

Internship Report On
Exploring the Dynamics of AML&CFT with bKash and its contribution to
maintain the financial security



submitted to

Islamic University of Technology

in partial fulfillment of the requirements for the degree of
BBA in Business and Technology Management (BTM)

Submitted by:

I understand that my final report will become part of the permanent collection of the Islamic University of Technology BBA in Business and Technology Management Program. My signature below authorizes release of my final report to any reader upon request.

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Letter of Transmittal

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MD Abdullah Al Mamun

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Subject: Submission of Internship Report.

Dear Sir,

I have successfully finished my sixteen week internship program at bKash Limited under your supervision and as part of my internship. As a result I am submitting my internship report on “Exploring the dynamics of AML&CFT with bKash and its contribution to maintain the financial security.”

The experience of working on this article was wonderful. I should note that despite the resources and restrictions regarding accessibility and document confidentiality, I did my best to give material pertinent to the request field. I am asking for your forgiveness for any slight mistakes that I have made while compiling and analyzing my data.

Please accept this report as the product of my learning and use it to evaluate my progress towards achieving a Bachelor’s in Business Administration.

Sincerely

Mahin Abrar

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Department of Business and Technology Management

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Acknowledgement

I was given this report as part of my internship at the Islamic University of Technology to demonstrate the knowledge I had gained. I would like to thank the following organizations and individuals.

I am grateful to the Islamic University of Technology's Business and Technology Management Department for their educational support during my Bachelor of Business Administration program. I am incredibly grateful to all of the faculty members at the Business and Technology Management Department for their invaluable lessons that have motivated me to strive for excellence. In addition, I'm thankful to bKash Limited for selecting me for an internship in a field that is extremely competitive, letting me work for one of Bangladesh's leading Fintech companies, and letting me pick the brains of managers that are undoubtedly experts in their domains. The instruction has been extremely insightful and beneficial.

Mr. Md. Hanif Mia, my line manager at bKash Ltd., is in charge of the External and Corporate Affairs Division's STR/SAR, AML&CFT Department. My line manager has been supportive, encouraging, and kind to me and my work since I started working there.

I also want to sincerely thank each and every STR/SAR member that has helped me out over the years. They supported me and encouraged me to ask for advice on every task. They have all been really kind, supportive, and upbeat about my work and myself ever since the day I joined.

Lastly, on behalf of the Islamic University of Technology, I would like to sincerely thank MD Abdullah Al Mamun, Assistant Professor in the Department of Business and Technology Management, who also oversaw my internship. I felt more confident in myself and my work because of his optimism and faith in my abilities. He was in charge of carefully reviewing and analyzing my internship report.

The success of this report may be attributed in large part to his assistance in helping me locate the data and conduct the analysis.

Executive Summary

This internship report delves into my firsthand experiences as an intern within bKash Limited's AML&CFT department under ECAD, supplemented by extensive research on the topic **“Exploring the dynamics of AML&CFT with bKash and its contribution to maintain the financial security”**.

The report meticulously examines the organizational structure and operational procedures of the company. Furthermore, it scrutinizes bKash's operational strategy and assesses its financial performance in comparison to previous years. A strategic analysis delves into the company's strengths, weaknesses, opportunities and threats.

Significant focus is dedicated to analyzing financial inclusion and bKash's endeavors in this realm. Data from relevant fields is collected to present comprehensive insights. Additionally, a survey involving various bKash users is conducted, soliciting their perspectives and suggestions for improvement.

Various articles and documents pertaining to Mobile Financial Services (MFS), bKash and financial inclusiveness are utilized to enrich the report's content.

In conclusion, the report aims to showcase bKash's efforts towards ensuring financial inclusion in Bangladesh. It highlights areas for improvement, accomplishments and offers crucial suggestions for the enhancement of bKash and the broader MFS industry in the country.

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Chapter 1: Introduction

Making an internship report in which we had to discuss our opinions and experiences of our professional experiences in the corporate sector was one of the main assignments for our internship course. Each Business and Technology Management student must complete 150.75 credits, of which nine credits are awarded for the internship course. I was affiliated with bKash Limited during my internship course in order to complete the prerequisites for graduation in the last semester.

My internship at bKash Limited began on January 18, 2024, and it ended on May 16, 2024. This internship lasted for four long months. I worked as an intern in bKash's External and Corporate Affairs Division (ECAD), a well-known department that is further divided into four teams.

ECAD's primary goals are to reduce the risks related to bKash and its operations by focusing on compliance and fraud prevention. More precisely, the division synchronizes bKash's goal with Bangladesh Bank rules, especially those concerning the mitigation of risk associated with money laundering and terrorism funding in the Mobile Financial Services (MFS) industry.

The Bangladesh Financial Intelligence Unit (BFIU) is crucial for providing financial intelligence and supporting compliance procedures. their assistance and collaboration in implementing the necessary adjustments to enhance risk mitigation strategies for bKash and the economy at large. In essence, by ensuring the sustainability and safety of the ecosystem, they safeguard not only bKash but also its investors, users, and stakeholders.

1.1 Objectives

1.1.1 Main Objectives

Finding out how bKash operates and where it stands in the market is the main goal of this investigation.

1.1.2 Specific Objectives

- Determining the organization's advantages and disadvantages in order to provide a comprehensive picture of its operational environment.
- Evaluating the business's financial, marketing, operational, and managerial aspects in order to understand its overall performance and market positions.
- Providing a unique viewpoint on bKash's Anti-Money Laundering and Countering Terrorism Financing (AML&CFT) procedures, illuminating its compliance tactics and protocols.

In order to better understand the Mobile Financial Service (MFS) provider's position and influence within the industry, the study aims to give a thorough review of the provider's performance and operational dynamics by addressing these objectives.

