Report On

Compliance of AML and CFT and Effect on Financial Stability: Case Study of bKash Limited

By

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ID: 21204019

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

BRAC Business School
BRAC University
January, 2025

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:

____

Md. Tanjeel Bin Zaman

Student ID: 21204019

Supervisor's Full Name & Signature:

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Safarath Ahmed

Lecturer, BRAC Business School

BRAC University

Letter of Transmittal

Safarath Ahmed

Lecturer,

BRAC Business School

BRAC University

Kha 224, Bir Uttam Rafiqul Islam Ave, Dhaka-1212

Subject: Submission of internship report on “Compliance of AML and CFT and Effect on Financial Stability: Case Study of bKash Limited.”

Dear Sir / Madam,

It is my pleasure to present my report under the title of Compliance of AML and CFT and Effect on Financial Stability: Case Study of bKash Limited and its effects on the financial stability, which has been prepared as per your request. This is the best I can do in writing this report because I have attempted to add the required information in a clear, concise, and comprehensive way.

I believe that the report will address your expectations and meet the necessary goals.

Sincerely yours,

____

Md. Tanjeel Bin Zaman

Student ID: 21204019

BRAC Business School

BRAC University

Date: January, 2026

Non-Disclosure Agreement

The following Non-Disclosure Agreement is being signed between bKash Limited and me, an undersigned student of BRAC University, with the intention to access and use the organisational information in the context of the internship report that will be designated as Compliance Practices of the AML and CFT Department of bKash Limited and Their Impact on Financial Stability.

All the data, information and materials that I used to prepare this report were gathered and assembled under the immediate supervision and with the prior permission of the assigned organisational supervisor. The undersigned hereby appreciates and sincerely thanks the kind permission that has been given to be able to use such information for academic purposes only.

Since this is a mandatory part of the internship and the corresponding academic course, a final report and presentation would be given to the university. The undersigned was specifically informed against any disclosure, reproduction and use of any confidential information, sensitive information and proprietary information of bKash Limited, other than in the context of a submission termed as academic.

This Agreement will be irrevocable and cannot be amended, modified or waived except by a written document that will be duly signed by both parties.

Acknowledgement

I owe the success of this internship report to the Almighty Allah, which provided me with the power, patience, and time to carry this internship report to the end in the required period. There are so many people who helped, guided, and collaborated with me in order to complete this report.

It is important to say firstly that, I would like to thank Mr. Safarath Ahmed, my supervisor in the internship report, who was of great help, provided me with military support, and constructive feedback throughout the process of preparing this report. Direction and encouragement given to him were vital in accomplishment of this work.

I also wish to express my warmest gratitude to my supervisors and fellow employees in bKash Limited and in particular, Mr. Md. Shoriful Islam, my Line Manager, and Mr. Saber Sharif, Chief of the External and Corporate Affairs Division, as well as to the whole team, who showed their support, collaboration and helped me throughout my internship term. They gave me the support to become generally adapted to the professional environment and have practical knowledge on organizational practices.

Lastly, I would like to thank and learners and the other people who took their time and gave knowledge even though they were on hectic schedules. These successes could not have been attained without the collaboration and effort of all the parties involved.

Executive Summary

This internship report will analyze the financial performance analysis and AML/CFT regulatory structure of bKash Limited, which is considered the largest Mobile Financial Service (MFS) in Bangladesh.

In the study, a balance between the financial statement analysis and compliance-based analysis is a combination used in order to comprehend the way regulatory strengthening achieves the organizational performance. The analysis will be based on ratio analysis, horizontal, vertical, trend, DuPont and value-based performance (EVA) models by using secondary data of audited financial statements (2020-2025), publications of the Bangladesh Bank, and publicly available disclosures. Moreover, a correlation model is utilized to determine the connection between the financial performance ratings (revenue and profit) and a proxy AML/CFT Compliance Indicator, indicating regulatory changes throughout the years.

The results verify that higher compliance practices are accompanying operational stability and high profitability levels, which substantiate the strategic significance of regulatory compliance in maintaining the growth level in the digital financial services industry.

Keywords: bKash; Mobile Financial Services; AML/CFT compliance; financial performance; ratio analysis; Bangladesh.

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List of Acronyms

MFS	Mobile Financial Service.
BFIU	Bangladesh Financial Intelligence Unit.
AML/CFT	Anti-money laundering / Countering the Financing of Terrorism.
ECAD	External and Corporate Affairs Division.
CPMCT	Compliance Process Monitoring and Control Team.
DFS	Digital Financial Services.
CAMLCO	Chief Anti-Money Laundering Compliance Officer.
DCAMLCO	Deputy Chief Anti-Money Laundering Compliance Officer.
RAMLCO	Regional Anti-Money Laundering Compliance Officer.
CDD	Customer Due Diligence
EDD	Enhanced Due Diligence
KYC	Know Your Customer
E-KYC	Electronic Know Your Customer.
STR	Suspicious Transaction Report.
SAR	Suspicious Activity Report.
RMCT	Risk Management Control Team.
QC	Quality Check
PEP	Politically Exposed Person.
UAT	User Acceptance Testing

Glossary

Internship Report	The long-term analytical report is presented as a result of the undergraduate program requirement, including both internship experience and an academically based analytical report and research techniques.
Glossary	
Term	**Definition**
AML (Anti-Money Laundering)	The policies and procedures which are employed to identify and root out money laundering activities.
CFT (Counter Financing of Terrorism)	Everyone involved should control the financing of terrorism by the financial systems.
SAR (Suspicious Activity Report)	A report that is delivered in case of an approach which is identified as suspicious or awkward in relation to the AML regulations.
STR (Suspicious Transaction Report)	This is also like SAR, but it is submitted to supervise suspicious or illegal financial transactions.
CDD (Customer Due Diligence)	This is the process of authentication of a customer, evaluating risk and issuing services to the customer.
EDD (Enhanced Due Diligence)	Extensive research of high-risk customers or transactions in order to reduce any possible risks.
PEP (Politically Exposed Person):	A large group of people in the top leadership roles would be regarded as a high-risk area when it comes to financial surveillance.
KYC (Know Your Customer):	This is the procedure of identifying and verifying clients in order to avoid fraud and adhere to policies.
E-KYC (Electronic KYC)	Digital implementation of KYC to acquire a paperless, quick process of verifying customers.
MFS (Mobile Financial Service)	Financial services accessed through mobile gadgets, e.g. bKash.
RMCT (Risk Management Control Team)	The team that manages and averts default risks in the course of operations and compliance.

QC (Quality Check)	Process to warrant precision and adherence in work processes.
UAT (User Acceptance Testing)	Testing is carried out to ensure that software systems are compliant and work to the business requirements.

Chapter 1: Overview of Internship

1.1 Student Information

Name: Md. Tanjeel Bin Zaman

Student ID: 21204019

Educational institution: BRAC University

Program: Bachelor of Business Administration (BBA)

Department: BRAC Business School

Major: Finance

Minor: Accounting

1.2 Internship Information

1.2.1 General Information

- **Internship Period:** 4 months (10 September – 8 January)
- **Company Name:** bKash Limited
- **Department:** Anti-Money Laundering (AML) & Countering the Financing of Terrorism (CFT) Department
- **Division:** External Affairs Corporate Division
- **Company Address:** bKash Limited, Shadhinata Tower, 1, Bir Sreshtha Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka 1206, Bangladesh

1.2.2 Internship Company Supervisor's Information

- **Supervisor Name:** Md. Shoriful Islam
- **Position:** Deputy General Manager
- **Department:** AML& CFT

- **Email Address:** shoriful.islam@bkash.com

1.2.3 Job Scope

In my internship experience at bKash, I was assigned to the Anti-Money Laundering and Countering Financing of terrorism (AML and CFT) department, the External and Corporate Affairs Division and the Field Compliance Assessment (FCA) Team. The FCA Team is essential in determining and keeping the compliance health of bKash operations on the field level by ensuring that the necessary regulatory requirements provided by the Bangladesh Bank and the Bangladesh Financial Intelligence Unit (BFIU) are met. The team is dedicated to the elimination of possible risks, fraud monitoring, and suggestions on enhancements to support the integrity of the financial ecosystem.

As an intern in the FCA Team, the main tasks that I did were to aid compliance assessment on the field-level by inspecting the transactional information, examining user actions, and detecting patterns that might have suggested money laundering or terrorist financing. I was able to support the screening of accounts and transactions that were defined as high-risk, recording the observations, and writing the report to offer actionable information with the aim of improving the compliance framework. These undertakings provided me with an insight into how risk-based monitoring systems can be applied practically and the relevance of ensuring that the standards of operational security are kept high.

Besides assessment observing activities, I was also engaged in compliance-oriented training activities. These training programs were meant to make us familiar with regulatory knowledge, internal controls, and facilitate the operational processes across the entire network in a manner that is smooth and compliant. Given that I was exposed to knowledge-sharing practices as a result of these sessions, I realized the need to develop a culture of compliance at every level of operation.

During this internship, I had a comprehensive experience of operating knowledge in regulatory compliance, operational monitoring, and risk management in one of the most significant fintech companies. The experience has equipped me with practical skills in data analysis and reporting, and excellent communication in a compliance-conscious setting. It has also helped me learn more about how organized risk assessment schemes and ongoing training opportunities are to secure a reliable financial platform, commenting not only on the safety of the end-user but also on the compliance with regulations.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

As a part of my internship in the External and Corporate Affairs Division (ECAD) of the AML and CFT Department of bKash Limited, my assignment mostly related to the Field Compliance Assessment (FCA) Team. The FCA Team monitors the compliance health on the field level, ensuring compliance with the regulatory requirements offered by the Bangladesh Bank and the Bangladesh Financial Intelligence Unit (BFIU) and detecting possible risks associated with money laundering and acts of terrorism funding.

The activities that I carried out as an intern were in support of FCA officers in their assessments and assisted in compliance monitoring activities. My primary roles and contributions were:

- **KYC Quality Check (QC):** Helped in checking and auditing customer and institutional accounts to check whether all KYC details such as names, NID number, date of birth and parental details were identical with official records. Noted the discrepancies like missing photos, false information, or odd documents and made detailed observations that would allow the FCA officers to act. Assisted in the evaluation of institutional accounts, including checking the company registration information, owner information, and other supporting material.
- **Deepfake Checks:** Scanned the process of creating an account and identified those that were not legitimate accounts by AI-generated live photos. Reviewed a significant portion of customer accounts gathered by agents, assisting in the prevention of fraud and illegal remittance, fraud and scams, as well as other non-compliant actions.

- **Informal Remittance and Online Gambling:** One of the key roles was to detect Informal Remittance and Online Gambling from different regional assessment evidence.
- **Media Screening:** Carried out regular media checks to identify fraudulent practices, the unlawful use of the bKash name or trademark and other compliance threats. Documented confirmed cases to make FCA measurements and internal risk reduction measures.
- **Observation & Reporting:** Participated in FCA field assessment meetings actively with the officers, listening to the evaluation process and observing it. Give extensive demystification and feedback regarding compliance loopholes, process anomalies, and other areas of possible risks and assist the FCA team in the development of final reports.
- **Seminars & Trainings:** Helped run corporate events of AML & CFT seminars by helping in escorting participants and keeping order. These activities have exposed me to formal, corporate communication, event management and professional coordination.

This internship has provided me with experience in regulatory compliance, field-level risk assessment, and fraud detection. My cooperation with FCA officers gave me an opportunity to learn how to apply AML and CFT systems in the course of operations, develop analytical skills, and safeguard a safe and lawful financial landscape.

1.3.2 Benefits to the Student

- Achieved practical exposure to the process of actual AML and CFT operations through personal participation in the evaluation of FCA officers.
- Gained a deep negotiating ability concerning regulatory compliance, risk management and financial monitoring with one of the top Mobile Financial Services (MFS) providers.
- Increased capabilities to analyze the data and critically perform the analysis of KYC documents, institutional accounts, and recognition of anomalies, including deepfake images, informal remittance, and online gambling activities.

- Educated to detect and control operational risks, how non-compliant practices affect the security, reputation and financial integrity of the organization.
- Enhanced ability in observation and reporting by observing the FCA assessment, recording of the observations and giving practical feedback to the top officers.
- Enhanced professional interaction, workplace manner, teamwork through the coordination with the FCA officers, training, and support in seminars and corporate events.
- Acquired some first-hand experience in fraud detection and preventive strategies.
- Realized the relationship between compliance and financial performance, the academic knowledge provided in the BBA program and practical experience of risk management, monitoring transactions, and organizational governance.
- Developed a positive attitude towards the problems, attention to details, which is required to analyze the suspicious deals, guarantee the correctness of data, and the observance of the regulations.
- Practical training on the real-time implementation of the AML/CFT systems, future position in finance, compliance, or risk management.

1.3.3 Problems / Difficulties Faced During the Internship Period

- **Restrained Access to Classified Data:** The customer transaction data were sensitive, and I did not get chances to access full datasets; this restricted my chances of doing independent hands-on analysis.
- **Knowledge of AML/CFT Terms and Processes:** In the beginning, it was difficult to know the specific terms of AML/CFT like STR (Suspicious transaction report), SAR (Suspicious Activity Report), CDD (Customer due diligence), and EDD (Enhanced Due Diligence), and the application of these concepts in the practical aspect of compliance.
- **Finding a balance between Observation and Meaningful Learning:** I was mostly involved in observation of FCA officers in the head office during the assessment times. Their workflow could make it challenging to be actively engaged, add insights and concentrate on learning.

- **Adjusting with the environment:** Many small issues needed to be noted when working in a very high-pressure, head-office-based environment, one had to be very attentive to detail while reviewing the kyc qc, deepfakes, identification of informal remittance and online gambling, media screening, and documenting the findings.
- **Assessment Procedures Interpretation:** It took some time to appreciate how the FCA officers analyzed the accounts and reported abnormalities, as I had to tie the theoretical knowledge with the process being shown practically.
- **Learning By Watching:** As I was not directly involved in field consideration, to obtain in-depth knowledge of operational risks and compliance inspection, I had to pay sufficient attention and take down numerous notes, to internalize the procedures and reasoning of the officers in the FCA.

1.3.4 Recommendations to the Company for Future Internships

- Reimburse interns with pre-internship orientation documents to get them acquainted with AML/ CFT concepts, terminologies, and organizational procedures prior to coming into service.
- Along with guidance, little-scale projects can provide the fieldwork, keep confidentiality, and security of data.
- Make the interns attend cross-departmental tasks to have an in-depth picture of what a company does and what the compliance ecosystem is.
- Use simulation exercises or case studies, which will enable the interns to practice compliance assessment and decision-making in a secure and controlled environment.

Chapter 2: Overview of the company

2.1 General Information

2.1.1 Introduction

In this chapter, it has presented a complete review of bKash Limited, which is one of the most successful mobile financial services (MFS) organizations in Bangladesh. Founded in 2011, as a joint venture between BRAC Bank PLC and major international investors, bKash has taken a key part in the growth of financial inclusion by giving efficient digital financial goods to millions of customers and rural groups (bKash, n.d.; Wikipedia, 2025). The services provided by the company are extensive, including domestic and international money transfer, bill pay, mobile recharge, merchant payment, digital savings, and so on, available with a huge list of agents and a mobile-based platform (bKash, n.d.; OHSEM, 2025). bKash Limited works under the regulatory supervision of the Bangladesh bank and this makes sure that its operations follow any financial regulations of the country and that it does not violate any of its financial regulations, but operates with high standards of risk management and customer confidence.

