

VEON

Invest in Bangladesh: Reconnecting to growth

VEON's 'Invest in Bangladesh' event focused on the investment opportunity in South Asia's second-largest economy following the formation of the new government in February and its ambition to unlock more of the country's economic potential. The government's programme centres on an investment-led economy, deregulation, financial sector reform, employment creation, export diversification and development of higher-value industries, with a longer-term target of a US\$1tn economy by 2034, from \$510bn forecast for 2026.

Restoring robust growth through reform and investment

Bangladesh has many of the ingredients required to restore higher growth after recent macroeconomic and political disruption. Its scale is amplified by favourable demographics: the population exceeds 170 million, with around half aged under 30, and nearly two million people enter the labour market each year, creating substantial human-capital and consumption potential. Converting this into higher-productivity employment requires reform and renewed domestic and foreign investment. The government's programme covers investment, banking, employment and economic diversification. Recent regulatory approvals and a growing project pipeline provide early evidence of implementation. These measures aim to attract capital, accelerate digitalisation and reduce barriers to private sector activity. While more cautious on the near-term outlook, the IMF continues to see scope for stronger medium-term growth if reforms are sustained.

Re-engaging with international capital

VEON's New York symposium brought senior government representatives together with investors and development institutions including BlackRock, Rothschild, IFC and the World Bank, providing further evidence that Bangladesh is beginning to re-enter international capital allocation discussions. VEON is backing this engagement with an initial US\$250m commitment over the coming years across advanced connectivity, digital infrastructure, financial services and AI. This anchors its ambition to mobilise US\$1bn of foreign direct investment into Bangladesh's digital economy.

VEON is providing capital, connectivity and innovation

VEON's Banglalink has invested substantially in its network to strengthen coverage, quality and its competitive position. The focus is now shifting towards greater network utilisation and customer monetisation, while supporting wider digital and financial inclusion. Digital services are growing rapidly from a low base, spanning entertainment and payments through Mukto Pay. Subject to final licensing, Nova Digital Bank, its joint venture with Square Group, should further broaden the revenue opportunity. Starlink Direct-to-Cell should extend connectivity beyond the terrestrial network. A meaningful economic recovery would provide an additional tailwind, but is not a prerequisite for growth: VEON's experience in markets such as Ukraine demonstrates that rising data usage and digital adoption can support growth even in difficult conditions.

Invest in Bangladesh event

Technology

9 October 2026

Price **\$77.19**

Market cap **\$5,710m**

Net cash/(debt) at FY25 \$(3,413.0)m

Shares in issue 74.0m

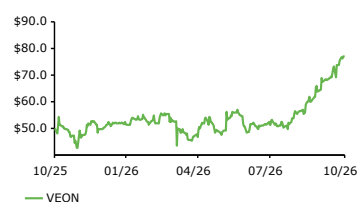
Free float 33.0%

Code VEON

Primary exchange NASDAQ

Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	19.1	48.2	49.7
52-week high/low		\$78.8	\$42.8

Business description

VEON is a frontier market telecommunications company with businesses in Ukraine, Pakistan, Bangladesh, Kazakhstan and Uzbekistan. It offers services ranging from traditional mobile and internet, to sophisticated digital solutions for consumers and businesses.

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Bangladesh: Scale hiding in plain sight

Often overshadowed by its much larger subcontinental neighbours, Bangladesh's scale and economic significance remain relatively underappreciated. With a population of around 175 million, it is the world's eighth-most populous country, ahead of Russia, Mexico and Japan. More than half the population is under the age of 30, the median age is just 26 and 45.9 million people are aged 15–29. Nearly two million young people enter the labour market each year, creating both a large workforce and a powerful long-term consumption opportunity.

