkash stakeholders are and how they benefit.

After the learning period, my mentor, the Territory Manager, assigned me to a different market route with a different agenda. At the middle, my internship, I was required to present my findings to my supervisor. And during the presentation, he provided me with feedback and requested that I work closely with the market on those topics. Under the supervision of the Territory Manager, I began working on these tasks as well as various market issues. While working on these topics, I was required to frequently visit the market. I attempted to determine whether or not there is a service gap, and if there is, I provided a recommendation to improve efficiency.

1.3.2 Benefits of the student

Through the bNext internship I was able to learn from the core of the business. I was assigned to the Distribution & Retail Business Department where I got the privilege to work on real business problems & where new & effective ideas are appreciated. Through this internship, I learned about the distribution operation of the MFS industry. Moreover, the whole internship program was organized in a way through that helps me to learn the business from the core of it. As I have stated before that, I got the opportunity to work on real business problems, I have got to know the business very closely. This helps me to develop my interpersonal skills & also managerial skills.

1.3.3 Problems/Difficulties

As I have got the privilege to work at the Distribution & Retails business department of the company, So I have gained a lot of knowledge about the distribution house & its operation. As I have stated before, I had to visit the market with different agenda on a regular basis. But, the problem I have faced that, there's no particular/ fixed thing to work on. In my opinion, if I could work on individual project/ assignment related to the business, I think that would be a better scope for learning. In this way, I could understand the business more deeply.

1.3.4 Recommendation

Internship at bkash Limited is one of the greatest experience for any students. In my opinion, there are some scopes to make it smooth for this journey. I was assigned in the Distribution & Retail Business department. Where I was gives a 15 weeks learning module. It helps us to learn from the depth. But, if we were assigned to 1/2 real project based on our learning that will help us to gather more in-depth knowledge. And, after every project, there could be a presentation through which we could share our learnings with the executives & based on our presentation they can give us a feedback. So, in my opinion, if these are implied, the internship experience will be more fruitful.

Chapter 2

Organization

2.1 Overview of the Company

Bkash is one of the most successful companies in the field of providing mobile financial services around the world. Founded in 2010 as a partnership between BRAC Bank and Money in Motion LLC, USA, bKash has come a long way since its inception. The following year, in 2013, International Financial Corporation (IFC) joined the organization as an equity partner. In subsequent years, 2014 and 2018, the Bill & Melinda Gates Foundation as well as Ali pay, an affiliate of the Alibaba group, became investors in the company. Providing Bangladeshis with access to a wider variety of financial services is the ultimate objective of bKash. It focuses on serving the low-income masses of the country in order to achieve broader financial inclusion by providing services that are reliable, convenient, and inexpensive. This is done in the name of achieving broader financial inclusion.

Access to formal financial services can be difficult to obtain in rural areas of Bangladesh, which account for 70 percent of the country's total population. bKash was the first company to successfully address this issue. They ensure that proper financial services are provided throughout the entirety of Bangladesh through the use of mobile networks. At the moment, bKash is in charge of managing a network of over 250,000 agents across Bangladesh, including both urban and rural areas & It has more than 50 million verified accounts.

