

bKash Limited

Independent auditor's report and financial statements
as at and for the year ended 31 December 2025



Rahman Rahman Huq
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Independent Auditor's Report

To the Shareholders of bKash Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of bKash Limited ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent Auditor's Report (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the followings:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.



Ashraf-Uz-Zaman Ali, Partner, Enrolment Number: 1518
Rahman Rahman Huq, Chartered Accountants
Firm Enlistment Number: CAF-001-080

Dhaka, 05 MAR 2026

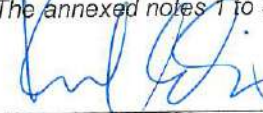
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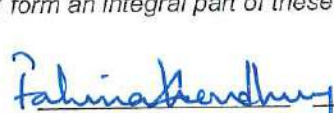


bKash Limited
Statement of financial position

<i>In Taka</i>	<i>Note</i>	31 December 2025	31 December 2024
Assets			
Property, plant and equipment	5	3,502,982,310	2,460,182,121
Intangible assets	6	2,742,585,694	3,139,280,314
Deferred tax assets	7	1,313,628,967	1,632,917,967
Contract costs	8	929,185,612	1,016,244,312
Investment in government securities	9	1,987,336,041	7,476,091,613
Non-current assets		10,475,718,624	15,724,716,327
Operational and other receivables	10	2,489,538,542	1,759,676,620
Advances, deposits and prepayments	11	1,801,377,399	1,551,760,917
Current tax assets	12	-	139,222,475
Airtime in circulation	13	378,150,536	1,098,019,440
Trust cum settlement account and investments	14	112,615,253,015	94,072,835,312
Investment in government securities	9	12,400,955,166	12,826,530,308
Investment in fixed deposits	15	7,979,049,826	1,074,863,000
Cash and cash equivalents	16	14,069,961,133	7,582,073,082
Current assets		151,734,285,617	120,104,981,154
Total assets		162,210,004,241	135,829,697,481
Equity			
Ordinary shares	17	22,389,731,460	22,389,731,460
Preference shares	18	9,561,105,700	9,561,105,700
Capital Reserve		450,000,000	450,000,000
Retained earnings		8,911,822,130	2,300,195,950
Total equity		41,312,659,290	34,701,033,110
Liabilities			
Lease liabilities	19	915,792,975	199,726,959
Non-current liabilities		915,792,975	199,726,959
Defined benefit plan - gratuity	20	372,410,649	171,322,104
e-money in circulation	21	110,045,917,157	93,109,564,563
Operational and other payables	22	2,797,954,988	2,564,268,798
Current tax liabilities	12	19,477,435	-
Lease liabilities	19	147,215,722	160,672,712
Accrued expenses	23	6,598,576,025	4,923,109,235
Current liabilities		119,981,551,976	100,928,937,412
Total liabilities		120,897,344,951	101,128,664,371
Total equity and liabilities		162,210,004,241	135,829,697,481

The annexed notes 1 to 37 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Company Secretary

As per our report of same date.



Auditor

Dhaka, 05 MAR 2026



Ashraf-Uz-Zaman Ali, Partner
Enrolment Number: 1518
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enrolment Number: CAF-001-080

DVC:

2603081518AS113603

bKash Limited**Statement of profit or loss and other comprehensive income**

<i>In Taka</i>	<i>Note</i>	<i>For the year ended</i>	
		<i>31 December 2025</i>	<i>31 December 2024</i>
Revenue	24	65,655,624,371	50,582,056,407
Cost of services	25	(41,477,725,220)	(32,697,675,477)
Gross profit		24,177,899,151	17,884,380,930
Operating and administrative expenses	26	(13,069,844,850)	(10,472,064,526)
Commercial expenses	27	(4,034,806,547)	(3,996,902,095)
Operating profit		7,073,247,754	3,415,414,309
Net finance income	28	2,516,438,140	1,897,154,305
Profit before contribution to WPPF		9,589,685,894	5,312,568,614
Contribution to WPPF		(479,484,295)	(265,628,431)
Profit before tax		9,110,201,599	5,046,940,183
Income tax expenses	29	(2,346,852,545)	(1,889,207,336)
Profit		6,763,349,054	3,157,732,847
Other comprehensive income/(expense)			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		(209,272,930)	429,928
Related tax		57,550,056	(107,482)
		(151,722,874)	322,446
Total comprehensive income		6,611,626,180	3,158,055,293

The annexed notes 1 to 37 form an integral part of these financial statements.


Chief Executive Officer


Director


Director


Company Secretary

As per our report of same date.



Auditor

Dhaka, 05 MAR 2026

Ashraf-Uz-Zaman Ali, Partner
Enrolment Number: 1518
Rahman Rahman Huq
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bKash Limited
Statement of changes in equity

<i>In Taka</i>	For the year ended 31 December 2024				Total equity
	Ordinary shares	Preference shares	Capital reserve	Retained earnings/(loss)	
Balance at 1 January 2024	22,389,731,460	9,561,105,700	134,559,434	(542,418,777)	31,542,977,817
Total comprehensive income					
Profit for the year	-	-	-	3,157,732,847	3,157,732,847
Other comprehensive income/(expense)	-	-	-	322,446	322,446
Transfer to capital reserve	-	-	315,440,566	(315,440,566)	-
Total	-	-	315,440,566	2,842,614,727	3,158,055,293
Balance at 31 December 2024	22,389,731,460	9,561,105,700	450,000,000	2,300,195,950	34,701,033,110

<i>In Taka</i>	For the year ended 31 December 2025				Total equity
	Ordinary shares	Preference shares	Capital reserve	Retained earnings	
Balance at 1 January 2025	22,389,731,460	9,561,105,700	450,000,000	2,300,195,950	34,701,033,110
Total comprehensive income					
Profit for the year	-	-	-	6,763,349,054	6,763,349,054
Other comprehensive income/(expense)	-	-	-	(151,722,874)	(151,722,874)
Total	-	-	-	6,611,626,180	6,611,626,180
Balance at 31 December 2025	22,389,731,460	9,561,105,700	450,000,000	8,911,822,130	41,312,659,290

The annexed notes 1 to 37 form an integral part of these financial statements.



bKash Limited**Statement of cash flows**

<i>In Taka</i>	For the year ended	
	31 December 2025	31 December 2024
Cash flows from operating activities		
Cash receipt from customers and others	95,600,268,734	77,285,859,668
Cash paid to suppliers, employees and others	(58,950,343,014)	(50,342,267,924)
Cash generated from operating activities	36,649,925,720	26,943,591,744
Taxes paid to government exchequer	(10,288,784,810)	(7,899,128,133)
Net cash generated from operating activities	26,361,140,910	19,044,463,611
Cash flows from investing activities		
Acquisition of property, plant and equipment	(980,706,833)	(656,879,433)
Acquisition of intangible assets	(1,334,489,387)	(1,977,030,736)
Interest received from deposits and government securities	2,338,508,748	1,983,096,094
(Investment in)/encashment of government securities	5,914,330,715	(7,119,103,240)
(Investment in)/encashment of fixed deposits	(6,904,186,826)	2,930,268,259
Net cash used in investing activities	(966,543,583)	(4,839,649,056)
Cash flows from financing activities		
Lease liabilities	(364,291,573)	(234,932,073)
Net cash used in financing activities	(364,291,573)	(234,932,073)
Net increase in cash and cash equivalents	25,030,305,754	13,969,882,482
Cash and cash equivalents including trust cum settlement account and investments as at 1 January	101,654,908,394	87,685,025,912
Cash and cash equivalents including trust cum settlement account and investments as at 31 December	126,685,214,148	101,654,908,394
Less: Trust cum settlement account and investments as at 31 December	112,615,253,015	94,072,835,312
Cash and cash equivalents as at 31 December	14,069,961,133	7,582,073,082

The annexed notes 1 to 37 form an integral part of these financial statements.



Notes to the financial statements

1 Reporting entity

1.1 Company profile

bKash Limited (hereinafter referred to as "the Company"), a subsidiary of BRAC Bank PLC, started as a joint venture between BRAC Bank PLC, 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), AISG E-Commerce Private Limited ("Alipay") (by purchasing ordinary shares from existing shareholders in April 2018) and SVF II BEAM (DE) LLC ("SoftBank") (by purchasing ordinary shares from existing shareholders in November 2021) became equity partners of the Company. Apart from the above, the Gates Foundation, Alipay and SoftBank hold non-voting preference shares in the Company.