The consumer base is also becoming materially wealthier. Invest Bangladesh estimates that the middle and affluent consumer population has reached 34 million and is growing at 10.5% annually, while HSBC Global Research forecasts that the country will become the world's ninth-largest consumer market by 2030. Bangladesh is already South Asia's second-largest economy and averaged more than 6% annual GDP growth between 2010 and 2024, before macroeconomic pressures, weaker investment and political disruption interrupted that momentum. The combination of population scale, favourable demographics, rising disposable income, an established manufacturing base and increasingly widespread digital connectivity provides substantial potential both as a domestic consumer market and as a more export and technology-services-centric economy.

These factors provide a strong platform for further growth, as a domestic consumer market and as a base for exports and technology services. The challenge is less Bangladesh's ability to generate growth than its ability to broaden and sustain it: a highly successful ready-made garments industry has not yet been matched by the diversified export base, deeper capital markets, international investment and higher-value technology ecosystem seen in some larger Asian economies.

Exhibit 1: Bangladesh key economics fact sheet


Source: Edison Investment Research, IMF, World Bank, Invest In Bangladesh

Recent setbacks exposed structural weaknesses but create a recovery opportunity

‘To restore high growth and advance toward middle-income status, Bangladesh needs bold reforms that drive structural transformation.’ – IMF, 2025 Article IV report

Bangladesh has experienced a difficult adjustment following more than a decade of strong growth. Higher inflation, tighter macroeconomic policy and weaker investment were compounded by stress in the banking system and the political disruption surrounding the 2024 uprising. GDP growth slowed from 5.8% in FY23 to 4.2% in FY24 and 3.7% in FY25, while the financial account swung to a US\$2.1bn outflow in FY23, which the IMF described as signalling capital flight. The slowdown also exposed longer-standing vulnerabilities, including weak bank balance sheets, low government revenues and subdued private and foreign investment.

Challenges remain, but some immediate pressures have begun to ease. External sector conditions improved during

FY25, supported by stronger remittances, a more flexible exchange rate and rebuilding foreign-exchange reserves, while the new government has inherited and extended a reform agenda around banking, revenue mobilisation and the investment environment. The IMF expects the economy to recover gradually over the medium term, conditional on continued reform.

For investors, the opportunity is therefore exposure to South Asia's second-largest economy, which is emerging from a period of dislocation, with scope for cyclical recovery and potentially stronger structural growth if reforms are successfully implemented.

A new government with an investment-led agenda

'Bangladesh has a new government, and Bangladesh has a new direction. Our goal is to build a trillion-dollar economy by 2034. This is not a slogan. It is a plan. We intend to double the size of our economy this decade through exports, investments and financial discipline.' – Tarique Rahman, prime minister of Bangladesh

In the February 2026 election, the Bangladesh Nationalist Party (BNP) won 209 of the 297 seats declared, and Tarique Rahman took office as prime minister on 17 February. The government has placed investment and employment at the centre of its economic programme, describing its objective as an investment-led economy and setting a longer-term ambition to build a US\$1tn economy by 2034, from \$510bn forecast for 2026.

The opportunity is substantial, but realising it requires Bangladesh to move from a growth model that has relied heavily on garments, labour-cost advantages and domestic consumption towards one supported by stronger institutions, higher investment and greater productivity. The sequence is relatively clear: stabilise the macroeconomy and financial system; restore banks' ability to support productive investment; broaden the fiscal base; reduce the cost and uncertainty of doing business; and translate higher domestic and foreign investment into employment, formalisation and a more diversified export economy. These priorities closely match those identified by the IMF and World Bank.

Removing the constraints to broader-based growth

The government's programme is focused on removing the main constraints that have prevented Bangladesh from converting strong demographic and economic fundamentals into broader-based growth. It centres on four areas.