2.1.1 Board of Directors

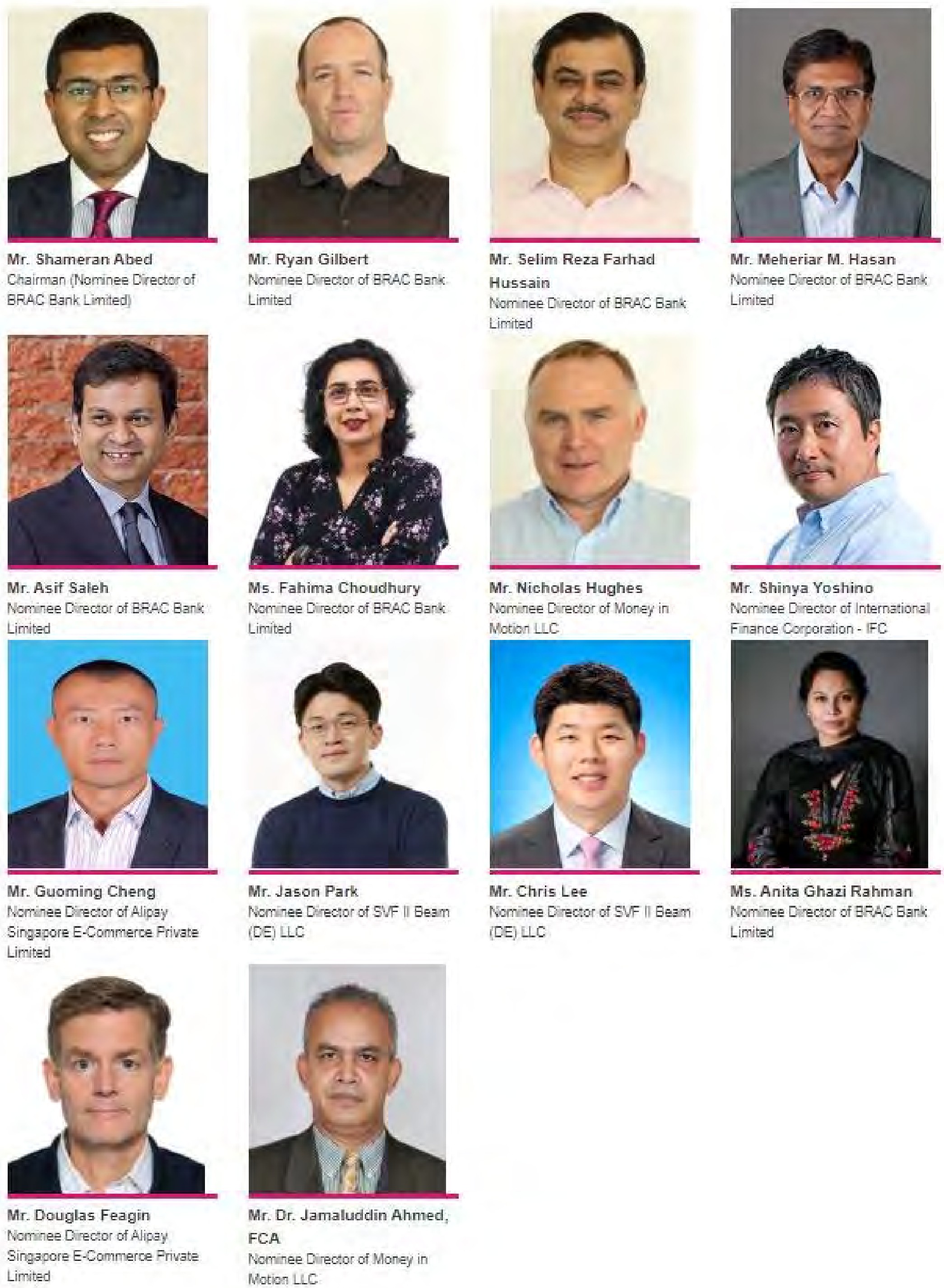

Figure 1: Board of Directors

2.1.2 Mission

bKash's mission is to expand access to financial services by making them more accessible, affordable, and dependable. bKash's mission is to provide the people of Bangladesh an easy and secure way to send and receive money through their mobile phones by providing Mobile Financial Services built on a highly scalable Digital Wallet platform.

2.1.3 Values

Figure 2: bKash Values

Customer Centricity:

One of the core values of bkash is Customer centricity. They are totally customer centric & customer is the first & topmost priority of bkash. That's the reason they always seek for their customer feedback & also they offer their customer different solutions.

Be respectful in all dealings:

Another important & significant values of bkash is they are respectful to all their stakeholders. They tries to complete all their dealings with proper honestly & sincerity.

Be Innovative:

If anyone want to be successful in this era of fast changing world one must need to be innovative. In here, bkash is one of the fastest growing MFS Company, where new ideas & new services are regularly introduce to the end consumers. The world is changing so fast, to keep pace with this fast moving world a person must need to adopt changes & core values.

Conducting Business with integrity:

From the very beginning, bkash has gained people's trust with its quality service. The main reason behind this is, bkash never compromise with its code of conducts & never compromise with the non-compliant activities. By following this, bkash has earned people's trust & the customer is increasing day by day & made bKash is one of the largest transacting MFS globally.

Empower People:

If we take a look at the activity of bkash, it not only growing all by itself but it's also empower people. bKash has empowered thousands of people in both metro & rural areas. There are thousand agents who earns their livelihood by adding themselves with bkash. Those agents earned commissions after every transaction. That's how bkash has empowered thousands of people & improved their livelihood.

2.1.4 Products & Services

Basically, there are two types of products in bKash. One is e-money & another is cash. With the help of these two products bkash runs their whole operation. Basically, with this cash & e-money bkash has availed different services: Cash in, Cash out, Mobile recharge, payment, pay bill, savings, loan, remittance, education fees etc.

1. **Cash In:** To receive this service, the customer must need to go to the agent point & then handover cash to the agent & the agent will provide equal amount of e-money to the customer wallet.
2. **Cash out:** to avail this service, the customer must need to go to the agent point & then customer send e-money to the agent wallet through app or ussd & then the agent will hand over the cash to the customer after receiving e-money in his wallet.
3. **Savings:** Now, the customer can save their money through bkash app. They can directly deposit their money in a savings account in different banks. The Banks are: i) IDLC Finance, ii) Mutual Trust Bank Limited, iii) Dhaka Bank Limited. They will also receive an interest for their deposited money up to 7%.
4. **Pay Bill:** Customers can also pay different bills (Electricity, Gas, Water, Internet, Tv, Telephone, Credit card etc) through bKash app.
5. **Add Money:** bKash users can also add money from their bank account to their bkash account easily within a minute.
6. **bKash to Bank:** Now, by using bkash, users can also transfer money to their Bank account/ Visa Debit Card from their bKash account.

7. **Remittance:** People from any country can now send remittance to their loved ones through bkash account. But, the transaction must need to have through the approved organization. Moreover, now they can directly receive money through payoneer in their bkash account.
8. **Education Fee:** A customer can also send their institutional fees through bkash app. They don’t need to wait in a log queue. They can sent it now through their bkash account.
9. **Mobile recharge:** All the users can recharge their mobile no through bkash app.

2.2 Management Practices

Any organization's primary role is management. Management is accountable for the well-being of the company, as well as its stakeholders, investors, and workers. A talented and well-trained employee is essential for the expansion and success of any company.

