

**Interim Condensed Financial Statements  
for the nine months ended 30 September 2020  
(Un-audited)**

## Grameenphone Ltd.

### Interim condensed statement of financial position (Un-audited)

As at 30 September 2020

	Notes	30 September 2020	31 December 2019
		BDT (000)	BDT (000)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	57,244,985	62,396,558
Intangible assets	5	2,049,095	2,274,803
Right-of-use assets	6	52,313,160	58,028,533
Contract cost	7	4,490,543	4,480,157
Other non-current assets	8	20,574,726	555,200
<b>Total non-current assets</b>		<b>136,672,509</b>	<b>127,735,251</b>
<b>Current assets</b>			
Inventories	9	180,925	225,441
Trade receivables and others	10	7,573,311	7,013,053
Cash and cash equivalents	11	5,704,343	13,760,677
<b>Total current assets</b>		<b>13,458,579</b>	<b>20,999,171</b>
<b>Total assets</b>		<b>150,131,088</b>	<b>148,734,422</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	13	13,503,000	13,503,000
Share premium	14	7,840,226	7,840,226
Capital reserve	15	14,446	14,446
Deposit from shareholders	16	-	1,880
Retained earnings		20,886,659	16,987,853
<b>Total equity</b>		<b>42,244,331</b>	<b>38,347,405</b>
<b>Non-current liabilities</b>			
Lease liabilities		11,880,085	13,484,106
Deferred tax liabilities	18	3,013,331	5,216,029
Employee benefits		1,245,537	936,703
Other non-current liabilities	19	434,995	323,957
<b>Total non-current liabilities</b>		<b>16,573,948</b>	<b>19,960,795</b>
<b>Current liabilities</b>			
Trade payables and others	20	22,440,184	22,676,406
Provisions		18,531,274	18,839,102
Lease liabilities		6,337,561	7,349,549
Loans and borrowings	17	8,850,000	2,934,284
Current tax liabilities	21	27,300,082	28,137,225
Other current liabilities	22	7,853,708	10,489,656
<b>Total current liabilities</b>		<b>91,312,809</b>	<b>90,426,222</b>
<b>Total equity and liabilities</b>		<b>150,131,088</b>	<b>148,734,422</b>

The annexed Notes 1 to 36 form an integral part of these interim condensed financial statements.

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Chief Executive Officer

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Dated:  
Dhaka, 18 October 2020

**Grameenphone Ltd.**

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

**For the nine months ended 30 September 2020**

		01 January to 30 September 2020	01 January to 30 September 2019	01 July to 30 September 2020	01 July to 30 September 2019
		BDT (000)	BDT (000)	BDT (000)	BDT (000)
<b>Notes</b>					
<b>Revenue</b>	23	104,796,224	107,493,907	35,558,673	36,593,373
Cost of material and traffic charges	24	(6,553,003)	(6,370,878)	(2,195,618)	(2,317,583)
Salaries and personnel cost	25	(7,472,608)	(7,105,889)	(2,439,198)	(2,166,114)
Operation and maintenance	26	(4,055,174)	(4,211,934)	(1,305,124)	(1,208,604)
Sales, marketing and commissions	27	(9,122,382)	(9,868,611)	(3,152,445)	(3,303,840)
Revenue sharing, spectrum charges and licence fees		(7,534,587)	(7,506,228)	(2,554,284)	(2,619,242)
Other operating (expenses)/income	28	(4,674,409)	(4,708,495)	(1,482,610)	(1,448,002)
Depreciation and amortisation		(17,615,820)	(17,565,186)	(5,787,754)	(5,968,887)
		(57,027,983)	(57,337,221)	(18,917,033)	(19,032,272)
<b>Operating profit</b>		<b>47,768,241</b>	<b>50,156,686</b>	<b>16,641,640</b>	<b>17,561,101</b>
Finance (expense)/income	29	(1,907,848)	(1,865,876)	(592,255)	(852,016)
Foreign exchange (loss)/gain		250,614	(2,933)	(115,616)	267,715
		(1,657,234)	(1,868,809)	(707,871)	(584,301)
<b>Profit before tax</b>		<b>46,111,007</b>	<b>48,287,877</b>	<b>15,933,769</b>	<b>16,976,800</b>
Income tax expense	30	(19,257,101)	(22,969,802)	(7,035,178)	(9,707,986)
<b>Profit after tax</b>		<b>26,853,906</b>	<b>25,318,075</b>	<b>8,898,591</b>	<b>7,268,814</b>
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>26,853,906</b>	<b>25,318,075</b>	<b>8,898,591</b>	<b>7,268,814</b>
<b>Earnings per share</b>					
Basic earnings per share (par value BDT 10 each in BDT)	31	19.89	18.75	6.59	5.38

The annexed Notes 1 to 36 form an integral part of these interim condensed financial statements.

Sd/-

Chairman

Sd/-

Director

Sd/-

Chief Executive Officer

Sd/-

Chief Financial Officer

Sd/-

Company Secretary

Dated:  
Dhaka, 18 October 2020

## Grameenphone Ltd.

### Interim condensed statement of changes in equity (Un-audited) For the nine months ended 30 September 2020

	Share capital	Share premium	Capital reserve	Deposit from shareholders	Retained earnings	Total
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
<b>Balance as at 01 January 2019</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>1,880</b>	<b>15,476,847</b>	<b>36,836,399</b>
Transactions with the equity holders:						
Final dividend for 2018	-	-	-	-	(20,929,650)	(20,929,650)
Interim dividend for 2019	-	-	-	-	(12,152,700)	(12,152,700)
Total comprehensive income for the nine month period ended 30 September 2019:						
Profit for the period	-	-	-	-	25,318,075	25,318,075
Other comprehensive income	-	-	-	-	-	-
<b>Balance as at 30 September 2019</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>1,880</b>	<b>7,712,572</b>	<b>29,072,124</b>
<b>Balance as at 01 January 2020</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>1,880</b>	<b>16,987,853</b>	<b>38,347,405</b>
Transfer of deposit from shareholder to other income:	-	-	-	(1,880)	-	(1,880)
Transactions with the equity holders:						
Final dividend for 2019	-	-	-	-	(5,401,200)	(5,401,200)
Interim dividend for 2020	-	-	-	-	(17,553,900)	(17,553,900)
Total comprehensive income for the nine month period ended 30 September 2020:						
Profit for the period	-	-	-	-	26,853,906	26,853,906
Other comprehensive income	-	-	-	-	-	-
<b>Balance as at 30 September 2020</b>	<b>13,503,000</b>	<b>7,840,226</b>	<b>14,446</b>	<b>-</b>	<b>20,886,659</b>	<b>42,244,331</b>