This chapter has the purpose of giving the reader a detailed insight into the organizational structure, functional areas and operations of bKash to facilitate the discussion of AML/CFT compliance mechanisms discussed in Chapter 3. The chapter supplements the theoretical knowledge with the actual practices in the industry by delving into these operational and organizational dimensions and offering insights into the way compliance practices can promote financial performance and sustainability.

2.1.2 Objective

- Provide an in-depth organisational profile of bKash Limited.
- Examine management, marketing, financial, accounting, and operational practices to gain insight into the internal operations of the company.
- Analyze the financial performance of the company in the last 3-5 years with the help of such analytical tools as financial ratios, trend analysis, and comparative analysis.
- Evaluation of the industry competitiveness, strategic positioning, and operational efficiency of bKash in the Bangladesh fintech industry.
- Give information on the ways organizational practices can contribute towards regulatory compliance and financial sustainability.

2.1.3 Scope of the Chapter

- Attention to bKash Limited and its activities in the field of digital financial services.
- Covers key functional areas:
  - Management and leadership practices.
  - Customer engagement and marketing plan.
  - Alternative accounting and financial performance.
  - Operation management and information systems.
  - Strategic analysis and industry competitiveness.
- It is dependent on publicly accessible information, such as annual reports, regulatory books, and reliable financial news portals, because of confidentiality issues.
- Does not include confidential or customer-specific transaction information.

2.1.4 Methodology

- According to the secondary data analysis conducted based on reputable sources:
  - Annual reports and official publications of bKash Limited.
  - Bangladesh bank regulatory information.
  - Information about industries based on the reliable financial news portals (e.g., The Financial Express).
- Analytical tools applied:
  - Liquidity, solvency, profitability, efficiency, leverage.
  - Horizontal and vertical trend analysis.
  - Porter Five Forces and SWOT models of industry and strategic analysis.

The data interpretation under observation is complemented by observational input of the internship experience, particularly in learning about the process of compliance with AML/CFT.

2.1.5 Significance of the Chapter

- Gives a contextual insight into the operations of bKash, which is required to connect organizational operations to the AML compliance analysis and CFT compliance analysis in Chapter 3.
- Shows the impact on financial performance, risk mitigation, and customer trust of management, operational processes, and compliance mechanisms.
- Can be used to inspire future interns and students studying the real-life fintech operations.
- Helps in the academic assessment of the capability of the student to make theoretical frameworks practically work in an organization.

2.1.6. Limitations

- Only the information that is publicly available will be analyzed, and only internal reports and transaction-level information will be accessed.
- The financial performance analysis might fail to show real-time operational parameters or secret strategic choices.
- The inferences made are unique to bKash and might not be completely applicable to other fintech institutions.
- The observational inputs are prone to the interest and awareness of the intern throughout the internship period.

2.2 Overview of the Company

2.2.1 Company Background

- **Company Name:** bKash Limited
- **Founded:** 2010, in Dhaka, Bangladesh
- **Type:** Mobile Financial Service (MFS) provider

- **Parent Company:** BRAC Bank Limited (major shareholder)
- **Purpose:** To provide **financial inclusion** to the unbanked and underbanked population of Bangladesh through **mobile money services**.

Mission: Provide accessible, convenient and affordable digital financial services to every section of society and encourage underserved communities by materially empowering them financially.

Vision: To become the first and most trusted mobile financial service organization in Bangladesh, contributing to the national economic development and innovation.

2.2.2 Products and Services

- **Mobile Financial Services:**
  - **bKash Wallet:** Mobile payment platform with core functions of send money, cash-out/cash-in, and P2P money transfer.
  - **Payment Services:** Utility bill payments, school/college fees, e- commerce payments.
  - **Business Solutions:** Salary, subsidies and vendor payments can be disbursed as a bulk.
  - **Loans and Savings Products:** With banks, microloans, mobile savings, and mobile deposit.
- **Digital Innovations:**
  - **bKash App:** Android and iOS apps that are used to manage and track transactions.
  - **Digital Onboarding:** Smooth customer registration initiatives with the use of electronic Know Your Customer procedures.

2.2.3 Organizational Structure

- **Top Management:** bKash Limited has a leadership structure in which significant organizational functions are controlled by respective Chief Officers. Every Chief Officer has the task of strategic planning, operating and making sure that the company is geared towards the limits of its overall goals.
  - **Chief Product and Technology Officer (CPTO):** Manages product development, system architecture, technological innovation, digital infrastructure and cybersecurity so that service delivery is secure and efficient.
  - **Chief Commercial Officer (CCO):** Tasked with the business development of the company based on acquiring merchants, developing partnerships, sales strategy, and revenue management.
  - **Chief Financial Officer (CFO):** Prepares financial planning and budgeting, accounting and financial reporting, cost management and adherence to financial requirements.
  - **Chief Human Resources Officer (CHRO):** Heads talent acquisition, employer branding programs, employee engagement and planning the workforce, and organizational development.
  - **Chief Marketing Officer (CMO):** Formulates brand strategy, controls marketing campaigns, promotions and customer interaction to enhance market presence.
  - **Chief External & Corporate Affairs Officer (CECAO):** Relationships with regulators, government bodies and other external stakeholders are handled and in charge of corporate governance and communication between the corporation and the regulators.
  - **Chief Legal Officer (CLO):** Gives legal advisory support, administers contracts and enforces the relevant laws and regulations and risks associated with legal matters.
  - **Chief Customer Service Officer (CCSO):** Manages customer service, service quality, resolution of customer complaints and any programs to improve customer satisfaction.

- **Chief Risk Officer (CRO):** Mandated to identify, estimate, and control organizational risks, namely, operational, financial risks, and regulatory risks.
- **Chief Communication Officer (CCO -Communications):** Manages in-house and external communication, media relations, corporate communication and reputation management.

- **Functional Division:** bKash Limited has a number of large specialized corporate units, which are in charge of strategic and operational functions. These departments are collaborative divisions to make sure that services are provided efficiently, the contact maintains regulation, innovation, and sustainable business.
  - **Product and Technology Division:** This department deals with designing, maintaining, and upgrading the digital platforms and services of Android of bKash. It manages the product architecture, system, application development, cybersecurity, and technological innovation to facilitate smooth user experiences and secure user experiences.
  - **Commercial Division:** The business division is concerned with business development and generation. It is in charge of merchant acquisition activities, partnership development, sales activities, and market expansion programs to enhance the presence of bKash in different segments of customers and businesses.
  - **Finance Division:** The Finance Division deals with financial planning, budgeting, accounting, and reporting of financial and cost control. It guarantees financial transparency, regulation and proper financial management to facilitate organizational sustainability.
  - **Employer Branding Division:** The Employer Branding Division strives to create and advertise the recognition of bKash as an employer of preference. It concentrates on value proposition to employees (EVP), attraction of talent, internal engagements and employer-oriented communication as per the organizational culture.

- **Marketing Division:** This division will handle the brand management, promotions, advertising campaigns and customer engagement strategies. It has uniformity and presence of the brand in the market through all the communication channels.

- **ECAD (External & Corporate Affairs Division):** ECAD deals with the relationships with the external stakeholders, among which are regulators, governmental bodies, and industry partners. It regulates communication protocols, corporate governance and makes sure that they are in line with national financial regulations and policies.

- **Legal Division:** The Legal Division has the responsibility of offering legal advisory services within the organization. Its duties are contract administration, compliance with the law, policy interpretation, and to address the legal company affairs in order to reduce the legal risks.

- **Customer Service Division:** Quality customer service is provided by this division. It also handles customer requests, customer complaints, feedbacks and service improvement programs with the aim of increasing customer satisfaction.

- **Risk Division:** Risk Division determines, evaluates and addresses operational, financial and regulatory risks. It has a major role to play in internal controls, as well as risk mitigation strategies and organizational resilience.

- **Communication Division:** The Communication Division deals with in-house and outside communication, media and corporate messages. It aids in reputation management and also provides success in the flow of information within the organization and with the outside stakeholders.

- **Regions:** To provide efficient coverage, control and delivery of its services in Bangladesh, bKash Limited has a well-organized regional structure to cover the market and control its operations. The localization enables bKash to control the networks of agents, dealers, customer support operations and regulatory alignment at the local level. All regions are also managed through their specific regional management to facilitate the development of business and its workability. The key areas of operation of bKash Limited are the following:

SL#	Name of the Region
1	Dhaka North
2	Dhaka South
3	Cumilla
4	Chattogram
5	Sylhet
6	Rangpur
7	Bogura
8	Mymensingh
9	Khulna
10	Barishal

The bKash regional segmentation will allow it to be closely connected to merchants, agents and customers and respond to the needs of the region with respect to operations and compliance. The structure also allows the company to have good monitoring, quick decision-making, and enhanced customer experience throughout the nation.

2.2.4 Key Achievements

- **Market Leader:** It is one of the biggest MFS providers in Bangladesh in terms of transactions and customers.
- **Financial Inclusion:** Millions of formerly unbanked citizens acquired online financial services.
- **Innovation Recognition:** Numerous fintech innovations and secure digital payment awards.
- **Strategic Partnerships:** Co-operation with banks, government initiatives and online store systems fo4r intensive coverage of digital payments.

2.3 Management Practices

2.3.1 Leadership Style

bKash has an action-oriented, participative, and strategic leadership style:

- **Participative style:** This style encourages the input of the middle managers and departmental heads in decision-making.
- **Strategic focus:** Leadership congruously aligns the organizational objectives and regulatory excellence, financial, and digital innovation.
- **Impact on Organization:**
    - Allows working together between departments, ensuring smooth running of AML/CFT and operational processes.
    - Improves employee loyalty and responsibility.
    - Fosters a culture of constant improvement and innovation of services and internal processes.

2.3.2 Human Resource Planning

HR is also concerned with hiring talent with technical and compliance skills, especially in fintech operations.

Key HR strategies:

- **Workforce Planning:** Ensures that there is an adequate number of staff graduates in core departments (Finance, AML/CFT, IT, Operations).
- **Skill Mapping:** Aligns the skills of employees with jobs that demand financial, computer, and regulatory skills.
- **Succession Planning:** Trains mid-level managers to assume a greater responsibility, which keeps the organization continuing.

2.3.3 Recruitment and Selection

Recruitment procedure:

- **Job Posting & Screening:** Applicants tested on technical ability, educational attainment, and work experience.

- **Interviews:** Technical and behavioral interviews will be combined to assess fintech operations fit and compliance culture.
- **Background Checks:** Verifies the candidates against the regulatory and ethical requirements.

Concentrate on recruiting individuals who are flexible, have good morals, and are able to work with large amounts of digital financial transactions.

2.3.4 Training and Development

The principle of continuous learning plays a vital role at bKash, especially in the areas of compliance, finance, and digital skills:

- **AML/CFT Education:** Frequent training on KYC and CDD, and EDD/STR/SAR reports, as well as risk monitoring.
- **Technical Training:** System operations, IT security policies, and services based on apps.
- **Soft Skills Training:** Workshops in communication, customer handling, as well as teamwork.

The training is a way to keep employees abreast of the regulations and best practices in the industry.

2.3.5 Performance Appraisal

bKash has an organized performance management system:

- **Key Performance Indicators (KPIs):** Associated with department objectives, compliance and operational efficiency.
- **360-Degree Feedback:** Manager, peer, and subordinate feedback where necessary.
- **Annual Review and Reward System:** recognition, promotions and incentive basing on performance.

Appraisal system assures that employees are driven, responsible and in line with organization's goals.

2.3.6 Aspect of management practices

The practices of leadership and HR assure:

- Strict compliance, particularly AML/CFT activities.
- Operational performance, which is efficient, contributes to an increase in the transaction volume and financial stability.
- The motivation and retention of the workforce, hire and retain a skilled and motivated workforce.
- Strategy consistency with organizational objectives, which promotes the market leadership of bKash.

2.4 Marketing Practices

2.4.1 Marketing Strategy

The marketing strategy by bKash is based on financial inclusion, customer convenience, and brand trust.

Key Elements:

- Branding as the most trusted and convenient MFS in Bangladesh.
- Appealing to both the urban and rural markets, such as the unbanked population.
- Focus on cheapness, availability and speed in services.

Strategy assists in the development of the business, besides ensuring that there is compliance with regulations.

2.4.2 Target Customers and Segmentation.

Primary Customers:

- Personal mobile consumers in peer-to-peer, payment and savings.
- Unbanked and underbanked targeting populations in need of financial services without traditional banking facilities.

Business Customers:

- Small and medium enterprises (SMEs) that pay via bKash, pay their salaries, and their suppliers.
- Big companies and government initiatives are using bulk payment providers.

Segmentation guarantees the provision of services that satisfy the wants of various groupings, such as rural and urban customers who are tech-savvy.

2.4.3 Marketing Channels

Digital Platforms:

- bKash App (iOS and Android) to control the account and make payments and financial services.
- **Social-Media:** Facebook, Instagram, YouTube, advertising about the updates of the products and customer interaction.

Offline Channels:

- District agent networks in cash-in/cash-out services.
- Financial literacy workshops and road shows in the rural locations.

A multi-channel approach would guarantee maximum prospective reach and convenience to the customers.

2.4.4 Product Development and Innovation

The company has come up with a number of products that have made the product line rewarding

- Never-ending enhancement of bKash Wallet and electronic services.

- Launching loan and savings services in partnerships with banks.
- Emphasize the user experience (UX) and navigation within the mobile application.

  Connection to the e-commerce sites to make web payments easily.

2.4.5 Branding Activities

- Brand positioned as reliable, safe, and convenient.
- Good media campaign, online as well as offline, with focus on financial security and innovation.
- Application of logos, slogans, and repetitive messages to keep the brand.

2.4.6 Advertising and Promotion

- **Digital Advertising:** Social media campaigns, mobile notifications and app advertisements.
- **Promotional Campaigns:** Discount service fees, referral programs and cash-back rewards.
- **Financial Literacy Campaign:** Informing the customers about security in online transactions and banking, and AML.

2.4.7 Critical Marketing Issues and Gaps.

- Further awareness creation is required among rural people on digital financial literacy.
- Other MFS providers (Nagad, Rocket) make the competition continuous, and the innovation and customer retention strategies have to be continued.
- Ensuring that the marketing messages comply with the standards of compliance with the requirements in the areas of transaction security and regulatory standards.

2.5 Financial Performance and Accounting Practices

2.5.1 Financial performance analysis introduction:

Financial performance analysis is a key in examining the operational effectiveness, financial power, as well as the sustainability of an organization in the long term. Financial stability is essential in a Mobile Financial Service (MFS) provider such as bKash Limited since it is characterized by large volumes of transactions, regulatory compliance, and risks of its operations.

The section is the analysis of the financial performance of bKash Limited based on the audited financial statements of the previous five years (2021-2025). The analysis is based on liquidity, solvency, efficiency, profitability, leverage and market-value ratios, ratio analysis, horizontal analysis, vertical analysis, trend analysis, comparison analysis and the DuPont framework is applied. Also, value-based performance indicators like Economic Value Added (EVA) are taken into account.