First and foremost, bKash's Human Resource Department is well-organized and capable of handling staff recruitment and training. Every HR department's primary priority is to identify qualified and talented personnel. Bkash handles it pretty well. For this candidates who apply for bKash must complete a series of processes/ interviews as per departments' requirements. Following talent acquisition, minimizing employee turnover is a big issue for companies. bKash's workplace environment and company culture are both favorable for productive work for all employees. It has a good system for employees to develop and advance their careers. And this is done by training and following a good corporate practices. Employees' passion for growth may be satisfied through engaging and intelligent training sessions. Many communication differences and disagreements between officers and supervisors may be resolved via interactive meeting sessions that bring a team together.bKash's HRD has designed a number of Employee Relationship Programs (ERP) to assist workers in maintaining healthy and supportive connections with one another. Furthermore, management has created an effective Performance Management System (PMS) to assess staff needs and concerns.

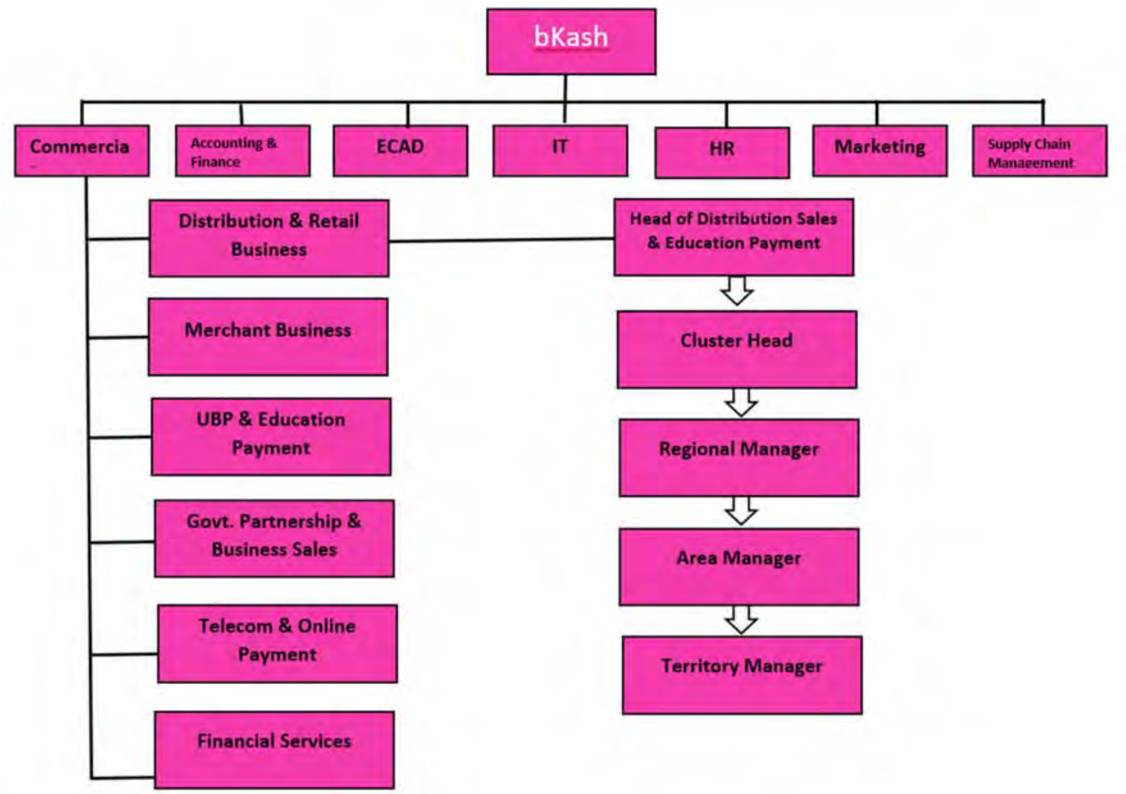

Figure 3: Organogram of bKash

2.2 Marketing Practices

bKash is committed to providing a wide range of high-quality services in order to fulfill its customers' needs. At this time, Bkash serves 50 million customers, and that number is steadily growing day by day. In order to provide appropriate service to customers, it also guarantees appropriate retail services via distribution channel. This enables them to reach customers in both urban and rural areas with their services. Before, people needed to go to the bank in order to receive any financial services. However, now people can have their financial services through their mobile phones, and bkash is the reason why this is possible. People of any profession and living in any part of the world are able to take advantage of these financial services thanks to this. People learn about Bkash through television commercials, newspaper and magazine advertisements, and various forms of digital media, but most importantly through the retailers who act as Bkash agents.

The greatest number of people who promote bKash are agents. Customers are able to learn about the various services, as well as the benefits of the services and the various offers, through the use of these.

In addition to this, there is a significant portion of the population that makes frequent use of social media. This platform is also used by Bkash to promote their services and attract the attention of the population they are trying to attract.

2.3 Operation Management

As I have stated before the main products of bkash is cash & e-money. So, it's necessary to maintain the flow of money. To maintain this, it requires two process based on the market.

