

Celebrating



YEARS OF
SUCCESSFUL
PARTNERSHIP

ANNUAL REPORT 2018



AB Bank



ডেবিট কার্ডের নতুন মাত্রা ইচ্ছে মত বিদেশ যাত্রা



বাংলাদেশে সর্বপ্রথম ড্রয়েল কারেন্সি

ট.ডেবিট কার্ড



দেশের বাহরে ভ্রমণ, হজ্র, শপিং, মেডিক্যাল, শিক্ষা!
ক্রেডিট কার্ডের সেই সকল সুবিধা এখন ডেবিট কার্ডে।



এখন ডেবিট কার্ডেই পাচ্ছেন ক্রেডিট কার্ডের সুবিধা

বিজ্ঞারিত জানতে :



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এবি ব্যাংক লিমিটেড

 AB Bank



Like 2017 AB Bank encountered enormous challenges in 2018 as well. Due to increase in NPL which is prevalent in the overall Banking industry, the challenges have become more acute. However, with a revamped Board and Management, the Bank is confident to rebound to its past glory.

Driven with the new vigour and inspiration; we can create the quintessential example of accomplishing our goals.

With the motto of "turning it around", this year, we will build an even stronger partnership with our loyal customers, shareholders and employees. Under the new leadership AB with its potent work force, is committed to excel in all spheres of banking e.g. Corporate, SME and Retail and march towards achieving our goals with a vision for future sustainability and the economic and overall development of the country.

LETTER OF TRANSMITTAL

Date: June 10, 2019

All Shareholders of AB Bank Limited
Bangladesh Bank
Bangladesh Securities & Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Dear Sir(s)/Madam(s),

Annual Report 2018

We are pleased to enclose the Annual Report along with the audited financial statements including consolidated and separate balance sheet as on 31 December 2018, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement and a summary of significant accounting policies and other explanatory notes thereto of AB Bank Limited (the Bank) and its subsidiaries for your kind information and record.

Financial statements of 'the Bank' comprise those of Conventional Branches, Islamic Banking Branch, one overseas Branch-Mumbai, India, and Offshore Banking Unit, while consolidated financial statements comprise financial statements of 'the Bank' and its four subsidiaries namely - AB Investment Limited (ABIL), AB Securities Limited (ABSL), Cashlink Bangladesh Limited (CBL) and AB International Finance Limited (ABIFL), Hong Kong.

Thank you.

Yours Sincerely,



Manzurul Ahsan FCS
Company Secretary (CC)

HIGHLIGHTS 2018



Loans & Advances

2018 BDT 241,070 Million

2017 BDT 229,647 Million

Total Assets

2018 BDT 322,526 Million

2017 BDT 314,565 Million

Cost of Fund

2018 8.64%

2017 7.52%

CRAR

2018 10.03%

2017 10.80%

NAVPS

2018 BDT 29.88

2017 BDT 30.04

EPS

2018 BDT 0.02

2017 BDT 0.04

Total Capital

2018 BDT 33,046 Million

2017 BDT 31,286 Million

105
Branches

2,310
Employess

280
ATMs

11
SME Centres

34
Agent Banking Outlet

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VISION, MISSION & CORE VALUES



VISION STATEMENT

To be the trendsetter for innovative banking with excellence and perfection



MISSION STATEMENT

To be the best performing bank in the country



CORE VALUES

Our Compliance

We consider adherence to national policies and objectives a priority for giving our customers the best financial support with corporate integrity, meaning a fully compliant bank along with involvement in social development.

Our Customers

We give the best priority on our customer demand and through our endless effort we assure the best satisfaction to our customers.

Our Shareholders

We assure the best return to our shareholders by commenced prudent performance.

Our Team Members

We provide secure, satisfying employment, ensuring the contribution of each individual to the success of ABBL.

STRATEGIC PRIORITIES

Enhanced emphasis on asset quality



Service enhancement through digital platform



Strict adherence to rules and regulations



Strong focus on SME and Retail business

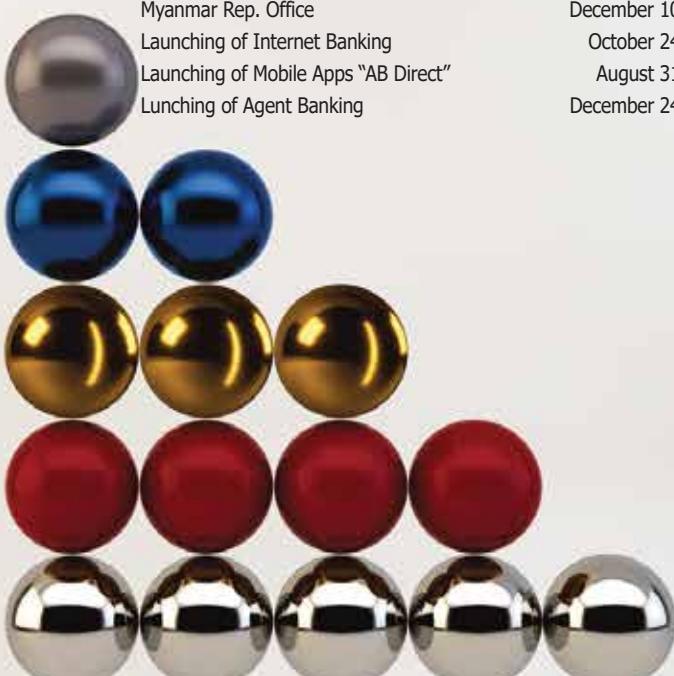


Consolidation of Balance Sheet



CHRONICLES

Certificate of Incorporation	December 31, 1981	Business Automation
First meeting of the Board of Directors	February 5, 1982	MISYS Roll-out (1 st Phase) March, 2007
Commencement of Business	February 27, 1982	Islamic Banking Software 'Ababil' Launched July 13, 2008
Opening of the First Branch (Karwan Bazar Branch)	April 12, 1982	Mumbai Branch gets connected with Central Network April 20, 2009
Opening of AB International Finance Limited (ABIFL) -Subsidiary at Hong Kong	November, 1995	Trade Innovation (TI) Module Roll Out (completed) April 27, 2009
First Foreign Branch at Mumbai, India	April 6, 1996	Disaster Recovery Site (DR Site) starts operation April 28, 2009
Opening of the Islamic Banking Branch	December 23, 2004	Automated Cheque Requisition System May 04, 2009
Listing with Dhaka Stock Exchange (DSE)	December 28, 1983	Digitization of Authorized Signatories October 17, 2009
Publication of Prospectus for IPO	May 5, 1984	Centralized Fixed Asset Registration December 14, 2009
Subscription for Share starts	June 25, 1984	SMS Banking Services August 10, 2010
Listing with Chittagong Stock Exchange (CSE)	October 21, 1995	Cheque truncation & automated clearing process October 7, 2010
Online share transaction in CDS	May 7, 2006	Internet Banking Services November 25, 2010
Opening of Merchant Banking Wing (MBW)	November 2, 2002	Electronic Fund Transfer (EFT) February, 2011
Incorporation of Arab Bangladesh Bank Foundation	November 3, 2003	Automation of Credit Information Bureau (CIB) August 25, 2011
Security Custodial Service License	January 22, 2007	Automation for Off-shore Banking December 6, 2012
Incorporation of AB Investment Limited (ABIL)	December 24, 2009	Anti-Money Laundering Solution January 1, 2013
Launching of ATM	April 12, 2002	Commencement of Real Time Gross Settlement System October 29, 2015
Launching of Visa Card	December 23, 2004	Customers' NID Verification Agreement with Election Commission November 24, 2015
First ATM Booth launched at Board Bazaar (under CBL Network)	October 19, 2009	Branching-out
New Logo Launch	January 01, 2008	Opening of Principal Branch January 16, 1986
Opening of AB Bank Training Academy	October 07, 2008	First Branch in Dhaka Division (Karwan Bazar Branch) April 12, 1982
Customer Service Desk placed at Branches	November, 2008	First Branch in Chittagong Division (Agrabad Branch) September 19, 1982
Primary Dealership License	December 08, 2009	First Branch in Sylhet Division (Dargha Gate Branch) May 27, 1983
Off-shore Banking Unit	December 06, 2009	First Branch in Khulna Division (Khulna Branch) March 15, 1984
Incorporation of AB Bank Limited, Myanmar Rep. Office	December 10, 2010	First Branch in Rajshahi Division (Bogra Branch) July 25, 1984
Launching of Internet Banking	October 24, 2011	First Branch in Barisal Division (Barisal Branch) October 7, 1986
Launching of Mobile Apps "AB Direct"	August 31, 2017	First Branch in Rangpur Division (Saidpur Branch) July 19, 1986
Lunching of Agent Banking	December 24, 2017	First Branch in Mymensingh Division (Mymensingh) May 20, 1999
		First SME Center opened (at Principal Branch) March 29, 2009
		First Cash Deposit Machine Service at Baridhara DOHS October 15, 2017
		First Agent Banking Branch (Dohar, Joypara, Dhaka) December 24, 2017



PRODUCTS & SERVICES

CORPORATE & STRUCTURED FINANCE

- Term Loan
- Time Loan
- Trade Finance
- Trust Receipt
- Working Capital
- Bill Discounting
- Letter of Guarantee
- Syndication Arrangement
- Agency Function
- Syndication Participation
- Equity Financing & Arrangement
- Corporate Advisory Service

SMALL & MEDIUM ENTERPRISE (SME)

- | | |
|--------------|--------------|
| ▪ Gati | ▪ Proshar |
| ▪ Digun | ▪ Sathi |
| ▪ Progati | ▪ Chhotopuji |
| ▪ Awparajita | ▪ Uddog |
| ▪ Uttaran | |

TREASURY AND FOREIGN EXCHANGE PRODUCTS

Money Market

- Overnight (call) ▪ Repo
- SWAP ▪ Term
- Reverse Repo

Fixed Income Market

- Treasury Bill ▪ Custodian Service
- Treasury Bond

FX Market

- Spot ▪ Corporate
- Forward

RETAIL PRODUCTS

- Personal Loan (Unsecured)
- Personal Loan (Secured)
- Home Loan
- Auto Loan
- Debit Card
- Credit Card

DEPOSIT ACCOUNTS

- Savings Account
- MaxSaver
- SmartSaver
- Student Account
- Shampurna
- Payroll Management
- Current Account
- Progati
- Special Notice Deposit (SND)
- Fixed Term Deposit
- Foreign Currency Account
- NFCD
- RFCD
- Family Savings Plan (FSP)
- Double Deposit Scheme (DDS)
- Monthly Savings Deposit Scheme (MSDS)
- Monthly Income Deposit Scheme (MIDS)
- Millionaire Savings Account (MSA)
- Deposit Double Installment Scheme (DDIS)

SERVICE PRODUCTS

- 24 hour ATM access
- Online Banking
- SMS Banking
- Internet Banking
- SWIFT
- Locker Service

ISLAMI BANKING

Deposit Products

- Al-Wadiah Current Deposit
- Mudaraba Savings Deposit
- Mudaraba Special Notice Deposit
- Mudaraba Term Deposit
- Mudaraba Pension Deposit Scheme
- Mudaraba Quarterly Profit Paying Deposit Scheme
- Mudaraba Hajj Deposit Scheme
- Mudaraba Monthly Profit Paying Deposit Scheme
- Mudaraba Cash Waqf Deposit
- Mudaraba Marriage Savings Deposit Scheme

Investment Products

- Bai-Murabaha
- Bai-Muajjal
- Bai-Muajjal (TR)
- Hire-Purchase under Shirkatul Melk (HPSM)
- Murabaha Post-Import (MPI)
- Quard against MTDR





MESSAGE FROM THE CHAIRMAN

As-salamu alaikum

Honorable Shareholders,

I thank the Board of AB for electing me as the Chairman of the Bank on April 20, 2019 and allowing me to present before you the Annual Report of the Bank for 2018.

By now you have seen that the bank's financial performance for the year did not meet the shareholders' expectations. A number of factors contributed towards this but primarily it was growth of Non-Performing Loans and the overall liquidity crunch in the financial sector which affected our results the most. In addition, I will not undermine the human aspect which also failed to counter these adversities. But I am happy to say that we are taking some bold steps towards mitigating these shortcomings and adversities and restoring the image and standings of this great institution towards building a

sustainable and strong financial institution and placing it once more as the market leader.

Before, I go further into our rebuilding initiatives, I would like to very briefly touch on the economic environment and outlook for Bangladesh and the world, as well as a short synopsis of the financial performance of the Bank.

Global economy

Global growth is expected to reach 3.9 percent in 2018 and 2019, supported by investment recovery in advanced economies, continued strong growth in emerging Asia, an upswing in emerging Europe and signs of recovery in several commodity exporters. Advanced economies are projected to grow at 2.4 percent in 2018 and 2.2 percent in 2019.

AB Bank Limited **Message from the Chairman**

Growth projections have been revised down for the euro area, Japan, and the United Kingdom, reflecting negative surprises to activity in early 2018. US growth, which has been boosted by the recent fiscal stimulus, is projected to moderate in the medium term. In the emerging markets, growth is now more uneven than expected, driven by rising oil prices, higher yields in the United States, dollar appreciation, increasing trade tensions, and market pressures on the currencies of some economies with weaker fundamentals, with the net effect on individual economies varying with the strength of the cross-winds they are facing and idiosyncratic domestic factors. In Asia, growth in China is projected 6.6 percent in 2018 and 6.4 percent in 2019. India's growth rate is expected to rise from 6.7 percent in 2017 to 7.3 percent in 2018 and 7.5 percent in 2019, as the headwind from the currency exchange initiative and the introduction of the goods and services tax fade.

Bangladesh economy

Economic growth of Bangladesh has been robust over the past decade and in 2018 the country achieved a record growth of 7.86 percent — the highest rate of economic expansion in the country's history. The gross domestic product (GDP) increased to US\$ 285.82 billion in 2018. Bangladesh economy is the 42nd largest in the world in nominal terms and 31st largest in terms of Purchasing Power Parity (PPP). We met the criteria to graduate from least developed country status in March 2018 and expected to become a developed country by 2041.

Bangladesh economy has been facilitated largely by export earnings mainly ready-made garments (RMG) sector; remittances sent by migrant workers; growth in the agricultural sector; expansion in Medium, Small and Micro Enterprises (MSMEs); decline in the rate of population growth. In 2018, export earnings increased by 5.81 percent. Above four fifths of the total export represents RMG sector. During FY18 export earnings from leather and leather products decreased significantly to USD 519.9 million in FY18 from USD 697.0 million in FY17. Remittance receipts increased by 17.3 percent in FY18 as countries like Kingdom of Saudi

Arabia (KSA) opened their labor market for Bangladesh in 2017 which helped to increase remittance inflows again. In June 2018 Foreign exchange reserves stood at USD 32.9 billion, around 5 months of prospective imports and annual average CPI inflation increased to 5.8 percent - marginally higher than the 5.5 percent target ceiling for FY18.

Financial performance

Commercial banks played a pivotal role for the economic growth of the country. But in recent years, entire sector is facing various challenges. In case of AB the story is not that different. Bank has not performed well over the past couple of years, especially the asset quality, which demanded further provisions and created a strain on the bank's capital position. In 2018, Bank was able to maintain Profit after Tax of BDT 4.32 crore on consolidated basis. Management and the Board are very conscious about the situation. Already Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) given their approval for issuing BDT 500 crore Subordinated Bonds which will enhance the capital base of the Bank. Rights issue approval is pending at BSEC's end. We are hopeful that the situation will ease soon.

Initiatives Going Forward

As part of our strategic transformation, we are building a strong management team, strengthening our relationship with our network of international correspondent partners, building a sustainable liquidity position, and investing in carefully considered investment opportunities that offer the opportunity for innovation, value addition, diversified risk and superior risk adjusted returns for our shareholders and investors.

Dear Honourable Shareholders, we are strengthening our Board of Directors as well. The AB Board now consists of highly experienced bankers, successful barristers and industrialists and experienced executives of other successful institutions. Some of the members are also highly experienced central bankers.

AB Bank Limited
Message from the Chairman

We are revamping our management team also. Important leadership positions which have been vacant for sometimes now are being filled with experienced and reputed senior bankers. With such a rich Board and strong management team, I cannot feel anything but optimism going forward.

We are taking strong steps towards reduction of NPL, building our capital base, increasing SME and Retail, building a strong corporate culture, raising the bar for corporate governance and creating a world class financial institution. With a financially healthy balance sheet, strong corporate governance and robust risk management frameworks and a highly revamped and dedicated management team, we are on the path towards sustained long term profitability and growth.

As we journey towards success, we remain absolutely committed to adding value to our clients, shareholders and stakeholders, while positively impacting the society in which we operate. Besides addressing the basic social needs, promoting arts, culture and sports; we believe that CSR can be genuine platform to address growing environmental concerns also.

In the end, on behalf of the Board of AB Bank and I personally would like to take this opportunity to express our heartfelt thanks and gratitude to our honorable shareholders for your cooperation, patience and incisive understanding about the challenging business position of the Bank.

Dear Shareholders, I will conclude by appealing to you for your continuous support in rebuilding this great institution. I firmly believe that with your support and trust on us during these trying times, we will be able to regain our lost glory.

Thank you all.

As-salamu alaikum



Muhammad A. (Rumee) Ali

Chairman



MESSAGE FROM THE DESK OF PRESIDENT & MANAGING DIRECTOR

Dear Shareholders,

As-salamu alaikum

Being the first private sector bank in this country, AB Bank is now a flagship name, epitomizing the banking industry benchmark offering multitude of services to its customers.

This April, we have completed 37 years of successful contribution to the economic development of the country. We are committed to greater endeavors with your unwavering support and patronage.

Our thrust now is financial inclusion, growth of retail, digital and agent banking and ensuring quality of assets. Corporate governance and compliance will continue to be our prime focus.

Information and Communication Technology (ICT) is rapidly gaining importance in every industry and the

financial sector is no exception. The new generation of customers are used to and are demanding the option of availing banking services from the comfort of their homes or through their hand-held devices which has triggered a digital transformation – the driving force behind our digital economy. We are employing our resources towards developing and offering products and services to cater to the need of this segment ensuring cyber security and user privacy protection. We are confident that we will gain an advantage for the next wave of growth in the digital economy.

Bangladesh economy continued to grow rapidly and achieved a record growth of 7.86 percent in FY18, over-performing the Government's FY18 growth target of 7.4 percent. The growth momentum was supported by strong domestic and external demand. A surge in

AB Bank Limited
Message from the desk of President & Managing Director

remittance inflows at 17.3 percent, along with strong private sector credit growth pepped up the consumption demand. At the same time, higher growth in investment-related imports reflected robust investment demand. Export growth also maintained its momentum during this period. On the supply side, the growth impulse largely came from the industry and agricultural sectors. Bangladesh Bank projects GDP growth to range from 7.5-7.7 percent for FY19, assuming continuation of a calm political situation and less possibility of further escalation of global trade-related conflicts.

In business perspective, year 2018 was very critical for the Bank. We were able to maintain an asset size of BDT 32,253 crore where 67% is interest earning assets. Total export was BDT 7,345 crore and total import was BDT 8,963 crore in 2018. This year we faced various challenges that slowed down our momentum, mainly it was very difficult to maintain asset quality. However, we have taken some measures to alleviate the effect of those challenges. Bank already formed a Special Asset Management Team comprising senior officials for ensuring speedy results to confirm significant reduction of bad loans. Bank has maintained all the provisions as per Bangladesh Bank's requirements. Although capital increased by BDT 176 crore, we are still below the regulatory requirement. Bank is intensely working to enhance both the Tier-I & Tier-II capital. Already Bangladesh Bank and Bangladesh Securities and Exchange Commission has given their consent for issuance of Tier-II equivalent sub-ordinated bonds of BDT 500 crore. Issuance of Rights Shares is also in process. We firmly believe that we will overcome all the challenges shortly.

AB believes in fostering value-driven business. Over the years we have focused on portfolio diversification and accordingly have been employing our resources more on the growth of Retail, SME and Digital products and services. Along with digital banking, our government is also focusing on financial inclusion. AB in line with the government initiative has introduced agent banking to bring in the huge unbanked population into the banking net.

We feel that as we grow, our responsibility towards the society grows too. AB therefore, invests quite a considerable amount of time and money towards Corporate Social Responsibility. Our commitment is to contribute to the society for improving the lives of people, particularly the segment who are underprivileged and less fortunate in terms of basic needs and remain alongside as sincere benefactor of the country's rich heritage of arts, culture and sports.

Human resources continue to be the most important asset of AB. The quality of their output forms the basis of the institution's overall performance resulting in its goodwill. This year, we have invested substantially towards the professional development of our employees through imparting training, seminars and workshops held at home and abroad. The focus of training at AB in 2018 was not only to develop its experienced officers but also the Management Trainee Officers aiming to make them mission-critical for our institution. AB believes in diversity and therefore, we consciously employ talented, self-motivated and pro-active candidates from diverse backgrounds for ensuring creativity, innovation and value-addition in the banking industry.

My sincerest gratitude to our valued customers for their patronage, our shareholders and stakeholders for their continued support and trust in us, the regulators for their guidance and our Board of Directors for their pragmatic vision, valuable advice and leadership.

I feel honored to lead a team of professionals for their commitment, dedication and support. Together we as AB Family look forward to a better tomorrow.

Thank you.

As-salamu alaikum



Tarique Afzal

President & Managing Director (CC)

BOARD OF DIRECTORS



From left: Shajir Ahmed, Tarique Afzal, Khairul Alam Choudhury, Feroz Ahmed, Mohammad A. (Rumee) Ali, Kaiser A. Chowdhury, Asish Baran Sarkar, Moshtaque Ahmed Chowdhury, Syed Afzal Hasan Uddin



COMPOSITION OF THE BOARD AND COMMITTEES

BOARD OF DIRECTORS

Chairman

Mr. Muhammad A. (Rumee) Ali

Directors

Mr. Feroz Ahmed
Mr. Syed Afzal Hasan Uddin
Mr. Asish Baran Sarkar
Mr. Moshtaque Ahmed Chowdhury
Mr. Shajir Ahmed
Mr. Khairul Alam Choudhury

Independent Directors

Mr. Kaiser A. Chowdhury

President & Managing Director (CC)

Mr. Tarique Afzal

AUDIT COMMITTEE

Chairman

Mr. Kaiser A. Chowdhury

Members

Mr. Moshtaque Ahmed Chowdhury
Mr. Khairul Alam Choudhury

EXECUTIVE COMMITTEE

Chairman

Mr. Feroz Ahmed

Members

Mr. Syed Afzal Hasan Uddin
Mr. Asish Baran Sarkar

RISK MANAGEMENT COMMITTEE

Chairman

Mr. Syed Afzal Hasan Uddin

Members

Mr. Kaiser A. Chowdhury
Mr. Shajir Ahmed

SHARIAH SUPERVISORY COMMITTEE

Chairman

Jb. M. Azizul Huq

Vice Chairman

Jb. Md. Shouquat Ali

Members

Jb. Malana Muhammad Musa
Jb. Prof. Dr. Md. Mahfuzur Rahman

Member Secretary

Jb. Dr. Mohd. Haroon Rashid

Mr. Manzurul Ahsan, FCS
COMPANY SECRETARY (C.C.)

EXECUTIVE COMMITTEE



From left: Feroz Ahmed, Asish Baran Sarkar, Syed Afzal Hasan Uddin

AUDIT COMMITTEE



From left: Khairul Alam Choudhury, Kaiser A. Chowdhury, Moshtaque Ahmed Chowdhury

RISK MANAGEMENT COMMITTEE



From left: Shajir Ahmed, Kaiser A. Chowdhury, Syed Afzal Hasan Uddin

AB Bank Limited
Directors' Profile



Muhammad A. (Rumee) Ali
Chairman

Mr. Muhammad A. (Rumee) Ali is an iconic banker with extensive and wide-ranging experience as CEO, Board Member, and Chairman of several institutions.

He started his career with ANZ Grindlays Bank (Bangladesh) in 1975 after completing his Masters in Economics from Dhaka University. In 1997, he was the first Bangladeshi to be appointed as the CEO of the Bank's Bangladesh operations. After acquisition of this bank by Standard Chartered Group in 2000, he was selected to be the first CEO of the combined operations of these two banks as Standard Chartered Bank.

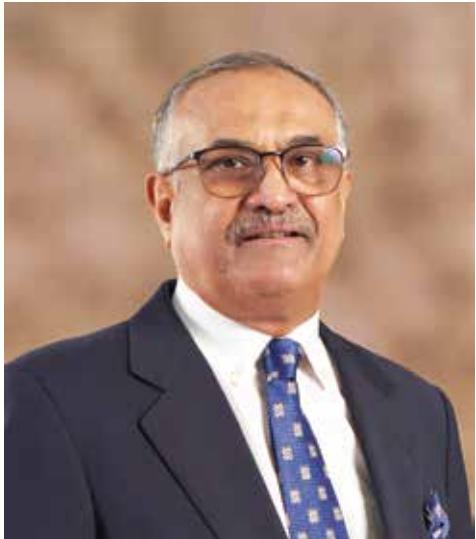
In November, 2002 he joined Bangladesh Bank as Deputy Governor and was responsible for driving the regulatory reforms in the country's banking sector, especially in the Risk Management and Corporate Governance areas. He, very successfully, worked as a central banker for four years.

He has repeatedly proven himself to be an eminently capable leader in a number of high profile executive appointments. Mr. Rumee Ali served as Managing Director, Enterprises & Investments at BRAC. During this period he was Chairman of BRAC Bank Ltd. and founder Chairman of bKash Limited the first mobile financial system in Bangladesh. He has also served as a member of the Board of BRAC and BRAC International.

In the past he served on the boards of Alliance for Bangladesh workers Safety (USA), Global Alliance for Banking on Values and Performance Based Funds Initiative of IFC/World Bank Washington, PKSF, Bangladesh. He was made a Fellow of the Institute of Bankers, Bangladesh in 2001. In addition, he has participated in many international forums as key-note speaker and panelist.

Mr. Rumee Ali, is also currently the CEO of Bangladesh International Arbitration Centre.

AB Bank Limited Directors' Profile



Feroz Ahmed

Director

Mr. Feroz Ahmed is a member of the Board and the Chairman of Elite Paint Group and the Managing Director of Elite International Ltd., Hexagon Chemical Complex Ltd. and Ahmed Securities Services Ltd. among others. Apart from business activities, Mr. Feroz is also involved with various Socio-Cultural, Philanthropic and Sports organizations. He was associated with the Bangladesh Cricket Board (BCB) as its AD-HOC Executive Committee Member. He is also a Member, Board of Trustees, Chittagong Independent University, life member of Chittagong Zila Krira Sangstha and member of Chattogram Mohanagari Krira Sangstha. He is also a life member of Red Crescent Society, Chittagong, Maa O Shishu Haspatal, Chittagong.

Syed Afzal Hasan Uddin

Director

Mr. Syed Afzal Hasan Uddin is a Director of AB Bank Limited. He graduated from King's College, London in 1993 and was called to the Bar from Lincoln's Inn, London in March 1996. Mr. Afzal Hasan Uddin is the Managing Partner of Syed Ishtiaq Ahmed & Associates, one of the prominent law firms of the country. Prior to joining Syed Ishtiaq Ahmed & Associates, he worked for the Civil Litigation Department of Price Waterhouse in London. He enrolled as Advocate of the High Court Division of the Supreme Court of Bangladesh in 2001. Mr. Afzal Hasan Uddin's area of expertise include advising clients in the areas of telecommunication, energy and power generation, mergers and acquisitions, due diligence of companies and general corporate and commercial affairs. Mr. Afzal also serves in the Board of other prominent listed and unlisted companies as Independent Director.



AB Bank Limited
Directors' Profile

Moshtaque Ahmed Chowdhury

Director

Mr. Moshtaque Ahmed Chowdhury has come from a respected Muslim family in Cox's Bazar. He joined as a Director of AB Bank Limited on December 21, 2017. Mr. Chowdhury is a renowned businessman engaged with trading business of Bagda shrimp in Cox's Bazar since long.

Mr. Chowdhury has a spectacular political career which began in 1965. He is a freedom fighter and played a vital role in the Independence of Bangladesh. He was elected for three times as a Member of Parliament in the Year 1970, 1973 and 1991.

He served as an Administrator of Cox's Bazar Zilla Parishad, Cox's Bazar before being elected as the Chairman of the same Parishad from 2017 to till date.



He is involved in various social welfare activities and has contributed by executing many structural developments in this area. He also built a number of Schools, Colleges, Madrashas, Roads, Bridges, and Culverts etc. To alleviate the sufferings of the Natural Disaster affected people, from time to time he undertook various activities and stood by them to meet their needs. Besides this, he has successfully executed the responsibility of relief distribution and has rehabilitated the disaster victims as a Member of Parliament and chairman of Bangladesh Red Crescent Society, Cox's Bazar District.

Mr. Ahmed attended various business Seminars /Trainings in Japan and Hong Kong. He participated in numerous Seminars in USA, UK, Switzerland, India, Nepal, Italy, Greece etc. as a government representative.



Asish Baran Sarker

Director

Mr. Asish Baran Sarker was born on 2nd February 1948 in Chittagong. He graduated from Sir Ashutosh College, Chittagong in 1969. He has been serving Pacific Group for the last 46 years in different capacities. He is also a Director of Cashlink Bangladesh Limited.

AB Bank Limited **Directors' Profile**



Shajir Ahmed

Director

Mr. Shajir Ahmed completed his Bilingual Diploma degree on International Baccalaureate (IB) from United World College of South East Asia, Singapore. Following which, he graduated in Business Management from Kings College London under University of London in 2008. In 2009, he started his first job as a Central Accounts Officer in Habib Bank AG Zurich, Dubai.

Upon Mr. Ahmed's return to Bangladesh in 2010, he joined his family business as the Director of Elite Paint & Chemical Industries Limited, a pioneer manufacturer of different graded paints in Bangladesh. At present, Mr. Ahmed is the Managing Director of Super Silica Bangladesh Limited and the Director of Super Tel Limited, Super Sea Fish (Pvt.) Limited, Elite Super Plastic Ind. (Pvt.) Limited, Super Shares & Securities Limited., Elite Food Industries Limited, Broast Foods Ind. (Pvt.) Limited and Aurora Decor Limited.

Mr. Ahmed also holds the position of Deputy Managing Director of Super Refinery (Pvt.) Limited, the first Natural Gas Condensate Refinery in the private sector since June 01, 2006 till date.

Khairul Alam Choudhury

Director

Mr. Khairul Alam Choudhury, Barrister-at-Law is a Director of AB Bank Limited. He graduated from University of Wolver Hampton, UK in 2001. Thereafter, Mr. Choudhury obtained his post-graduation from the City University, UK in 2002 and was also called to the Bar from Lincoln's Inn, London in 2002. Mr. Choudhury is a practicing lawyer of the Supreme Court of Bangladesh.



AB Bank Limited Directors' Profile

Kaiser A. Chowdhury

Independent Director

Mr. Kaiser A. Chowdhury is a banking professional, with a work – experience that spans four decades. Mr. Chowdhury started his career with ANZ Grindlays Bank (1975 – 1999), where he spent most of his time in the credit arena including a stint at Grindlays International Training Centre, Chennai, India as a credit instructor. He served ONE Bank Limited (1999 – 2005) as its Deputy Managing Director, AB Bank Limited (2005 – 2012) as its President & Managing Director and Meghna Bank Limited (2013 – 2014) as its founder Managing Director & CEO. He was also the Principal of Dhaka Bank Training Institute (2015-16).



Tarique Afzal

President & Managing Director (CC)

Mr. Tarique Afzal joined AB Bank on 14th October, 2018 as Deputy Managing Director – Head of Corporate, Legal & Regulatory Affairs. Subsequently, the Honorable Board of ABBL has designated him as the President and Managing Director (CC) of AB Bank effective 12th December 2018.

Prior to joining AB Bank he was the Chief Executive Officer of Sonali Polaris Financial Technology Limited a joint venture of Sonali Bank and Polaris, India.

Mr. Tarique Afzal, to his credit, has impressive overseas work experiences and worked in London during the late 1980s and in Credit Union in Canada, later served in ANZ Grindlays Bank and Standard Chartered Bank in Bangladesh.

He also worked in Bank Al Falah, BRAC Bank and served as the CEO for Dun & Bradstreet Rating Agency in Bangladesh.

His core competencies are creating new business streams, operational efficiency, performance improvements and regulatory relationships.

CORE MANAGEMENT COMMITTEE



From left: Reazul Islam, K.M. Mohiuddin Ahmed, M N Azim, Sajjad Hussain, Tarique Afzal, Iftekhar Enam Awal, Manzurul Ahsan, Shamshia I. Mutasim (not in the picture)



AB Bank Limited
Management Committees

A. Core Management Committee by Position (CMC)

SL	Position	Present Incumbent	Status in CMC
01	President & Managing Director*	Mr. Tarique Afzal	Chairman
02	Deputy Managing Director – Head of Operations	Mr. Sajjad Hussain	Member Secretary
03	Deputy Managing Director – Head of HRMD	Ms. Shamshia I. Mutasim	Member
04	Deputy Managing Director – Head of IT & eBiz	Mr. Reazul Islam	Member
05	Chief Financial Officer*	Mr. K.M. Mohiuddin Ahmed	Member
06	Company Secretary*	Mr. Manzurul Ahsan	Member
07	Head of Financial Institutions & Treasury	Mr. M N Azim	Member
08	One Representative from Business Category Heads	Mr. Iftekhar Enam Awal	Member

B. Extended Management Committee by Position (Extended MANCOM)

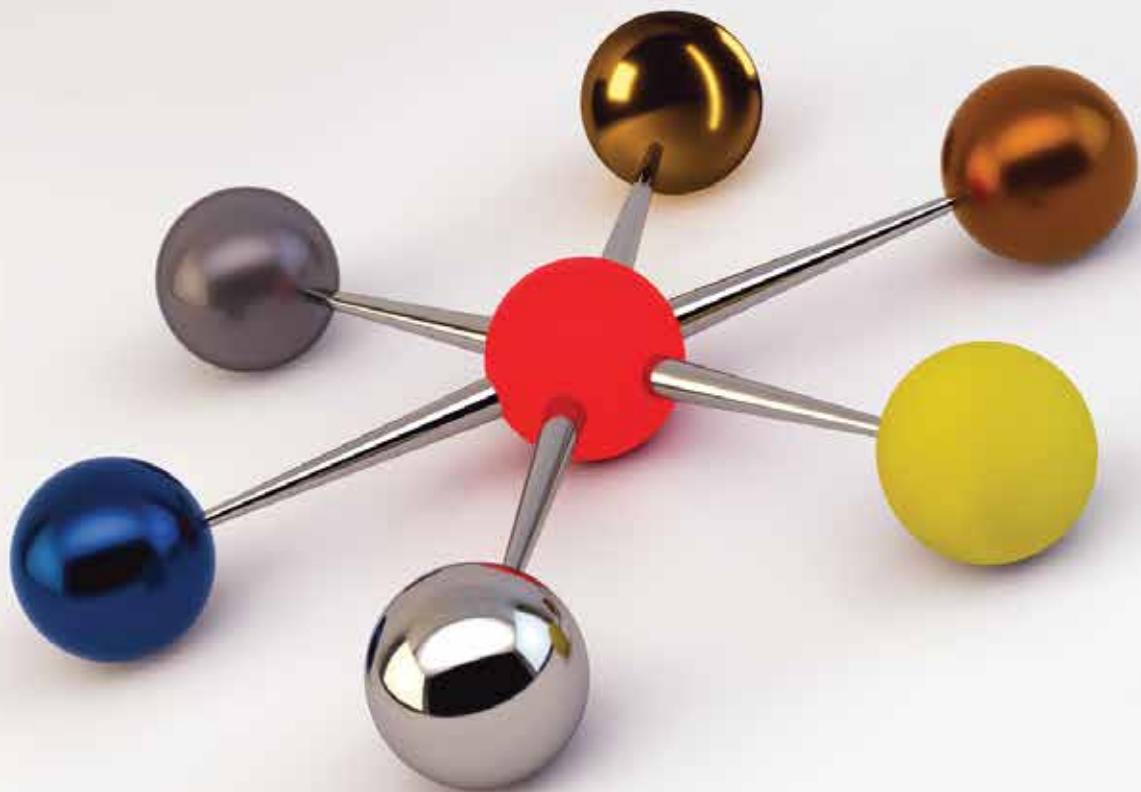
SL	Position	Present Incumbent	Status in Extended MANCOM
01	President & Managing Director*	Mr. Tarique Afzal	Chairman
02	Deputy Managing Director – Head of Operations	Mr. Sajjad Hussain	Member Secretary
03	Deputy Managing Director – Head of HRMD	Ms. Shamshia I. Mutasim	Member
04	Deputy Managing Director – Head of IT & eBiz	Mr. Reazul Islam	Member
05	Head of General Services, Security & Procurement	Mr. Golam Mahmud Rizvi	Member
06	Head of Credit Risk Management -1	Mr. Z. M. Babar Khan	Member
07	Head of Credit Risk Management -2	Ms. Wasika Afrosi	Member
08	Chief Financial Officer*	Mr. K.M. Mohiuddin Ahmed	Member
09	Company Secretary*	Mr. Manzurul Ahsan	Member
10	Head of Financial Institution & Treasury	Mr. M N Azim	Member
11	Head of Retail Banking	Mr. Syed Mizanur Rahman	Member
12	Head of Corporate & SME	Mr. Iftekhar Enam Awal	Member
13	Head of Credit Administration and Management (CAM)	Mr. Md. Nazrul Islam	Member
14	Head of Internal Control & Compliance (ICC)	Mr. Anupam Kanti Debnath	Member
15	Head of Islamic Banking	Mr. Md. Anisur Rahman	Member
16	Deputy Chief Risk Officer (DCRO)	Mr. Md. Jahangir Alam	Member

C. Asset Liability Committee

SL	Position	Present Incumbent	Status in ALCO
01	President & Managing Director*	Mr. Tarique Afzal	Chairman
02	Head of Treasury	Mr. M N Azim	Member Secretary
03	Head of Retail	Mr. Syed Mizanur Rahman	Member
04	Head of Corporate & SME	Mr. Iftekhar Enam Awal	Member
05	Head of Risk Management Department	Mr. Md. Jahangir Alam	Member
06	Chief Financial Officer*	Mr. K.M. Mohiuddin Ahmed	Member
07	Head of Islamic Banking	Mr. Md. Anisur Rahman	Member
08	Head of Treasury Back Office	Mr. Sheikh Md. Reajul Islam	Member

*Holding Current Charge

INVESTOR RELATIONS



FORWARD LOOKING STATEMENT

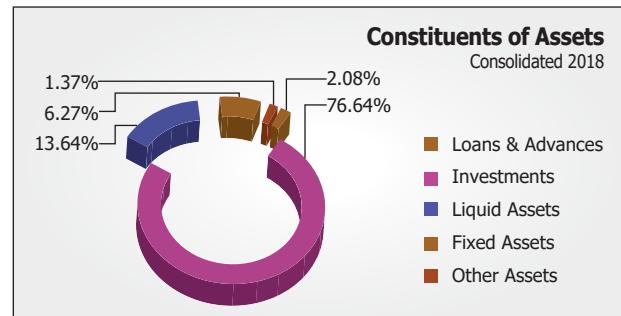
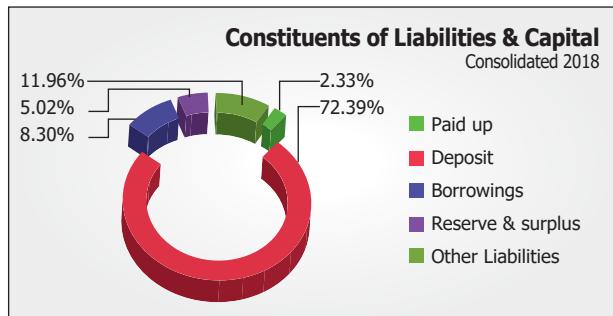
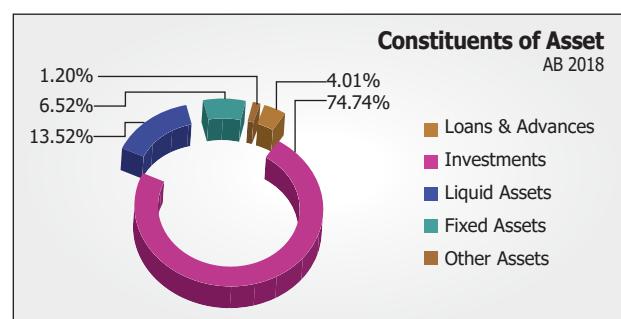
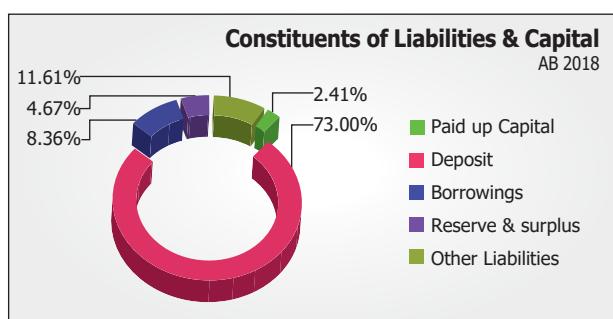
Annual Report for the year 2018 contains actual facts & where applicable statements are based on assumptions, estimates, beliefs and future expectations. Such forward looking statements may include but not limited to future plan, performance, growth of business, profitability and cash flow of the Bank which are subject to known and unknown risks. Actual performance or results may materially differ from original plan, assumptions, estimates or expectations expressed or implied in forward looking statements. Therefore, undue reliance should not be placed on such statements for making any decisions, transactions or investments with the Bank.

Bank does not guarantee in anyway that the expressions made or implied in forward looking statements would be materialized. Bank does not also take any responsibility to update, modify or revise any forward looking statements contained in this Annual Report irrespective of whether those are changed by any new events, information or future development or by any other factors.