1.2 Methodology of the Report

1.2.1 Primary Source

- Desk Task
- Remote Task
- Observations

1.2.2 Secondary Source

- Websites
- Company Profile Section
- Different Reports, Publications and Articles

1.3 Scope

I have experienced many advantages at bKash Limited that have significantly enhanced my professional growth. I spent the first week of the program attending a carefully planned set of training sessions, which allowed me to become fully engaged in the culture of learning from day one. These meetings, led by department heads and team leaders, gave participants a full understanding of bKash's policies, procedures, and guidelines as well as a comprehensive picture of the company's many departments and divisions.

The training team's leader also conducted a number of self-development courses, covering a wide range of subjects like utilizing Microsoft Visio to create presentations and sophisticated Excel techniques designed for business procedures. Our knowledge was broadened by these sessions, and we also gained useful implementation skills that are applicable to the workplace.

In addition, we were given practical assignments like building a customized tax computation program with Excel and its formulas. This hands-on exercise not only strengthened our comprehension of Excel but also gave us invaluable experience in resolving realistic issues that businesses confront, like corporation and income tax computations.

All in all, the variety of workshops and development activities gave me priceless chances to advance myself. My four months as an intern at bKash provided me with a plethora of knowledge and experience that I am certain will be invaluable to me in my future professional efforts.

1.4 Limitations

Working with the STR/SAR team during my internship in the AML&CFT Department at bKash Limited, I faced a few obstacles that put my flexibility and problem-solving abilities to the test. I had a lot of trouble with the KYC and e-KYC document analysis and review process because it was so complicated. It requires close attention to detail, a thorough understanding of anti-money laundering and counterterrorism funding procedures, and understanding the complexities of

these documents in order to ensure compliance with legislation.

Additionally, it could be intimidating at times to sort through the department's massive amount of information and processes. Maintaining productivity and meeting deadlines become contingent upon learning effective time management and work prioritization techniques.

Coordinating with different teams and stakeholders to resolve inconsistencies or problems found throughout the review process also brought up a unique set of difficulties. Cooperation and efficient communication were crucial to finding a quick and correct solution to these problems.

Despite these difficulties, I overcame each one with tenacity and will, asking for help when necessary from my coworkers and superiors. I gained a greater understanding of AML&CFT procedures as well as improved my problem-solving skills from this experience, all of which helped me grow as an intern.



Chapter 2: Overview of the Company

2.1 History of bKash Limited

Since its founding, bKash Limited has revolutionized the mobile finance industry in Bangladesh. Due to its distinct approach and ability to quickly win over the trust of the Bangladeshi public, bKash emerged as the industry leader in spite of other MFS providers such as Rocket from Dutch Bangla Bank Limited launching their services around the same time. bKash was established in 2011 with the backing of Money in Motion LLC as an investor, BRAC Bank Ltd. as a partner, and Sir Fazle Hasan Abed, the founder of BRAC (NGO). Together, these organizations set out to transform financial inclusion in Bangladesh.

In order to improve financial services' accessibility and use in every Bangladeshi district, bKash has consistently innovated throughout the years. Due to its dedication to making a positive social impact, the company was ranked 23rd out of companies tackling diverse societal concerns on Fortune's 2017 "Change the World" list.

To improve its service offerings, bKash has partnered with a wide range of businesses, such as retail, fashion, and telecoms. Its reputation as a safe and secure platform for transactions has been further cemented with the launch of app-based payment solutions in April 2018. More than 35 million unbanked consumers in Bangladesh are served by bKash, which has a broad network of more than 200,000 agents in both urban and rural areas.

Additionally, bKash has developed smooth relationships with several banks, making it possible to transfer money from bank accounts or debit/credit cards to bKash and vice versa without any problems. With its vast network and easy-to-use interface, bKash is positioned to be a leader in the development of future cashless payment gateway systems, guaranteeing accessibility and ease of use for all users.

- **Company Mission**

“bKash seeks to broaden the net of financial inclusion by delivering financial services that they are easy, affordable and dependable, bKash also aims to deliver a mobile financial service solution based on a highly scalable Mobile Money platform that allows the people of

Bangladesh to transfer and receive money safely via mobile services.” (bKash, 2021)

- **Company Vision**

“bKash intends to provide financial services to the low-income regions that are not served by traditional services like banks, therefore reaching a larger number of individuals in Bangladesh” (Huawei, 2020)

2.2 Logo and Tagline



The platform was first a joint venture between BRAC Bank Bangladesh and Money in Motion, LLC in the United States, catering to the unbanked population of Bangladesh. bKash was founded in Bangladesh with the intention of eliminating middlemen and providing secure money transfers to those who are susceptible to fraud.

After ten years, bKash is now more than just a business name—it is commonly linked to "Money Transfer." It has shown to be more useful and efficient than banks, and even city dwellers now turn to it when they need a friend.

Apart from that, bKash celebrates this important milestone with a new tagline that effectively captures the spirit of the brand: "Shob shomoye shob proyojone."

2.3 Products and Services of bKash

In order to meet their commitment to the people and provide world-class service, bKash has made tremendous progress. A crucial first step in offering smartphone users a smooth one-stop shop and improving accessibility and convenience has been the release of a mobile app. For people without cellphones or internet access, there is still a dial-in alternative, but the standalone mobile app has improved user experience and expedited procedures.