I. Lifting

II. Refund

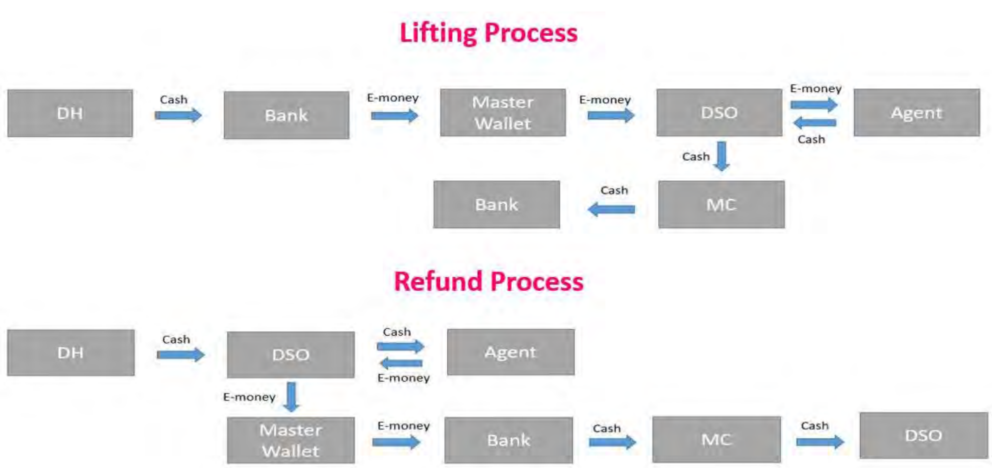

Figure 4: Lifting & Refund Process

The main operation of the distribution house is the lifting & refund process. Basically, in lifting process the agents collects e-money from the DSO (Distribution Sales Officer) in exchange with cash. On the other hand, in refund process, the agent collects cash from the DSO & gives e-money to the DSO.

Lifting Process:

This process starts from the Distribution house. Cash took from the Distribution house to the Bank, then the money collector deposits the money to the bank & then by entering the transaction ID to the CPS (Cloud Payment Solution) portal, the e-money enters to the master wallet. Then, from master wallet the e-money send to the DSO wallet & then the DSO sends those e-money to agents at agent point. Then, in return as I have stated before, the agents gives cash in return of e-money. After serving a couple of agent points, the DSO calls the money collector to collect his money. The reason is, it’s quite unsafe for the DSO to visit agent points with lots of cash. After that, the money collector took those collected cash to the Bank & deposited it.

Refund Process:

Refund process is quite opposite of lifting process. In here, from distribution DSO took cash to the agent points & gives those cash to the agents. After that, the agents sends back e-money to the DSO. After collecting a certain amount of e-money DSO sends back those e-money to the master wallet. Those e-money are transferred to the bank. & from the bank the money collector collects money & disburse those cash to the DSO again & the cycle continues.

Chapter 3

Project Part: Financial Performance Analysis of bKash of last 5 years.

3.1 Introduction

3.1.1 Literature Review

This study aims to analyze the financial performance of last 5 years of bKash Ltd. With the help of this study, we would be able to know the financial health of the company of last 5 years. According to Sofyan (2019), to analyze an organizations financial performance it requires two types of assessment. Quantitative assessment & Qualitative assessment. Quantitative assessment requires the factors of capital, asset quality, liquidity, profitability etc. The qualitative evaluation, on the other hand, takes a look at the causes behind those numbers. When examining the financial health of a firm, profitability is the most important metric to look at. It displays the organization's strength or weakness depending on the situation. The capacity of an organization to be financially successful and sustainable is what is referred to as profitability (Uddin,2022). With the help of financial ratio analysis we can measure company's performance which represents different relationship & financial metrics. It basically focuses to changes in financial health in the previous years & by analyzing those data it tries to forecast opportunities & risks of the company in future (Ginting,2021).

3.1.2 Objectives

The main objective of this study is to analyze the financial performance of bkash of the last 5 years.(2017-2021)

Specific Objective:

- Understanding bkash's last 5 years financial condition by applying the liquidity ratio, asset management ratio, profitability ratio etc.
- To understand the asset management quality with the help of Du-point analysis.

3.2 Methodology

The study is based on the quantitative analysis of bkash's financial performance of the last 5 years. To work on this study, I have to work on the annual report of the last 5 years. The study is mostly conducted by the help of secondary data that are available on the internet, where I have collected all the annual reports of last 5 years & it requires a proper study of those reports to analyze the data. Without this, I have also collected data from official websites, various research papers etc.

So, the secondary data I have used for my research is:

- Last 5 years annual report (2017-2021)
- Official websites
- Different research papers.

3.3 Findings and Analysis

Financial Performance analysis is one of the most crucial part of a business to measure how a business is performing financially & overall financial health of the business. How well a company generates revenues and manages its assets, liabilities, and the financial interests of its stakeholders and stockholders can be gauged by looking at its financial performance. There are many factors through which one can measure the financial performance & overall financial health of a company.

To conduct the analysis, the following ratios will be taken into consideration:

Liquidity Ratio:

- Current Ratio

Asset Management Ratio:

- Total Asset turnover

Profitability Ratio:

- Gross Profit Margin
- Net Profit Margin
- Return on asset
- Return of equity

Solvency Ratio:

- Debt ratio
- Debt to equity ratio

Liquidity Ratio:

When conducting an analysis of a company's financial performance, the liquidity ratio is a very important component to take into consideration. We are capable of evaluating the efficacy of the management of working capital with the assistance of the liquidity ratio, which also determines whether or not the company is able to satisfy its short-term debt obligations with its current assets.

To measure the liquidity ratio, it requires to analyze the Current ratio & Net working capital ratio.

Current ratio = Current asset/ Current liabilities

Asset Management Ratio:

The asset management ratio is yet another essential ratio that can help us evaluate the state of the company's finances. It demonstrates, in a summary, the connection between sales and assets. We are able to evaluate the extent to which the company is effectively managing its assets with the assistance of asset management ratios.

In this section, I will examine two different asset management ratios. Total asset ratio as well as the fixed asset ratio.

To calculate the Total asset ratio, it requires to divide the sales by total assets.