AB Bank Limited
Shareholder's Information
Financial Highlights - AB & Consolidated

Particulars	AB Bank Limited			Consolidated		
	2018	2017	% Growth	2018	2017	% Growth
At the end year						
Equity	2,265	2,277	-0.53%	2,389	2,399	-0.45%
Total Deposits	23,544	23,595	-0.22%	23,538	23,556	-0.08%
Loans & advances	24,107	22,965	5%	24,919	23,763	5%
Investments	4,359	4,575	-5%	4,435	4,638	-4%
Fixed assets	389	411	-6%	445	470	-5%
Total assets	32,253	31,457	3%	32,515	31,710	3%
Performance during the year						
Interest Income	1,947	1,757	11%	1,981	1,810	9%
Operating Profit	308	448	-31%	344	504	-32%
Provision for loans and others	252	463	-46%	274	496	-45%
Profit before tax	56	(16)	-452%	70	7	857%
Provision for tax	54	(19)	-387%	66	3	1921%
Profit after tax	2	3	-38%	4	4	6%
Statutory Ratios						
Liquid Assets	20.71%	24.23%		20.71%	24.23%	
Capital adequacy ratio	10.03%	10.80%		10.48%	11.25%	
Share information						
Earnings per share (Taka)	0.02	0.04	-38%	0.06	0.05	5%
Net Asset Value per share (Taka)	29.88	30.04	-0.53%	31.51	31.65	0%
Ratios						
Classified Loan	33.07%	7.15%		32.00%	6.91%	
Return on Assets (ROA)	0.01%	0.01%		0.01%	0.01%	
Return on Equity (ROE)	0.08%	0.13%		0.18%	0.17%	



AB Bank Limited
Last 10 years performance

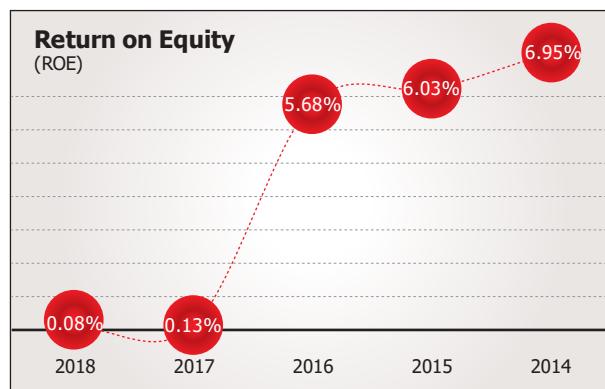
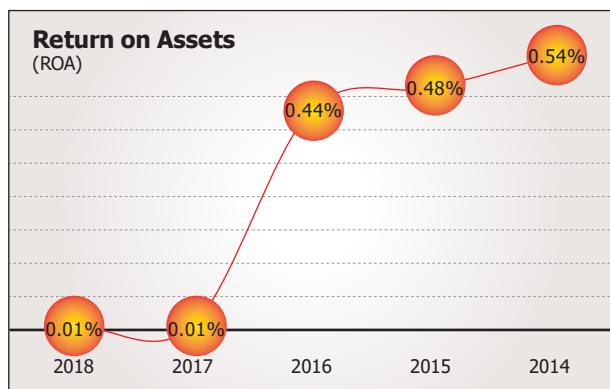
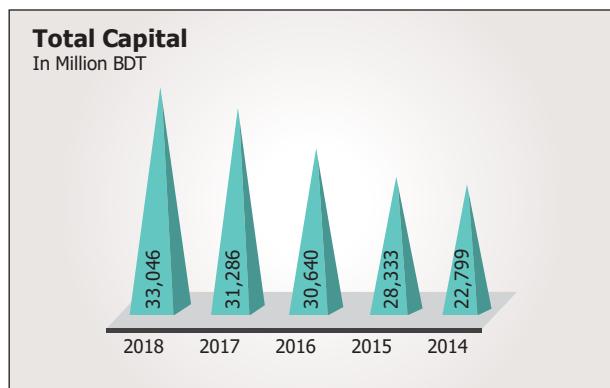
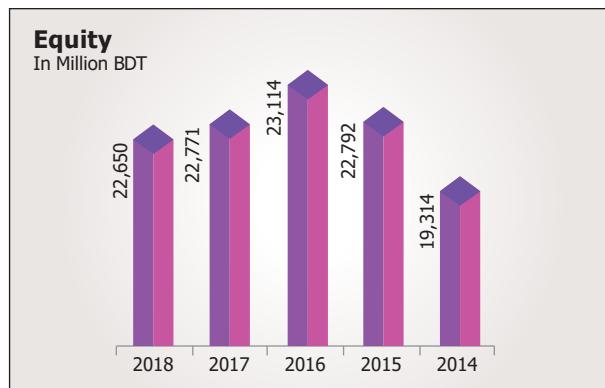
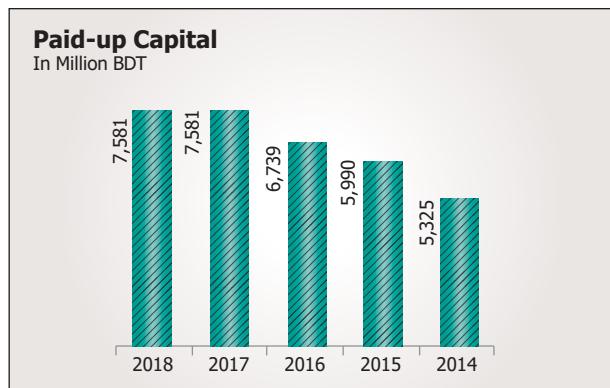
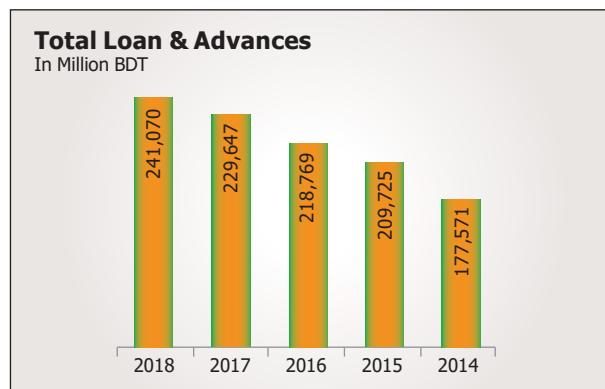
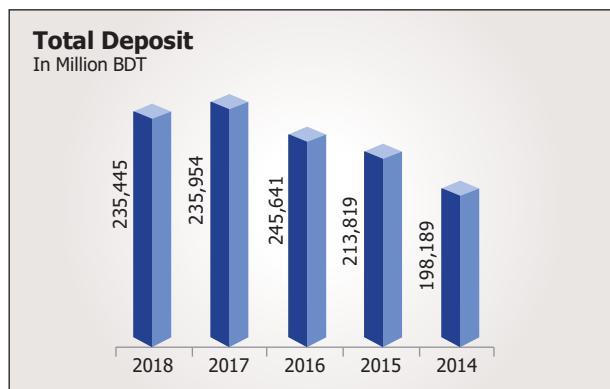
	In Million Taka				
	2018	2017	2016	2015	2014
Financial Position					
Cash & bank balances	19,611	21,768	24,265	21,744	20,436
Investments	43,594	45,749	48,187	32,559	30,779
Money at call and short notice	1,429	1,170	6,806	5,284	3,863
Loans & advances	241,070	229,647	218,769	209,725	177,571
Fixed assets	3,886	4,113	4,080	4,201	4,405
Other assets	12,936	12,117	12,728	11,496	9,277
Total assets	322,526	314,565	314,836	285,010	246,331
Borrowings	18,272	21,871	15,454	23,693	10,977
Subordinated Bond	8,700	6,000	6,500	6,500	2,500
Total deposits	235,445	235,954	245,641	213,819	198,189
Other liabilities	37,458	27,968	24,126	18,206	15,351
Equity	22,650	22,771	23,114	22,792	19,314
Total liability & SH's equity	322,526	314,565	314,836	285,010	246,331
Total contingent liabilities & commitments	57,209	65,451	73,479	68,649	77,069
Loan Deposit Ratio*	91.09%	86.24%	83.67%	96.80%	89.60%
Interest earning assets	214,825	270,093	272,625	249,985	215,691
Non-Interest earning assets	107,701	44,472	42,211	35,026	30,640
Profitability					
Net interest margin	1,910	2,670	2,837	4,279	6,079
Operating income	8,648	10,347	11,018	10,582	12,155
Operating expenses	5,573	5,871	5,999	5,628	5,230
Operating profit	3,075	4,476	5,019	4,954	6,925
Provision for loans and others	2,519	4,634	3,017	2,195	2,946
Profit before tax	556	(158)	2,002	2,759	3,979
Provision for tax	538	(188)	697	1,489	2,719
Profit after tax	18	30	1,305	1,270	1,260
Cost income ratio	64.44%	56.74%	54.44%	52.86%	43.03%
Return on investment (ROI)	9.58%	10.18%	13.50%	10.49%	9.68%
Return on assets (ROA)	0.01%	0.01%	0.44%	0.48%	0.54%
Return on equity (ROE)	0.08%	0.13%	5.68%	6.03%	6.95%
Assets Utilization Ratio	66.61%	85.86%	86.59%	87.71%	87.56%
Cost of fund	8.64%	7.52%	8.06%	9.75%	10.63%
Earnings Per Share	0.02	0.04	1.72	1.68	1.66
Net income per share	0.02	0.04	1.72	1.68	1.66
Other business					
Import	89,630	104,916	115,794	111,245	112,220
Export	73,450	75,109	76,052	72,982	77,252
Remittance (Million USD)	330	300	254	280	299
Equity measures					
Authorized capital	15,000	15,000	15,000	6,000	6,000
Paid-up capital	7,581	7,581	6,739	5,990	5,325
Capital - Tier I	19,194	19,731	18,703	18,339	16,561
Capital - Tier II	13,851	11,556	11,938	9,994	6,238
Total capital	33,046	31,286	30,640	28,333	22,799
Capital surplus/ (deficit)	(6,092)	(1,310)	462	2,780	712
Statutory reserve	6,623	6,549	6,496	6,111	5,582
Retained earnings	5,905	6,012	6,810	6,831	6,768
Capital to Risk Weighted Assets Ratio	10.03%	10.80%	10.79%	11.09%	10.32%
Asset quality					
Total loans & advances	241,070	229,647	218,769	209,725	177,571
Classified loans (CL)	79,728	16,409	11,365	6,619	6,856
% CL to total loans & advances	33.07%	7.15%	5.19%	3.16%	3.86%
Provision for unclassified loan	5,561	4,871	4,099	2,119	1,930
Provision for classified loan	5,079	3,862	2,506	2,596	2,924
Share information					
Market Price per share (DSE)	12.00	22.10	22.30	20.90	29.90
Dividend - %	-	-	12.5	12.5	12.5
Bonus - %	-	-	12.5	12.5	12.5
Cash - %	-	-	-	-	-
Price earning ratio (times)	496.49	566.02	12.96	12.47	17.99
Net Asset Value per share (Taka)	29.88	30.04	30.49	30.06	25.48
Distribution network					
Number of branches	105	105	104	101	93
Number of SME service center	11	11	11	11	11
Employee number	2,310	2,354	2,423	2,276	2,220
Number of Agent Banking Outlets	34	5	-	-	-

*Loan-deposit ratio calculation has been done as per Bangladesh Bank guidelines.

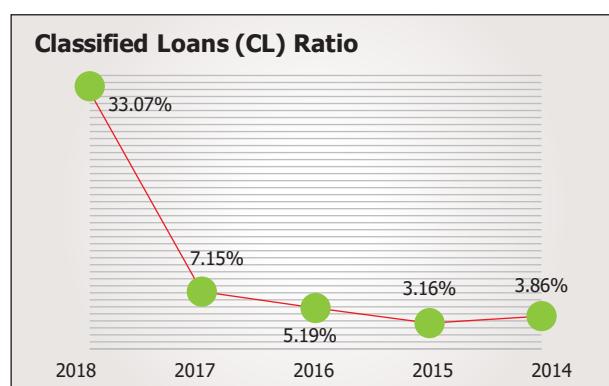
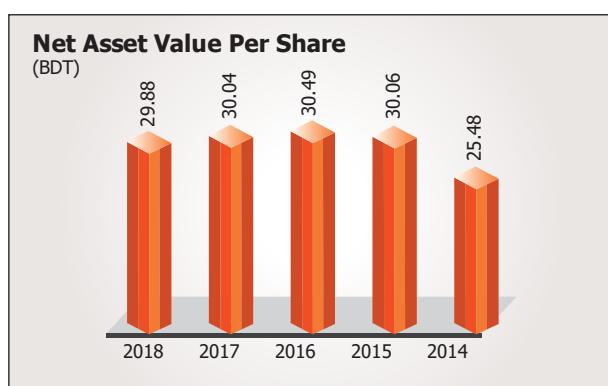
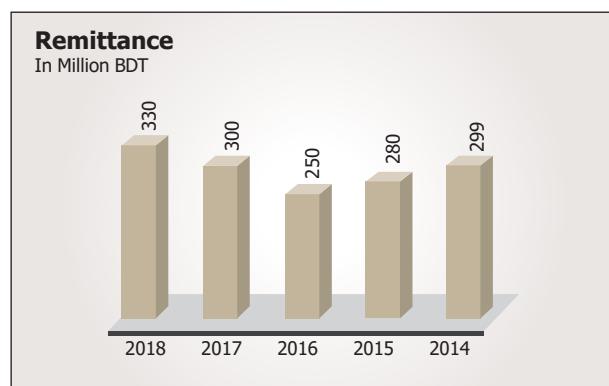
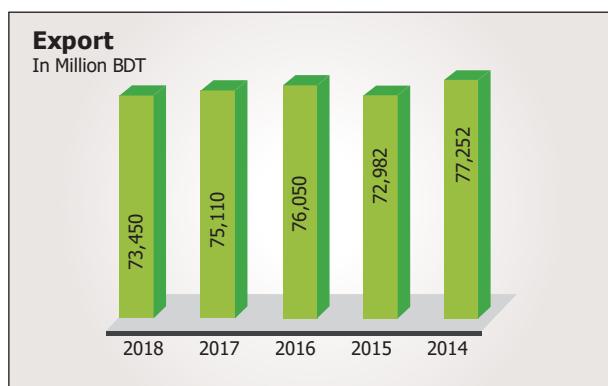
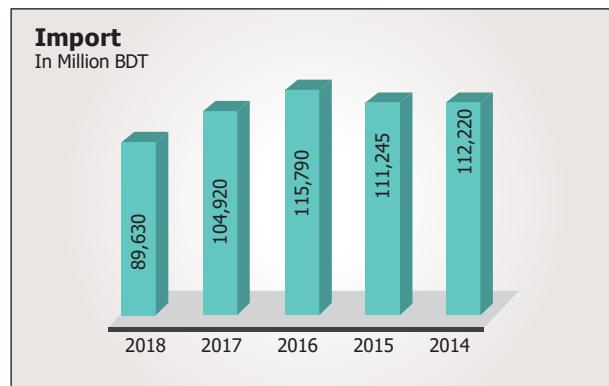
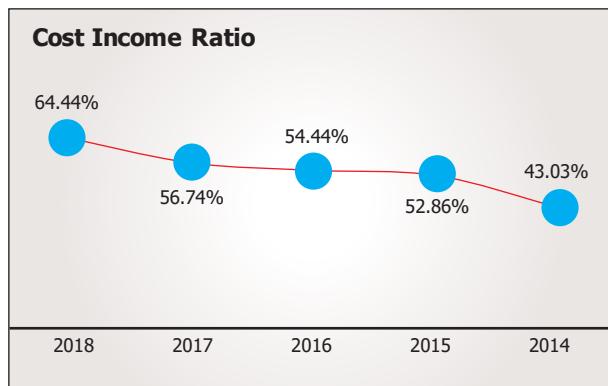
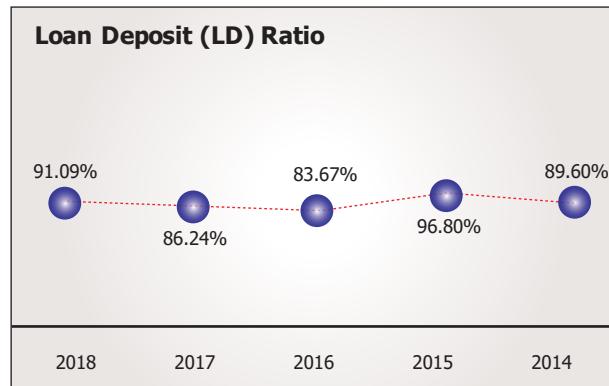
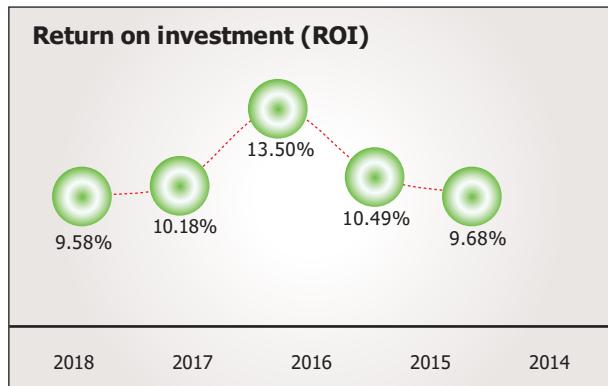
AB Bank Limited
Last 10 years performance

	In Million Taka				
	2013	2012	2011	2010	2009
Financial Position					
Cash & bank balances	17,338	18,499	17,524	12,914	8,849
Investments	28,676	26,115	21,556	14,563	16,369
Money at call and short notice	2,251	3,672	666	380	600
Loans & advances	140,121	106,066	94,638	88,002	70,880
Fixed assets	4,173	4,230	3,854	3,926	2,441
Other assets	15,446	15,261	14,725	12,906	7,773
Total assets	208,006	173,842	152,963	132,691	106,912
Borrowings	9,987	3,649	10,248	14,200	6,125
Subordinated Bond	-	-	-	-	-
Total deposits	161,846	140,026	116,152	95,702	83,087
Other liabilities	19,232	14,133	11,710	8,922	7,542
Equity	16,940	16,034	14,853	13,867	10,158
Total liability & SH's equity	208,006	173,842	152,963	132,691	106,912
Total contingent liabilities & commitments	83,217	59,590	52,595	44,485	28,996
Loan Deposit Ratio*	86.58%	75.75%	81.48%	91.95%	85.31%
Interest earning assets	175,978	144,167	125,049	110,453	86,768
Non-Interest earning assets	32,028	29,676	27,914	22,535	20,144
Profitability					
Net interest margin	3,780	3,123	2,394	3,481	2,908
Operating income	9,755	8,435	7,743	10,898	8,269
Operating expenses	4,465	4,072	3,431	3,489	2,466
Operating profit	5,290	4,363	4,312	7,409	5,802
Provision for loans and others	2,305	1,173	1,355	1,052	598
Profit before tax	2,985	3,190	2,957	6,357	5,205
Provision for tax	1,974	1,752	1,629	2,661	1,842
Profit after tax	1,011	1,439	1,328	3,696	3,363
Cost income ratio	45.78%	48.27%	44.31%	32.01%	29.83%
Return on investment (ROI)	10.37%	11.39%	14.62%	32.72%	21.06%
Return on assets (ROA)	0.53%	0.88%	0.93%	3.08%	3.52%
Return on equity (ROE)	6.13%	9.31%	9.25%	30.77%	39.84%
Assets Utilization Ratio	84.60%	82.93%	81.75%	83.24%	81.16%
Cost of fund	11.82%	12.07%	11.19%	9.89%	10.31%
Earnings Per Share	1.33	1.90	1.75	4.88	4.44
Net income per share	1.33	1.90	1.75	4.88	4.44
Other business					
Import	125,383	100,373	79,463	90,751	65,956
Export	72,571	65,782	57,592	41,686	30,640
Remittance (Million USD)	237	217	250	210	182
Equity measures					
Authorized capital	6,000	6,000	6,000	6,000	6,000
Paid-up capital	4,976	4,423	3,686	3,205	2,564
Capital - Tier I	15,570	14,630	13,410	12,411	9,250
Capital - Tier II	3,203	2,552	2,534	2,249	1,668
Total capital	18,772	17,181	15,943	14,660	10,918
Capital surplus/ (deficit)	1,385	2,532	1,920	1,345	1,072
Statutory reserve	5,565	5,005	4,390	4,396	3,101
Retained earnings	4,986	5,159	5,291	4,768	3,542
Capital to Risk Weighted Assets Ratio	10.80%	11.73%	11.37%	9.91%	11.09%
Asset quality					
Total loans & advances	140,121	106,066	94,638	88,002	70,880
Classified loans (CL)	4,720	3,522	2,672	1,852	1,949
% CL to total loans & advances	3.37%	3.32%	2.82%	2.11%	2.75%
Provision for unclassified loan	1,707	1,270	1,317	1,041	826
Provision for classified loan	2,273	1,049	1,031	921	427
Share information					
Market Price per share (DSE)	26.20	33.70	68.30	158.05	117.65
Dividend - %	12.0	12.5	25.0	25.0	45.0
Bonus - %	7.0	12.5	20.0	15.0	25.0
Cash - %	5.0	-	5.0	10.0	20.0
Price earning ratio (times)	19.65	17.76	38.99	32.42	26.53
Net Asset Value per share (Taka)	22.34	21.15	19.59	18.29	13.40
Distribution network					
Number of branches	89	87	86	82	78
Number of SME service center	11	11	11	11	10
Employee number	2,179	2,070	2,096	2,008	1,952
Number of Agent Banking Outlets	-	-	-	-	-

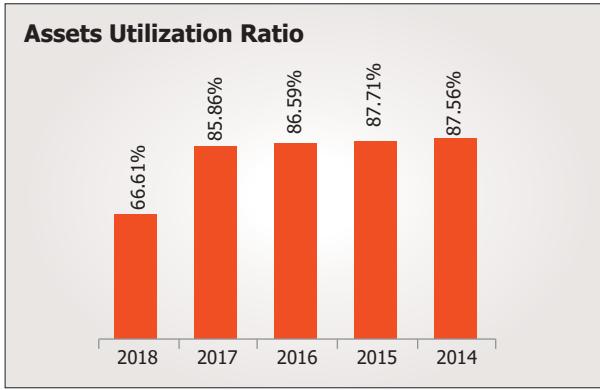
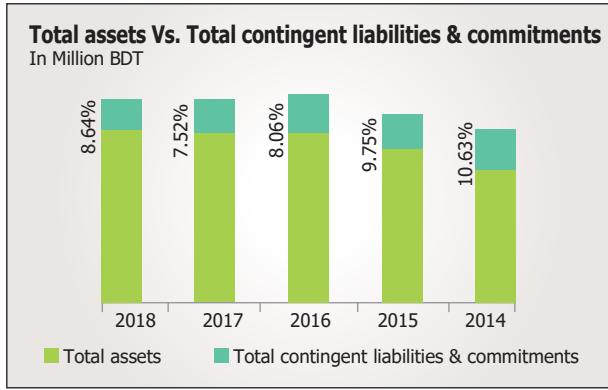
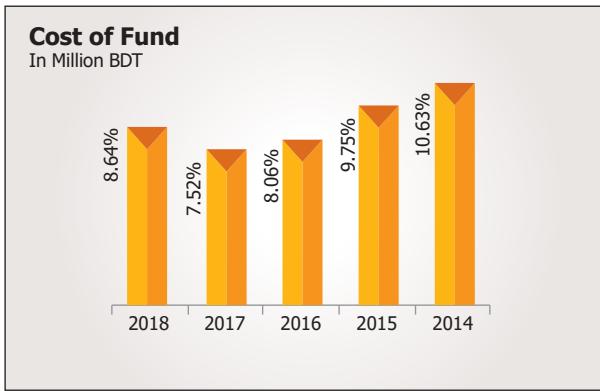
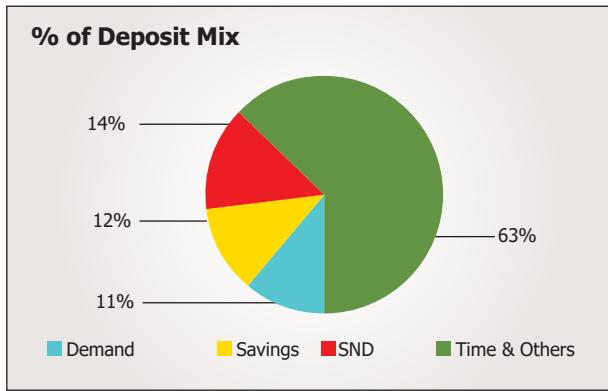
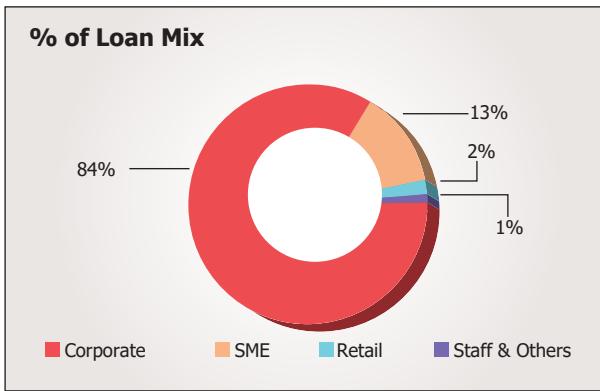
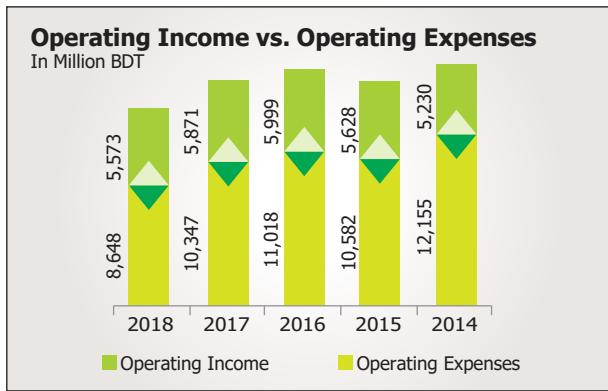
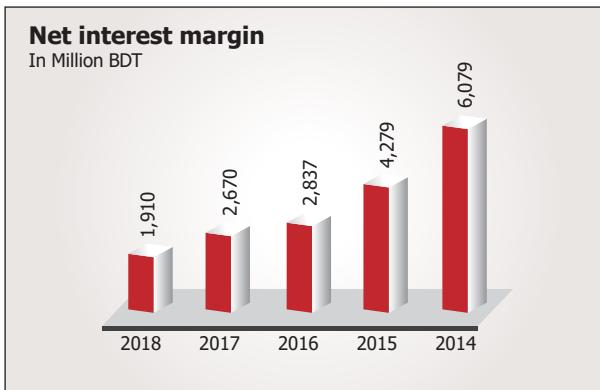
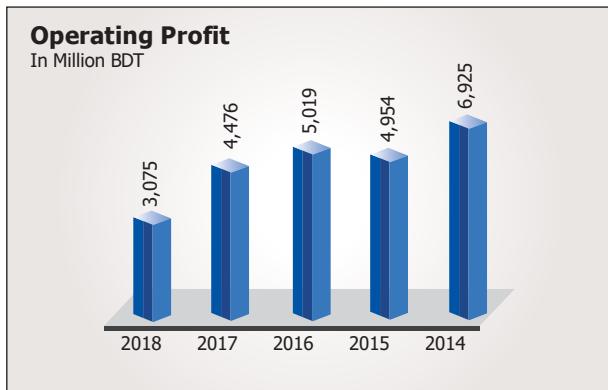
AB Bank Limited Graphical Presentation



AB Bank Limited
Graphical Presentation

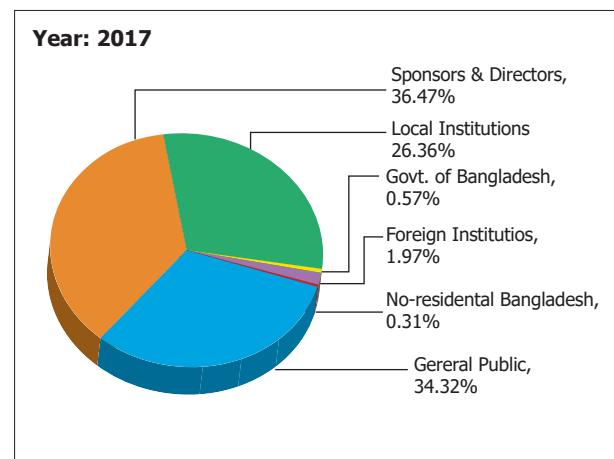
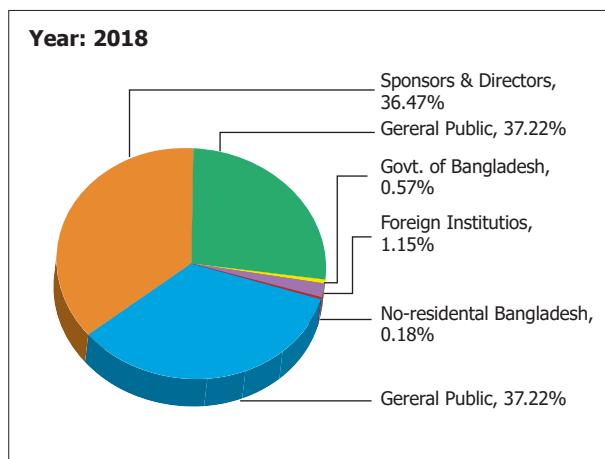


AB Bank Limited
Graphical Presentation



AB Bank Limited Shareholders Pattern

Particulars	Number of Shares		% of Shares	
	2018	2017	2018	2017
Sponsors & Directors	276,469,154	276,477,274	36.467%	36.468%
Local Institutions	185,081,922	199,815,074	24.413%	26.356%
Govt. of Bangladesh	4,345,678	4,345,678	0.573%	0.573%
Foreign Institutions	8,696,766	14,937,038	1.147%	1.970%
Non-resident Bangladeshi	1,358,031	2,384,230	0.179%	0.314%
General Public	282,178,764	260,171,021	37.220%	34.317%
Total-	758,130,315	758,130,315	100%	100%



Name of the Director	Status	No. of Shareholding	
		31.12.2018	31.12.2017
Mr. Feroz Ahmed	Director	15,730,196	15,730,196
Mr. Syed Afzal Hasan Uddin Nominated by Mr. M. Morshed Khan	Director	38,251,403	38,251,403
Mr. Moshtaque Ahmed Chowdhury Nominated by Mr. M. Morshed Khan	Director		
Mr. Syed Golam Kibria Nominated by Pacific Traders Limited	Director	75,696,901	75,696,901
Mr. Asish Baran Sarkar Nominated by Pacific Motors Limited	Director	54,725,559	54,725,559
Mr. Shajir Ahmed Nominated by Mr. Salim Ahmed	Director	17,907,293	17,907,293
Mr. Khairul Alam Choudhury Nominated by Pacific Industries Limited	Director	74,157,802	74,157,802
Mr. Shishir Ranjan Bose FCA	Independent Director	-	-
Mr. Kaiser A. Chowdhury	Independent Director	-	-
Mr. Tarique Afzal	President & Managing Director (CC)	-	-



AB Bank Limited
Financial Calendar

Quarterly Results of 2018		
Unaudited results for the 1 st Quarter ended 30 th March 2018	Announced on	April 30, 2018
Unaudited result for the 2 nd quarter and half-year ended 30 th June 2018	Announced on	July 29, 2018
Unaudited results for the 3 rd Quarter ended 30 th September 2018	Announced on	October 30, 2018
Audited consolidated results for the year ended 31 st December 2018	Announced on	April 30, 2019

36th AGM		
Publication of Price Sensitive Information		May 1, 2018
Record Date		May 31, 2018
AGM		June 24, 2018
Publication of 36 th AGM Notice		June 5, 2018
Annual Report-2017 Dispatch		June 7, 2018
Stock Dividend Credited	N/A	N/A
Cash Dividend Distribution	N/A	N/A

37th AGM		
Publication of Price Sensitive Information		May 1, 2019
Record Date		May 29, 2019
Publication of notice of the 37 th AGM		May 27, 2019
Date of 37 th AGM		June 26, 2019

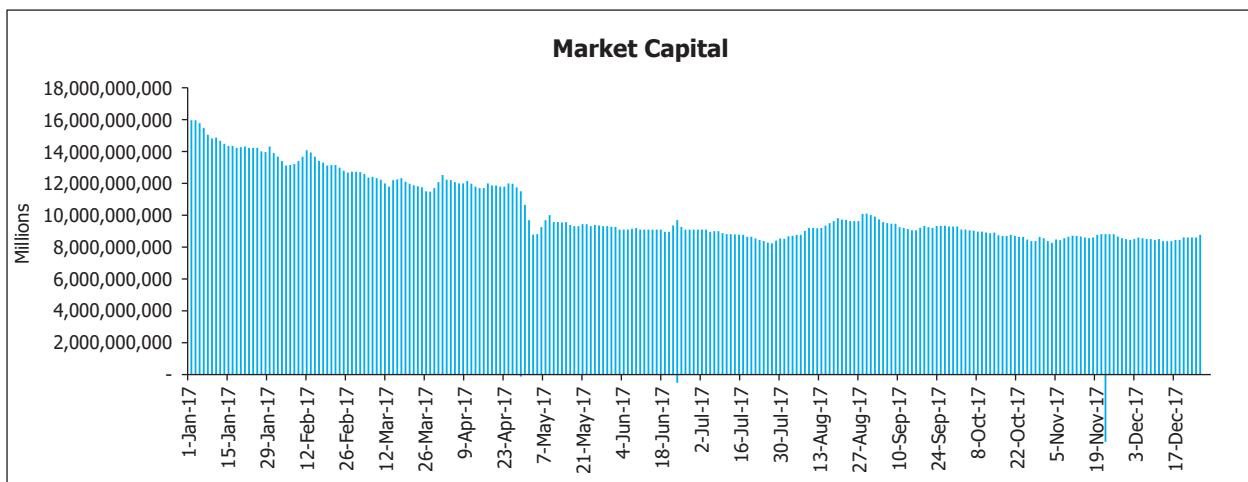
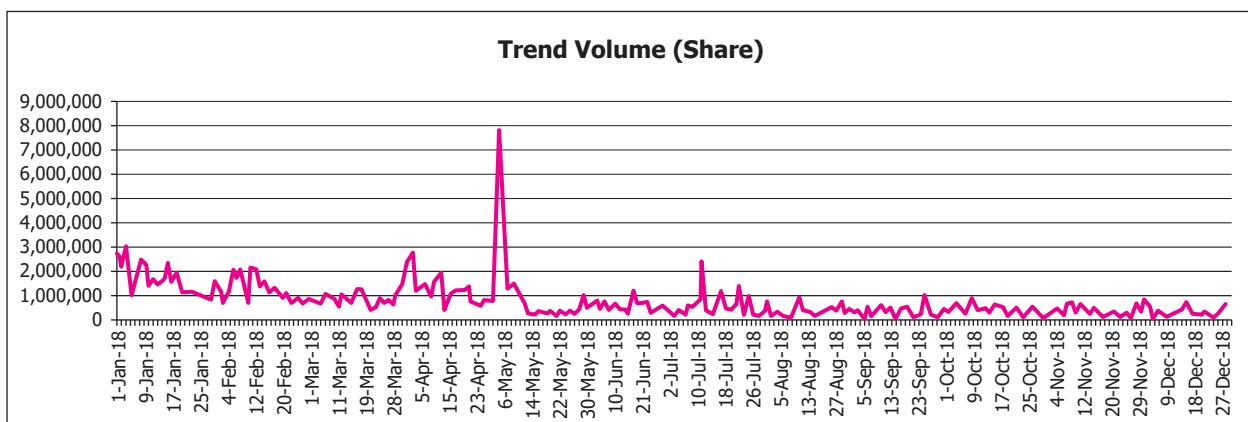
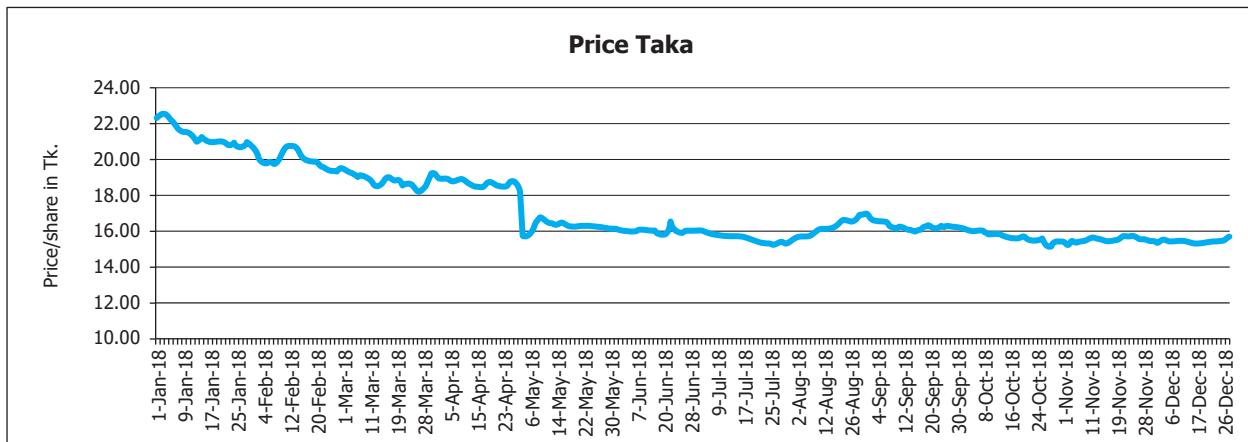
Stock Details		
Particulars	DSE	CSE
Stock symbol	ABBANK	ABBNK
Listing Year	28 th December, 1983	21 st October, 1995
Market category	Z	Z
Electronic share	YES	YES
Face Value (Taka)	10	10
Paid-up Capital	7,581,303,150	7,581,303,150
Market lot	1	1
Total number of securities	758,130,315	758,130,315

Availability of Information about Annual Report

Annual Report 2018 and other Investor Relations information is available at <http://abbl.com/investor-relations/>

AB Bank Limited
Price Trend of AB Bank Share

Period	January to December 2018
Year End Closing	Tk. 12.00
Year High	Tk. 22.20
Year Low	Tk. 10.90
Average Trade Volume (Per Day)	781,416 shares
Total Trade Volume	188,321,226 shares



AB BANK LIMITED

Head Office: BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka.

NOTICE OF THE 37TH (THIRTY-SEVENTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 37th (thirty-seventh) Annual General Meeting (AGM) of AB Bank Limited will be held on June 26, 2019 (Wednesday) at 10:00 a.m. at Sena Malancha, Dhaka Cantonment, Western side of Naval Headquarters on Airport Road, Dhaka-1206 to transact the following business:

AGENDA

1. To receive, consider and adopt Financial Statements for the year ended 31st December 2018, Auditors Report and Directors Report.
2. To approve the Dividend for the year ended 31st December 2018.
3. To elect / re-elect Directors.
4. To appoint Statutory Auditor for the year 2019 and to fix their remuneration.
5. To appoint Compliance Auditor as per Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) for the year 2019 and to fix their remuneration.

By order of the Board

Dated: Dhaka, May 26, 2019.

Sd/-
Manzurul Ahsan, FCS
Company Secretary (CC)

NOTES:

1. The Board of Directors did not recommend any dividend for the year 2018.
2. Record date: May 29, 2019 (Wednesday). Shareholders whose names to be appeared in the Register of Members of the Company or in the Depository Register on the 'Record Date' shall be eligible to attend the AGM.
3. A Member entitled to attend and vote at the Annual General Meeting, can appoint a proxy to attend and on a poll to vote on his/her behalf. Proxy Form duly stamped must be deposited at the Bank's Registered Office at least forty-eight hours before the time fixed for the meeting otherwise Proxy Form will not be treated as valid.
4. Members are requested to notify change of address, if any, well ahead. For BO Accountholders, the same to be rectified through their respective Depository Participants.
5. Annual Report 2018 will be duly sent in soft form to the shareholders email addresses available in their BO accounts maintained with the Depository. Shareholders are requested to update their email addresses through their respective DP. The soft copy of the Annual Report will also be available in the Bank's website at <http://abbl.com/investor-relations> within stipulated time. Shareholders may also collect the printed copy of the Annual Report 2018 from the Registered Office of the Bank with prior written request.
6. Admission into the Venue of the AGM will be allowed on production of the Attendance Slip.
7. Shareholders are requested to register their names in the counter at the AGM Venue from 09:00a.m.

N.B. No gift or benefit in cash or kind shall be given to the shareholders for attending the 37th AGM as per BSEC directive no: SEC/CMRRCD/2009-193/154 dated October 24, 2013.



AB Bank Limited
Glimpses of the 36th AGM



AB Bank Limited
Glimpses of the 36th AGM



AB Bank Limited
Glimpses of the 36th AGM



Shareholders expressing their views



Shareholders' registration

AB Bank Limited
Events



Celebrating 37th Anniversary of AB Bank Limited



Farewell program- in honor of Ms. Antora Ahmed for her unswerving services to the Bank with her special abilities

**AB Bank Limited
Events**



Signing Ceremony with-ipay



28th President Cup Golf Tournament 2018-sponsored by the Bank

AB Bank Limited
Events



Prize giving ceremony of Bangladesh Open 2018 (Title Sponsor - AB Bank Limited)

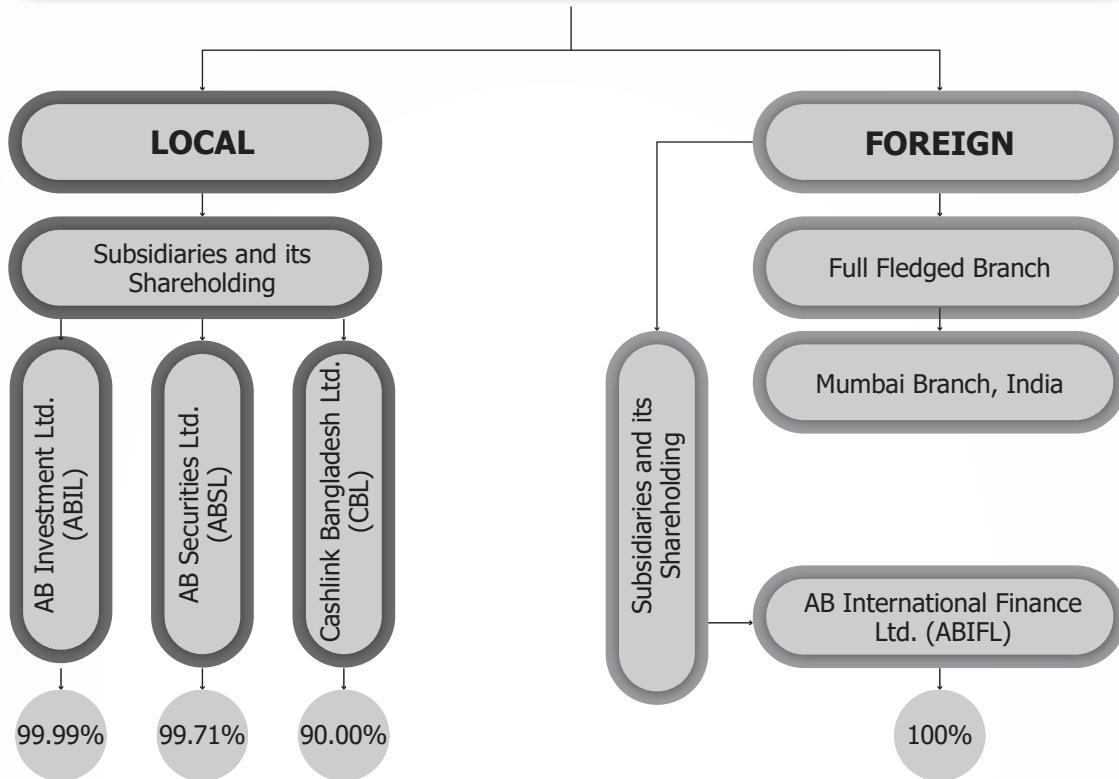


Benapole Branch has been awarded with the 'Business Excellence Award 2019' and 'World Bank Award and Certification 2019', by The Government of The People's Republic of Bangladesh

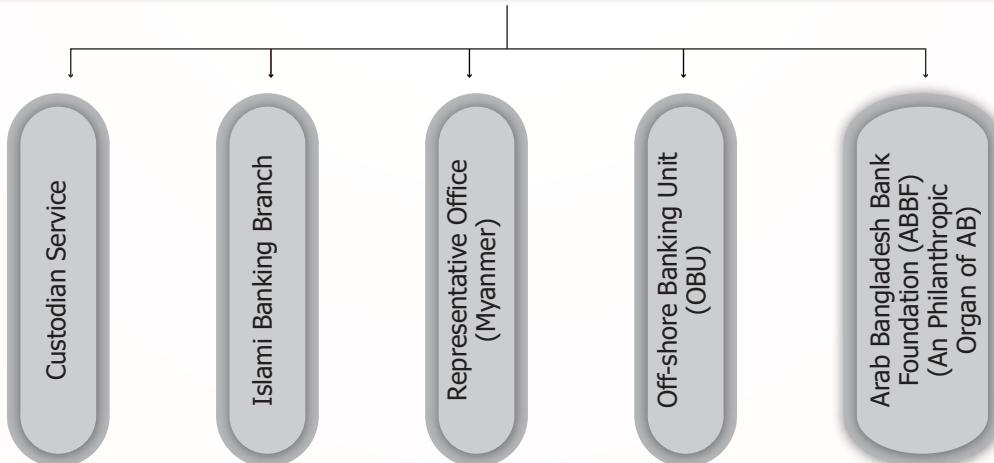
CORPORATE GOVERNANCE



AB STRUCTURE



SEPARATE OPERATIONS



AB Bank Limited Corporate Governance

Corporate Governance policies and practices of the Bank are focused on ensuring fairness, transparency and accountability in the organization as a whole. Bank is structured and systems and processes organized aligned with accepted Corporate Governance practices and also in line with guidelines of Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) in this regard. While pursuing the goal of Shareholders value addition, Bank attached utmost importance to setting up of well-defined compliance oriented organization and business structure.