- **Raising domestic and foreign investment.** Investment promotion has been consolidated under Invest Bangladesh, giving investors a single point of contact for approvals, licences and other government services. The FY27 budget introduced a 14-day service commitment for business approvals through this single-window system, with automatic approval where deadlines are missed. It also seeks to make profit repatriation, customs procedures and tax treatment more predictable, while longer-term incentives target digital services, semiconductors, renewable energy, pharmaceuticals, agro-processing and logistics.
- **Restoring the financial system's ability to support investment.** Weak governance, regulatory capture and related-party lending have impaired parts of the banking system. Reforms include stronger supervision, deposit protection, bank-resolution mechanisms, restructuring of weak institutions and state-owned bank reform, alongside modernisation of Bangladesh Bank's data and risk systems. The World Bank is supporting the programme, viewing a stronger financial system as important to investment and job creation.
- **Expanding employment, entrepreneurship and digital participation.** Almost two million people enter the labour market each year, making job creation both an opportunity and a policy imperative. The FY27 budget includes a BDT5bn (c US\$41m) startup fund, additional SME financing and a target of creating 200,000 technology jobs annually. The aim is to improve access to finance, skills, digital services and markets, enabling more workers and smaller businesses to move into higher-productivity formal activity.
- **Diversifying the economy and export base.** Garments remain a major competitive advantage, but concentration leaves Bangladesh exposed to sector-specific demand and trade conditions. The government is therefore targeting pharmaceuticals, agriculture and agro-processing, leather, light engineering and higher-value technology, with FY27 incentives also covering ICT and digital services, electronics, renewable energy, medical devices and logistics.

A broader fiscal base is the common enabler. Bangladesh's low tax-to-GDP ratio constrains spending on infrastructure and public services, making revenue mobilisation an important complement to the investment agenda. FY27 measures include mandatory electronic VAT filing, automated business identification and refunds and wider digitisation of tax administration. Over time, greater formalisation and digitalisation should also make more economic activity visible and easier to tax.

Regional precedents suggest substantial upside from successful reform

Regional experience suggests that Bangladesh does not need every element of the reform programme to succeed immediately for the economic outlook to improve. Pakistan provides the clearest near-term precedent: since macroeconomic conditions began to stabilise in 2023, growth and real GDP per capita have started to recover even though deeper structural reform remains incomplete. Indonesia illustrates the next stage, where banking-sector restructuring and stronger institutions helped restore financial intermediation and supported a more durable investment recovery. Vietnam provides the more transformational example: sustained liberalisation of private enterprise, trade and foreign investment since the launch of Đổi Mới (Renovation) in 1986 has helped lift real GDP per capita more than sixfold. The implication for Bangladesh is that greater political and macroeconomic stability alone could support confidence, investment and growth, while successful structural reform would provide additional upside.

Exhibit 2: Regional precedents – economic impact of stabilisation and reform

Country	Starting point	Reform/stabilisation path	Evidence of economic response	Relevance to Bangladesh
Pakistan – stabilisation	Severe macroeconomic stress in 2023: GDP contracted 0.4%, inflation reached 29.6% and official reserves fell to c US\$4.1bn.	IMF-supported stabilisation focused on tighter fiscal and monetary policy, rebuilding reserves and restoring external balance. Deeper structural reform remains incomplete.	By 2025, GDP growth had recovered to 3.7%, inflation had fallen sharply and IMF data show reserves at US\$14.5bn at end-FY25 versus US\$4.1bn in FY23. The current account moved into a 0.5% of GDP surplus. However, FDI remained weak at c US\$1.9bn in 2025 and GDP per capita at US\$1,596 remains well below Bangladesh at US\$2,597.	Stability can itself improve growth and confidence before deeper reform delivers a major investment response. Pakistan is therefore a useful near-term precedent, but not yet a structural transformation story.
Indonesia – financial and institutional repair	The 1997–98 Asian financial crisis caused a 13% contraction in GDP, depreciation of c 80% in the rupiah and inflation of around 70%; the banking system was severely impaired.	Authorities recapitalised and restructured banks, created mechanisms to resolve weak institutions and non-performing assets, strengthened supervision and pursued wider corporate and governance reforms.	The banking clean-up improved profitability and asset quality, while public and external debt ratios fell and reserves increased. Real GDP per capita fell from US\$2,101 in 1997 to US\$1,797 in 1998, but had recovered to US\$3,203 by 2014; by 2024 Indonesia was growing at 5.0% with GDP of c US\$1.4tn.	Repairing financial intermediation can create the foundations for sustained private-sector growth, but Indonesia also shows that the investment recovery can take time.
Vietnam – structural transformation	Đổi Mới reforms began in 1986, when Vietnam was one of the world's poorest economies and remained relatively closed to private enterprise, trade and foreign investment.	Progressive liberalisation of private enterprise, trade and FDI, combined with investment in infrastructure, skills and integration into global supply chains.	Real GDP per capita increased from less than US\$700 in 1986 to almost US\$4,500 by 2023. Trade rose from 23% of GDP in 1986 to more than 200% by 2020, while FDI inflows increased from virtually zero to 5.8% of GDP. Around half of GDP and every second job now depend directly or indirectly on exports.	Sustained reform can fundamentally change an economy's income level and industrial structure. Vietnam is the strongest precedent for Bangladesh's ambition to use FDI, skills and export diversification to move into higher-value activities.