Total Asset Turnover = Sales/ Total assets.

Profitability Ratio:

Profitability ratio is used when it is required to analyze the profitability performance of an organization. In here I have analyzed few ratios through which can tell that if the company has the ability to generate income.

Gross Profit Margin = Gross Profit/ Sales

Operating Profit Margin = EBIT/ Sales

Net Profit Margin= Net Income/ Sales

Return on Assets (ROA) = Net Income/ Total assets.

Solvency Ratio:

The solvency ratio is one of the most essential instruments for determining a firm's overall financial health. This tool attempts to determine whether or not the company is able to balance its assets and equity with its long-term commitments. It also suggests that, if the corporation is able to handle its long-term obligations, this is a positive sign.

Debt ratio=Total debts/total assets

Debt to equity ratio= Total debts/ total equity.

3.3.1 Financial Performance analysis

3.3.1.1 Liquidity Ratio:

Current Ratio: Current asset/ Current liabilities

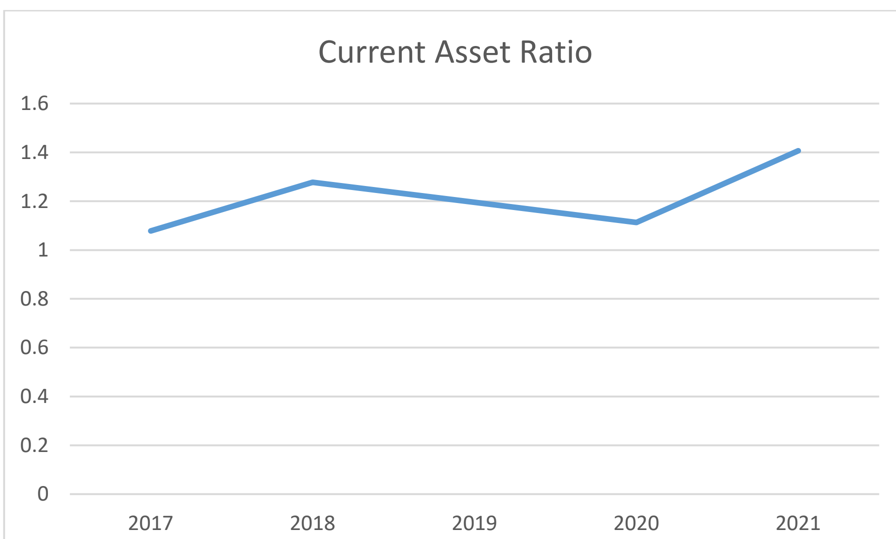

Figure 5: Current Ratio

The current ratio measures, at its most fundamental level, whether or not a company's current assets are sufficient to cover its current liabilities. Based on the analysis of the current ratio, we can see that it varies all throughout the study period. The year 2017 saw the lowest current ratio which is 1.078 times, and the year 2021 saw the highest current ratio which is 1.406 times. Both of these numbers are based from the analysis of the current ratio. When we take a look at the ratios, we see that they have consistently been higher over the course of those years. This indicates that the company is completely capable of meeting all of its current financial obligations.

3.3.1.2Asset Management Ratio

Total Asset Turnover:

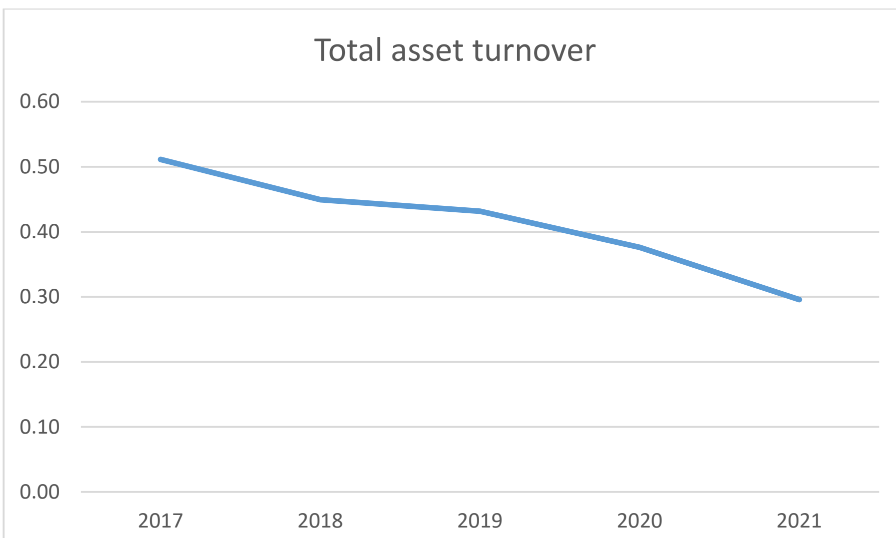

Figure 6:Total Asset Turnover

Using data from the previous five years, we can see that the total asset turnover has been declining steadily since 2017.It had the highest turnover of total assets in the year 2017, but after that it began to decrease, and in the final year, which was 2021, it had the lowest turnover. This indicates that bKash Ltd. achieved the highest level of revenue in the preceding five years by making effective use of its assets in 2017. Nevertheless, over time, the revenues dropped, with 2021 marking the year in which they dropped to their absolute lowest point.