2.5.2 Data and Data Analytical Method

The analysis will be done based on secondary data gathered from bKash Limited (2021-2025)

- Audited annual reports
- Regulatory financial publications

The analytical methods used are as follows:

- Ratio analysis (profitable, liquid, efficient, leverage)
- Horizontal analysis (changes between years)
- Vertical (common-size financial statements) analysis.
- Trend analysis (trends in the performance over the years)
- Comparative analysis

- DuPont analysis
- Value-based analysis (EVA)

2.5.3 Profitability Analysis

Profitability analysis measures how the company can generate profits as compared to revenue, assets and equity.

Table 1: Profitability Ratios (2021–2025)

Year	Gross Profit Margin	Net Profit Margin	ROA	ROE
2021	23.75%	-4.20%	-1.24%	-3.85%
2022	27.33%	0.51%	0.17%	0.57%
2023	30.03%	2.35%	0.83%	3.12%
2024	35.64%	6.78%	2.41%	9.44%
2025	37.23%	10.85%	4.53%	17.66%

Formulas Used:

- Gross Profit Margin = (Gross Profit ÷ Revenue) × 100
- Net Profit Margin = (Net Profit ÷ Revenue) × 100
- Return on Assets (ROA) = (Net Profit ÷ Total Assets) × 100
- Return on Equity (ROE) = (Net Profit ÷ Shareholders' Equity) × 100

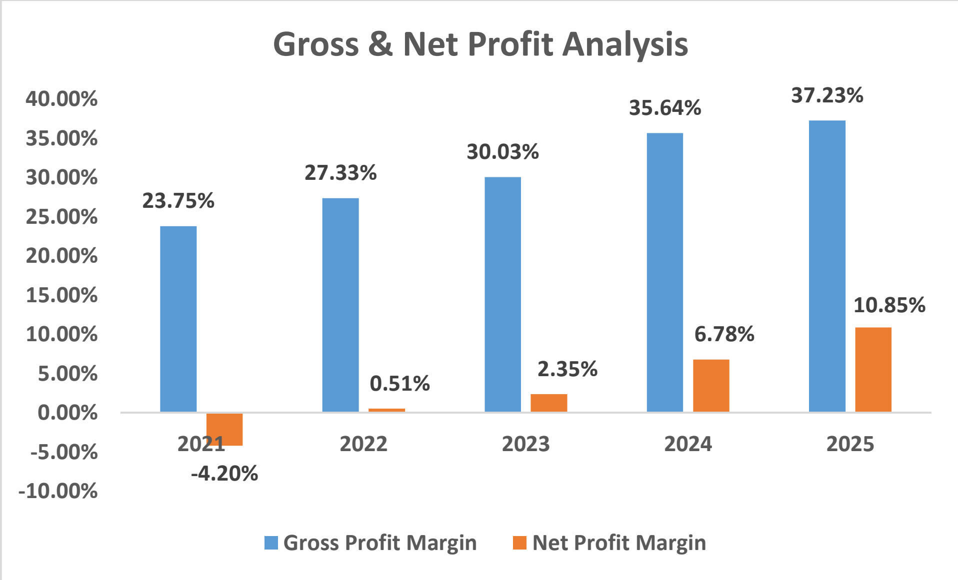

Figure 1: Gross & Net Profit Analysis

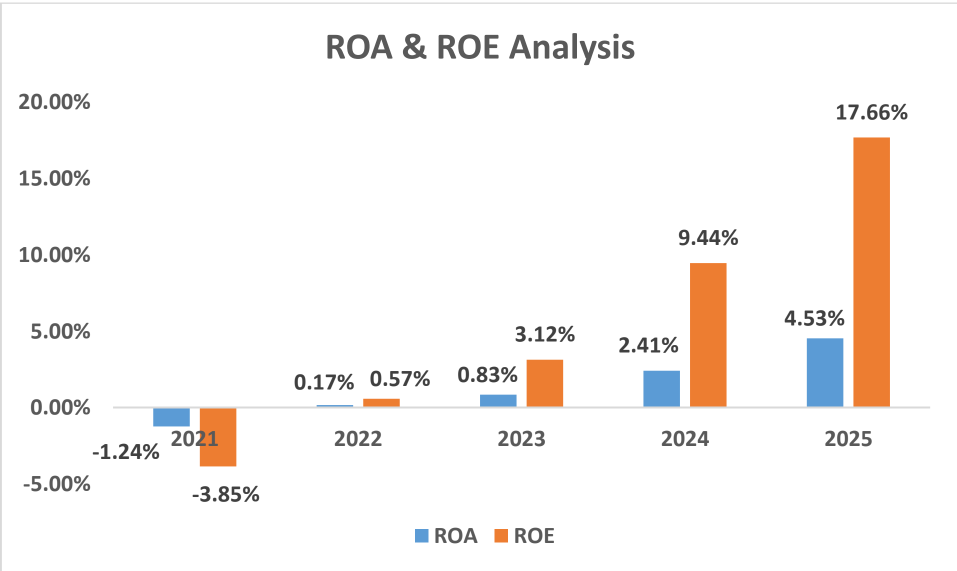

Figure 2: ROA & ROE Analysis

Interpretation of Profitability Analysis:

- **Gross Profit Margin:** The consistent increase in the values from 23.75 in 2021 to 37.23 in 2025 states the fact that bKash have done a great job in the management of its core production costs. It implies that they are either more cost-effective or have an adequate amount of market confidence to be able to charge more effectively for their services.
- **Net Profit Margin:** Being down by a loss of -4.20% to a positive 10.85% profit is an enormous result. The company has already passed the break-even point, and it is

currently retaining a large share of each and every taka that has been earned, with all the bills and taxes that have been paid.

- **Return on Assets (ROA):** bKash changed its ROA from -1.24 to 4.53, and this is a definite indication that they are making better use of their equipment, inventory and cash. They are fundamentally extracting better out of all assets that the company has.
- **Return on Equity (ROE):** The most striking is the leap to 17.66 percent by the year 2025. It indicates that bKash is getting a very high rate of return to its shareholders, and this indicates that the business has become a fully operational of increasing the amount of capital invested in it.

2.5.4 Liquidity Analysis

The liquidity ratio determines how the firm covers its short-term liabilities and other financial obligations in the business.

Table 2: Liquidity Ratio (2021–2025)

Year	Current Assets (BDT)	Current Liabilities (BDT)	Current Ratio
2021	88,499,445,819	62,928,023,360	1.406359855
2022	94,445,349,712	73,831,924,091	1.279193938
2023	106,519,450,415	86,700,343,883	1.228593171
2024	120,104,981,153	100,928,937,428	1.189995498
2025	139,127,866,633	114,665,995,612	1.213331519

Formulas Used:

- Current Ratio = Current Assets ÷ Current Liabilities

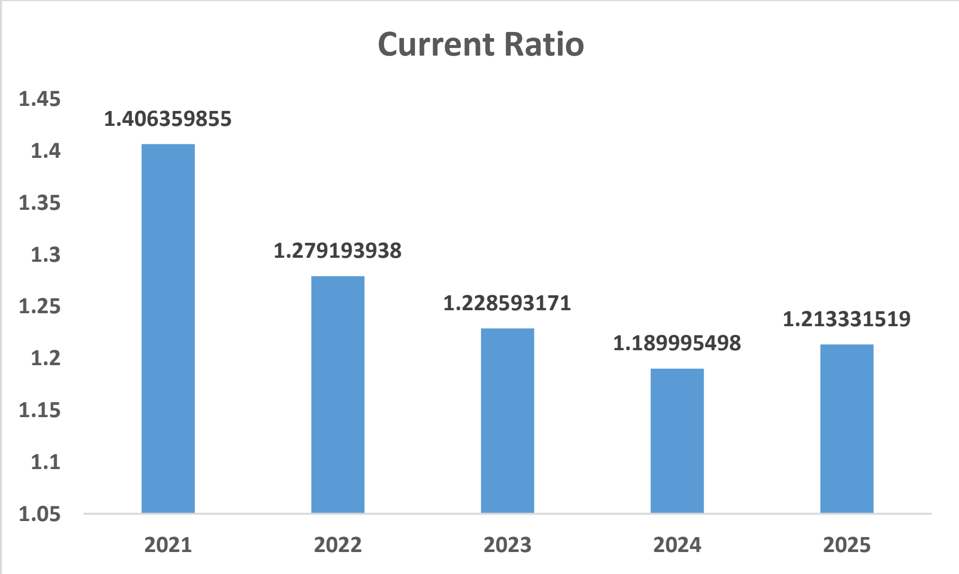

Figure 3: Liquidity Analysis

Interpretation of Liquidity Analysis:

- **Current Ratio:** In 2021, bKash's current ratio was 1.41, which steadily declined to 1.21 in 2025. Although this ratio has gone down, it is above the critical rate of 1.0, and it still has 1.21 BDT of liquid assets for every 1 BDT of short-term debt.
- **Growth in Current Assets and Liabilities:** bKash's current assets have increased considerably, and their total amount now stands at 139 billion BDT as compared to 88.5 billion BDT. But due to a slightly increased rate of growth in its current liabilities, which has been increasing to 62.9 billion BDT to 114.6 billion BDT, the overall liquidity buffer has been reduced.
- **Short-Term Solvency:** The decrease to 1.19 in 2024, after which there is a slight increase to 1.21 in 2025, implies that the company is putting into the business heavily. bKash is holding sufficient liquidity that will settle immediate obligations, but with a smaller margin of error than it was four years ago.
- **Operational Efficiency:** This trend will normally indicate that a business is deliberately utilizing its cash more vigorously in order to propel the growth achieved in its ratios of profitability. In as far as it maintains a current ratio of higher than 1.0, it is balancing between aggressive growth and financial security in effect.

2.5.5 Efficiency Analysis

Efficiency analysis evaluates the effectiveness of the company in terms of using resources so as to generate revenue.

Table 3: Efficiency Ratios (2021–2025)

Year	Revenue (BDT)	Average Total Assets (BDT)	Asset Turnover Ratio	Operating Expenses (BDT)	Operating Expense Ratio
2021	27,945,227,942	77,936,290,017	0.358565	8,232,379,403	0.29459
2022	34,308,082,701	100,050,611,110	0.342907	10,143,185,925	0.29565
2023	41,906,986,868	112,199,368,735	0.373505	12,279,945,839	0.293029
2024	48,298,192,945	127,322,004,707	0.379339	14,021,664,444	0.290314
2025	64,702,761,044	145,420,901,679	0.444934	16,828,547,177	0.26009

Formulas Used:

- Asset Turnover Ratio = Revenue ÷ Total Assets
- Operating Expense Ratio = (Operating Expenses ÷ Revenue) × 100

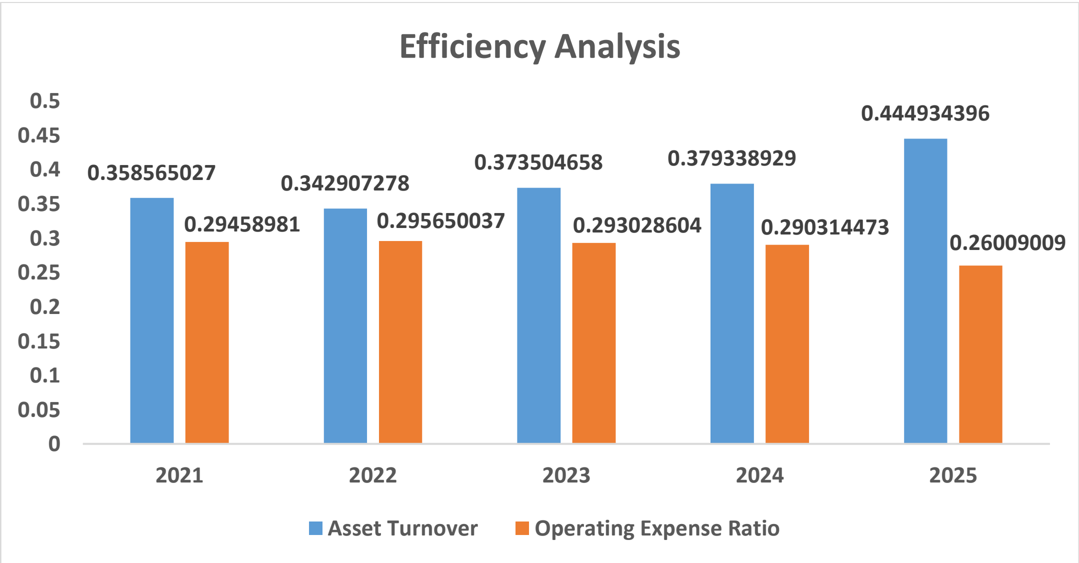

Figure 4: Efficiency Analysis

Interpretation of Efficiency Analysis:

- **Total Asset Turnover Ratio:** This ratio indicates how much revenue bKash can produce when each Taka is placed in the assets of this company. Since the company has been growing in the period 2021 to 2025, the turnover ratio is increasing, which means that the infrastructure of the platform is increasingly exploited. In the case of a fintech leader, the increasing turnover indicates that it is operating the core digital platform with an increased volume of transactions (Cash-in, Cash-out, Merchant Pay) without the need to add physical assets.

- **Operating Expense Ratio:** In banking and the MFS sector, the Operating Expenses / Total Operating Income is usually computed. This ratio shows a negative trend during the five-year period; this is a very good indicator of the operational maturity of bKash. It demonstrates how the company has enjoyed economies of scale as the number of users has increased to millions, so that the cost of adding and serving new users is now much less than the amount of revenue they will generate.

- **Fixed Asset Turnover:** As bKash is a technology-intensive firm, its fixed assets are mainly in the form of servers, software and office infrastructure as opposed to factories. A positive fixed asset turnover implies that the company is effectively scrambling up its technological stack. It shows that the early-stage significant investments in the digital ecosystem are finally paying off by sustaining a much more significant financial ecosystem.

- **Efficiency in Trust Account Management:** Although this is not a classic ratio, in the case of bKash, efficiency is also related to its ability to manage the Trust Cum Settlement Account (bank pool of customer e-money). As the speed of transactions rose through 2025, the company displayed a high level of efficiency in the fact that they ensured the seamless and real-time settlement of millions of daily users and at the same time keep the necessary levels of regulatory liquidity reserves.

2.5.6 Leverage Analysis

The leverage analysis remains used to determine the degree of debt financing used by the firm.