At present, Board of Directors of AB comprises of 9 (nine) Members including President & Managing Director. This is in conformity with Bangladesh Bank guidelines and the Articles of Association of the Bank. Board includes one Independent Director in pursuance with respective regulatory requirements respectively.

Board of Directors of AB is a professionally run forum having Members from various backgrounds and professions.

Board is the apex body for strategy and policy formulations and for taking decisions on business, operational and financial matters besides ensuring compliance and risk management of the Bank. This is run professionally following the guidelines of Bangladesh Bank and within the authorities of the Memorandum and Articles of Associations of the Bank. Management of the Bank operates within the policies, guidance and limits approved by the Board.

Board holds meeting regularly and sits at least once in a month.

Executive Committee of the Board is formed following the guidelines of Bangladesh Bank in this respect and comprises of 3 (three) Members nominated by the Board. Mr. Feroz Ahmed, Director of the AB Bank, is the Chairman of the Executive Committee. Executive Committee operates within the Terms of Reference (TOR) set by the Board.

Audit Committee of the Board has been formed in strict compliance with Bangladesh Bank guidelines and accordingly comprises of 3 (three) Members. Chairman of the Audit Committee is the Independent Director of the Board. Company Secretary acts as the Secretary of the Committee while other Members of the Management attend the Committee Meeting on invitation only. Audit Committee works within the scope of Bangladesh Bank guidelines and Corporate Governance Code.

Risk Management Committee (RMC) of the Bank has been formed in compliance with Bank Company Act, 1991 (amendment up to 2018) sec-15 Kha, and subsequent BRPD Circular # 11 Dated October 27, 2013. Function of the RMC is to minimize risk regarding strategic planning & implementation and to accomplish Board functions accurately related to risk.

Shariah Council of the Bank has 5 (five) Members for overseeing and strategic guidance of the Islamic Banking business. The Council comprises of scholarly persons and operates as per the assigned responsibilities.

Regulatory Compliance Disclosure:

Bank has been following related guidelines on submission of Quarterly, Half-yearly and Yearly Financial Statements and other statutory reports. Any significant development in the business is forth-with disclosed through the adherence to proper rules/ guidelines/directives in the form of Price Sensitive Declarations. Bank also ensures submission of returns to regulatory bodies in full-compliance with the requirements and appropriate disclosures ensuring transparency and accountability. Board of Directors ensures adequate disclosures for the Shareholders and other stakeholders through the Annual Report or other specific disclosures if required.

Delegation of Power:

Management of the Bank has been empowered with appropriate finance and business decision making authorities as per the guidelines of Bangladesh Bank.

Credit Committee of the Bank has been delegated with the authority for credit approval up to a given limit. Board has approved a Procurement Manual to cover the purchase of goods and services and other procurements of the Bank. Limited formal delegation in this respect has also been given to the Management.

Besides, various manuals, policies and guidelines were approved by the Board from time to time with levels of authority and process delegation varied across the Bank.

Bank also has well empowered ALCO to deal with funding and treasury matters.

President and Managing Director is the Executive Head of the Bank. Bank has approved Organizational Structure (Organogram) up to the Unit Level with clear functional



AB Bank Limited Corporate Governance

segregation and segregation of processing functioning (Front and Back office) authorities. This ensures Core Risk Management compliance across the Bank. Bank's functions and plans also consider various regulatory limits and restrictions to be risk compliant, as well.

A Risk Management Division (RMD) has been formed in compliance with the relevant guidelines of Bangladesh Bank. Bank also has a strong SRP Team in place.

In the overall, the Bank is governed by the rules, regulations, guidelines, directions, and policies as applicable for the banking business and operation. Different control aspects based on need are in place, which includes capital adequacy, risk management, market, liquidity, anti-money laundering compliance, prudential guidelines, reporting standards among others.

Other operations of AB like AB International Finance Limited (ABIFL) at Hong Kong and the Branch in Mumbai, India, governed by the rules and regulations of the respective countries. While the two local subsidiaries - AB Investment Limited (ABIL) and AB Securities Limited (ABSL) governed by rules and regulations of the Bangladesh Securities and Exchange Commission (BSEC) mostly.

Bank has also acquired ninety percent shareholding of Cashlink Bangladesh Limited (CBL) a company engaged in EFT business, governed under the Companies Act besides other applicable regulatory requirements.

Business Plan vs Achievements in 2018:

Business Plan of the Bank provides for the Working Platform embodying the growth aspect, profitability, risk appetite, capital management etc. It also embodies accountability in terms of set KPI's and acts as a roadmap for Shareholders value addition.

Overall performance of the Bank in 2018 with respect to Business Plan Target is given below:

Performance	Amount in crore		
	BGT 2018	ACT 2018	Variance Amount %
Operating Profit	414	308	(106) (26)
Provisions for loans and others	353	252	(102) (29)
Profit before Tax	61	55.60	(5) (8)
Provision for Tax	54	53.77	(1) (1)
Net Profit After Tax	6	2	(4) (71)
Loans and Advances	23,844	24,107	263 1
Deposits	26,721	23544	(3,177) (12)
Import	10,548	8963	(1,585) (15)
Export	7530	7345	(185) (2)
Guarantee	1341	1289	(52) (4)
Inward Remittance (USD)	27	33	6 22

Inspection by Bangladesh Bank:

Bangladesh Bank conducted comprehensive inspection on Head Office and 8 (eight) selected Branches based on 31 December 2018. Tripartite meeting among Bangladesh Bank, External Auditors and Management of AB has conducted for finalization

of annual Financial Statements.

External Audit:

External Auditors also covered potential Branches and Head Office as part of the Statutory Audit Program. Auditors covered 80% of the risk assets.

Auditors submitted a Management Report, where they opined that internal control system of the Bank appears to be effective as evidenced from the functions of its Internal Control and Compliance Department on its various operational areas. The Report was also discussed in the Audit Committee and the Board.

Department of Internal Control and Compliance (ICC):

Bank has a separate Department for Internal Control and Compliance. This Department operates independently in line with the Bangladesh Bank guidelines.

Credit Rating:

AB Bank Limited was rated by Credit Rating Agency of Bangladesh Limited (CRAB). The summary of their ratings are given below:

Surveillance Rating (September 30, 2018)	Long Term	Short Term
	A ₂	ST-2
Date of Rating	January 10, 2019	
Validity Date	June 30, 2019	

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed 'A2' rating in the long term and 'ST-2' rating in the short term to AB Bank Limited for the period ended September 30, 2018 (Based on Audited Financials).

Commercial Banks rated 'A' have strong capacity to meet their financial commitments but are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than Commercial Banks in higher-rated categories. A is judged to be of high quality and are subject to low credit risk.

Commercial Banks rated in this category are considered to have strong capacity for timely repayment and are characterized with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.

Compliance:

Bangladesh Securities and Exchange Commission (BSEC) issued a Corporate Governance Code dated 03 June, 2018 for the companies listed with the Stock Exchanges. Compliance status of the code is attached in A.


AB Bank Limited
Corporate Governance

ACNABIN

Chartered Accountants
DBBL Bhaban (Level-13 & 14)
12 Kawran Bazar Commercial Area
Dhaka 1215, Bangladesh

Phone: +88 02 8144347-52
+88 02 8189428-29
Facsimile: +88 02 8144353
Email: acnabin@bangla.net
Website: www.acnabin.com

Certificate on Compliance on the Corporate Governance Code

[Issued under condition #1(5) (xxvii) of Corporate Governance Code of BSEC vide
Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated 03 June 2018]

We have examined the compliance status to the Corporate Governance Code by AB Bank Limited ("the Bank") for the year ended 31 December 2018. This Code relates to the notification no. BSEC/CMRRC/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Bank as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the Bank is satisfactory.

Dhaka,
16 May 2019



M. Moniruzzaman, FCA

Partner

ACNABIN, Chartered Accountants



AB Bank Limited
Corporate Governance

ANNEXURE-A

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No (SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	Board size (number of Board members - minimum 5 and Maximum 20)	√		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors;	√		
1(2)(b)	Independent Director means a Director			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1(2)(b)(v)	who is not a member or TREC holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	√		
1(2)(b)(viii)	who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);			N/A
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;			N/A
1(2)(c)	Independent Director(s) shall be appointed by BoD approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	√		
1(3)(b)(i)	Independent Director should be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		

AB Bank Limited
Corporate Governance

ANNEXURE-A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(ii)	Independent Director should be a Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Independent Director should be a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			N/A
1(3)(b)(iv)	Independent Director should be a University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			N/A
1(3)(b)(v)	Independent Director should be a Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of Commission;			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
1(5)	The Directors' Report to Shareholders			
1(5)(i)	Industry outlook and possible future developments in the industry;	√		
1(5)(ii)	Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;			N/A



AB Bank Limited
Corporate Governance

ANNEXURE-A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss;	N/A		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any other instrument;	N/A		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO) Rights Share Offer, Direct Listing, etc;	N/A		
1(5)(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance;	N/A		
1(5)(x)	Remuneration to directors including independent directors;	√		
1(5)(xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	Proper books of account have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS)/ International Financial Reporting Standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	√		
1(5)(xv)	The system of Internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	Going Concern (ability to continue as going concern);	√		
1(5)(xviii)	Highlight and explain significant deviations from the last year's operating results;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5(five) years shall be summarized;	√		
1(5)(xx)	Reason for non-declaration of Dividend;			Inadequate profit
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	N/A		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties;	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children;	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		Nil

AB Bank Limited
Corporate Governance

ANNEXURE-A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) (xxiv)	The appointment or reappointment of a director, a disclosure on the following information to the shareholders			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5) (xxiv)(b)	Nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1(5) (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5) (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5) (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5) (xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5) (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5) (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A ; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 disclosed as per Annexure-B and Annexure-C .	√		
1(6)	Meetings of the Board of Directors			
	The company conducted its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board laid down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No (6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;			There is a conflict issue regarding formation of NRC between Bangladesh Bank circular



AB Bank Limited
Corporate Governance

ANNEXURE-A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(7)(b)	The code of conduct as determined by the NRC posted on the website of the company including, among others, prudent conduct and behavior, confidentiality, conflict of interest, compliance with laws, rules and regulations, prohibition of insider trading, relationship with environment, employees, customers and suppliers and independency;			and BSEC corporate governance code. Bangladesh Bank sent a letter to BSEC for clarification on the issue, but no feedback has yet been received.
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company made applicable to the composition of the Board of the subsidiary company;	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the Board meeting of the subsidiary company placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company stated that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company also reviewed the financial statements, in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board appointed a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		President and Managing Director resigned in the 660th Board Meeting held on 11 October 2018. The appointment of President and Managing Director is under process.
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board clearly defined respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC not removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s);	√		
3(2)	The MD or CEO, CS, CFO and HIAC of the company attended the meetings of the Board;	√		

AB Bank Limited
Corporate Governance

ANNEXURE-A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3) Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)				
3(3)(a)(i)	The MD or CEO and CFO certified to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3(3) (a)(ii)	These statements together presented a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO also certified that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3) (c)	The certification of the MD or CEO and CFO disclosed in the Annual Report;	√		
4 Board of Directors' Committee-				
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.			BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank restricts a Bank Company to form 'NRC'.
5 Audit Committee-				
5(1) Responsibility to the Board of Directors.				
5(1)(a)	The Audit Committee is the sub-committee of the Board;	√		
5(1)(b)	The Audit Committee assisted the Board in ensuring that the financial statements reflected true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee is responsible to the Board; The duties of the Audit Committee is clearly set forth in writing;	√		
5(2) Constitution of the Audit Committee				
5(2)(a)	The Audit Committee is composed of at least 3 members;	√		
5(2)(b)	The Board appointed members of the Audit Committee who is the directors of the company and included at least 1 (one) Independent Director;	√		
5(2)(c)	All members of the audit committee is "financially literate" and at least 1 (one) member has accounting or related financial management experience;	√		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		



AB Bank Limited
Corporate Governance

ANNEXURE-A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(e)	The Company Secretary acted as the secretary of the Audit Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting is not constituted without at least 1(one) independent director;	√		
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board selected the Chairman of the Audit Committee, who is an Independent Director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairman of the audit committee remained present in the Annual General Meeting (AGM):	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee conducted at least its four meetings in a financial year:	√		
5(4)(b)	The quorum of the meeting of the Audit Committee is constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Control Risk Management process;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors;	√		
5(5)(f)	Review the annual financial statements before submission to the board for approval;	√		
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of significant related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;			
5(5)(m)	Disclosure to the Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results Further, on an annual basis, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus;			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	Reporting to Board on the activities of the Audit Committee;	√		

AB Bank Limited
Corporate Governance

ANNEXURE-A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)(a)	Reporting to Board on conflicts of interests;			N/A
5(6)(a)(ii)(b)	Reporting to Board on any fraud or irregularity or material defect in the internal control system;			N/A
5(6)(a)(ii)(c)	Reporting to Board on suspected infringement of laws;			N/A
5(6)(a)(ii)(d)	Reporting to Board on any other matter;			N/A
5 (6)	Reporting to the Authorities			
5(6)(b)	If the Audit Committee's reporting to the Board is unreasonably ignored, the Audit Committee shall report such findings to the Commission following due procedures.			N/A
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No.5(6) (a) (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company has a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank restricts a Bank Company to form 'NRC'.
6(1)(b)	The NRC assisted the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC is clearly set forth in writing covering the areas stated at the condition No(6)(5)(b).			
6(2)	Constitution of the NRC			
6(2)(a)	The Committee is comprised of at least three members including an independent director;			
6(2)(b)	All members of the Committee is non-executive directors;			
6(2)(c)	Members of the Committee is nominated and appointed by the Board;			
6(2)(d)	The Board has authority to remove and appoint any member of the Committee;			BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank restricts a Bank Company to form 'NRC'.
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board has filled the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			
6(2)(g)	The company secretary acted as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting is not constituted without attendance of at least an independent director;			

AB Bank Limited
Corporate Governance

ANNEXURE-A

Condition No.	Title	Compliance Status ("✓" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(i)	No member of the NRC has received, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	Chairperson of the NRC			
6(3)(a)	The Board has selected 1 (one) member of the NRC to be Chairperson of the Committee, who is an independent director;			BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank restricts a Bank Company to form 'NRC'.
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members elected one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson is duly recorded in the minutes;			
6(3)(c)	The Chairperson of the NRC attended the annual general meeting (AGM) to answer the queries of the shareholders;			
6(4)	Meeting of the NRC			
6(4)(a) 6(4)(b)	The NRC has conducted at least one meeting in a financial year; The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank restricts a Bank Company to form 'NRC'.
6(4)(c)	The quorum of the meeting of the NRC is constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No(6)(2)(h);			
6(4)(d)	The proceedings of each meeting of the NRC is duly recorded in the minutes and such minutes is confirmed in the next meeting of the NRC.			
6(5)	Role of the NRC			
6(5)(a)	NRC is independent and responsible or accountable to the Board and to the shareholders;			BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank restricts a Bank Company to form 'NRC'
6(5)(b)	NRC oversees, among others, the following matters and make report with recommendation to the Board			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			BRPD Circular No.11 dated 27 October, 2013 of Bangladesh Bank restricts a Bank Company to form 'NRC'.
6(5)(b)(i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;			
6(5)(b)(i) (c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			

AB Bank Limited
Corporate Governance

ANNEXURE-A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;			
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			
6(5)(c)	The company has disclosed the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7	External / Statutory Auditors			
7(1)(i)	Non-engagement in appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System;	√		
7(1)(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Non-engagement in Broker-dealer services;	√		
7(1)(v)	Non-engagement in actuarial services;	√		
7(1)(vi)	Non-engagement in internal audit services;	√		
7(1)(vii)	Non-engagement in any other services that the Audit Committee determines;	√		
7(1)(viii)	Non-engagement in audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Non-engagement in any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors remained present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	√		
8	Maintaining a website by the Company			
8(1)	The company has an official website linked with the website of the stock exchange.	√		
8(2)	The company kept the website functional from the date of listing.	√		
8(3)	The company made available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report.	√		
9(2)	The professional will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		



AB Bank Limited Directors' Statement of Responsibilities

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders,

The Directors are required to present the Annual Report together with Directors' Report and the Financial Statements in accordance with the Companies Act, 1994, Rules and Regulations of the Institute of Chartered Accountants of Bangladesh (ICAB), Rules and Regulations of Bangladesh Bank (BB), Bangladesh Securities and Exchange Commission (BSEC) Rules, 1987 and the Dhaka Stock Exchange (Listing) Regulations, 2015 and Chittagong Stock Exchange (Listing) Regulations, 2015.

The Financial Statements are required by law and International Accounting Standards and International Financial Reporting Standards (IFRS) as adopted by ICAB to present fairly the financial position of the Company and the performance for the period.

Proper accounting records should be kept that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Act, 1994 and Bank Company Act, 1991 (as amendment up to 2018).

The Directors' report of AB Bank Limited confirm that Directors' Report together with the Financial Statements in the Annual Report for the year 2018 have been prepared in compliance with laws, rules and regulatory guidelines as per the Companies Act, 1994; The Bank Company Act, 1991 (as amendment up to 2018), guidelines issued by Bangladesh Bank and also in compliance with BSEC Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80: dated 03 June 2018.

Board through its Audit Committee established appropriate and adequate Internal Control System in the Bank to attain business objectives in short-term and sustainability in long-term. Board acknowledges its responsibility for establishing Internal Control Systems' efficiency, effectiveness, reliability, timeliness, completeness and compliance with applicable laws and regulations.

Board of Directors of AB Bank Limited meets regularly to consider Bank's policies, procedures, risk management and business plan among others. During the year 2018, twenty-three (23) meetings of the Board of Directors took place.

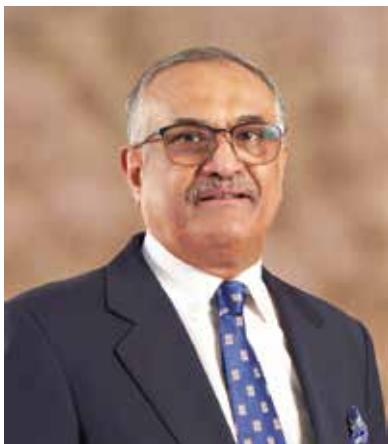
This report should be read in conjunction with Auditors' Report to the Shareholders of AB Bank Limited. Other compliances as per BSEC Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80: dated 03 June 2018 is given separately.

Some of the information in this Annual Report may contain projections or other forward-looking statements regarding the Bank. These statements are based on our expectations and assumptions. Statements of such nature are not be construed as guarantee of future performance. Therefore, future results and trends may differ materially from what is in our forward-looking statements.

On behalf of the Board,

Muhammad A. (Rumee) Ali
Chairman

AB Bank Limited
Report of the Executive Committee



Executive Committee of the Board has been formed following the guidelines of Bangladesh Bank and comprises of 3 (three) Members nominated by the Board. Mr. Feroz Ahmed, Director, ABBL, is the Chairman of the Executive Committee.

Bank's Executive Committee assigned with responsibilities of reviewing specific areas of business, which includes inter alia review of delinquent asset management, legal cases, functional performance review, new Branch performance review.

Executive Committee also ensures proper and timely implementation of policies and guidelines issued by the Board through Management.

Member of the Executive Committee

The Executive Committee was most recently reconstituted in the 671st Board Meeting held on April 20, 2019 and the members are as follow:

1. Mr. Feroz Ahmed, Chairman
2. Mr. Syed Afzal Hasan Uddin, Member
3. Mr. Asish Baran Sarkar, Member

Executive Committee expresses its sincere thanks to the Members of the Board and the Management of AB for their excellent support while carrying out the duties and responsibilities of the Committee.

A handwritten signature in black ink, appearing to read "Feroz Ahmed".

Feroz Ahmed
Chairman, Executive Committee

AB Bank Limited
Report of the Audit Committee

The Audit Committee of AB Bank Limited operates within the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission, and guidelines of Bangladesh Bank and carries out oversight responsibilities. The Board of Directors set out the overall Business Plan & formulates Policies that the Management is responsible for implementation. The Audit Committee, on behalf of the Board, strives to ensure effective implementation of the process and procedures set out in the Business Plans and Policies. The Audit Committee also reviews the Internal Control regime and Compliance status of the Bank as a whole.



Functions of the Audit Committee

The key function of the Audit Committee is to facilitate the Board to execute its oversight responsibilities. The main responsibilities of the Audit Committee, among others, are as follows:

- Review adequacy of Internal Control System,
- Review Financial Reporting Process & Financial Statements,
- Review Internal Audit Report & External Audit Report (Management Report),
- Monitor Accounting Policies & Principles, Internal Control Risk Management Process,
- Monitor compliance culture,
- Recommendation for appointment of external auditor,
- Compliance of rules and regulations, etc.

Composition of the Audit Committee

Immediate past Audit Committee comprised of the following Directors :

- | | |
|---------------------------------|------------|
| 1. Mr. Shishir Ranjan Bose, FCA | - Chairman |
| 2. Mr. Syed Golam Kibria | - Member |
| 3. Mr. Khairul Alam Choudhury | - Member |

The existing Audit Committee, constituted by the Board in its 671st Meeting held on April 20, 2019 comprise of the following Directors :

- | | |
|----------------------------------|------------|
| 1. Mr. Kaiser A. Chowdhury | - Chairman |
| 2. Mr. Moshtaque Ahmed Chowdhury | - Member |
| 3. Mr. Khairul Alam Choudhury | - Member |

As per regulatory guidelines, the Company Secretary of the Bank acts as the Secretary to the Audit Committee. Senior Officials of the Bank attend the Meetings on invitation.


AB Bank Limited
Report of the Audit Committee

Meetings of the Audit Committee

The Audit Committee held 11 (eleven) Meetings during the year 2018.

During the year under review, the Audit Committee, inter alia, focused on the following activities (not an exhaustive list):

- Reviewed the Internal Audit Plan for the year 2018.
- Reviewed the Draft Financial Statements and following discussions with the External Auditor recommended it to the Board for their consideration.
- Reviewed the Management Letter issued by the External Auditor, Management responses thereto and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.
- Reviewed Quarterly Financial Statements of the Bank and recommended its submission to the shareholders as a statutory requirement.
- Reviewed half yearly Self-Assessment of Anti-Fraud Internal Controls (SAAFIC) reports and recommended its submission to Bangladesh Bank.
- Reviewed annual 'Health Report' of the Bank and recommended its submission to Bangladesh Bank.
- Reviewed significant Internal Audit findings including OBU and advised corrective actions.
- Reviewed Comprehensive Inspection Report of Bangladesh Bank including status of compliance thereof.
- Reviewed Branch Inspection Reports and Head Office functions conducted by the Department of Internal Control & Compliance (DICC).

Recommendation of Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements for the year 2018 prepared by the Management and audited by the External Auditor S.F. Ahmed & Co., Chartered Accountants, and recommended the same to the Board for consideration.

Acknowledgement

The Audit Committee expresses its sincere thanks to the Members of the Board and the Management of AB for their excellent support in carrying out the duties and responsibilities of the committee during the period under review.



Kaiser A. Chowdhury

Chairman, Audit Committee

AB Bank Limited
Report of the Risk Management Committee

The Risk Management Committee of AB Bank Limited is formed as per requirement of section 15 Kha (3) of the Banking Company Act 1991 (Amendment up to 2018) and as per BRPD circular no. 11 dated 27 October 2013 with a view to execute risk related responsibilities of the Board of Directors with due care and competency. This committee takes necessary initiatives to minimize probable risks arising from the overall business plan and policies formulated by the Board of Directors of the Bank.



Functions of the Risk Management Committee

Main function of the Risk Management Committee is an integral part of the Board is to identify and measure the undermentioned risks and to oversee whether the management of the Bank properly implements those risk mitigation initiatives and methods employed.

- Credit Risk
- Foreign Currency Transaction Risk
- Internal Control and Compliance Risk
- Money Laundering & Terrorism Financing Risk
- Information and Communication Technology Risk
- Operational Risk
- Interest Risk
- Liquidity Risk, and
- Other Risks

Members of the Risk Management Committee

Risk Management Committee was most recently reconstituted in the 671st Board Meeting held on April 20, 2019 and the members are as follows:

1. Mr. Syed Afzal Hasan Uddin, Chairman
2. Mr. Kaiser A Chowdhury, Member
3. Mr. Shajir Ahmed, Member

Meeting of the Risk Management Committee

To comply with the clauses of BRPD Circular No.11 dated 27 October 2013 the Risk Management. The Risk Management Committee has held 8 (eight) Meetings during the year 2018.

Acknowledgement

The Risk Management Committee expresses its gratitude to the Members of the Board for forming the Risk Management Committee and assigning its duties and responsibilities.



Syed Afzal Hasan Uddin

Chairman, Risk Management Committee

AB Bank Limited

Report of AB Bank Shariah Supervisory Committee for the year 2018



In the name of Allah, the Beneficent, the Merciful

The duty of the Shariah Supervisory Committee is to give independent opinion and necessary guidelines by observing and reviewing the activities of Islamic Banking operation of the Bank and to make the clients aware of Shariah compliance. On the other hand, the responsibility of the Bank Management is to ensure that the Bank conducts its business under Islamic Banking operation in accordance with the rules and principles of Islamic Shariah.

During the Year 2018, AB Bank Shariah Supervisory Committee met in 02 (two) meetings and reviewed different operational issues including those referred to it by the Management of the Bank and gave opinion and decisions related to Islamic Shariah.

The important issues attended by the AB Bank Shariah Supervisory Committee during the year 2018 were :

1. Reviewing the Yearly Shariah Audit Report 2017 of Islami Banking Branch.
2. Approving the Final Account, 2017 of Islami Banking Branch.
3. Approving the Annual Report of Shariah Supervisory Committee for the year 2017 on Islamic Banking.
4. Reviewing the Half-yearly Shariah Audit Report (January-June, 2018) of Islami Banking Branch.
5. Improvement of Compensation Fund Policy of the Bank.

The Supervisory Committee, after reviewing the Shariah Inspection Reports, Balance Sheet (as on the 31st December, 2018) and Profit & Loss Accounts of Islamic Banking operation of the Bank for the Year 2018, gave the following opinion:

1. In Bai Murabaha /Muajjal mode, buying and selling are being done by ensuring physical / constructive possession of the goods.
2. The agreements for investment and transactions entered into by Islami Banking Branch during the period concerned have been made in accordance with the Principles of Islamic Shariah.
3. Compensation amounts have been kept separate and not included in Bank's income .
4. Profit distributed to Mudaraba Depositors has been made as per weightage system.
5. The officials of Islami Banking Branch are committed to comply with the Shariah direction.

To the best of our knowledge no gross violation and lapses in the Islamic banking operations of the Bank have been detected.

May Allah (SWT) grant success to our sincere efforts and bless us with His Rahmah and Barakah and guide us all to His right path.

A handwritten signature in black ink.

M. Azizul Huq

Chairman, AB Bank Shariah Supervisory Committee



Insurance facility
up to 1.85 lac



শাম্পুর্ণা

Elegant Banking for Elegant Women

Women in Bangladesh have excelled in their respective professions, be it in law, medical, engineering, banking or even home making. Considering their day to day banking needs AB Bank introduces "Shampurna" - a special savings account for women.

For details please contact (01712022900 or 01912235886)

AB Bank Limited

 AB Bank

ECONOMIC IMPACT REPORT



AB Bank Limited Economic Impact Report

AB being a responsible corporate citizen and a dynamic financial institution has created value in line with its mission "To be the best performing bank in the country". Toward this value creation AB has put in place an organizational and operational framework which is based on transparent and ethical conduct of business. Bank has systems, processes, and procedures to create value with appropriate risk management (validation) system in order to ensure sustainable value addition to stakeholders. It has not been a case of bottom line enhancement alone but creation of value conducive to socio-economic development.

Savings, Investment, production, distribution, consumption of goods and service, and employment generation are essential parts of an Economic System. As a financial intermediary, Bank plays an important catalytical role in the mobilization of resources like saving and allocation thereof in productive investments, consumptions and development of trading activities locally and internationally.

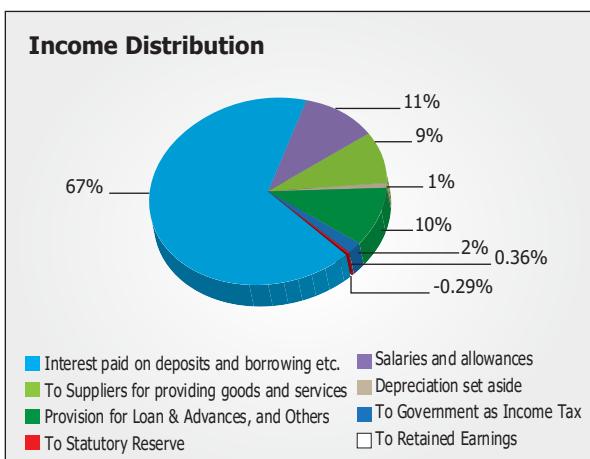
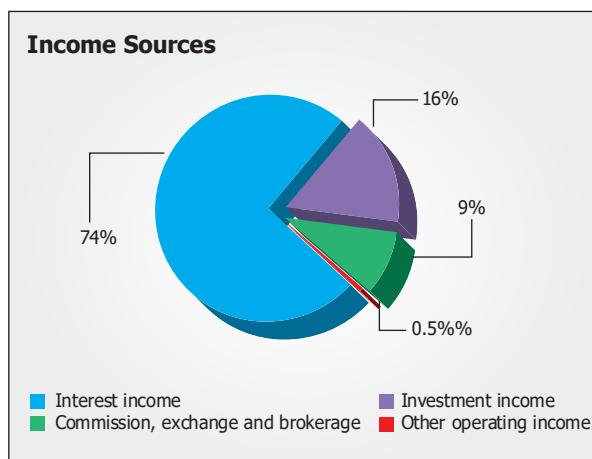
Economic impact related to a bank as an institution and ordained activities of a bank extends beyond the boundaries of any single organization and is linked to both environmental and social development. By analyzing economic impact we seek to understand how a company adds value to society. Bank's direct contributions to the economy would comprise of creation of employment opportunities, collection of taxes on behalf of the government etc. including harnessing the savings habits among the members of the community and improvement of socio-economic and environmental performance in client organizations through banking services could be considered as indirect contributions.

Bank as an institution is woven in to the socio-economic fabric involving numerous sector of the society which together are identified as stakeholders of a bank. Shareholders provide much needed capital depositors and investors invest money, borrowers obtain credit facility, employees put their effort for the bank to serve customers and government provides financial infrastructure by way of regulatory, systems, supervisions etc. Financial services thus provided lead to creation of wealth which is bound to be distributed among stakeholders in different forms of distribution like Dividend, Interest, Tax, Salaries etc.

(Amount in crore Taka)

Source of Income	2018	%	2017	%
Interest income	1,947	74%	1,757	70%
Investment income	428	16%	478	19%
Commission, exchange and brokerage	233	9%	278	11%
Other operating income	13	0.5%	11	0.4%
Total	2,621	100%	2,524	100%

Distribution of Income	2018	%	2017	%
Interest paid on deposits and borrowing etc.	1,756	67%	1,490	59%
Salaries and allowances	283	11%	292	12%
To Suppliers for providing goods and services	245	9%	265	10%
Depreciation set aside	29	1%	30	1%
Provision for Loan & Advances, and Others	252	10%	463	18%
To Government as Income Tax	54	2%	-19	-1%
To Statutory Reserve	10	0.36%	3	0.10%
To Retained Earnings	-7.70	-0.29%	0.35	0.01%
Total	2,621	100%	2,524	100%



AB Bank Limited Economic Impact Report

AB has taken following measures to create, sustain and deliver value which are as follows:

A. Maintaining adequate capital

Capital adequacy is the measure of the financial strength and sustainability of a bank. Capital to Risk Weighted Assets Ratio (CRAR) determines the capacity of the Bank in terms of meeting the time liabilities and other risks such as credit risks, market risks, operational risks, etc. It is the policy of AB to maintain adequate capital as a cushion for potential losses to absorb unforeseen eventualities/shocks, to ensure long term sustainability and growth of the Bank to endure and enhance shareholders value.

Summary of total capital and capital adequacy ratio of the Bank under Basel III is as follows:

	Taka in Crore	
	2018	2017
Common Equity Tier-I Capital	1,919	1,973
Tier-2 Capital	1,385	1,156
Total Capital	3,305	3,129
Risk weighted assets	32,958	28,974
CRAR against		
Common Equity Tier-I Capital	5.82%	6.81%
Tier-2 Capital	4.20%	3.99%
Total Capital	10.03%	10.80%

B. Risk Management

Risk management covering credit risks, market risks and operational risks is at the heart of all business operations and transactions of AB. Risk management system has been designed and implemented to ensure quality and value of assets and smooth banking operations and

services in a sustainable way to protect interest of shareholders, depositors and all the stakeholders. Risk management systems also comply with Bangladesh Bank's Core Risk Management guidelines.

C. Sustainable Dividend Policy

AB's dividend policy aims at ensuring long term sustainable growth maintaining capital adequacy requirements which ultimately leads to shareholders value creation.

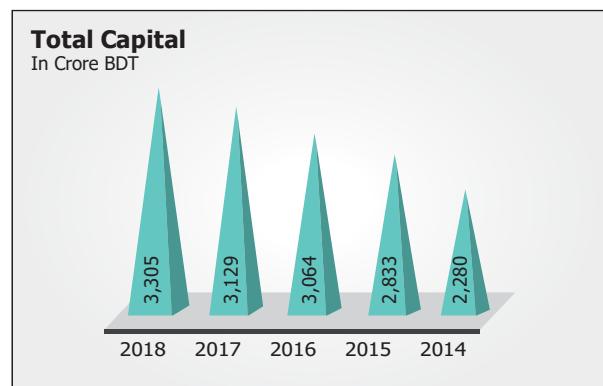
D. Maintenance of Liquidity

Bank maintains liquid assets to carry out the day-to-day operations and fulfill the statutory requirements in relation to business as imposed by the regulator from time to time. Asset & Liabilities Committee (ALCO) of the Bank monitors the evolving business situation and provides direction to maintain an optimum trade-off between liquidity and profitability.

AB maintains positive mismatch in interest earning assets and interest bearing liabilities. Bank has detailed laid down plan for business inflow- outflow to manage liquidity profile and also ensure generation of profitability.

E. Utilization of resources

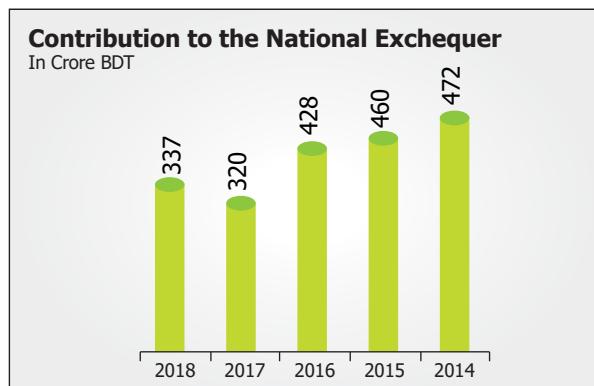
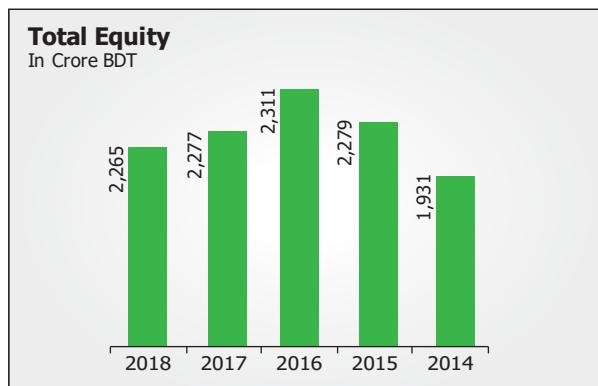
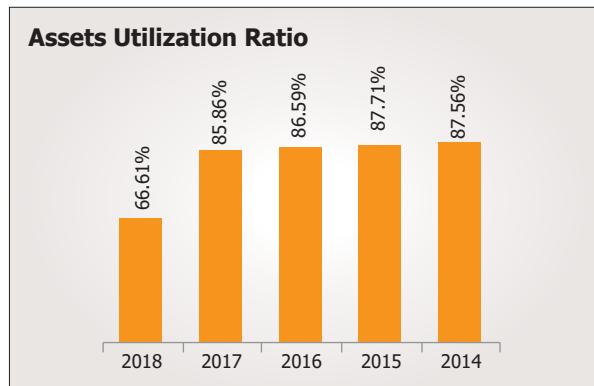
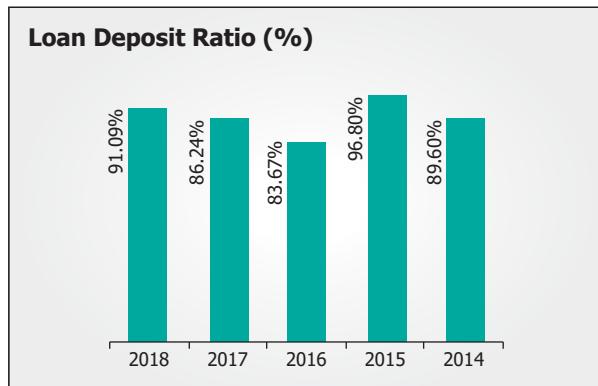
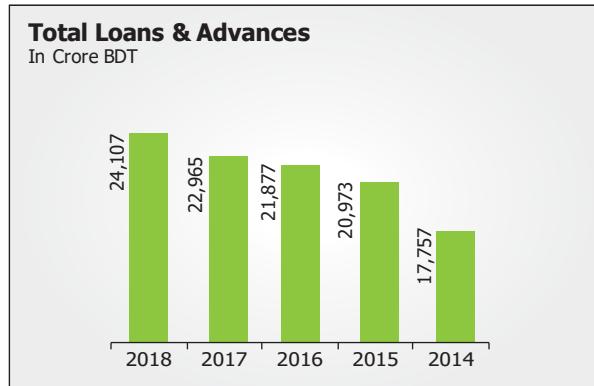
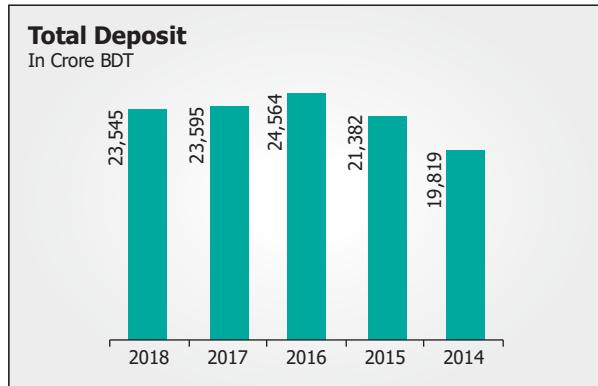
Bank follows a well defined strategy and plan to mobilize resources such as deposits and borrowings besides the capital, cost effective market responsive measures of fund mobilization are adopted for the purpose with due consideration for of profitable investments for bottom line growth.



AB Bank Limited Economic Impact Report

Resource allocation at competitive rate follows the productive sectors including export oriented sectors ship-breaking etc. Sectors like SME, Women Entrepreneur and Agriculture are also in the resource mobilization scheme.

Bank maintained Credit- Deposit ratio to ensure resource utilization in proper. This has contributed towards improvement of assets quality and generation of income in the overall. Further, the cost- income ratio of the Bank signifies the optimum utilization of resources.



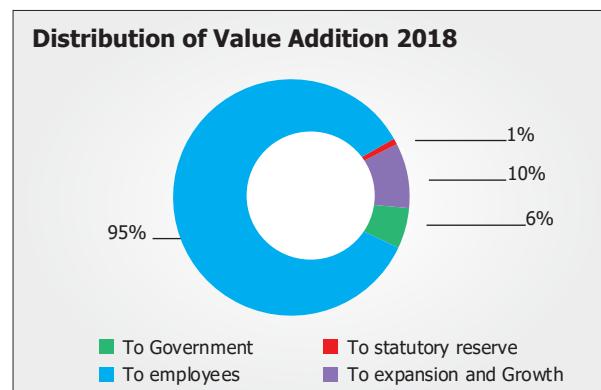
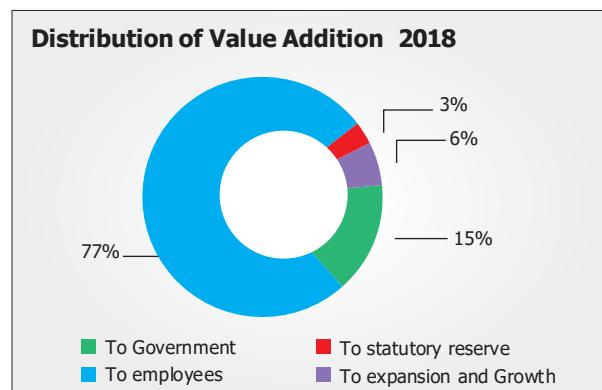
AB Bank Limited
Economic Impact Report

G. VALUE ADDED STATEMENT

Value Added Statement (VAS) for the year ended 31 December 2018

The Value Added Statement for the Bank shows how the value is created and distributed among different stakeholders of the Bank.

	2018 Crore Taka				2017 Crore Taka
Income from Banking Services/Total Income	2,620.52				2,524.39
Less: Cost of services & supplies :	1,755.73				1,489.68
Interest paid on deposits and borrowings, etc	244.99				264.64
Total operating expenses excluding salary and allowances and depreciation & amortization	2,000.72				1,754.33
Less: Loan loss provision and other provisions	251.91				463.41
Total value added	367.88				306.65
 Distribution of added value					
To Government	53.77	15%			-18.75
To employees	283.49	77%			292.40
To statutory reserve	9.53	3%			2.61
To expansion and Growth	21.09	6%			30.39
Retained earning-	7.70				0.35
Depreciation & amortization	28.79				30.04
	367.88				306.65



H. ECONOMIC VALUE ADDED STATEMENT

EVA Statement for the year ended 31 December 2018

Economic Value Added (EVA) is a key performance indicator to measure profitability of a Bank as compared to cost of equity capital. It indicates how much additional value has been created by the Bank for its shareholders after deducting the minimum rate of return required by the shareholders i.e. cost of equity.

AB Bank Limited Economic Impact Report

	2018	2017	2016
Shareholder's equity	2,265	2,277	2,311
Add: Cumulative provisions	1,366	1,140	925
Total Invested fund by shareholders	3,631	3,418	3,237
Average Shareholder's equity [A]	3,524	3,327	3,169
Earnings for the year			
Profit after taxation	2	3	130
Add: Total provisions excluding taxation	252	463	302
Earning for the year [B]	254	466	432
Average Cost of Equity (based on highest rate of Shanchay Patra issued by the Government of Bangladesh) plus 2% risk premium [C]	13.76%	13.76%	13.52%
Cost of average equity [D=A X C]	485	458	428
Economic Value Added [B-D]	-231.2	8.6	3.8
Growth over last year	-2,802%	125%	104%

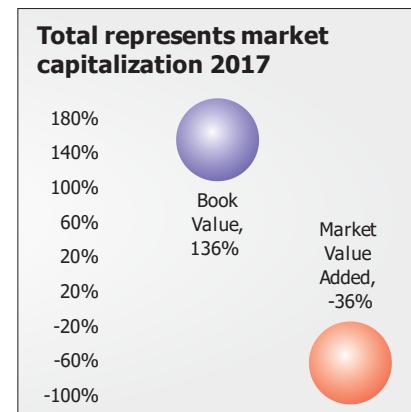
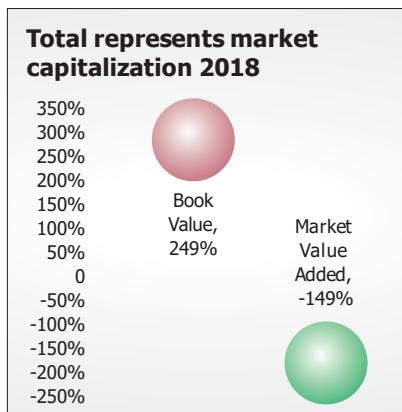
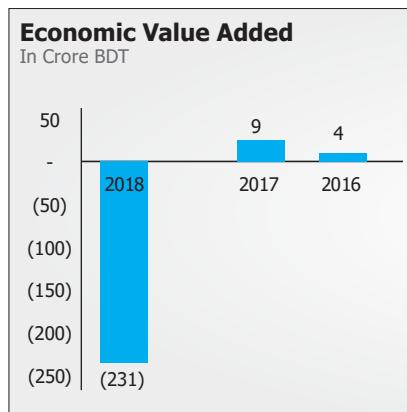
I. MARKET VALUE ADDED (MVA)

Market Value Added (MVA) Statement for the year ended 31 December 2018

Market Value Added (MVA) is the difference between the current market value (based on the quoted price in the main bourse) of a company and the capital contributed by investors. A high MVA indicates the company has created substantial wealth for the shareholders.