3.3.1.3 Solvency Ratio

Debt ratio:

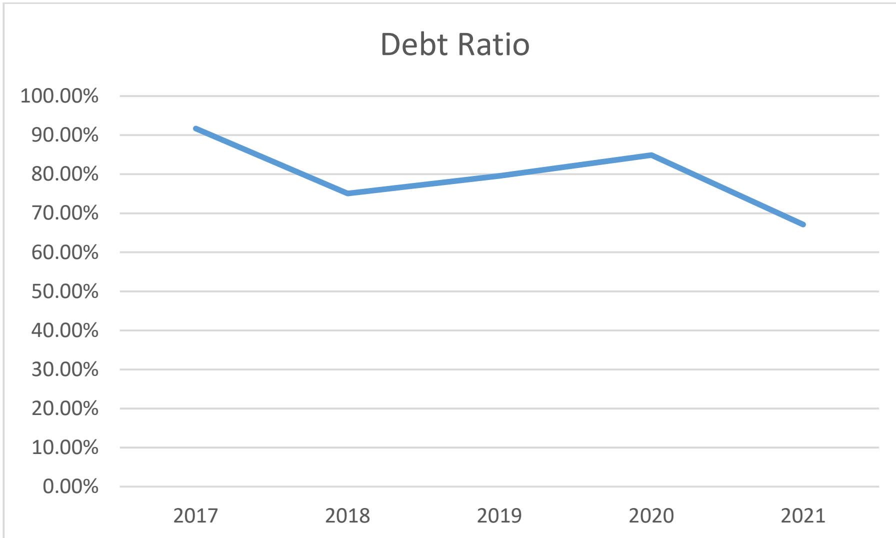

Figure 7: Debt Ratio

From the data of last 5 years, we can see that, the debt ratio is decreasing from 2017. It's a good sign that, the dependency on debt is decreasing on a regular basis. In the last 5 years, it has highest debt ratio in 2017 which is 91.66% & lowest debt ratio is in 2021 which 67.10%.

Debt to Equity Ratio:

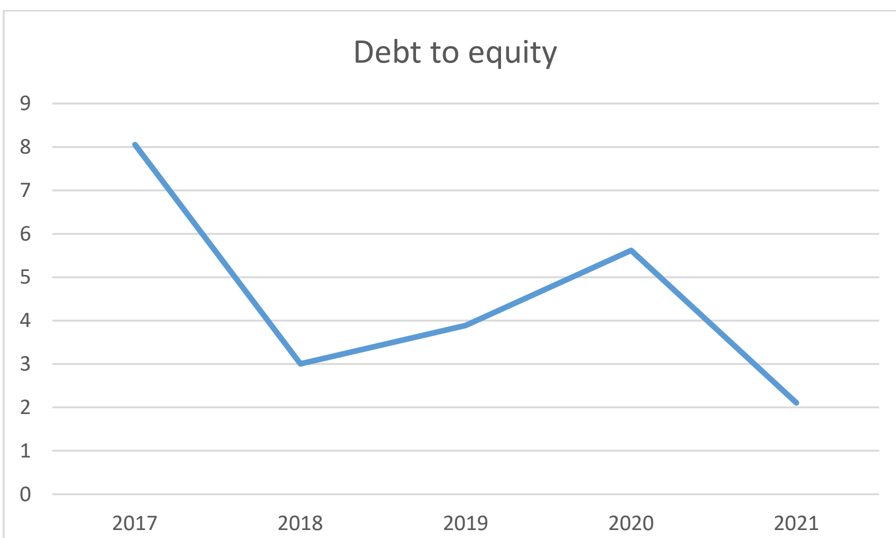

Figure 8: Debt to equity

The debt-to-equity ratio provides a clear picture of how reliant a firm is on debt compared to how reliant it is on its own resources. It has the highest debt to equity ratio in 2017 which is 829.97 & in the next year (2018) it went down to 300.57%. The lowest debt to equity ratio was in 2021 which is 210.63%. From the graph we can see that, dependency on debt is continuously decreasing over the year though in 2020 it increases slightly, but it decreased again in 2021. It means, the dependency on its own resources is continuously increasing & it's a good sign as well.

3.3.1.4 Profitability Ratio

<u>Gross Profit Margin:</u>

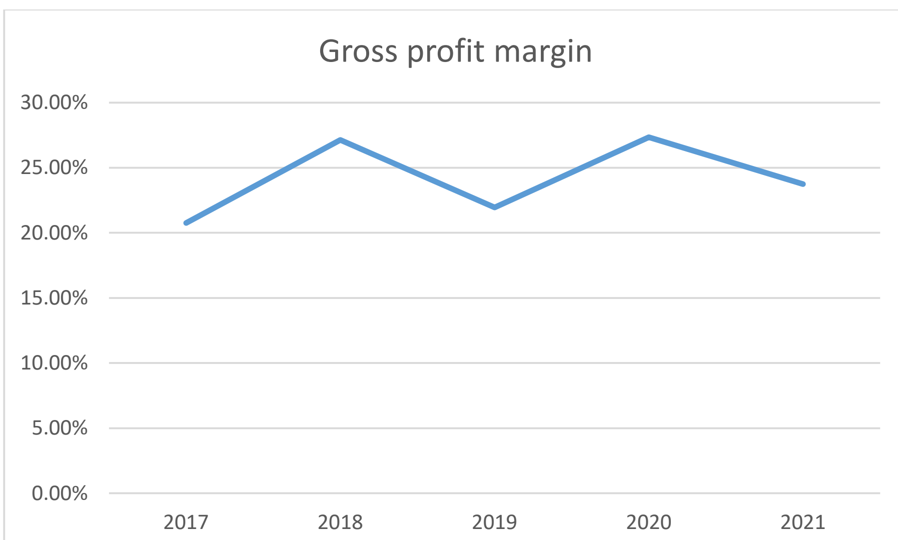

Figure 9: Gross Profit Margin

The graph clearly demonstrates that bkash Ltd.'s profit margin is in a constantly changing state. One way to measure a business's capacity to generate a profit from its sales is to look at its gross profit margin. In 2020, bKash Ltd's profit margin is at its highest at 27.34%, while in 2017 it is at its lowest at 20.75%. So, that means, bkash earned highest profit from it sales in 2020 & it generates lowest profit in 2017.