# Grameenphone Ltd.

## Interim condensed statement of cash flows (Un-audited) For the nine months ended 30 September 2020

	1 January to 30 September 2020	1 January to 30 September 2019
	BDT (000)	BDT (000)
<b>Cash flows from operating activities</b>		
Cash receipts from customers	104,517,409	107,657,927
Payroll and other payments to employees	(4,713,403)	(5,473,130)
Payments to suppliers, contractors and others	(50,454,283)	(30,899,140)
Interest received	254,809	380,075
Interest paid	(2,178,850)	(1,979,134)
Income tax paid	(22,296,944)	(22,089,142)
	(79,388,671)	(60,060,471)
<b>Net cash generated by operating activities</b>	<b>25,128,738</b>	<b>47,597,456</b>
<b>Cash flows from investing activities</b>		
Payment for acquisition of Property, plant and equipment, Right-of-use assets and intangible assets	(8,129,360)	(12,665,206)
Proceeds from sale of Property, plant and equipment	182,828	169,064
<b>Net cash used in investing activities</b>	<b>(7,946,532)</b>	<b>(12,496,142)</b>
<b>Cash flows from financing activities</b>		
Payment of Lease liabilities	(3,007,006)	(2,552,650)
Proceeds from short-term bank loan	8,850,000	-
Payment of long-term loan	(2,973,210)	(2,917,085)
Payment of dividend	(28,110,077)	(26,301,675)
<b>Net cash used in financing activities</b>	<b>(25,240,293)</b>	<b>(31,771,410)</b>
<b>Net change in cash and cash equivalents</b>	<b>(8,058,087)</b>	<b>3,329,904</b>
<b>Cash and cash equivalents as at 01 January</b>	<b>13,760,677</b>	<b>5,932,292</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>1,753</b>	<b>2,552</b>
<b>Cash and cash equivalents as at 30 September</b>	<b>5,704,343</b>	<b>9,264,748</b>

# Grameenphone Ltd.

## Notes to the interim condensed financial statements For the nine months ended 30 September 2020

### 1 Corporate information

Grameenphone Ltd. (hereinafter referred to as "Grameenphone"/"GP"/"the Company") is a public limited company incorporated in Bangladesh in 1996 under the Companies Act 1994 and has its registered address at GPHOUSE, Bashundhara, Baridhara, Dhaka 1229. Grameenphone was initially registered as a private limited company and subsequently converted into a public limited company on 25 June 2007. During November 2009, Grameenphone listed its shares with both Dhaka and Chittagong Stock Exchanges. The immediate parent of Grameenphone is Telenor Mobile Communications AS and the ultimate parent is Telenor ASA; both the companies are incorporated in Norway.

The Company is primarily involved in providing mobile telecommunication services (voice, data and other related services), along with digital services in Bangladesh. The company also provides international roaming services through international roaming agreements with various operators of different countries across the world.

### 2 Basis of preparation

These Interim Condensed Financial Statements are individual financial statements of Grameenphone, and have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*, the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh and should be read in conjunction with the financial statements of Grameenphone Ltd. as at and for the year ended 31 December 2019, the year for which the last full financial statements were prepared. These unconsolidated financial statements present the financial position and performance of Grameenphone and its investment in Accenture Communications Infrastructure Solutions Ltd. (ACISL) being accounted for under the equity method in accordance with IAS 28 Investment in Associates and Joint Ventures.

In accordance with the requirements of IAS 36 Impairment of Assets, the carrying amount of investment in ACISL as at 31 October 2016 has been fully impaired and no further share of loss has been recognised in line with paragraph 39 of IAS 28 Investment in Associates and Joint Ventures. The assessment of recoverable amount from investment in associate remained unchanged as at 30 September 2020. Hence, for understanding of Grameenphone's stand-alone financial performance, a separate statement of profit or loss and other comprehensive income is not necessary.

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of these financial statements. The amounts in these financial statements have been rounded off to the nearest BDT in thousand (BDT'000) except otherwise indicated. As a result of these rounding off, in some instances the totals may not match the sum of individual balances.

#### Authorisation for issue

These interim condensed financial statements were authorised for issue by the Board of Directors of the company on 18 October 2020.