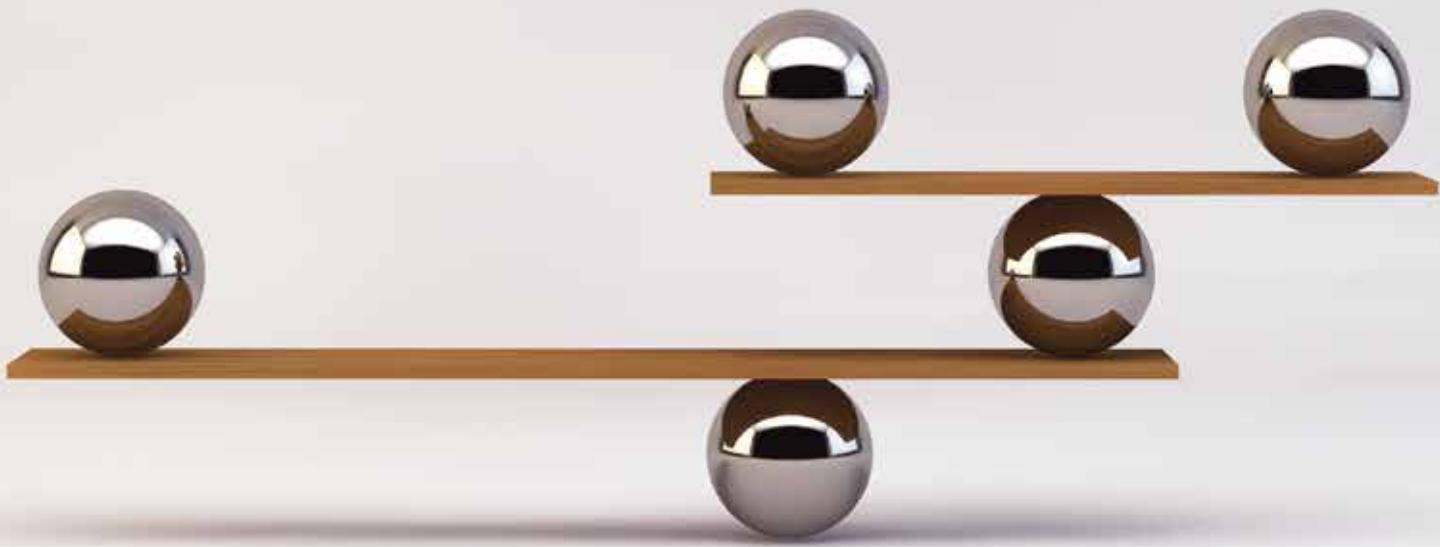
The share market value of AB stood at Taka 910 crore whereas the book value of the Shareholder's Equity stood at Taka 2,265 crore, resulting in a negative Market Value of Taka 1,355 crore as on 31 December 2018. The calculation of Market Value is given below:

	2018	2017
Total market value of the equity	910	1,675
Less: Total book value of the equity	2,265	2,277
Market Value Added	-1,355	-602



RISK MANAGEMENT

REPORT



AB Bank Limited Risk Management Report

1. Introduction

Risk Management refers to the practice of identifying potential risks in advance, analyzing them and taking necessary precautionary measures to reduce the risk. Efficient tradeoff between risk and reward are compulsory for any financial institution to maximize risk-adjusted returns within stipulated boundaries. AB Bank Limited is thus running a dedicated functional unit in the bank to take care of the bank's Risk Management. The Bank has established a strong, disciplined and inclusive risk management culture, where risk management is a responsibility shared by all the employees of the Bank and involving all functions.

2. Risks Areas in Banking

Sl no.	Major Risk	Sl no.	Other material risk
1.	Credit risk	1.	Business risk
2.	Market risk	2.	Reputational risk
3.	Operational risk	3.	Residual risk
4.	Liquidity risk	4.	Credit Concentration risk
5.	Money laundering Risk	5.	Interest rate risk
6.	Information & CT Risk	6.	Settlement risk
		7.	Strategic risk
		8.	Environmental and climate change risk
		9.	Human Resources Turnover Risk

3. Risk Culture in AB Bank

To gain competitive advantages in the industry, a robust risk culture is one of the crucial elements. Building and maintaining a robust risk culture is critical to ensure the success of risk functions. Thus the Board of Directors and the Bank Management promotes a culture of accountability to adhere to Risk Management issues. The responsibility for risk management in the Bank is vested upon the Board of Directors, which is cascaded down to Senior Management and then further down the line. The Bank has relevant policies, guidelines and manuals for different functional areas of its business operations in line with central bank's guidelines and

regulations. AB Bank Limited has a well-organized Risk Management Department (RMD) in line with the guidelines provided by Bangladesh Bank and incorporating best practices in the industry.

4. Management Strategies of the Bank

AB Bank has always taken cognizance of the risks associated with its business operation. The Bank is consciously taking risks based on its approved Risk Appetite, coupled with the necessary checks and control systems to continuously detect, assess and mitigate risks as well as following transparent policies and procedures to follow up on breaches and deviations. AB Bank Limited has well formulated strategies to optimize risk return through effective risk infrastructure to support business growth plans, executives in control and co-ordination of risk taking across the business.

a. Risk Appetite Framework

The financial institutions need to have a comprehensive risk appetite framework which is considerably more than a sophisticated key performance indicator (KPI) system for risk management. It's the core instrument for better alignment of overall corporate strategy, risk mitigation and capital allocation. Therefore, Business Strategy, Risk Appetite and Management Action Trigger are interlinked with each other.

In terms of Bangladesh Bank instructions vide DOS Circular Letter No. 13 dated September 09, 2015 and subsequent DOS letter No. DOS (RMMS) 1154/1/2018-847 dated 28.02.2018 the Bank has a Board approved Risk Appetite statement for the year-2018.

b. Policies & Guidelines

AB Bank Limited has duly approved policies, guidelines and manuals covering all functional area to cover up all possible risk triggering areas of business operations to ensure proper addressing of risks and to have safeguard therefrom. These have been formulated taking into account Bangladesh Bank's Guideline on managing core risks.

AB Bank Limited Risk Management Report

These policies are regularly reviewed and updated to keep pace with the changing operating environment, technology and regulatory requirements. Besides, the bank has introduced various guidelines and operational manuals.

c. Assigning Responsibilities

Responsibility for risk management resides at all levels within the Bank, from the Board Risk Management Committee (BRMC) and the Executive Risk Management Committee (ERMC) down through the organization to each business manager and risk analyst. Bank allocates the responsibilities accordingly so that risk/return decisions are taken at the most appropriate level. The Risk Management procedures are approved, monitored and mitigated at different stages within the Bank with a combination of The Board & its Committees - Executive Committee, Audit Committee and Risk Management Committee (RMC), Management Committees (MANCOM), Assets Liability Committees (ALCO), Risk Management Department (RMD), Credit Committee and Internal Control & Compliance Division (ICCD).

5. Risk Management

A. Credit Risk Management:

Credit risk is, perhaps, the most obvious of the risks that can arise from the banking business. Banks must do their best to determine the likelihood that a customer will pay back what is loaned to them. To ensure profit maximization as well as to mitigate Credit Risk, AB Bank Limited religiously follows some well-defined steps:

Bank has updated Credit Risk Management policy, which clearly defines Bank's objectives, standards, credit approval process and well-defined responsibilities of different officials, who are associated with marketing, approving and administering the credit portfolio of the bank.

- Uses a well-designed and in-depth Credit memorandum format that contains details of the prospective borrower's financials, business status, cashflow trends as well as reputation in the market, experience in the field. The format also highlights the different security /collateral converge issues. As a whole, the format allows the credit approving authority to make a well-informed decision, concerning the profit making as well as risk mitigating factors.
- Centralized set up for client's approved limit loading and as well as limit activations to ensure accuracy and control
- Credit Rating of the customers wherein they are actively encouraged to rate themselves through approved credit rating agencies to determine their financial health.
- Bank has an efficient system based credit monitoring software, which enables proper monitoring of the client's accounts as and when required.

B. Market Risk Management

This risk emanates from adverse movement of interest rate, foreign exchange rates, equity prices, commodity prices etc. In AB, we have the following structure in place for monitoring the trend and taking appropriate measures to maximize margin and minimize risks:

- ALCO (Asset Liability Committee) comprising Treasury and other Senior Management meets periodically to review present and anticipated future market trend and takes appropriate decisions on interest rates and investments
- Segregated Front Office, Mid Office and Back Office to ensure 'check and balance' between Treasury functions
- Separate Investment Division having a well-defined policy framework for capital market investments
- Regular reconciliation of all Nostro accounts

AB Bank Limited Risk Management Report

C. Operational Risk Management

Operational risk is the risk that comes from within. Inadequate internal controls and employee accountability can lead to serious risks for your bank. Operational Risk refers to some direct or indirect losses, resulting from human errors, external events, inadequate or failed internal processes and systems e.g. frauds and forgeries, etc. The Bank is committed to alleviate this risk through the following:

- Set down guidelines, manuals and policies have been implemented for all back office functions
- Strong operational teams with clear segregation of duties to ensure check and balance and regular reviews by senior management
- A strong and committed control culture across the bank
- A strong internal control team conducting regular audits
- Frequent Visit by Head Office Senior Management along with specifically designated officials.
- Arrangement of training, meeting, seminars, etc.

D. Liquidity Risk Management

This is a risk that Bank will not be able to stay resilient, if funds are suddenly ran out. A solid risk management plan is essential for mitigating Liquidity risk that can be faced by any bank in the industry. Banks face this risk, when it is unable to meet its financial obligations at the time of demand / emergency. It arises when the cushion provided by the liquid assets of the bank are not sufficient to meet maturing obligations. AB Bank has founded the following precautions to restrain the risks that can be arouse from liquidity issue:

- ALCO (Asset Liability Committee) comprising Treasury and other senior management meets periodically to review different aspects of the bank's portfolio with special emphasis on

deposits and liquidity position. After a detailed discussion among the designated members, necessary steps are decided to be taken by the bank

- Bank is always highly cautious about maintaining the Parameters set by Bangladesh Bank especially in regards to AD ratio
- A balanced mix of short and long terms deposits to counter maturity gaps.
- Annual budget is formulated with a balance between growth in assets viz a viz liabilities.
- Different deposit based products to attract deposits from various customer segments

E. Combating Money Laundering & Financing of Terrorism

The Bank emphasizes on the robustness of processes and internal controls followed at the organization along with the safeguards that are in place to protect the system against any possible frauds. Money Laundering and Terrorist Financing are alarming threats worldwide. Since these risks are directly associated with 'money', banks have an active role in prevention of money laundering and terrorism financing. Bangladesh Bank also has taken a lead role to combat these risks and have circulated guidelines and policies on "Anti Money Laundering" and "Combating the Financing of Terrorism". In accordance with these guidelines AB Bank Limited has taken the following steps:

- A Central Compliance Department (CCD) has been set up headed by a Deputy Managing Director who is also the Chief Anti Money Laundering Compliance Officer (CAMLCO)
- AB Bank guidelines on Anti Money Laundering (AML) and Combating the Financing of Terrorism (CFT) have been formulated and disseminated to all employees of the bank
- AML software has been implemented to monitor account activities and for Auto reporting of Cash Transaction Reports (CTR)
- Trainings are imparted to employees on AML & CFT

AB Bank Limited **Risk Management Report**

- AML & CFT compliance status of branches are reviewed by the internal audit team during their periodic audit of AB Branches
- AB Bank Limited continuously conduct several trainings/workshops all the year round, to equip senior officials as well as officials working in different business groups and control functions, to create awareness and to be vigilant accordingly.

6. Capital Plan and Management

The Bank is committed to maintain a strong capital base to support its business growth, comply with all regulatory requirements, and obtain good credit rating and CAMELS rating and to have a cushion to absorb any unforeseen shock. The capital adequacy position and assessment is reported to the Board and the Risk Committee periodically. The Bank actively manages its capital to meet regulatory norms, current and future business needs and the risks in its businesses.

Capital Maintenance & Dividend policy

Following important issues are considered for capital maintenance and dividend policy:

- Increased capital requirement for sustainable business growth
- Keeping sufficient cushion to absorb unforeseen shock or stress
- Cost effective options for raising Tier I and Tier II capital as per Basel-III accord
- Improving credit rating and CAMELS rating of the Bank
- Meeting regulatory requirements
- Meeting covenants of lenders

The Bank has been following a dividend policy all through the years that ensure satisfactory return to shareholders as well as sustainable growth of the Bank along with strong capital adequacy ratio (CAR) to protect greater interest of the depositors and shareholders.

7. Stress Testing

AB Bank conducts stress testing exercise and prepares Stress Testing Report on Quarterly basis in accordance with Bangladesh Bank Guidelines considering the following risk factors:

- a) Credit Risk
- b) Interest Rate Risk
- c) Exchange Rate Risk
- d) Equity Price Risk
- e) Liquidity Risk

Latest Stress Testing Report based on December 31, 2018 has been approved by the Board of the Bank and submitted to Bangladesh Bank accordingly.

8. Supervisory Review Process (SRP) - Supervisory Review Evaluation Process (SREP) on Internal Capital Adequacy Assessment Process (ICAAP)

Supervisory Review Process (SRP) gives emphasis to the value that Banks have a process for assessing overall capital adequacy in relation to risk profile and strategy for maintaining their capital at a satisfactory level. The process involves constitution of two teams viz SRP Team at the Bank level and SREP Team at Bangladesh Bank. Accordingly, AB Bank Limited has formed its SRP team duly approved by the Board.

Supervisory Review Evaluation Team (SREP) of BB reviews and evaluates the Bank's ICAAP and strategies, as well as its ability to monitor and ensure compliance with economic Capital Adequacy Ratio (CAR). Mentionable that, under this process, Bank has to maintain 'Adequate Capital' in addition to Minimum Capital Requirement (MCR) under Section 13 of Bank Company (Amendment up to 2018) Act, 1991.

Mentionable that SRP – SREP Dialogue on ICAAP based on December 2017 was duly held by the Bangladesh bank. The document for ICAAP-2018 is under process. After its completion, necessary approval from the Board will be obtained and be submitted to central bank for their further review and holding SRP-SREP dialogue thereon.

AB Bank Limited **Risk Management Report**

9. Basel III & its implementation

Bangladesh Bank has declared the Roadmap for implementation of BASEL III in banking sector in parallel with Basel II. Starting from June 2014, it will come into full force by December 2019. In line with Central Bank requirement, AB Bank Limited has already formed a Basel III Implementation Committee to ensure timely implementation of Basel III accord.

10. Risk Management Department

The Bank has an established Risk Management Department (RMD) in accordance with Bangladesh Bank guidelines. The department follows Bangladesh Bank's risk related directives and works closely with core risks dealing divisions to address and mitigate the risks properly. RMD has a continuous focus on the core risk areas. The department plays a key role in providing suggestions where mitigating factors require some added expertise and need to undertake required initiatives. Mentionable that, the Board's Risk Management Committee has authorized the Management to implement all the directives of the central bank timely and properly. RMD is working in line with the directives.

11. Conclusion

AB Bank Limited is a well reputed Bank in the industry, upholding its position as one of the largest

banks in Bangladesh. In its successful operation of long 37 years, the bank has proved itself as 'First of Many Firsts'. Risk Management has been considered as core part of Bank's strategic planning, having close collaboration with the Business Leaders within the Bank and a center of excellence in analytics and unprejudiced decision making. With the ongoing phenomenon of worldwide understanding on importance of Risk Management, the Management and Board of the Bank feel and believe that, with the growth of its business, strengthening its oversight and building a strong risk management structure is a matter of significance. The Bank has set its risk management policies, risk appetite statement and introduced effective risk assessment procedures, monitoring and oversight in a very methodical and conscious manner in order to control the internal and external risks at an optimum level. The Bank is always keen to upload its brand image through customer satisfaction by mitigating risk factors at all levels.



Sajjad Hussain, DMD

Chief Risk Officer

DIRECTORS' REPORT





AB Bank Limited Directors' Report

Bismillahir Rahmanir Rahim

Honorable Shareholders

As-salamu alaikum.

The Board of Directors of AB, the first Private Sector Bank, welcomes you all to the 37th Annual General Meeting (AGM) of the Bank and present before you the Annual Report and the audited Financial Statements for the year 2018. The annual report also briefly points out the business and the financial performance and the influencing parameters affecting the business.

Dear Shareholders,

The Directors' Report 2018 is prepared in accordance with Section 184 of Companies Act, 1994 and Bangladesh Securities & Exchange Commission's Notification BSEC/ CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. We are pleased to place the audited Financial Statements of the Bank for the year ended 31 December 2018 along with the Auditor's Report. Financial Statements of the Bank have been prepared with a view to provide maximum possible coverage in terms of compliance with applicable regulatory requirements and financial standards and to give a true and objective view of the business affairs in a transparent manner as far as possible to our Shareholders and regulators alike. All the subsidiaries and other independent activities of the Bank have been given separate representation in this year's Financial Statements.

Starting in 1982, today after 37 years, we are an eponymous banking institution facing the challenges of the changing business environment - a testament to a trailblazing partnership with our Shareholders, Directors, Customers, Regulators and well-wishers. To honour and in recognition of the bondage, we have designed our 37th year mnemonic to read - 37 Years of Successfull Partnership.

Global Economy

Global growth in 2018 is estimated to be 3.7 percent, as registered in last fall, but signs of a slowdown in the second half of 2018 have led to downward revisions for several economies. Weakness in the second half of 2018 will carry over to coming quarters, with global growth projected to decline to 3.5 percent in 2019 before including via worsening business confidence and market sentiment picking up slightly to 3.6 percent in 2020. This growth pattern reflects a persistent decline in the growth rate of advanced economies from above-trend levels occurring more rapidly than previously anticipated—together with a temporary decline in the growth rate for emerging market and developing economies in 2019, reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies. Specifically, growth in advanced economies is projected to slow from an estimated 2.3 percent in 2018 to 2.0 percent in 2019 and 1.7 percent in 2020.

Growth in the euro area is set to moderate from 1.8 percent in 2018 to 1.6 percent in 2019 (0.3 lower than projected last fall) and 1.7 percent in 2020. Growth rates have been marked down for many economies, notably Germany (due to soft private consumption, weak industrial production following the introduction of revised auto emission standards, and subdued foreign demand); Italy (due to weak domestic demand and higher borrowing costs as sovereign yields remain elevated); and France (due to the negative impact of street protests and industrial action).

There is substantial uncertainty around the baseline projection of about 1.5 percent growth in the United Kingdom in 2019-20. The unchanged projection relative to the October 2018 World Economic Outlook (WEO) reflects the offsetting negative effect of prolonged uncertainty about the Brexit outcome and the positive

AB Bank Limited Directors' Report

impact from fiscal stimulus announced in the 2019 budget. This baseline projection assumes that a Brexit deal is reached in 2019 and that the UK transitions gradually to the new regime. However, as of mid-January, the shape that Brexit will ultimately take remains highly uncertain.

World economy will further face debacle/risks upon some of the important changes, i.e. trade war, Brexit, downturn of China economy, depending most of country on central bank and also emerging market emergencies etc.

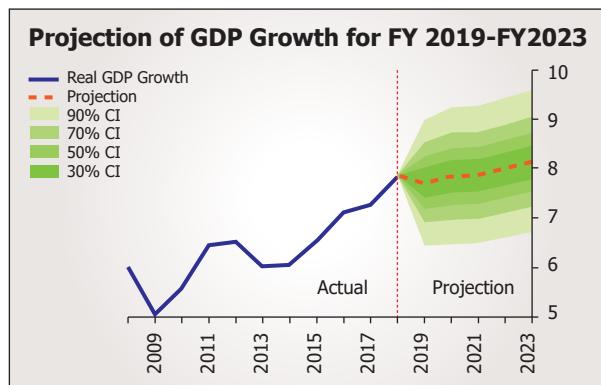
USA-China tariffs conflicts has raised uncertainty in world economy as the top two economic powers could not yet reached on a solution. It will hit the two countries economy as well as other countries pushing trade war. However, in February-March'19, the two countries showed a positive business relation in future which will be a green signal to economic growth in coming days.

Bangladesh Economy

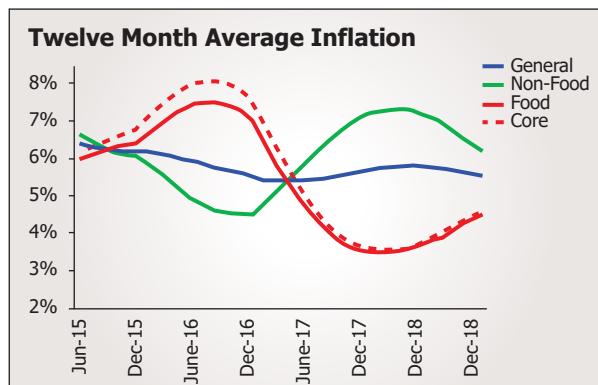
Bangladesh economy continued to grow rapidly and achieved a record growth of 7.86 percent in FY18, over-performing the Government's FY18 growth target of 7.4 percent. The growth momentum was supported by strong domestic and external demand. A surge in remittance inflows at 17.3 percent, along with strong private sector credit growth pepped up the consumption demand. At the same time, higher growth in investment-related imports reflected robust investment demand. Export growth also maintained its momentum during this period. On the supply side, the

growth impulse largely came from the industry and agricultural sectors. Bangladesh Bank projects GDP growth to range from 7.5-7.7 percent for FY19, assuming continuation of a calm political situation and less possibility of further escalation of global trade-related conflicts. Annual average CPI inflation increased to 5.8 percent in June 2018, marginally higher than the 5.5 percent target ceiling for FY18. This increase in average CPI inflation was broadly tracking the food inflation dynamics driven by flood-related domestic shocks and higher global commodity prices, while non-food inflation witnessed a decreasing trend. Bangladesh Bank's projection shows average inflation for H1FY19 to be around 5.4 - 5.8 percent assuming no large domestic and external shocks.

As liquidity condition tightened, BB reduced Cash Reserve Requirement (CRR) by 100 basis points to 5.5 percent and repo rates by 75 basis points to 6.0 percent with effect from April, 2018. Moreover, to ease the liquidity conditions, BB increased available repo tenors to 7, 14 and 28 days. Inflationary risk concerns remained largely under control since broad money (M2) growth for FY18, the key determinant of inflation, moderated to 9.2 percent, well below the target of 13.3 percent. The FY19 monetary program targets domestic credit and M2 growth ceiling at 15.9 and 12.0 percent, respectively, sufficient to accommodate GDP growth of up to 7.8 percent and average annual CPI inflation of up to 5.8 percent. Private sector credit growth remained strong at 17.0 percent in June 2018, slightly above the target of 16.8 percent in FY18 but domestic credit growth reached 14.6 percent, well below the target of 15.8 percent.



Source: Bangladesh Bank staff Projection



Source: Bangladesh Bureau of Statistics

AB Bank Limited Directors' Report

External sector developments in FY18 have been dominated by import dynamics. Import growth in FY18, reached a high of 25.0 percent. Current account deficit widened to around 3 percent of GDP, despite a strong and broad-based rebound in remittances growth (17.3 percent) and a pick-up in overall export growth to around 6 percent, up from 1.7 percent a year ago. However, import decomposition in FY18 reflected a high import of capital goods, food imports due to flood-related weather, macroeconomic performance and prospects shocks and export-related intermediate goods. Overall Balance of Payments declined to (-) 0.3 percent of GDP, leading to a decline in Net Foreign Assets.

Foreign exchange reserves stood at USD 32.9 billion in June 2018, around 5 months of prospective imports. Bangladesh Bank expects that in FY19 remittance inflows and export growth will continue the momentum. Import growth is expected to moderate, aided by better harvests and export growth will continue the momentum. Import growth is expected to moderate, aided by better harvests and progress in some of the mega projects. Bangladesh Bank projects export, remittance and import growth in FY19 at around 8.0, 16.0 and 12.0 percent, respectively.

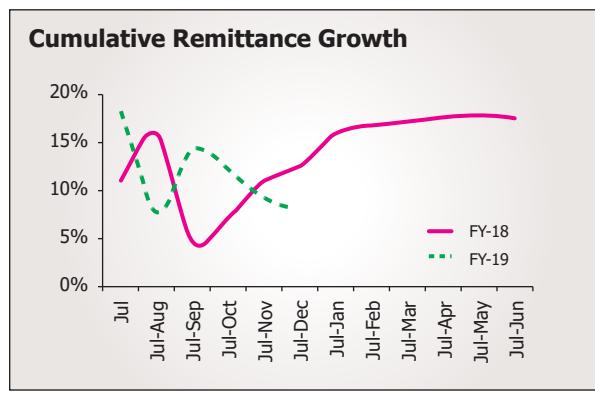
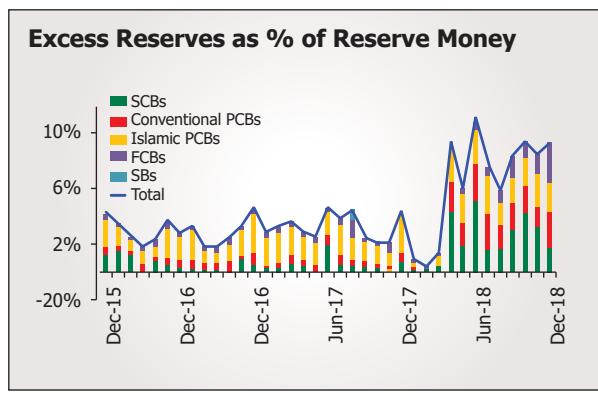
Export earnings increased slightly by 5.81 percent to USD 36668.17 million in FY18 from USD 34655.9 million in FY17. Readymade Garments (woven garments and knitwear products) continued to occupy a lion share (above four fifths) of the total export. Woven and knitwear products, which fetch about 83.49 percent of total export earnings, registered

an increase in receipts from USD 28149.8 million in FY17 to USD 30614.8 million in FY18. Woven and Knitwear products showed a higher growth of 7.2 and 10.4 percent respectively in FY18 compared to FY17. During FY18 export earnings from leather and leather products decreased significantly to USD 519.9 million in FY18 from USD 697.0 million in FY17.

Remittance receipts increased by 17.3 percent to USD 14981.69 million in FY18 from USD 12769.45 million in FY17. Countries like Kingdom of Saudi Arabia (KSA) opened their labor market for Bangladesh in 2017 which helped to increase remittance inflows again. To ease the formal channel, Bangladesh Bank reduced the security deposit requirement for the exchange houses abroad to establish drawing arrangement with local banks.

The growth of total revenue collection was revised downward to 28.9 percent from the budget in FY18 of 43.1 percent and the actual revenue growth of 16.3 percent in FY17. This downward revision was mainly stipulated by the weaker than expected tax revenue collection by the NBR in the original budget of FY18. Total revenue-GDP ratio decreased from 12.8 percent in the initial budget of FY18 to 11.5 percent in the revised budget but remained higher than 10.2 percent of FY17.

Public expenditure as a percentage of GDP increased from 13.6 percent in FY17 to 16.5 percent in the FY18 revised budget. It grew by 37.8 percent in the FY18 revised budget compared to 13.0 percent in FY17 actual budget. Operational expenditure in the FY18 revised budget stood at 8.6 percent of GDP which was 8.3 percent in FY17 actual budget.



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The revenue receipts in FY19 is targeted to grow by 30.8 percent to BDT 3392.8 billion (13.4 percent of the GDP) compared to that of the revised budget for FY18. The tax and non-tax revenue receipts are expected to increase by 31.8 percent and 22.4 percent respectively compared to the revised budget for FY18. Total revenue-GDP ratio is projected to increase to 13.4 percent in the FY19 compared to 11.5 percent in FY18. Receipts from the direct taxes on income and profits is projected to increase by 29.6 percent in FY19 compared to the revised budget for FY18 while 33.2 percent growth is projected for indirect taxes (VAT, import duty, supplementary duty, and export duty). Among non-tax revenue sources, dividend and profit has been projected to increase by 14.6 percent in FY19 compared to the revised budget for FY18.

The capital market passed a gloomy year in 2018 as the core index of the Dhaka Stock Exchange (DSE) suffered a 14 per cent loss amid lack of investor confidence.

People familiar with the capital market said fear about political turmoil, lower participation of institutional investors due to liquidity crunch and shrinking foreign investment caused consternation among the investors.

BUSINESS OVERVIEW 2018:

Corporate Banking

Based on experience and practical knowledge, AB Bank provides Corporate Banking solutions to the growing Corporate Sectors of the country. To meet the diverse financial needs of the corporates, the Bank provides a broad spectrum of products and services. With expertise, innovation and customization, the Bank simplifies the complexities of the financial world for the clients and helps them attaining their desired objectives. The prime focus is on building and maintaining long-term mutually beneficial relationship with the clients, and being a part of their journey towards development and growth. The Corporate Products and Services of AB Bank Limited are extended to the Corporate Clients of its various Branches through Head Office Corporate Finance Division. AB Bank has always been supporting the Corporates through a wide range of conventional Corporate and Islamic Banking Products and Services along with cutting edge solutions through a focused approach. On many occasions, AB's innovative and insightful support has

transformed corporate customers into market leaders. AB Bank Limited has a proven track record as a book runner, mandated lead arranger and underwriter of Syndicated loans. Due to the long experience and flexible handling, the Bank can offer clients tailored loans and facilities as well as a complete service for complex transactions through Syndication. As an unwavering financial partner with substantial underwriting capacity, the Bank offers clients the necessary services to raise capital and debt from the market.

Business Highlight in 2018:

- 1) Textile and RMG:** RMG accounts for the largest export revenue generating sector of the country. In continuation of its financial support to this most important economic sector, the Bank provided credit facilities to a number of clients in this sector which is going to further consolidate Bangladesh's capabilities in Textiles.
- 2) Steel Manufacturing Industry:** Steel manufacturing industry is growing as one of the dominant economic sectors of the country. In 2018, AB Bank strengthened its footprint in this sector by extending credit facilities to a number of clients.
- 3) Medical Education and Health Service:** The Bank has extended financing to the capacity building of the Health sector.
- 4) Home Appliances:** In recent times, home appliances manufacturing has become one of the most important sector in the economy of Bangladesh. As part of the investment of the Bank, AB Bank Limited extended credit facility to various home appliances company of the country.
- 5) Fast Moving Consumer Goods (FMCG):** AB Bank Limited contributed to the FMCG sector of the country by extending various sort of credit facilities to its FMCG clients to support their business.

Retail Banking Division

AB Bank, the first private sector commercial bank of Bangladesh, has been continuously developing flexible and customized retail products on sophisticated technology platform for present generation (generation Y),

AB Bank Limited Directors' Report

and thus bonding generations with its diversified products and services. The Bank with its expanded branch network, efficient workforce, Direct Sales Executives and Alternative Delivery Channels (ADCs) is facilitating the banking services at the doorstep of the customers.

AB Bank Retail Product Line

Products	
Asset	Liability
Personal Loan	Current
Auto Loan	Savings
House Loan	MaxSaver
Secured Loan	SmartSaver
	Student
	Shampurna
	Payroll Management
	SND
	FDR
	Scheme

Business Overview of Retail Banking Division in 2018

The year 2018 has been a challenging year for most of the Banks in Bangladesh. The scheduling of national election and existing high yielding Government savings certificate also contributed to this challenge.

With a view to lessening dependency on high cost deposit, the Bank emphasized on booking payroll and collection accounts. As a result, during the year the growth of payroll account was 24.68%.

Agent Banking

AB Bank commenced its Agent Banking Operation from January 17, 2018 with the first agent point located at Meghula Bazar, Dohar, Dhaka. The major goal of Agent Banking is to bring the large segments of unbanked population into banking network, as well as, to contribute to the sustainable growth of the economy.

By the end of 2018, the bank has established 23 nos. Agent outlets in different parts of the country. Agent Banking ended the year with 2,483 nos. CASA and Time deposit of Tk. 7.64 crore.



Agent Banking Inauguration

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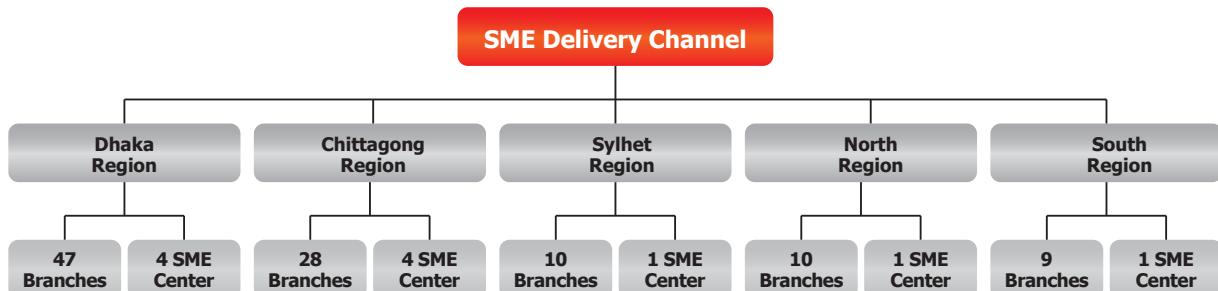
School Banking

All the branches of the Bank have conducted school banking campaign in different schools throughout the country and booked significant numbers of student accounts. By the end of 2018, the aggregate deposit in student account stands at 24.26 crore with an increase of 34.18% over the year 2017.

The bank also participated in school baking conference organized by other banks in different regions.

SME Banking

Small & Medium Enterprises (SMEs) are the 'engines of growth' in almost all the developing economies of the world. SMEs have been playing a vital role in job creation and overall economic development in Bangladesh like other countries. Banking to the SMEs may be termed as banking to the 'unbanked', as a great many of them yet to receive bank finances to ensure greater business development. In line with the Banks' greater intention to contribute to the economic development, AB Bank is relentlessly strengthening its disbursements to the SME Sector, specially in Manufacturing and Service segments.



SME Products and facilities:

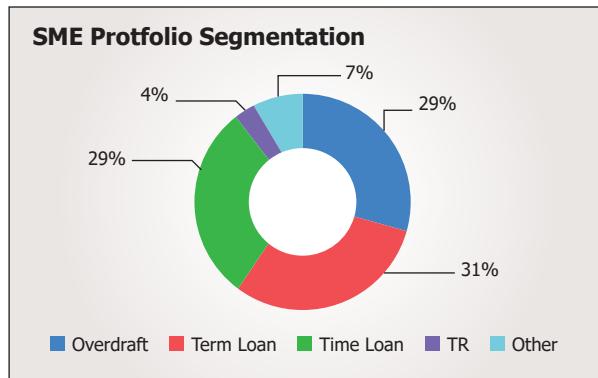
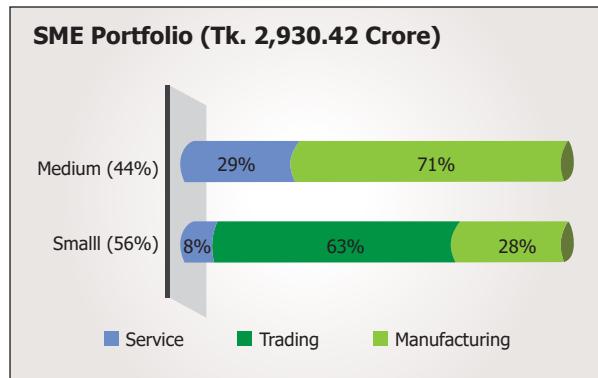
- Overdraft
- Term Loan
- Term Loan
- Letter of Credit
- Letter of Guarantee
- Trust Receipt
- Inland Bill Purchases
- Loan Against Accepted Bill

SME Events & Training Programs:

AB participated in several SME Events as organized in national level and also arranged Training Programs on own initiatives for awareness build up for SME Clients.

Agricultural & Rural Credit:

AB enormously emphasizes financing on Agricultural Sector, especially for Crops Cultivation purposes through own countrywide branch network as well as through renowned NGO/MFI linkages having strong network in grassroots level.



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AB Bank Alternate Delivery Channel

In a row of 37 years of banking excellence, AB Bank Limited is a splendid name in the banking arena with a country wide network of ATMs located at urban and rural areas. At present, the Bank's Electronic Business (eBiz) Division is enriched with Visa Debit Cards, MasterCard Credit Cards, ATMs, SMS Banking, Branch POS and Internet Banking Mobile App with a 24-hour call center.

International Debit Cards – First-time in Bangladesh

In 2018, AB Bank proudly introduced, for the first time in Bangladesh, international debit cards (under the VISA network). Using this card, customers can use their savings accounts tagged with their debit cards (after proper endorsement) outside the country just like credit cards. This brings in the convenience of using one's own account balance for foreign travel without resorting to applying for credit cards and the hassles associated with them.

Due to this exciting innovative product, VISA even awarded for **Excellence In Product Innovation 2017-18** to AB Bank on May 10, 2018.

Debit Cards

With the opening of any personal account, the customer is issued with a Debit Card. At all the AB Bank ATMs, this card can be used without any transaction fee. This card is also accepted at all ATMs under the NPSB network across the country with nominal transaction fees. AB Bank Debit cardholders can also use their cards at all Visa labeled POS terminals around the country for purchasing goods and services. AB Bank account holders



can withdraw up to BDT 300,000 from branches without cheque, using their VISA Debit cards from Branch POS terminals.

Automated Teller Machines (ATMs)

AB Bank now has the fourth largest ATM network with 280 ATMs located across the country. The increase of ATMs is changing the conventional banking trend. For cash withdrawal and some other banking services, the customers are using AB Bank ATMs as their banking channel of choice. Bank already implemented the Online Bills Collection of DESCO & Mobile Top-up using AB Bank Visa debit cards in ATM. Customers presently can avail various types of services in these ATM booths like:

- Cash Withdrawal
- Balance Inquiry
- PIN Change
- Mini Statement
- NPSB Fund Transfer (To be incorporated shortly)

Any Visa or MasterCard cardholder around the globe can enjoy the AB Bank ATM facilities too. AB Bank has also joined in the National Payment Switch of Bangladesh (NPSB) which is operated by Bangladesh Bank. Through this arrangement, any member bank's cardholder can withdraw money from AB Bank's ATMs as well as AB Bank's cardholders can withdraw money from other NPSB member banks' ATMs. Nearly 3.76 million transactions were made via AB Bank ATMs last year. Interestingly, other banks' cardholders use AB Bank's ATMs more due to high availability and consistent uptime.

Credit Cards

AB Bank, in partnership with MasterCard, launched the World MasterCard line of credit cards in 2014. The World card is in the highest tier of the MasterCard's portfolio and comes with an array of exclusive benefits specifically focused on premium travelers. In addition to the World MasterCard, AB Bank also launched MasterCard Titanium and MasterCard Gold credit cards.

Discount and EMI Programs

AB Bank, in partnership with leading merchants and Service Providers, have introduced discount & 0%-interest EMI programs in the fields of Health Care,

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Hotels & Resorts, Airlines & Tourism, Electronics, Life Style, Dining etc.

The discount programs are available in both Visa Debit and MasterCard Credit Cards whereas EMI programs are available via Credit Cards.

SMS Banking

AB Bank SMS Banking allows day to day banking on the mobile 24 hours a day. An SMS Banking customer needs to send a text message to AB Bank short code (16207) and for their desired service requirement – no hassle, no queue and easy to use.

The AB Bank SMS service comes with the following facilities:

- Balance Inquiry
- Mini Statement
- PIN Change
- Fund Transfer
- Mobile Top Up
- Bill Payment

Internet Banking & Mobile App

To facilitate modern banking services, AB Bank revamped its Internet Banking offering and introduced Mobile App under the umbrella of AB Direct. Internet Banking is browser and device independent and the Mobile App is available for Android and Apple iOS.

“Banking everywhere, never at a bank” – believing in this mantra, AB Bank brings its new Internet Banking with following benefits:

- Instant access to account information and account balance
- Print or electronically save transaction history
- Transfer funds to any bank account within Bangladesh
- Pay utility bills (e.g. Dhaka WASA, DESCO, DPDC, and others)

Corporate Internet Banking

As its 2nd phase of AB Direct initiative, AB Bank has introduced Internet Banking services for its corporate customers as well. Company and business customers can use a highly specialized version of the Internet Banking solution for real time access to their accounts for balance information and making payments using various channels i.e. BEFTN, RTGS, pay utility bills etc.

This version has a strong multi-layer authentication workflow for payments with payment delegation hierarchy. This version also supports bulk payment processing for salary disbursements, etc. Customers can also view transaction histories and download them in Excel format for further automated consumption at their end.

Branch POS (Chequeless Transaction)

AB Bank introduced Branch POS (Point of Sale) Services to consolidate its position in the market in terms of technology based retail banking product offers. This service was introduced to facilitate AB Bank Visa Debit cardholders for the higher cash withdrawal facility through POS terminals in any AB Bank Branches.

Utility Payments

AB Bank currently receives following utility bills via Branch, SMS Banking and Internet Banking:

- Dhaka Water and Sewerage Authority (DHAKA WASA)
- Dhaka Electricity Supply Company Limited (DESCO)
- Dhaka Power Distribution Company Limited (DPDC)
- Bangladesh Telecommunications Company Limited (BTCL)
- Titas Gas Sales and Distribution Company Limited (TITAS GAS)
- Chittagong Water and Sewerage Authority (CTG WASA)

AB Bank customers are also able to pay these utility bills from Internet Banking and SMS Banking.



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Call Center

The call center accessed through the short code 16207 established by IT & eBiz Division is serving a high number of ABBL customers for any electronic banking related queries.

Social Media Presence

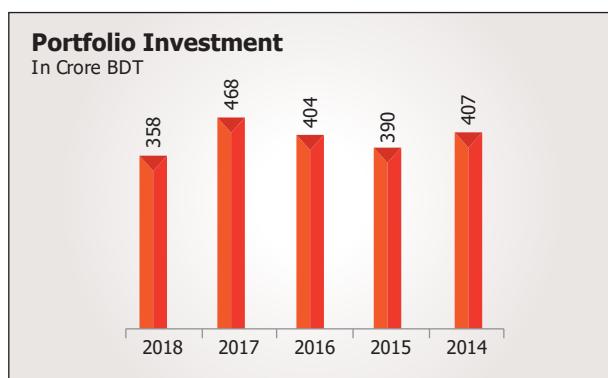
AB Bank has opened a Facebook Page to promote its products and services. It is also used to respond to various customer enquiries on different types of AB Bank products and services e.g. Internet Banking, ATM Locations, branch locations. Any customer or a potential customer can access AB Bank's Social media site using the URL -<https://www.facebook.com/abbanklimited/>

Information Technology (IT)

During the year IT has undertaken various major upgradation initiatives which includes core banking software and associated hardware. This will enable the Bank to offer state of the art product and services to its customers under a more secured environment.