The Company has an authorised share capital of Tk. 35,000,000,000 divided into 2,240,000,000 ordinary shares of Tk. 10 each and 1,260,000,000 preference shares of Tk. 10 each.

1.2 Nature of business

bKash provides different financial services like cash out/e-money settlement, Person to Person (P2P) balance transfer, bill payment etc 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 accounting

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and as per the requirements of the Companies Act, 1994.

The titles and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS titles and formats give a better presentation to its intended users.

These financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), which is both the functional and the presentation currency of the Company.

Details of the Company's accounting policies are included in Note 36.

2.2 Date of authorisation

These financial statements have been authorised for issue by the Board of Directors of the Company on

05 MAR 2026

3 Reporting period

The financial statements of the Company covers the year from 1 January to 31 December and this accounting period is consistently followed.



Notes to the financial statements (Continued)

4 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Notes 19 and 36M Lease liabilities

b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Notes 5 and 36G	Property, plant and equipment
Notes 6 and 36H	Intangible assets
Notes 7 and 36F(ii)	Deferred tax assets
Notes 8 and 36B	Contract costs
Notes 12 and 36F(i)	Current tax assets/liabilities
Notes 20 and 36D(iii)	Defined benefit plan - gratuity
Note 30(ii)	Expected credit loss (ECL)
Note 30(v)	Fair value measurement
Notes 31, 32 and 36Q	Commitments and contingencies



Notes to the financial statements (Continued)

5 Property, plant and equipment

See the accounting policy in Note 36G and 36M

Reconciliation of carrying amount

In Taka	Note	IT equipment	Laptop & computer	Motor vehicles	Motor vehicles- Leased	Office furniture	Office equipment	Leasehold improvements	Premises- Leased	Work in progress	Total
Cost											
Balance at 1 January 2024		4,082,096,325	306,288,016	189,263,145	42,072,138	107,855,921	73,027,432	166,356,087	1,075,878,344	4,316,439	6,047,153,847
Additions		29,835,721	54,808,802	37,599,128	-	5,264,771	9,848,969	28,977,312	194,712,916	537,261,889	898,309,508
Write-off/ disposals/ adjustments		(44,780,416)	(29,980,917)	(6,803,657)	(12,647,940)	(1,390,439)	(2,486,648)	(1,175,174)	(138,057,157)	(908,400)	(238,230,748)
Transfer from work in progress		258,501,790	-	-	-	-	4,199,656	-	-	(262,701,446)	-
Balance at 31 December 2024		4,325,653,420	331,115,901	220,058,616	29,424,198	111,730,253	84,589,409	194,158,225	1,132,534,103	277,968,482	6,707,232,607
Balance at 1 January 2025		4,325,653,420	331,115,901	220,058,616	29,424,198	111,730,253	84,589,409	194,158,225	1,132,534,103	277,968,482	6,707,232,607
Additions		148,932,752	88,440,110	65,564,172	-	5,902,037	11,092,511	22,910,792	1,066,900,599	707,726,673	2,117,469,646
Write-off/ disposals/ adjustments		(327,763,024)	(66,340,431)	(15,618,918)	(29,424,198)	(416,799)	(476,771)	(4,051,347)	(607,976,864)	-	(1,052,068,352)
Transfer from work in progress		760,446,794	-	-	-	-	-	-	-	(760,446,794)	-
Balance at 31 December 2025		4,907,269,942	353,215,580	270,003,870	-	117,215,491	95,205,149	213,017,670	1,591,457,838	225,248,361	7,772,633,901
Accumulated depreciation											
Balance at 1 January 2024		2,307,666,071	168,939,189	55,056,134	32,005,800	81,973,329	62,397,719	123,420,872	675,122,294	-	3,506,581,408
Depreciation	26.1	617,112,104	57,619,754	38,918,573	6,400,374	10,359,496	5,839,682	19,343,369	213,606,315	-	989,199,667
Write-off/ disposals/ adjustments		(43,281,175)	(29,762,744)	(2,267,886)	(12,647,940)	(1,372,886)	(2,364,466)	(1,175,174)	(135,858,316)	-	(228,730,589)
Balance at 31 December 2024		2,881,497,000	196,796,199	91,706,821	25,758,234	90,959,939	65,872,933	141,589,067	752,870,293	-	4,247,050,474
Balance at 1 January 2025		2,881,496,988	196,796,199	91,706,821	25,758,234	90,959,939	65,872,933	141,589,067	752,870,293	-	4,247,050,474
Depreciation	26.1	652,960,860	70,115,426	48,422,055	1,246,927	7,720,377	5,725,975	18,050,664	244,347,314	-	1,048,589,598
Write-off/ disposals/ adjustments		(326,284,435)	(65,683,284)	(5,348,813)	(27,005,161)	(416,799)	(476,770)	(4,051,347)	(607,419,497)	-	(1,025,988,481)
Balance at 31 December 2025		3,208,173,413	201,228,341	145,477,689	-	98,263,517	71,122,138	155,588,384	389,798,110	-	4,269,651,591
Carrying amounts											
At 1 January 2024		1,774,430,254	137,348,827	134,207,011	10,066,338	25,882,592	10,629,713	42,935,215	400,756,050	4,316,439	2,540,572,439
At 31 December 2024		1,444,156,420	134,319,702	128,351,795	3,665,964	20,770,314	18,716,476	52,569,158	379,663,810	277,968,482	2,460,182,121
At 31 December 2025		1,699,096,529	151,987,239	124,526,181	-	18,951,974	24,083,011	57,429,286	1,201,659,728	225,248,361	3,502,982,310



Notes to the financial statements (Continued)

6 Intangible assets

See the accounting policy in Note 36H

Reconciliation of carrying amount

<i>In Taka</i>	<i>Note</i>	<i>Software</i>	<i>Work in progress</i>	<i>Total</i>
Cost				
Balance at 1 January 2024		5,625,971,101	58,195,295	5,684,166,396
Additions		804,791,546	840,604,009	1,645,395,555
Transfer from work in progress		802,386,376	(802,386,376)	-
Balance at 31 December 2024		7,233,149,023	96,412,928	7,329,561,951
Balance at 1 January 2025		7,233,149,023	96,412,928	7,329,561,951
Additions		528,372,504	486,062,328	1,014,434,832
Write-off/ disposals/ adjustments		(319,973,842)	(15,990,457)	(335,964,299)
Transfer from work in progress		526,822,282	(526,822,282)	-
Balance at 31 December 2025		7,968,369,967	39,662,517	8,008,032,484
Accumulated amortisation				
Balance at 1 January 2024		3,094,060,007	-	3,094,060,007
Amortisation	26.1	1,096,221,630	-	1,096,221,630
Balance at 31 December 2024		4,190,281,637	-	4,190,281,637
Balance at 1 January 2025		4,190,281,637	-	4,190,281,637
Amortisation	26.1	1,394,673,536	-	1,394,673,536
Write-off/ disposals/ adjustments		(319,508,383)	-	(319,508,383)
Balance at 31 December 2025		5,265,446,790	-	5,265,446,790
Carrying amounts				
At 1 January 2024		2,531,911,094	58,195,295	2,590,106,389
At 31 December 2024		3,042,867,386	96,412,928	3,139,280,314
At 31 December 2025		2,702,923,177	39,662,517	2,742,585,694



Notes to the financial statements (Continued)

7 Deferred tax assets

See the accounting policy in Note 36F

<i>In Taka</i>	2025	2024
Balance at 1 January	1,632,917,967	1,905,723,116
Deferred tax expense for the year	(319,289,000)	(272,805,149)
Balance at 31 December	1,313,628,967	1,632,917,967

<i>In Taka</i>	Carrying amount on reporting date	Tax base	Taxable/(deductible) temporary difference
At 31 December 2025			
Property, plant and equipment	3,224,073,430	3,438,168,315	(214,094,885)
Intangible assets	2,702,923,176	2,660,163,946	42,759,230
Unabsorbed tax losses	-	3,170,077,607	(3,170,077,607)
Lease liabilities	(1,063,008,697)	-	(1,063,008,697)
Defined benefit plan - gratuity	(372,410,649)	-	(372,410,649)
Taxable/(deductible) temporary differences	4,491,577,260	9,268,409,868	(4,776,832,608)

Applicable tax rate	27.5%
Deferred tax assets/(liabilities)	1,313,628,967

At 31 December 2024			
Property, plant and equipment	2,125,062,633	2,895,674,809	(770,612,176)
Intangible assets	3,042,867,385	2,802,852,852	240,014,533
Unabsorbed tax losses	-	5,473,695,492	(5,473,695,492)
Lease liabilities	(356,056,628)	-	(356,056,628)
Defined benefit plan - gratuity	(171,322,104)	-	(171,322,104)
Taxable/(deductible) temporary differences	4,640,551,286	11,172,223,153	(6,531,671,867)

Applicable tax rate	25.0%
Deferred tax assets/(liabilities)	1,632,917,967

Unabsorbed tax losses represent unabsorbed tax depreciation. The Company believes that it can set-off unabsorbed tax losses in coming years based on the current profitability trend and projected business growth.