### 3 Significant accounting policies

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

4 Property, plant and equipment

Name of assets	Cost					Depreciation					Carrying amount	
	As at 01 January 2020	Addition during the period	Disposal during the period	Adjustment during the period	As at 30 September 2020	As at 1 January 2020	Charged during the period	Disposal during the period	Adjustment during the period	As at 30 September 2020	As at 30 September 2020	As at 31 December 2019
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Land	1,010,608	-	-	-	1,010,608	-	-	-	-	-	1,010,608	1,010,608
Building	4,046,376	4,637	-	-	4,051,013	1,804,327	153,409	-	-	1,957,736	2,093,277	2,242,049
Base station	134,166,845	4,407,305	(5,539,404)	(111,195)	132,923,551	87,852,157	8,013,975	(5,539,404)	(111,195)	90,215,533	42,708,018	46,314,688
Transmission equipment	33,368,535	484,520	(12,501,732)	(4,249)	21,347,074	29,106,971	1,701,092	(12,501,729)	(3,541)	18,302,793	3,044,281	4,261,564
Computers and other IT equipment	8,158,828	910,770	(1,703,083)	-	7,366,515	6,518,470	687,228	(1,702,982)	-	5,502,716	1,863,799	1,640,358
Furniture and fixtures (including office equipment)	2,933,258	82,220	(92,963)	1,947	2,924,462	2,565,090	124,353	(92,963)	1,947	2,598,427	326,035	368,168
Vehicles	1,494,650	53,207	(522,133)	-	1,025,724	990,262	77,529	(414,223)	-	653,568	372,156	504,388
Capital work in progress	185,179,100	5,942,659	(20,359,315)	(113,497)	170,648,947	128,837,277	10,757,586	(20,251,301)	(112,789)	119,230,773	51,418,174	56,341,823
	6,054,735	5,636,324	(5,833,139)	(31,109)	5,826,811	-	-	-	-	-	5,826,811	6,054,735
	<b>191,233,835</b>	<b>11,578,983</b>	<b>(26,192,454)</b>	<b>(144,606)</b>	<b>176,475,758</b>	<b>128,837,277</b>	<b>10,757,586</b>	<b>(20,251,301)</b>	<b>(112,789)</b>	<b>119,230,773</b>	<b>57,244,985</b>	<b>62,396,558</b>

5 Intangible assets

Name of assets	Cost					Amortisation					Carrying amount	
	As at 01 January 2020	Addition during the period	Disposal during the period	Adjustment during the period	As at 30 September 2020	As at 1 January 2020	Charged during the period	Disposal during the period	Adjustment during the period	As at 30 September 2020	As at 30 September 2020	As at 31 December 2019
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Software and others	11,490,298	697,937	(957)	(63,633)	12,123,645	9,906,438	767,697	(957)	(53,780)	10,619,398	1,504,247	1,583,860
Capital work in progress	11,490,298	697,937	(957)	(63,633)	12,123,645	9,906,438	767,697	(957)	(53,780)	10,619,398	1,504,247	1,583,860
	690,943	489,134	(630,857)	(4,372)	544,848	-	-	-	-	-	544,848	690,943
	<b>12,181,241</b>	<b>1,187,071</b>	<b>(631,814)</b>	<b>(68,005)</b>	<b>12,668,493</b>	<b>9,906,438</b>	<b>767,697</b>	<b>(957)</b>	<b>(53,780)</b>	<b>10,619,398</b>	<b>2,049,095</b>	<b>2,274,803</b>

## 6 Right-of-use assets

Name of assets	Cost					Depreciation				Carrying amount	
	As at 01 January 2020	Addition during the period	Disposal during the period	Adjustment during the period	As at 30 September 2020	As at 01 January 2020	Charged during the period	Disposal during the period	As at 30 September 2020	As at 30 September 2020	As at 31 December 2019
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Fibre optic network	10,497,263	140,124	-	-	10,637,387	6,110,443	424,916	-	6,535,359	4,102,028	4,386,820
Telecom licence, annual licence renewal fees and spectrum	74,737,172	8,534	-	-	74,745,706	29,462,551	4,138,500	-	33,601,051	41,144,655	45,274,621
Base transceiver station - Green Field	805,335	(20,010)	6,972	(1,279)	791,018	161,070	107,121	(276)	267,915	523,103	644,265
Base transceiver station - Roof Top	3,215,050	62,264	26,985	29,172	3,333,471	684,012	551,731	(36,492)	1,199,251	2,134,220	2,531,038
Infrastructure sharing site	5,892,139	176,713	(22,102)	18,750	6,065,500	1,216,478	889,472	(21,577)	2,084,373	3,981,127	4,675,661
Office/residential space	714,671	3,336	(18,342)	23,956	723,621	198,543	145,366	(48,315)	295,594	428,027	516,128
	<b>95,861,630</b>	<b>370,961</b>	<b>(6,487)</b>	<b>70,599</b>	<b>96,296,703</b>	<b>37,833,097</b>	<b>6,257,106</b>	<b>(106,660)</b>	<b>43,983,543</b>	<b>52,313,160</b>	<b>58,028,533</b>

### 6.1 Right-of-use assets addition

Right-of-use assets addition for the nine months ended 30 September 2020 is BDT 441,560,000. BDT 69,488,595 has been paid at the time of acquisition and has been classified as part of investing activities in the interim condensed statement of cash flows. The remaining amount of BDT 372,071,405 will be paid in the future when due for payment and shall be classified as part of financing activities.



**7 Contract cost**

	As at 30 September 2020	As at 31 December 2019
	BDT (000)	BDT (000)
Opening balance	4,480,157	4,438,240
Additions during the period	1,622,889	2,231,493
Amortisation during the period	<u>(1,612,503)</u>	<u>(2,189,576)</u>
	<u>4,490,543</u>	<u>4,480,157</u>

This includes deferred customer acquisition cost mainly in the form of SIM cost, different commissions and other directly attributable costs related to acquisition of customers.

**8 Other non-current assets**

Other non-current assets include deposit of BDT 20,000,000,000 to Bangladesh Telecommunication Regulatory Commission (BTRC) in pursuant to the order of Hon'ble Appellate Division of the Supreme Court of Bangladesh. The details of the dispute are discussed in Note 36 to these financial statements.