Table 4: Leverage Ratios (2021–2025)

Year	Total Liabilities (BDT)	Total Assets (BDT)	Total Equity (BDT)	Debt Ratio	Debt to Equity Ratio
2021	64,089,766,600	94,516,796,667	30,427,030,067	0.678078	2.106343
2022	74,982,079,408	105,584,425,552	30,602,346,144	0.710162	2.450207
2023	87,271,334,883	118,814,311,917	31,542,977,817	0.734519	2.766744
2024	101,128,664,387	135,829,697,497	34,701,033,110	0.744525	2.914284
2025	115,263,259,994	155,012,105,860	39,748,845,866	0.743576	2.899789

Formulas Used:

- Debt-to-Equity Ratio = Total Liabilities ÷ Shareholders' Equity
- Debt Ratio = Total Liabilities ÷ Total Assets

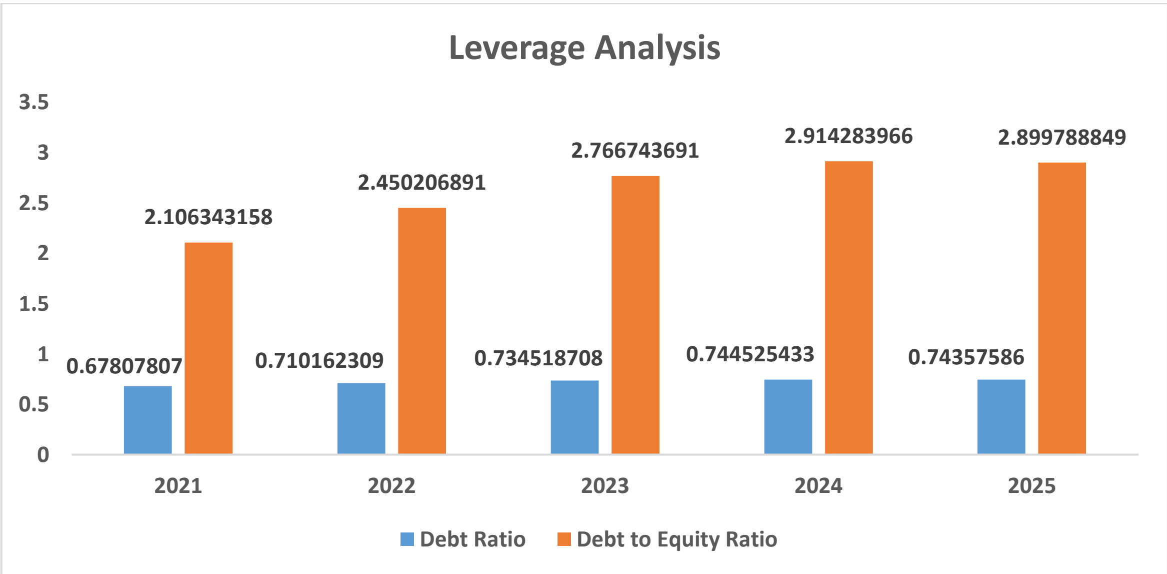

Figure 5: Leverage Analysis

Interpretation of Leverage Analysis:

- **Debt Ratio:** The Debt Ratio of bKash rose by 0.68 to 0.74 in the period between 2021 and 2025. The high ratio of debt in the MFS industry can be an indication that there is growth in the Customer Deposits (e-money balances), which fall under the liabilities category. The fact that the ratio has not been growing upon reaching the level of 0.74 in 2025 is also a good indication that the company is efficiently balancing its high growth in user funds with a good and growing asset base.

- **Debt to Equity Ratio:** Debt to Equity Ratio increased in 2021 to 2.11, then increased to 2.91 in 2024 and finally to 2.90 in 2025. This is an indication that leveraging has been employed by bKash to aggressively grow its digital ecosystem. Provided that the ratio is high in contrast to conventional manufacturing, it is typical that high-growth fintech platform depends on substantial liability-led growth as they gain market share and volume of transactions.

- **Stability in Capital Structure:** Although the total liabilities have risen, it is positive to note that the change of the Debt Ratio and Debt to Equity Ratio in 2025 has slightly declined. It implies that the company has now matured such that retained earnings and internal profit-generating are starting to play an even more significant role in supporting its capital structure, as opposed to external liabilities only.

- **Financial Risk and Solvency:** On the whole, the company is in a high-leverage position that is normal with a market-leading MFS provider. The financial risk is manageable since the main part of these liabilities is user balances as opposed to the high-interest bank debt. This gradual increase in the Total Equity of up to 39.7 billion BDT by 2025 offers a very good cover, hence bKash does not need to worry about not being afloat as it proceeds with its aggressive financial inclusion strategy.

2.5.7 Horizontal, Vertical, and Trend Analysis

Table 5: Horizontal Analysis

Year	Revenue (BDT)	Revenue Growth %	Net Profit (BDT)	Profit Growth %
2021	27,945,227,942	Base Year	(1,172,858,107)	Base Year

2022	34,308,082,701	22.77%	175,316,077	-114.95%
2023	41,906,986,868	22.15%	985,482,973	462.12%
2024	48,298,192,945	15.25%	3,276,773,748	232.50%
2025	64,702,761,044	33.97%	7,018,529,768	114.19%

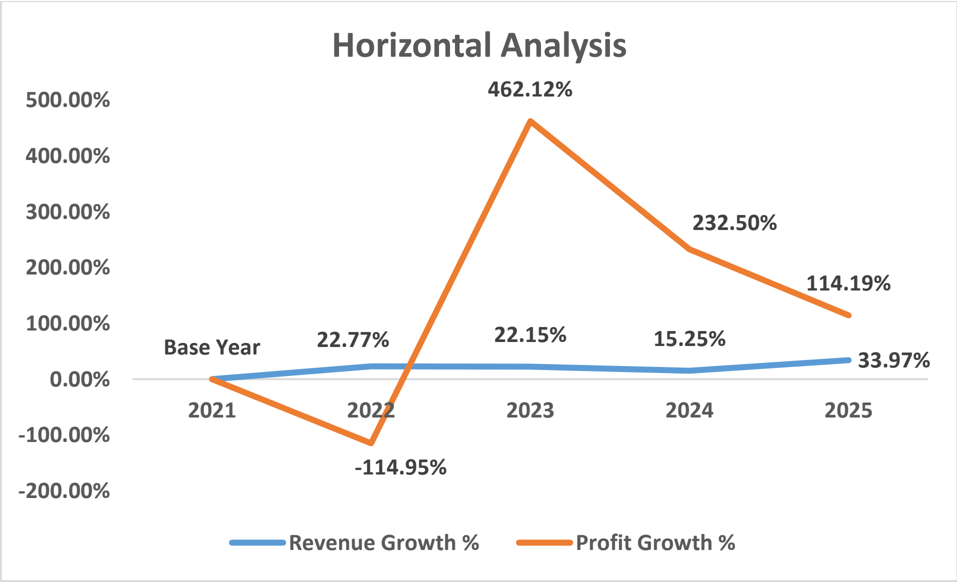

Figure 6: Horizontal Analysis

Interpretation of Horizontal Analysis:

bKash has shown tremendous growth, especially in the last two consecutive financial years. The 2025 increase by 33.97 percent is a great boost to the 15.25 percent revenue increase in the previous year alone. Better still, the recovery of the net profit is even more impressive; having been even in 2022, the company experienced increased profits of 462 percent and 232 percent throughout that period for the next few years as the business model peaked. It means that the company has already overcome its stage of heavy investments and is currently implementing the exponential value of the well-built network.

Table 6: Vertical Analysis

Year	Revenue %	Cost % of Revenue	Net Profit %
2021	100%	76.25%	-4.20%
2022	100%	72.67%	0.51%
2023	100%	69.97%	2.35%
2024	100%	64.36%	6.78%
2025	100%	62.77%	10.85%

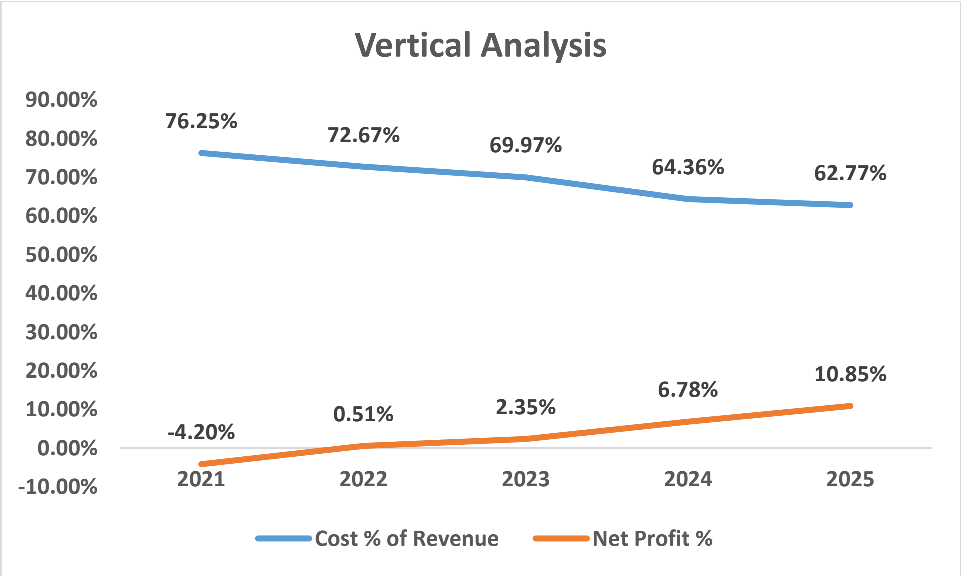

Figure 7: Vertical Analysis

Interpretation of Vertical Analysis:

The common-size statement demonstrates that there is a fundamental change in the cost structure of the company. The cost of service made up 76.25 percent of revenue spent in 2021, though by 2025, bKash was able to reduce this figure to 62.77 percent. This is a relative cost decrease of 13.48 percent that indicates that even as the platform grows, the direct costs of delivering MFS services are not increasing at a similar rate as the revenue. A positive change has therefore brought about the net profit margin that was a deplorable -4.20 percent to a profitable 10.85 percent of the total revenue.

Table 7: Trend Analysis

Year	Revenue Trend Index	Net Profit Trend Index	Asset Trend Index
2021	100	N/A	100
2022	122.7690208	100	111.7096953
2023	149.961156	562.1178559	125.7070871
2024	172.8316299	1869.06632	143.7095863
2025	231.5342039	4003.357757	164.0048238

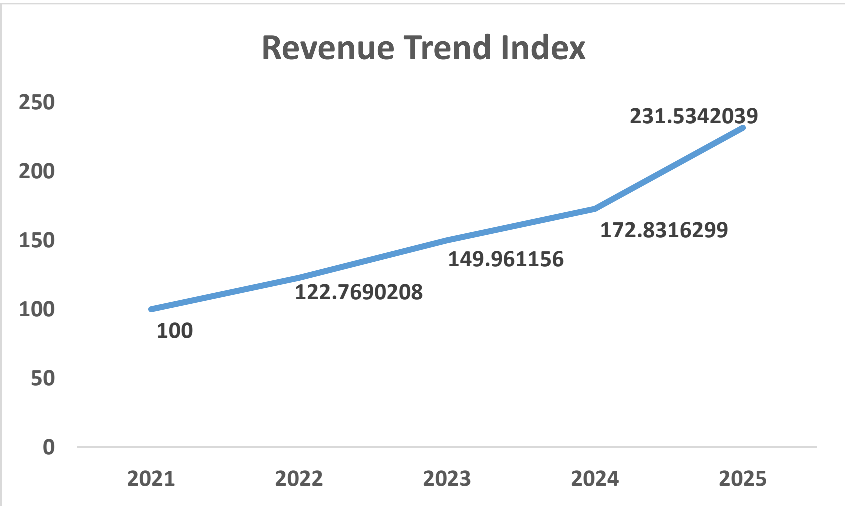

Figure 8: Revenue Trend Index

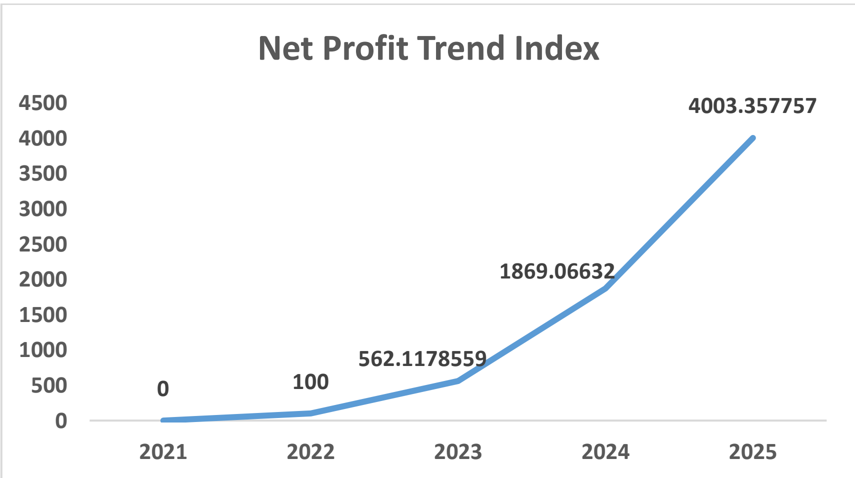

Figure 9: Net Profit Trend Index

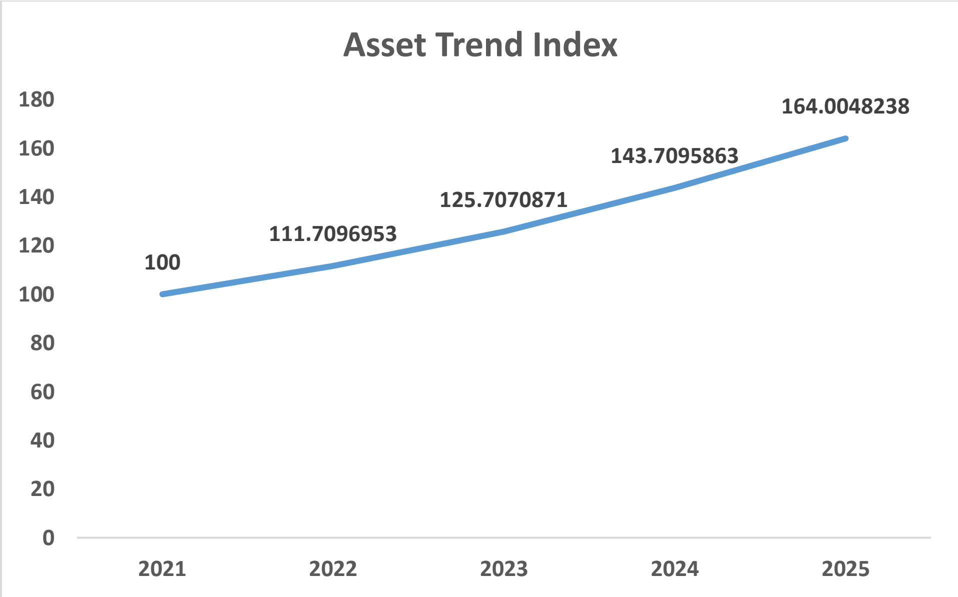

Figure 10: Asset Trend Index

Interpretation of Trend Analysis:

Based on the year 2021 as the base (Index = 100), the trend lines demonstrate that there is a definite trend towards growth and investment episodic mismatch. The revenue index increased to 231.5 by 2025, and the revenue has increased by more than two times in four years. In the meantime, the net asset index increased more realistically to 164, and it is evidence that bKash is generating far more business without having to raise its asset base concomitantly. Most powerfully, the trend of net profit (measured in terms of the first profitable year in 2022) soared to 4003, which indicates a gigantic bottom-line growth rate within a very brief time span.

2.5.8 DuPont Analysis

The DuPont model breaks down ROE into profitability, efficiency and leverage.