8 Contract costs

See the accounting policy in Note 36B

<i>In Taka</i>	2025	2024
Balance at 1 January	1,016,244,312	1,033,589,478
Addition during the year	426,804,070	513,292,953
Charged off during the year	(513,862,770)	(530,638,119)
Balance at 31 December	929,185,612	1,016,244,312

9 Investment in government securities

See the accounting policy in Note 36I

<i>In Taka</i>	2025	2024
Non-current	1,987,336,041	7,476,091,613
Current	12,400,955,166	12,826,530,308
	14,388,291,207	20,302,621,921

Investment in government securities includes government bonds maturing in 15 to 17 months (non-current) and government bills and bonds maturing in less than 12 months (current).



Notes to the financial statements (Continued)

10 Operational and other receivables

See the accounting policy in Note 36I

<i>In Taka</i>	2025	2024
Operational receivables		
Accrued interest on trust cum settlement accounts and others	1,923,913,968	1,491,905,189
Other receivables		
Accrued interest on securities and other deposits	565,624,574	267,771,431
	2,489,538,542	1,759,676,620

Operational and other receivables include accrued interest from trust cum settlement accounts & investments, operational accounts and amounts due from banks and mobile network operators (MNOs) for commission/fee-based services.

11 Advances, deposits and prepayments

See the accounting policy in Note 36I

<i>In Taka</i>	Note	2025	2024
Advances			
Employees		21,200,564	10,499,329
Suppliers		772,837,203	705,529,900
		794,037,767	716,029,229
Deposits			
Security deposits		21,274,796	500,000
		21,274,796	500,000
Prepayments			
Expenses		732,207,992	611,723,473
Deferred commission	11.1	253,856,844	223,508,215
		986,064,836	835,231,688
		1,801,377,399	1,551,760,917

- 11.1 Deferred commission represents commission paid to agents for performing cash in transactions for which revenue will be generated in the next financial period(s).

12 Current tax assets/(liabilities)

See the accounting policy in Note 36F

<i>In Taka</i>	Note	2025	2024
Advance income tax	12.1	6,508,711,253	4,697,397,674
Provision for tax	12.2	(6,528,188,688)	(4,558,175,199)
		(19,477,435)	139,222,475

12.1 Advance income tax

<i>In Taka</i>	2025	2024
Balance at 1 January	4,697,397,674	3,396,174,640
Deposits including deductions at source	1,811,313,579	1,301,223,034
Balance at 31 December	6,508,711,253	4,697,397,674

12.2 Provision for tax

<i>In Taka</i>	Note	2025	2024
Balance at 1 January		4,558,175,199	2,941,665,530
Provision made during the year	29	1,970,013,489	1,616,509,669
Balance at 31 December		6,528,188,688	4,558,175,199

The Company believes that its accruals for tax liabilities are adequate for all open years based on its assessment of many factors including interpretation of tax laws and prior experiences.



Notes to the financial statements (Continued)

13 Airtime in circulation

See the accounting policy in Note 36A and 36O

<i>In Taka</i>	2025	2024
Airtime in circulation	378,150,536	1,098,019,440
	378,150,536	1,098,019,440

Airtime in circulation represents unsold amount of mobile airtime purchased from different Mobile Network Operators (MNOs) and airtime proceeds in transit. Airtime in circulation is recorded at face value and has no expiry date. Airtime proceeds in transit represents e-money in the process of being realised in the form of cash against sold airtime.

14 Trust cum settlement account and investments

See the accounting policy in Note 36I and 36O

<i>In Taka</i>	2025	2024
Trust cum settlement account	35,005,854,340	22,169,822,198
Investment in government securities	77,609,398,675	71,903,013,114
	112,615,253,015	94,072,835,312

Trust cum settlement account represents balances with different commercial banks in the form of cash, Fixed Deposit Receipts (FDR) and investment in government securities which represents investment in government treasury bonds and bills. Both of these are maintained against e-money issued to customers, channel partners, merchants etc.

As per Bangladesh Mobile Financial Services (MFS) Regulations, 2022 issued by Bangladesh Bank, aggregate of virtual balances (e-money) in all MFS accounts must at the end of each day be in agreement with or be less than the total real cash balances in nominated trust cum settlement account of the MFS provider and invested amount in government securities.

15 Investment in fixed deposits

See the accounting policy in Note 36I

<i>In Taka</i>	2025	2024
Investment in fixed deposits	7,979,049,826	1,074,863,000
	7,979,049,826	1,074,863,000

Investment in fixed deposits represents cash balance invested in different scheduled commercial banks in the form of fixed deposits with a maturity period of more than 3 months but less than 12 months.

16 Cash and cash equivalents

See the accounting policy in Note 36I

<i>In Taka</i>	Note	2025	2024
Cash in hand and digital wallets		388,667	298,659,028
Cash at banks	16.1	14,069,572,466	7,283,414,054
		14,069,961,133	7,582,073,082

- 16.1 Of the above cash at banks balance, Tk 3,779,520,238 (2024: 620,401,951) was held with BRAC Bank PLC, the company's parent, in its normal course of operations.



Notes to the financial statements (Continued)

17 Ordinary shares

See the accounting policy in Note 36J

<i>In Taka</i>	No. of shares		Amount in BDT	
	2025	2024	2025	2024
Authorised				
Ordinary shares (par value Tk. 10)	2,240,000,000	2,240,000,000	22,400,000,000	22,400,000,000
Paid up				
Ordinary shares (par value Tk. 10)	2,238,973,146	2,238,973,146	22,389,731,460	22,389,731,460

17.1 Issued, Subscribed and Paid up Capital

Percentage of shareholdings

<i>In Taka</i>	No. of shares	%	2025	2024
BRAC Bank PLC	1,141,911,535	51.00%	11,419,115,350	11,419,115,350
Money in Motion LLC, USA	368,418,881	16.45%	3,684,188,810	3,684,188,810
International Finance Corporation	232,051,899	10.36%	2,320,518,990	2,320,518,990
AISG E-Commerce Private Limited	332,953,970	14.87%	3,329,539,700	3,329,539,700
SVF II BEAM (DE) LLC	163,636,861	7.32%	1,636,368,610	1,636,368,610
	2,238,973,146	100%	22,389,731,460	22,389,731,460

18 Preference shares

See the accounting policy in Note 36J

<i>In Taka</i>	No. of shares		Amount in BDT	
	2025	2024	2025	2024
Authorised				
Preference shares (par value Tk. 10)	1,260,000,000	1,260,000,000	12,600,000,000	12,600,000,000
Paid up				
Preference shares (par value Tk. 10)	956,110,570	956,110,570	9,561,105,700	9,561,105,700

18.1 Issued, Subscribed and Paid up Capital

Number of shares

<i>In Taka</i>	2025	2024	2025	2024
Gates Foundation	132,040,849	132,040,849	1,320,408,490	1,320,408,490
AISG E-Commerce Private Limited	324,946,520	324,946,520	3,249,465,200	3,249,465,200
SVF II BEAM (DE) LLC	499,123,201	499,123,201	4,991,232,010	4,991,232,010
	956,110,570	956,110,570	9,561,105,700	9,561,105,700



Notes to the financial statements (Continued)

19 Lease liabilities

See the accounting policy in Note 36M

<i>In Taka</i>	2025	2024
Non-current	915,792,975	199,726,959
Current	147,215,722	160,672,712
	1,063,008,697	360,399,671