**9 Inventories**

	As at 30 September 2020	As at 31 December 2019
	BDT (000)	BDT (000)
Handset, data card and other devices	27,810	78,171
SIM card	127,804	132,610
Scratch card	25,311	14,660
	<u>180,925</u>	<u>225,441</u>

**10 Trade receivables and others****Trade receivables**

Trade receivables, gross	7,105,365	6,415,255
Impairment loss allowance	<u>(1,743,615)</u>	<u>(1,763,119)</u>
	<u>5,361,750</u>	<u>4,652,136</u>

**Other receivables**

Interest receivable	83,306	-
Receivables from employees	1,034	9,007
Other non-interest-bearing receivables	<u>1,612,976</u>	<u>1,720,645</u>
	<u>1,697,316</u>	<u>1,729,652</u>

**Other non-financial assets**

Prepaid expenses	514,245	631,265
<b>Total trade receivables and others</b>	<u>7,573,311</u>	<u>7,013,053</u>

**11 Cash and cash equivalents**

Cash in hand	273,888	4,373
Cash at bank	5,430,455	13,756,304
	<u>5,704,343</u>	<u>13,760,677</u>

**11.1 Restricted cash balance**

Cash at bank as at 30 September 2020 includes BDT 64,597,646 (2019: BDT 59,551,312) equivalent to unused Mobicash points in customer wallet and is therefore treated as restricted cash balance.

Additionally, Cash at bank as at 30 September 2020 includes BDT 132,511,654 (2019: BDT 126,331,259) equivalent to dividend unclaimed amount, BDT 1,625,698,216 (2019: BDT 6,780,675,321) equivalent to unpaid dividend to foreign shareholders due to pending approval from Bangladesh Bank and BDT 12,759,497 (2019: BDT 12,761,511) equivalent to unclaimed IPO subscription amount. According to Articles of Association (AoA) of Grameenphone, if dividend has not been claimed for three years after passing of either the resolution at a General Meeting declaring the dividend or the resolution of the Board of Directors providing for payment for that dividend, the Board of Directors may invest the unclaimed dividend or use it in some other way for the benefit of the Company until the dividend is claimed.

**12 Net asset value per share**

	As at 30 September 2020	As at 31 December 2019
	BDT	BDT
Net Asset (BDT)	42,244,331,000	38,347,405,000
Weighted average number of ordinary shares outstanding during the period	<u>1,350,300,022</u>	<u>1,350,300,022</u>
Net asset value per share (par value BDT 10 each) (BDT)	<u>31.29</u>	<u>28.40</u>

### 13 Share capital

	As at 30 September 2020 BDT (000)	As at 31 December 2019 BDT (000)
<b>Authorised:</b>		
4,000,000,000 ordinary shares of BDT 10 each	40,000,000	40,000,000
	<b>40,000,000</b>	<b>40,000,000</b>
<b>Issued, subscribed, called up and paid up:</b>		
1,350,300,022 ordinary shares of BDT 10 each	13,503,000	13,503,000
	<b>13,503,000</b>	<b>13,503,000</b>

The company was initially registered with ordinary shares of BDT 43.00 each. These shares were subsequently converted into BDT 10 shares through a 43:1 split at the 16th EGM (held on 15 July 2008) and 1:10 reverse split at the 19th EGM (held on 2 July 2009).

There has been no change in share capital during the current and comparative periods.

#### 13.1 Shareholding position

a) Percentage of shareholdings	% of holding		Value of shares (BDT)		Date of issue/ Transfer of Shares
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019	
<b>Name of shareholders</b>					
Telenor Mobile Communications AS, Norway	55.80%	55.80%	7,534,081,540	7,534,077,240	10 October 1996 24 September 1997 25 August 1998 7 December 1998 19 April 2004 21 October 2004 21 December 2004 31 May 2007 15 July 2008 02 July 2009
Nye Telenor Mobile Communications II AS, Norway	-	0.00%	-	2,150	31 May 2007 15 July 2008
Nye Telenor Mobile Communications III AS, Norway	-	0.00%	-	2,150	31 May 2007 15 July 2008
Telenor Asia Pte Ltd, Singapore	-	0.00%	-	2,150	31 May 2007 15 July 2008
Grameen Telecom, Bangladesh	34.20%	34.20%	4,617,664,090	4,617,664,090	10 October 1996 24 September 1997 25 August 1998 7 December 1998 19 April 2004 21 October 2004 27 November 2004 31 May 2007 15 July 2008 02 July 2009
Grameen Kalyan, Bangladesh	-	0.00%	-	220	31 May 2007 15 July 2008 02 July 2009
Grameen Shakti, Bangladesh	-	0.00%	-	220	31 May 2007 15 July 2008 02 July 2009
General public, employees and institutions	10.01%	10.01%	1,351,254,590	1,351,252,000	28 Oct 2009
	<b>100%</b>	<b>100%</b>	<b>13,503,000,220</b>	<b>13,503,000,220</b>	

A total of 430 shares have been transferred to Telenor Mobile Communications AS, Norway from Nye Telenor Mobile Communications II AS, Norway and Nye Telenor Mobile Communications III AS, Norway. Further, another 259 shares have been reclassified under institutional shareholders from Telenor Asia Pte Ltd, Singapore, Grameen Kalyan Bangladesh, Grameen Shakti, Bangladesh as per regulatory direction.

#### b) Classification of shareholders by range of number of shares held

Shareholding range	No. of shareholders		No. of shares	
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
1-500	24,474	24,220	4,545,272	4,479,685
501-5,000	5,983	5,412	9,577,257	8,565,541
5,001-10,000	542	467	3,878,682	3,347,114
10,001-20,000	279	237	3,925,823	3,318,103
20,001-30,000	105	99	2,595,600	2,452,984
30,001-40,000	58	49	2,055,997	1,732,404
40,001-50,000	31	34	1,422,826	1,564,380
50,001-100,000	86	71	6,218,817	5,130,538
100,001-1,000,000	128	122	39,510,571	38,467,261
1,000,001-1,000,000,000	15	19	1,276,569,177	1,281,242,012
	<b>31,701</b>	<b>30,730</b>	<b>1,350,300,022</b>	<b>1,350,300,022</b>

#### 14 Share premium

Total amount of BDT 8,384,003,437 was received as share premium in respect of shares issued to shareholders. Net issue cost of BDT 543,777,495 was set off against share premium as per IAS 32 Financial Instruments: Presentation.