Source: World Bank, IMF, Edison Investment Research

Early evidence suggests Bangladesh is returning to investors' radar screens

It is still early to gauge the success of the reform programme, but there is evidence that Bangladesh is returning to international investors' radar:

- **Net FDI increased 39% to US\$1.77bn in 2025**, reversing several years of weakness, although the increase was driven mainly by reinvested earnings and intra-company lending rather than new equity capital.
- **The prospective investment pipeline is building.** Invest Bangladesh's September review of its 180-day programme reported a US\$1.3bn prospective investment pipeline, of which more than US\$400m had reached the investment-decision or implementation stage, led by ICT and renewable energy. The programme has also moved several larger infrastructure opportunities forward, including groundbreaking on the US\$550m Laldia Container Terminal and the Chinese Economic and Industrial Zone, which has an active investment pipeline of c US\$500m.
- **International engagement initiatives.** VEON has committed US\$250m as the anchor investment in its proposed Invest in Bangladesh NOW! initiative, which aims to mobilise US\$1bn for Bangladesh's digital economy, and in September brought government representatives together with global investors and development institutions, including BlackRock, Rothschild, IFC and the World Bank, in New York.

Taken together, these developments do not yet constitute a broad-based investment boom, but they suggest that Bangladesh is beginning to re-enter global capital allocation discussions, with the next test being whether greater investor interest converts into sustained new equity investment and project delivery.

Why now: Investing to help catalyse the recovery

The IMF forecasts Bangladesh's real GDP growth to average 5.25% over FY27–30, a meaningful re-acceleration from 3.7% in FY25. This is broadly consistent with an economy benefiting initially from greater political and macroeconomic stability and some early reform progress, rather than one in which structural reform is fully embedded. The forecast is similar to Indonesia's c 5.2% medium-term growth rate, above Pakistan's c 4.2% and below Vietnam's c 5.5%.

The IMF expects growth to accelerate gradually towards c 6% over the medium term, contingent on policies to mobilise tax revenue and address financial-sector vulnerabilities. This remains below the longer-term growth required to achieve the government's US\$1tn economy target by 2034. Successful implementation of banking, investment and diversification reforms will be important to sustaining higher growth, while renewed political or macroeconomic disruption or slower reform would leave the recovery vulnerable.