20 Defined benefit plan - gratuity

See the accounting policy in Note 36D(iii)

<i>In Taka</i>	Note	2025	2024
Balance at 1 January		171,322,104	237,876,109
Provision made during the year	20.4	372,410,649	171,322,104
Transferred to Gratuity Fund		(171,322,104)	(237,876,109)
Balance at 31 December		372,410,649	171,322,104

20.1 Change in defined benefit obligation

<i>In Taka</i>	2025	2024
Defined benefit obligation at 1 January	1,118,565,218	949,239,334
Current service cost	152,300,534	156,631,557
Interest expense	133,992,720	100,933,247
Benefit payments from plan assets	(44,511,755)	(32,799,427)
(Gains)/losses on remeasurement	336,641,075	(55,439,493)
Defined benefit obligation at 31 December	1,696,987,792	1,118,565,218

20.2 Change in fair value of plan assets

<i>In Taka</i>	2025	2024
Fair value of plan assets at 1 January	947,243,114	711,363,225
Interest income	123,155,535	85,812,772
Employer contributions paid into the plan	171,322,104	237,876,109
Benefit payments from plan assets	(44,511,755)	(32,799,427)
Gains/(losses) on remeasurement	127,368,145	(55,009,565)
Fair value of plan assets at 31 December	1,324,577,143	947,243,114

20.3 Amounts recognised in the statement of financial position

<i>In Taka</i>		2025	2024
Defined benefit obligation	20.1	1,696,987,792	1,118,565,218
Fair value of plan assets	20.2	(1,324,577,143)	(947,243,114)
Net defined benefit liability		372,410,649	171,322,104



Notes to the financial statements (Continued)

20.4 Provision made during the year

<i>In Taka</i>	2025	2024
Profit or loss		
Current service cost	152,300,534	156,631,557
Interest accrued on defined benefit obligation	133,992,720	100,933,247
Interest (income) on plan assets	(123,155,535)	(85,812,772)
	163,137,719	171,752,032
Other comprehensive (income)/expense		
(Gain)/ loss on remeasurement of defined benefit obligation	336,641,075	(55,439,493)
(Gain)/ loss on remeasurement of plan assets	(127,368,145)	55,009,565
	209,272,930	(429,928)
	372,410,649	171,322,104

20.5 Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	2025	2024
Discount rate	10.80%	12.55%
Attrition rate	9.00%	9.00%
Salary escalation rate	10.00%	10.00%

20.6 Expected cash flows for following year

	2025	2024
Expected employer contributions	372,410,649	171,322,104
Expected total benefit payments		
Year 1	157,103,689	101,788,289
Year 2	164,618,387	138,183,155
Year 3	175,698,736	147,738,988
Year 4	184,257,147	172,016,449
Year 5	189,883,687	204,800,617
Next 5 years	1,084,264,487	1,546,287,467

20.7 Sensitivity analysis

The sensitivity analysis of significant actuarial assumptions as of reporting period is shown below:

	2025	2024
Discount rate - 100 BP	1,830,273,425	1,202,311,124
Discount rate + 100 BP	1,579,536,008	1,044,501,744
Salary rate - 100 BP	1,577,453,001	1,047,004,975
Salary rate + 100 BP	1,830,341,039	1,198,125,488



Notes to the financial statements (Continued)

20.8 Significant characteristics of plan

Plan sponsor	: bKash Limited
Nature of benefits	: Final salary defined benefit plan
Risks associated with the plan	: Plan sponsor bears all the risks associated with the plan
Vesting criteria	: 5 years of continuous service
Applicable salary	: Last drawn monthly basic salary
Maximum limit of benefit paid	: No upper limit on benefit
Basis of gratuity	: Accrued benefit
Normal retirement age	: 60 years
Benefit calculation	: - Past service of 5 years to 10 years: 1 month applicable basic salary for each completed years of service - Past service of more than 10 years: 1.5 month applicable basic salary for each completed years of service

21 e-money in circulation

See the accounting policy in Note 36I and 36O

<i>In Taka</i>	2025	2024
Customer e-money	86,462,344,551	74,274,575,966
Channel e-money including deposit in transit	23,583,572,606	18,834,988,597
	110,045,917,157	93,109,564,563

Customer e-money represents the balance maintained by customers in their mobile wallet in the form of e-money.

Channel e-money represents the balance maintained by agents, distributors and merchants in their mobile wallet in the form of e-money.

Deposit in transit represents the balance to be transferred from trust cum settlement accounts to operational accounts against service fees from different transactions.

22 Operational and other payables

See the accounting policy in Note 36I

<i>In Taka</i>	Note	2025	2024
Operational payables		481,656,065	577,229,305
Other payables	22.1	2,294,483,761	1,974,478,743
Unearned revenue	22.2	21,815,162	12,560,750
		2,797,954,988	2,564,268,798

Operational payables represent the amounts due to various vendors for different services and supplies such as IT enabled services mainly for software and hardware maintenance, different commercial expenses like advertisement, point of sale materials and other operational & commercial expenses.

22.1 Other payables

<i>In Taka</i>	2025	2024
Value added tax payable	727,540,239	622,965,502
Withholding tax payable	462,767,258	415,973,181
Interest payable to customers	81,171,840	61,439,124
Payables for capital expenditure	508,969,239	468,618,847
Security deposits and others	514,035,185	405,482,089
	2,294,483,761	1,974,478,743

Notes to the financial statements (Continued)

- 22.2 This represents the unearned commission on unsold portion of purchased mobile airtime from different Mobile Network Operators (MNOs).

23 Accrued expenses

See the accounting policy in Note 36I

<i>In Taka</i>	2025	2024
Channel partner commission and service charges	2,270,394,644	1,412,538,198
Capital expenditure	357,283,156	475,078,433
Employee benefits	1,773,933,564	1,257,525,125
Other commercial and administrative accruals	2,196,964,661	1,777,967,479
	6,598,576,025	4,923,109,235

Other commercial and administrative accruals represent the amounts due to various vendors for different services and supplies. Major accruals are Mobile Network Operators service charges, fees for professional services, various technological expenses and different commercial expenses such as advertisement expenses, point of sale materials etc.

24 Revenue

See the accounting policy in Note 36A

<i>In Taka</i>	Note	2025	2024
Commission income	24.1	61,614,760,468	47,348,509,688
Airtime commission	24.1	1,136,268,227	1,163,864,848
Return on trust cum settlement accounts		11,486,641,645	8,780,951,978
		74,237,670,340	57,293,326,514
VAT		(8,582,045,969)	(6,711,270,107)
		65,655,624,371	50,582,056,407

- 24.1 In line with IFRS 15 Revenue from Contract with Customers, revenues are measured net of any amount payable to customers in the form of refund/reimbursement of fees/service charges, cashback, coupon/loyalty-points or otherwise, unless bKash receives specific goods or services in exchange for such amount.

25 Cost of services

<i>In Taka</i>	2025	2024
Channel commission	37,948,206,684	29,924,446,998
Mobile Network Operators service charges	3,399,956,576	2,673,806,353
Interest on customer e-money	129,561,960	99,422,126
	41,477,725,220	32,697,675,477

Channel commission represents transaction commission paid to agents, distributors and agencies on business volume as part of regular business operation.



Notes to the financial statements (Continued)

26 Operating and administrative expenses

<i>In Taka</i>	<i>Note</i>	2025	2024
Salary and allowances		5,504,548,893	4,767,623,353
Depreciation and amortisation	26.1	2,443,263,134	2,065,421,297
IT enabled services		3,542,427,122	2,350,327,964
Rent expenses	26.2	45,520,734	47,192,939
Office expenses		224,807,930	154,708,356
Utility		78,968,109	77,379,497
Professional fees		160,589,706	120,930,833
Travelling expenses	26.3	299,150,072	268,618,160
Audit fees	26.4	2,500,000	2,200,000
Loss/(gain) on disposal		1,262,569	5,174,621
Entertainment		2,989,579	1,930,129
Bank charges		5,085,518	1,911,160
Vehicle rental expense		240,527,232	206,551,159
Other operating and administrative expenses	26.5	518,204,252	402,095,058
		13,069,844,850	10,472,064,526

26.1 Depreciation and amortisation

<i>In Taka</i>	<i>Note</i>	2025	2024
Property, plant and equipment	5	1,048,589,598	969,199,667
Intangible assets	6	1,394,673,536	1,096,221,630
		2,443,263,134	2,065,421,297

Depreciation for property, plant and equipment includes BDT 244,347,314 (2024: BDT 213,606,315) relating to depreciation of leased premises as per IFRS 16 Leases.