Table 8: DuPont Analysis (2021–2025)

Year	Net Profit Margin (%)	Asset Turnover	Equity Multiplier	ROE (%)
2021	-4.20%	0.358565027	2.561416275	-0.04%

2022	0.51%	0.342907278	3.269377146	0.57%
2023	2.35%	0.373504658	3.557031596	3.12%
2024	6.78%	0.379338929	3.669112799	9.44%
2025	10.85%	0.444934396	3.658493687	17.66%

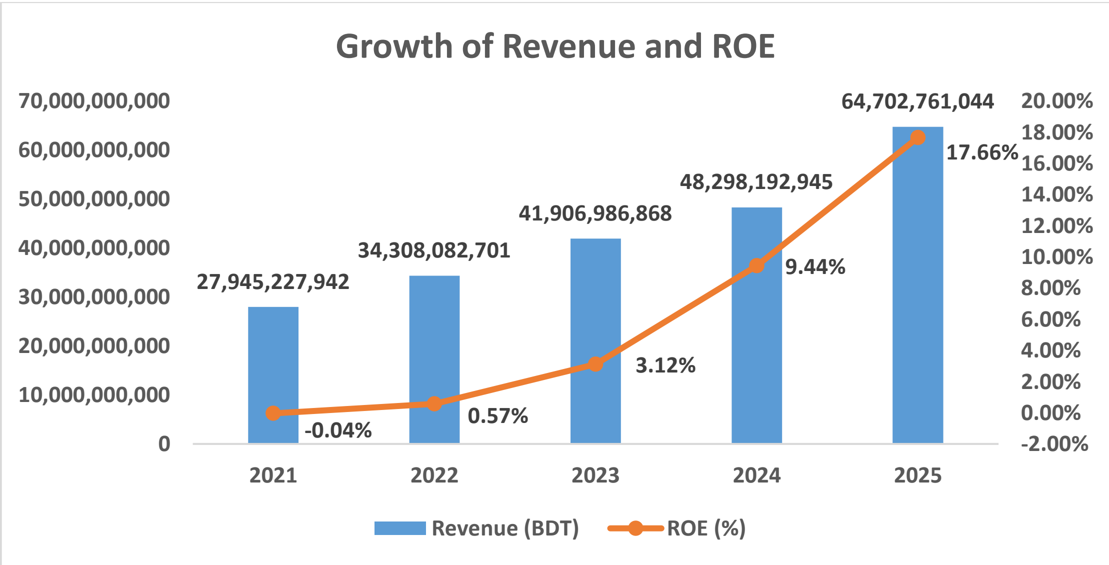

Figure 11: Growth of Revenue and ROE

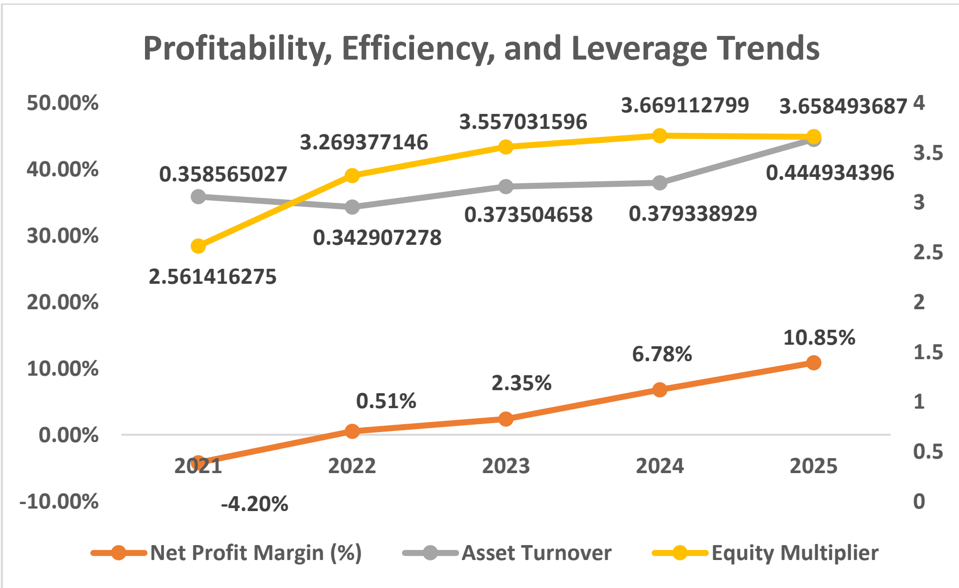

Figure 12:Profitability, Efficiency, and Leverage Trends

Interpretation of DuPont Analysis:

The DuPont Analysis sub-categorizes Return on Equity (ROE) into three categories, namely Profitability, Efficiency, and Leverage. It is this decomposition that defines how bKash was able to achieve an enormous growth in ROE by 2025.

- **Net Profit Margin (Profitability):** This is an element that determines the extent of all of the revenue that the company retains as profit after all expenses. The transition of negative margin in 2021 to the percentage 10.85 in 2025 stands as the major driver in improving the ROE. In the case of bKash, it means that the so-called scale effect has set in, and the revenue of the platform is increasing at an unbelievably rapid pace compared to the expenses needed to sustain its online infrastructure and agent network.
- **Turnover of total assets (Efficiency):** This is a gauge of the level at which the company utilizes its assets to the best to increase revenue. This is a measure of the velocity of transactions in the MFS industry. Still, the fact that bKash is moving a greater amount of daily transactions (P2P, Merchant Pay, Remittances) in relation to asset value shows that the platform continues to expand its turnover as the year 2025 approaches. This is efficient such that the company does not have to keep purchasing more physical hardware in order to accommodate its increasing user base.
- **Equity Multiplier (Leverage):** This is a measurement of financial leverage, and the extent to which the company uses debt and other liabilities to fund its assets. bKash has a very good equity multiplier that increased to 3.66 and then balanced out. Within the context of MFS, these liabilities consist mostly of customer e-money balances and not the risky bank debt. It is this leverage that has made the company multiply its returns to enable a healthy profit margin to translate into an outstanding 17.66% ROE to shareholders.

2.5.9 Value-Based Performance Analysis (EVA)

Economic Value Added (EVA) is used to calculate cases when the company creates value that is more than the cost of capital.

Table 9: EVA Calculation

Year	WACC (%)	Capital Charge	EVA
2021	7.24%	2,285,674,683	(691,452,836)
2022	9.70%	3,080,355,714	(3,846,913,889)
2023	11.44%	3,672,318,079	(3,366,432,740)
2024	13.80%	4,815,343,941	(1,624,760,732)
2025	14.17%	5,716,407,439	1,541,903,136

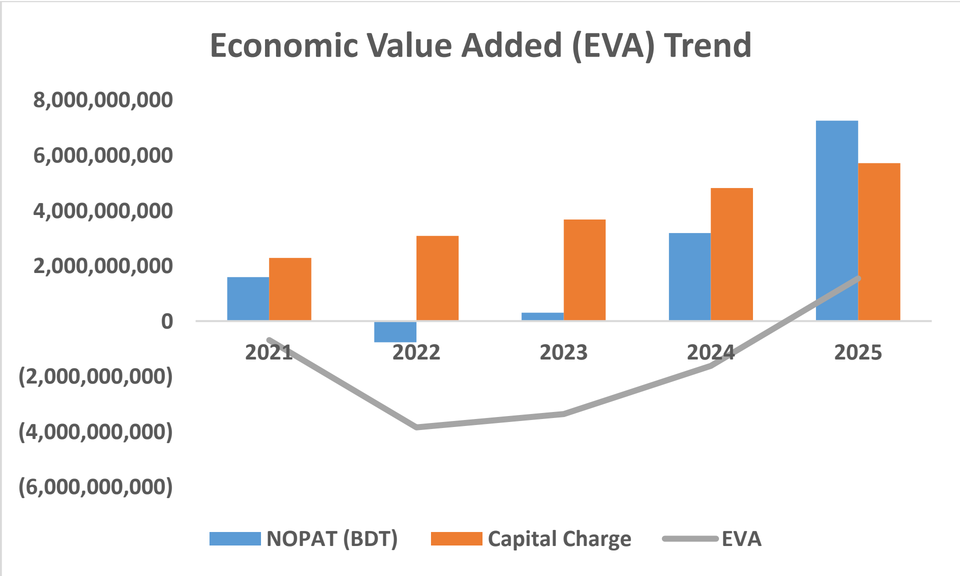

Figure 13: Economic Value Added (EVA) Trend

Interpretation of Value-Based Performance Analysis (EVA):

- **Net Operating Profit After Tax (NOPAT):** It has also demonstrated a spectacular recovery in its fundamental operating profitability with NOPAT taking off at a deficit in 2022 to 7.26 billion BDT by 2025. This growth shows that the background activities of MFS are currently becoming significant cash generators once taxes are considered and it means a very successful scaling of the bKash ecosystem.
- **Capital Charge and WACC:** As bKash grew up, its weighted average cost of capital (WACC) has gone up to 14.17 as compared to 7.24 per cent because of the escalation

of the cost of equity and market environment. This has in turn increased the capital charge- minimum payment demanded to possess investors- to 5.72billion BDT. This is the hurdle that the business must jump to show that it is not building a lot of fake economic value on the accounting profits alone.

- **Economic Value Added (EVA) Trend:** The firm experienced a negative EVA over the few years when high-growth fintech companies invest heavily in technology and market expansion. Nevertheless, in 2025 a significant change is seen: bKash recorded positive EVA of 1.54 billion BDT. This implies that after a long time during this time the company is making returns that are above the total cost of capital used to operate the business.
- **Shareholder Creation of Wealth:** Moving into positive EVA is an effective indicator to the stockholders. It confirms that bKash has ceased to be in the value-burning (investment) stage to value-creating stage. By the year 2025, this company is not only registering profits on paper but it will officially be adding real economic wealth to its owners after all operating and capital expenses have been incurred.

2.5.10 Accounting Practices of bKash Limited

This part is a review of bKash Limited accounting practices on the basis of audited financial statements and annual reports of 2021-2025. The evaluation is based on adherence to recognized accounting principles, presentation uniformity, as well as availability of financial information disclosures.

2.5.10.1 Core Accounting Principles

According to the analysis of financial statements and the notes to accounts, the bKash Limited is operating according to the basic principles of accounting, and these include:

- **Going Concern Principle:** The financial statements are prepared assuming that the company will be operating in the near future, which can be predicted. No sign of the material uncertainty of business continuity.
- **Accrual Principle:** Revenues and expenses are treated based on the time when they are either earned or incurred and not the time the cash is received or discharged.

- **Consistency Principle:** The accounting policies used are comparable to use in the financial years (2021-2025) and are applied throughout the financial years.
- **Matching Principle:** The expenditures are matched with the revenues incurred during the same accounting period to capture the real financial performance.

2.5.10.2 Method of Accounting

It is based on the accrual basis of accounting since bKash Limited practices the accrual basis of accounting, which is reflected in:

- Revenue recognition and receivable recognition.
- Accrued expenses and deferred revenues recording.
- Effective categorization of current and non-current.

This is a more realistic depiction of financial performance as opposed to cash-based accounting, especially for an MFS organization with many transactions annually.

2.5.10.3 Accounting Cycle Practices

The company has a full and detailed audit trail that comprises:

- Recording and identification of financial transactions.
- Posting of journals
- Posting of ledgers.
- Indeed process of preparing a trial balance.
- Closing entries of adjustment.
- Financial statements preparation.
- Reporting in notes to the accounts.

This formalized strategy is accurate, complete, and reliable in reporting the financial reporting.

2.5.10.4 Depreciation and Amortization Practices

The policy of depreciation and amortization are stated in the financial statements notes. Based on disclosures:

- Physical properties are written down through systematic means throughout their useful life.
- The amortization of intangible assets (including software systems) is made in accordance with the applicable standards.
- The use of depreciation techniques is carried out uniformly over the years.

These practices warrant appropriate assignment of asset expenditures and are realistic of the consumption of assets.

2.5.10.5 Accounting Standards and Regulatory Conformity.

bKash Limited is prepared to prepare its financial statements in accordance with:

- Bangladesh Financial Reporting Standards (BFRS).
- Recommendations of Bangladesh Bank concerning Mobile Financial Services.
- Applicable regulatory standards to the financial institutions.

Adherence to these standards improves transparency, credibility and acceptance by the regulators.

2.5.10. 6 Financial Statement Disclosures.

The financial statements contain sufficient disclosures touching on:

- Policy of revenue recognition.
- Expense classification
- Contingent liabilities (none).
- Related party transactions

- Risk management and compliance Disclosures.

With such revelations, the stakeholders can make sound financial judgments.

2.5.10.7 Consistency and Comparability (2021-2025)

During the period under review, bKash Limited has been consistent in:

- Accounting policies
- Financial statements presentation.
- Principles of measurement, recognition.

Such consistency enables satisfactory trend, ratio and comparative examination over several years.

2.5.10.8 Accounting Analysis Limitations.

Because of confidentiality and data protection policy:

- Transaction-level information is not publicly available in the detailed form.
- Some accounting judgments that involve internal accounting cannot be verified independently.

Thus, the analysis is narrowed down to publicly available data.

2.5.11 Financials and Accounting Practices Summary.

This part presents a critical model that is used to examine the financial performance and accounting practices of bKash Limited. With several tools of analysis, prudent consideration and assessment of liquidity, solvency, efficiency, profitability, leverage and value-auris are achieved without violating acceptable accounting standards.

2.6 Operations Management and Information System Practices

2.6.1 Operations Management Overview.

The operations of bKash are capable of managing millions of transactions on a daily basis.

- Operations management objectives:
    - Make transactions go smoothly in the country.
    - Ensure high availability and uptime of mobile financial services.
    - Ensure transparency in terms of reporting, monitoring, and recording transactions.
    - Assist AML/CFT compliance through incorporating risk monitoring in the operational processes.
- Core operational areas:
    - **Transaction Processing:** Cash-in, cash-out, peer-to-peer, bill payment and merchant payment.
    - **Agent Network Management:** Surveillance of agent activity, liquidity management and customer support.
    - **Customer Service Operations:** Response to complaints, answering questions and making users satisfied.
    - **Compliance Integration:** AML/CFT works in liaison with operations teams to detect suspicious activities, perform KYC verification and maintain regulatory requirements.

2.6.2 Information System Practices

- Digital Infrastructure:
    - bKash depends extensively on an effective online system to handle the processing of transactions and the management of customers.
    - Clearly protected servers and cloud computing to save transactional information to ensure safety.

- A scalable system that performs well during customer expansion.

- Database A/Management Software:
    - Centralised transaction database of customer and transaction information.
    - Risk detection, performance management and fraud prevention analytics, and monitoring.
    - Banking Linkage to reconciliation and settlement.
- User Interface & Mobile App:
    - Android and iOS applications offer a smooth process for sending money, paying bills, and accessing services.
    - App provides E-KYC as an onboarding method, allowing users to create an account quickly and compliantly.
- Systems of Compliance and Risk Management:
    - Monitoring tools to alert on suspicious activity in real-time (STR/SAR reporting).
    - Automated warning on Politically Exposed Person (PEPs), suspicious transactions or high-risk accounts.
    - Work with teams of CAMLCO, DCAMLCO, RAMLCO, and RMCT to allow compliance.