#### 15 Capital reserve

In 1999, Grameenphone issued 5,086,779 preference shares of BDT 45.84 each, which were converted into ordinary shares of BDT 43.00 each in 2004. The balance of BDT 2.84 per share was transferred to capital reserve account. The conversion was in accordance with provisions of Articles of Association of Grameenphone. This amount is not distributable as dividend as per the Companies Act 1994.

#### 16 Deposit from shareholders

Deposit from shareholders represents balance of the share money received from Telenor Mobile Communications AS, Norway, which aroused due to conversion of foreign currency remittance into BDT and the amount utilized for issuance of the exact number of shares Telenor intended to subscribe.

During the period, Grameenphone has transferred BDT 1,880,178 into other income from share money deposit as the owner of this money, Telenor Mobile Communications (TMC) AS, Norway ("Telenor") has in written waived their right on this amount.

#### 17 Loans and borrowings

Loans and borrowings include a long-term syndicated loan led by the International Finance Corporation (IFC) of USD 345 Million at 6-month-LIBOR + 3.5% interest rate. The full loan amount of USD 345 Million was drawn down in multiple tranches, the repayment of which was in 10 installments. The final installment has been paid in April 2020. The syndicate members include IFC, DEG, FMO, Proparco, CDC and OFID. This financial liability has been recognized at amortized cost as per IFRS 9 Financial Instruments: Recognition and Measurement.

Current portion of loans and borrowings include short-term bank loan of BDT 8,850,000 (2019: BDT 2,934,283,707 as the unpaid portion of long-term syndicated loan led by the International Finance Corporation (IFC)).

#### 18 Deferred tax liabilities

	As at 30 September 2020 BDT (000)	As at 31 December 2019 BDT (000)
Taxable temporary differences	31,808,697	37,395,960
Deductible temporary differences	<u>(24,275,370)</u>	<u>(24,355,888)</u>
	7,533,327	13,040,073
Deferred tax liabilities @ 40% tax rate	<u><b>3,013,331</b></u>	<u><b>5,216,029</b></u>

#### 19 Other non-current liabilities

Asset retirement obligations	153,428	152,391
Other non-current liabilities	<u>281,567</u>	<u>171,566</u>
	<u><b>434,995</b></u>	<u><b>323,957</b></u>

#### 20 Trade payables and others

##### Financial liabilities

Trade payables including liability for capital expenditure	9,079,570	10,480,455
Accrued expenses	6,298,621	5,648,100
Indirect taxes	<u>1,409,015</u>	<u>1,353,003</u>
	<u><b>16,787,206</b></u>	<u><b>17,481,558</b></u>

##### Other non-financial liabilities

Deferred connection revenue	31,214	204,860
Unearned revenue	<u>5,621,764</u>	<u>4,989,988</u>
	<u><b>5,652,978</b></u>	<u><b>5,194,848</b></u>

#### Total trade payables and others

	<u><b>22,440,184</b></u>	<u><b>22,676,406</b></u>
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#### 21 Current tax liabilities

Movement of current tax liabilities is shown as under:

Opening balance	28,137,225	28,563,588
Provision made during the period including transactions for other comprehensive income	<u>22,150,835</u>	<u>29,028,970</u>
	50,288,060	57,592,558
Paid during the period (incl. tax deducted at source)	<u>(22,296,944)</u>	<u>(30,675,929)</u>
Adjustment for previous periods	<u>(691,034)</u>	<u>1,220,596</u>
Closing balance	<u><b>27,300,082</b></u>	<u><b>28,137,225</b></u>

#### 22 Other current liabilities

Accruals for profit sharing plan	2,305,550	297,876
Payable for bills pay receipts	546,231	518,691
Dividend unclaimed	132,512	126,331
Security deposits from subscribers and channel partners	577,131	537,093
Dividend payable	1,625,698	6,780,675
Others	<u>2,666,586</u>	<u>2,228,990</u>
	<u><b>7,853,708</b></u>	<u><b>10,489,656</b></u>

23 Revenue	01 January to 30 September 2020 BDT (000)	01 January to 30 September 2019 BDT (000)	01 July to 30 September 2020 BDT (000)	01 July to 30 September 2019 BDT (000)
The following is an analysis of revenue for the period:				
Revenue from contract with customers (Note 23.1)	103,627,724	106,333,993	35,161,922	36,228,808
Lease revenues	1,168,500	1,159,914	396,751	364,565
	<b>104,796,224</b>	<b>107,493,907</b>	<b>35,558,673</b>	<b>36,593,373</b>
<b>23.1 Disaggregation of revenue from contract with customers</b>				
<b>Type of good/ services</b>				
Revenue from mobile communication	103,428,643	105,855,854	35,070,523	35,884,386
Revenue from customer equipment	92,374	145,044	43,659	57,205
Other revenues	106,707	333,095	47,740	287,217
	<b>103,627,724</b>	<b>106,333,993</b>	<b>35,161,922</b>	<b>36,228,808</b>
<b>Type of subscription</b>				
Prepaid	98,542,266	101,415,790	33,424,915	34,338,656
Contract	4,886,377	4,440,064	1,645,608	1,545,730
Other	199,081	478,139	91,399	344,422
	<b>103,627,724</b>	<b>106,333,993</b>	<b>35,161,922</b>	<b>36,228,808</b>
<b>Type of customer</b>				
Consumer	91,178,197	93,358,370	31,029,898	31,637,240
Business	12,449,527	12,975,623	4,132,024	4,591,567
	<b>103,627,724</b>	<b>106,333,993</b>	<b>35,161,922</b>	<b>36,228,807</b>
<b>24 Cost of material and traffic charges</b>				
Traffic charges	5,552,861	5,486,011	1,850,010	1,970,880
Cost of materials and services	1,000,142	884,867	345,608	346,703
	<b>6,553,003</b>	<b>6,370,878</b>	<b>2,195,618</b>	<b>2,317,583</b>
<b>25 Salaries and personnel cost</b>				
Salaries and personnel cost includes salaries, bonuses, different employment benefits including provident, gratuity, profit sharing (WPPF), employee share programme for employees, long term incentive programme for key personnel, training and other related costs. Additionally, gratuity expense for the nine month period ended 30 September 2020 includes BDT 908,476,671 (2019: BDT 556,860,084) for restructuring expense during the period. The WPPF expense for the nine months ended 30 September 2020 is BDT 2,305,550,381 (2019: BDT 2,414,393,813).				
<b>26 Operation and maintenance</b>				
	01 January to 30 September 2020 BDT (000)	01 January to 30 September 2019 BDT (000)	01 July to 30 September 2020 BDT (000)	01 July to 30 September 2019 BDT (000)
Service maintenance fee	2,554,115	2,618,126	905,684	816,693
Vehicle maintenance expense	180,892	281,738	32,720	92,075
Other operation and maintenance	1,320,167	1,312,070	366,720	299,836
	<b>4,055,174</b>	<b>4,211,934</b>	<b>1,305,124</b>	<b>1,208,604</b>
<b>27 Sales, marketing and commissions</b>				
Sales, marketing and representation costs	406,311	(67,318)	165,871	(256,964)
Advertisement and promotional expenses	895,194	1,127,992	320,860	337,947
Commissions	7,820,877	8,807,937	2,665,714	3,222,857
	<b>9,122,382</b>	<b>9,868,611</b>	<b>3,152,445</b>	<b>3,303,840</b>
<b>28 Other operating expenses/(income)</b>				
Consultancy and professional services	602,052	722,209	164,255	184,027
Rental expense for Property, plant and equipment	259,466	334,005	80,125	92,003
Fuel and energy costs	2,900,054	2,936,295	976,603	985,817
Impairment loss on trade receivables	121,693	104,621	29,931	47,396
Rental and other income	(144,827)	(99,753)	(47,116)	(28,340)
(Gain)/loss on disposal of Property, plant and equipment and Right-of-use assets	(47,816)	(17,106)	(8,442)	(73,778)
Others	983,787	728,224	287,254	240,877
	<b>4,674,409</b>	<b>4,708,495</b>	<b>1,482,610</b>	<b>1,448,002</b>