26.2 Rent expenses

Rent against all office locations are accounted for as right-of-use asset under IFRS 16 Leases. Contractual rent payment for premises capitalised as right-of-use asset for 2025 amounted to BDT 435,308,462 (2024: BDT 325,733,687).

26.3 Travelling expenses

<i>In Taka</i>	2025	2024
Travelling expenses - overseas	16,907,957	15,542,383
Travelling expenses - local	282,242,115	253,075,777
	299,150,072	268,618,160

26.4 Audit fees

<i>In Taka</i>	2025	2024
Statutory	1,750,000	1,500,000
Group reporting	750,000	700,000
	2,500,000	2,200,000

26.5 Other operating and administrative expenses include insurance, training workshop, postage and courier, communication expenses and foreign currency gain/ losses on account of foreign currency payments and receipts.



Notes to the financial statements (Continued)

27 Commercial expenses

<i>In Taka</i>	<i>Note</i>	2025	2024
Commission - customer onboarding & new service adoption	27.1	611,904,671	754,840,011
Advertisement		1,912,566,237	1,489,305,223
Commission for campaigns	27.1	227,072,336	200,811,147
Point of sale material		452,376,914	519,488,520
Field force cost		369,564,496	404,154,443
Other commercial expenses	27.2	461,321,893	628,302,751
		4,034,806,547	3,996,902,095

- 27.1 This represents commission/revenue share paid to channel partners for driving business volume through customer onboarding and transaction volume drive respectively during different campaigns.

bKash, as a tool for encouraging MFS transactions often offers additional revenue share to its agents, distributors etc. for limited period against a specific service or specific group of customers, under the name of campaigns.

- 27.2 Other commercial expenses include SMS cost and market research expenses etc.

28 Net finance income

See the accounting policy in Note 36E

<i>In Taka</i>	2025	2024
Interest on securities and bank balances	2,636,361,890	2,002,061,652
Interest on lease and others	(119,923,750)	(104,907,347)
	2,516,438,140	1,897,154,305

Interest on lease and others include BDT 75,359,931 (2024: BDT 34,800,260) relating to leased premises as per IFRS 16 Leases.

29 Income tax expenses

See the accounting policy in Note 36F

<i>In Taka</i>	<i>Note</i>	2025	2024
Current tax expenses		1,970,013,489	1,616,509,669
Deferred tax expenses	29.1	376,839,056	272,697,667
		2,346,852,545	1,889,207,336

29.1 Deferred tax expenses

<i>In Taka</i>	2025	2024
Deferred tax asset at the beginning of the year	1,632,917,967	1,905,723,116
Less: Deferred tax asset at the end of the year	1,313,628,967	1,632,917,967
	319,289,000	272,805,149
Deferred tax attributable to actuarial loss/(gain) recognised directly in equity	57,550,056	(107,482)
Deferred tax expenses recognised directly in profit/(loss)	376,839,056	272,697,667

29.2 Effective tax rate (ETR) reconciliation

<i>In Taka</i>	2025 (%)	2024 (%)	2025	2024
Profit before tax			9,110,201,599	5,046,940,183
Tax using the Company's domestic rate	27.5%	25.0%	2,505,305,440	1,261,735,046
Tax effect of:				
Permanent differences	-5.9%	7.0%	(535,291,951)	354,774,623
Temporary differences	4.2%	5.4%	376,839,056	272,697,667
	25.8%	37.4%	2,346,852,545	1,889,207,336



Notes to the financial statements (Continued)

30 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii))
- Liquidity risk (see (iii))
- Market risk (see (iv))

(i) Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The balances maintained with different banks in the form of cash and Fixed deposit rate (FDR), investment in government securities, Trust cum settlement account and investments represent most significant source of credit risk for the Company.

Credit risk relating to balances with different banks is managed by treasury department in accordance with Company's treasury policy. Minimising counterparty risk is given more importance to yield on investment in making investment decisions. Counterparty limits are reviewed and approved by the Board of Directors through treasury policy.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

In Taka	Note	Carrying amount	
		2025	2024
Investment in government securities	9	14,388,291,207	20,302,621,921
Operational and other receivables	10	2,489,538,542	1,759,676,620
Security deposits	11	21,274,796	500,000
Trust cum settlement account and investments	14	112,615,253,015	94,072,835,312
Investment in fixed deposits	15	7,979,049,826	1,074,863,000
Cash at banks	16	14,069,572,466	7,283,414,054
		151,562,979,852	124,493,910,907



Notes to the financial statements (Continued)

The Company mitigates its credit risk exposure by investing solely in liquid government securities and partnering exclusively with counterparties (commercial banks) that possess an acceptable credit score in accordance with the Company's treasury policy. The treasury policy incorporates various key Basel III disclosure criteria as well as other banking performance ratio accepted globally. Investments are made only in banks those substantially meet the Basel III requirements for liability payoff as well as the treasury policy of the Company. The Company continuously monitors shifts in credit risk by tracking published financial data of the banks. To ensure the reliability of these ratings and to assess any significant increases in credit risk at the reporting date that may not be reflected in published financial data, the Company supplements its evaluation by reviewing fluctuations in bond and T-bill yields, as well as available press and regulatory information.

Impairment on cash held at banks (both operational and trust cum settlement accounts) and investments in fixed deposits has been measured on a 12-month expected loss basis, reflecting the short maturities of these exposures. The majority of the funds exposed with the banks are cash held at banks which are moved on a daily basis, where there is no precedence of counterparty's inability to settle fund as and when requested by the Company. The minimal funds invested as fixed deposits have a maturity period of less than 12 months with no precedence of default. The Company considers that its cash at banks and investments in fixed deposits bear insignificant credit risk based on the counterparties' credit score, as outlined in the aforementioned policy.

Impairment on investments in government securities (both operational and trust cum settlement accounts) has been measured using on a 12-month probabilities of default. These government securities are issued by the Central Bank and are backed by sovereign wealth. The Company has also considered historical payout data (both principal and interest) and macroeconomic forward-looking scenarios to assess any potential for default. Based on the available information and analysis, the Company considers the risk on such investments to be trivial. The company has assessed the Expected Credit Loss (ECL) considering relevant facts and circumstances. Based on the assessment performed by the company, impact of ECL was not material as on reporting date.

Operational and other receivables consists of amounts due from various banks and mobile network operators (MNOs) for various commission/fee based services like savings, remittances, and campaign-based airtime commissions. Given the creditworthiness of the banks and the financial strength of the MNOs, the Company believes that none of these balances require a write-off nor are considered credit-impaired as of the reporting date.

(b) Aging of operational and other receivables

At 31 December, the aging of operational and other receivables that were not impaired was as follows:

<i>In Taka</i>	<i>Note</i>	Carrying amount	
		2025	2024
Neither past due nor impaired	10	2,489,538,542	1,759,676,620
Past due 1 - 30 days		-	-
Past due 31 - 90 days		-	-
Past due 91 - 120 days		-	-
Past due 121 - 360 days		-	-
Past due 360 + days		-	-
		2,489,538,542	1,759,676,620



Notes to the financial statements (Continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other investments at amounts in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on receivables together with expected cash outflows on payables.

Exposure to liquidity risk

The followings are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 December 2025	Contractual cash flows							
In Taka	Note	Carrying amount	Total	2 months or less	2-12 months	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities								
e-money in circulation	21	110,045,917,157	110,045,917,157	110,045,917,157	-	-	-	-
Operational and other payables	22	1,585,832,329	1,585,832,329	1,165,621,542	420,210,787	-	-	-
Lease liabilities	19	1,063,008,697	1,675,412,300	41,906,920	221,308,617	217,804,282	546,436,806	647,955,676
Accrued expenses	23	6,598,576,025	6,598,576,025	2,691,531,696	3,907,044,329	-	-	-
		119,293,334,208	119,905,737,811	113,944,977,314	4,548,563,733	217,804,282	546,436,806	647,955,676

31 December 2024	Contractual cash flows						
In Taka	Note	Carrying amount	Total	2 months or less	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities							
e-money in circulation	21	93,109,564,563	93,109,564,563	93,109,564,563	-	-	-
Operational and other payables	22	1,512,769,365	1,512,769,365	1,324,079,007	-	-	-
Lease liabilities	19	360,399,671	405,555,853	39,261,174	111,001,690	120,096,119	-
Accrued expenses	23	4,923,109,235	4,923,109,235	3,394,253,773	-	-	-
		99,905,842,834	99,950,999,016	97,867,158,517	111,001,690	120,096,119	-



Notes to the financial statements (Continued)

(iv) Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of the Company. The functional currency of the Company is Bangladeshi Taka (Taka/TK/BDT). The foreign currency in which these transactions are denominated is US Dollar (USD).