Key services offered by bKash include:

- **Send Money:** Facilitates easy money transfers between accounts, with the option to send money through local merchants/agents without requiring a personal bKash account. A minimal fee applies for this service.
- **Cash In:** Customers can load cash into their bKash wallet for free from ATMs or registered bKash agents.
- **Cash Out:** Allows customers to withdraw cash from their bKash wallet via ATMs or bKash agents, with a nominal fee charged for cash withdrawals.
- **Mobile Recharge:** Enables customers to recharge their own or others' mobile phone balances using their bKash account.
- **Payment:** Allows customers to make digital payments at most stores across Bangladesh using their bKash accounts.
- **Pay Bill:** Simplifies bill payments for various services including electricity, telephone, gas, water, internet, Visa card, and AMEX card bills, offering a convenient alternative to traditional payment methods.
- **Add Money:** Enables customers to add funds directly from their bank or credit cards to their bKash wallets.
- **Remittance:** Facilitates hassle-free money transfers from Bangladeshi individuals living abroad to their loved ones in Bangladesh, ensuring compliance with legal regulations.
- **Donation Facilities:** Through partnerships with various organizations, customers can donate directly to support initiatives such as education and healthcare for impoverished children.
- **Interest on Savings:** Customers can earn up to 4% interest per annum on their savings held

in their bKash account, providing an additional benefit for users.

Together, these offerings show bKash's dedication to offering Bangladeshi citizens dependable, reasonably priced, and easily accessible financial services that meet their various needs and promote financial inclusion.

Balance/Slab amount	Rate p. a
BDT 1,000 – BDT 5,000.99	1.5%
BDT 5,001 – BDT 15,000.99	2%
BDT 15,001 – BDT 50,000.99	3%
BDT 50,001 and more	4%

Table- 1: Interest Rates of bKash money deposit (bKash, 2021)

2.4 Management Practices of bKash

The Human Resources (HR) department is in charge of recruiting, managing employees, evaluating job performance, and providing performance reviews in order to guarantee maximum productivity and employee happiness. This department is responsible for organizing the core framework of bKash. HR is essential in helping people reach their objectives by offering training and development opportunities, which propels the business forward. Because it creates a positive work environment and increases employee engagement, a strong HR department is essential to the company's continued growth and development.

With a focus on teamwork across multiple departments and divisions, bKash employs a democratic and participative managing approach. Smaller teams inside departments make up the organization, which facilitates cooperation and helps achieve more ambitious goals. In light of the fact that smaller teams can accomplish major tasks more successfully than larger teams or individuals, teamwork is valued.

The HR division of bKash upholds a strict hiring procedure that starts with the submission of a resume and continues through several rounds of interviews. Interviews with department heads and maybe senior management are conducted with shortlisted candidates to ensure a comprehensive evaluation of their fit for the position. Additionally, ongoing training programs focused on skill improvement and career growth help employees perform better. Regular performance reviews are also a good way to identify and reward exceptional work.

bKash sets itself apart with an alluring pay plan that exceeds industry norms in Bangladesh and comes with yearly holiday bonuses. The company's dedication to appreciating and rewarding its staff is shown in its extensive benefits package, which raises motivation and morale among staff members.

2.5 Marketing Practices

The marketing department of bKash is a multifaceted and essential division that is in charge of coming up with concepts and plans for the efficient advertising and dissemination of the business's offerings. There are two separate divisions within the marketing department:

1. Product & CLM (Customer Lifecycle Management): The goal of this division is to create and improve bKash's offerings in order to satisfy changing consumer demands. They are in charge of overseeing the full customer lifecycle, from acquisition to retention, making sure that consumers have a smooth and positive experience. This department works on improving consumer engagement tactics, adding new features, and improving current products.

2. Brand: Developing and upholding the bKash brand's reputation and identity in the marketplace is the responsibility of the Brand division. In order to successfully communicate bKash's principles, vision, and offerings to the target audience, they create branding strategies, communication plans, and creative campaigns. Through a variety of marketing platforms and initiatives, this division seeks to improve customer perception, brand recognition, and brand loyalty.

Together, these two marketing divisions are essential to bKash's growth and success because they consistently innovate, convey, and uphold the company's value proposition to clients.

2.5.1 Marketing Strategy

The foundation of bKash's business strategy is customer-centricity, with a strong focus in generating and providing value to their target clients through their services. This approach has been bKash's top priority and the cornerstone of its business since the beginning. Furthermore, the organization use segmentation and targeting tactics to pinpoint and cater to particular customer segments, in addition to emphasizing distinctiveness and positioning to set itself apart in the industry.

Additionally, by breaking the industry down into smaller parts and focusing on the most promising ones, bKash performs market analysis to comprehend the dynamics of the overall

market. bKash seeks to efficiently satisfy the demands and preferences of customers in various sectors in order to guarantee customer happiness.

The four Ps of integrated marketing—product, pricing, place, and promotion—are meticulously crafted to cater to the needs of bKash's target market in order to accomplish this. By means of rigorous planning, execution, and oversight, bKash consistently assesses and modifies its marketing approach to stay adaptable to shifts and obstacles in the marketplace.

All things considered, bKash's customer-centric strategy, when combined with targeted, segmentation, and marketing mix methods, allows the business to efficiently add value for its clients while preserving a competitive edge in the marketplace.

2.5.2 Target Customers, Targeting and Positioning Strategy

Customers of bKash include people from all socioeconomic classes—upper, middle, and lower—who all want to get the most out of the money they pay for different services. When bKash was launched, its main target market was people living in rural areas who had trouble using regular banking services, especially those from lower socioeconomic groups. But as demand has changed, the customer base has grown, indicating how popular bKash's services are with a variety of consumers.

bKash intends to strategically position itself in response to this dynamic market environment by focused marketing initiatives, such as campaigns and promotions meant to advance financial inclusion. By utilizing these tactics, bKash hopes to improve customer satisfaction and successfully address the changing demands of its wide range of clients. This focus on the needs of the consumer highlights bKash's dedication to providing value and convenience to all its customers, regardless of their socioeconomic status or lifestyle.