29 Finance expense/(income)	01 January to 30 September 2020 BDT (000)	01 January to 30 September 2019 BDT (000)	01 July to 30 September 2020 BDT (000)	01 July to 30 September 2019 BDT (000)
Interest income	(338,116)	(452,955)	(99,964)	(85,892)
Interest expense	750,863	528,106	255,725	353,996
Net interest cost on defined benefit obligation	68,774	84,025	22,925	28,008
Interest expenses on Lease Liabilities	1,351,374	1,606,170	396,558	519,760
Other finance expenses	74,953	100,530	17,011	36,144
	<b>1,907,848</b>	<b>1,865,876</b>	<b>592,255</b>	<b>852,016</b>
30 Income tax expense				
<i>Current tax expense</i>				
Income tax expenses for the period	22,150,835	25,830,065	7,768,771	10,775,755
Provision released during the period	(691,033)	(188,510)	-	-
	<b>21,459,802</b>	<b>25,641,555</b>	<b>7,768,771</b>	<b>10,775,755</b>
<i>Deferred tax expense/(income)</i>				
Deferred tax expense/(income) relating to origination and reversal of temporary differences, net	(2,202,701)	(2,671,753)	(733,593)	(1,067,769)
	<b>19,257,101</b>	<b>22,969,802</b>	<b>7,035,178</b>	<b>9,707,986</b>

### 30.1 Reconciliation of effective tax rate

	01 January to 30 September 2020		01 January to 30 September 2019		01 July to 30 September 2020		01 July to 30 September 2019	
	Percentage	BDT (000)	Percentage	BDT (000)	Percentage	BDT (000)	Percentage	BDT (000)
Profit before tax		46,111,007		48,287,877		15,933,769		16,976,800
Tax using the Company's tax rate	40.00%	18,444,403	40.00%	19,315,151	40.00%	6,373,508	40.00%	6,790,720
Tax effect of:								
Provision for non-deductible expenses	3.26%	1,503,731	2.37%	1,142,992	3.80%	606,109	3.14%	532,742
Adjustments / provision released during the period	-1.50%	(691,033)	4.27%	2,061,183	0.35%	55,561	12.56%	2,131,913
Other components of tax as per Income Tax Ordinance 1984	-	-	0.93%	450,476	-	-	1.49%	252,611
	<b>41.76%</b>	<b>19,257,101</b>	<b>47.57%</b>	<b>22,969,802</b>	<b>44.15%</b>	<b>7,035,178</b>	<b>57.18%</b>	<b>9,707,986</b>

### 31 Earnings per share (EPS)

	01 January to 30 September 2020	01 January to 30 September 2019	01 July to 30 September 2020	01 July to 30 September 2019
	BDT	BDT	BDT	BDT
Profit attributable to ordinary shareholders (BDT)	26,853,906,000	25,318,075,000	8,898,591,000	7,268,814,000
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022	1,350,300,022	1,350,300,022
Basic EPS (par value BDT 10 each) (BDT)	<b>19.89</b>	<b>18.75</b>	<b>6.59</b>	<b>5.38</b>

No diluted earnings per share is required to be calculated for the periods presented as Grameenphone has no dilutive potential ordinary shares.