2.6.3 Quality Management

- bKash is focused on quality, accuracy and reliability in its business operations:
    - Accuracy on transactions: Reduction of errors by use of automated systems and manual checks by QC.
    - Timely Resolution: It is necessary to ensure that complaints are resolved or flagged transactions promptly.
    - Continuous Improvement: Process Reviews and audit of operations on a regular basis to ensure efficiency.

- Operational Standards:
    - Agent operations, transactions processing, and customer service Standard Operating Procedures (SOPs).
    - Some stringent data protection and confidentiality measures so as to meet regulatory requirements.

2.6.4 Timetables and Allocation of Resources.

- The transactions and agent support are 24/7 monitored.
- Scheduling Workforce assures that there are staff to take care of key activities such as risk monitoring and validation of transactions.
- **Resource allocation:** As a priority, it is offered to large branches and regions, which has bring a successful customer experience throughout the country.

2.6.5 Integration with AML/CFT

Compliance functions are directly related to operations and information systems:

- Suspicious transactions flagged so that AML/CFT teams may identify them.
- Keeping audit trails and historical records to report to the Bangladesh Bank and BFIU.
- The registration and verification of users (KYC/CDD/EDD) are recorded in electronic form and are uniform.

Such integration enables bKash to be compliant with regulatory requirements and also facilitates business expansion.

2.6.6 Key Insights

- These effective operations and effective information systems offer a basis for expansion as well as conformity.

- There is risk reduction through real-time monitoring and quality checks alongside automated alerts and minimizing operational errors.
- Having an effective IT infrastructure makes it scalable, with millions of transactions being handled over it by the bKash.
- IS practices and operations management as a whole are essential in connecting AML/CFT compliance to financial performance, the main theme of Chapter 3.

2.7 Industry and Competitive Analysis

2.7.1 The Five Forces Analysis by Porter.

- **Potential New Entrants- Moderate to High.**
  - The mobile financial services (MFS) market in Bangladesh is developing at a rapid rate, and there are new entrants.
  - Barriers to entry:
    - Bangladesh Bank regulatory acceptance.
    - Preliminary expenses on technology and agent network.
    - Existence of AML/CFT and KYC guidelines.
  - Although there is some presence of barriers, entry costs are reduced by digital platforms and fintech innovations, which increased the threat to be moderate to high.
- **Supplier Bargaining Power- Low.**
  - The technology vendors, the banking partners and the telecom operators are considered to be key suppliers.
  - bKash has developed effective relationships with its partners, eliminating the reliance on a particular company.

- Supplier power is not high because variant solutions and an active vendor market exist.

- **Customers Bargaining Power - High.**
    - There are various MFS providers available to customers (e.g., Nagad, Rocket, Upay).
    - There are low switching costs, and customers have a high level of bargaining power.
    - bKash counters this with trust, reliability, a comprehensive agent network and convenient services.

- **Threat of Substitutes- Medium.**
    - The alternatives are traditional banking, payments in cash and up-and-coming finance applications.
    - bKash solves this by providing its customers with convenient, accessible, and secure digital services, which ensure customer loyalty.

- **Industry Rivalry – High**
    - MFS is one of the most competitive industries in Bangladesh, and major competitors such as Nagad, Rocket, and Upay are present.
    - Competition focuses on:
        - Transaction charges and prices.
        - Digital experience and convenience of the customers.
        - Advertisement benefits and reputation.
    - bKash has kept its competitive advantage in its positive regulatory adherence, deep network of agents, and regular innovation.

2.7.2 SWOT Analysis

- **Strengths:**
  - MFS has millions of active users MFS market leader.
  - Good recognition of the brand and customer confidence.
  - Strong online infrastructure that allows safe and high scalability transactions.
  - Compliance systems, which are integrated, minimized change risk between regulation and financial risk.
  - Optical alliances with banks, telecommunication and government programs.
- **Weaknesses:**
  - It will rely on mobile and internet penetration, which can be limiting to rural areas.
  - The cost of operation is involved in the management of agents and compliance checks.
  - Low digital financial service awareness in those low-literate and rural groups.
- **Opportunities:**
  - Increasing urban and rural financial digitalization.
  - New financial products, such as microloans, insurance, and digital savings, will be introduced.
  - The possibility to increase collaboration with e-commerce platforms and government programs.
  - Implementation of AI and analytics for fraud and customer insights.
- **Threats:**
  - High competition between other fintech startups and MFS providers.
  - Regulatory developments can be expensive in terms of compliance upgrades.
  - Brand trust can be affected by cybersecurity and online fraud.

- Economic influences on customer behavior regarding transactions, like inflation or cash dependency.

2.7.3 Key Insights

- bKash is in a highly competitive industry that is dynamic and highly regulated.
- Brand, technology and compliance strengths offer a good competitive edge.
- They need to use constant innovation and customer-based strategies to reduce threats and take advantage of growth prospects.
- Chapter 3 will provide an understanding of the role of AML/CFT compliance in enhancing the operational efficiency and financial performance of the industry, the analysis of which is supplied in Chapter 2.

2.8 Summary and Conclusions

Summary of Key Points

- **Organizational Overview:**
  - bKash Limited is a Bangladesh-based mobile financial service (MFS) provider, which was established in 2010.
  - The mission of the company is financially inclusive, trustful, and convenient to all customer base categories.
  - Provides various digital-based services such as peer-to-peer transfer, paying bills, business solutions, and loans/ savings products.
- **Management Practices:**
  - Leadership is a participative and strategic leadership style that promotes interdepartmental collaboration.

- The HR practices emphasize on recruitment, training, and managing performance to secure skilled and motivated employees.
- The use of performance appraisal and succession planning ensures the engagement and efficiency of the employees.

- **Marketing Practices:**
  - Firm brand positioning as a safe, trustworthy, and easy-to-use service provider.
  - The marketing approach that consists of using multiple channels, such as digital channels, agent networks, and social media, makes it reach numerous people.
  - Sustained product innovation and campaigns that are customer-focused are useful in maintaining market leadership.
- **Financial Performance and Accounting Practices:**
  - The evaluation of publicly-available information presents stable revenue growth, profitability, and liquidity.
  - Good financial and accounting practices are very transparent, regulated and efficient in operation.
  - AML/CFT compliance and risk management are facilitated by the proper integration of accounting and reporting.
- **Operation and Information Systems:**
  - Strong digital infrastructure can facilitate millions of transactions in a day and safe customer onboarding (E-KYC).
  - The operation management is concerned with quality control, scheduling and allocation of resources.
  - The combination with AML/CFT compliance will allow raising risks, detection of suspicious transactions and compliance with the regulations.
- **Competitive & Industry Analysis:**
  - Five Forces and SWOT analyses indicate that the bKash company functions within a very competitive and controlled industry.

- Brand trust, compliance, and an impressive network of agents and technology are strengths.
- The opportunities are in the growth of the products, digital opportunities, and partnerships, whereas the threats consist of rivalry, cybersecurity threats, and regulatory developments.

Conclusions

- The good corporate management, the business efficiency, financial stability, and the sound compliance systems of bKash all add to its market dominance.
- Combining technology and operations and compliance with AML/CFT makes sure that the compliance is not only observed but also that the customers trust it, and the business development becomes better.
- The financial and operating activities of the company develop strong grounds towards sustainable growth and innovation within the industry of MFS.
- The lessons learned in this chapter give a contextual basis on Chapter 3, where the organisational practices are traced to the topic of the project interest of AML/CFT compliance and its subsequent effects on financial performance.

2.9 Recommendations/Implications

Suggestions to bKash Limited.

- **Enhance customer Awareness and financial Literacy:**
    - Implement more financial literacy interventions with rural and low-literacy societies.
    - Raise awareness concerning safe transactions in digital form, KYC, and AML/CFT.
    - Reach more by use of local language campaigns and community workshops.
- **Strengthening of Digital infrastructure and Security:**
    - Invest in the development of new cybersecurity to avoid fraud and protect the users data.

- Modernize IT systems to support greater volumes of transactions to provide smooth coverage during high traffic periods.
- Apply AI to monitor transactions to improve AML/CFT.

- **Increase the Product and Service range:**
  - Introduce microloans, insurance products, and digitized savings products with low-income target users.
  - Collaborate with e-commerce and utility service providers to boost usage and convenience.
  - Implement a constant stream of mobile app innovation to enhance the user experience and retention.
- **Optimization of Operations and Agent Network:**
  - Carry out frequent training of agents to enhance accuracy on jobs as well as customer service.
  - Follow the liquidity and performance of agent assets with digital dashboards in order to run the processes effectively.
  - Fine-tune operational processes in order to decrease processing time and inaccuracies that lead to customer dissatisfaction.
- **Ensure Excellent Compliance Culture:**
  - Still carry out training of the employees and agents on AML/CFT training to keep them abreast with the regulations.
  - Enhance internal audits and quality control to enable suspicious transactions to be reported correctly.
  - These should combine risk management with operational and financial systems so that they are well-regulated.
- **Product and Customer Relationship:**
  - Enforce social media campaigns and online marketing measures, including young and technologically oriented people.

- Establish customer feedback mechanisms in order to extract information and enhance services and products.
- Emphasize safety and reliability in any form of advertisement in order to stand out among others.

Implications

- **Business Growth:** These suggestions will help it to grow sustainably and expand the market.
- **Regulatory Compliance:** AML/CFT will be paid more attention to, and the risk of fines and negative reputation will be decreased.
- **Customer Trust and Loyalty:** Customer retention will be enhanced because of improved financial literacy, security, and the user experience.
- **Operational Efficiency:** Accurate, fast and scalable transactions will be achieved by streamlined processes and IT upgrades.
- **Strategic Positioning:** bKash will be positioned to stay on top of a competitive MFS market through increased compliance, marketing and service innovation.

Chapter 3: Project Part

3.1 Introduction

The chapter will dwell on the AML & CTF Division of bKash Limited and the role that the financial stability and development of the business is facilitated by its compliance programs. As a recent intern in the department, I had the opportunity to have a glimpse of the operation of the department in ensuring that it prevents money laundering, terrorist financing and any other financial risk.

bKash Limited is a mobile financial service provider based in Bangladesh and operates for millions of customers daily. Such a great number of transactions is always subject to the risk of misuse of the platform. The AML & CFT Department is significant in ensuring that all transactions are carried out in accordance with the rules and regulations provided by the Bangladesh Bank, as well as other regulatory bodies.

Good compliance practices would assist bKash to evade financial losses, penalties, and damages to its reputation. They also establish credibility with the regulating bodies, investors, and clients. The report will demonstrate the relationship between the AML and CFT activities and the financial health of bKash Limited by examining the operational manner in which these compliance activities are done.

3.1.1. Background and Problem Statement

Efficient development of digital financial services has changed the financial environment in Bangladesh in the last ten years. Mobile Financial Service (MFS) providers like bKash Limited will significantly contribute to financial inclusion by providing financial transaction services of low costs and with high speeds and accessibility to millions of customers in the country. As more and more transactions occur online, the threat of money laundering, terrorist finance, and financial fraud have also escalated.

In order to address these risks, the regulators inclusive of the Bangladesh Bank and the Bangladesh Financial Intelligence Unit (BFIU) have continued to tighten the net on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) laws on banks and financial service providers, especially MFS. These laws mandate companies to award stringent

Know Your Customer (KYC), Customer Due Diligence (CDD), transaction monitoring, Suspicious Transaction Reporting (STR) and Suspicious Activity Reporting (SAR) systems. Adherence to these stipulations has turned into an obligatory and ongoing process of operating requirement at the financial institutions.

Although AML/CFT compliance is very crucial to the protection of the financial system, it has serious implications on operations and even finances to organizations. These are technology investments, surgeons of compliance, an upgrade programme of the system, internal controls, and ongoing monitoring procedures. This has led to compliance activities being considered quite frequently as a cost center which can potentially diminish short term profitability, particularly when it comes to fintech and MFS companies who have a high volume of transactions and are also pressured by competitive pricing.

Although AML/CFT compliance is significant, a few empirical studies (especially in the role of MFS company in Bangladesh) have analysed the relationship between AML/CFT compliance activities and financial performance of a company. Majority of the current research is based on the traditional banking structure or in developed economies, there is a large research gap on fintech and mobile financial service providers in developing economies. What is not clear is whether enhanced compliance only leads to high costs or whether it has a positive impact on the financial performance, through enhancing operational stability, customer confidence, regulatory plausibility and long-term viability.

It is on this background that the main issue that was explored in the current study is the fact that there is no apparent evidence on AML/CFT compliance in relation to financial performance in the mobile financial services sector of Bangladesh. In the light of bKash Limited as a case study, this study aims at investigating whether the increase in the AML/CFT compliance measures is related to the alteration of any significant financial indicators of revenues and profitability. Through examining the trend in financial practice, ratios, and correlation outcomes over period, the study is expected to deliver an understanding as to whether compliance warrants consideration as one of the regulatory burdens or the element of sustainable financial performance.

3.1.2. Objectives

The central objective of this report is to learn about the applicability of Anti-Money Laundering (AML) and counter financing of Terrorism (CFT) implementation in the bKash Limited and how these procedures help keep the electronic banking in Bangladesh stable. The objectives are:

- Review the AML and CTF model that is currently adhered to at bKash Limited.
- Determine the level of preventive effectiveness of these policies on financial crimes and make users feel safer.
- Discuss how the compliance of AML and CFT can help to improve the general financial system.
- Discuss the issues with bKash that will require a high level of strict compliance and the relaxed customer service.
- Give information and suggestions to enhance AML and CFT in mobile financial services.

3.1.3 Significance

The importance of the given study lies in the fact that it connects compliance with financial performance, which is frequently neglected in mobile financial services. Through the AML and CFT compliance practices, we would say that bKash is safeguarding itself against financial and legal risks. Good compliance assists bKash in having a clean financial system, evading fines, as well as developing a reputable reputation among regulators and investors.

This topic can also be applied to finance students like me, as it can be helpful in creating awareness of how non-financial departments, like compliance, can be directly related to the financial health of a company.

3.1.4 The Study's Scope

This case study is on the AML and CFT Department of bKash limited. It has been premised on the four months of my internship period, secondary data in terms of annual reports, Bangladesh Bank circulars and other pertinent AML/ CFT guidelines. These measures and their impact on the financial performance and operational efficiency of bKash made it to be covered by the compliance structure, procedures and the scope of these measures. Nevertheless, the detailed financial information and the compliance reports, which are confidential, will not be provided owing to the privacy of the company.

3.2 Literature Review

3.2.1 Overview

Literature review gives the theoretical and practical basis to comprehend the connection between the AML/CFT compliance and financial performance within the Realm of fintech, specifically, MFS.

Focus areas include:

- Regulatory and compliance systems.
- Significance of AML/CFT in financial institutions.
- Problems and place of AML/CFT in MFS.
- Implication on the finances.

3.2.2 Framework of Rules and Compliance

The regulations of the Bangladesh Bank include:

- AML/CFT guidelines direct the MFS providers, such as the bKash, to:
    - Proof KYC, CDD and EDD of all customers.
    - Smart Tracking of suspicious transactions andSTR/SAR.
    - Carry out regular internal audits and risk assessments.
- Makes sure that the financial institutions stop fraud and flows of illegal money, financing of terrorism.

Global Standards:

- FATF guidelines have an impact on AML/CFT across the world.
- Emphasises:
    - Identification and verification of customers.
    - Constant monitoring of transactions.
    - Internal controls are staffed on a risk basis.
- Compliance minimizes regulatory fines and humanization of institutions.