2.5.3 Channels for Marketing

bKash makes use of a range of marketing avenues, especially by using middlemen to increase its audience. Since bKash is a service-oriented platform, its marketing approach mostly depends on merchants and field agents who work in a variety of locations, from big cities to isolated and rural places. These middlemen are essential in making bKash services more accessible and in obtaining insightful user feedback to guarantee customer happiness, both of which support bKash's ongoing development efforts.

To improve brand exposure and client interaction, bKash uses intermediate networks in addition to digital marketing platforms including social media marketing and search engine optimization (SEO). With the use of these internet channels, bKash can successfully convey its value proposition to a larger audience.

Furthermore, by reaching a larger demographic and boosting brand awareness, conventional marketing channels like television (TV) channels support bKash's marketing initiatives. bKash strives to increase its reach and interaction through a variety of marketing platforms, which will ultimately lead to higher levels of client satisfaction and loyalty.

2.5.4 Competitive Strategy and Product Development

Since its launch, bKash has had to contend with competition from a number of market participants, including Rocket and more recent arrivals like Nagad, Mcash, SureCash, and Upay. These rivals have consistently enhanced their goods and services, providing a wide range of features to draw in and hold onto clients. Still, bKash's offerings and accessibility are unmatched in the sector.

The bKash app, for example, offers a one-stop shop for all financial activities, including transfers of funds between cards and institutions. Its acceptance by superstores and other

retailers around the nation has greatly increased user demand and popularity. Furthermore, with every update, bKash improves its app even further by adding new features and services, further solidifying its leadership in the industry.

In the face of fierce competition, bKash has been able to hold onto its top spot in the mobile financial services industry thanks to its dedication to innovation and customer satisfaction. The company's image as the top option for millions of customers countrywide has been cemented by its ongoing efforts to improve its products and services and adjust to changing client needs.

2.5.5 Strategies for Branding, Promotions and Advertising

bKash employs a variety of advertising methods and strategies to ensure effective promotion of its products:

- Regular release of new TV commercials to showcase the service and its benefits to the audience.
- Utilization of billboards with eye-catching designs and clear messaging to capture attention and increase brand visibility.
- Placement of posters at agent points, ensuring that customers are informed about bKash services while visiting these locations.
- Vehicle branding through car stickers, boat branding, and posters on the back of rickshaws, maximizing exposure to potential customers during transit.
- Implementation of promotional offers in collaboration with shops, encouraging customers to use bKash for shopping transactions. Additionally, promotion through mobile operators further enhances brand awareness.
- Offering app-based promotional offers to incentivize users and encourage engagement with the bKash app. Referral offers are also promoted to attract new users and expand the customer

base.

By leveraging these advertising methods and promotional strategies, bKash aims to increase brand awareness, attract new customers, and foster loyalty among existing users.

2.6 operations Management

Under the direction of an experienced management group, bKash functions with consistency and flexibility. The business is divided into seven main sections, each of which is responsible for overseeing and delivering a certain set of services. Together, these departments support the seamless operation of the business, with each department providing special knowledge and capabilities to meet goals set by the organization. bKash keeps its position as the top mobile financial service provider in Bangladesh and maintains operational efficiency through efficient coordination and cooperation among these divisions.

