


bKash Limited

Interim condensed financial statements (un-audited)
as at and for the period ended 30 September 2020

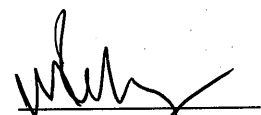
bKash Limited**Interim condensed statement of financial position (un-audited)**

<i>In Taka</i>	30 September 2020	31 December 2019
Assets		
Property, plant and equipment	2,135,502,868	1,563,447,268
Intangible assets	1,302,729,929	924,533,123
Deferred tax assets	383,412,806	210,124,045
Non-current assets	3,821,645,603	2,698,104,436
Operational and other receivables	2,040,847,544	1,282,270,560
Advances, deposits and prepayments	575,179,974	1,626,787,191
Contract assets	999,926,649	824,813,671
Advance income tax	1,318,634,249	1,054,719,952
Airtime balance	944,884,254	420,691,712
Trust cum settlement account and investments	45,269,345,317	32,652,634,900
Investment in fixed deposits	3,800,508,400	7,214,200,000
Cash and cash equivalents	1,498,132,496	1,530,879,476
Current assets	56,447,458,883	46,606,997,462
Total assets	60,269,104,486	49,305,101,898
Equity		
Ordinary shares	38,194,900	38,194,900
Share premium - ordinary shares	1,286,205,568	1,286,205,568
Ordinary share capital and premium	1,324,400,468	1,324,400,468
Preference shares	8,796,300	8,796,300
Share premium - preference shares	8,286,915,782	8,286,915,782
Preference share capital and premium	8,295,712,082	8,295,712,082
Capital Reserve	18,479,529	18,479,529
Share money deposit	505,162	505,162
Retained earnings	(58,604,427)	444,536,081
Total equity	9,580,492,814	10,083,633,322
Liabilities		
Deferred tax liabilities	-	-
Other non-current liabilities	7,145,802	7,145,802
Lease liabilities	581,993,669	225,707,670
Non-current liabilities	589,139,471	232,853,472
Defined benefit plan - gratuity	157,750,000	67,750,000
Customer and other deposits	44,763,949,547	32,223,281,752
Operational and other payables	1,749,023,277	1,271,137,938
Lease liabilities	152,269,759	133,687,775
Grant funds	8,118,176	4,161,769
Accrued expenses	2,201,251,050	4,373,096,554
Provision for tax	1,067,110,392	915,499,316
Current liabilities	50,099,472,201	38,988,615,104
Total liabilities	50,688,611,672	39,221,468,576
Total equity and liabilities	60,269,104,486	49,305,101,898

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


Chief Executive Officer

Kamal S. Quadir
Chief Executive Officer
bKash Ltd.



Chief Financial Officer

Moynuddin Mohammed Rahgir
Chief Financial Officer
bKash Limited

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

<i>In Taka</i>	For the period ended			
	Jan to Sep 2020	Jan to Sep 2019	Jul to Sep 2020	Jul to Sep 2019
		Restated		Restated
Gross revenue	18,979,425,670	18,931,806,596	6,846,064,457	6,214,987,027
VAT	(2,269,217,749)	(2,169,377,464)	(838,099,612)	(698,528,280)
Revenue	16,710,207,921	16,762,429,132	6,007,964,845	5,516,458,747
Cost of services	(12,318,448,405)	(12,383,773,138)	(4,259,623,081)	(4,018,402,531)
Gross profit	4,391,759,516	4,378,655,994	1,748,341,764	1,498,056,216
Operating and administrative expenses	(3,624,449,584)	(3,200,001,899)	(1,225,876,029)	(1,173,696,405)
Marketing and promotional expenses	(1,725,432,869)	(2,252,045,499)	(836,403,057)	(1,018,402,200)
Operating profit	(958,122,937)	(1,073,391,404)	(313,937,322)	(694,042,389)
Net finance income	433,304,744	630,143,270	112,417,921	204,136,441
Profit before contribution to WPPF	(524,818,193)	(443,248,134)	(201,519,402)	(489,905,948)
Contribution to WPPF	-	-	-	2,332,891
Profit before tax	(524,818,193)	(443,248,134)	(201,519,402)	(487,573,057)
Income tax (expense)/income	21,677,685	8,213,869	54,216,857	86,614,813
Total comprehensive (loss)/income	(503,140,508)	(435,034,265)	(147,302,545)	(400,958,244)

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



Chief Executive Officer

Kamal S. Quadir
Chief Executive Officer
bKash Ltd.



Chief Financial Officer

Moinuddin Mohammed Rahgir
Chief Financial Officer
bkash Limited

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

<i>In Taka</i>	For the period ended	
	30 September 2020	30 September 2019
Cash flows from operating activities		
Cash receipt from customers	32,526,213,523	22,215,425,405
Cash paid to suppliers, employees and others	(20,005,383,064)	(16,580,019,426)
Cash generated from operating activities	12,520,830,459	5,635,405,979
Interest received from deposits	311,996,825	440,230,588
Taxes paid to government exchequer	(2,508,639,750)	(2,391,499,341)
Net cash flows from operating activities	10,324,187,534	3,684,137,226
Cash flows from investing activities		
Acquisition of property, plant and equipment	(619,627,856)	(359,897,961)
Acquisition of intangible assets	(414,228,668)	(363,316,876)
Encashment of/(investment in) fixed deposits	3,413,691,600	1,350,000,000
Net cash from/(used) in investing activities	2,379,835,076	626,785,163
Cash flows from financing activities		
Lease liabilities	(120,059,173)	(114,432,294)
Net cash from/(used) in financing activities	(120,059,173)	(114,432,294)
Net increase in cash and cash equivalents	12,583,963,437	4,196,490,095
Cash and cash equivalents including trust cum settlement account and investments as at 1 January	34,183,514,376	27,950,501,231
Cash and cash equivalents including trust cum settlement account and investments as at 30 September	46,767,477,813	32,146,991,326
Less: Trust cum settlement account and investments	45,269,345,317	31,331,073,153
Cash and cash equivalents as at 30 September	1,498,132,496	815,918,173

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

Notes to the interim condensed financial statements (un-audited) as at and for the period ended 30 September 2020

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 9 months period ended 30 September 2020.

**Notes to the interim condensed financial statements (un-audited)
as at and for the period ended 30 September 2020**

4 Reclassification & re-arrangements

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.