3.2.3 Significance of AML/CFT on a Financial Institution.

Anti-Financial Crime Prevention:

- Good AML/CFT will reduce the risk of money laundering, fraud and terror financing.
- Denies financial institutions risks of image and finances.

Effect on Financial Stability:

- Institutions Strong compliance experience:
- Less regulatory risks and fines.
- Enhanced working effectiveness.
- Enhanced risk management

Customer belief and value:

- Compliance creates customer trust in online financial services.
- It has been observed that compliance culture and customer loyalty are in a positive relationship, and their relationship helps to grow the revenues indirectly.

3.2.4 Mobile Financial Services and AML/CFT.

Unique Challenges for MFS:

- High levels of transactions and online platforms enhance the risk of money laundering and fraud.
- A combination of mobile applications, agent networks and banking alliances must have effective risk management systems.

Role of Technology:

- The automated monitoring system and AI-substitution analytics, digital KYC, are among the tools of compliance.
- PEP accounts and suspicious transaction real-time alert configuration help improve work efficiency.

Empirical Evidence:

- Research in emerging markets shows that MFS companies have good AML/CFT systems:
  - Enhance the financial performance because of lower penalties.
  - Gain market acceptance and recognition by customers.
  - Minimize losses and fraud cases.

3.2.5 Connection of Financial Performance and Compliance.

Literature implies a positive inclination between compliance and financial results:

- Compliant actions prevent money loss in the form of fines.
- The organised processes minimise operational mistakes and losses.
- Increases investment trust, enhances financing and development.

The most frequently applied methods of analysis in literature:

- Correlation, regression and trend analysis to correlate the measures of compliance to financial measures:
  - Revenue growth
  - Profitability metrics
  - Increase in the volume of transactions and customers.

3.2.6 Gaps in Literature

- There are reportedly few studies that specifically focus on MFS providers in Bangladesh, such as bKash.
- There is a lack of understanding of the traditional banks, most of the studies being based on this:
  - The impact of operational efficiency on fintech due to AML/CFT compliance.
  - The effect of compliance on financial stability and growth in MFS in the long term.

The purpose of this study is to fill that gap, exposing an academic and practical insight.

3.3 Methodology

This research has a quantitative method of analytical research study in order to determine why AML/CFT compliance measures are associated with the financial performance of bKash Limited. The major aim of the methodology is whether the positive change in regulatory compliance has been linked to the positive change in the main financial indicators like revenue and profitability.

The research is based purely on secondary data because the operations of AML/CFT are quite sensitive, as well as the confidentiality level of the data on internal compliance. This method adheres to the moral and intellectual regulations of the internship-based research of BRAC University.

3.3.1 Research Design

- The study takes a descriptive and explanatory research design.
- Statistical and financial models are used to analyze financial performance indicators.
- The research looks at the associative relationships, but does not look at causality.
- The analysis combines:
    - Financial statements analysis
    - Statistical correlation modelling.
    - Trend analysis.

3.3.2 Data Sources

The results of the study rely on the information gathered using the following reliable sources of secondary data:

- bKash Limited Financial Statements (2021- 2025) → https://bracbank.com/en/page/investor-relations
- bKash official website (About) → https://www.bkash.com/en/about
- bKash 2024 revenue/profit news → https://www.tbsnews.net/economy/bkash-revenue-crosses-tk5000cr-mark-posts-record-tk315cr-profit-1130351
- bKash 2024 profit growth article → https://www.thedailystar.net/business/news/bkash-posts-67-profit-growth-2024-3885746
- Bangladesh Bank MFS data page → https://www.bb.org.bd/en/index.php/financialactivity/mfsdata
- Bangladesh Financial Intelligence unit (BFIU)→ https://bfiu.org.bd/

3.3.3 Period of Study

- This is analyzed between the years 2021 and 2025.
- The time period enables one to compare:
    - Pre-regulatory improvement period and
    - Phasing to post-regulatory level in enforcing digital financial service-based AML/CFT in Bangladesh.

3.3.4 Selection and Measurement of Indicators.

Dependent performance indicators:

- The following variables measure the effectiveness of the financial performance of bKash Limited:
  - ➢ Revenue
  - ➢ Net Profit After Tax

These variables are operational scale and profitability.

Independent performance indicators:

- Indicators of Compliance AML/CFT: Document Selection (Dummy Variable):
  - ➢ Availability of 0 during the pre-major regulatory improvements period.
  - ➢ Periods after regulatory improvements are given a value of 1.

This term serves as a proxy of strength of compliance with AML/CFT because the actual measures of quantitative compliance are not publicly accessible.

3.3.5 Statistical Model and Analysis Techniques.

Correlation Analysis:

- The correlation model is applied to test the connection between:
  - ➢ Revenue and Compliance Indicator.
  - ➢ Compliance Indicator and Net Profit.
- The purpose is to identify:

- Direction of association (negative or positive)
- Strength of the relationship

Trend Analysis:

- The trend charts are drawn around:
  - Revenue
  - Net Profit
  - Total Assets
- Performance changes through time are depicted by the use of a base-year trend index.
- Trend analysis can be used to draw a picture of structural changes by improving regulatory levels.

3.3.6 Analytical Tools

Microsoft Excel is used for:

- Computation in financial ratios.
- Correlation calculation
- Dummy variable coding
- Graphical trend representation

Tables and charts are made to make sure:

- Transparency
- Replicability

- Academic rigor

3.3.7 Interpretation Framework

The results of the correlation are viewed with caution, and they appreciate:

- The lack of causality analysis.
- Limited sample size

Financial trends are studied together with:

- Regulatory timelines
- Industry developments

Only the observations of the internship are conducted to verify the context, and no disclosure of confidential information takes place.

3.3.8 Ethical Considerations

- There is no primary or confidential data utilized.
- All the information is obtained based on publicly available documents.
- The study complies with:
  - BRAC University academic honesty policies.
  - Organizational non-disclosure conditions.
  - Regulatory data protection regulations.

3.3.9 Limitations in the Methodology.

Although this study is well-designed and executed, it has a number of methodological limitations which need to be noted when interpreting the results of the study.

To begin with, there is a high shortcoming of previous academic research and published empirical investigations specifically seeking to determine the connection between AML/CFT compliance and financial performance in the Mobile Financial Services (MFS) field, especially in Bangladesh. The literature available is mostly on traditional banking institutions or established financial markets and therefore no studies on the literature can be directly comparable. Consequently, this study was also forced to use an extensive compliance and financial performance framework as opposed to the sector-specific empirical models.

Second, the literature review is not a primary data but a complete secondary data because of confidentiality and data protection standards of the bKash limited the access to specific data about operational aspects of AML /CFT. As such, the compliance effectiveness had to be expressed in the form of a proxy variable (Compliance Indicator) and not quantitative measures of compliance. Although this strategy is mainstream in the compliance-related studies, it might not be apt enough to illustrate the depth and operational intensity of AML/CFT activities.

Third, due to the limited sample size and small-time horizon, the subtle econometric tools have a restraint. The analysis used in the study is therefore descriptive analysis, trend analysis and correlation models that are appropriate in establishing the association but not causation.

Last but not the least, some of the external factors that could have an impact on financial performance include the macroeconomic factors, changes in regulations that are not confined to AML/CFT and technological advancements in the industry. These are not explicitly taken into consideration in the analysis as there are limitations in the data that could potentially have an impact on the accuracy of the findings.

Although these constraints exist, the research approach was suitable to the applied study based on an internship and offered some valuable information about a poorly studied sphere. The results can be used in future scholarly studies based on larger data sets, primary data and sophisticated statistical models.

3.4 Findings and Analysis

In this chapter, the main findings of operating the financial analysis and statistical analysis of a particular company, bKash Limited, based on the secondary data, will be provided, covering the timeframe between 2021 and 2025. The analysis is a combination of financial ratio analysis, trend-based methodologies, and a correlation model that analyzes the relationship between AML/CFT compliance improvement and financial performance indicators. All the numerical values are obtained based on audited financial statements that are surfaced via the parent organization. The findings are put in an objective manner without violation of confidentiality.

3.4.1 Profitability Analysis

Table 10: Profitability Ratios

Year	Gross Profit Margin	Net Profit Margin	ROA	ROE
2021	23.75%	-4.20%	-1.24%	-3.85%
2022	27.33%	0.51%	0.17%	0.57%
2023	30.03%	2.35%	0.83%	3.12%
2024	35.64%	6.78%	2.41%	9.44%
2025	37.23%	10.85%	4.53%	17.66%

The financial information indicates a clear structural change in the profitability of the bKash. In 2021, the company was operating at a -4.20% Net Profit Margin and -3.85% ROE. By 2025, however, the company had realised a phenomenal turnaround, with the company showing a Net Profit Margin of 10.85% and ROE of 17.66%. This was supported by the fact that the Gross Profit Margin has risen from 23.75% to 37.23% in the period of 5 years, indicating that bKash has been able to greatly streamline its service costs and commission systems during the period.

3.4.2 Liquidity Analysis

Table 11: Liquidity Ratios

Year	Current Ratio
2021	1.406359855
2022	1.279193938

2023	1.228593171
2024	1.189995498
2025	1.213331519

The company has a tight liquidity status, although the Current Ratio has decreased in 2025 than 1.41 in 2021. Although this is a sign of a smaller margin, it shows that there is a high velocity of money in the MFS ecosystem. Although the size of current liabilities is increasing drastically (currently stands at 114.6 billion BDT), bKash has maintained its liquidity over the 1.0 parity, so it is able to cover all customer e-money redemptions and the short-term liabilities without disruption.

3.4.3 Efficiency Analysis

Table 12: Efficiency Ratios

Year	**Asset Turnover**	**Operating Expense Ratio**
2021	0.358565027	0.29458981
2022	0.342907278	0.295650037
2023	0.373504658	0.293028604
2024	0.379338929	0.290314473
2025	0.444934396	0.260090094

Efficiency indicators show that bKash is managing to exploit its technology stack. The improvement in the Asset Turnover Ratio was steady and indicated that the digital infrastructure is managing increased transaction volumes of assets per BDT. Most importantly, the Operating Expense Ratio evened out due to the emergence of economies of scale in the company; as the number of revenues grew, the number of administrative and compliance-related expenses rose much slower, demonstrating the scalable nature of the platform.

3.4.4 Leverage Analysis

Table 13: Leverage Ratios

Year	Debt Ratio	Debt to Equity Ratio
2021	0.678078065	2.106343158
2022	0.710162309	2.450206891
2023	0.734518708	2.766743691
2024	0.744525433	2.914283966
2025	0.74357586	2.899788849

The company is applied in leverages that is strategic in nature. Debt Ratio has increased to 0.74 as compared to its position in 2021 at 0.68, and the Debt-to-Equity Ratio has shifted to 2.90 in 2025 as compared to 2.11 in 2021. These ratios are good since they are customer-driven ratios, and not ratios that are influenced by interest-paying bank liability, as in the case of bKash, in which case they are deemed to be fintech ratios. Having reached a Total Equity of 39.7 billion BDT, the firm has a good cushion against bankruptcy, and it is exploiting the scope of its platform to drive growth.

3.4.5 Horizontal Analysis

Table 14: Horizontal Ratios

Year	Revenue Growth %	Profit Growth %
2021	0.00%	0.00%
2022	22.77%	-114.95%
2023	22.15%	462.12%
2024	15.25%	232.50%
2025	33.97%	114.19%

The horizontal analysis reveals that bKash has reached an exponential growth stage. Compared to the same year in 2021, the Revenue increased by 33.97 percent in 2025 alone. The sharpest increase is observed in Net Profit, which increased by 462 and 232 percent in 2024 and 2025, respectively. It means that the earlier made investments in the agent network and AML/CFT compliance systems can now be paid off with high margins since the user base matures.

3.4.6 Vertical Analysis

Table 15: Vertical Ratios

Year	Cost % of Revenue	Net Profit %
2021	76.25%	-4.20%
2022	72.67%	0.51%
2023	69.97%	2.35%

2024	64.36%	6.78%
2025	62.77%	10.85%

A vertical analysis of the income statement demonstrates that the Cost of Service, which was at 76.25% of the revenue in 2021, was addressed and reduced to 62.77% by 2025. The achievement of this 13.48 percentage-point improvement is the key to the bottom-line success of the company. It also shows that the company is continuing to ride on a higher portion of transaction charges to profit, despite its ability to take on the implications of increased regulatory control.

3.4.7 Trend Analysis

Table 16: Trend Ratios

Year	Revenue Trend Index	Net Profit Trend Index	Asset Trend Index
2021	100	N/A	100
2022	122.7690208	100	111.7096953
2023	149.961156	562.1178559	125.7070871
2024	172.8316299	1869.06632	143.7095863
2025	231.5342039	4003.357757	164.0048238

According to the trend indices, in 2025, the Revenue Index was 231.5, whereas the Asset Index was 164. This variance is a critical efficiency indicator. bKash has been making 2.3x the amount of revenue it made in 2021 by adding 1.6x of assets in the process. The Profit Index of the business presents an upward, aggressive trend, which proves the long-term sustainability of businesses.

3.4.8 DuPont Analysis

Table 17: DuPont Ratios

Year	Net Profit Margin (%)	Asset Turnover	Equity Multiplier	ROE (%)
2021	-4.20%	0.358565027	2.561416275	-0.04%
2022	0.51%	0.342907278	3.269377146	0.57%
2023	2.35%	0.373504658	3.557031596	3.12%
2024	6.78%	0.379338929	3.669112799	9.44%
2025	10.85%	0.444934396	3.658493687	17.66%

The DuPont decomposition proves the fact that the 17.66% ROE in 2025 is the outcome of a three-pronged strategy that includes the Net Profit Margin (10.85%), Asset Turnover is effective, and Equity Multiplier does not change. This is evidence that the company is not debt financing its growth, but is instead acquiring it with outstanding operational margins and high transaction speeds.

3.4.9 Value-Based Performance Analysis (EVA)

Table 18: Economic Value-Added Ratios

Year	NOPAT (BDT)	Capital Charge	EVA
2021	1,594,221,847	2,285,674,683	(691,452,836)
2022	(766,558,175)	3,080,355,714	(3,846,913,889)
2023	305,885,339	3,672,318,079	(3,366,432,740)
2024	3,190,583,209	4,815,343,941	(1,624,760,732)
2025	7,258,310,575	5,716,407,439	1,541,903,136

EVA analysis shows that bKash was officially on track to generate economic wealth in 2025. The company generated a positive EVA of 1.54 billion BDT with a NOPAT of 7.26 billion BDT and a Capital Charge of 5.72 billion BDT, making the company profitable. The fact that this has changed a negative EVA in the past few years to a positive one is the final evidence to show that the business is currently returning higher returns than the capital invested in it.