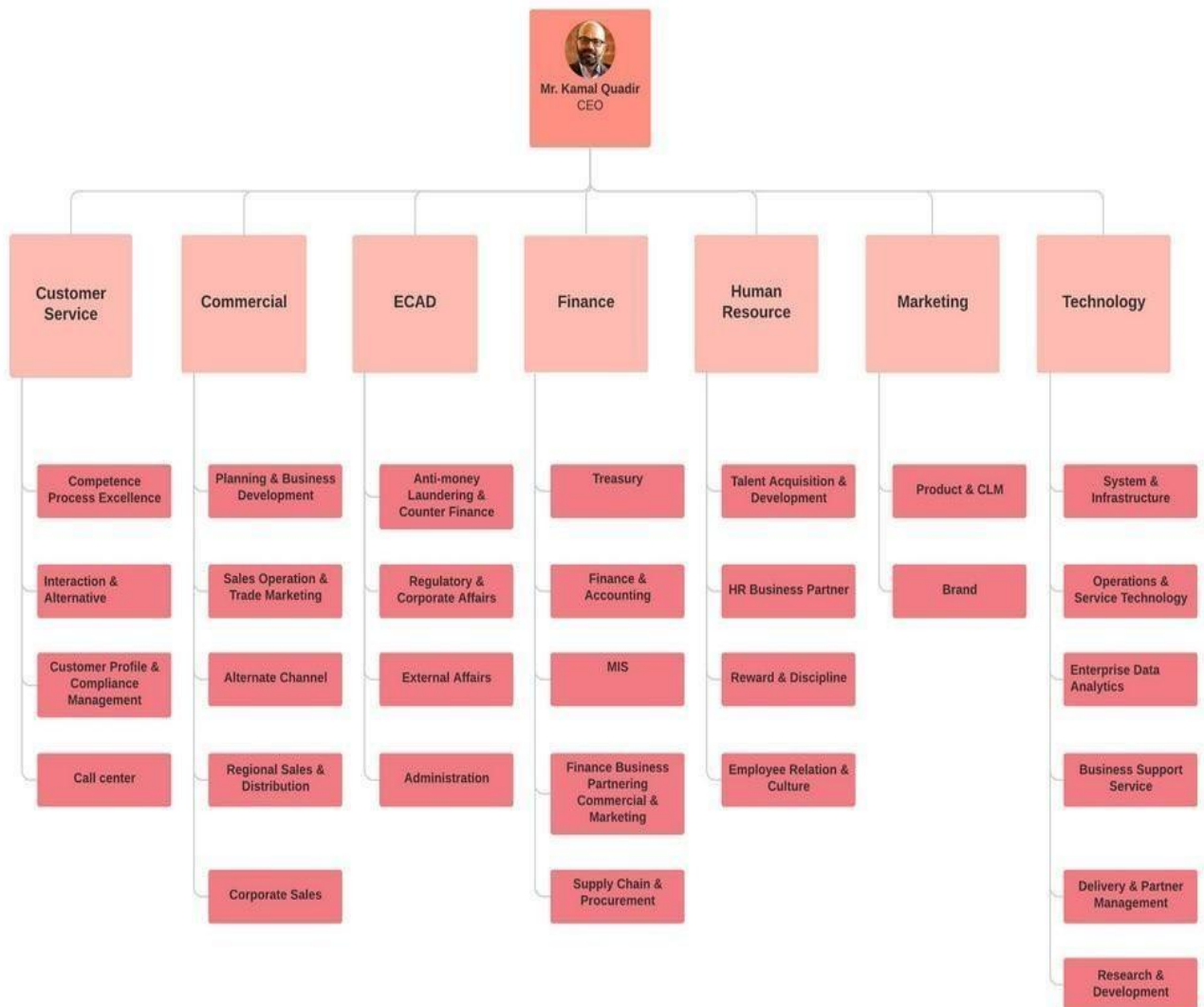


Fig: Organogram of bKash

2.7 Industry and Competitive Analysis

2.7.1 Overview of MFS Industry

Mobile Financial Services (MFS) have made a substantial contribution to financial inclusion by narrowing the gap between the banked and unbanked populations. Because of its accessibility, which allows for quick and easy banking transactions from anywhere in the nation, lifestyles all over the place have changed. In addition, the worldwide health crisis has highlighted the significance of these digital services, which saw a dip in use at first but a rebound as a result of the necessity of social distancing protocols. Within this framework, bKash has surfaced as a dependable and auspicious service provider, enabling a multitude of transactions, including internet purchases and transfers to remote regions. By providing exceptional service, bKash has proven that it is dedicated to satisfying client requirements and upholding dependability in the face of changing obstacles.

2.7.2 SWOT Analysis



Fig: SWOT Analysis of bKash

2.7.3 Porter's Five Forces



Fig: Porter's Five Forces

Power of Suppliers:

The success of Mobile Financial Services (MFS) heavily relies on the collaboration with the country's mobile carriers, enabling widespread service provision to a diverse clientele. This strong partnership with telecom companies amplifies the supplier power within the industry.

Power of Buyers:

Urban consumers have abundant options, including various MFS providers, banks, and ATMs, enhancing their bargaining power. Conversely, buyers in rural areas face limited choices, predominantly relying on a handful of MFS providers with minimal access to banks. Hence,

buyer power varies significantly based on geographical location, with rural buyers having limited influence.

Threat of New Entrants:

Although established players like bKash, Nagad, and Rocket dominate the market, the industry's high barrier to entry, coupled with the need for substantial operating expenditures, diminishes the threat from new entrants. Despite the potential for newcomers, the likelihood remains low due to the significant challenges associated with cost reduction and market penetration.

Threat of Substitutes:

Traditional banking remains a trusted and widely used alternative, particularly among urban consumers, highlighting the persistent threat of substitutes. While MFS have improved security measures, they still fall short of the robustness offered by traditional banks. Additionally, microfinance serves as a viable substitute for rural residents, further impacting the threat level.

Rivalry among Competitors:

The MFS sector exhibits substantial growth potential, necessitating continuous investment in cutting-edge technology to remain competitive. As the market matures, rivals vie for market share, intensifying competition. While product differentiation is limited, technological advancements and evolving consumer preferences drive increased competition among industry players.



Chapter Three: Industry Analysis

The top mobile banking service provider in Bangladesh, bKash, has completely changed the country's financial sector. Since its establishment in 2010, it has provided a vast array of services, including merchant payments, bill payment, airtime top-up, and money transfers. By guaranteeing a highly secure transaction system, bKash's revolutionary approach to digital banking has promoted financial inclusion and economic prosperity. Nowadays, millions of individuals throughout the nation use bKash. Even though the financial industry is becoming more and more competitive, bKash is still thriving because of its strong infrastructure, smart partnerships, and dedication to client happiness.

3.1 Industry Size and Trends

Table of users of MFS Industry-

Company Name	No. of Users
bKash	5,39,68,418
NAGAD	3,41,96,247
Rocket	2,44,92,299
Surecash	1,57,54,498
Upay	29,89,058
Others	27, 35,446

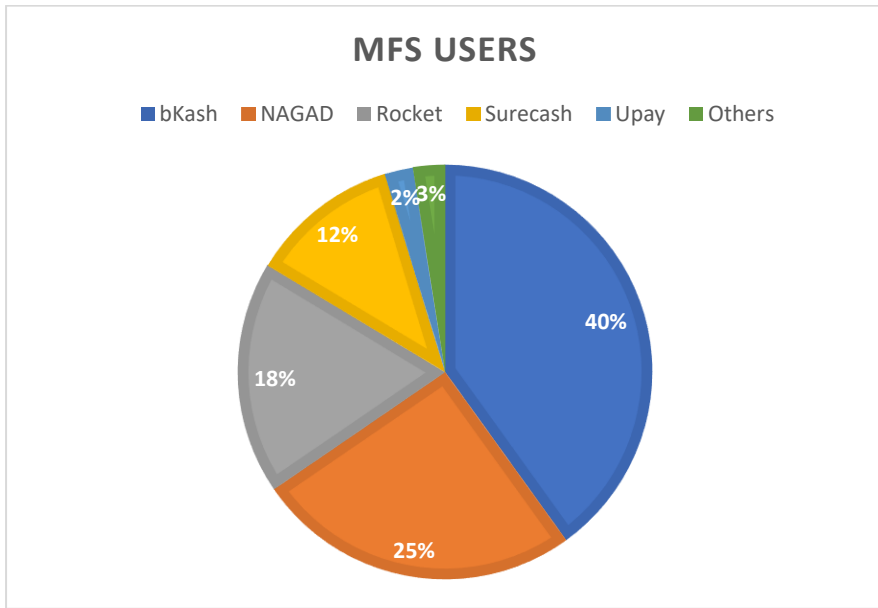


Fig: Market share of Companies

3.2 Endowments Factor

bKash, one of the pioneers in the Mobile Financial Services (MFS) sector, has established itself in the market by employing many fundamental components. Its robust partnerships with banks, phone companies, and shops have facilitated widespread user adoption of its service.