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as at balance sheet date is as follows:

<i>In USD</i>	<i>Note</i>	2025	2024
Foreign currency denominated liabilities			
Current liabilities	22 & 23	18,356,248	11,949,565
Net exposure		18,356,248	11,949,565

The following significant exchange rates have been applied during the year:

<i>In Taka</i>	Average rate		Year-end spot rate	
	2025	2024	2025	2024
USD	122.08	115.91	122.30	120.00

Sensitivity analysis

A reasonably possible strengthening/(weakening) of foreign currency against functional currency at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecasted sales and purchase.

<i>Effect in Taka</i>	Profit/(loss)		Equity, net of tax increase/(decrease)	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2025				
USD (5% movement)	(81,377,070)	81,377,070	(81,377,070)	81,377,070
31 December 2024				
USD (5% movement)	(53,773,043)	53,773,043	(53,773,043)	53,773,043

b) Interest rate risk

This risk arises due to changes in interest rates on different interest-bearing instruments.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as at statement of financial position date is as follows:

<i>In Taka</i>	<i>Note</i>	Nominal Amount	
		2025	2024
Fixed rate instruments			
Financial assets			
Fixed deposits	14, 15 & 16	20,779,049,826	1,074,863,000
Investment in government securities	9 & 14	91,997,689,882	92,205,635,035
Financial liabilities			
		112,776,739,708	93,280,498,035
Variable rate instruments			
Financial assets			
Cash at banks	14 & 16	36,275,426,806	29,453,236,252
Financial liabilities			
Lease liabilities	19	(1,063,008,697)	(360,399,671)
		35,212,418,109	29,092,836,581



Notes to the financial statements (Continued)

v) Financial instruments - fair values and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2025	Carrying amount										Fair value			
	In Taka	Note	Fair value- hedging instruments	FVTPL – FVOCI – debt others instruments instruments			Financial assets at amortised cost		Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
				FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost							
Financial assets not measured at fair value														
		10	-	-	-	-	2,489,538,542	-	-	2,489,538,542	-	-	-	-
		11	-	-	-	-	21,274,796	-	-	21,274,796	-	-	-	-
		14 & 16	-	-	-	-	36,275,426,806	-	-	36,275,426,806	-	-	-	-
		Cash at banks	-	-	-	-	91,997,689,882	-	-	91,997,689,882	86,398,741,369	-	-	86,398,741,369
		Investment in government securities	-	-	-	-	20,779,049,826	-	-	20,779,049,826	-	-	-	-
		14, 15 & 16	-	-	-	-	151,562,979,852	-	-	151,562,979,852	-	-	-	-
Financial liabilities not measured at fair value														
		21	-	-	-	-	-	110,045,917,157	-	110,045,917,157	-	-	-	-
		22	-	-	-	-	-	1,585,832,329	-	1,585,832,329	-	-	-	-
		Operational and other payables	-	-	-	-	-	1,063,008,697	-	1,063,008,697	-	-	-	-
		Lease liabilities	-	-	-	-	-	6,598,576,025	-	6,598,576,025	-	-	-	-
		23	-	-	-	-	-	119,293,334,208	-	119,293,334,208	-	-	-	-
31 December 2024														
31 December 2024	In Taka	Note	Fair value- hedging instruments	FVTPL – FVOCI – debt others instruments instruments			Financial assets at amortised cost		Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
				FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost							
Financial assets not measured at fair value														
		10	-	-	-	-	1,759,676,620	-	-	1,759,676,620	-	-	-	-
		11	-	-	-	-	500,000	-	-	500,000	-	-	-	-
		14 & 16	-	-	-	-	29,453,236,252	-	-	29,453,236,252	-	-	-	-
		Cash at banks	-	-	-	-	92,205,635,035	-	-	92,205,635,035	80,298,880,232	-	-	80,298,880,232
		Investment in government securities	-	-	-	-	1,074,863,000	-	-	1,074,863,000	-	-	-	-
		14, 15 & 16	-	-	-	-	124,493,910,907	-	-	124,493,910,907	-	-	-	-
Financial liabilities not measured at fair value														
		21	-	-	-	-	-	93,109,564,563	-	93,109,564,563	-	-	-	-
		22	-	-	-	-	-	1,512,769,365	-	1,512,769,365	-	-	-	-
		Operational and other payables	-	-	-	-	-	360,399,671	-	360,399,671	-	-	-	-
		Lease liabilities	-	-	-	-	-	4,923,109,235	-	4,923,109,235	-	-	-	-
		23	-	-	-	-	-	99,905,842,834	-	99,905,842,834	-	-	-	-



Notes to the financial statements (Continued)

31 Commitments

As at 31 December 2025, the Company is committed to incur capital expenditure of BDT 970 million (31 December 2024: BDT 1,204 million).

In the context of future transaction growth coupled with introduction of new products, the company intends to upgrade its overall capacity to cater to the market needs. The cost of this upgradation is yet to be determined as of the reporting date.

32 Contingencies

See accounting policy in Note 36Q

a) Demand guarantee

The Company has demand guarantees of BDT 179 million issued by Jamuna Bank PLC and Mercantile Bank PLC as performance security for different projects.

33 Related parties

a) Parent and ultimate controlling party

BRAC Bank PLC is the parent and ultimate controlling party of the Company by virtue of holding 51% voting shares along with majority representation on the Board of Directors.

b) Transactions with key management personnel

(i) Loans to directors

During the year, no loan was given to the directors of the Company.

(ii) Key management personnel compensation

Key management personnel compensation comprised the following:

<i>In Taka</i>	2025	2024
Board meeting attendance fee	2,197,076	2,454,844

Company's key management personnel includes the Company's directors. No compensation other than board meeting attendance fee is given to them.



Notes to the financial statements (Continued)

(c) Other related party transactions

<i>In Taka</i>	Transaction values for the year ended		Balance outstanding as at	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Purchase of services and supplies				
<i>Parent and ultimate controlling party</i>				
BRAC Bank PLC				
- Bank charge, ATM cashout, iBanking and other charge	(450,323,727)	(283,091,429)	(12,849,659)	(15,470,973)
<i>Entities with significant influence</i>				
ALSG E-Commerce Private Limited				
- Nano loan procession fee & others	(274,969,125)	(261,752,886)	(613,866,636)	(550,512,887)
Money in Motion LLC, USA				
- Other payables	-	-	(6,689,770)	(6,689,770)
<i>Others</i>				
Zoloz Pte. Ltd.				
- Software license, implementation and maintenance charges	(32,483,168)	(34,840,450)	(10,590,363)	(66,215,528)
Cnext Pte. Ltd.				
- Loan Collection Management	(29,375,000)	(125,343,749)	(154,718,749)	(125,343,749)
Income from services				
<i>Parent and ultimate controlling party</i>				
BRAC Bank PLC				
- Interest income and others	673,288,589	683,669,617	388,478	28,974,176
<i>Others</i>				
BRAC & its subsidiaries				
- Service fee	495,708,870	1,430,675,513	-	-

34 Other disclosures

34.1 Number of employees

During the year 2025, number of regular employees receiving remuneration of Taka 36,000 or above per annum was 1,605 (2024: 1,582).

34.2 Comparatives

Previous year's figures have been rearranged, wherever considered necessary to conform with the current year's presentation.



Notes to the financial statements (Continued)

34.3 Leases

A Leases as lessee (IFRS 16)

The Company leases a number of offices and warehouse facilities. The leases typically run for a period of 5-10 years, with an option to renew the lease after that date. Lease payments are adjusted at predetermined intervals. For certain leases, the Company is restricted from entering into any sub-lease arrangements.