**32 Reconciliation of net operating cash flow**

	<b>01 January to 30 September 2020 BDT (000)</b>	<b>01 January to 30 September 2019 BDT (000)</b>
<b>Profit after tax</b>	26,853,906	25,318,075
Income tax expense	19,257,101	22,969,802
<b>Profit before tax</b>	<u>46,111,007</u>	<u>48,287,877</u>
<b>Adjustment for:</b>		
Depreciation & amortization	17,615,820	17,565,186
(Gain)/loss on sale of fixed assets	(47,816)	(17,106)
Finance expense/(income), net	1,907,848	1,865,876
Other adjustments	(19,166,132)	113,210
	<u>46,420,727</u>	<u>67,815,043</u>
<b>Changes in:</b>		
Inventories	44,516	(26,753)
Trade and other receivables	(560,258)	(671,419)
Trade and other payables	414,761	2,355,746
Provisions	510,948	(716,911)
Other current liabilities	2,519,029	2,529,951
Cash generated from operating activities	<u>49,349,723</u>	<u>71,285,657</u>
Interest received	254,809	380,075
Interest paid	(2,178,850)	(1,979,134)
Income tax paid	(22,296,944)	(22,089,142)
<b>Net cash generated by operating activities</b>	<u><b>25,128,738</b></u>	<u><b>47,597,456</b></u>

**33 Net operating cash flow per share**

Net operating cash flow (BDT)	<u>25,128,738,000</u>	<u>47,597,456,000</u>
Weighted average number of ordinary shares outstanding during the period	<u>1,350,300,022</u>	<u>1,350,300,022</u>
Net operating cash flow per share (par value BDT 10 each) (BDT)	<u><b>18.61</b></u>	<u><b>35.25</b></u>

### 34 Related party disclosures

During the nine months ended 30 September 2020, the company entered into a number of transactions with related parties in the normal course of business. The names of the significant related parties, nature of these transactions [expenditures/(revenue)/, receivables/(payables)] and amounts thereof have been set out below in accordance with the provisions of IAS 24 Related Party Disclosures. Nature of relationship and significance of the amounts have been considered in giving this disclosure.

#### 34.1 Related party transactions during the period [expense/(income)]

<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	<u>01 January to</u>	<u>01 January to</u>
			<u>30 September 2020</u>	<u>30 September 2019</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Telenor Mobile Communications AS	Shareholder	Dividend payment (gross)	17,962,912	11,677,820
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payment (gross)	3	3
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payment (gross)	3	3
Telenor Asia Pte. Ltd.	Shareholder	Dividend payment (gross)	3	3
Grameen Telecom	Shareholder	Commission expense	158,262	57,601
		Connection revenue	(2,350)	-
		Dividend payment (gross)	7,850,028	11,313,277
Grameen Kalyan	Shareholder	Dividend payment (gross)	0.3	0.3
Grameen Shakti	Shareholder	Dividend payment (gross)	0.3	0.3
Telenor ASA	Telenor group entity	Consultancy, professional and technical support service fee	714,284	781,707
Telenor Global Services AS	Telenor group entity	Consultancy, professional and technical support service fee	48,867	43,512
		A2P project revenue and professional service fee	444,315	-
Telenor Global Shared Services AS	Telenor group entity	Consultancy, professional and technical support service fee	347,649	277,239
Telenor Go Pte Ltd.	Telenor group entity	Consultancy, professional and technical support service fee including	190,967	201,876
Telenor Digital AS	Telenor group entity	Consultancy, professional and technical support service fee	50,639	156,688
Grameen Telecom Trust	Grameenphone's board members nominated by Grameen Telecom are trustee of the entity	Cost of service	15,027	84,745
Telenor Procurement Company	Telenor group entity	Consultancy, professional and technical support service fee	390,855	301,564
		Software acquisition cost	175,624	-
Telenor Norway	Telenor group entity	Roaming revenue net of discount	(1,119)	(163)
		Roaming cost net of discount	79	73



<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	<u>01 January to</u>	<u>01 January to</u>
			<u>30 September 2020</u>	<u>30 September 2019</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Telenor Norge AS	Joint venture of Telenor group	Consultancy, professional and technical support service fee	223,383	162,768
Tapad Incorporation	Associated companies of Telenor group	Consultancy, professional and technical support service fee	61,365	60,946
Telenor Southeast Asia Investment Limited	Telenor group entity	Consultancy, professional and technical support service fee	-	77,371
Telenor India Private Limited	Telenor group entity	Consultancy, professional and technical support service fee	-	5,347
Telenor Sweden	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(559) 25	(347) 34
Telenor Denmark	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(454) 214	(347) 237
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(10) 50	(9) 42
Telenor Myanmar	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(42) 107	9 78
Dtac Thailand	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(425) 2,238	(134) 2,553
Digi Malaysia	Telenor group entity	Roaming revenue net of discount Roaming cost net of discount	(10,867) 634	(6,843) 642
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Cost of products Purchase of handsets	80 -	403 -
Grameen Communication	Related to Grameen Telecom	Software solution and maintenance	78	78
Snehasish Mahmud & Co.	Associated entity of a member of Board of Directors	Consultancy, professional and technical support service fee	411	-
Grameen Telecom Trust	Grameenphone's board members nominated by Grameen Telecom are trustee of the entity	Commission expense	15,027	-
DiGi Telecommunications Sdn Bhd	Telenor group entity	Consultancy, professional and technical support service fee	9,903	-
Telenor Connexion AB	Telenor group entity	Consultancy, professional and technical support service fee	758	-

### 34.2 Receivables/(payables) with other related parties

<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	As at	As at
			<u>30 September 2020</u>	<u>31 December 2019</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Telenor Mobile Communications AS	Shareholder	Dividend payable	(1,625,698)	(6,780,670)
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payable	-	(2)
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payable	-	(2)
Telenor Asia Pte. Ltd.	Shareholder	Dividend payable	-	(2)
Grameen Telecom	Shareholder	Accounts receivable	5	-
		Accounts payable	(200)	(200)
Accenture Communications Infrastructure Solutions Ltd.	Associate	Accounts receivable	5,084	5,084
		Accounts payable	(6,360)	(6,360)
Telenor ASA	Telenor group entity	Accounts receivable	45,921	30,958
		Accounts payable	(3,267,025)	(2,833,356)
Telenor Consult AS	Telenor group entity	Accounts payable	(1,835)	(1,968)
Telenor Global Services AS	Telenor group entity	Accounts receivable	129,252	50,235
		Accounts payable	(117,717)	(96,676)
Telenor Global Shared Services AS	Telenor group entity	Accounts payable	(1,002,385)	(1,164,047)
Telenor Go Pte Ltd	Telenor group entity	Accounts receivable	74,057	50,191
		Accounts payable	(198,815)	(59,791)
Telenor Digital AS	Telenor group entity	Accounts receivable	7,686	7,686
		Accounts payable	(703,126)	(686,524)
Telenor Procurement Company	Telenor group entity	Accounts payable	(1,142,743)	(601,304)
DiGi Telecommunications Sdn Bhd	Telenor group entity	Accounts payable	(9,895)	(8,593)
Telenor Norge AS	Telenor group entity	Accounts receivable	853	853
		Accounts payable	(559,869)	(356,607)
Telenor Southeast Asia Investment Limited	Telenor group entity	Accounts payable	(145,046)	(145,157)