Net Profit Margin:

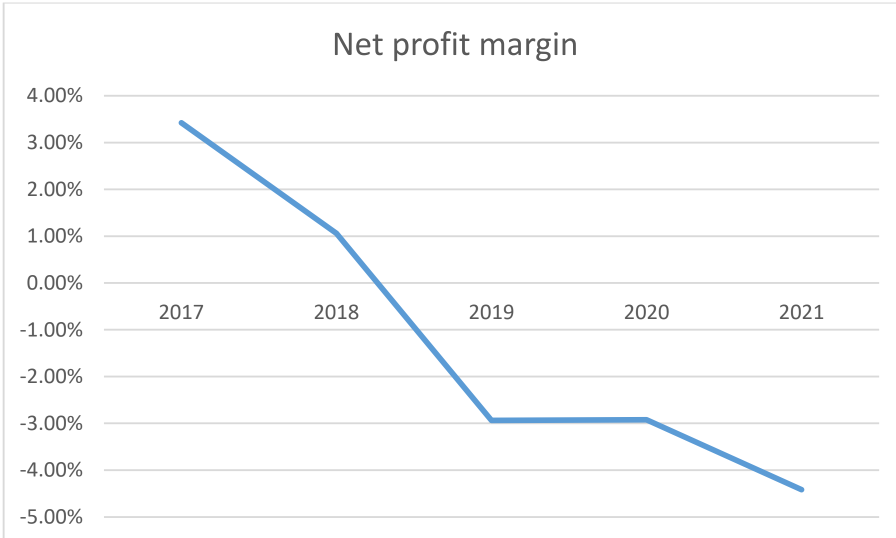

Figure 10: Net profit margin

Net profit margin is a common metric used to evaluate a business's financial health. Here, we see a decline beginning in 2017 via graph. In 2018, it fell by about 2.36 percent. Also, the company is losing money as of the beginning of 2019 according to the net profit margin. In 2021, the profit margin was the lowest it had been in the past few years, at -4.42%. The net profit margin remains negative through 2021. That indicates that it is presently experiencing a loss.

Return on Asset:

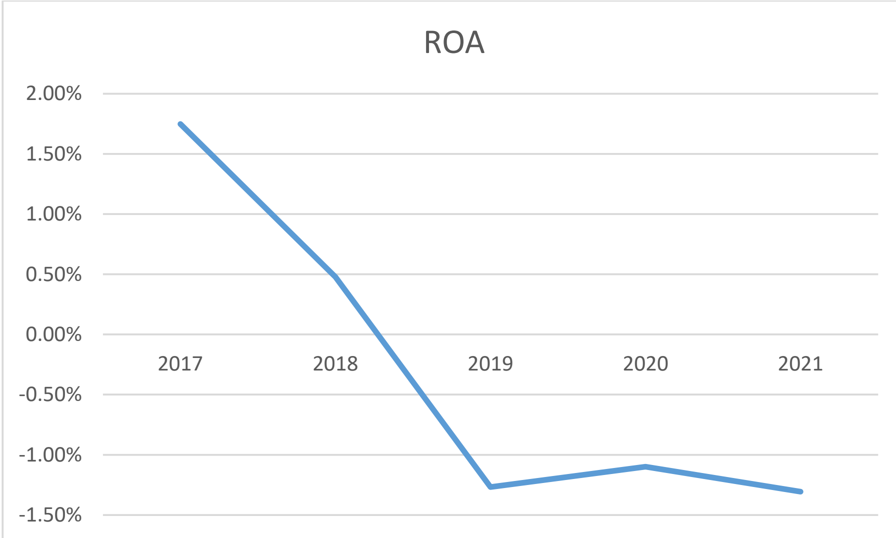

Figure 11: Return on asset

ROA measures how well a business uses its assets. The Return on Assets (ROA) increases when a company takes good care of its assets and decreases when it doesn't.

As we can see, the ROA has been steadily declining and has now produced a negative result in the year 2019, and this pattern has persisted into the previous year (2021). The outcome proves beyond a reasonable doubt that the company is not proficient in managing its assets.

3.3.1.5 DuPont Analysis:

DuPont analysis is one of the most important component to analyze the financial health of a company. Through the help of DuPont analysis we can measure ROE. TO complete the whole process it requires three steps.

1. First we need to calculate the Net Profit Margin.
2. Secondly we need to calculate the asset turnover, where revenues will be divided by total asset.
3. Thirdly, we need to calculate the financial leverage where assets will be divided by the equity.
4. & finally, to calculate the ROI, it requires to multiply the Profit margin, Asset Turnover & Financial Leverage.