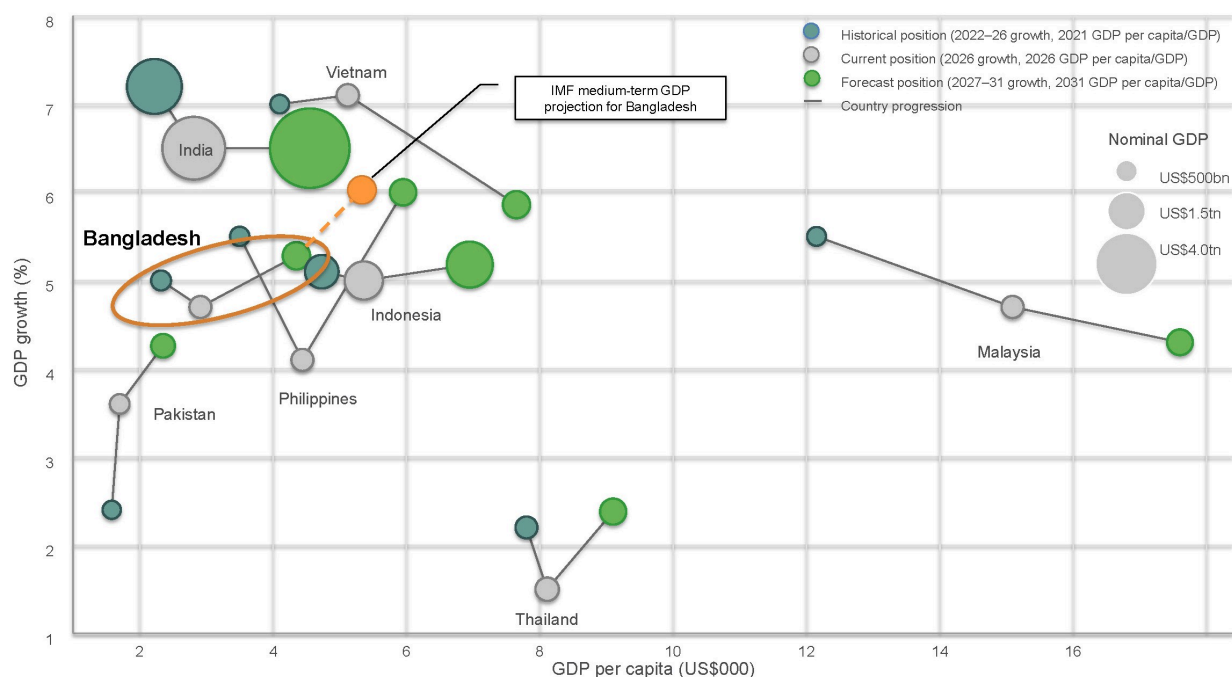
IMF forecasts a gradual re-acceleration in growth...if reform is delivered

For investors, the opportunity is to gain exposure while Bangladesh remains in the early stages of stabilisation and a potential recovery, before the benefits of reform are fully reflected in growth and asset values. Investment is itself an important part of that process: higher domestic and foreign capital can support employment, productivity and consumption, helping to restart a more sustainable growth cycle.

The recovery is not assured. The IMF's more recent assessment has become materially more cautious, reflecting continued fiscal pressures and weaknesses in the banking system. Following its July 2026 staff visit, it indicated that growth could remain subdued without decisive reforms. This reinforces the importance of the government's reform agenda: stabilisation and implementation are prerequisites for Bangladesh to return to its earlier growth trajectory.

Encouragingly, the government has set out a detailed and often time-bound reform programme and there is early evidence of implementation, including progress under the 180-day investment plan and new digital finance approvals. Execution and macroeconomic risks remain material, but early investment provides greater exposure to the upside if reform, investment and improving confidence begin to reinforce each other.

Exhibit 3: Bangladesh's GDP progression compared to its neighbours



Source: Edison Investment Research, IMF

Note: The historical stage uses average real GDP growth in 2022–26, with GDP per capita and nominal GDP shown at the start of the period (2021). The current stage uses 2026 growth, GDP per capita and nominal GDP. The forecast stage uses average real GDP growth forecasts for 2027–31, with GDP per capita and nominal GDP shown at the end of the period (2031). Bubble area represents nominal GDP size.

Digital opportunity: Converting talent and connectivity into enterprise

A vast but currently under monetised talent pool

One of the key opportunities for Bangladesh is to deploy the country's substantial human capital more effectively, converting a large pool of skilled employees, freelancers and outsourcing professionals into higher-value businesses, export revenues and formal employment. Invest Bangladesh estimates there are more than 650,000 registered freelancers and over 4,500 IT and software companies, while outsourcing is already the largest segment of a domestic IT services market valued at more than US\$2bn.