Investment Banking Department (IBD)

Investment Banking Department (IBD) was established in 2006 to manage the Bank's investments in the capital market. There is also a Custodian Unit which operates under IBD which provides one-stop services to NRB's and Foreign Investors interested to invest in Capital Market in Bangladesh. Besides IBD also plays a monitoring and supervisory role to oversee AB Investment Limited and AB Securities Limited. AB's last five years portfolio investments (Quoted shares) are shown below:



Keeping in pace with AB's vision of innovative banking, IBD focuses on diversifying service horizons from that of conventional Merchant Banking services. IBD also extends services for the Portfolio Management needs of Non-Resident Bangladeshi (NRBs) and foreign investors and also facilitates remittance in the local capital market through NRB-IDA, FC and NITA account. As a value-added option IBD also has a Custodian Wing under a separate license.

1st Mutual Fund

At the end of 2018, the "AB Bank 1st Mutual Fund" has reported Net Asset Value (NAV) of Tk. 11.28 per unit on the basis of current market price and Tk. 11.16 per unit on the basis of cost price against face value of Tk. 10.00. The total Net Assets of the Fund stood at Tk. 2,695.93 million on the basis of market price and Tk. 2,668.72 million on the basis of cost price after considering all assets and liabilities of the Fund.

Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT):

Money Laundering and Financing Terrorism are major threats to the Financial Services community worldwide. We at AB Bank have taken it into cognizance and we also understand that the fight against these threats should be individual as well as a team driven. Therefore, at AB Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) knowledge is mandatory for every officer of the Bank for maintaining safety, security and other ethical standards of its operations. It is the responsibility of all employees of AB to adhere to its AML & CFT Policy. We always meticulously comply with the instructions of regulatory authorities and keep all our employees aware of any changes or development in this area. AB acknowledges and supports the increasing need for partnership between the government, BFIU, Bangladesh Bank, Law enforcement agencies and financial institutions to work together to combat money laundering and terrorist financing. AB is determined to play an appropriate and active role in this partnership.

In accordance with the Financial Action Task Force (FATF) recommendations and circulars on AML/CFT issued by BFIU the Bank has formulated policies, control and procedures that enable us to manage and mitigate

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effectively Money Laundering and Terrorism Financing risks. Risk Management Guidelines is an integral part of our AML & CFT Policy. We are committed to full-fledged implementation of Risk Management Guideline to assess the level of risk exposure considering the Bank's customers, product, services, geographic locations, delivery channel and regulatory risk on money laundering and terrorist financing.

Awareness of officials of AB is essential to combat money laundering & terrorist financing threats. Training to all employees on these area is mandatory as per AML and CFT Policy of our Bank which has been formulated in line with the BFIU policy. These trainings will also recap employees' responsibilities in prevention of money laundering and combating terrorist financing. Last year (in 2018) we imparted trainings to 725 employees of the Bank. Our plan is to arrange fresh and refresher job specific trainings for 500 officials in 2019.

AB adopts special safeguards for business relationships with Politically Exposed Persons (PEPs)/ Influential Persons (IPs)/ Senior Officials of International Organizations (IOs) deemed to be High Risk. We have adopted Customer Acceptance Policy (CAP) in our AML/CFT policy in accordance with BFIU guidelines.

Purpose of opening an account, source of funds, its origin and purpose of transactions are meticulously reviewed in order to detect suspicious transaction and activity. When such transaction/activity is detected, those are proactively reported. Effective monitoring of suspicious movement in customers' accounts is a principal mechanism in the fight against money laundering. As such a well-designed and effective transaction monitoring system has been introduced. The Bank performs transaction monitoring through a specialized software to identify suspicious /unusual transaction.

We have given sufficient emphasis on prevention of Trade Based Money Laundering (TBML). As a result of that we have appended a separate chapter on Trade Based Money Laundering in our revised AML/CFT policy in 2018. Training on the same has been provided to officials of AD Branches and other concerned employees. We have deployed additional manpower at Head Office level to ensure close monitoring of transactions in

accounts. Review of account opening related documentations of Agent Banking Service (ABS) and Off-shore Banking Unit (OBU) and monitoring transactions of these areas have been ongoing.

Offshore Banking Unit (OBU)

In April 28, 2010 AB Bank started OBU operation located in EPZ Branch by initiating financing to Bangladesh Biman Airlines under syndicated Term Loan against sovereign guarantee. With spontaneous support from all corners, OBU has been able to finance a few foreign owned companies as well as some corporate resident customers with due permission from the regulatory body.

Department of Internal Control & Compliance (DICC)

The Department of Internal Control & Compliance (DICC) comprises the following Divisions:

- i) Audit & Inspection Division
- ii) Monitoring Division and
- iii) Compliance Division

Audit & Inspection Division conducts Risk Based Audit and Annual comprehensive audit of the Branches, Head Office Departments/Divisions/Units etc. The Division ensures compliance of internal as well as external and Bangladesh Bank Inspection Reports on Core risks. Besides, Special Audit on some specific issues like year-end Cash Position, Security Stock verification etc. is also conducted by the Department.

Monitoring Division under DICC monitors branches operational activities through internal control tools e.g. DCFCL, LDCL and QOR and summarizes the findings and reports with updates to the Board Audit Committee. It also summarizes the decisions of Board Audit Committee (BAC) Meetings and submits the same to the Board of Directors along with the status of the decisions quarterly.

Audit & Inspection Division has a direct reporting line with BAC although it becomes a part of ICC administratively. The Department follows its charter as embodied in the ICC Manual approved by the Board of Directors and comply with the instructions of the Guidelines on Internal Control & Compliance in Banks circulated vide BRPD Circular # 03 dated 8th March, 2016 & BRPD Circular # 06 dated 4th September, 2016.

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The DICC conducted the following audit and inspections during 2018:

Risk Based Audit of Branches	: 105 Branches
Annual Comprehensive Audit of Branches	: 105 Branches
Annual Comprehensive Audit of Divisions	: 12 Divisions/Department
Special Investigation	: 17 Numbers
Surprise Visits	: 19 Branches

Operations Department

The primary objective of Head Office Operations is to ensure effective and efficient overall supervision of General Banking operational management of the Bank. Head Office Operations is responsible to set certain standards in delivery of products and services within a controlled culture.

The key initiatives of Operations Division during 2018 were as follows:

- Designed and implemented Foreign Currency (FC) Cheque and Foreign Demand Draft (FDD) as per Bangladesh Bank guideline.
- Prepared Business Requirement Documents (BRDs) on Account Opening and Transaction Profile (TP) for customization in Core Banking System.
- Working on Centralization of Customer Account Statements and also on e-statements.
- Implemented "Data Cleansing & Sanitization Project" as a part of Core Banking System (CBS) Transformation across branches. This requires developing in house software application and continuous follow up with Branch Project Teams in order to update and cleanse customer information as per BFIU guideline.
- Arranged trainings on major operational processes like "Account Opening & Customer Service Excellence" and "Refresher training for Operations Managers".
- Preventive measures have been advised to all of branches as precaution against fraud risk related to banking operations.
- Prepared and circulated guidelines on - Operational process to protect defalcation from large collection accounts, Operational process for upgradation of Clearing System, Formulated Uniform process to ensure proper realization of charges on Online

transactions etc.

- Visited branches to monitor Branch branding, cleanliness and other Operational activities.
- To create awareness of fake notes among general public, displayed actual bank notes and their special security features through videos in front of the important public places/ intersection of the roads.
- Installed Fake Note Detection Booths at cattle markets in Dhaka and different parts of the country during Eid-ul-Azha.
- Arranged "Customer Awareness Program" at different branches to familiarize our customers with AB Products and Services as well as banking norms and practices. It aims to mitigate the information and communication gap between customers and bankers.

Department of Human Resource Management & Development

The Human Resources (HR) Department provides an overall policy direction on its employee management. It does so by providing policies and processes that attract, develop, retain, and engage a well-trained and diverse workforce by providing a secure and equal opportunity work environment for all its employees.

HR continuously works with other departments to develop and align organizational goals through performance management processes, maintenance of healthy employee relations and ensuring systematic, internal communications among employees across all the 105 branches in order to keep the employees informed on all pertinent matters.

HRD: Gender Diversity of Employee



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Department of Human Resource Management & Development HR initiatives – 2018

- 1) Learning & Development: to be market competitive Bank always concentrate on learning culture through different initiatives on a continuous basis. Competent human resource with right skills is the main driving force which led us to ensure sustainable growth in a compliant way. In 2018 total 4,360 no of participants participated in 185 internal and external training programs of the Bank.
- 2) Implementation of National Integrity Strategy (NIS) - As per directive from Bangladesh Bank, Board of Director's as well as Management Committee of the Bank committed to be compliant in execution of NIS.
- 3) Policy Updates- To be market competitive and to serve the business needs in an effective manner AB Bank continuously updating its policy and process.
- 4) Business portfolio restructuring: - To ensure smooth business function, to give efficient service to the customer, the whole business segregated in front office, like; a. Corporate Banking Division, b. Small and Medium Enterprise (SME) Division, c. Retail banking Division and back office, like; a. CRM (Corporate) Division, b. CRM (SME) Division, c. CRM (Retail) Division. Each division led by one Business Head with specific Job Description in managing business affairs and to deliver results

- 5) Career Path: Performance Appraisal System has been simplified with specific promotion criteria and this year AB Bank management re-introduced Promotion Interview to identify the right candidate.

Inclusive Workplace: HRMD champions the diversity and inclusiveness in the Bank by having processes in place by which all individuals irrespective of their gender get equal opportunity in terms of recruitment, positions and career progression.

Treasury Functions

Strategic function of Treasury is risk management such as Liquidity Risk, Interest Rate Risk and Foreign Exchange Risk. Being an integrated unit, AB Bank Treasury is engaged in managing these risks within the laid down internal policies and guidelines of Bangladesh Bank. Functions of Treasury Division are divided among ALM desk, Fixed Income desk, Money Market desk, Foreign Exchange desk and Primary Dealership desk. Core responsibility of Treasury operations is maintenance of statutory requirements i.e. CRR, SLR and NOP limits. In the process of liquidity risk management. Treasury arranges fund both in Local Currency and Foreign Currency. As an interest rate risk manager, Treasury focuses on maturity management of both Loans and Deposits in line with banks risk appetite. As a primary dealer, AB Bank



Training on "Internal Credit Risk Rating System (ICRRS) and CRM Policy"

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underwrites Govt. securities. AB Bank Treasury is capable of providing all possible treasury solutions through an array of treasury products at better prices and superior services with a dynamic and innovative work force.

Highlights of 2018:

- Interest income on Money Market Product increased to BDT 449.10 million in 2018 compared to BDT 276.33 million in 2017.
- Investment income decreased to BDT 3,721.90 million in 2018 from BDT 4,402.5 million in 2017.
- Income from Foreign exchange decreased to BDT 649.90 million in 2018 compared to BDT 800.70 million in 2017.
- Net realized gain on sale of securities decreased to BDT 457.00 million in 2018 compared to BDT 478.0 million in 2017.

Financial Institutions

AB Bank's Financial Institutions (FI) Division is mainly engaged in expanding and maintaining correspondent banking relationships with local and foreign Banks, Financial Institutions and Exchange Houses. AB's foreign correspondent relationship covers most of the important Banks and Financial Institutions in the world. AB Bank's Correspondent Banking Platform is comprised of 387 correspondents. This strong platform helps expanding international trade business of AB Bank Limited and providing better customer service to its customers.

International Trade

In 2018, Import and export business of AB Bank has experienced negative growth compared to previous year.

Import Business has decreased by 14.68% to Taka 8,952 crore in 2018 from Taka 10,492 crore in 2017. Import business of AB covers areas like industrial raw materials, food items, chemicals, medicines, textiles, capital machineries etc.

Export Business has also experienced a negative growth of 2.21% percent in the year 2018 compared to the previous year. Total Export was Taka 7,345 crore at the end of the year 2018 which was Taka 7,511 crore in 2017. Export

business was concentrated in frozen fish, readymade garments, knitwear and other indigenous products.

FI Marketing

FI Marketing Team facilitates trade business activities originating from the different Banks in Bangladesh. FI Marketing Team procures foreign trade related business i.e. Reimbursement Authorities/Payment Instructions, advising of documentary credits and confirmation to L/Cs of different Banks in Bangladesh on behalf of ABIFL, Hong Kong and AB Mumbai Branch. During the year 2018, our FI Marketing Team has collected a good number of Reimbursement Authorities/Payment Instructions and provided support in advising a significant number of L/Cs from different Commercial Banks in Bangladesh to our Mumbai Branch India and ABIFL, Hong Kong.

Remittance Initiative

AB has strengthened its existing remittance relationship with various exchange houses in 2018. AB is focusing on excellence in customer service through the existing Branch network and agents. A dedicated "Remittance Hub" backed by advanced technology platform helps expanding the Bank's service to the doorstep of the customers. Corporate clients of AB remained another major source of foreign currency. Bank is also trying to broaden its base through solicitation of indigenous export clients. Total remittance at the end of the year 2018 was USD 330 million compared to USD 300 million in 2017.

Overseas Operations

Mumbai Branch

AB Bank Limited, Mumbai Branch is the only Bangladeshi Bank's Branch in Mumbai to cater Indo-Bangla Trade. Since its inception in the year 1996, it is engaged in handling of Letter of Credit and document of export from India to Bangladesh in addition to retail banking activities. The branch also provides confirmation, negotiation and discounting services to its customers.

At present, our Mumbai Branch is maintaining VOSTRO accounts of 43 Bangladeshi Banks. Mumbai Branch's Operating Profit at the year-end of 2018 was INR 178.3 Million.

AB Bank Limited Directors' Report

Highlights of the Mumbai Branch Business

INR in Million	2018	2017	2016	2015	2014
Total Assets	2,548.48	2,346.11	2,564.18	2,767.26	2,196.75
Total Loans and Advances	750.24	593.14	405.31	673.91	729.84
Total Deposits	1,437.48	1,189.18	1,367.94	1,609.58	1,073.10
CRAR – Overall	33.05%	36.52%	32.24%	34.87%	30.50%
CRAR – Tier I	32.76%	36.22%	31.97%	34.56%	30.22%
CRAR – Tier II	0.28%	0.30%	0.27%	0.31%	0.28%
Fee based income to Total income	82.99%	81.54%	81.87%	79.92%	78.15%
Return on Total Assets	3.86%	3.34%	2.39%	4.75%	4.77%

Operating results of Mumbai Branch in 2018

INR in Million	2018	2017	2016	2015	2014
Operating Profit	178.67	156.24	188.54	194.34	158.85
Profit after Tax (PAT)	87.65	78.33	63.68	114.24	94.44
Return on Assets (%)	3.86	3.34	2.39	4.75	4.77
Return on Equity (%)	9.30	8.94	6.53	12.38	11.04

AB Subsidiaries

AB International Finance Limited (ABIFL), Hong Kong, a wholly owned subsidiary of AB Bank Limited has started its operation in the year of 1995. ABIFL is primarily engaged in advising, adding confirmation to documentary credits, negotiation and discounting of bills under Letter of Credit. ABIFL's performance in 2018 is presented below:

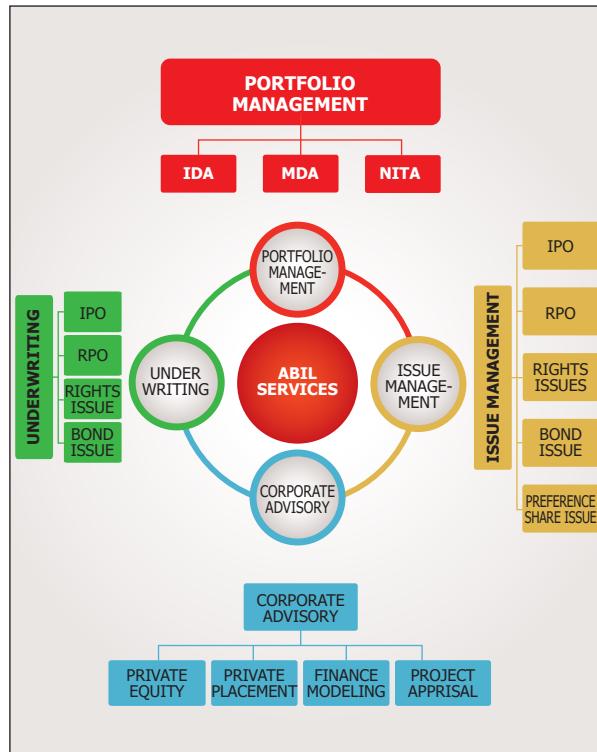
Particulars	2018	2017	2016	2015	2014
Profit after tax (PAT)-HKD Million	9.569	7.803	7.78	7.41	8.74
Return on assets (%)	10.22	8.89	8.49	5.76	5.5
Return on equity (%)	53.72	46.13	46.52	43.06	45.42
Earnings per share-HKD	95.69	78.03	77.77	74.06	87.38

AB Investment Limited

After incorporation on 24th day of December 2009 AB Investment Limited (ABIL), a wholly owned subsidiary company of AB Bank Limited, started its operation on the 10th day of March, 2010.

The number of clients of AB Investment Limited is about 2,388 and it comprises of Local Individual & Institutional clients along with NRBs and Foreign Individuals. ABIL has 7(seven) panel brokers to perform trading of its clients and of own portfolio. Total portfolio of ABIL was more than Tk. 7.11 billion in 2018 which is 0.18% of the total market capitalization. Currently, ABIL operates from its Head Office in Dhaka and two branch offices in Chittagong & Sylhet.

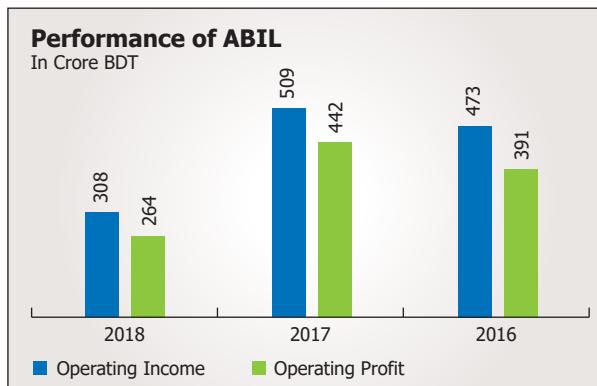
ABIL provides the following services:



Performances of ABIL:

Particulars	2018	2017	2016	2015
Number of Clients (in number)	2388	2425	2,509	2,567
Margin Loan provided to Clients (mn)	6781	6670	7152	6,991
Operating Income (mn)	308	509	473	438
Operating Profit (mn)	264	442	391	253
Net Profit (mn)	18	3	244	114
Earnings Per Share (Tk.)	0.027	*.004	*0.378	*0.177
Face Value (Tk.)	10	10	10	10

*Restated EPS



AB Bank Limited Directors' Report

AB Securities Limited (ABSL)

After incorporation on 24th day of December 2009, AB Securities Limited (ABSL), a wholly owned subsidiary company of AB Bank Limited, started its operation on the 2nd day of August, 2010. ABSL is a corporate TREC Holder of both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The number of clients of ABSL is around 3,385 and it comprises of local individual & institutional along with NRBS and foreign individuals. ABSL also acts as Agent Broker of two reputed Merchant Banks namely AB Investment Limited and First Security Islami Capital & Investment Limited.

Currently, ABSL is operated from its Head Office in Dhaka and two branch offices in Chittagong & Sylhet. In the year 2018, total turnover of ABSL was around Tk. 20.07 billion.

Services of ABSL



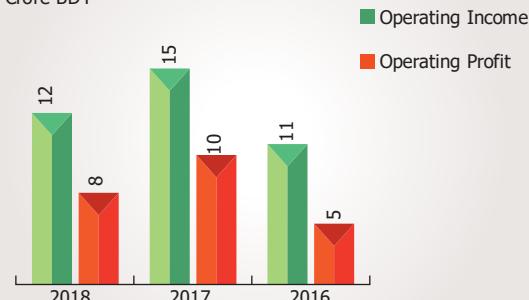
For Foreign Nationals and Non-Resident Bangladeshis, ABSL provides one stop stock broking services including assistance in opening Foreign Currency (FC) account & Non-Resident Investor's Taka Account (NITA), BO account opening and trading at DSE and CSE.

Performance of ABSL

Particulars	2018	2017	2016
Number of Clients	3385	3238	3166
Margin Loan Disbursed (Million Tk.)	881.89	926.45	957.75
Operating Income (Million Tk.)	124.75	147.39	106
Operating Profit (Million Tk.)	79.76	98.48	52.57
Earnings Per Share (Tk.)	0.15	0.25	1.14
Total Turnover -Trade (Billion Tk.)	20.07	38.86	20.68

Performance of ABSL

In Crore BDT



Cashlink Bangladesh Limited (CBL)

CBL is a subsidiary of AB Bank Limited. CBL was incorporated on 24th September 2008 with the following objectives:

- To carry on the business of providing integrated electronic financial payment to AB and other member Banks
- To do Transaction Processing solutions in Bangladesh, including coordination and deployment of independent branded automated teller machines (ATM)
- To facilitate Electronic Fund Transfer through Points of Sale (EFT POS) and provide pre-paid Card
- Debit Card, Credit Card processing services, etc.
- To facilitate E-commerce facility to our clients

Arab Bangladesh Bank Foundation (ABBF)

Arab Bangladesh Bank Foundation (ABBF) is a platform for philanthropic activities of the Bank.

Credit Risk Management (CRM)

CRM Division manages the credit risks of the Bank as per the CRM Policy formulated in accordance with guidelines, manuals and other related circulars issued by Bangladesh Bank from time to time. The Division implements specific risk mitigating tools that include understanding customers [KYC], their past track record, financial soundness, management ability, outlook of business and industry, collateral arrangement etc. AB has diversified its credit portfolio into Corporate, SME and Retail. There are separate policies for each such sector with clearly defines tools for risk management in line with exposure, purpose, types, industry etc. A uniform Credit processing matrix is

AB Bank Limited Directors' Report

in place which is disseminated to the Branch level also. Clear segregation of Credit Relationship and Credit Administration streams across the Bank has been established to ensure effective credit risk management. This setup has also ensured sound practices in overall credit management viz. credit processing/appraisal, approval, documentation, disbursement, monitoring and control. The Division regulatory reviews and updates Credit Risk Management Policy and Lending Guidelines in line with the regulatory guidelines.

Credit Administration Management (CAM)

Credit Administration Management (CAM) Division of the Bank engages in credit administration, monitoring and handling of classified loans. The Division is subdivided into a number of Units such as Credit Limit Authorization, Credit Compliance & Returns, CIB, Monitoring & Recovery and Legal & Real Estate. The Core activities of the Division are to supervise new Loan disbursement, overview the loan documentation, monitoring and controlling of loan delinquency and reporting the status to the Board of Directors, Senior Management, Business Divisions and Branches to take remedial steps and initiate appropriate actions to control the delinquency. CAM Division also supervises the legal matters of the Bank related to Artha Rin Ain- 2003, Writs and Apex Court issues through a coordinated process with the Branches and along with engaged dealing lawyers all over the Country.

Department of Accounts & Finance (A&F)

Department of Accounts & Finance works towards achieving high standards as befitting for the institution. It also ensures operations of the Bank within the compliance framework. The Department primarily focuses on developing and maintaining a service-oriented culture. It performs the key roles of controllership, budgeting, forecasting, financial analysis, business performance monitoring, decision support, procurement (Payment Cell) and provides support for effective risk management. In addition the Department also provides valuable MIS to Management and the Board for facilitating strategic decisions.

Risk Management Department (RMD)

Risk Management acts as one of the main operational activities in every sphere of operations for any bank. It

also serves as essential auxiliary tools to board strategic plans towards achieving bank's overall objectives. As per Bangladesh Bank guidelines, AB Bank is having effective Risk Management Department (RMD) equipped with adequate resources and infrastructure. The fundamental objective of this Department is to protect the organization from unexpected losses caused by unfavorable downgrade in financial areas and reputational issues through early flag raising, and there-by to ensure sustainability in growth. The RMD is constantly considering and applying efforts to develop organization wide Risk Management structure and processes to rip out its outcomes in all areas of the Bank in compliance with Bangladesh Bank's risk related directives and procedures.

RMD has been performing an effective role in leading the Supervisory Review Process and holding SRP-SREP dialogue on ICAAP. RMD also provides the Bank's Risk Appetite Framework in the light of Bank's strategic plan comprising Key Risk Indicators (KRIs) from different segments of the Bank. It also provides training to AB Bank officials on Risk Management issues focusing on Management Action Triger (MAT), Comprehensive Risk Rating (CRR) with a view to enhance the level of understanding on risk management, its importance and its application.

Corporate Social Responsiblity (CSR)

Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable — to itself, its stakeholders, and the public. AB Bank feels obligated towards the community in which it operates. It has long been active in a wide range socially responsible initiatives. AB Bank believes that Corporate Social Responsibility is the first and foremost meant to contribute to the society for improving the quality of lives of people, particularly for that segment of the people who are underprivileged and less fortunate in terms of basic needs such as food, health, education etc. The Bank promotes the country's rich heritage of arts, culture and sports. Besides addressing the basic social needs of the under privileged people of the country, AB believes that CSR can be a genuine platform to address growing environmental concerns also. The Bank always responds to the crying needs of the society and to stand beside the affected ones in times of national crisis.



AB Bank Limited Directors' Report

Financial Performance Highlights:

As one of the most highly regulated industries in the world, investors have some level of assurance in the soundness of the banking system. As a result, investors can focus most of their efforts on how a bank will perform in different economic environments. In 2018, the banking sector witnessed some unsavory developments through major indicators such as rise of non-performing loans, lower capital adequacy and the overall lack of stable policy in the sector. Amid a challenging economic and business environment, which prevailed throughout 2018, AB registered following financials:

Particulars	BDT in crore					
	Consolidated		Change	Solo		Change
	2018	2017	%	2018	2017	%
Interest income/profit on investments	1,981.09	1,809.54	9%	1,946.75	1,756.70	11%
Interest paid/profit on deposits and borrowings, etc.	1,758.04	1,493.74	18%	1,755.74	1,489.69	18%
Net interest income	223.04	315.80	-29%	191.01	267.01	-28%
Other Income	692.29	789.88	-12%	673.77	767.69	-12%
Operating Expenses	571.40	602.09	-5%	557.27	587.09	-5%
Operating Profit	343.94	503.58	-32%	307.51	447.61	-31%
Provisions for loans & others	273.63	496.24	-45%	251.91	463.41	-46%
Profit before Taxation	70.31	7.35	857%	55.60	(15.80)	-452%
Provisions for Tax	65.99	3.27	1921%	53.77	(18.76)	-387%
Profit after Tax	4.32	4.08	6%	1.83	2.96	-38%
Earnings Per Share (Tk.)	0.06	0.05	0.01	0.02	0.04	(0.02)

Net interest income of the Bank reduced in both consolidated and solo basis. Interest paid on deposits and borrowings have 18% growth in 2018. Although operating expense reduced by 5%, fee based income reduced by 12% in 2018, which ultimately reduced the operating profit by 32%. In 2018, Bank was able to maintain Profit after Tax of BDT 4.32 crore and BDT 1.83 crore only on consolidated and solo basis respectively.

Asset quality:

Particulars	BDT in crore					
	Consolidated		Change	Solo		Change
	2018	2017	%	2018	2017	%
Total Loans and advances	24,918.53	23,763.45	4.86%	24,107.01	22,964.73	4.97%
Unclassified	16,945.75	22,122.57	-23.40%	16,134.23	21,323.85	-24.34%
Standard	13,952.23	19,445.11	-28.25%	13,140.71	18,646.39	-29.53%
Special mention Account	2,993.52	2,677.46	11.80%	2,993.52	2,677.46	11.80%
Classified	7,972.78	1,640.88	385.88%	7,972.78	1,640.88	385.88%
Sub-standard	414.56	43.29	857.63%	414.56	43.29	857.63%
Doubtful	380.91	87.08	337.43%	380.91	87.08	337.43%
Bad Loss	7,177.31	1,510.51	375.16%	7,177.31	1,510.51	375.16%

Main challenge of the Bank is to maintain its quality of assets. At the end of 2018 about 33% of loan portfolio became classified, which affects the profitability of the Bank adversely. 2019's prime focus has been set by the Board to improve the asset quality, recovering classified and written off loans, if possible to restructure this loan portfolio in order to improve the profitability.

AB Bank Limited
Directors' Report

Capital Position:

BDT in crore

Particulars	Consolidated		Change	Solo		Change
	2018	2017	%	2018	2017	%
Risk Weighted Assets	33,303.67	29,318.42	13.59%	32,958.30	28,974.23	13.75%
Credit Risk	30,039.36	26,112.63	15.04%	29,860.81	25,919.88	15.20%
Market Risk	696.53	858.91	-18.91%	611.65	789.72	-22.55%
Operational Risk	2,567.78	2,346.88	9.41%	2,485.85	2,264.62	9.77%
Regulatory Requirement	11.875%	11.25%		11.875%	11.25%	
Capital Requirement	3,954.81	3,298.32		3,913.80	3,259.60	
Capital Maintained	3,490.93	3,298.36	5.84%	3,304.61	3,128.65	5.62%
Tier-I	2,033.81	2,085.08	-2.46%	1,919.42	1,973.08	-2.72%
Tier-II	1,457.13	1,213.27	20.10%	1,385.20	1,155.56	19.87%
Capital Surplus/ (deficit)	(463.88)	0.04		(609.19)	(130.95)	
Capital to Risk Weighted Asset Ratio (CRAR)	10.48%	11.25%		10.03%	10.80%	
Tier-I	6.11%	7.11%		5.82%	6.81%	
Tier-II	4.38%	4.14%		4.20%	3.99%	

At the end of 2018 Bank was able to maintain CRAR @10.48% and 10.03% on consolidated and solo basis respectively against 11.875% regulatory requirement. Risk Weighted Assets of the Bank increased near about 14%, where capital increased approximtely 6%. Bank is trying to increase its capital by issuing Tier-I and Tier-II equivalent instruments and as well by reducing RWA.

Cash flow Position:

BDT in crore

Particulars	Consolidated		Change	Solo		Change
	2018	2017	%	2018	2017	%
Net cash flow from operating activities	(690.85)	(926.71)	25.45%	(681.26)	(918.36)	25.82%
Net cash flow from investing activities	214.15	192.56	11.21%	226.47	166.69	35.86%
Net cash flow from financing activities	264.9	(61.61)	-529.96%	264.90	(61.61)	529.96%
Net decrease in cash	(211.80)	(795.76)	-73.38%	(189.89)	(813.28)	76.65%
Net Operating Cash Flow Per Share (NOCFPS)	(9.11)	(12.22)	3.11	(8.99)	(12.11)	3.12

Major component of net cash flow from operating activities was operating profit after elimination of the effect of depreciation and provision and non cash items in Profit and Loss Account. Increase/(decrease) of current assets and current liabilities effect has given in operating activities. Net Operating Cash Flow Per Share increasing than that of last year but still negative.

Key Ratio

Particulars	2018	2017
Capital to Risk Weighted Assets Ratio	10.03%	10.80%
Loan Deposit Ratio	91.09%	86.24%
Cost Income Ratio	64.44%	56.74%
CL Ratio	33.07%	7.15%
Return on Investment (ROI)	9.58%	10.18%
Return on Assets (ROA)	0.01%	0.01%
Return on Equity (ROE)	0.08%	0.13%
Assets Utilization Ratio	66.61%	85.86%
Operating Profit Per Employee (Lac/Taka)	13.31	19.01



AB Bank Limited Directors' Report

Shareholding Pattern

Shareholding pattern of the Bank is disclosed as below following the requirements of Condition 1.5 (xxiii) of BSEC Corporate Governance Code No. – BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018:

- a) Parent / Subsidiary / Associated Companies and other related parties: N/A
- b) Shares held by Directors including nominating individual and institutions, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouses and Minor Children are as follows:

As on December 31, 2018

Name of the Directors, CEO, CS, CFO and HIAC	Status	No. of Shares	%	Name of the Spouses	No. of Shares	%
1. Mr. Feroz Ahmed	Director	15,730,196	2.07%	Ms. Salvana Ahmed	310,497	0.0410%
2. Mr. Syed Afzal Hasan Uddin Barrister-at-Law*	Director	38,251,403	5.05%	Ms. Razia Akhter Choudhury	-	-
3. Mr. Moshtaque Ahmed Chowdhury*				Ms. Kaniz Fatema Ahmed	-	-
4. Mr. Syed Golam Kibria Nominated by Pacific Traders Limited	Director	75,696,901	9.98%	Ms. Hazera Faizun Nahar	-	-
5. Mr. Asish Baran Sarkar Nominated by Pacific Motors Limited	Director	54,725,559	7.22%	Ms. Shova Sarkar	-	-
6. Mr. Shajir Ahmed Nominated by Mr. Salim Ahmed	Director	17,907,293	2.36%	Ms. Fahmida Islam	-	-
7. Mr. Khairul Alam Choudhury Nominated by Pacific Industries Limited	Director	74,157,802	9.78%	Ms. Mariya Rakhi Choudhury	-	-
8. Mr. Shishir Ranjan Bose FCA**	Independent Director	-	-	Ms. Buli Bose	-	-
9. Mr. Kaiser A. Chowdhury	Independent Director	-	-	Ms. Nadira Chowdhury	-	-
10. Mr. Tarique Afzal	President and Managing Director (CC)	-	-	Ms. Ornita Afzal	-	-
11. Mr. Manzurul Ahsan FCS	Company Secretary (CC)	-	-	Ms. Indrani Joan Ahmed	-	-
12. Mr. Mahadev Sarker Sumon FCA	Chief Financial Officer	-	-	Ms. Momi Mazumder	-	-
13. Mr. Anupam Kanti Debnath	Head of Internal Control and Compliance	-	-	Ms. Sorma Mallick	-	-

* Nominated by Mr. M. Morshed Khan

** Resigned in the 669th Board Meeting held on February 27, 2019

- c) Shares held by top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, and Head of Internal Audit.

AB Bank Limited
Directors' Report

As on December 31, 2018

Sl.	Name	Status	No. of Shares
1	Mr. Sajjad Hussain	DMD, Head of Operations & CRO	-
2	Ms. Shamshia I. Mutasm	DMD & Head of HRMD	-
3	Mr. Reazul Islam	SEVP, Head of IT & eBiz	-
4	Mr. Abu Hena Mustafa Kamal	SEVP	-
5	Mr. Syed Mizanur Rahman	EVP & Head of RBD	-

- d) Shareholders holding ten percent or more voting interest in the company: N/A

Dividend

Board of Directors of the Bank did not recommend any dividend for the year 2018 in compliance with Bangladesh Bank directives.

Board of Directors

At present, AB Board comprises 9 (nine) members including President and Managing Director. Board also has three Committees in operation viz. Executive Committee, Audit Committee and Risk Management Committee in compliance with Bangladesh Bank BRPD circular no: 11 dated October 27, 2013 on Formation & Responsibilities of Board of Directors of a Bank Company. Respective Committees operate following their given TOR set by the Board or Bangladesh Bank as the case may be.

Since the 36th Annual General Meeting held on June 24, 2018 following changes took place in the composition of the Board:

1. Mr. M. A. Awal, the then Chairman retired from the Board in the 36th AGM.
2. Mr. Shireen Scheik Mainuddin, Chairman, Risk Management Committee, resigned in the 654th Board Meeting held on June 24, 2018 which effected from the end of the 36th AGM.
3. In the 36th AGM shareholders appointed Mr. Md. Mesbahul Haque and Mr. Khairul Alam Choudhury as Directors nominated by Pacific Industries Limited subject to approval from Bangladesh Bank. During approval process Bangladesh referred to us section 86 of the Company Act 1994 and advised for compliance. Subsequently Pacific Industries Limited withdrew the nomination of Mr. Md. Mesbahul Haque and Bangladesh Bank approved appointment of Mr. Khairul Alam Choudhury as Director nominated by Pacific Industries Limited. Mr. Khairul Alam Choudhury graduated from University of Wolver Hampton, UK in 2001. Thereafter, Mr.

Choudhury obtained his post-graduation from the City University, UK in 2002 and was also called to the Bar from Lincoln's Inn, London in 2002. Mr. Choudhury is a practicing lawyer of the Supreme Court of Bangladesh.

4. Bangladesh Securities and Exchange Commission by letter dated July 5, 2018 regretted 2nd term re-appointment of Prof. Dr. M. Imtiaz Hossain, Independent Director.
5. Mr. Moshiur Rahman Chowdhury, Ex-President and Managing Director, resigned in the 660th Board Meeting held on October 11, 2018.
6. Mr. Shishir Ranjan Bose FCA, Independent Director and Chairman, Board Audit Committee resigned in the 669th Board Meeting held on February 27, 2019.
7. Mr. Kaiser A Chowdhury appointed as Independent Director on November 4, 2018. Mr. Chowdhury, Ex-President & Managing Director of AB Bank Limited, is presently a freelance consultant on Banking & Finance. He has 39 years of banking experience in multinational and local banks like ANZ Grindlays Bank, ONE Bank Limited, AB Bank Limited, and Meghna Bank Limited.
8. Mr. Muhammad A. (Rumee) Ali appointed as Director on March 7, 2019 against casual vacancy of Mr. Syed Golam Kibria due to changes of nomination by Pacific Traders Limited. He was the CEO of ANZ Grindlays Bank (Bangladesh) and Standard Chartered Bank (Bangladesh). He was also the Deputy Governor of Bangladesh Bank and Chairman of Brac Bank Limited.

On May 6, 2018 Dhaka Stock Exchange Limited degraded the shares of AB Bank Limited to "Z" category due to "NIL" dividend declaration for the financial year 2017. At that time there were 12 (twelve) members including President and Managing Director in the composition of the Board. Since then 58.33% of the Board (including President and Managing Director) has been reconstituted.



AB Bank Limited Directors' Report

Board Meeting/Committees Meeting and attendance

23 Board Meeting held during the year 2018. Below is the table of directors' attendance in the meeting based on their tenure (appointment, retirement, and resignation):

Name of Directors	Designation	Number of meeting	
		Held	Attended
Mr. M.A. Awal (up to 24.06.2018)	Ex-Chairman	12	12
Mr. Feroz Ahmed	Director	21	16
Mr. Shishir Ranjan Bose, FCA*	Independent Director	23	19
Mr. Syed Afzal Hasan Uddin	Director	23	12
Mr. Md. Mesbahul Hoque (up to 24.06.2018)	Director	12	06
Prof. Dr. M. Imtiaz Hossain (up to 05.07.2018)	Independent Director	13	13
Mr. Syed Golam Kibria**	Director	23	23
Mr. Asish Baran Sarkar	Director	23	23
Mr. Moshtaque Ahmed Chowdhury	Director	22	22
Ms. Shireen Scheik Mainuddin (up to 24.06.2018)	Director	12	12
Mr. Shajir Ahmed	Director	23	09
Mr. Khairul Alam Choudhury (from 24.07.2018)	Director	09	06
Mr. Kaiser A. Chowdhury	Independent Director	03	03
Mr. Moshiur Rahman Chowdhury (up to 11.10.2018)	President and Managing Director	17	17
Mr. Sajjad Hossain (from 12.10.2018 to 01.12.2018)	President and Managing Director (CC)	04	04
Mr. Tarique Afzal (from 02.12.2018)	President and Managing Director (CC)	01	01

* Mr. Shishir Ranjan Bose FCA, Independent Director and Chairman of Board Audit Committee resigned in the 669th Board Meeting held on February 27, 2019.

** Mr. Syed Golam Kibria replaced by Mr. Muhammad A. (Rumee) Ali in the 669th Board Meeting held on February 27, 2019.

Executive Committee Meeting

One Executive Committee Meeting held during the year 2018. Below is the table of directors' attendance:

Name of Directors	Status	Number of meeting	
		Held	Attended
Mr. Feroz Ahmed	Chairman	01	01
Mr. Syed Afzal Hasan Uddin	Member	01	-
Mr. Asish Baran Sarkar	Member	01	01

AB Bank Limited Directors' Report

Audit Committee Meeting

Eleven meeting of the Audit Committee were held during the year 2018. Below is the table of directors' attendance in the meeting based on their tenure (appointment, retirement, and resignation):

Name of Directors	Status	Number of meeting	
		Held	Attended
Mr. Shishir Ranjan Bose, FCA	Chairman	11	10
Mr. M. A. Awal, (up to 24.06.2018)	Member	06	06
Prof. Dr. M. Imtiaz Hossain (up to 05.07.2018)	Member	06	06
Mr. Syed Golam Kibria (from 23.07.2018)	Member	05	05
Mr. Khairul Alam Choudhury (from 24.07.2018)	Member	05	03

Risk Management Committee Meeting

Eight meeting of the Risk Management Committee were held during the year 2018. Below is the table of directors' attendance in the meeting based on their tenure (appointment, retirement, and resignation):

Name of Directors	Status	Number of meeting	
		Held	Attended
Ms. Shireen Scheik Mainuddin (up to 24.06.2018)	Chairman	04	04
Mr. M.A. Awal (up to 24.06.2018)	Member	04	04
Mr. Shishir Ranjan Bose, FCA	Member	08	08
Mr. Syed Afzal Hasan Uddin	Member	08	05
Mr. Shajir Ahmed	Member	08	02

Remuneration paid to Directors

During the year 2018 total remuneration paid to the Directors including Independent Director Tk.19,84,800.00 (Taka nineteen lakh eighty-four thousand eight hundred). In 2017 it was Tk. 21,71,200.00 (Taka twenty-one lakh seventy-one thousand two hundred)

Election of Directors

In accordance with the provisions of the Articles of Association of the Bank, at least one third of the Directors (other than the Managing Director) shall retire in the next

Annual General Meeting. In the 37th AGM below directors will retire in compliance with clause 79 of Schedule –I of the Company Act 1994:

1. Mr. Syed Afzal Hasan Uddin
2. Mr. Asish Baran Sarkar

All the retiring Directors are eligible for re-election/re-nomination by the respective group of shareholders under Articles 103 and 108 of the Articles of Association of the Bank.

Mr. Kaiser A Chowdhury, Independent Director, appointed by the Board and subsequently Bangladesh Securities and Exchange Commission and Bangladesh Bank accorded their consent on August 2, 2018 and November 4, 2018 respectively. His appointment will be placed to the shareholders of ensuing 37th AGM for approval in compliance with Corporate Governance Code of BSEC.

Related party transaction disclosure

A party is related to the company if:

- i. directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
 - ii. the party is an associate;
 - iii. the party is a joint venture;
 - iv. the party is a member of the key management personnel of the Company or its parent;
 - v. the party is a close member of the family of any individual referred to in (i) or (iv);
 - vi. the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
 - vii. the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.
- a) Significant contracts where the Bank is a party and wherein Directors have interest

Name of contract	Name of the party	Name of Director and related by	Relationship
Lease agreement with AB Bank Limited	Elite International Ltd.	Feroz Ahmed	Common Director

AB Bank Limited Directors' Report

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in BDT
Elite International Ltd.	Common Director	Office Rent	4,068,000

c) Loans/placement given to subsidiary of the Bank:

Sl. no.	Name of Party	Connection with party	Nature of transaction	Amount in BDT
01	AB Investment Limited	99.99% owned Subsidiary	Loans and advances	423,537,438
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	198,475,836
03	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	839,000,00
Total loans/placement to subsidiary				1,461,013,274

Credit Rating

AB Bank Limited was rated by Credit Rating Agency of Bangladesh Limited (CRAB) based on the performance for the period ended September 30, 2018. The summary of their ratings are given below:

Surveillance Rating (September 30, 2018)	Long Term	Short Term
	A ₂	ST-2
Date of Rating	January 10, 2019	
Validity Date	June 30, 2019	

Commercial Banks rated 'A' have strong capacity to meet their financial commitments but are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than Commercial Banks in higher-rated categories. A is judged to be of high quality and are subject to low credit risk.

Commercial Banks rated ST-2 category are considered to have strong capacity for timely repayment. Commercial Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds is outstanding.