Furthermore, accessibility and user confidence have increased because to bKash's extensive agent network, robust security mechanisms, and user-friendly UI. Its state-of-the-art product offerings—which include fund transfers, bill payments, and integration with digital commerce—have also made it the go-to financial option for millions of Bangladeshis. Bangladesh's MFS sector is still being influenced and developed by bKash thanks to its customer-focused mindset and ongoing innovation.

3.3 Related and Supporting Industries

bKash, one of the leading suppliers of mobile financial services, depends on a network of complementary industries to expand. Telecommunications companies provide the infrastructure for its mobile-based services, and partner banks assist with backend operations and regulatory compliance. Technology companies design and run the system, ensuring safe financial transactions. Retailers and merchants are expanding the acceptance and reach of bKash payments. Regulators ensure that banking laws are obeyed and that security services guard against fraud and online threats. Marketing and advertising companies increase brand recognition and attract customers by endorsing bKash's services. Officers from the Customer Service Division also manage inquiries and provide support services, ensuring a positive customer experience. All these sectors work together to create a strong ecosystem that both supports and grows bKash's expansion and influence in the mobile financial services market.

3.4 Strategy and Competitors

One of the leading mobile banking service providers in Bangladesh, bKash, has several competitors, including Nagad, Rocket, and SureCash. To keep ahead of the competition, bKash makes technological investments that facilitate simple and secure transactions, raise client

happiness, and expand its range of services. Its strategic partnerships with banks, merchants, and communication providers reinforce its market dominance. Additionally, by concentrating on the poor, bKash advances financial inclusion and solidifies its standing as a significant player in the mobile money market.

3.5 Government

In this sense, the term "government" refers to the regulatory bodies and authorities tasked with keeping an eye on and regulating the operations and activities inside the MFS industry. These organizations include, for example, government ministries, the central bank, financial regulatory agencies, and telecommunications regulatory authorities. They are responsible for formulating and implementing regulations, licensing MFS providers, ensuring compliance with anti-money laundering and consumer protection laws, promoting financial inclusion, and safeguarding the stability and integrity of the financial system. Government action is crucial to safeguarding consumer interests, maintaining the financial sector's overall stability, and fostering an environment that encourages innovation and growth.



Chapter Four: Description of Main Duties

4.1 The Team

I started my internship in the **External and Corporate Affairs Division (ECAD)** at **Anti-Money Laundering and Combating Financing Terrorism (AML&CFT) Department**. This department is again divided into four teams among which I was attached with Suspicious Transaction Report/Suspicious Activity Report (STR/SAR) Team. This department and teams are made as per is the instruction of the **Bangladesh Financial Intelligence Unit (BFIU)** of **Bangladesh Bank**. BFIU is responsible to mitigate all kind of Money-Laundering and Financial Terrorism.

Nowadays, Money-Laundering is occurring in an unimaginable unit. This is done via Hundy, by betting. People doesn't provide the proper tax to the Government. We had to monitor all kind of transactions and when we find any then we have to make a report and submit it to BFIU. Then as per the report the authorized unit takes the legal step if they have to. And to prevent these kind of activity we block the account. This is how the AML&CFT Department maintain the financial security. In Addition all the officers of the team have to do KYC/QC (Know Your Customer/Quality check) of the bKash users. This is also as per the instruction of BFIU. According to the instruction, all the MFS providers will have to keep the records of the consumer at least of five years.

While my internship at bKash Limited, my supervisor was **Md. Hanif Mia, Manager, AML&CFT Department**. Additionally I collaborated with **Nawshaba Islam, Assistant Manager, AML&CFT Department**, **Nishat Kabir, Officer, AML&CFT Department**, **Md Harun-Ur-Rashid, Junior Officer, AML&CFT Department**.

4.2 Summary of the Task

Among many other areas under the External and Corporate Affairs Division (ECAD), the Anti-Money Laundering and Combating the Financing of Terrorism (AML&CFT) department was where I interned. There were numerous other teams inside this department, and I was placed on the STR/SAR (Suspicious Transaction Report/ Suspicious Activity Monitoring) team.

Throughout my internship, the team was excellent. KYC and e-KYC work was my main responsibility. Know Your Customer, or KYC, contains all of the customer's information.

Customers complete KYC forms during the account opening process and after undergoing several clearance checkpoints, they reach to us, to the interns for a partial check. The forms are awaiting for the final clearance from our team leader and the main compliance team after our examinations. As a result, we, the intern used to act as the last but not the least stage before finishing an account's whole clearing process. Our comments were essential in clarifying any problems with the account and deciding whether or not to approve it.

In addition, we frequently come across odd inputs in the forms, which could point to inconsistencies or mistakes that previous teams missed because of human error. As such, it is our responsibility to carry out through rechecks in order to find and fix any problems. We swiftly notify our leaders of any discrepancies or anomalies we find in order to guarantee improved security protocols. Basically I did the following things-

- Know Your Customer (KYC)
- E-KYC
- Documentation of Report
- Transaction Monitoring
- Helping the team to fill up the monthly KPI

4.3 Learnings

At bKash Limited, I have benefited greatly from a number of experiences that have greatly accelerated my professional development. I participated in a well-organized series of training sessions throughout the first week of the program, which enabled me to fully immerse myself in the learning environment right away. Participants received a thorough grasp of bKash's policies, processes, and guidelines as well as an all-encompassing image of the company's several departments and divisions during these meetings, which were facilitated by department heads and team leaders.