Banglalink provides a useful illustration of the country's domestic ICT capability. While Banglalink's CEO Johan Buse is an expatriate, the country's workforce is almost entirely home-grown, with fewer than five other expatriates employed across an organisation serving around 35 million customers.

Digital infrastructure is increasingly supportive, although power and compute are constraints

Bangladesh's digital infrastructure is increasingly supportive. 4G already covers 99% of the population, although only 46% currently uses mobile internet, suggesting the constraint is increasingly adoption and monetisation rather than basic coverage. International connectivity is due a significant upgrade. SEA-ME-WE-6 is expected to enter service in 2027, adding around 30Tbps of capacity and taking the capacity of Bangladesh's state-owned submarine cable network to around 38–41Tbps, several times the capacity of its existing systems. The infrastructure opportunity is not without constraints. Bangladesh still needs substantially more reliable power and local compute capacity to support a large-scale AI economy. Gas shortages and grid constraints remain material, while domestic GPU capacity is currently limited. Encouragingly, this is beginning to attract investment: projects under discussion include a proposed US\$2bn AI compute campus, Summit's planned AI Compute Hub and potential AI data-centre investment at Kaliakair Hi-Tech Park. These remain at an early stage, but alongside the expansion in international bandwidth they could materially strengthen Bangladesh's digital infrastructure base.

Building the ecosystem around the talent base

Bangladesh is also building the infrastructure and funding needed to turn more of its skills base into scalable businesses. The Bangladesh Hi-Tech Park Authority has a network of 28 hi-tech parks, software technology parks and incubation centres completed or under development across the country; four are completed and operating, with the remainder at various stages of development. The FY27 budget adds a BDT5bn (c US\$41m) Startup Fund, alongside SME financing and a target of creating 200,000 technology jobs annually.

Opportunity to stimulate growth and expand economic participation

The opportunity in Bangladesh is to concentrate skills, infrastructure and capital, supporting domestic start-ups while attracting international technology investment. Invest Bangladesh forecasts the domestic IT services market to grow from US\$2.1bn in 2025 to US\$3.3bn by 2029, an 11.8% CAGR, while more than 40 foreign-owned or joint-venture offshore development centres are already operating in the country. The government's ambition is considerably greater, targeting an increase in ICT and telecommunications from 1–2% of GDP today to 10% within five years.

At a more micro level, wider adoption of mobile internet and financial services can stimulate activity by lowering barriers for freelancers and small businesses, enabling digital payments, creating transaction histories and improving access to credit. Greater digitalisation should also support formalisation and tax collection to help address Bangladesh's low tax-to-GDP ratio (c 6.7% in FY25). The IMF identifies integrated digitalisation, electronic filing and better use of taxpayer data as important tools for improving compliance and government revenues.

VEON: A long-term investor in Bangladesh, increasing its commitment

‘VEON invests in markets whose digital potential is still underappreciated by global capital.’ – Augie K Fabela II, VEON’s chairman and founder.

VEON’s exposure to Bangladesh dates back to Banglalink’s launch under Orascom Telecom in 2005. Banglalink became part of what is now VEON in 2011, giving the group a long-standing investment presence in the country. Over the subsequent two decades, the business has continued to invest through successive technology cycles, expanding network coverage, acquiring spectrum and moving customers from 2G and 3G towards 4G and digital services.

US\$250m commitment anchors a US\$1bn ambition

VEON used the inaugural New York symposium under its VEON-led Invest in Bangladesh NOW! initiative to reinforce both its own commitment and the wider investment case for the country. The initiative is anchored by VEON’s initial US \$250m commitment over the coming years across advanced connectivity, next-generation digital infrastructure, digital financial services and AI, and aims to mobilise US\$1bn of FDI into Bangladesh’s digital economy. The wider ambition is to use VEON’s position as an established international investor and its global relationships to attract additional capital. The New York symposium formed part of that process, bringing government representatives together with international investors and development institutions to discuss opportunities across Bangladesh’s digital economy.