Information about leases for which the Company is a lessee is presented below:

i) Reconciliation of lease liabilities

<i>In Taka</i>	2025	2024
Balance at 1 January	360,399,671	418,535,336
Net addition/(adjustment) during the year	1,066,900,599	176,796,408
Payment during the year	(364,291,573)	(234,932,073)
Balance at 31 December	1,063,008,697	360,399,671

ii) Amounts recognised in profit or loss

<i>In Taka</i>	2025	2024
Interest on lease	76,856,893	35,439,714
Depreciation on leased asset	245,594,241	220,006,689
	322,451,134	255,446,403

iii) Amounts recognised in statement of cash flows

<i>In Taka</i>	2025	2024
Cash outflow for financing activities	(364,291,573)	(234,932,073)
Cash outflow for operating activities	(76,856,893)	(35,439,714)
Total cash outflow for leases	(441,148,466)	(270,371,787)

34.4 Revenue: Refund/reimbursement of fees, etc. to customers

Below is the detail of refund/reimbursement of fees, etc. against actual or impending transactions during the year:

<i>In Taka</i>	2025	2024
Refund/reimbursement, reflected in measurement of revenue (see note 24.1)	4,550,246,161	4,297,614,909

34.5 Disclosure on the Proposed Joint Venture Company

Transunion-bKash Credit Bureau Limited is a proposed joint venture entity that has received a Letter of Intent (LOI) from Bangladesh Bank to establish and operate a private credit bureau in Bangladesh in accordance with the "Guidelines for Licensing, Operation and Regulation of Credit Bureau 2024." bKash Limited and TransUnion International Inc. are the participating partners in the proposed joint venture company. Both parties are working on completing the procedural requirements laid out by Bangladesh Bank in the LOI.

34.6 Subsequent events

No material events had occurred after the reporting date to the date of issue of these financial statements, which could affect the values stated in the financial statements.

35 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention except for defined benefit liability which is measured at present value of defined benefit obligation as described in Note 36D(iii).



Notes to the financial statements (Continued)

36 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Certain comparative amounts in the statement of financial position and statement of profit or loss and other comprehensive income have been reclassified/represented during the current year for better presentation.

Set out below is an index of the material accounting policies, the details of which are available on the pages that follow:

- A Revenue
- B Contract costs
- C Foreign currency
- D Employee benefits
- E Finance income
- F Income tax
- G Property, plant and equipment
- H Intangible assets
- I Financial instruments
- J Share capital
- K Impairment
- L Provisions
- M Leases
- N Capital reserve
- O e-money in circulation and trust cum settlement account and investments
- P Going concern
- Q Contingencies
- R Statement of cash flows
- S Events after the reporting period
- T Materiality and aggregation

A Revenue

Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a good or service to a customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (e.g. VAT). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. When determining the transaction price, the Company considers the effect of any variable consideration, the existence of a significant financing component in the contract and any consideration payable to a customer. The Company accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity.



Notes to the financial statements (Continued)

Nature of goods and services

The following is a description of the principal activities from which the Company generates its revenue.

(a) Commission income: Commission income includes service charge earned from cash out/e-money settlement, Person to Person (P2P) balance transfer, bill payment by customer and commission earned from banks against inward remittance, nano loan and savings deposits.

The Company charges its customers a fixed rate of cash out/settlement fee at the time the customer redeems cash at agent point, ATM booth or through transfer to bank by surrendering e-money from his/her wallet. Revenue from cash out/settlement is recognised at the time electronic money is surrendered against cash.

The Company also charges fixed amount of fees to customer at the time of e-money transfer from one personal wallet to another wallet or payment of utility bills and various fees using bKash wallet. The Company earns fixed fee from partner banks for each inward remittance. The Company also earns commission income from different merchants as per the agreed settlement fee on collected amount. Revenue from these transactions is recognised at the time customers perform such transactions.

The Company acts as an intermediary for nano loans and savings products, facilitating transactions on behalf of various banks and financial institutions. Revenue from the nano loan product is recognized through a commission-sharing arrangement with banks. For the savings product, revenue is recognized based on the settlement fee agreed upon with banks or financial institutions for the collected savings deposits.

(b) Return on trust cum settlement account: This represents earnings generated from deposit of real money raised from customers against issuance of e-money. Such real money is invested in various forms through trust cum settlement account in line with the provisions of Bangladesh Mobile Financial Services (MFS) Regulations 2022 and PSP license issued by Bangladesh Bank. Earnings from this investment is recognised over a period of time based on effective rate of return.

Circulation of e-money through customer wallets and efficient utilisation of underlying physical cash essentially represents the essence of mobile financial service business. Accordingly, income generated from investments through trust cum settlement accounts constitute revenue earned through ordinary course of business for bKash.

(c) Airtime commission: The Company receives upfront commission against airtime purchased from Mobile Network Operators (MNOs). Commission on airtime is recognised as revenue when a customer purchases mobile airtime using bKash wallet. Commission received against unsold airtime balance is recognised as unearned revenue.

(d) Cash back/coupon/loyalty-points: The Company provides discounts in the form of cash back, coupons, and loyalty-points. Discounts such as cash back, coupons, and loyalty-points given as part of sales transactions are recognized as a reduction of revenue. Conversely, cash back, coupons, and loyalty-points provided independently of sales transactions are recognized as expenses.

Customer loyalty-points:

Customers who take bKash's services and fulfil certain conditions enter the Company's customer loyalty programme and earn points. The points are redeemable against any future services at customers' discretion. The loyalty points accumulate on cumulative basis and expire after one year. The Company segregates the monetary value equivalent of the loyalty points as consideration payable to customers. For expired loyalty points, revenue is recognised at expiry.



Notes to the financial statements (Continued)

B Contract costs

Contract costs are costs that are incremental to obtaining a contract with a customer or costs that are directly related to fulfilling a specified contract with a customer (fulfilment costs). Incremental costs of obtaining a contract with a customer is recognised as an asset if the expectation is that the costs will be recoverable except for incremental costs that would have been amortised in a year or less. These may be expensed as incurred.

Contract costs are capitalised as assets and recognised in profit or loss in a way that is consistent with the transfer of the related services. Contract costs for the Company include commissions and other directly attributable costs e.g. National ID verification, Know Your Customer (KYC) data entry, cash back etc.

Management expects that contract costs are recoverable over average expected lifetime of the customer i.e. four years.

C Foreign currency

Transactions in foreign currencies are translated to the functional currencies at an exchange rate prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss and other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

D Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans - provident fund

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company has started to maintain a Provident Fund as defined contribution plan from April 2014 for its eligible permanent employees. All permanent employees contribute at the rate of 10% of their basic salary to the provident fund and the Company also makes equal contribution. The fund is duly recognised by the National Board of Revenue (NBR) and operated by an independent trustee board.



(iii) **Defined benefit plan - gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Remeasurements of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Employees' Gratuity Fund is being considered as a defined benefit plan as it meets the recognition criteria. The Company operates a gratuity scheme from 2015 for its permanent employees. Employees are entitled to gratuity benefit after completion of minimum five years of service with the Company. The fund is duly recognised by the National Board of Revenue (NBR) and operated by an independent trustee board.

(iv) **Workers' Profit Participation Fund (WPPF)**

The Company operates funds for beneficiaries as 'Workers' Profit Participation Fund' and 5% of the profit before charging such expense have been transferred to this fund as per section 234 of the Labour Act 2006.

(v) **Share-based payment arrangements**

The Company recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or the services are received. The Company recognises a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

Equity-settled share-based payment transactions with employees require indirect measurement and each ordinary equity instrument granted is measured on its grant date. The impacts of any market conditions and non-vesting conditions are reflected in the grant-date fair value of each equity instrument. Any service or non-market performance condition is not reflected in the grant-date fair value of the share-based payment. Instead, an estimate is made of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied.