Particulars	2017	2018	2019	2020	2021
Net Profit (IN TK)	487,817,716	204457791	-625146478	-674393430	-1234200743
Revenues	14258343560	19272138311	21281314893	23070852573	27945227942
Profit Margin	0.03421279	0.010608983	-0.029375369	-0.029231405	-0.044164991
Asset	27,885,783,719	42896102931	49305101898	61355783366	94516796667
Asset Turnover	0.511	0.449	0.432	0.376	0.296
Equity	3079782255	10708779800	10083633322	9269668723	30427030067
Financial Leverage	9.054466001	4.005694741	4.889616701	6.618983396	3.106343158
ROE(Profit margin*Asset Turnover* Financial Leverage)	15.83%	1.91%	-6.21%	-7.27%	-4.06%
ROA	1.75%	0.48%	-1.27%	-1.10%	-1.31%

Table 1: Du Point analysis

<u>Return on Equity:</u>

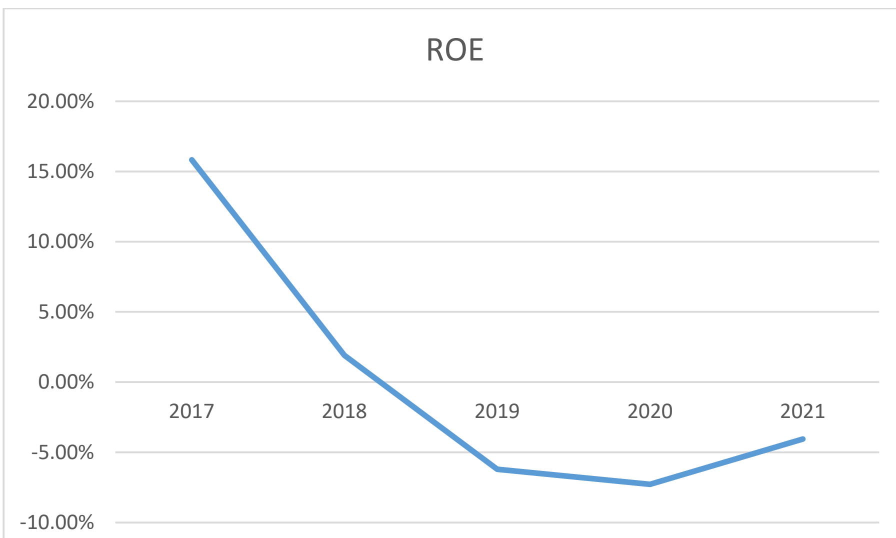

Figure 12: Return on equity

From the calculation of DuPont analysis, we get to know the return on equity, where it is showing that the return on equity was 15% which is the maximum in last 5 years but after that, the ROE started dropping and return on equity came negative in 2019 & it continues till the last year. If we look at the DuPont table, we can see that, the company was in a loss since 2019 & that causes the most to the ROE.

Summary:

In current ratio we can see that, bKash has more current asset than its liabilities. However, from the asset turnover ratio, it is shown that, bkash's asset turnover ratio is decreasing day by day. Again, if we look at the debt ratio, where we can see that, the debt of bkash is decreasing significantly over the years which is a very good sign for a company. After that, after calculating the debt to equity ratio, we have also seen that, it has higher no of debts than its equity.Now, in gross profit margin, we can see that, gross profit was better in 2020 than the other years. Though there is a slight decrease in 2022, which is 23.75%. But, if we pay attention to the net profit margin, it is going downward & it's in a loss. If we look at both ROE & ROA, they are also following the downward trend. Both ROA & ROE have a declining tendency. It indicates that, the overall condition of the company is not satisfactory where their debt is higher & also failed to generate profit in a satisfactory level.

If the situation continues, it will affect the business soon. They should need to necessary steps to drive the

Conclusion & Recommendation:

bKash is currently one of the biggest MFS industry company in Bangladesh. It started its journey in 2010. & from then it successfully running its business. The purpose of the report is to analyze the financial performance of bKash of last 5 years. Where I have seen that, they are generating less profit but burning more. The profit is continuously decreasing. It's alarming. So, if they want to mitigate the loss, they must have to decrease expenses. They expend a lot in commercial & marketing expense. So, the expenses must need to be cut off. The company should be more aware of burning money. On the other hand, while analyzing their ROA of last 5 years, it is noticed that, they are not efficiently managing their assets. That's an important issue. So, it is obvious that, the company must need to manage their assets proficiently to generate more return.

Reference

- Uddin, M. K. (2022). Profitability Analysis of Mobile Financial Service Providers in Bangladesh: Empirical Study on bKash. European Journal of Business and Management Research, 7(2), 79-84.
- Sofyan, M. (2019). Analysis Financial Performance of Rural Banks in Indonesia. International Journal of Economics, Business and Accounting Research (IJEBAR), 3(03).
- Ginting, E. S. (2021). Ratio-Based Financial Performance Analysis of PT. Mustika Ratu, Tbk. Enrichment: Journal of Management, 11(2), 456-462. https://doi.org/10.35335/enrichment.v11i2.124
- DuPont Analysis: Components and Example Calculations. (2022, October 12). *Indeed*. https://www.indeed.com/career-advice/career-development/du-pont-analysis
- *Profitability Ratios: What They Are, Common Types, and How Businesses Use Them*. (2022, July 11). Investopedia. Retrieved October 21, 2022, from https://www.investopedia.com/terms/p/profitabilityratios.asp
- FreshBooks. (n.d.). *6 Types of Activity Ratios: Explained*. Retrieved October 21, 2022, from https://www.freshbooks.com/hub/accounting/types-of-activity-ratios