Network investment has narrowed the competitive gap

Banglalink is Bangladesh’s third-largest mobile operator, with around 35 million active customers and a c 20% subscriber market share. This is a less familiar position for VEON, whose operating companies typically hold leading or strong second-place market positions. However, Banglalink’s competitive position strengthened materially following an intensive investment cycle over 2021–24. Capex peaked at around 34% of revenue, spectrum holdings increased from c 30MHz to 80MHz through successive acquisitions and the network footprint expanded by more than 50%. This helped increase 4G population coverage from 69% in 2021 to more than 92% by end-2025, while independent network testing now places Banglalink broadly alongside the larger operators on measures including download speed, reliability and availability.

With the major nationwide expansion phase largely complete, capex intensity has normalised. The focus is therefore shifting from network build-out towards increasing utilisation, monetising the customer base and expanding digital services.

Banglalink in the context of VEON: Digital growth can narrow the monetisation gap

‘Connectivity as the foundation, digital financial services as the next layer of value.’ – Kaan Terzioğlu, VEON CEO

Banglalink represents around 10% of VEON revenue and generates margins broadly in line with the group, but its revenue growth has lagged amid a softer domestic economy and a less developed digital and financial services mix. The key opportunity is therefore monetisation: digital revenue is growing rapidly from a lower base, capex intensity has fallen following the recent network investment cycle, while Mukto Pay and, subject to final licensing, Nova Digital Bank should broaden the revenue mix over time.

It should be noted that, while a meaningful economic recovery would create an additional tailwind for VEON in Bangladesh, it is not a prerequisite for growth. VEON has demonstrated in markets such as Ukraine that pricing, rising data usage, digital adoption and expansion into adjacent services can support strong growth even in a difficult macroeconomic environment.

Exhibit 4: Banglalink in the context of VEON

Q226	VEON Group	Banglalink	Comment
Share of group revenue	—	10%	
Revenue growth, US\$	17%	3%	Reflects recent soft domestic economy and a less developed digital and financial-services mix
EBITDA margin	43%	41%	
EBITDA growth, US\$	6%	-44%	Local currency EBITDA growth was 13% adjusting for a BDT5.4bn provision reversal
Digital revenue/total	27%	14%	Rapid growth, potential acceleration with recent licence awards
Digital revenue growth	54%	254%	Growth boosted by FIFA26 World Cup
LTM capex/revenue	19%	10%	Reflects significant recent investment cycle

Source: VEON, Edison Investment Research

Extending coverage through Starlink Direct-to-Cell

Banglalink is extending its network reach through Starlink Direct-to-Cell. Following regulatory approval in September 2026, compatible 4G phones will be able to connect directly to Starlink satellites where terrestrial coverage is unavailable, without specialist equipment. Initial services include messaging and internet-based voice calls, extending connectivity to remote islands, coastal areas, offshore locations and hill regions. Bangladesh will be the first South Asian market to introduce the technology. The service complements Banglalink's terrestrial network and could provide additional resilience during natural disasters or network disruption.

From connectivity to multiplay

Banglalink is broadening its proposition beyond standalone mobile connectivity through VEON's multiplay strategy. It combines mobile and increasingly fixed-wireless connectivity with entertainment through Toffee, services through MyBL and, increasingly, payments and banking. Multiplay accounted for 41% of consumer revenue in 2025, up from 32% in 2023, with adoption increasing 23.6% y-o-y. Together with Starlink and VEON's planned investment in digital infrastructure and AI, this reflects a broader digital-operator strategy designed to deepen engagement and monetisation of the existing customer base.

Building a position in digital financial services

Bangladesh already has a large and established mobile financial services market, led by bKash (founded by BRAC Bank and with more than 83 million customers), Nagad, which operates under the postal department, and Rocket, the mobile financial services business of Dutch-Bangla Bank.