The leader of the training team also led several self-improvement classes, which included a variety of topics such as creating presentations using Microsoft Visio and advanced Excel methods tailored for corporate processes. These sessions expanded our knowledge and gave us practical implementation skills that we can apply in the job.

Furthermore, we were assigned hands-on tasks such as creating a personalized tax computation application using Excel and its functions. This practical project improved our understanding of Excel and provided us with essential experience in tackling real-world problems that businesses face, such as income tax and company computations.

Overall, the range of workshops and professional development opportunities provided me with invaluable opportunities to grow. During my four months as an intern at bKash, I gained a wealth of knowledge and experience that I know will be very helpful to me in my future career endeavors.

4.4 Difficulties Faced During Internship

Working with the STR/SAR team during my internship in the AML&CFT Department at bKash Limited, I faced a few obstacles that put my flexibility and problem-solving abilities to the test. I had a lot of trouble with the KYC and e-KYC document analysis and review process because it was so complicated. It requires close attention to detail, a thorough understanding of anti-money laundering and counterterrorism funding procedures, and understanding the complexities of these documents in order to ensure compliance with legislation.

Additionally, it could be intimidating at times to sort through the department's massive amount of information and processes. Maintaining productivity and meeting deadlines become dependent on learning effective time management and work prioritization techniques.

Coordinating with different teams and stakeholders to resolve inconsistencies or problems found throughout the review process also brought up a unique set of difficulties. Cooperation and efficient communication were crucial to finding a quick and correct solution to these problems.

Despite these difficulties, I overcame each one with tenacity and will, asking for help when necessary from my coworkers and superiors. I gained a greater understanding of AML&CFT procedures as well as improved my problem-solving skills from this experience, all of which helped me grow as an intern.



Chapter Five: Analysis

The part titled "Findings and Analysis" holds significant importance as it integrates all the data collected, research findings, and analysis to provide thorough solutions and conclusions for this study. This part will be broken up into multiple subsections, each concentrating on a different component of the research, to help with organization and clarity:

1. Role of bKash and its Effort towards Financial Inclusion:

The efforts and plans that bKash has put in place to encourage financial inclusion in Bangladesh will be covered in detail in this subsection. It will showcase the company's accomplishments, difficulties encountered, and influence on the overall financial scene.

2. Understanding the Problem Statements and their Probable Solutions:

Here, we'll list and examine the main difficulties and roadblocks that come up when using bKash to achieve financial inclusion. We'll offer suggestions and potential fixes to deal with these problems in an efficient manner.

We hope to provide a thorough knowledge of bKash's contribution to financial inclusion, pinpoint and resolve important issues, make use of user survey insights, and adjust to shifting market and demographic dynamics by methodically going over each of these subsections.

5.1 Role of bKash and its Effort Towards Financial Inclusion:

Since its establishment in 2011, bKash has been committed to improving financial transactions and increasing Bangladeshi citizens' access to financial services. After operating successfully for about ten years, the company has stayed dedicated to promoting innovation and building relationships with many stakeholders, such as banks, governmental bodies, private businesses, and non-governmental organizations. Because of its commitment, bKash has become recognized as a pioneer in the financial inclusion space.

Basic services including account opening and access via USSD codes, as well as the ability to send and receive money and perform cash-in and cash-out transactions, were first made available by bKash. Considering that these services were formerly exclusively accessible

through traditional banking channels, this represented a critical turning point in increasing financial accessibility. Due to bKash's ease of use, a growing number of companies and retailers started to take payments through the platform.

To accommodate its users' changing needs, bKash kept innovating and growing its service offerings throughout time. The platform's usability and attractiveness were further increased with the addition of new functions including cell recharge, payments for educational institutions, bill payments, and the ability to book tickets for transit and trips. These developments strengthened bKash's standing as a major participant in the financial services sector and raised demand.

By means of strategic collaborations with government-owned entities, bKash broadened its range of services to encompass payments for necessary utilities like gas, electricity, water, internet, and phone bills, in addition to different government levies. With the help of this program, consumers may now easily clear their debts without having to travel far or deal with a lot of paperwork from the comfort of their homes.

Additionally, bKash made it easier to move money from credit/debit cards and bank accounts to bKash wallets, simplifying urban lives and providing more financial flexibility. Significant progress has been achieved, with several banks now onboarded and others in the process of integration, even if relationships with banks for cash transfers from bKash to bank accounts are still in the early stages of development.

In an effort to better serve its user base's changing demands and broaden its products, bKash recently added savings accounts as a new feature. The company is still focused on innovation, and in order to improve financial inclusion and bolster Bangladesh's standing as a leader in South Asia, new features and services are launched on a regular basis.

All things considered, bKash's unwavering pursuit of innovation and teamwork highlights its dedication to promoting financial inclusion and empowering people throughout Bangladesh.

5.2 Understanding the Problem and its Probable Solution

- i. **Partnerships with Banks:** In order to improve its services and guarantee smooth transactions for its users, bKash is aggressively seeking partnerships with Bangladesh's public and private banks. Although discussions with numerous banks are still in progress, about 26 banks currently permit customers to use online banking to move money from their bank accounts to bKash wallets. Unfortunately, only a few banks now support direct transactions between bank accounts and bKash wallets. In order to give its users a complete solution, bKash is committed to growing these partnerships. It may do this by offering incentives like interest payments and transaction fees to make up for any losses the banks may incur. The objective of this program is to enhance financial inclusion while advancing the goals of the firm.