<u>Name of related parties</u>	<u>Nature</u>	<u>Nature of transactions</u>	<u>As at</u>	<u>As at</u>
			<u>30 September 2020</u>	<u>31 December 2019</u>
			<u>BDT (000)</u>	<u>BDT (000)</u>
Tapad Incorporation	Telenor group entity	Accounts payable	(143,065)	(126,129)
Telenor Connexion AB	Telenor group entity	Accounts payable	(786)	-
Telenor Norway	Telenor group entity	Accounts receivable	11	29
		Accounts payable	(1)	(22)
Telenor Sweden	Telenor group entity	Accounts receivable	4	142
		Accounts payable	(1)	(3)
Telenor Denmark	Telenor group entity	Accounts receivable	4	18
		Accounts payable	-	(10)
Telenor Pakistan	Telenor group entity	Accounts receivable	-	1
		Accounts payable	(2)	(9)
Telenor India	Telenor group entity	Accounts receivable	3,616	3,616
Telenor Myanmar	Telenor group entity	Accounts receivable	9,607	9,659
		Accounts payable	(1)	(53)
Dtac Thailand	Telenor group entity	Accounts receivable	46	1,423
		Accounts payable	(15)	(1,071)
Digi Malaysia	Telenor group entity	Accounts receivable	49	1,221
		Accounts payable	(7)	(486)
Grameen Solutions Limited	Related to Grameen Telecom	Accounts payable	(26)	(26)
Snehasish Mahmud & Co.	Associated entity of a member of Board of Directors	Accounts payable	-	(220)
Grameen Telecom Trust	Grameenphone's board members nominated by Grameen Telecom are trustee of the entity	Accounts receivable	213,052	174,076
		Accounts payable	-	(71,418)

### 35 Commitments

	<b>As at 30 September 2020</b>	<b>As at 31 December 2019</b>
	<b>BDT (000)</b>	<b>BDT (000)</b>
Capital commitment (open purchase order) for Property, plant and equipment	1,940,874	3,202,421
Capital commitment (open purchase order) for Intangible assets	40,159	269,993

### 36 Contingencies

Except as disclosed below there has been no significant development of the events disclosed in the financial statements for the year ended 31 December 2019.

#### (a) BTRC audit

Regarding the latest audit, on 20 February 2020, in the hearing of a Review Petition filed by Grameenphone on 26 January 2020, the Hon'ble Appellate Division (AD) verbally directed Grameenphone to deposit BDT 10,000,000,000 within 24 February 2020. Following the said verbal order, Grameenphone deposited the money on 23 February 2020 and booked the deposit as non-current receivables as disclosed in Note 8 to these financial statements. On 24 February 2020 the Hon'ble AD directed GP to deposit remaining BDT 10,000,000,000 by 31 May 2020 and in default of the said payment, the interim order of stay and injunction passed by the Hon'ble High Court Division (HCD) shall stand vacated. Further, the Hon'ble AD also directed BTRC to allow GP to carry on its business without any hindrance and fixed the matter on 31 May 2020 for passing further order. On the same day, the Hon'ble HCD adjourned the hearing of the Appeal against the District Court's injunction rejection order till 31 May 2020.

On 19 May 2020, Grameenphone has further deposited BDT 10,000,000,000 in compliance with the direction of Hon'ble AD dated 24 February 2020 and followed the same accounting treatment as did for the first deposit.

Due to outbreak of the COVID-19 pandemic the hearings of Review Petition and Appeal have not taken place on 31 May 2020 at Hon'ble AD and HCD respectively. With regard to the deposit, Grameenphone has submitted the compliance application in the Review Petition pending before the Hon'ble AD on 19 July 2020. Further hearing of the Review Petition and Appeal will take place as and when the matter will be listed by the Courts.

The original Title suit is pending at the District Court. On 03 March 2020, BTRC appeared in the suit and sought time for submitting reply. BTRC auditor appeared in the suit earlier and has not submitted its reply yet. The next date is fixed on 24 November 2020 for reply of BTRC and Auditor.

After making the first deposit of BDT 10,000,000,000 on 23 February 2020, Grameenphone met with BTRC representatives in several occasions for release of NOC (No Objection Certificate) for import of equipment and to address the number (new and recycle) crunch issue. After receiving the court order, BTRC started releasing NOC against our pending NOC requests, and by the end of July 2020, BTRC released all except for 03 (three) NOCs. Related import of equipment through those NOC being common for other operators, a principle level discussion is ongoing between BTRC and the operators. Grameenphone pursued for 7.9 Million numbers for recycle and allocation of new numbers from "013" prefix/series. BTRC has consented for recycling of 7.9 Million numbers while allocation of new numbers from "013" prefix/series is under consideration of BTRC.

Pointing out the errors in the substance, methodologies and procedures of the audit exercise Grameenphone disputed the whole Audit Demand and Grameenphone through its current assessment concluded that there is no such obligation against the audit claims.

#### (b) Interest for delayed payment of Guaranteed Annual Rent to Bangladesh Railway

Bangladesh Railway filed a certificate case before General Certificate Officer Court, Dhaka claiming the demanded interest and penalty of BDT 1,316,513,243. Now, Grameenphone is assessing the next course of action.