37th Annual General Meeting

The 37th Annual General Meeting will be held on June 26, 2019 (Wednesday) at Sena Malancha, Dhaka Cantonment, Western side of Naval Headquarters on Airport Road, Dhaka-1206 at 10:00 am.

Country Outlook

Bangladesh is likely to be the biggest mover in the global gross domestic product rankings in 2030, becoming the 26th largest economy in the world from 42nd now, according to the latest report of HSBC Global Research. The report - The World in 2030: Our long-term projections for 75 countries - showed Bangladesh's economy would jump 16 notches, the highest by any country, between 2018 and 2030.

Bangladesh would be followed by the Philippines, Pakistan and Vietnam and Malaysia on the list of the biggest risers. The country is projected to grow 7.3 percent from 2018 to 2023, 7.0 percent from 2023 to 2028, and 7.2 percent from 2028 to 2033. Bangladesh will be a \$700 billion economy in 2030 from \$300 billion now, according to the report.

It is no coincidence that four of the top six countries for projected growth – India, Pakistan, the Philippines and Bangladesh – also top the list of countries that have estimated to be the most vulnerable to climate change.

The impact on confidence and investment would likely be negative while the disruption to integrated global supply chains established over the past few decades would ultimately weigh on living standards.

Gratitude

It is the privilege of the Members of the Board of Directors of the Bank, to express appreciation and gratitude to all the valued Shareholders, Clients, Patrons and well-wishers for their unwavering support and co-operations extended over the years. The Board is also indebted to the Government of Bangladesh, Bangladesh Bank, BSEC, DSE, CSE, Registrar of Joint Stock Companies and Firms and other related entities for their continued guidance and support throughout this bracing journey of the bank.

The Board would like to place on record their deepest appreciation for the dedicated services rendered by all the employees of the bank.

AB will remain committed to its vision and also towards creation of Shareholders value. Besides, AB will also continue its unfeigned efforts in improving the lot of the teeming millions and accelerating its contribution towards economic and social development of the country.

Muhammad A. (Rumee) Ali
Chairman

AB Bank Limited Management Discussion & Analysis

Global Economy

Global economic growth is expected to ease in 2019, from 3.8% in 2018. Some of the macro-trends impacting global growth include the protracted trade dispute between the US and China, uncertainty over the exit of the United Kingdom from the EU grouping, recalibration of economic growth in China and continued volatility in oil prices. US, the world's biggest economy is expected to have a moderate growth. However, consumer spending is expected to continue to remain robust. Expected downside risks from a more pronounced global growth slowdown than currently forecast, and associated declines in commodity prices would negatively affect US producers. US-China tensions are the foremost foreign policy concern. Europe will likely to have a slower growth than 2018. It is expected that the economy will start showing signs of stabilization supported by robust consumer spending and improving business investment.

Bangladesh Economy

Bangladesh's GDP growth for financial Year 2019 is line with the Government projection, driven by strong domestic demand – particularly private consumption – and a recovery in exports, albeit mild. GDP growth in Financial Year 2018 was 7.8%. A strong turnaround in remittances after a two-year decline should support private consumption. Agricultural output is recovering after weather-related disruptions in Financial Year 2018, which should also boost consumption; industry and services remain strong.

Import growth is likely to be moderate in Financial Year 2019, after having surged to 25.2% in Financial Year 2018 on higher demand for capital goods, export-related intermediate goods and food grains. While capital-goods imports are likely to remain high, it is expected imports of intermediate goods to moderate after substantial inventory build-up last year. Export growth picked up to in H1- Financial Year 2019 driven by higher garment exports.

Remittance growth is likely to remain strong in FY19, driven by rising crude oil prices and Bangladeshi taka (BDT) depreciation and effective action against illegal money transfers.

Performance of the Bank - Comparative analysis:

Business Position

BDT in crore

Particulars	2018	2017	2016	2015	2014
Loans & Advances	24,107.01	22,964.73	21,876.95	20,972.52	17,757.08
Deposit	23,544.48	23,595.43	24,564.08	21,381.89	19,818.92
Export	7,345.00	7,511.00	7,605.00	7,298.20	7,725.20
Import	8,963.00	10,492.00	11,579.00	11,124.52	11,222.00
Remittance (crore USD)	33.00	30.00	25.00	27.99	29.93

Financial and operational performance

BDT in crore

Particulars	2018	2017	2016	2015	2014
Interest income/profit on investments	1,946.75	1,756.70	1,891.40	2,081.15	2,139.88
Interest paid/profit on deposits and borrowings, etc.	1,755.74	1,489.69	1,607.70	1,653.22	1,532.00
Net interest income	191.01	267.01	283.70	427.93	607.88
Other Income	673.77	767.69	818.10	630.28	607.60
Operating Expenses	557.27	587.09	599.86	562.83	522.99
Operating Profit	307.51	447.61	501.94	495.38	692.49
Provisions for loans & others	251.91	463.41	301.73	219.48	294.62
Profit before Taxation	55.60	(15.80)	200.21	275.89	397.87
Provisions for Tax	53.77	(18.76)	69.75	148.85	271.85
Profit after Tax	1.83	2.96	130.46	127.04	126.02
Earnings Per Share (Tk.)	0.02	0.04	1.72	1.68	1.66



AB Bank Limited
Management Discussion & Analysis

Equity Position

Particulars	BDT in crore				
	2018	2017	2016	2015	2014
Paid-up capital	758.13	758.13	673.90	599.01	532.46
Retained earnings	590.52	601.19	680.96	683.09	676.83
Statutory reserve	662.34	654.92	649.60	611.12	558.24
Other reserves	254.07	262.87	307.02	385.99	163.82
Total	2,265.06	2,277.11	2,311.48	2,279.21	1,931.35

Cash flow Movement

Particulars	BDT in crore				
	2018	2017	2016	2015	2014
Net cash flow from operating activities	(681.26)	(918.36)	2,045.86	(2.21)	493.77
Net cash flow from investing activities	226.47	166.69	(1,511.23)	(147.78)	(242.83)
Net cash flow from financing activities	264.90	(61.61)	21.68	422.90	219.95
Net Operating Cash Flow Per Share (NOCFPS)	(8.99)	(12.11)	26.99	(0.04)	8.24

Key Ratios

Particulars	BDT in crore				
	2018	2017	2016	2015	2014
Capital to Risk Weighted Assets Ratio	10.03%	10.80%	10.79%	11.09%	10.32%
Loan Deposit Ratio	91.09%	86.24%	83.67%	96.80%	89.60%
Cost income ratio	64.44%	56.74%	54.44%	52.86%	43.03%
Return on investment (ROI)	9.58%	10.18%	13.50%	10.49%	9.68%
Return on assets (ROA)	0.01%	0.01%	0.44%	0.48%	0.54%
Return on equity (ROE)	0.08%	0.13%	5.68%	6.03%	6.95%
Assets Utilization Ratio	66.61%	85.86%	86.59%	87.71%	87.56%

a) Accounting policies and estimation for preparation of financial statements:

The consolidated and separate financial statements of the Bank have been prepared for the year ended December 31, 2018 in accordance with the measurement and recognition requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which have replaced Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) vide circular no. 1/1/ICAB-2017 of the Institute of Chartered Accountants of Bangladesh, the accounting standard setting body for Bangladesh, dated 14 December 2017 for due period begins on or after 1 January 2018.

The financial statements cover a full set of financial statements which comprise of consolidated and separate Balance Sheets, Profit or Loss Accounts, cash flow statements, statements of changes in equity, liability statements and relevant notes and disclosures.

The financial statements have been prepared under historical cost convention except investments categorized under held for trading and in accordance with Bank Company Act, 1991 (amendment up to 2018); BRPD circular no. 14 dated 25 June 2003, the Companies Act, 1994; the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other laws and rules applicable for the Bank.


AB Bank Limited
Management Discussion & Analysis

b) Changes in accounting policies and estimation:

The preparation of consolidated financial statements and financial statements of the Bank required management to make judgments, estimates and assumptions that affected 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 have been reviewed considering business realities. Revisions of accounting estimates have been recognized in the period in which the estimates have been revised and in the future periods affected, if applicable.

All intergroup balances, transactions, income and expenses are fully eliminated while preparing the consolidated financial statements.

There is no changes in accounting policies and estimation in 2018.

c) Issues related to the financial statements

In compliance with Bangladesh Securities and Exchange Commission (BSEC) notification BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018; Chief Financial Officer and the President & Managing Director of the Bank has given their declaration to the Board regarding the authenticity of the Financial Statements.

In 166th meeting of the Board Audit Committee, financial statements have been analyzed. After reviewing the financials, Board Audit Committee recommended the Board for their approval. Accordingly, Financials Statements has been approved by the Board of Director in its 672nd meeting.

Finally, on behalf of the Management, I would like to thank to the Board and Audit Committee for their immense support and guidance. Also thanks to shareholders for their continued trust and confidence in the Board of Directors and Management. We are confident that in coming days we will do better and grow sharply.



Tarique Afzal

President and Managing Director (CC)



AB Bank Limited
President & Managing Director and CFO's Statement

April 29, 2019

To

The Board of Directors

AB Bank Limited

Head Office, Dhaka

Sub: CEO and CFO's declaration to the Board of Directors of the Bank

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of AB Bank Limited for the year ended on December 31, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Bank's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Bank has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Bank were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on December 31, 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Bank's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

K.M. Mohiuddin Ahmed

Chief Financial Officer (Acting)

Tarique Afzal

President & Managing Director (CC)

AUDITOR'S REPORT AND AUDITED CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS





Independent Auditors' Report to the Shareholders of AB Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of AB Bank Limited and its subsidiaries (the Group) as well as the separate financial statements of AB Bank Limited (the Bank) which comprise the consolidated and separate balance sheets as at 31 December 2018, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2018, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 1.2.

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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our assessed key audit matters and how we addressed them are outlined below:

Measurement of provision for loans and advances

The process for estimating the provision for loans and advances associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation. At year end the Group reported total gross loans and advances of BDT 249,185 million (2017: BDT 237,634 million) and provision for loans and advances of BDT 10,640 million (2017: BDT 8,734 million). Refer to the note nos. 7(a), 8(a) and 14 to the financial statements.

We tested the design and operating effectiveness of key controls focusing on the provisioning process and identification of loss events including early warning indicator. Our substantive procedures in relation to the provision for margin loans were reviewing the adequacy of the provision requirement, assessing the methodology on which the provision amounts are based, recalculating the provisions and tested the completeness and accuracy of the underlying information and finally assessing the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank's guidelines.

Independent Auditors' Report to the Shareholders of AB Bank Limited

Valuation of treasury bill and treasury bond

The classification and measurement of T-Bills and T-Bonds require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment. Refer to the note no. 6.1 to the financial statements.

We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank's guidelines.

Impairment assessment of unquoted investments

In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment. Refer to the note no. 6.2.1 to the financial statements.

We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We tested a sample of investments valuation as at 31 December 2018 and compared our results to the recorded value. Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank's guidelines.

Measurement of deferred tax assets

The Bank reports net deferred tax assets totaling to BDT 1,892 million (2017: 1,428 million) as at 31 December 2018. Significant judgment is required in relation to measurement of deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years. Refer to the note no. 10.1 to the financial statements.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets and assumptions used in estimating Bank's future taxable income. We also assessed the completeness and accuracy of the data used for estimation of future taxable income. Finally we assessed the appropriateness and presentation of disclosures against IAS 12 – Income Tax.

IT systems and controls

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorisation. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.



Independent Auditors' Report to the Shareholders of AB Bank Limited

Legal and regulatory matters

We focused on this area because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities. Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure.

Carrying value of investments in subsidiary by the Bank

The Bank has invested in equity shares of its five subsidiaries, namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited (CBL) and AB International Finance Limited, Hong Kong. As at 31 December 2018 the carrying value of these investments is BDT 6,249 million. At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost. Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36. Refer to note no. 10 to the financial statements.

We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36. In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and our auditors' report thereon. The annual report is expected to be made available for our review after the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to request management and those charged with governance to correct the material misstatement.

Independent Auditors' Report to the Shareholders of AB Bank Limited

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 1.2, and for such internal controls as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (amendment up to 2018) and the Bangladesh Bank's Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, Management is responsible for assessing the Group's and the Bank'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 Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated and separate financial statements.

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

- identify and assess the risks of material misstatement of the consolidated and separate 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;
- 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 Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate 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 auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern;



Independent Auditors' Report to the Shareholders of AB Bank Limited

- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange, Rules 1987, the Bank Company Act, 1991 (amendment up to 2018) and the rules and regulations issued by Bangladesh Bank, we also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the consolidated and separate financial statements and internal control:
 - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);
- iii) consolidated financial statements of the Bank include four subsidiaries, namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited (CBL) and AB International Finance Limited,

Independent Auditors' Report to the Shareholders of AB Bank Limited

Hong Kong reflect total assets of BDT 8,563 million, BDT 1,402 million, BDT 79 million and BDT 1,097 million respectively as at 31 December 2018 and total revenue of BDT 295 million, BDT 123 million, BDT 0 and BDT 50 million respectively for the year ended 31 December 2018. The subsidiaries of the Bank has been audited by other component auditors who have expressed unmodified audit opinion. The results of the subsidiaries have been properly reflected in the Group's consolidated financial statements;

- iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- ix) adequate provisions in concurrent with Bangladesh Bank, have been made for advance and other assets which are in our opinion, doubtful of recovery and Bangladesh Bank's instruction in this regard have been followed properly;
- x) the information and explanations required by us have been received and found satisfactory;
- xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 7,100 person hours; and
- xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, Bangladesh
Dated, 30 April 2019


S. F. Ahmed & Co
Chartered Accountants



**AB Bank Limited & Its Subsidiaries
Consolidated Balance Sheet**

As at 31 December 2018

	Notes	31 Dec 2018 BDT	31 Dec 2017 BDT
PROPERTY AND ASSETS			
Cash	3(a)	16,433,155,519	17,780,902,708
In hand (including foreign currencies)	3.1(a)	1,960,489,318	1,572,393,188
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	14,472,666,202	16,208,509,520
Balance with other banks and financial institutions	4(a)	3,378,419,653	4,241,335,582
In Bangladesh	4.1(a)	1,823,369,874	2,490,976,583
Outside Bangladesh	4.2(a)	1,555,049,778	1,750,358,999
Money at call and on short notice	5(a)	589,822,961	496,384,436
Investments	6(a)	44,351,747,141	46,382,136,275
Government	6.1(a)	33,523,320,645	39,732,017,188
Others	6.2(a)	10,828,426,496	6,650,119,087
Loans, advances and lease/investments		249,185,305,270	237,634,491,780
Loans, cash credits, overdrafts, etc./Investments	7(a)	246,986,421,356	235,801,195,989
Bills purchased and discounted	8(a)	2,198,883,913	1,833,295,791
Fixed assets including premises, furniture and fixtures	9(a)	4,453,456,276	4,699,245,091
Other assets	10(a)	6,761,916,852	5,863,914,006
Non-banking assets		-	-
Total Assets		325,153,823,673	317,098,409,881
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	18,272,449,759	21,872,486,519
AB Bank Subordinated Bond	12	8,700,000,000	6,000,000,000
Deposits and other accounts	13(a)	235,383,290,846	235,562,075,504
Current account and other accounts		22,819,200,149	21,821,895,346
Bills payable		2,994,339,125	2,251,301,559
Savings bank deposits		28,685,663,090	29,869,956,989
Fixed deposits		128,219,725,045	129,606,179,136
Other deposits		52,664,363,438	52,012,742,474
Other liabilities	14(a)	38,902,322,164	29,660,121,941
Total Liabilities		301,258,062,768	293,094,683,964
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		23,885,346,764	23,993,619,305
Paid-up capital	15	7,581,303,150	7,581,303,150
Statutory reserve	16	6,623,362,740	6,549,242,999
Other reserve	17(a)	2,713,091,416	2,811,305,460
Retained earnings	18(a)	6,967,589,458	7,051,767,695
Non-controlling interest	18(b)	10,414,140	10,106,613
Total Equity		23,895,760,904	24,003,725,917
Total Liabilities and Shareholders' Equity		325,153,823,673	317,098,409,881

AB Bank Limited & Its Subsidiaries
Consolidated Balance Sheet

As at 31 December 2018

	Notes	31 Dec 2018 BDT	31 Dec 2017 BDT
Off-Balance Sheet Items			
Contingent liabilities	19	57,209,035,486	65,450,616,147
Acceptances and endorsements		21,728,577,752	24,089,423,485
Letters of guarantee	19.1	14,569,014,333	13,525,351,128
Irrevocable letters of credit		12,060,360,225	15,836,913,326
Bills for collection		7,389,781,311	9,392,397,842
Other contingent liabilities		1,461,301,865	2,606,530,367
Other commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		57,209,035,486	65,450,616,147

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited


Tarique Afzal
 President & Managing Director (CC)


Syed Afzal Hasan Uddin
 Director


Kaiser A. Chowdhury
 Independent Director


Muhammad A. (Rumee) Ali
 Chairman

See annexed report of the date

Dhaka, Bangladesh
 Dated, 30 April 2019


S. F. Ahmed & Co
 Chartered Accountants

AB Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account

For the year ended 31 December 2018

	Notes	2018 BDT	2017 BDT
OPERATING INCOME			
Interest income/profit on investments	21(a)	19,810,850,595	18,095,388,527
Interest/profit paid on deposits and borrowings, etc.	22(a)	(17,580,405,167)	(14,937,382,065)
Net interest income		2,230,445,428	3,158,006,462
Investment income	23(a)	4,247,045,852	4,726,135,143
Commission, exchange and brokerage	24(a)	2,478,088,129	2,994,211,871
Other operating income	25(a)	197,808,332	178,404,749
Total operating income (a)		6,922,942,313	7,898,751,763
		9,153,387,741	11,056,758,225
OPERATING EXPENSES			
Salary and allowances	26(a)	2,895,883,578	2,990,025,060
Rent, taxes, insurance, electricity, etc.	27(a)	763,029,339	747,204,508
Legal expenses	28(a)	3,387,229	8,406,763
Postage, stamps, telecommunication, etc.	29(a)	127,410,823	136,794,287
Stationery, printing, advertisement, etc.	30(a)	152,615,016	199,948,266
Chief executive's salary and fees	26.1	9,932,258	9,940,551
Directors' fees	31(a)	4,760,439	8,653,653
Auditors' fees	32(a)	3,311,405	3,781,823
Depreciation and repairs of Bank's assets	33(a)	486,259,551	537,590,602
Other expenses	34(a)	1,267,436,388	1,378,563,037
Total operating expenses (b)		5,714,026,026	6,020,908,551
Profit before provision (c = (a-b))		3,439,361,715	5,035,849,674
Provision against loans and advances	35(a)	2,090,710,683	4,950,134,798
Provision for investments	36(a)	578,186,075	12,050,000
Other provisions	37(a)	67,408,023	171,752
Total provision (d)		2,736,304,781	4,962,356,549
Profit before tax (c-d)		703,056,934	73,493,124
Provision for taxation		659,868,356	32,658,543
Current tax		1,140,140,836	1,594,023,822
Deferred tax		(480,272,480)	(1,561,365,279)
Net profit after tax		43,188,578	40,834,581
Appropriations			
Statutory reserve		95,281,616	26,124,722
General reserve		-	-
Dividends, etc.		-	-
Retained surplus		95,281,616	26,124,722
Non-controlling interest		(52,093,038)	14,709,859
Net Profit attributable to the shareholders of parent company		321,715	190,013
Consolidated Earnings Per Share (EPS)	39(a)	0.06	0.05

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal
 President & Managing Director (CC)

Syed Afzal Hasan Uddin
 Director

Kaiser A. Chowdhury
 Independent Director

Muhammad A. (Rumee) Ali
 Chairman

See annexed report of the date

Dhaka, Bangladesh
 Dated, 30 April 2019

S. F. Ahmed & Co
 Chartered Accountants

AB Bank Limited & Its Subsidiaries
Consolidated Cash Flow Statement

For the year ended 31 December 2018

	2018 BDT	2017 BDT
Cash Flows from Operating Activities		
Interest receipts	16,243,063,341	15,019,781,262
Interest payments	(16,680,179,937)	(15,277,464,801)
Dividend receipts	117,278,867	128,909,211
Fee and commission receipts	1,644,180,688	1,895,002,924
Recoveries on loans previously written off	8,725,518	6,286,093
Payments to employees	(2,905,815,836)	(2,999,965,611)
Payments to suppliers	(152,615,016)	(199,948,266)
Income taxes paid	(580,417,332)	(797,656,950)
Receipts from other operating activities	5,152,757,240	5,868,553,536
Payments for other operating activities	(2,348,505,250)	(2,501,464,992)
Operating profit before changes in operating assets & liabilities	498,472,282	1,142,032,405
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(8,683,801,244)	(11,290,321,149)
Other assets	(875,546,698)	(362,260,459)
Deposits from other banks	(324,430,192)	(2,356,427,434)
Deposits from customers	(754,579,697)	(7,135,818,746)
Trading liabilities (short-term borrowings)	(3,549,314,585)	6,230,544,019
Other liabilities	6,780,686,111	4,505,177,704
Net cash used in operating activities (a)	(7,406,986,304)	(10,409,106,066)
	(6,908,514,022)	(9,267,073,662)
Cash Flows from Investing Activities		
(Sale)/Purchase of government securities	6,122,045,589	1,732,969,841
(Purchase)/Sale of trading securities, shares, bonds, etc.	(3,921,120,204)	527,860,194
Purchase of property, plant and equipment	(59,473,930)	(335,210,688)
Net cash flow from investing activities (b)	2,141,451,455	1,925,619,347
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	2,649,277,825	(615,812,976)
Dividend paid	(317,554)	(302,045)
Net cash flow from/(used in) financing activities (c)	2,648,960,271	(616,115,021)
Net (decrease)/increase in cash (a+b+c)	(2,118,102,296)	(7,957,569,335)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	22,521,816,127	30,479,385,462
Cash and cash equivalents at end of the period (*)	20,403,713,833	22,521,816,127
(*) Cash and cash equivalents:		
Cash	1,960,489,318	1,572,393,188
Prize bonds	2,315,700	3,193,400
Money at call and on short notice	589,822,961	496,384,436
Balance with Bangladesh Bank and its agent bank(s)	14,472,666,202	16,208,509,520
Balance with other banks and financial institutions	3,378,419,653	4,241,335,582
	20,403,713,833	22,521,816,127
Net Operating Cash Flow Per Share (NOCFPS)	(9.11)	(12.22)

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal
President & Managing Director (CC)

Syed Afzal Hasan Uddin
Director

Kaiser A. Chowdhury
Independent Director

Muhammad A. (Rumee) Ali
Chairman

Dhaka, Bangladesh
Dated, 30 April 2019

S. F. Ahmed & Co
Chartered Accountants

AB Bank Limited & Its Subsidiaries Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

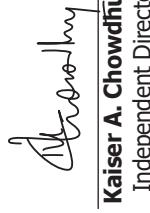
Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Non-Controlling interest	Retained earnings	Total
Restated balance at 01 January 2018	7,581,303,150	6,549,242,999	1,302,259,888	1,300,480,316	603,726	207,961,529	10,106,613	7,051,767,695	24,003,725,917
Net profit after taxation for the year	-	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Addition/(Adjustment) made during the year	-	95,281,616	-	(2,270,683)	-	-	321,715	42,866,863	43,188,578
Foreign exchange rate fluctuation	-	(21,161,876)	939,791	-	-	(101,796,835)	(14,187)	(93,010,933)	(101,811,022)
Balance at 31 December 2018	7,581,303,150	6,623,362,740	1,303,199,679	1,298,209,633	5,517,410	106,164,694	10,414,141	6,967,589,458	23,895,760,904
Balance at 31 December 2017	7,581,303,150	6,549,242,999	1,302,259,888	1,300,480,316	603,726	207,961,529	10,106,613	7,051,767,695	24,003,725,917

For and on behalf of the Board of Directors of AB Bank Limited



Syed Afzal Hasan Uddin
Director

Tarique Afzal
President & Managing Director (CC)



Kaiser A. Chowdhury
Independent Director

Dhaka, Bangladesh
Dated, 30 April 2019



Muhammad A. (Rumee) Ali
Chairman



S. F. Ahmed & Co
Chartered Accountants

AB Bank Limited
Balance Sheet
As at 31 December 2018

	Notes	31 Dec 2018 BDT	31 Dec 2017 BDT
PROPERTY AND ASSETS			
Cash	3	16,433,059,322	17,780,769,152
In hand (including foreign currencies)	3.1	1,960,393,120	1,572,259,632
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,472,666,202	16,208,509,520
Balance with other banks and financial institutions	4	3,178,371,232	3,987,238,222
In Bangladesh		1,625,277,794	2,295,067,692
Outside Bangladesh		1,553,093,439	1,692,170,531
Money at call and on short notice	5	1,428,822,961	1,170,389,436
Investments	6	43,593,782,292	45,749,363,948
Government	6.1	33,523,320,645	39,732,017,188
Others	6.2	10,070,461,647	6,017,346,761
Loans, advances and lease/investments	7	241,070,141,407	229,647,286,231
Loans, cash credits, overdrafts, etc./Investments		239,945,454,388	228,624,340,946
Bills purchased and discounted	8	1,124,687,019	1,022,945,284
Fixed assets including premises, furniture and fixtures	9	3,886,208,770	4,113,341,268
Other assets	10	12,935,585,637	12,116,611,208
Non-banking assets		-	-
Total Assets		322,525,971,620	314,564,999,466
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	18,272,449,759	21,871,443,363
AB Bank Subordinated Bond	12	8,700,000,000	6,000,000,000
Deposits and other accounts	13	235,444,849,491	235,954,308,453
Current accounts and other accounts		22,820,201,543	21,822,803,753
Bills payable		2,994,339,125	2,251,301,559
Savings bank deposits		28,685,663,090	29,869,956,989
Fixed deposits		128,219,725,045	129,606,179,136
Other deposits		52,724,920,690	52,404,067,016
Other liabilities	14	37,458,190,496	27,968,002,561
Total Liabilities		299,875,489,746	291,793,754,377
Capital/Shareholders' Equity			
Total Shareholders' Equity		22,650,481,875	22,771,245,089
Paid-up capital	15	7,581,303,150	7,581,303,150
Statutory reserve	16	6,623,362,740	6,549,242,999
Other reserve	17	2,540,663,004	2,628,706,941
Retained earnings	18	5,905,152,980	6,011,991,999
Total Liabilities and Shareholders' Equity		322,525,971,620	314,564,999,466

AB Bank Limited **Balance Sheet**

As at 31 December 2018

	Notes	31 Dec 2018 BDT	31 Dec 2017 BDT
Off-Balance Sheet Items			
Contingent liabilities	19	57,209,035,486	65,450,616,147
Acceptances and endorsements		21,728,577,752	24,089,423,485
Letters of guarantee	19.1	14,569,014,333	13,525,351,128
Irrevocable letters of credit		12,060,360,225	15,836,913,326
Bills for collection		7,389,781,311	9,392,397,842
Other contingent liabilities		1,461,301,865	2,606,530,367
Other commitments		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		57,209,035,486	65,450,616,147

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

 Tarique Afzal President & Managing Director (CC)	 Syed Afzal Hasan Uddin Director	 Kaiser A. Chowdhury Independent Director	 Muhammad A. (Rumee) Ali Chairman
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See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2019

S. F. Ahmed & Co
 Chartered Accountants

AB Bank Limited
Profit and Loss Account
For the year ended 31 December 2018

	Notes	2018 BDT	2017 BDT
OPERATING INCOME			
Interest income/profit on investments	21	19,467,459,807	17,566,941,274
Interest paid/profit on deposits and borrowings, etc.	22	(17,557,309,639)	(14,896,849,195)
Net interest income		1,910,150,168	2,670,092,078
Investment income	23	4,277,547,629	4,781,859,929
Commission, exchange and brokerage	24	2,332,595,175	2,784,725,871
Other operating income	25	127,566,812	110,356,902
Total operating income (a)		6,737,709,616	7,676,942,702
		8,647,859,784	10,347,034,780
OPERATING EXPENSES			
Salary and allowances	26	2,825,003,440	2,914,079,909
Rent, taxes, insurance, electricity, etc.	27	748,748,069	734,026,531
Legal expenses	28	2,826,348	7,587,144
Postage, stamps, telecommunication, etc.	29	114,789,243	125,681,567
Stationery, printing, advertisement, etc.	30	151,418,300	198,728,972
Chief executive's salary and fees	26.1	9,932,258	9,940,551
Directors' fees	31	4,009,591	7,984,642
Auditors' fees	32	2,646,052	3,164,822
Depreciation and repairs of Bank's assets	33	465,467,337	516,842,435
Other expenses	34	1,247,892,797	1,352,875,569
Total operating expenses (b)		5,572,733,435	5,870,912,144
Profit before provision (c = (a-b))		3,075,126,349	4,476,122,637
Provision against loans and advances	35	1,938,210,683	4,623,884,798
Provision for investments	36	513,513,018	10,000,000
Other provisions	37	67,408,023	171,752
Total provision (d)		2,519,131,724	4,634,056,549
Profit before taxation (c-d)		555,994,625	(157,933,912)
Provision for taxation		537,671,047	(187,534,877)
Current tax		1,003,412,961	1,377,814,079
Deferred tax		(465,741,914)	(1,565,348,957)
Net profit after taxation		18,323,578	29,600,965
Appropriations			
Statutory reserve		95,281,616	26,124,722
General reserve		-	-
Dividends, etc.		-	-
Retained surplus		95,281,616	26,124,722
		(76,958,038)	3,476,243
Earnings Per Share (EPS)	39	0.02	0.04

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal

President & Managing Director (CC)

Syed Afzal Hasan Uddin

Director

Kaiser A. Chowdhury

Independent Director

Muhammad A. (Rumee) Ali

Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2019

S. F. Ahmed & Co
Chartered Accountants

AB Bank Limited
Cash Flow Statement

For the year ended 31 December 2018

	Notes	2018 BDT	2017 BDT
Cash flows from Operating Activities			
Interest receipts		15,899,672,553	14,491,334,008
Interest payments		(16,657,084,409)	(15,236,931,931)
Dividend receipts		198,357,616	187,773,760
Fees and commission receipts		1,505,554,954	1,690,166,432
Recoveries on loans previously written off		8,725,518	6,286,093
Payments to employees		(2,834,935,698)	(2,924,020,460)
Payments to suppliers		(151,418,300)	(198,728,972)
Income taxes paid		(396,705,898)	(587,953,908)
Receipts from other operating activities	40	4,999,566,689	5,779,382,812
Payments for other operating activities	41	(2,298,516,163)	(2,447,719,622)
Operating profit before changes in operating assets & liabilities		273,216,861	759,588,210
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(8,555,842,931)	(11,080,165,586)
Other assets	42	(796,687,496)	(270,659,557)
Deposits from other banks		(324,430,192)	(2,356,427,434)
Deposits from customers		(1,085,254,000)	(6,989,964,285)
Trading liabilities (short-term borrowings)		(3,548,271,429)	6,532,834,196
Other liabilities	43	7,224,614,281	4,221,168,415
Net cash used in operating activities (a)		(7,085,871,766)	(9,943,214,250)
Cash Flows from Investing Activities			
Purchase of government securities		6,122,045,589	1,732,969,841
(Purchase)/Sale of trading securities, shares, bonds, etc.		(3,795,927,682)	266,079,840
Purchase of property, plant and equipment		(61,444,269)	(332,118,804)
Net cash flow from investing activities (b)		2,264,673,638	1,666,930,877
Cash Flows from Financing Activities			
Increase/(decrease) of long-term borrowings		2,649,277,825	(615,812,976)
Dividend paid		(317,554)	(302,045)
Net cash flow from/(used in) financing activities (c)		2,648,960,271	(616,115,021)
Net Increase/(decrease) in cash (a+b+c)		(1,899,020,997)	(8,132,810,183)
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		22,941,590,211	31,074,400,393
Cash and cash equivalents at end of the period (*)		21,042,569,215	22,941,590,211
(*) Cash and cash equivalents:			
Cash		1,960,393,120	1,572,259,632
Prize bonds		2,315,700	3,193,400
Money at call and on short notice		1,428,822,961	1,170,389,436
Balance with Bangladesh Bank and its agent bank(s)		14,472,666,202	16,208,509,520
Balance with other banks and financial institutions		3,178,371,232	3,987,238,222
		21,042,569,215	22,941,590,211
Net Operating Cash Flow Per Share (NOCFPS)	44	(8.99)	(12.11)

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

	Tarique Afzal President & Managing Director (CC)		Syed Afzal Hasan Uddin Director		Kaiser A. Chowdhury Independent Director		Muhammad A. (Rumee) Ali Chairman
Dhaka, Bangladesh Dated, 30 April 2019							S. F. Ahmed & Co Chartered Accountants

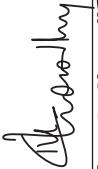
AB Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Particulars	Paid up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 01 January 2018	7,581,303.150	6,549,242,999	1,222,199,200	1,300,480,317	106,027,424	6,011,991,999	22,771,245,089
Net profit after taxation for the year	-	-	-	-	-	18,323,578	18,323,578
Addition/(Adjustment) made during the year	95,281,616	-	(2,270,683)	(85,773,253)	(93,010,933)	(85,773,253)	
Foreign exchange rate fluctuation	(21,161,876)	-	-	-	(32,151,664)	(53,313,539)	
Balance at 31 December 2018	7,581,303.150	6,623,362,740	1,222,199,200	1,298,209,633	20,254,171	5,905,152,980	22,650,481,875
Balance at 31 December 2017	7,581,303.150	6,549,242,999	1,222,199,200	1,300,480,317	106,027,424	6,011,991,999	22,771,245,089

For and on behalf of the Board of Directors of AB Bank Limited


Tarique Afzal
President & Managing Director (CC)


Syed Afzal Hasan Uddin
Director


Kaiser A. Chowdhury
Independent Director


Muhammad A. (Rumee) Ali
Chairman

S. F. Ahmed & Co
Chartered Accountants

Dhaka, Bangladesh
Dated, 30 April 2019

AB Bank Limited

Liquidity Statement

Analysis of Maturity of Assets and Liabilities
As at 31 December 2018

Particulars	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More than 5 years' maturity	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets						
Cash in hand and with banks	3,138,643,179	-	-	-	13,294,416,143	16,433,059,322
Balance with other banks and financial institutions	1,948,371,232	1,230,000,000	24,832,954	-	-	3,178,371,232
Money at call and on short notice	680,635,007	723,355,000	369,077,692	17,962,067,895	20,969,939,192	1,428,822,961
Investments	152,315,700	4,140,381,813	100,234,083,171	30,865,614,576	8,012,325,240	43,593,782,292
Loans, advances and lease/investments	36,884,322,364	65,073,796,056	-	-	3,886,208,770	241,070,141,407
Fixed assets including premises, furniture and fixtures	-	342,807,796	2,836,592,571	2,754,603,885	1,404,515,225	3,886,208,770
Other assets	-	-	-	-	5,597,066,160	12,935,585,637
Non-banking assets	-	-	-	-	-	-
Total Assets	43,147,095,277	74,004,125,440	103,382,597,701	50,232,197,696	51,759,955,505	322,525,971,619
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	8,870,606,325	2,355,063,500	7,959,435,982	5,548,367,584	2,238,976,368	26,972,449,758
Deposit and other accounts	33,108,099,730	70,454,513,428	85,516,435,835	44,737,062,747	1,628,737,751	235,444,849,491
Provision and other liabilities	843,751,724	1,122,267,723	8,539,277,232	26,848,916,031	103,977,787	37,458,190,496
Total Liabilities	42,822,457,779	73,931,844,650	102,015,149,050	77,134,346,362	3,971,691,905	299,875,489,746
Net Liquidity excess/(shortage)	324,637,498	72,280,790	1,367,448,652	(26,902,148,666)	47,788,263,600	22,650,481,874

Borrowing from Bangladesh Bank, other banks, financial institutions and agents
Deposit and other accounts
Provision and other liabilities
Total Liabilities
Net Liquidity excess/(shortage)

Liabilities

Borrowing from Bangladesh Bank, other banks, financial institutions and agents	8,870,606,325	2,355,063,500	7,959,435,982	5,548,367,584	2,238,976,368	26,972,449,758
Deposit and other accounts	33,108,099,730	70,454,513,428	85,516,435,835	44,737,062,747	1,628,737,751	235,444,849,491
Provision and other liabilities	843,751,724	1,122,267,723	8,539,277,232	26,848,916,031	103,977,787	37,458,190,496
Total Liabilities	42,822,457,779	73,931,844,650	102,015,149,050	77,134,346,362	3,971,691,905	299,875,489,746
Net Liquidity excess/(shortage)	324,637,498	72,280,790	1,367,448,652	(26,902,148,666)	47,788,263,600	22,650,481,874

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal
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Chairman

Dhaka, Bangladesh
Dated, 30 April 2019

S. F. Ahmed & Co
Chartered Accountants


AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

1.1 The Bank and its activities

AB Bank Limited (the Bank) is one of the first generation Private Commercial Banks (PCBs) incorporated in Bangladesh on 31 December 1981 as a public limited company under the Companies Act 1913, subsequently replaced by the Companies Act 1994, and is governed by the Bank Company Act, 1991 (amendment up to 2018). The Bank went for public issue of its shares on 28 December 1983 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. AB Bank Limited has 105 Branches including one (1) Islami Banking Branch and one (1) Overseas Branch in Mumbai, India. The Bank has five subsidiary companies namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, Arab Bangladesh Bank Foundation all incorporated in Bangladesh and AB International Finance Limited, incorporated in Hong Kong.

AB Investment Limited (ABIL) and AB Securities Limited (ABSL) were incorporated as subsidiary companies after obtaining the approvals from Bangladesh Bank following guidelines of the Bangladesh Securities and Exchange Commission (BSEC). These two subsidiaries are being put into operations to cater the merchant banking and brokerage business which were previously carried out by the Bank itself.

The Bank through its Branches and non-banking subsidiaries provides a diverse range of financial services and products in Bangladesh and in certain international markets. The Bank has expanded its capital market oriented service horizon to its customers through AB Investment Limited. The Bank obtained permission from BSEC to embark upon merchant banking vide its certificate no. MB-1.02/2001-30 dated 15 May 2001 under the Securities and Exchange Commission Act 1993. Subsequently, the Bank has formed a subsidiary company named AB Investment Limited in accordance with the approval of Bangladesh Bank vide letter no. BRPD(R-1)717/2009-538 dated 09 December 2009 and the Bangladesh Securities and Exchange Commission vide letter no. Sec/Reg/MB-79/2010/73 dated 10 March 2010 for dealing the Merchant Banking business.

AB Bank Limited started its Islami Banking operation through its Dilkusha Islami Banking Branch, Dhaka on 23 December 2004 following the permission of Bangladesh Bank vide letter no. BRPD (P) 745 (12)/2004-2702 dated 08 July 2004. Subsequently the Branch was shifted to Kakrail, Dhaka on 18 October 2006.

The Bank obtained permission to work as a security custodian from the Bangladesh Securities and Exchange Commission vide its certificate no. SC-05/2007 dated 22 January 2007 under the Securities and Exchange Commission (Securities Custodian Service) Rules 2003.

In the year 2009, the Bank obtained permission to operate Off Shore Banking Unit (OBU) vide letter # BRPD (P-3)744/(106)/2009-4486 dated 06 December 2009 of Bangladesh Bank. OBU operation has been carried out from 28 April 2010 through the Bank's EPZ Branch, Chittagong.

1.2 Significant accounting policies and basis of preparation of the financial statements

Presentation of the financial statements

The consolidated and separate financial statements of the Bank have been prepared for the year ended December 31, 2018 in accordance with the measurement and recognition requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which have replaced Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) vide circular no. 1/1/ICAB-2017 of the Institute of Chartered Accountants of Bangladesh, the accounting standard setting body for Bangladesh, dated 14 December 2017 for due period begins on or after 1 January 2018.



AB Bank Limited Notes to the Financial Statements

For the year ended 31 December 2018

The financial statements cover a full set of financial statements which comprise of consolidated and separate Balance Sheets, Profit or Loss Accounts, cash flow statements, statements of changes in equity, liability statements and relevant notes and disclosures.

The financial statements have been prepared under historical cost convention except investments categorised under held for trading and in accordance with Bank Company Act, 1991 (amendment up to 2018); BRPD circular no. 14 dated 25 June 2003, the Companies Act, 1994; the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other laws and rules applicable for the Bank.

Basis of consolidation

Separate set of records for consolidating the financial statements of the Branches including Mumbai Branch, India, AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited and AB International Finance Limited, Hong Kong are maintained at the Head Office of the Bank, based on which these financial statements have been prepared. The consolidated financial statements have been prepared in accordance with the IFRS 10 "Consolidated Financial Statements". The Consolidated Financial Statements have been prepared to a common reporting period ending on 31 December 2018.

Mumbai branch, India

The assets and liabilities of Mumbai Branch, India have been incorporated in the accounts at year end exchange rate. Income and expenditures have been incorporated in the accounts by each line item. The Balance Sheet and Profit and Loss Account of the Mumbai Branch have been shown separately in **Annexure-F**.

Islami Banking branch

Islami Banking Branch has been maintaining separate set of books and records for its operations following Bangladesh Bank guidelines. All assets-liabilities and income-expenses of this Branch have been incorporated in similar heads of account of the Bank's financial statements. Balance Sheet and Profit and Loss Account of Islami Banking Branch is shown separately in **Annexure-G** as per Bangladesh Bank BRPD Circular No. 15 dated 09 November 2009. Distribution of profit under Islamic Banking Operation and fixation of final rate for the year 2018 has also been disclosed separately in **Annexure-H**.

Custodian Wing

Financial statements of Custodian Wing have been separately audited by the auditors of the Bank. Income-expenditures of Custodian Wing have been incorporated in similar heads of account of the Bank's Profit and Loss Account. Profit and Loss Account of Custodian Wing has been shown separately in **Annexure-I**.

Off-Shore Banking Unit (OBU)

This particular unit of the Bank started its operation in the year 2010. Assets-liabilities and income-expenditures of Off- Shore Banking Unit are incorporated in similar heads of account of the Bank's Balance Sheet and Profit and Loss Account. The Balance Sheet and Profit and Loss Account of the Off-Shore Banking Unit (OBU) have been shown separately in **Annexure-J**.


AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

Yangon Representative Office, Myanmar

AB Bank Limited, Yangon Representative Office, Myanmar, has been established primarily for encouraging and procuring Business under Border Trade Agreement between the Government of the Peoples' Republic of Bangladesh and the Republic of Union of Myanmar. YRO is also maintaining liaison with the Regulatory Bodies and Business Agencies of Myanmar. Statement of Receipts and Payments representative office have been shown separately in **Annexure-K**.

Investment in Amana Bank Limited

AB Bank Limited invested in Amana Bank Limited, Srilanka which is a licensed commercial bank and established under the Banking Act No. 30 of 1988 (Srilankan Banking Act) and amendments thereto. Amana Bank is a public limited liability company incorporated on 05 February 2009 and the registered office of the Bank is located at No. 480, Galle Road, Colombo 3. The Bank commenced commercial banking operations on 01 August 2011. Amana Bank is also a listed company under the Colombo Stock Exchange. AB has invested 7.22% in the equity of AMANA Bank Limited.

Subsidiaries operation

The financial statements of subsidiaries (except Arab Bangladesh Bank Foundation-ABBF) have been consolidated following IFRS 10 "Consolidated Financial Statements". ABBF operated only for philanthropic purpose and its profit is not distributable to the shareholders. Thus, for ensuring the fair presentation of the Financial Statements of the Parent Company (the Bank), the Financial Statements of ABBF has not been consolidated.

AB Investment Limited (ABIL)

AB Investment Limited (ABIL) started its operation from 10 March 2010 for Merchant Banking Operation. AB Bank Limited holds 99.99% shares in ABIL. The Balance Sheet and Profit and Loss Account of the ABIL have been shown separately in **Annexure-L**.