However, access to conventional banking remains uneven and a significant proportion of consumers and SMEs remains underserved. VEON also brings highly relevant experience: VEON Digital Financial Group served 59 million active financial-services customers across Pakistan, Kazakhstan and Uzbekistan at Q226. Given that the competitive landscape is already well developed, the route to scale is likely to rely on leveraging Banglalink's 35 million mobile customers and distribution to address underserved segments and build differentiated payments and banking propositions rather than replicating the development path of JazzCash.

Initial digital banking approval broadens the financial-services opportunity

Banglalink took its first step into financial services on 11 August 2026, when Bangladesh Bank granted its subsidiary a Payment Service Provider licence, underpinning the subsequent launch of Mukto Pay for transfers, merchant payments, bill payments and disbursements.

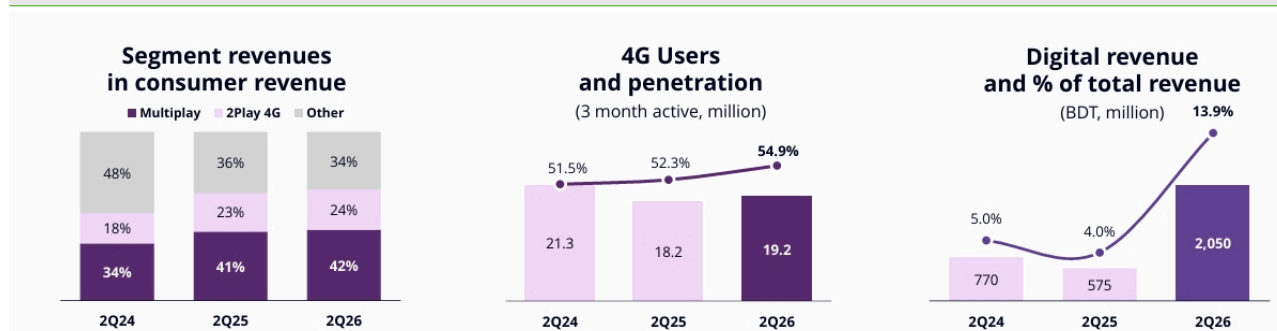
A potentially more significant step followed on 24 September 2026, when Bangladesh Bank issued a letter of intent to Nova Digital Bank, backed by VEON Digital Financial Group and Square Group. This represents initial regulatory approval rather than a final banking licence: Nova must satisfy further regulatory and operational requirements before it can begin operations. If completed, the process would move VEON from payments into a much broader banking relationship with Bangladeshi consumers.

Square Group is a major Bangladeshi conglomerate with leading positions in pharmaceuticals, consumer products and healthcare, as well as extensive domestic distribution. Combined with Banglalink's mobile reach and VEON's digital-finance expertise, this gives Nova Digital Bank a strong platform to reach underserved consumers and businesses.

Significant scope to deepen monetisation

Banglank's potential for diversifying and deepening monetisation is already apparent in the rapid growth of its digital-services business. Digital revenue increased 383% in local currency to BDT3.75bn in H126, lifting its contribution to total revenue from 2.8% to 12.9% in just one year. In Q226 alone, digital services represented 13.9% of revenue, compared with 4.0% a year earlier. This included a material benefit from the FIFA World Cup, with Toffee reaching 20.6 million active users and selling around 1.2m tournament access packs. Underlying growth also reflects rising subscriptions and advertising, greater integration of digital content into mobile bundles and continued expansion of RYZE, Banglalink's AI-powered digital lifestyle proposition for younger consumers. Banglalink's digital mix nevertheless remains well below VEON's Q226 27% group level, highlighting the remaining monetisation opportunity. The next growth drivers should phase in at different rates. Mukto Pay has now launched and can begin building payment volumes immediately, while Starlink Direct-to-Cell has received regulatory approval and should add a new, initially targeted connectivity proposition as commercial rollout begins. Nova Digital Bank is earlier in its development: it has received a letter of intent but must complete the regulatory and operational requirements for a full licence before launch. The opportunity should therefore broaden progressively rather than arrive as a single step change.

Exhibit 5: Banglalink - Key operating metrics, Q226



Source: VEON

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