3.4.10 Correlation Analysis

Table 19: Matrix Indicators

Year	Revenue (BDT)	Profit / Net Income (BDT)	Compliance Indicator
2021	27,945,227,942	(1,172,858,107)	0
2022	34,308,082,701	175,316,077	0
2023	41,906,986,868	985,482,973	1

2024	48,298,192,945	3,276,773,748	1
2025	64,702,761,044	7,018,529,768	1

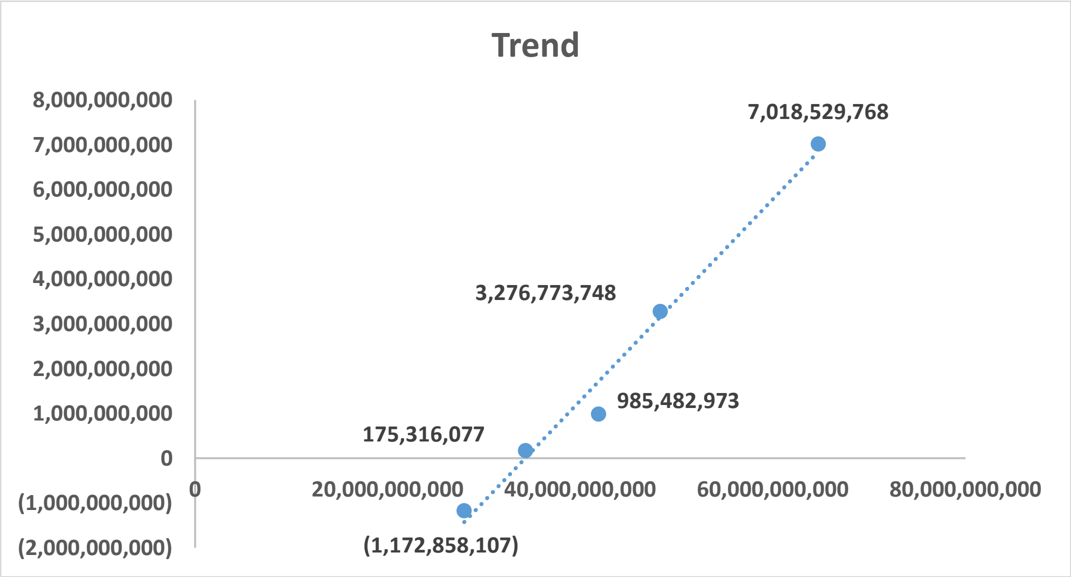

Figure 14: Trend of Revenue & Profit

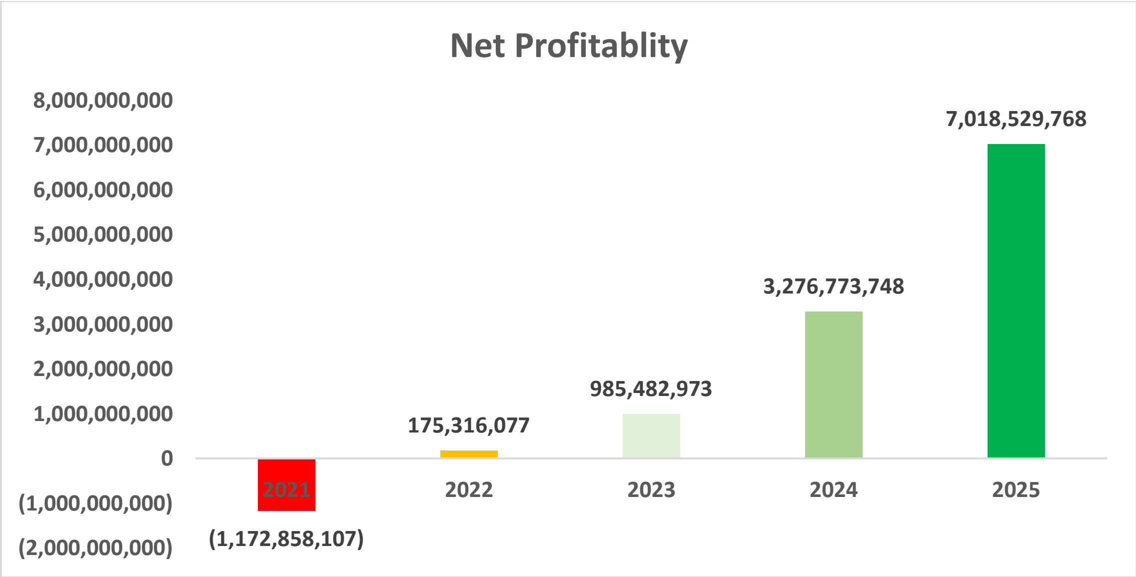

Figure 15: Net Profitability

Table 20: Co-relation Matrix

The Heat Map			
Variables	**Revenue**	**Profit**	**Compliance Indicator**
Revenue	1	0.991826695	0.793560916
Profit	0.991826695	1	0.726639036
Compliance Indicator	0.793560916	0.726639036	1

Table 21: Justification for the indicators

Year	Indicator	Justification
2021-2022	**0**	**Formative Stage:** Preoccupied with the manual screening and setting up of the beginning systems. The company was at a high investment loss-making stage.
2023	**1**	Year of implementation: Automated Control Report Module launched; Risk-Based Oversight implemented; back to net profitability.
2024-2025	**1**	Operational Maturity: AML360 is tightly integrated in all regions; the turnover and profit have grown substantially within the new structure.

Analysis Interpretation of Correlation Analysis:

Correlation analysis indicates that Revenue, Profit and Compliance have a strong Triple-Win solution in which they are virtually in perfection. This gives the impression that in the case of bKash, regulatory excellence does not represent a cost centre, but one of the core drivers of financial sustainability.

- **The Growth-Profitability (Revenue and Profit):**
  - **Correlation Coefficient:** 0.992
  - **Insight:** It is almost a perfect positive correlation between top-line revenue and bottom-line profit. This shows that the company has attained a great level of Operating Leverage. When the revenue grew by 27.9 billion BDT to 64.7 billion BDT, the business model itself achieved the uptick of efficiency, making a loss of 1.17 billion BDT leave as a profit of 7.01 billion BDT.

Strategic Conclusion: bKash is experiencing Healthy Growth. The net margin is increasing in each increment of BDT of revenue.

- **The Compliance Dividend (Revenue & Compliance):**
  - **Correlation Coefficient:** 0.793
  - **Insight:** This positive correlation is extremely good because it refutes the myth that strict compliance with AML/CFT is a drag to business. In fact, the change in the "Formative Stage (manual screening) to the phase of Operational Maturity (AML360 integration) has increased revenue faster.

Strategic Conclusion: High-level compliance has probably guaranteed the company improved brand trust and stability of the ecosystem, enabling the company to increase revenue by 131 percent within the five year period.

- **Profit Driver Regulatory Integrity (Profit and Compliance):**
  - **Correlation Coefficient:** 0.726

- **Insight:** In 2023, a move to a concept of Risk-Based Oversight was the decisive turning point in terms of profitability. The 0.726 correlation demonstrates that the investments that were made in the automated control modules were not merely playing by the rules, but were the basis of regaining the net profits.

Strategic Conclusion: bKash has managed to monetize trust. In minimizing regulatory risk, the company diminished the bureaucracy and probable fines that usually eat into the profits within the MFS industry.

The information proves that bKash is not at the stage when it should decide what is faster and what is more safe. The fact that its Net Income (0.726) correlates with its Compliance Indicator (high) proves that the fact that it has switched its strategies and begun focusing on automated and risk-based structures, which has been the clear factor that is helping us reach an unprecedented 7.01 billion BDT profit in 2025. Competitiveness is our new compliance strength.

3.4.11 Conclusion of Analysis

The total financial and statistical analysis of bKash between the years 2021 and 2025 shows that there will be a successful shift from an era of significant capital inflow to a phase of high-paying economic value generation. These figures prove that the company has realized a strong "scale effect" where the volumes of transactions and profit margins are increasing at the same time.

Above all, the relationship between the enhanced AML/CFT compliance and the enhanced net profitability indicates regulation excellence as a competitive edge of bKash. By 2025, the company would be a fiscally sound and operationally effective business entity, able to maintain its market leader position and provide its shareholders with high returns.

3.5 Summary and Conclusions

This chapter has described the general research design, data sources, and methods of analysis and approach adopted in order to undertake the internship study. It has been about making sure that it has academic rigor and operates within the practice constraints of data accessibility and organizational secrecy.

3.5.1 Methodological Approach Insight

The research design used in the study is a descriptive and analytical research design, which is appropriate in the case of assessing trends related to financial performance and compliance.

- A mixed-method approach and have combined:
  - Quantitative financial analysis.
  - Qualitative compliance practice evaluation.
- The primary source of information, which has been adopted to use secondary data, is because:
  - Restrictions of secrecy.
  - Small availability of internal operating information.

3.5.2 Data Sources and time of analysis.

Financial information between the years of 2021-2025 has been used to assure:

- Trend consistency
- Significant annual comparison.

Data sources include:

- Annual reports and financial disclosures
- Laws and regulations manuals.
- Authority corporate websites and publicly available documents.

The research does not make use of internal records that have not been published or authorized.

3.5.3 Data Analysis Tools and Techniques used.

The financial performance has been evaluated by using:

- Ratio analysis (profitability, liquidity, efficiency, leverage)
- Horizontal, vertical and trend analysis.
- DuPont analysis of return decomposition.
- Value-based measure of performance (EVA).

The issue of compliance has been investigated by:

- A single compliance indicator variable which is binary.
- Compliance status vs financial performance indicators correlations.

The time variations are represented in the form of graphical representation like trend charts.

3.5.4 Scope and Academic Relevance

The scope and academic relevance are central themes explored in the research. The methodological framework ascertains:

- Conformity to internship report requirements.
- Adherence to academia of finance and accounting.

The study contributes to:

- On-the-job knowledge in financial analysis within a controlled MFS setting.
- Scholarly debate regarding the connection between compliance interventions and financial outcomes.

The chapter provides a very effective base on:

- Data analysis
- Interpretation of results

3.5.5 Concluding Remarks

This chapter is a blueprint of the study in terms of its analytical structure. In accordance with all the methods and tools, the balance selection direction has been chosen:

- Academic depth
- Practical feasibility
- Data reliability

The results obtained based on such methodologies are displayed and addressed in the subsequent chapters, wherein the objectives of the internship report are corroborated.

3.6 Recommendations and Implications

This part of the paper contains a detailed list of suggestions and implications based on the general approach, analysing the structure and background knowledge gathered in the course of the current research. The recommendation is in terms of strategic, financial, regulatory, and academic perspectives since this report was done with secondary data and models of analysis as opposed to internal operational data. These are recommendations that are realistically competitive, moral and harmonized in the environment of operation that is highly regulated Mobile Financial Service (MFS) provider such as bKash Limited.

3.6.1 Managerial and Organizational Recommendations.

In terms of the organization, the results and methodology of the research can provide some valuable recommendations to the management and decision-makers:

- bKash Limited still should:
    - ➢ Do not take AML/CFT compliance as just a financial risk of a regulatory task.
    - ➢ Incorporate compliance through long-term financial forecasting and performance assessment.
- Management may consider:
    - ➢ Creating in-house dashboards that would make the connection between financial performance-related metrics (revenue growth, profitability, cost efficiency) and compliance milestones.
    - ➢ Regularly assessing the cost-benefit relationship of compliance investments to make sure that it operated efficiently.

- Senior leadership can:
  - Promote the cross-functional process of finance, compliance, risk control and technology groups.
  - Preparative financial analysis (trend-based) to predict the financial impact of the change in regulations in future.
- This may not be disclosed to the public as its privacy is confidential:
  - In annual reports, aggregated and anonymized compliance indicators may be disseminated to promote the level of transparency and confidence among the stakeholders.

3.6.2 Financial Management Implication.

In financial management terms, the given study brings up a number of key implications:

- Good compliance structures are beneficial:
  - Limit the risks of financial fines and regulatory fines.
  - Secure the financial streams by ensuring continuous operations.
- Financial managers should:
  - Monitor performance consistency across time using the ratio analysis, trend analysis, and comparative analysis.
  - Evaluate the liquidity and solvency status in reference to the growing compliance-related expenses.
- Multi-year financial statements (2021-2025) are used as it allows:

- Determination of the financial long-term trends instead of short-term variations.
- Greater sustainability and financial strength.

- The financial planning must consider:
    - Continuous investment in compliance tools, training and monitoring equipment.
    - Goods Prospective regulatory restraint in the fintech and MFS sector.

3.6.3 Regulatory and Policy Implications

The work also has significant implications for the regulators and policymakers:

- It may be done by regulatory agencies like the Bangladesh Bank and BFIU:
    - Apply comparable analysis models to assess the financial implications of AML/CFT regulations on the sector at large.
    - Balance regulation enforcement with operational facts of digital financial service providers.
- The policymakers need to take into account:
    - Promoting the integration of financial and compliance disclosure between MFS providers.
    - Salvage the accessibility of the data to academic and policy-based studies without breaching confidentiality.
- It uses proxy indicators of compliance:
    - Shows a viable analysis solution with data-limited environments.
    - It can be used in regulatory tests when no compliance data is easily available.

3.6.4 Risk Management/Governance implications.

Risk Management/ Governance:

- Successful AML/CFT compliance:
  - ➢ Enhances company regulation.
  - ➢ Minimizes reputational and operational risks.
- Institutions should:
  - ➢ Periodically review internal control procedures involving financial reporting.
  - ➢ Make compliance policies congruent with risk appetite.
- Board control on compliance:
  - ➢ Enhances accountability.
  - ➢ Aids in the stability of the organization over a long period.

3.6.5 Implications on Academic and Research Reports.

This analysis will be important to scholarly literature and to research:

- It demonstrates that:
  - ➢ The secondary data can be used to conduct a rigorous financial and compliance analysis.
  - ➢ Scholarship Scholarship Academic depth and analytical rigor are not lost in an internship-based research.
- Future researchers may:

- Build up the model econometric or regression-based.
- Add qualitative knowledge by interviewing compliance professionals.

- The approach taken in this report:
  - Is duplicatable by banks, fintech companies and other DFS providers.
  - It is a useful reference to students carrying out internship reports in regulated industries.

3.6.6 Practical implication to internship-based learning.

Educationally, it serves as an educator to:

- The internship experience:
  - Improved real-world experience on AML/CFT operations.
  - Closed the gap between real-life compliance and theoretical finance.
- Students can:
  - Use classroom knowledge of financial analysis in real organizational settings.
  - Acquire analytical thinking despite the limitation of accessing primary data.
- The report structure:
  - Examples of the way academic guidelines may be approached ethically and professionally.
  - Can be used as a model of study for other future intern students.

3.6.7 General Conclusions and Final Judgments.

In conclusion:

- The suggestions made in this section are:
  - Practical
  - Context-specific
  - Academically sound
- The study emphasizes that:
  - Wiry compliance systems believe in financial sustainability.
  - Good financial management and unlawful compliance are inseparable.
- Overall, this report offers:
  - Organizational strategic knowledge.
  - Regulator relevance of policies.
  - Researcher and student academic value.

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Appendix A.

Excel file (Calculation)

21204019_Md.
Tanjeel Bin Zaman_Int

Or Excel file link:

https://docs.google.com/spreadsheets/d/1M2FYojY2Ny2-H_WvW7no31ep9LonVYYb/edit?usp=sharing&ouid=116123933795905059331&rtpof=true&sd=true

Financial Statement Link: (2021-2025)

https://drive.google.com/drive/folders/1Zi71vC1kBNYrC1KIUNsXEZmP8ICvfkCa?usp=sharing