AB Securities Limited (ABSL)

Brokerage business of Arab Bangladesh Bank Foundation has been transferred to AB Securities Limited (ABSL) vide Bangladesh Bank approval letter BRPD(R-1)717/2009-493 dated 08 November 2009. AB Bank Limited at present holds 99.91% shares in ABSL.

The Balance Sheet and Profit and Loss Account of the ABSL have been shown separately in **Annexure-M**.

Cashlink Bangladesh Limited (CBL)

Cashlink Bangladesh Limited (CBL) was incorporated on 24 September 2008 with an authorised capital of Taka 1,000,000,000 divided into 100,000,000 ordinary shares of Taka 10 each. The Bank at present holds 90% shares in CBL.

The Balance Sheet and Profit and Loss Account of the CBL have been shown separately in **Annexure-N**.



AB Bank Limited Notes to the Financial Statements

For the year ended 31 December 2018

AB International Finance Limited (ABIFL)

AB International Finance Limited (ABIFL) is a company incorporated in Hong Kong. Its registered office and principal place of business is situated at Room 1608, 16th Floor, Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, Hong Kong. It is a fully owned (100%) Subsidiary of AB Bank Limited. The Balance Sheet and Profit and Loss Account of the ABIFL have been shown separately in Annexure-O.

Arab Bangladesh Bank Foundation (ABBF)

Arab Bangladesh Bank Foundation (ABBF) has maintained separate set of books and records for its operation. The Balance Sheet and Profit and Loss Account of the ABBF have been shown separately in Annexure-P.

Use of estimates and judgments

The preparation of consolidated financial statements and financial statements of the Bank required management to make judgments, estimates and assumptions that affected 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 have been reviewed considering business realities. Revisions of accounting estimates have been recognised in the period in which the estimates have been revised and in the future periods affected, if applicable.

All intergroup balances, transactions, income and expenses are fully eliminated while preparing the consolidated financial statements.

Materiality, aggregation and offsetting

The Bank aggregates each material class of similar items and separately which are dissimilar in nature or function unless those are immaterial. The Bank did not offset assets and liabilities or income and expense, unless required or permitted by IAS/ IFRS.

Foreign currency transactions

Functional and presentational currency

Financial statements of the Bank have been presented in Taka, which is the Bank's functional and presentational currency.

Foreign currency translation

Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies as at 31 December 2018 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD (R) 717/2004-959 dated 21 November 2004.


AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in the consolidated financial statements and financial statements of the Bank have been translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

Translation gain and losses

Gains or losses arising out of translation of foreign exchange have been included in the Profit and Loss Account, except those arising on the translation of net investment in foreign branch and subsidiaries.

Foreign operations

The results of financial statements of the Bank whose functional currency is not Bangladesh Taka are translated into Bangladesh Taka as follows:

- a. assets and liabilities for each items of Balance Sheet have been translated at the closing rate on the date of Balance sheet.
- b. income and expenses for Profit and Loss Account have been translated at an monthly average rate of the year; and
- c. all resulting exchange differences have been recognized in the P&L or as a separate components of equity, where appropriate.

Cash flow statement

Cash Flow Statement is prepared principally in accordance with IAS 7 "Statement of Cash Flows" under direct method as per the guidelines of BRPD circular no. 14 dated 25 June 2003. The Statement of Cash Flows show the structure of and changes in cash and cash equivalents during the period. Cash Flows during the year have been classified as operating activities, investing activities and financing activities.

Statement of changes in equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

Liquidity statement

The basis of the liquidity statement of assets and liabilities as on the reporting date is given below:

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

Particulars	Basis used
Balance with other banks and financial institutions	Maturity term
Investments	Respective maturity terms
Loans and advances	Repayment schedule basis
Fixed assets	Useful life
Other assets	Realization/ amortization basis
Borrowing from other banks, financial institutions and agents	Maturity/ repayments terms
Deposits and others accounts	Maturity term/ Previous trend
Other liabilities	Payments/ adjustments schedule basis

1.3 Assets and basis of their valuation

Cash and cash equivalents

Cash comprises cash in hand and demand deposits in the banks.

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

Loans and advances

- i. Loans and advances/investments in Islamic Banking Branch are stated at gross amounts at 31 December 2018.
- ii. Interest/profit is calculated on a daily basis but charged and accounted on accrual basis. Interest/profit on classified loans and advances/ investment is kept in suspense account as per Bangladesh Bank instructions and such interest/ profit is not accounted for income until realized from borrowers. Interest/profit is not charged on bad and loss loans/ investments as per guideline of Bangladesh Bank.
- iii. Commission on bills purchased and discounting are recognised at the time of realisation.
- iv. Provision for loans and advances is made on the basis of quarter-end review by the management and as per instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 04 dated 29 January 2015, BRPD Circular No. 08 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular No. 15 dated 27 September 2017, BRPD Circular No. 01/2018 dated 20.02.2018 and BRPD Circular No. 07/2018 dated 21.06.2018. The rates for provisions are stated below:

Particulars		Short Term Agri Credit	Consumer Financing				SMEF	Loans to BHs/MBs/SDs	All Other Credit	Off Balance Sheet Exposures
			Other than HF, LP	HF	LP	Credit Card				
UC	Standard	1%	5%	1%	2%	2%	0.25%	2%	1%	1%
	SMA	-	5%	1%	2%	2%	0.25%	2%	1%	
	SS	5%	20%	20%	20%	20%	20%	20%	20%	
Classified	DF	5%	50%	50%	50%	50%	50%	50%	50%	
	BL	100%	100%	100%	100%	100%	100%	100%	100%	


AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

Investment

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Premium has been amortised and discount accredited, using the effective or historical yield method. Government Treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009.

The valuation methods of investment used are:

Government securities

Held to Maturity (HTM)

Investments which are intended to be held to maturity are classified as "Held to Maturity". These are measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Amortised amount of such premium are booked into Profit and Loss Account or discount is booked to reserve until maturity/disposal.

Held for Trading (HFT)

Investment primarily held for selling or trading is classified in this category. After initial recognition, investments are mark to market weekly. Decrease in the book value is recognised in the Profit and Loss Account and any increase is transferred to revaluation reserve account.

Value of investments has been enumerated as follows:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Treasury Bill / Bond (HFT)	Cost	Market value	Loss to Profit and Loss Account (P&L), gain to revaluation reserve
Treasury Bill / Bond (HTM)	Cost	Amortised value	Increase in value to equity and decrease in value to P&L
Debenture	Face value	None	None
Prize bond	Cost	None	None
Shares	Cost	Lower of cost and market value	Realised gain or loss, recognised in P&L
			Unrealized gain is not recognized in accounts. Provision is maintained for unrealized loss, if any

Investment in listed securities

These securities are brought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. Unrealised gains are not recognised in the Profit and Loss Account.

In Accordance with BRPD Circular no. 14 dated 25 June 2003, provisions should be made for any loss arising from the diminution in value of investments. Subsequently, as per DOS Circular No.04 dated 24 November 2011, provisions may be made for any loss arising from the diminution in value of investments after netting of gain.

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

Investment in unlisted securities

Investment in unlisted securities is reported at cost under cost method.

Investment in subsidiaries

Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements".

Fixed assets

- i) All fixed assets are stated at cost less accumulated depreciation as per IAS 16 "Property, Plant and Equipment". The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the IFRS.
- ii) The cost of an item of property, plant and equipment is recognised as an asset if-
 - it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.
- iii) Depreciation on fixed assets is charged using reducing balance method except motor vehicles, computers & computer equipments and photocopiers for which straight-line method is used. The rates of depreciation are as follows:

<u>Category of asset</u>	<u>Rate of depreciation</u>
Land	Nil
Building	2.5%
Furniture and fixtures	10%
Electrical appliances	20%
Motor vehicles	20%
Leasehold assets - vehicles	20%

- iv) Depreciation on fixed assets acquired during the year is charged from the month of their acquisition. Full month's depreciation is charged in the month of addition irrespective of the date of acquisition and no depreciation is charged in the month of their disposal.
- v) The cost and accumulated depreciation of disposed assets are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the Profit and Loss Account.
- vi) Useful lives and method of depreciation of fixed assets are reviewed periodically. If useful lives of assets do not differ significantly as these were previously estimated, revaluation of assets does not consider to be done.
- vii) Bank capitalised items value of which is over Taka 50,000 and the items below Taka 50,000 were booked as non-capitalised items under the broader head of other expenses with effect from 01 March 2009 in accordance with the relevant policy of the Bank.


AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

- viii) Bank also follows a policy for amortisation of expenditure considering the durability and useful lives of items. These are treated as intangible assets and are booked under the head "Fixed Assets" and amortised over their estimated useful lives by charging under the broad head "Depreciation".

Intangible assets

An intangible asset is recognised if-

- a. It is probable that the expected future economic benefits that are attributable to the assets will flow to the entity; and
- b. The cost of the assets can be measured reliably.

Other assets

Other assets include all balance sheet items not covered specifically in other areas.

Leasing

Where property, plant and equipment have been financed by lease arrangement under which substantially all the risks and rewards of ownership are transferred to the lessees are treated as finance leases as per IAS 17 "Leases". All other leases are classified as operating leases as per IAS 17 "Leases".

Bank as lessee

Assets held under finance lease are recognised as assets of the Bank at their fair value at the date of acquisition or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets.

Bank as lessor

The Bank did not grant any lease finance.

Stock of stationery

Stock of stationery has been shown under other assets and is valued at cost.

1.4 Capital, reserve, liabilities and provision and basis of their valuation

Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.



AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

Statutory reserve

As per Section 24 of the Bank Company Act, 1991 (amendment up to 2018), 20% of current year's profit of the Bank is required to be transferred to Statutory Reserve until such reserve together with share premium account equals to its paid up capital.

Revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increased amount should be credited directly to equity under the head revaluation surplus/ reserve as per IAS 16 "Property, Plant and Equipment".

Deposits and other accounts

Deposits are recognised when the Bank enters into contractual arrangements with the counterparties, which are generally on trade date and initially measured at the amount of consideration received.

Borrowing

Borrowed funds include call money, term borrowings and re-finance from different commercial banks, non-banking financial institutions and central bank.

Provision for taxation

Income tax represents the sum of the current tax and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provision for current income tax has been made @ 37.50% on the accounting profit made by the Bank after considering taxable allowances and disallowances as per income tax laws applicable for the Bank.

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.


AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Bank is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the Profit and Loss Account as per IAS-12 "Income Taxes" (note 10.1).

Retirement benefits to the employees

The retirement benefits accrued for the employees of the Bank as on the reporting date have been accounted for in accordance with the provision of IAS 19 "Employee Benefits". Bases of enumerating the retirement benefits schemes operated by the Bank are outlined below:

Provident fund

There is a provident fund scheme under the defined contribution plan. The fund is operated by a separate board of trustees approved by the National Board of Revenue as per Income Tax Ordinance, 1984. All eligible employees contribute 10% of their basic pay to the fund. The Bank also contributes equal of employee's contribution to the fund. These contributions are invested separately. Benefits from the fund are given to eligible employees at the time of retirement/resignation as per approved rules of the fund.

Staff gratuity

The Bank has a separate Board of Trustees for operating the staff gratuity fund approved by the National Board of Revenue. Employees of the Bank, who served the Bank for ten years or above are entitled to get gratuity benefit at rates determined by the Service Rules of the Bank.

Superannuation fund

The Bank operates a Superannuation Fund as death-cum-retirement benefit for its employees. The fund is operated by a separate Board of Trustees.



AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

Provision for liabilities

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

No provision is recognised for any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or any present obligation that arises from past events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimates of the amount of obligation cannot be made.

However, certain provisions on assets and liabilities are maintained in accordance with relevant Bangladesh Bank Circulars issued from time to time.

Provision for nostro accounts

Provision for nostro accounts is required to be maintained as per circular letter no. FEPD(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

Non-controlling Interest

Non-Controlling Interest is the equity in a subsidiary not attributable, directly or indirectly, to parent.

As per IFRS 10 'Consolidated Financial Statements' Bank presents non-controlling interest separately in financial statements.

Profit or loss and each component of other shareholders equity are attributed to the owners of the parent and to the non-controlling interest. Total shareholders equity is attributed to the owners of the parent and to the non-controlling interest even if this result in the non-controlling interest having a deficit balance.

1.5 Revenue recognition

Interest income

The interest income is recognised on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified or treated as Sub Standard (SS) as per BRPD circular no. 14 dated 23 September 2012 and is kept in interest suspense account. Interest on classified advances is accounted for as income when realised.

Profit on investment (Islami Banking branch)

Profit on investment is taken into income account from profit receivable account. Overdue charges/ compensation on classified investment is transferred to profit suspense/ compensation receivable account instead of income account.


AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

Investment income

Interest income on investments is recognised on accrual basis except treasury bills. Capital gains on investments in shares are also included in investment income. Capital gains are recognized when these are realised.

Fees and commission income

Fees and commission income on services provided by the Bank are recognised as and when the services are rendered. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of affecting the transactions.

Dividend income on shares

Dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It is recognised when:

- a. It is probable that the economic benefits associated with the transaction will flow to the entity; and
- b. the amount of the revenue can be measured reliably.

Interest paid on deposits and borrowings

Interest paid on deposits, borrowings, etc. is accounted for on accrual basis according to the IAS 1 "Presentation of Financial Statements".

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

1.6 Reconciliation of books of account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch transactions are reconciled and no material difference was found which may affect the financial statements significantly. There exist no un-reconciled items in NOSTRO accounts as at 31 December 2018.

1.7 Earnings Per Share (EPS)

Basic earnings per share

Basic earnings per share have been calculated in accordance with IAS 33 "Earnings per Share" which has been shown in the face of the Profit and Loss Account. This has been calculated by dividing the basic earnings by the total ordinary outstanding shares. EPS of previous period was restated giving effect of issue of bonus shares.



AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

Diluted earnings per share

Diluted earnings per share is to be calculated by adjusting profit or loss attributable to ordinary equity holders of the parent entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

1.8 Off-balance sheet items

Off-Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines.

In accordance with BRPD circular no.14 dated 23 September 2012 and BRPD circular no. 07 dated 21 June 2018, general provision for Off-Balance Sheet exposure of the Bank as at 31 December 2018 has been considered. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.

1.9 Memorandum items

Memorandum items are maintained for those items for which the Bank has only a business responsibility and no legal commitment.

1.10 Segment Reporting

AB Bank Limited Notes to the Financial Statements

For the year ended 31 December 2018

The Bank reports its operations under the following two business segments as per International Financial Reporting Standards (IFRS)-8 "Operating Segment".

By geographical location and segment business

Particulars	AB Bank Limited					Subsidiaries			BDT in Crore AB Bank and its subsidiaries
	Conventional Banking	Islamic Banking	Inside Bangladesh	India (Mumbai Branch)	Off-Shore Banking Unit	Total	AB Investment Limited	AB Securities Limited	
Profit and loss account									
Interest income	1,939.96	61.36	-	27.32	6.45	(88.34)	1,946.75	23.94	5.37 (0.59)
Int. paid on deposits & borrowings, etc.	1,705.91	55.04	39.61	41.27	2.24	(88.34)	1,755.73	2.54 -	0.63 (0.86)
Net interest income	234.05	6.32	(39.61)	(13.95)	4.21		191.02	23.94	4.74 0.27
Investment income	406.99	0.55	17.66	-	2.55	-	427.75	1.93	5.22 0.01
Commission, exchange and brokerage	202.42	1.86	-	(0.00)	32.41	(3.42)	233.26	3.66	4.36 -
Other operating income	12.16	0.05	-	-	0.54	-	12.76	1.29	0.17 -
Total operating income	855.62	8.78	(21.95)	(13.95)	39.70	(3.42)	864.79	30.83	12.48 0.37
Operating Expenses									
Salary and allowances	278.07	3.06	-	0.55	1.82	-	283.49	1.49	2.50 0.03
Rent, taxes, insurance, electricity, etc.	72.51	0.20	0.00	0.00	2.16	-	74.87	0.21	0.80 0.00
Legal expenses	0.26	-	-	-	0.02	-	0.28	0.02	- 0.03
Postage, stamps, telecom,, etc.	10.59	0.05	-	0.01	0.83	-	11.48	0.08	- 0.14
Stationery, printing, advertisement, etc.	14.89	0.04	-	0.01	0.21	-	15.14	0.02	- 0.05
Directors' fees	0.39	0.01	-	-	-	-	0.40	0.03	- 0.04
Auditors' fees	0.17	-	-	-	0.10	-	0.26	0.01	- 0.01
Charges on loan losses	-	-	-	-	-	-	-	-	- -
Depreciation & repairs of Bank's assets	45.73	0.19	-	0.12	0.51	-	46.55	1.85	0.15 0.00
Other expenses	111.50	0.73	0.22	0.09	12.25	-	124.79	0.75	0.81 0.01
Total operating expenses	534.11	4.27	0.23	0.78	17.89	-	557.27	4.47	4.50 0.05
Profit before provision	321.52	4.51	(22.17)	(14.73)	21.81	(3.42)	307.51	26.36	7.98 0.32
Provision against loans and advances							193.82		209.07
Provision for investments							51.35		57.82
Other provisions							6.74		6.74
Total provision							251.91		273.63
Profit before taxation							55.60		70.31
Provision for taxation									65.99
Net profit after taxation							1.83		4.32

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2018

By geographical location and segment business (cont.)

Balance Sheet

Particulars	AB Bank Limited						Subsidiaries				AB Bank and its subsidiaries Adjustment	BDT in Crore		
	Inside Bangladesh			India (Mumbai Branch)	Adjustment	Total	Inside Bangladesh		AB Investment Limited	AB Securities Limited				
	Conventional Banking	Islamic Banking	Off-Shore Banking Unit				AB Int. Finance Ltd., (Hong Kong)	Cash Link Bangladesh Ltd. (CBL)						
PROPERTY AND ASSETS														
Cash	1,617.18	25.71	-	0.42	105.91	(5.57)	1,643.31	0.00	0.00	0.01	-	1,643.32		
Balance with other banks & fin.institution	62.79	153.81	-	0.90	23.98	(987.92)	317.84	0.02	21.94	3.91	0.29	(6.15) 337.84		
Money at call and on short notice	1,022.92	-	83.90	162.05	37.66	(35.95)	142.88	-	-	-	(83.90)	58.98		
Investments	3,787.26	26.75	381.61	693.18	89.86	(1.69)	4,359.38	59.84	15.96	-	-	4,435.17		
Loans and advances	22,790.42	535.25	-	0.16	0.84	-	24,107.01	678.11	88.19	-	107.42	(62.20) 24,918.53		
Fixed assets	386.82	0.80	2.83	49.53	46.57	(1,547.61)	388.62	56.52	0.15	0.00	0.05	- 445.35		
Other assets	2,737.60	4.65	-	-	-	-	1,293.56	15.71	5.66	3.24	2.80	(644.77) 676.19		
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-		
Total Assets	32,404.98	746.97	384.44	989.72	305.24	(2,578.75)	32,252.60	810.19	131.90	7.15	110.57	(79.03) 32,515.38		
LIABILITIES AND CAPITAL														
Liabilities														
Borrowings from other banks, financial institutions and agents	2,649.25	205.65	-	989.54	-	(1,147.19)	2,697.24	42.35	19.85	-	83.99	(146.19) 2,697.24		
Deposits and other accounts	22,859.93	516.56	0.00004	1.30	172.17	(5.47)	23,544.48	-	-	-	(6.16)	23,538.33		
Other liabilities	4,566.81	24.76	386.35	18.70	19.15	(1,269.96)	3,745.82	87.35	61.09	0.98	6.55	(11.55) 3,890.23		
Total Liabilities	30,075.98	746.97	386.35	1,009.54	191.32	(2,422.62)	29,987.55	129.70	80.93	0.98	90.54	(163.90) 30,125.81		
Total Shareholders' Equity	2,329.00	-	(1.91)	(19.82)	113.91	(156.13)	2,265.05	680.49	50.97	6.17	20.03	(634.17) 2,388.53		
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	1.04	1.04		
Total Liabilities & Shareholders' Equity	32,404.98	746.97	384.44	989.72	305.24	(2,578.75)	32,252.60	810.19	131.90	7.15	110.57	(79.03) 32,515.38		

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

1.11 Compliance of International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS)

While preparing the financial statements, Bank applied most of the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh as applicable to the Bank:

Sl no.	Name of IAS	No. of IAS	Status
1	Presentation of Financial Statements	1	Complied
2	Inventories	2	Complied
3	Statement of Cash Flows	7	*
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
5	Events after the Reporting Period	10	Complied
6	Income Taxes	12	Complied
7	Property, Plant and Equipment	16	Complied
8	Leases	17	Complied
9	Employee Benefits	19	Complied
10	Accounting for Govt. Grants and Disclosure of Govt. Assistance	20	N/A
11	The Effects of Changes in Foreign Exchanges Rates	21	Complied
12	Borrowing Costs	23	Complied
13	Related Party Disclosures	24	Complied
14	Accounting and Reporting by Retirement Benefit Plans	26	Complied
15	Separate Financial Statements	27	Complied
16	Investments in Associates and Joint Ventures	28	Complied
17	Financial Reporting in Hyperinflationary Economics	29	N/A
18	Interests in Joint Ventures	31	N/A
19	Financial Instruments: Presentation	32	*
20	Earnings Per Share	33	Complied
21	Interim Financial Reporting	34	Complied
22	Impairment of Assets	36	Complied
23	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
24	Intangible Assets	38	Complied
25	Investment Property	40	N/A
26	Agriculture	41	N/A

Sl no.	Name of IFRS	No. of IFRS	Status
1	First-time Adoption of International Financial Reporting Standards	1	N/A
2	Share-Based Payment	2	N/A
3	Business Combinations	3	N/A
4	Insurance Contracts	4	N/A
5	Non-Current Assets Held for Sale and Discontinued Operations	5	Complied
6	Exploration for and Evaluation of Mineral Resources	6	N/A
7	Financial Instruments: Disclosures	7	*
8	Operating Segments	8	Complied
9	Financial Instruments	9	*
10	Consolidated Financial statements	10	Complied
11	Joint Arrangements	11	N/A
12	Disclosure of interests in other Entities	12	Complied
13	Fair Value Measurement	13	Complied
14	Regulatory Deferral Accounts	14	N/A
15	Revenue from Contracts with Customers	15	Complied

* Relevant disclosures are made according to the requirement of Bangladesh Bank.



AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

1.11.1 New and amended standards and interpretations

IFRS 15 - Revenue from Contract with Customers

IFRS 15 Revenue from Contracts with Customers replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition.

The Bank has consistently applied the accounting policies as set out in Note 1.2 to all periods presented in these financial statements. IFRS 15 has been adopted from January 2018, which did not impact the timing or amount of fee and commission income from contract with customers and the related assets and liabilities recognized by the Bank.

In December 2017 the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted IFRS replacing BFRS effective for annual periods beginning on or after January 01, 2018. As BFRS have been adopted from IFRS without any major modification, above change does not have material impact on financial statements. A number of standards and amendments to standards are effective for annual periods beginning after January 01, 2019 and earlier application is permitted. However, the Bank has not early adopted new standards i.e IFRS 16 "Leases" & IFRS 17 "Insurance Contracts" in preparing these financial statements.

1.12 Compliance of Bangladesh Bank regulations over IAS/IFRS:

SI No.	Issues	IAS/IFRS	Bangladesh Bank
1	Presentation	As per IAS 1 Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a single Comprehensive income statement and there is no requirement to show appropriation of profit in the face of statement of comprehensive income. Again, Intangible assets must be identified, recognised, presented in the face of the balance sheet and the disclosures to be given as per IAS 38.	In accordance with BRPD Circular no. 14 dated 25 June 2003 financial statements do not require to include the statement of Other Comprehensive Income and appropriation of profit is provided in the face of Profit and Loss Account. Intangible assets are provided under the head Fixed Assets.
2	Cash and cash equivalents	As per IAS 7 cash comprises cash in hand & demand deposits and Cash equivalents recognises the short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Therefore, some items like- Balance with Bangladesh Bank on account of CRR/ SLR are not part of cash and cash equivalents as those are not readily available.	Balance with Bangladesh Bank is treated as cash and cash equivalents as per BRPD Circular no. 14 dated 25 June 2003.

AB Bank Limited
Notes to the Financial Statements
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1.12 Compliance of Bangladesh Bank regulations over IAS/IFRS (cont.)

SI No.	Issues	IAS/IFRS	Bangladesh Bank
3	Investment in shares and securities	As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors the investment in shares and securities generally falls either under at "fair value through profit and loss account (FVTPL)" or at "fair value through other comprehensive income (FVOCI)" where any change in the fair value of securities measured under FVTPL is taken to the profit and loss account and any changes in the fair value of securities measured under FVOCI is transferred to equity through other comprehensive income.	As per BRPD Circular no. 14 dated 25 June 2003, provisions should be made for any loss arising from the diminution in value of investments. But, as per DOS Circular No.04 dated 24 November 2011, provisions can be made for any loss arising from the diminution in value of investments after netting of gain.
4	Revaluation gains/losses on Government securities	As per requirement of IFRS 9, an entity shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. For securities like treasury bills and treasury bonds designated as "held for trading" measured at fair value, gains and losses are recognised entirely in profit or loss (fair value through profit or loss, FVTPL). T-bills and T-Bonds designated as "held to maturity" are measured at amortized cost method and interest income is recognized through the profit and loss account.	As per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009. HTM measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Amortised amount of such premium are booked into Profit and Loss Account or discount is booked to reserve until maturity/disposal. In case of HFT after initial recognition, investments are revalued at mark to market on weekly basis. Decrease in the book value is recognised in the Profit and Loss Account and any increase is transferred to revaluation reserve account.
5	Repo and reverse repo transactions	As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognized at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).	As per Bangladesh bank Circulars / guidelines, when a Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on future date (REPO), the arrangement is accounted for as a normal sales transactions and the financial assets should be derecognized in the seller's book and recognized in the buyer's book.

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

1.12 Compliance of Bangladesh Bank regulations over IAS/IFRS (cont.)

SI No.	Issues	IAS/IFRS	Bangladesh Bank
6	Provision on loans and advances/investments	As per IFRS 9, an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. Expected credit losses are required to be measured through a loss allowance at an amount equal to: (i) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or (ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). For loans & Advances whose credit risk increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses is required. For loans & advances whose credit risk didn't increased significantly, a loss allowance equal to the 12-month expected credit losses is required.	As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD Circular No. 12 (20 August 2017) and BRPD Circular No. 15 (27 September 2017), a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9. Also for disclosure such provision shall be shown as liability as opposed to netting of against loans and advances.
7	Recognition of interest in suspense	Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit- impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified; interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to interest suspense account, which is presented as liability in the balance sheet.
8	Non-banking asset	No indication of Non-banking asset is found in any IFRS.	As per BRPD circular No. 14, dated 25 June 2003 there must exist a face item named Non-banking asset.
9	Cash flow statement	The cash flow statement can be prepared using either the direct method or the indirect method as per IAS 7. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per BRPD circular No. 14, dated 25 June 2003 cash flow is the mixture of direct and indirect methods.

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

1.12 Compliance of Bangladesh Bank regulations over IAS/IFRS (cont.)

SI No.	Issues	IAS/IFRS	Bangladesh Bank
10	Financial guarantee	As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.	As per BRPD Circular no. 14 dated 25 June 2003, financial guarantees such as Letter of Credit, Letter of Guarantee, Acceptance and Endorsement, etc. will be treated as off balance sheet items.

1.13 Regulatory and legal compliance

The Bank complied with the requirement of the following regulatory and legal authorities:

- i. The Bank Company Act, 1991 (amendment up to 2018)
- ii. The Companies Act, 1994
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. The Securities and Exchange Rules, 1987
- v. The Securities and Exchange Ordinance, 1969
- vi. The Securities and Exchange Commission Act, 1993
- vii. The Securities and Exchange Commission (Public Issues) Rules, 2015
- viii. The Income Tax Ordinance and Rules, 1984
- ix. The Value Added Tax (VAT) Act and Rules, 1991
- x. Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) Listing Regulations, 2015
- xi. Central Depository Bangladesh Limited (CDBL) rules and regulations
- xii. Financial Reporting Disclosure (as per BSEC Notification No. BSEC/CMRRC/2006-158/208/ Admin/81 dated, 20 June 2018)

1.14 Reporting period

SI no.	Name of the entity/segment	Reporting period
1	AB Bank Limited	01 January 2018 to 31 December 2018
2	Off Shore Banking Unit	01 January 2018 to 31 December 2018
3	Mumbai Branch, India	01 January 2018 to 31 December 2018
4	AB Investment Limited	01 January 2018 to 31 December 2018
5	AB Securities Limited	01 January 2018 to 31 December 2018
6	Cashlink Bangladesh Limited	01 January 2018 to 31 December 2018
7	AB International Finance Limited	01 January 2018 to 31 December 2018
8	Arab Bangladesh Bank Foundation	01 January 2018 to 31 December 2018



AB Bank Limited
Notes to the Financial Statements

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1.15 Risk management

As a financial intermediary, the Bank is exposed to various types of risks. Risk is defined as uncertainties resulting in adverse variation of profitability or in losses, financial or otherwise. The risk management of the Bank covers core risk areas of banking as defined by Bangladesh Bank and Pillar-2 risk as well. The core risks are credit risk, asset liability risks, money laundering risks, internal control and compliance risks, information technology risks and foreign exchange risks. Some other risks those also affect banking business are liquidity risk, market risk interest rate risk, equity risk, operational risk, reputation risk, strategic risks, credit concentration risks, environmental and climate change risks etc.

The objective of the risk management framework at the bank is that the Bank understands, evaluates and takes well calculative risks and thereby safeguarding the Bank's capital, its financial resources and profitability from various business risks through its own measures, policies and procedures established to address these risks and also implementing Bangladesh Bank's guidelines and following some of the best practices as under:

Credit risk

It arises mainly from lending, trade finance and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his/ her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The Bank has segregated duties of the officers / executives involved in credit related activities. A separate Department has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate divisions have been formed within the Credit Department.

These are (a) Credit Risk Management Division and (b) Credit Administration Division. Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation, etc. Adequate provision has been made on classified loans / investments. A thorough assessment is done before sanction of any credit facility at Credit Risk Management Division. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at Corporate Division by the Relationship Manager / Officer and ends at Credit Risk Management Division when it is approved / declined by the competent authority. Credit approval authority has been delegated to the credit committee. In determining single borrower / large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory polices. Loans are classified as per Bangladesh Bank's guidelines.

Operational risk

Operational risk address the risk associated with fraud, forgery, unauthorized activities, error, omission, system failure and external events among others. Bank is managing these risks through written procedures, regular training and awareness programs. Departmental Control Function Checklist (DCFCL), Quarterly Operations Report, Loan Documentation Checklist etc. are in place covering all probable risks associated with bank's business and operations. Surprise inspections are also made on a regular basis to make sure that all control tools are functioning properly.


AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

Market risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity position risk.

Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. Financial Institution and Treasury (FIT) Division independently conducted the foreign exchange transactions and the Mid office and the Back office of Treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Market rate as determined by Bangladesh Bank at the month end. All nostro accounts are reconciled on a monthly basis and outstanding entry is reviewed by the management for its settlement. The position maintained by the Bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.

Interest rate risk

Interest rate risk may arise from trading portfolio and non-trading portfolio. The trading portfolio of the bank consists of government treasury bills, bond, etc. The short term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by the Investment Banking Division under a well-designed policy framework. Adequate provision was maintained by the Bank for diminution of market value of Investments.

Liquidity risk

The objective of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Financial Institution and Treasury (FIT) Division under approved guidelines. FIT front office is supported by a very structured Mid Office and Back Office. The liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

Risk arising from money laundering

AB Bank Limited considers prevention of money laundering risk not only as a compliance requirement imposed by the law of the country but also as one of its core business values. The board of directors and senior management are firmly committed to combat money laundering. Every year, a message from the President and Managing Director's office goes to all employees' of the Bank reiterating the importance of the issue. There is a high profile Central Compliance Unit (CCU) in place to oversee the anti-money laundering activities. The president and managing director himself supervise the function of CCU's. Operation has separated and dedicated headcount for surveillance of the anti-money laundering functions across the bank. Training and awareness programs are regularly held to make all employees' aware of the issue. Bank has also undertaken campaign against money laundering in electronic media.



AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

Internal Control and Compliance Risk

Internal Control and Compliance Division (ICCD) of the bank performs three core functions - Internal Audit, Monitoring and Compliance in order to mitigate the internal control and compliance risk. ICCD conducts Risk Based Audit and Annual Audit of the Branches. Audit of Head Office Divisions also come under ICCD. ICCD monitors compliance of Internal as well as Bangladesh Bank Audit Reports including Bangladesh Bank Special Audit Reports on Core Risks. Besides, Special Audit on some specific issues like year-end Cash Position, Security Stock verification etc. are also done by ICCD.

Information and communication technology (ICT) security risk

IT division of AB Bank took several initiatives to minimize the ICT related risk. Among those ATM Switch Migration from Euronet iTM to ECS iTx, Automatic Voltage Regulator for Head Office Data Center and Disaster Recovery Site, CISCO IronPort Web Security implementation to protect Internet threat, Building Management System (BMS) expanded to protect AB Bank Data Center and Disaster Recovery Site from fire and water and Implemented CISCO Nexus 7009 Switch into DC and DR which is the first time for any financial institution in Bangladesh.

1.16 Environment Risk Management (ERM)

Bangladesh Bank issued Guidelines on Environment Risk Management (ERM) to streamline solutions for managing the environmental risks in the financial sector – Ref: BRPD Circular No.01/2011 dated 30 January 2011 and BRPD Circular no.02 dated 27 February 2011 respectively. Bank accordingly introduced the Guideline on Environment Risk Management on 15 June 2011. These ERM guidelines are an attempt to incorporate the environmental impact of a business into the lending process, so that the environment gets due consideration in the appraisal process.

Environmental risk is a facilitating element of credit risk arising from such environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction.

The Bank is complying with Bangladesh Bank Guidelines to the above effect from time to time and reporting activities on ERM and Green Banking every quarter.

1.17 Credit Rating of the Bank

Credit rating of the Bank:

Year	Date of Rating	Long term	Short term
Jan to Sept 2018	January 10, 2019	A ₂	ST-2
Jan to Dec 2017	June 4, 2018	A ₁	ST-2
Jan to Dec 2016	May 28, 2017	A ₁	ST-2
Jan to Dec 2015	May 19, 2016	AA ₃	ST-2
Jan to Dec 2014	April 30, 2015	AA ₃	ST-2
Jan to Dec 2013	March 27, 2014	AA ₃	ST-2


AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

1.18 Events after the Reporting Period

As per IAS -10 "Events after the Reporting Period" events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

There was no material event which have occurred after the reporting period which could affect the values stated in the financial statements.

1.19 Related party disclosures

A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
 - (ii) the party is an associate;
 - (iii) the party is a joint venture;
 - (iv) the party is a member of the key management personnel of the Company or its parent;
 - (v) the party is a close member of the family of any individual referred to in (i) or (iv);
 - (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
 - (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.
- a) Significant contracts where the Bank is a party and wherein Directors have interest:

Name of contract	Name of the party	Name of Director and related by	Relationship
Lease agreement with AB Bank Limited	Elite International Ltd.	Feroz Ahmed	Common Director

- b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in BDT
Elite International Ltd.	Common Director	Office Rent	4,068,000



AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

- c) Loans/placement given to subsidiary of the Bank

Sl. No.	Name of Party	Connection with party	Nature of transaction	Amount in BDT
01	AB Investment Limited	99.99% owned Subsidiary	Loans and advances	423,537,438
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	198,475,836
03	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	839,000,000
Total loans/placement to subsidiary				1,461,013,274

1.20 Audit Committee of the Board of Directors

i) Particulars of Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank. Composition of the Audit Committee (2018) is as below:

Sl. no.	Name	Status with Bank	Status with the Committee	Duration	Educational/professional qualification
1	Mr. Shishir Ranjan Bose, FCA	Independent Director	Chairman	With effect from 16 July 2008	Chartered Accountant
2	Mr. Syed Golam Kibria	Director	Member	From July 23,2018	Post Graduate Diploma on Development Administration from Manchester, U.K.
3	Mr. Khairul Alam Choudhury	Director	Member	From July 23,2018	Barrister-at-Law, Lincoln's Inn., London

Subsequently, Board in its 671st Meeting held on April 20, 2019 reconstituted the Audit Committee as below:

Sl. no.	Name	Status with Bank	Status with the Committee	Duration	Educational/professional qualification
1	Mr. Kaiser A. Chowdhury	Independent Director	Chairman	With effect from April 20, 2019	Master of Arts (Economics), Dhaka University
2	Mr. Moshtaque Ahmed Chowdhury	Director	Member	With effect from April 20, 2019	Graduate
3	Mr. Khairul Alam Choudhury	Director	Member	With effect from April 20, 2019	Barrister-at-Law, Lincoln's Inn., London

The Company Secretary acts as the Secretary of the Audit Committee of the Board.

ii) Meeting held with Audit Committee

During the year 2018, the Audit Committee conducted 11 (eleven) meeting in which, among others, focused on following activities (not an exhaustive test):

- Reviewed Internal Audit Plan for the year 2018
- Reviewed Draft Financial Statements and after discussing with the External Auditors recommended it to the Board for their considerations.
- Reviewed the Management Letter issued by the External Auditors, Management responses thereto and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.
- Reviewed quarterly and half-yearly Financial Statements 2018 of the Bank.

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

- Reviewed significant Internal Audit findings and advised corrective actions.
- Reviewed Comprehensive Inspection Report of Bangladesh Bank including status of compliance thereof.
- Reviewed branch inspection reports and Head Office functions conducted by the Department of Internal Control & Compliance (ICC).

iii) Steps taken for implementation on effective internal control procedure of the Bank

The Committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within the organization.

1.21 Shariah Council

Members of AB Bank Shariah Supervisory Committee are as under:

Sl no.	Name	Status with the Committee	Educational/professional qualification
1	Jb. M. Azizul Huq	Chairman	Prominent Islamic Scholar & Banker. M.A (Economics) Dhaka University
2	Jb. Md. Shouquat Ali	Vice-Chairman	B.A (Hons.) M.A (Eco.), LLB (Ist class). Ex-Company Secretary & Head of Law Division, IBBL
3	Jb. Mawlana Muhammad Musa	Member	Prominent author and research Scholar of Quran & Hadith. Kamil, Madrasah Edu. Board, B.Com (Hons) M.Com, Dhaka University
4	Jb. Prof. Dr. Md. Mahfuzur Rahman	Member	B.A (Hon's) M.A, PhD. Prominent author and Islamic research scholar, Prof. of Arabic Language & Literature, Islamic University, Kustia, Bangladesh
5	Jb. Tarique Afzal, President & Managing Director (CC), ABBL	Member	MBA, Victoria University
7	Jb. Dr. Mohd. Haroon Rashid	Member-Secretary	M.A, M. Phil PhD Aligor University, 1 st Class) Darul Ulum Dewband, India

During the year 2018, AB Bank Shariah Supervisory Committee met Twice and reviewed different operational issues, including those referred to it by the Management of the Bank and gave opinion & decisions related to Islamic Shariah.

The important issues attended by the Shariah Supervisory Committee during the year 2018, are:

- Reviewing the Half-Yearly Shariah Audit Report (July-December,2017) of Islami Banking Branch and its observations.
- Approving the Final Accounts, 2017 of Islami Banking Branch.
- Approving the Annual Report of Shariah Supervisory Committee for the year 2017 on Islamic banking operation of the Bank.
- Reviewing the Half-Yearly Shariah Audit Report (January-June,2018) of Islami Banking Branch and its observations.
- Approved the revised Compensation Fund Policy of the Bank for submission to the BOD.

2. General

- i. Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year.
- ii. Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- iii. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

		31 Dec 2018 BDT	31 Dec 2017 BDT
3.	Cash		
	Cash in hand	(Note 3.1)	1,960,393,120
	Balance with Bangladesh Bank and its agent bank(s)	(Note 3.2)	14,472,666,202
		16,433,059,322	17,780,769,152
3(a)	Consolidated Cash		
	AB Bank Limited	16,433,059,322	17,780,769,152
	AB Investments Limited	25,000	25,000
	AB International Finance Limited	60,069	54,421
	AB Securities Limited	7,699	17,235
	Cashlink Bangladesh Limited (CBL)	3,429	36,899
		16,433,155,519	17,780,902,708
3.1	Cash in hand		
	In local currency	1,930,310,067	1,535,640,422
	In foreign currency	30,083,053	36,619,210
		1,960,393,120	1,572,259,632
3.1(a)	Consolidated Cash in hand		
	AB Bank Limited	1,960,393,120	1,572,259,632
	AB Investments Limited	25,000	25,000
	AB International Finance Limited	60,069	54,421
	AB Securities Limited	7,699	17,235
	Cashlink Bangladesh Limited (CBL)	3,429	36,899
		1,960,489,318	1,572,393,188
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	13,768,884,839	15,817,138,378
	In foreign currency	512,577,340	46,019,236
		14,281,462,179	15,863,157,613
	Sonali Bank Limited	191,204,023	345,351,907
	(as an agent bank of Bangladesh Bank) - local currency	14,472,666,202	16,208,509,520
3.2.1	Balance with Bangladesh Bank- local currency		
	Balance as per Bank Ledger	13,768,884,839	15,817,138,378
	Unresponded debit entries	237,862,211	72,033,679
	Bangladesh Bank statement	237,862,211	72,033,679
	AB Bank's ledger	-	-
	Unresponded credit entries	219,221,917	87,858,834
	Bangladesh Bank statement	219,221,917	87,668,834
	AB Bank's ledger	-	190,000
		13,750,244,545	15,832,963,533

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

Bangladesh Bank Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as of 31 December 2018 is given below:

Year of unreconciliation	Number of unresponded entry		Unresponded amount	
	Debit	Credit	Debit	Credit
Less than 3 months	21	15	237,362,211	219,221,917
3 months to less than 6 months	-	-	-	-
6 months to less than 12 months	-	-	-	-
12 months and more	1	-	500,000	-
Total	22	15	237,862,211	219,221,917

3.2.2 Balance with Bangladesh Bank-foreign currency

31 Dec 2018
BDT

31 Dec 2017
BDT

Balance as per Bank Ledger

Unresponded debit entries

Bangladesh Bank statement
AB Bank's ledger

Unresponded credit entries

Bangladesh Bank statement
AB Bank's ledger

Balance as per Bangladesh Bank Statement

512,577,340

310,430

46,019,236

42,771,544

-
310,430

42,152,169
619,375

298,371,169

93,629,207
204,741,962

407,436,105

119,873,698
287,562,407

810,638,079

410,683,797

Bangladesh Bank Account represents outstanding transactions (net) originated but yet to be responded at the Balance sheet date. However the status of unresponded entries as of 31 December 2018 is given below:

Period of unreconciliation	Number of unresponded entry		Unresponded amount	
	Debit	Credit	Debit	Credit
Less than 3 months	1	249	310,430	288,692,087
3 months to less than 6 months	-	3	-	192,956
6 months to less than 12 months	-	3	-	9,486,126
12 months and more	-	-	-	-
Total	1	255	310,430	298,371,169

3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)

31 Dec 2018
BDT

31 Dec 2017
BDT

AB Bank Limited

AB Investments Limited

AB International Finance Limited

AB Securities Limited

Cashlink Bangladesh Limited (CBL)

14,472,666,202

-

16,208,509,520

-

-

-

-

-

14,472,666,202

16,208,509,520



AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

3.3 Statutory deposits

Conventional Banking (Inside Bangladesh)

Cash Reserve Requirement and Statutory Liquidity Ratio

Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with section 33 of the Banking Companies Act 1991 (amendment up-to 2018), Bangladesh Bank's DOS circular no. 01 dated 19 January 2014 and MPD Circular No. 01 dated 03 April 2018.