Under the Board approved Employee Share Option Plan, the company is authorised to issue Share Option Rights (SORs) to employees after fulfilment of approved eligibility criteria effective from 1 April 2019. Grant of options, subsequent vesting of the same, exercise of options and relevant all matters are governed by ESOP rule. According to the updated ESOP rule, SORs are vested over 5 years (previously 4 years). The SORs are exercisable through a trust subject to terms and conditions of plan, at a price equal to fair market value of shares (on a fully diluted basis) determined by an independent valuer on grant date. ESOP shares are convertible (at the option of the company), non-voting, non-transferable and non-redeemable preference shares with no dividend rights. Since the Company is not listed and ESOP shares are not traded in any active market, valuation of the SOR is performed by independent valuer considering relevant facts and circumstances. Based on the valuation performed by independent valuer, fair value of the SORs was insignificant on grant date. As such, no accounting entry was recorded during the year.



Notes to the financial statements (Continued)

E Finance income

Finance income includes mainly interest on deposits with different scheduled commercial banks and investment in government securities. Finance income is recognised on accrual basis and presented net of finance cost. The Company's finance cost includes interest expense on lease which is recognised at amortised cost.

F Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI (other comprehensive income).

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. The Company files its tax return on the basis of a private limited company, as such the applicable tax rate for the Company is currently 27.5% as per Finance Ordinance 2025 and Income Tax Act 2023 (2024: 25%).

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

As per Income Tax Act 2023, unabsorbed taxable business losses can be carried forward (for setting-off against taxable profit) for subsequent 6 years, whereas unabsorbed tax depreciation can be carried forward, for setting-off against taxable profit, for unlimited period of time.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.



G Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of assets. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner. Work in progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

For addition of property, plant and equipment, depreciation is charged when the assets meet the criteria for capitalisation. No depreciation is charged on work in progress (WIP) as WIP has not yet been placed in service.

The estimated useful lives of property, plant and equipment are as follows:

Category	In Years
Office furniture	5
Office equipment	5
IT equipment	5
Laptop & computer	3.5 - 4.5
Motor vehicles	5
Leasehold improvements	5
Motor vehicles- Leased	5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Impairment

The carrying amount of the Company's non-financial assets, other than deferred tax assets (considered as disclosed separately under respective accounting standards) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

However, no such conditions that might be suggestive of a heightened risk of impairment of property, plant and equipment existed at the reporting date.

(v) Retirement and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset in profit or loss.



H Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Work-in-progress represents the cost incurred for acquisition and/or construction of items of intangible assets that are not ready for use which is measured at cost.

Expenditure on the research phase of projects to develop new customised software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Company intends to and has sufficient resources to complete the project
- the Company has the ability to use or sell the software
- the software will generate probable future economic benefits.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, from the date that they are available for use, and is generally recognised in profit or loss.

The estimated useful life of software is up to 5 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

I Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

The Company at initial recognition measures a financial instrument at fair value including transaction costs unless the financial instrument is carried at FVTPL, in which case the transaction costs are immediately recognised in profit or loss.

(i) Financial assets

Under IFRS 9, an entity shall classify financial asset as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.



Notes to the financial statements (Continued)

Classification

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because they best reflects the way the business is managed and information is provided to the management. The Company measured its financial assets at amortised cost as the objective of these financial assets is to hold and collect the contractual cash flows (both principle and interest) at maturity.

The Company's financial assets measured at amortised cost comprise operational and other receivables, security deposits, cash at banks, investment in government securities and fixed deposits etc.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Operational receivables are classified as financial assets measured at amortised cost.

Derecognition

The Company derecognises a financial asset when, and only when:

- a) the contractual rights to the cash flows from the financial asset expire, or
- b) it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities

The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The Company recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

Classification

- Financial liabilities at amortised cost; or
- Financial liabilities as at fair value through profit or loss (FVTPL).



Notes to the financial statements (Continued)

Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are either measured at amortised cost or at FVTPL.

The Company's financial liabilities comprise e-money in circulation, defined benefit plan- gratuity, leases, operational and other payables and accrued expenses.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for:

- a) financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value
- b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies
- c) financial guarantee contracts
- d) commitments to provide a loan at a below-market interest rate
- e) contingent consideration

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

J Share capital

Share capital of the Company is comprised of ordinary and preference shares. Preference shares are non-voting, non-cumulative in nature and are convertible to ordinary shares (on a 1:1 basis) at the option of the holders, subject to compliance with the shareholders agreements and relevant laws and regulations. Incremental costs directly attributable to the issue of shares, net of any tax effects, are recognised as a deduction from equity.

The Bangladesh Mobile Financial Services (MFS) Regulations, 2022 requires subsidiary model based MFS providers to keep minimum paid up capital (Taka 450 million) and it should be maintained at any points of its operation.

K Impairment

Financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'Expected Credit Loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract costs and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of operational and other receivables, security deposits, cash at banks, investment in government securities and fixed deposits etc. The Company measures loss allowances at an amount equal to ECL for all financial assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company uses a simplified "provision matrix" for calculating expected losses as a practical expedient (e.g., for operational receivables), if consistent with the general principles for measuring expected losses. The provision matrix is based on the Company's historical default rates over the expected life of the financial assets and is adjusted for forward-looking estimates.

The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).



Notes to the financial statements (Continued)

Measurement of Expected Credit Losses (ECL)

The Company measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

While measuring credit loss, the Company considers the maximum contractual period it is exposed to credit risk and considers the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash-Generating Units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

L Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation in compliance with IAS 37: *Provisions, Contingent Liabilities and Contingent Assets*.

M Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.



Notes to the financial statements (Continued)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability include fixed payments as per the contracts.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presented right-of-use asset within property plant and equipment. The right-of-use asset is depreciated on straight line basis over the lease terms (5-10 years).

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (asset value is less than BDT 100,000) and short-term leases (lease term 12 months or less). The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

N Capital reserve

The Bangladesh Mobile Financial Services (MFS) Regulations, 2022 requires subsidiary model based MFS providers to build up a capital reserve equal to the amount of minimum paid up capital (Taka 450 million) from retained earnings, at a rate not less than ten percent of annual after tax profits.



Notes to the financial statements (Continued)

O e-money in circulation and trust cum settlement account and investments

As per the MFS regulation 2022, the company issues electronic money only against corresponding deposit of cash into trust cum-settlement account and investments. In no circumstances, electronic money in circulation may exceed balance maintained in trust cum settlement account and investments.

e-money in circulation represents balances maintained in mobile wallets by all customers, including but not limited to Persons, Businesses (merchants), Government entities or channel partners (distributors, agents, etc.).

Before any cash is withdrawn from the trust cum-settlement account, the equivalent amount of e-money must be reduced. Therefore where bKash customers' e-money is in the process of being realized/converted in the form of cash are presented as deposit in transit or airtime proceeds in transit depending on nature of service/ consideration issued by bKash in exchange. This process ensures that the e-money balances match the actual physical cash held, keeping everything in line with regulatory requirements.

Since balance maintained in trust cum-settlement account and investment can't be freely utilized before diminishing e-money, trust cum-settlement account balance is presented separately from cash and cash equivalents in statement of financial position.

P Going concern

As part of its overall business plan, the Company continues to engage in extensive business development activities which has resulted in consecutive years of profitability, contributing to a notable reduction in negative retained earnings as of the reporting date.

Given the Company's business plan and the availability of adequate resources to continue operation and to meet financial commitments as they fall due for the foreseeable future, the management continues to adopt going concern basis in preparing the financial statements.

Q Contingencies

Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company discloses contingent liability in the financial statements, if any. A provision is recognised in the period in which the recognition criteria of provision is met.

Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent assets. Only when the realisation of the related economic benefits are visually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.



Notes to the financial statements (Continued)

R Statement of cash flows

Statement of cash flows have been prepared in accordance with the IAS 7: *Statement of Cash Flows* under direct method.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

Investing activities relate to the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Investments that are held for the purpose of meeting short-term cash commitments, are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value are accounted for as cash equivalents.

S Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

T Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

37 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Company has not early adopted the following new or amended standards in preparing these financial statements.

- a) Presentation and Disclosure in Financial Statements (IFRS 18) effective for annual reporting periods beginning on or after 1 January 2027

The following new and amended standards are not expected to have a significant impact on the Company's financial statements:

- a) Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) effective
- b) Lack of exchangeability (Amendments to IAS 21) effective from 1 January 2025
- c) Subsidiaries without Public Accountability: Disclosure (IFRS 19) effective from 1 January 2027
- d) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - (Amendments to IFRS 10 and IAS 28)
- e) Annual Improvements to IFRS Accounting Standards - Volume 11 effective from 1 January 2026

