

**bKash Limited**

Interim condensed financial statements (un-audited)  
as at and for the period ended 31 March 2020

**bKash Limited****Interim condensed statement of financial position (un-audited)**

<b><i>In Taka</i></b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<b>Assets</b>		
Property, plant and equipment	1,542,159,618	1,563,447,268
Intangible assets	1,062,444,645	924,533,123
Deferred tax assets	215,449,911	210,124,045
<b>Non-current assets</b>	<b>2,820,054,174</b>	<b>2,698,104,436</b>
Operational and other receivables	1,543,783,425	1,282,270,560
Advances, deposits and prepayments	1,667,814,153	1,626,787,191
Contract assets	863,305,809	824,813,671
Advance income tax	1,143,895,417	1,054,719,952
Airtime balance	1,262,203,799	420,691,712
Trust cum settlement account and investments	35,907,555,046	32,652,634,900
Investment in fixed deposits	6,914,200,000	7,214,200,000
Cash and cash equivalents	971,690,264	1,530,879,476
<b>Current assets</b>	<b>50,274,447,913</b>	<b>46,606,997,462</b>
<b>Total assets</b>	<b>53,094,502,087</b>	<b>49,305,101,898</b>
<b>Equity</b>		
Ordinary shares	38,194,900	38,194,900
Share premium - ordinary shares	1,286,205,568	1,286,205,568
<b>Ordinary share capital and premium</b>	<b>1,324,400,468</b>	<b>1,324,400,468</b>
Preference shares	8,796,300	8,796,300
Share premium - preference shares	8,286,915,782	8,286,915,782
<b>Preference share capital and premium</b>	<b>8,295,712,082</b>	<b>8,295,712,082</b>
Capital Reserve	18,479,529	18,479,529
Share money deposit	505,162	505,162
Retained earnings	270,041,610	444,536,081
<b>Total equity</b>	<b>9,909,138,851</b>	<b>10,083,633,322</b>
<b>Liabilities</b>		
Other non-current liabilities	7,145,802	7,145,802
Lease liabilities	211,764,140	225,707,670
<b>Non-current liabilities</b>	<b>218,909,942</b>	<b>232,853,472</b>
Defined benefit plan - gratuity	97,750,000	67,750,000
Customer and other deposits	35,494,492,286	32,223,281,752
Operational and other payables	1,538,862,853	1,271,137,938
Lease liabilities	109,158,417	133,687,775
Grant funds	10,608,666	4,161,769
Accrued expenses	4,745,169,087	4,373,096,554
Provision for tax	970,411,985	915,499,316
<b>Current liabilities</b>	<b>42,966,453,294</b>	<b>38,988,615,104</b>
<b>Total liabilities</b>	<b>43,185,363,236</b>	<b>39,221,468,576</b>
<b>Total equity and liabilities</b>	<b>53,094,502,087</b>	<b>49,305,101,898</b>

Sd/-  
Chief Executive Officer

Sd/-  
Chief Financial Officer

**bKash Limited****Interim condensed statement of profit or loss and other comprehensive income (un-audited)**

<b><i>In Taka</i></b>	<b>For the period ended</b>	
	<b>31 March 2020</b>	<b>31 March 2019</b> <b>Restated</b>
Gross revenue	<b>6,484,744,011</b>	6,152,694,293
VAT	<b>(765,973,497)</b>	(719,053,616)
<b>Revenue</b>	<b>5,718,770,514</b>	5,433,640,677
Cost of services	<b>(4,377,625,608)</b>	(4,102,225,604)
<b>Gross profit</b>	<b>1,341,144,906</b>	1,331,415,073
Operating and administrative expenses	<b>(1,147,192,935)</b>	(921,235,158)
Marketing and promotional expenses	<b>(494,675,593)</b>	(573,292,591)
<b>Operating profit</b>	<b>(300,723,622)</b>	(163,112,676)
Net finance income	<b>175,815,956</b>	213,331,546
<b>Profit before contribution to WPPF</b>	<b>(124,907,666)</b>	50,218,870
Contribution to WPPF	-	(2,510,944)
<b>Profit before tax</b>	<b>(124,907,666)</b>	47,707,926
Income tax (expense)/income	<b>(49,586,804)</b>	(43,439,855)
<b>Profit</b>	<b>(174,494,470)</b>	4,268,071
<b>Other comprehensive income/(expense)</b>		
<b>Item that will not be reclassified subsequently to profit or loss</b>		
Remeasurement of defined benefit plan	-	-
Related tax	-	-
<b>Total comprehensive income</b>	<b>(174,494,470)</b>	4,268,071

Sd/-  
Chief Executive Officer

Sd/-  
Chief Financial Officer

**bKash Limited**  
**Interim condensed statement of changes in equity (un-audited)**

<i>In Taka</i>	Ordinary shares	Share premium - ordinary shares	Preference shares	Share premium - preference shares	Capital reserve	For the period ended 31 March 2019		
						Share money deposit	Retained earnings	Total
<b>Balance at 1 January 2019</b>	38,194,900	1,286,205,568	8,796,300	8,286,915,782	18,479,529	505,162	1,069,682,559	10,708,779,800
<b>Total comprehensive income for the period (Restated)</b>								
Profit/(loss) for the period (Restated)	-	-	-	-	-	-	4,268,071	4,268,071
<b>Total comprehensive income for the period (Restated)</b>	-	-	-	-	-	-	4,268,071	4,268,071
<b>Restated Balance at 31 March 2019</b>	38,194,900	1,286,205,568	8,796,300	8,286,915,782	18,479,529	505,162	1,073,950,630	10,713,047,871