- ii. **Accessibility for Rural Residents:** The bKash app's release has increased the services available to better serve smartphone users. But this has resulted in unequal access to services, especially for rural dwellers who might not be able to take advantage of app-based services. The app has more functions than the USSD service, although it still only offers basic functionality. Understanding the varied needs of its customer base, bKash is dedicated to improving its USSD service and adding features that suit the needs of rural consumers. To improve financial accessibility for all users, bKash, for instance, recently made it possible to transmit money from bKash to non-bKash users. This feature facilitates cross-platform transactions.

- iii. **Savings Account Feature:** Many individuals rely on traditional banks to store and transact large sums of money due to restrictions on bKash accounts. Recognizing this challenge, bKash has introduced a savings account feature to provide users with similar benefits to traditional bank accounts. This initiative aims to promote financial inclusion by offering interest on savings deposited in bKash accounts. Users can qualify for annual interest rates of up to 4% by meeting specific criteria, such as maintaining a minimum balance and conducting regular transactions. This feature enables individuals, particularly those in rural areas, to access financial services and earn interest on their savings, thereby fostering economic empowerment and inclusion. The interest-based chart has been shown below-

Balance/Slab amount	Rate p. a
BDT 1,000 – BDT 5,000.99	1.5%
BDT 5,001 – BDT 15,000.99	2%
BDT 15,001 – BDT 50,000.99	3%

5.3 Analyzing the Demographical Change and Demand of MFS in Bangladesh

A number of important factors impact Bangladesh's demand for mobile financial services (MFS). First, the country's urbanization and population expansion are driving up demand for digital financial services, particularly in cities. Additionally, a sizable market exists for MFS providers due to the increased use of mobile phones. Young people who are familiar with technology are more receptive to utilizing these digital solutions.

Furthermore, MFS is essential in advancing financial inclusion because of the large percentage of the population that falls into the lower income category and the absence of traditional banking infrastructure in rural areas. MFS growth can be further accelerated by government policies that foster financial inclusion, and its adoption and interoperability depend on collaborations with telecom providers, financial institutions, and merchants. It is imperative for MFS suppliers to comprehend client behavior with relation to trust, convenience, security, and affordability in order to properly customize their methods.



Chapter Six: Conclusion and Recommendation

6.1 Conclusion

Since its founding, bKash Limited has been a major force in the mobile financial services (MFS) market, continuously establishing industry standards via technological innovation, creative thinking, and first-rate financial products. Traditional banks dominated the financial sector before bKash and other MFS providers appeared. All residents' demands, particularly those in rural or less educated groups, were not fully met by traditional banking services in Bangladesh, despite the country's large population and predominance of rural areas with weak banking infrastructure.

Bangladesh's central bank issued rules requiring banks to annually dedicate a substantial share of their newly opened branches to rural areas in recognition of the need for greater financial access. Nevertheless, successful expansion and financial inclusion initiatives were hampered by the difficulties of doing business in rural areas as well as the intricacies of conventional banking procedures. This emphasized the need for alternative approaches, such as MFS, to close the gap and guarantee financial inclusion for all societal groups.

In this quest, bKash has come to the forefront, acting as a hub for technology and finance in Bangladesh. bKash has significantly facilitated financial transfers between rural and urban areas by popularizing mobile money as a competitive alternative to cash and plastic cards. The company's continuous expansion efforts stimulate e-commerce transactions and break into unexplored regions, promoting financial inclusion and economic growth.

The report that is being given today summarizes research on bKash and emphasizes how critical it is to improve financial inclusiveness. User-based surveys yield important information about current options and possible enhancements. Cash-in, cash-out, and peer-to-peer transactions are just a few of the essential bKash services that are emphasized as being important forces behind financial inclusion.

In conclusion, even if technology breakthroughs have greatly advanced the banking industry, there is still much space for innovation and development. Assuring universal access to financial

services requires the Bangladesh Bank and industry players to keep financial inclusion initiatives at the top of their priority list. As the study makes clear, mobile banking services are essential to reaching this objective. In the upcoming years, Bangladesh's leadership in financial services within the South Asian and Asian areas is expected to be further cemented as the MFS industry is expected to achieve unprecedented heights with combined efforts and sustained innovation.

6.2 Recommendations

It is clear from research and findings that bKash must modify its financial services to better satisfy the needs of its target market. Because mobile phones and the internet are so widely used in Bangladesh, there is a great chance that the business and government sectors will work together to create easily accessible financial solutions for the Bangladeshi population. The ongoing financial division issue serves as a stark reminder of how inadequate the administrative conditions underpinning progressive transformation are, hence calling for a change in strategy. Meeting the changing demands of people who depend on technology should be the main priority instead of continuing to use antiquated techniques.

In order to better focus their digital banking service training programs and draw in target clients, bKash should give priority to market analysis in order to evaluate revenue and local transactions in rural areas. Tailoring services to meet the distinct needs of different economic zones will be essential for sustained success. Furthermore, those who might not be reached by conventional marketing efforts and educational initiatives might be addressed by offering booth training in isolated rural locations.

Since bKash relies on technology for its operations, it is imperative that server upgrades be made on a regular basis to remove any bugs or technical issues that can cause discomfort to users. Enhancing network and internet connectivity will increase bKash's reach and facilitate user access to its services, especially in rural areas. Reducing the basic transactional charge can also stop other businesses from getting an advantage in luring in new clients.

Customers will be able to do a greater variety of cashless transactions straight from their accounts with higher account limits. Adding more payment alternatives to bKash transactions

outside of Bangladesh, similar to PayPal, will enable users to send money abroad or get paid for freelancing work.

All things considered, bKash has made a substantial contribution to Bangladesh's financial digitization, enabling those who are less fortunate financially. These initiatives help to meet GDP targets and promote economic growth. In summary, bKash's admirable initiatives demonstrate a dedication to promoting good change and financial inclusion in Bangladesh.



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