<i>In Taka</i>	Ordinary shares	Share premium - ordinary shares	Preference shares	Share premium - preference shares	Capital reserve	For the period ended 31 March 2020		
						Share money deposit	Retained earnings	Total
<b>Balance at 1 January 2020</b>	38,194,900	1,286,205,568	8,796,300	8,286,915,782	18,479,529	505,162	444,536,081	10,083,633,322
<b>Total comprehensive income for the period</b>								
Profit/(loss) for the period	-	-	-	-	-	-	(174,494,470)	(174,494,470)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	(174,494,470)	(174,494,470)
<b>Balance at 31 March 2020</b>	38,194,900	1,286,205,568	8,796,300	8,286,915,782	18,479,529	505,162	270,041,610	9,909,138,851

**bKash Limited**  
**Interim condensed statement of cash flows (un-audited)**

<i>In Taka</i>	For the period ended	
	31 March 2020	31 March 2019 Restated
<b>Cash flows from operating activities</b>		
Cash receipt from customers	9,872,492,082	7,472,131,799
Cash paid to suppliers, employees and others	(6,312,461,378)	(5,091,042,018)
<b>Cash generated from operating activities</b>	<b>3,560,030,704</b>	<b>2,381,089,781</b>
Interest received from deposits	134,846,744	64,639,635
Taxes paid to government exchequer	(859,083,867)	(751,461,799)
<b>Net cash flows from operating activities</b>	<b>2,835,793,581</b>	<b>1,694,267,617</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(169,029,886)	(110,085,511)
Acquisition of intangible assets	(225,721,936)	(315,358,751)
Encashment of/(investment in) fixed deposits	300,000,000	500,000,000
<b>Net cash from/(used) in investing activities</b>	<b>(94,751,822)</b>	<b>74,555,738</b>
<b>Cash flows from financing activities</b>		
Lease liabilities	(45,310,825)	(29,670,939)
<b>Net cash from/(used) in financing activities</b>	<b>(45,310,825)</b>	<b>(29,670,939)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,695,730,934</b>	<b>1,739,152,416</b>
Cash and cash equivalents including trust cum settlement account and investments as at 1 January	34,183,514,376	27,950,501,231
<b>Cash and cash equivalents including trust cum settlement account and investments as at 31 March</b>	<b>36,879,245,310</b>	<b>29,689,653,647</b>
<b>Less: Trust cum settlement account and investments</b>	<b>35,907,555,046</b>	<b>29,383,124,741</b>
<b>Cash and cash equivalents as at 31 March</b>	<b>971,690,264</b>	<b>306,528,906</b>

## **Notes to the interim condensed financial statements (un-audited) as at and for the period ended 31 March 2020**

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### **1 Reporting entity**

#### **1.1 Company profile**

bKash Limited (hereinafter referred to as "the Company"), a subsidiary of BRAC Bank Limited, started as a joint venture between BRAC Bank Limited, Bangladesh and Money in Motion LLC, USA. It was incorporated as a private company limited by shares under the Companies Act, 1994 on 1 March 2010 having its registered office in Dhaka. Subsequently, International Finance Corporation (IFC) (by subscribing for fresh ordinary shares in April 2013) and Alipay Singapore E-Commerce Private Limited ("Alipay") (by purchasing ordinary shares from existing shareholders in April 2018) became equity partners of the Company. Apart from the above, the Bill & Melinda Gates Foundation and Alipay hold non-voting preference shares in the Company.

The Company has an authorised share capital of Tk. 500,000,000 divided into 4,900,000 ordinary shares of Tk. 100 each and 100,000 preference shares of Tk. 100 each.

#### **1.2 Nature of business**

bKash provides different financial services via mobile phones to its customers under a Payment Services Provider (PSP) license issued by Bangladesh Bank. The ultimate objective of the Company is to ensure access to a broader range of financial services for the people of Bangladesh. It has a special focus to serve the low income masses of the country in order to achieve broader financial inclusion by providing services that are convenient, affordable and reliable.

### **2 Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The presentation of these financial statements have been made in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and should be read in conjunction with the financial statements of bKash Limited as at and for the year ended 31 December 2019, the year for which the last full financial statements were prepared.

These financial statements have been prepared on the historical cost and going concern basis. These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is both the functional and the presentation currency of the Company.

The same accounting policies and methods of computation have been followed in these condensed interim financial information as were applied in the preparation of the financial statements of bKash Limited as at and for the year ended 31 December 2019.

There is no seasonality or cyclicity impact on the business of the Company except for festival/event driven transactions during Dhaka International Trade Fair, Boi-Mela, Pohela Baishakh, Eid and others which fall in different quarters during the year. However, with the outbreak of COVID-19 pandemic from the later half of March 2020 and countrywide lock downs in response, economic activities in general has been disrupted. bKash business has also been similarly affected because of such lock down.

### **3 Reporting period**

The financial statements of the Company cover the 3 months quarter ended 31 March 2020.

## Notes to the interim condensed financial statements (un-audited) as at and for the period ended 31 March 2020

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### 4      **Reclassification & restatement**

Certain figures for 2019 have been rearranged and restated wherever considered necessary, to ensure better comparability with the current year's financial statements and to comply with relevant standards. We have restated figures of 2019 following the requirements of *IFRS 16 Leases* by recognising contractual rental payments as right-of-use asset (Premises-leased) and lease liabilities, unless made against low value contracts for office locations.

The right-of-use asset is subsequently depreciated using the straight-line method from the initial application date (for contracts entered into before 1 January 2019) or commencement date (for contracts entered into after 1 January 2019) to the end of the lease term. The payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

On the other hand, payments against service contracts were charged off as expense in both periods.