The statutory cash reserve requirement is on the Bank's time and demand liabilities at the rate 5.50% and has been calculated and maintained with Bangladesh Bank in current account while statutory liquidity ratio of 13.00% is required, on the same liabilities is also maintained in the form of Government Securities and other regulatory components which supported to SLR. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:

(a) Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD Circular No.-01 dated 03 April 2018, Bank has to maintain CRR @ 5.50% on fortnightly cumulative average basis and minimum CRR @ 5.00% on daily basis.

i. Daily position as on the reporting date	31 Dec 2018 BDT	31 Dec 2017 BDT
Required reserve	13,040,855,568	15,303,518,084
Actual reserve maintained	13,485,683,970	15,491,428,205
Surplus	444,828,402	187,910,122

As per Bank ledger, balance with Bangladesh Bank (local currency) is BDT 13,515,324,264 while as per Bangladesh Bank Statements balance is BDT 13,496,683,970. Difference between the balance as per Bank Ledger and as per the Bangladesh Bank Statement is properly reconciled and adjusted accordingly.

ii. Fortnightly cumulative position

As per Bangladesh Bank MPD Circular No. 01 dated 03 April 2018 , Bank has to maintain CRR @ 5.50% on fortnightly cumulative average basis.

Required reserve (5.5% of total time & demand liabilities)	221,694,544,657	260,159,807,423
Actual reserve maintained	225,497,223,322	262,922,547,239
Surplus	3,802,678,664	2,762,739,816

(b) Statutory Liquidity Ratio (SLR)

Required reserve (13% of total time & demand liabilities)	30,823,840,434	30,607,036,167
Actual reserve maintained	35,842,185,990	41,546,971,700
Total surplus	5,018,345,557	10,939,935,533

As per Bangladesh Bank MPD Circular No. 01 dated 03 April 2018, all scheduled Banks have to maintain CRR and SLR @ 5.50% and @ 13.00% respectively of their total time and demand liabilities on bi-weekly average basis, where the Bank maintained @ 5.59% and @ 15.12% respectively at the year end.

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
(c) Components of Statutory Liquidity Ratio (SLR)		
Cash in hand	1,952,648,620	1,564,885,884
Balance with Sonali Bank	191,204,023	345,351,907
HTM Securities	29,554,292,681	35,703,878,392
HFT Securities	3,699,212,265	3,744,945,396
Excess Reserve of CRR	444,828,402	187,910,122
	35,842,185,990	41,546,971,700

Islamic Banking

Cash Reserve Requirement and Statutory Liquidity Ratio

Cash Reserve Requirement(CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Banking Companies Act, 1991 (amendment up to 2018) and subsequent Bangladesh Bank (BB) MPD's circular no.01 dated: 23 June 2014

The Statutory Cash Reserve is required on the Bank's Time and Demand Liabilities at the rate of 5.50% which has been calculated and maintained with Bangladesh Bank in Al-Wadeeah Current Account while Statutory Liquidity Ratio of 5.50% is required including excess amount of CRR on the same liabilities. The required amount maintained in the form of Bangladesh Government Islami Investment Bond (BGIIIB), Cash Balance in the Vault and Foreign Currency (FC) Balance with Bangladesh Bank. Both the reserves (CRR &SLR) are maintained in excess, as shown below:

(a) Cash Reserve Requirement (CRR)		
Required reserve	252,782,263	330,016,093
Actual reserve maintained	253,560,575	330,535,328
Surplus	778,311	519,235
(b) Statutory Liquidity Ratio (SLR)		
Total required reserve	252,782,263	279,244,386
Total actual reserve held	271,854,196	283,968,455
Total surplus	19,071,933	4,724,069

Mumbai Branch

Cash reserve ratio and statutory liquidity ratio

Cash reserve ratio and statutory liquidity ratio have been calculated and maintained in accordance with Section 24 of the Banking Companies Act 1949, Section 42 (2) of the RBI Act 1934 and RBI circular nos. DBOD. No.Ret. BC.24/12.01.001/2015-16

The statutory cash reserve ratio is required on the Bank's time and demand liabilities at the rate of 4.00% and has been calculated and maintained with RBI in current account while statutory liquidity ratio of 19.50% is required, on the same liabilities is also maintained in the form of treasury bills, and bonds including foreign currency balance with RBI. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

		31 Dec 2018 BDT	31 Dec 2017 BDT
(a)	Cash Reserve Ratio (CRR)		
	Required reserve	12,940,123	14,086,760
	Actual reserve maintained	23,483,616	31,560,412
	Surplus	10,543,493	17,473,651
(b)	Statutory Liquidity Ratio (SLR)		
	Required reserve	241,466,715	248,186,509
	Actual reserve maintained	472,471,382	495,667,389
	Surplus	231,004,667	247,480,880
	Total required reserve	254,406,838	262,273,269
	Total actual reserve held	495,954,998	527,227,800
	Total surplus	241,548,160	264,954,531
4.	Balance with other banks and financial institutions		
	In Bangladesh	(Note 4.1) 1,625,277,794	2,295,067,692
	Outside Bangladesh	(Note 4.2) 1,553,093,439	1,692,170,531
		3,178,371,232	3,987,238,222

4(a) Consolidated balance with other banks and financial institutions

In Bangladesh	1,823,369,874	2,490,976,583
Outside Bangladesh (Nostro Accounts)	1,555,049,778	1,750,358,999
	3,378,419,653	4,241,335,582

4.1 In Bangladesh

Current Deposits

Standard Chartered Bank, Dhaka City Centre Branch	2,473,196	3,389,364
Agrani Bank Ltd., VIP Road Branch, Sylhet	5,004,895	5,018,965
Agrani Bank Ltd., Local Office, Dhaka	24,885	24,885
Islami Bank Bangladesh Ltd., Local Office	17,277	17,277
Agrani Bank Ltd., Bhairab Bazar Branch	534	24,500,534
Janata Bank Ltd., Jessore Branch	11,528	23,125
Agrani Bank Ltd., Mymensingh Branch	21,050	34,200
Trust Bank Ltd., Mymensingh Branch	5,060,316	73,754
Janata Bank Ltd., Corporate Branch, Bogra	9,898	18,730
Rupali Bank Ltd., Bogra Branch	5,950	9,600
Agrani Bank Ltd., Thana Road Branch, Bogra	9,008,242	14,017,621
RAKUB, Bogra Branch	8,156	16,586
Agrani Bank Ltd., Shaheb Bazar Branch, Rajshahi	5,000	5,00
Janata Bank Ltd., Rajshahi Branch	5,000	5,000
Rupali Bank Ltd., Rajshahi Branch	9,425	10,000
Janata Bank Ltd., Rangpur Branch	16,103,769	5,630,865
RAKUB, Rangpur Branch	1,643	107,943
Rupali Bank Ltd., Rangpur Branch	31,542	203,317
Janata Bank Ltd., Chapai Nawabganj Branch	218	1,027,330
Janata Bank Ltd., Sirajgonj Branch	222	1,312
Agrani Bank Ltd., Brahmanbaria Branch	-	155
	37,802,744	54,135,562

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
Special Notice Deposits		
Agrani Bank Ltd., Rangpur Branch	749,421	9,282,234
Agrani Bank Ltd., Saidpur Branch	1,592	2,742
Agrani Bank Ltd., VIP Road Branch, Sylhet	2,980	2,936
Agrani Bank Ltd., Bogra Branch	7,530	7,530
Agrani Bank Ltd., Pabna Branch	1,000	1,000
Janata Bank Ltd., Pabna Branch	1,000	1,000
Agrani Bank Ltd., Jhikargachha Branch	19,519,970	33,825,293
Agrani Bank Ltd., Sirajgonj Branch	27,558	41,588
RAKUB, Sirajgonj Branch	2,035	5,595
Agrani Bank Ltd., Sir Iqbal Road Branch, Khulna Br.	32,335	31,238
Agrani Bank Ltd., Naogaon Branch	5,510,562	11,675,861
Agrani Bank Ltd., Jessore Branch	8,558,056	17,494
Agrani Bank Ltd., Moulvi Bazar Branch	374,121	2,256,379
Agrani Bank Ltd., Satkhira Branch	9,506,568	8,293
Southeast Bank Ltd., Principal Branch	48,120	48,120
Agrani Bank Ltd., Principal Branch, Dhaka	9,533,399	45,476
Agrani Bank Ltd., Barisal Branch	79,333	30,227
Bangladesh Krishi Bank, Barisal Branch	199,304	11,019
Janata Bank Ltd., Barisal Branch	291,118	9,890
Standard Chartered Bank, Dhaka City Centre Branch	1,038,033	1,038,033
Islami Bank Bangladesh Ltd., HO Complex Corporate Br.	553,269	538,525
Bank Asia Ltd., Islami Banking Window, Shantinagar Branch	40,028	40,010
First Security Islami Bank Ltd, Dilkusha Br.	54,727	160,655
Al-Arafah Islami Bank Ltd, Dilkusha Branch	58,083,838	4,064,410
Shahjalal Islami Bank Ltd, Dhaka Main Branch	437,295	425,723
The City Bank Ltd, Islamic Banking Br, Paltan, Dhaka	341,463	337,993
Bank Al Falah Ltd, Main Branch, Dhaka	19,721	2,606,689
Southeast Bank Ltd., Islami Banking Br, Motijheel	56,485	2,542,053
ICB Islamic Bank Ltd., Principal Br, Motijheel	136,947	134,778
Agrani Bank Ltd., Islami Banking Window, Amin Court Corp. Br.	346,031	4,275,989
Jamuna Bank Ltd., Islami Banking Br, Nayabazar	348,043	364,635
Union Bank Ltd., Dilkusha Branch	3,811,320	5,804
Premier Bank Ltd., Islami Banking Br, Mohakhali	1,771,300	-
Pubali Bank Ltd., Islamic Branch, Dilkusha, Dhaka	2,000,000	-
	123,484,501	73,839,212
Savings Deposits		
Social Islamic Bank Ltd. Principal Branch	3,433,247	2,688,789
EXIM Bank Ltd, Motijheel Branch	557,302	4,404,129
	3,990,549	7,092,918
Fixed Deposits		
Hajj Finance Company Ltd.	230,000,000	230,000,000
Social Islami Bank Ltd.	-	350,000,000
Phoenix Finance and Investment Ltd.	230,000,000	-
Islamic Finance & Investment Ltd.	250,000,000	230,000,000
Union Capital Ltd.	150,000,000	150,000,000

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
IDLC Finance Ltd.	200,000,000	200,000,000
IIDFC	200,000,000	-
EXIM Bank Ltd.	-	200,000,000
Shahjalal Islami Bank Ltd.	-	400,000,000
IPDC Finance Ltd.	-	200,000,000
Premier Bank Ltd.	-	200,000,000
Union Bank Ltd.	200,000,000	-
	1,460,000,000	2,160,000,000
	1,625,277,794	2,295,067,692

4.1.a Consolidated In Bangladesh

AB Bank Limited	1,625,277,794	2,295,067,692
AB Investment Limited	163,372	165,858
AB International Finance Limited	-	-
AB Securities Limited	219,418,078	549,802,993
Cashlink Bangladesh Limited (CBL)	39,142,292	37,340,142
	1,884,001,535	2,882,376,685
Less: Inter company transaction	60,631,661	391,400,102
	1,823,369,874	2,490,976,583

4.2 Outside Bangladesh

Current Deposits

The Bank of Tokyo Mitsubishi Limited	1,467,354	3,041,177
MFT,Yangon	83,900	82,700
JP Morgan Chase Bank	196,314,137	220,714,707
Sonali Bank (Kolkata)	6,919,651	7,932,736
Myanmar Economic Bank	34,399	33,907
Citibank NA	31,006,436	5,760,273
Hatton National Bank Limited	1,609,079	2,945,111
Commerz Bank AG	35,035,314	170,870,132
NIB Bank Limited	4,184,789	4,124,935
Mashreq Bank Psc	66,719,462	21,194,535
Nepal Bangladesh Bank Limited	4,169,515	1,437,099
Bank of Bhutan	1,019,523	2,794,032
Wachovia Bank/Wells Fargo N.A	-	22,702,648
Habib America Bank	35,586,168	28,656,850
Commerz Bank AG	21,224,254	19,134,580
Hypovereins Bank	4,198,043	2,438,145
Habib Metro Bank	8,612,786	18,724,066
Habib Bank AG(AED)	-	272,922
Commerz BK CAD	513,500	1,393,371
Commerz BK CHF	673,737	2,158,142
JPMC NY	112,963,206	65,683,512
Commerz Bank ®	1,383,604	1,729
Reserve Bank of India	23,483,791	31,560,411

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
HDFC Bank CSGL	3,064,236	451,862
HDFC Bank Limited	41,131,070	97,020,543
Kotak Mahindra Bank	36,963,129	50,882,238
Habib American Bank Limited	4,541,971	5,783,907
JP CHASE ACU	839,966,397	685,571,611
Standard Chartered Bank, NY, USA	58,992,119	210,866,129
Standard Chartered Bank, Singapore	1,163,500	1,588,669
Standard Chartered Bank, UK, GBP	2,578,870	617,015
JP Morgan Chase Bank	7,489,500	5,730,838
	1,553,093,439	1,692,170,531

Details are given in **Annex - A**

4.2.a Consolidated Outside Bangladesh (Nostro Accounts)

AB Bank Limited	1,553,093,439	1,692,170,531
AB Investment Limited	-	-
AB International Finance Limited	2,873,543	59,014,786
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	1,555,966,982	1,751,185,317
Less: Inter company transactions	917,204	826,318
	1,555,049,778	1,750,358,999

4.3 Account-wise/grouping of balance with other banks and financial institutions

Current deposits	1,590,896,183	1,746,306,093
Savings deposits	3,990,549	7,092,918
Short-Notice Deposits	123,484,501	73,839,212
Fixed deposits	1,460,000,000	2,160,000,000
	3,178,371,233	3,987,238,222

4.4 Maturity grouping of balance with other banks

Repayable – on demand	1,593,903,231	1,746,306,093
– up to 3 months	1,384,468,001	1,290,932,130
– over 3 months but below 1 year	200,000,000	950,000,000
– over 1 year but below 5 years	-	-
– over 5 years	-	-
	3,178,371,233	3,987,238,222

5. Money at call and on short notice

In Bangladesh	(Note 5.1) 350,000,000	120,000,000
Outside Bangladesh	(Note 5.2) 1,078,822,961	1,050,389,436
	1,428,822,961	1,170,389,436



AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
5.1 In Bangladesh		
<u>With banking companies</u>		
Local Currency:		
IFIC Bank Limited	350,000,000	-
	350,000,000	-
<u>With non-banking financial institutions</u>		
International Leasing & Financial Services Ltd.	-	120,000,000
	-	120,000,000
	350,000,000	120,000,000
<u>At short notice</u>		
On calls and placements		
IFIC Bank Limited	-	-
International Leasing & Financial Services Limited	350,000,000	-
	-	120,000,000
	350,000,000	120,000,000
5.2 Outside Bangladesh		
AB International Finance Limited	839,000,000	674,005,000
Kotak Mahindra Bank	11,378,301	34,861,827
Abu Dhabi Commercial Bank	-	64,558,938
HDFC Bank Limited	228,444,660	276,963,671
	1,078,822,961	1,050,389,436
5(a) Consolidated money at call and on short notice		
AB Bank Limited	1,428,822,961	1,170,389,436
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	1,428,822,961	1,170,389,436
<u>Less: Inter-group transaction</u>	<u>(839,000,000)</u>	<u>(674,005,000)</u>
	589,822,961	496,384,436
6. Investments	43,593,782,292	45,749,363,948
Nature wise (Bangladesh operation)		
Held for Trading	3,699,212,265	3,744,945,396
Held to Maturity	29,554,292,681	35,703,878,392
Others	9,963,674,237	5,804,872,772
	43,217,179,183	45,253,696,560
Nature wise (Mumbai branch)		
Held for Trading/Available for Sale	146,215,267	248,827,063
Held to Maturity	230,387,843	246,840,326
Others	-	-
	376,603,110	495,667,389

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
Claim wise		
Government securities	(Note 6.1) 33,523,320,645	39,732,017,188
Other investments	(Note 6.2) 10,070,461,647 43,593,782,292	6,017,346,761 45,749,363,948
6(a) Consolidated investments		
AB Bank Limited	43,593,782,292	45,749,363,948
AB International Finance Limited	-	-
AB Investment Limited	598,400,806	456,075,615
AB Securities Limited	159,564,043	176,002,092
Cashlink Bangladesh Limited (CBL)	-	694,619
	44,351,747,141	46,382,136,275
6.1 Government securities		
Treasury bonds	33,253,504,945	39,448,823,788
Bangladesh Bank Islami Investment bonds	267,500,000	280,000,000
Prize bonds	2,315,700	3,193,400
	33,523,320,645	39,732,017,188
6.1.1 Maturity wise Treasury Bonds		
Treasury Bond		
(i) 02 Years Treasury Bond	202,708,927	2,407,647,942
(ii) 05 Years Treasury Bond	5,369,174,833	7,848,757,096
(iii) 10 Years Treasury Bond	15,414,846,942	18,280,620,598
(iv) 15 Years Treasury Bond	6,892,244,230	5,935,703,813
(v) 20 Years Treasury Bond	5,374,530,014	4,976,094,339
Total Treasury Bond	33,253,504,946	39,448,823,788
6.1(a) Consolidated Government securities		
AB Bank Limited	33,523,320,645	39,732,017,188
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	33,523,320,645	39,732,017,188
6.2 Other investments		
Shares	(Note 6.2.1) 4,073,326,681	3,914,325,564
Bond	(Note 6.2.2) 4,000,000,000	10,000,000
Pinnacle Global Fund Pte Limited	1,620,531,856 9,693,858,537	1,597,353,808 5,521,679,372
Investments -ABBL, Mumbai branch		
Treasury bills	376,603,110	495,667,389
Debentures and bonds	-	-
	376,603,110	495,667,389
Total other investments	10,070,461,647	6,017,346,761

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
6.2 (a) Consolidated other investments		
AB Bank Limited	10,070,461,647	6,017,346,761
AB Investment Limited	598,400,806	456,075,615
AB International Finance Limited	-	-
AB Securities Limited	159,564,043	176,002,092
Cashlink Bangladesh Limited (CBL)	-	694,619
	10,828,426,496	6,650,119,087
6.2.1 Investments in shares		
Quoted (Publicly traded)	3,579,023,347	3,683,054,634
Unquoted	494,303,334	231,270,930
	4,073,326,681	3,914,325,564
Details are given in <u>Annexure-B</u>		
6.2.2 Investment in subordinated bonds		
United Commercial Bank Ltd.	2,750,000,000	-
National Bank Ltd.	1,250,000,000	-
Trust Bank Limited	-	10,000,000
	4,000,000,000	10,000,000
6.3 Maturity grouping of Investment		
Repayable – on demand	-	-
– upto 3 months	4,292,697,513	4,234,014,528
– over 3 months but below 1 year	369,077,692	3,835,507,059
– over 1 year but below 5 years	17,962,067,895	18,901,620,407
– over 5 years	20,969,939,192	18,778,221,955
	43,593,782,292	45,749,363,948

6.4 Disclosure of uniform accounting procedures for REPO transactions under DOS circular no 06 dated July 15, 2010 is given below:

a. (i) Disclosure regarding outstanding Repo as on 31 December 2018:

Counter party name	Agreement date	Reversal date	BDT (1st leg cash consideration)
The City Bank Ltd.	27/Dec/18	03/Jan/19	2,799,856,718
NCC Bank Ltd.	27/Dec/18	01/Jan/19	1,025,096,215
Prime Bank Ltd.	27/Dec/18	01/Jan/19	990,968,699
Brac Bank Ltd.	26/Dec/18	02/Jan/19	1,195,301,192
Janata Bank Ltd.	26/Dec/18	02/Jan/19	736,470,384
			6,747,693,208

(ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2018:

Counter party name	Agreement date	Reversal date	Amount (1st leg cash consideration)
NIL	N/A	N/A	N/A

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

b. Disclosure regarding overall transaction of Repo and Reverse repo:

Counter party name	Minimum outstanding during the year/period	Maximum outstanding during the year/period	Daily average outstanding during the year/period
Securities sold under repo:			
i) with Bangladesh Bank	-	4,000,000,000	64,304,904
ii) with other banks & FIS	-	13,999,870,000	6,631,590,411
Securities purchased under reverse repo:			
i) from Bangladesh Bank	-	-	-
ii) from other banks & FIS	-	-	-

	31 Dec 2018 BDT	31 Dec 2017 BDT
7. Loans, advances and lease/investments	<u>241,070,141,407</u>	<u>229,647,286,231</u>
7.1 Maturity grouping		
Repayable – on demand		
– upto 3 months	1,104,744,898	11,027,431,162
– over 3 months but below 1 year	100,853,373,522	87,214,391,125
– over 1 year but below 5 years	100,234,083,171	97,214,979,369
– over 5 years	30,865,614,576	28,335,873,877
	8,012,325,240	5,854,610,697
	<u>241,070,141,407</u>	<u>229,647,286,231</u>
7.2 Broad category-wise breakup excluding bills purchased and discounted		
In Bangladesh		
Loans	218,454,567,396	207,877,392,872
Overdrafts	21,469,015,304	20,554,992,156
Cash credits	-	-
	<u>239,923,582,701</u>	<u>228,432,385,028</u>
Outside Bangladesh: ABBL, Mumbai branch		
Loans	857,155	159,418,220
Overdrafts	-	903,730
Cash credits	21,014,532	31,633,969
	21,871,687	191,955,919
	<u>239,945,454,388</u>	<u>228,624,340,946</u>
7.3 Product wise loans and advances		
Overdraft	21,469,015,305	20,555,895,885
Cash Credit	21,006,327	31,633,969
Time loan	46,947,975,111	54,036,738,437
Term loan	141,557,459,481	120,930,057,739
Forced loan	15,025,508,515	14,302,328,224
Bills under LC	233,527,167	191,964,472
Trust Receipt	9,119,100,070	8,596,126,094

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
Packing credit	250,357,756	271,923,598
Loan against accepted bills	415,571,483	3,517,530,162
Loan-EDF	1,834,273,779	3,032,580,962
Consumer Loan	1,498,011,188	1,593,196,897
Staff loan	1,573,648,204	1,564,364,507
Bills purchased & discounted	1,124,687,019	1,022,945,284
	241,070,141,407	229,647,286,231
7.4 Net loans, advances and lease/investments		
Gross loans and advances	241,070,141,407	229,647,286,231
<u>Less:</u>		
Interest suspense	19,704,000,511	13,345,309,883
Provision for loans and advances	10,639,913,428	8,733,640,130
	30,343,913,940	22,078,950,013
	210,726,227,467	207,568,336,218
7.5 Significant concentration		
Advances to industries	120,969,900,000	110,749,171,853
Advances to customer groups	111,342,191,407	110,208,442,108
Advances to allied concerns of Directors	8,758,050,000	8,689,650,000
Advances to Chief Executive	-	22,270
	241,070,141,407	229,647,286,231
7.6 Advances to customers for more than 10% of Bank's total capital		
Total capital of the Bank	33,046,112,927	31,286,475,023
Number of clients	26	29
Amount of outstanding advances	106,499,800,000	95,849,000,000
Amount of classified advances	38,793,125,234	-
Measures taken for recovery	Rescheduling is under process	-
7.7 Industry-wise loans, advances and lease/investments		
Agriculture	4,341,300,000	3,040,772,761
Large and medium scale industry	67,716,750,000	65,407,500,000
Working capital	57,021,000,000	52,057,000,000
Export	3,506,164,871	3,752,300,000
Commercial lending	58,036,526,100	56,026,547,200
Small and cottage industry	2,112,400,000	1,973,100,000
Others	48,336,000,436	47,390,066,270
	241,070,141,407	229,647,286,231

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

7.8	Geographical location-wise (division) distribution	31 Dec 2018	31 Dec 2017	
		BDT	BDT	
In Bangladesh				
Urban branches				
Dhaka	177,398,148,260	164,547,995,621		
Chittagong	45,044,489,929	47,471,677,254		
Khulna	4,241,865,534	4,093,418,574		
Sylhet	1,706,871,983	1,909,214,061		
Barisal	209,418,491	243,634,815		
Rajshahi	3,947,785,970	3,749,730,933		
Rangpur	4,773,577,125	4,012,776,878		
Mymensingh	813,560,601	747,434,891		
	238,135,717,892	226,775,883,026		
Rural branches				
Dhaka	1,422,797,756	1,514,835,64		
Chittagong	484,638,715	538,937,833		
Khulna	-	-		
Sylhet	51,017,378	51,782,529		
Barisal	-	-		
Rajshahi	-	-		
Rangpur	-	-		
Mymensingh	77,400,044	-		
	2,035,853,894	2,105,556,005		
Outside Bangladesh				
ABBL, Mumbai branch	898,569,620	765,847,200		
	241,070,141,407	229,647,286,231		
7.9 Classification of loans, advances and lease/investments				
In Bangladesh				
Unclassified				
Standard	130,508,546,015	185,848,238,016		
Special Mention Account	29,935,179,745	26,774,600,307		
	160,443,725,759	212,622,838,323		
Classified				
Sub-Standard	4,145,600,000	432,900,000		
Doubtful	3,809,100,000	720,600,000		
Bad/Loss	71,773,146,027	15,105,100,708		
	79,727,846,027	16,258,600,708		
	240,171,571,787	228,881,439,031		
Outside Bangladesh- Mumbai Branch				
Unclassified Loan	898,569,620	615,656,886		
Classified Loan	-	150,190,314		
	898,569,620	765,847,200		
	241,070,141,407	229,647,286,231		

Classification of Loans have been made as per Bangladesh Bank Letter no. DBI-1/101/2019-905 dated April 24, 2019.



AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

7.10 Particulars of loans, advances and lease/investments	31 Dec 2018 BDT	31 Dec 2017 BDT
	241,070,141,407	229,647,286,231
(i) Loans considered good in respect of which the Bank is fully secured	224,195,351,556	212,631,440,170
(ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee	-	-
(iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	16,874,789,850	17,015,846,061
(iv) Loans adversely classified but provision not maintained there against	-	-
(v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,573,648,204	1,564,364,507
(vi) Loans due from companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in case of private companies, as members	-	-
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Bank or any of them either separately or jointly with any other persons [note 7.10 (a)]	1,604,509,873	1,613,436,443
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	-	-
(ix) Due from other banking companies	-	-
(x) Amount of classified loans on which interest has not been charged:		
(a) Increase/(decrease) of provision (specific)	1,167,540,114	3,940,700,374
(b) Amount of loan written off	148,319,152	3,277,937,869
(c) Amount realised against loan previously written off	8,735,518	10,374,551
(d) Provision kept against loans classified as bad / loss on the date of preparing the balance sheet	4,626,067,423	3,542,367,423
(e) Interest creditable to interest suspense account	6,467,603,060	3,675,066,572

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
(xi) Written off loan:		
Openning written off loan	15,337,568,598	12,059,630,730
Add: Written off during the year	148,319,152	3,277,937,869
Cumulative Written off loans	15,485,887,750	15,337,568,598
Less: Adjustments/recoveries/Settlement up to the period	3,089,505,668	3,079,704,079
Closing Balance of Written off loan	12,396,382,082	12,257,864,520
The amount of written off loans for which lawsuits have been filed for its recovery	12,307,823,443	12,159,504,291

7.10 (a) The amount represents loans Tk. 1,604,509,873 due by the employees of the Bank.

7.11 Securities wise loans, advances and lease/investments

Nature of security

Collateral of movable/immovable assets	209,062,976,813	196,391,824,578
Cash collateral	4,909,809,022	3,997,954,353
Banks and financial institutions guarantee	-	-
Personal guarantee	10,886,541,122	11,291,823,248
Corporate guarantee	5,888,847,641	5,724,022,813
Other securities	10,321,966,809	12,241,661,239
	241,070,141,407	229,647,286,231

7.12 Large Loan Restructuring

Bank has restructured some loans and advances by complying with the Bangladesh Bank, BRPD Circular No. 04, dated January 29, 2015. Restructured loan details of the Bank has given below:

Name of the client	Loan type	Expiry date	Amount in BDT
Abdul Monem Sugar	Term Loan	22 Dec 2021	387,061,983
Beximco Ltd.	Term Loan	26 Jun 2028	1,072,215,148
Beximco Ltd.	Term Loan	29 Jun 2022	144,865,692
BEL Construction SDN BHD Ltd	SME-Term	30 Sep 2027	3,864,445,422
BEL Construction SDN BHD Ltd	SME-Term	30 Sep 2021	500,747,877
R & R Aviation Limited	Term Loan	23 Dec 2027	93,531,536
International Knitwear & Apparels Ltd.	Term Loan	29 Jun 2028	806,257,887
Bangladesh Export Import Co. Ltd	Term Loan	29 Jun 2022	588,405,443
New Dacca Industries Ltd	Term Loan	29 Jun 2022	2,987,680,388
New Dacca Industries Ltd	Term Loan	29 Jun 2028	856,331,200
R & R Holdings	Term Loan	23 Dec 2027	2,800,559,833
			14,102,102,409

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
7(a) Consolidated loans, advances and lease/investments		
AB Bank Limited	239,945,454,388	228,624,340,946
AB Investment Limited	6,781,090,546	6,809,008,852
AB International Finance Limited	-	-
AB Securities Limited	881,889,697	926,452,178
Cashlink Bangladesh Limited (CBL)	-	-
<u>Less: Inter company transaction</u>	247,608,434,630	236,359,801,976
	622,013,274	558,605,987
	246,986,421,356	235,801,195,989
8 Bills purchased and discounted		
In Bangladesh	247,989,086	449,054,003
Outside Bangladesh - ABBL, Mumbai Branch	876,697,933	573,891,281
	1,124,687,019	1,022,945,284
8 (a) Consolidated Bills purchased and discounted		
AB Bank Limited	1,124,687,019	1,022,945,284
AB Investment Limited	-	-
AB International Finance Limited	1,074,196,894	810,350,507
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	2,198,883,913	1,833,295,791
8.1 Maturity grouping of Bills Purchased and discounted		
Repayable – within 1 month	375,670,205	412,112,663
– over 1 month but within 3 months	556,871,058	289,320,851
– over 3 months but within 6 months	192,145,756	237,210,422
– over 6 months	-	84,301,348
	1,124,687,019	1,022,945,284
9. Fixed assets including premises, furniture and fixtures		
Cost:		
Land and Building	3,334,695,983	3,334,695,982
Furniture and fixtures	251,696,675	251,645,602
Office appliances	64,842,310	63,934,080
Electrical appliances	1,696,166,546	1,686,952,850
Motor vehicles	746,846,242	839,192,792
Intangible Assets	655,429,056	625,401,300
<u>Less: Accumulated depreciation and amortization</u>	6,749,676,812	6,801,822,607
	2,863,468,043	2,688,481,339
	3,886,208,770	4,113,341,268

A schedule of fixed assets is given in **Annexure-C**

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
9(a) Consolidated Fixed assets including premises, furniture and fixtures		
Cost:		
AB Bank Limited	6,749,676,812	6,801,822,607
AB Investments Limited	687,202,886	687,932,186
AB International Finance Limited	4,635,529	6,665,421
AB Securities Limited	30,343,698	30,284,145
Cashlink Bangladesh Limited (CBL)	81,471,369	81,471,358
	7,553,330,294	7,608,175,717
Accumulated depreciation:		
AB Bank Limited	2,863,468,043	2,688,481,339
AB Investments Limited	122,007,063	104,376,007
AB International Finance Limited	4,118,552	6,513,299
AB Securities Limited	28,809,002	28,120,447
Cashlink Bangladesh Limited (CBL)	81,471,358	81,439,535
	3,099,874,018	2,908,930,626
	4,453,456,276	4,699,245,091
10. Other Assets:		
Income generating-Equity Investment		
In Bangladesh:		
AB Investment Limited (99.99% owned subsidiary company of ABBL)	5,811,431,750	5,811,431,750
AB Securities Limited (99.91% owned subsidiary company of ABBL)	199,898,000	199,898,000
Cashlink Bangladesh Limited (CBL) (90% owned subsidiary company of ABBL)	212,581,228	212,581,228
	6,223,910,978	6,223,910,978
Outside Bangladesh:		
AB International Finance Ltd., Hong Kong (wholly owned subsidiary company of ABBL)	5,203,944	5,203,944
Investment in Amana Bank Limited	-	441,450,222
	5,203,944	446,654,166
	6,229,114,922	6,670,565,144



AB Bank Limited
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	31 Dec 2018 BDT	31 Dec 2017 BDT
Non-income generating		
Arab Bangladesh Bank Foundation (99.60% owned subsidiary company of ABBL)	19,920,000	19,920,000
Deferred tax assets (Note 10.1)	1,891,779,670	1,428,042,515
Accounts receivable	2,299,178,425	1,156,026,660
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	999,244,181	875,183,299
Exchange for clearing	453,222,112	492,291,351
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	605,240,157	968,925,438
Security deposits	162,207,512	177,077,324
Local drafts paid without advice	-	-
Advance rent and advertisement	226,716,629	262,872,811
Stationery, stamps, printing materials, etc.	48,962,028	65,706,665
	6,706,470,714	5,446,046,063
	12,935,585,637	12,116,611,208
10(a) Consolidated Other assets		
AB Bank Limited	12,935,585,637	12,116,611,208
AB Investment Limited	157,065,820	101,742,474
AB International Finance Limited	28,019,758	29,837,793
AB Securities Limited	56,626,977	69,807,179
Cashlink Bangladesh Limited (CBL)	32,354,358	30,209,100
<u>Less: Inter-group transaction</u>	<u>13,209,652,550</u>	<u>12,348,207,754</u>
	<u>6,447,735,698</u>	<u>6,484,293,747</u>
	6,761,916,852	5,863,914,006
10.1 Deferred tax assets		
a) Deferred tax assets for specific provisions of loans and advances		
Opening Deferred Tax (Assets)/Liabilities	1,508,826,970	2,433,514,889
<u>Add: Deferred Tax Income during the year</u>	<u>486,740,431</u>	<u>1,523,845,563</u>
<u>Less: Write-Off adjustment</u>	<u>-</u>	<u>2,448,533,482</u>
Closing Deferred Tax Assets	1,995,567,400	1,508,826,970
b) Deferred tax liabilities against property, plant & equipment		
Balance at 01 January	80,784,454	121,450,602
<u>Add/(Less): Provision made during the year</u>	<u>20,998,517</u>	<u>(41,503,394)</u>
<u>Add/(Less): Adjustment for Rate Fluctuation during the year</u>	<u>2,004,759</u>	<u>837,246</u>
Closing Deferred Tax Liabilities	103,787,730	80,784,454
Net Deferred Tax Assets (a-b)	1,891,779,670	1,428,042,515
Net Deferred Tax Income during the year	465,741,914	1,565,348,957

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
10.2 Calculations of deferred tax liabilities		
Bangladesh Operations:		
Deferred tax liabilities against Property, Plant & Equipment		
Carrying amount of Property, Plant & Equipment	3,877,785,440	4,101,447,139
Tax base of Property, Plant & Equipment	3,595,032,878	3,830,247,195
Taxable/(Deductible) Temporary Difference	282,752,562	271,199,945
Effective Tax Rate	37.50%	40.00%
Deferred Tax (Assets)/Liabilities	106,032,211	108,479,978
Deferred Tax (Assets)/Liabilities of Mumbai Branch	(2,244,482)	(27,695,525)
Closing Deferred Tax (Assets)/Liabilities	103,787,729	80,784,453
11. Borrowings from other banks, financial institutions and agents		
In Bangladesh	(Note 10.1)	18,272,449,759
Outside Bangladesh	(Note 10.1)	-
		18,272,449,759
11.1 In Bangladesh		
11.1.1 Bangladesh Bank		
Export Development Fund	1,495,730,627	2,958,975,925
Islamic Investment Bond	2,056,462,900	2,103,666,667
Refinance against IPFF	317,210,749	351,221,098
Refinance against Women Entr, Small Enterprise, ETP & Others	211,517,384	228,229,210
	4,080,921,660	5,642,092,900
11.1.2 Call & Term Borrowing from		
Mutual Trust Bank Limited	-	600,000,000
NCC Bank Ltd.	500,000,000	-
NRB Commercial Bank Limited	400,000,000	-
Agrani Bank Limited	4,000,000,000	2,444,600,542
Sonali Bank Limited	2,600,000,000	2,950,000,000
IFIC Bank Limited	-	500,000,000
Janata Bank Limited	1,000,000,000	700,000,000
Meghna Bank Limited	700,000,000	-
Basic Bank Limited	250,000,000	1,000,000,000
Uttara Bank Limited	2,500,000,000	1,000,000,000
Bank Asia Limited	-	3,332,330,704
Phoneix Finance Ltd.	20,000,000	-
Rupali Bank Limited	1,922,900,000	2,000,000,000
Krishi Bank Limited	-	82,700,000
Modhumoti Bank Limited	-	41,350,000
Bank Alfalah	-	207,554,028
Krishi Bank Limited	125,850,000	-
Accrued interest	166,646,489	96,030,907
Accrued Interest Repo Other Bank	6,131,610	2,689,835
Total in Bangladesh	14,191,528,098	14,957,256,016
	18,272,449,759	20,599,348,916

AB Bank Limited
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For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
11.2 Outside Bangladesh		
ICICI Bank	-	1,272,094,447
Schedule of Borrowings from other banks, financial institutions and agents outside Bangladesh is given in Annexure - D.	-	1,272,094,447
11.3 Analysis by security		
Secured (assets pledge as security for liabilities)	-	-
Unsecured	18,272,449,759	21,871,443,363
	18,272,449,759	21,871,443,363
11.4 Repayment pattern		
Repayable on demand	3,450,000,000	3,250,000,000
Repayable on maturity	14,822,449,759	18,621,443,363
(Note 11.4.1)	18,272,449,759	21,871,443,363
11.4.1 Repayable on maturity		
<u>Bangladesh Bank:</u>		
Export Development Fund	1,495,730,627	2,958,975,925
Islamic Investment Bond	2,056,462,900	2,103,666,667
Refinance against IPFF	317,210,749	351,221,098
Refinance against Women Entr., Small Enterprise, ETP & Others	211,517,384	228,229,210
	4,080,921,660	5,642,092,900
<u>Term borrowings:</u>		
BASIC Bank Limited	-	1,000,000,000
Phoneix Finance Ltd.	20,000,000	-
Agrani Bank Limited	4,000,000,000	2,444,600,542
NCC Bank Limited	500,000,000	-
Uttara Bank Limited	-	1,000,000,000
Bank Asia Limited	-	3,332,330,704
Rupali Bank Limited	1,922,900,000	2,000,000,000
Bank Al Falah	-	207,554,028
Sonali Bank Limited	500,000,000	1,500,000,000
Uttara Bank Limited	2,500,000,000	-
Krishi Bank Limited	125,850,000	82,700,000
Janata Bank Limited	1,000,000,000	-
Modhumoti Bank Limited	-	41,350,000
ICICI BK LTD, HK	-	1,272,094,447
Accrued interest	172,778,098	98,720,742
	10,741,528,098	12,979,350,463
	14,822,449,759	18,621,443,363

AB Bank Limited
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For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
11(a) Consolidated Borrowings from other banks, financial institutions and agents		
AB Bank Limited	18,272,449,759	21,871,443,363
AB Investment Limited	423,537,438	333,601,157
AB International Finance Limited	839,904,947	669,218,846
AB Securities Limited	198,475,836	226,047,986
Cashlink Bangladesh Limited (CBL)	-	-
<u>Less: Intercompany transactions</u>	<u>19,734,367,980</u>	<u>23,100,311,353</u>
	<u>1,461,918,222</u>	<u>1,227,824,834</u>
	<u>18,272,449,759</u>	<u>21,872,486,519</u>
12. AB Bank Subordinated Bond		
AB Bank Subordinated Bond-I	1,500,000,000	2,000,000,000
AB Bank Subordinated Bond-II	3,200,000,000	4,000,000,000
AB Bank Subordinated Bond-III	4,000,000,000	-
	<u>8,700,000,000</u>	<u>6,000,000,000</u>
AB Bank Subordinated Bonds		
Bank has issued 7 years Sub-Ordinated bonds in three phases, namely- AB Bank Subordinated Bond-I for BDT 250 crore in August 2014, AB Bank Subordinated Bond-II for BDT 400 crore in September 2015 and AB Bank Subordinated Bond-III for BDT 400 crore in May 2018 under Private Placement of Debt Securities Rules, 2012. These bonds are non-convertible, unsecured in nature and approved by the Central Bank for inclusion in Tier-II capital of the Bank.		
BRAC	600,000,000	800,000,000
Sonali Bank Limited	1,100,000,000	1,400,000,000
Agrani Bank Limited	700,000,000	900,000,000
Midland Bank Limited	120,000,000	160,000,000
BRAC Bank Limited	300,000,000	380,000,000
NRB Commercial Bank Limited	300,000,000	380,000,000
Mutual Trust Bank Limited	48,000,000	64,000,000
Grameen Capital Management Limited	12,000,000	16,000,000
Rupali Bank Limited	800,000,000	1,000,000,000
Janata Bank Limited	400,000,000	500,000,000
Uttara Bank Limited	240,000,000	300,000,000
National Life Insurance Co. Limited	80,000,000	100,000,000
Jamuna Bank Limited	2,300,000,000	-
National Credit & Commerce Bank Limited	1,700,000,000	-
	<u>8,700,000,000</u>	<u>6,000,000,000</u>
13. Deposit and other accounts		
Inter-bank deposits	2,000,947,652	2,325,377,844
Other deposits	233,443,901,839	233,628,930,609
	<u>235,444,849,491</u>	<u>235,954,308,453</u>

AB Bank Limited
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For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
13(a) Consolidated Deposit and other accounts		
AB Bank Limited	235,444,849,491	235,954,308,453
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
 <u>Less: Inter-group transaction</u>	 235,444,849,491 61,558,646 235,383,290,846	 235,954,308,453 392,232,950 235,562,075,504
 13.1 Maturity analysis of inter-bank deposits		
Repayable – on demand		
– within 1 month	1,349,926,197	1,142,095,233
– over 1 month but within 3 months	366,884,208	353,183,027
– over 3 months but within 1 year	201,607,663	-
– over 1 period but within 5 years	82,529,583	830,099,583
– over 5 periods but within 10 years	-	-
– over 10 years	-	-
	2,000,947,652	2,325,377,844
 13.2 Maturity analysis of other deposits		
Repayable – on demand		
– within 1 month	2,868,833,572	5,338,163,161
– over 1 month but within 3 months	28,522,455,752	19,151,436,695
– over 3 months but within 1 year	70,252,905,765	64,344,086,654
– over 1 period but within 5 years	85,433,906,252	95,939,421,864
– over 5 years	44,737,062,747	47,383,162,966
	1,628,737,751	1,472,659,270
	233,443,901,839	233,628,930,609
 13.3 Demand and time deposits		
a) Demand Deposits	28,396,250,345	26,762,401,441
Current accounts and other accounts	22,820,201,543	21,822,803,753
Savings Deposits (9%)	2,581,709,678	2,688,296,129
Bills Payable	2,994,339,125	2,251,301,559
 b) Time Deposits	207,048,599,146	209,191,907,013
Savings Deposits (91%)	26,103,953,412	27,181,660,860
Short Notice Deposits	32,204,480,815	32,995,346,150
Fixed Deposits	128,219,725,045	129,606,179,136
Other Deposits	20,520,439,875	19,408,720,866
 Total Demand and Time Deposits	235,444,849,491	235,954,308,453

AB Bank Limited
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	31 Dec 2018 BDT	31 Dec 2017 BDT
13.4 Sector-wise break up of deposits and other accounts		
Government	1,967,543,202	2,409,574,719
Deposit money Banks	2,000,947,652	2,325,377,844
Autonomous & Semi-Autonomous Bodies	4,474,952,909	4,227,465,204
Public Non-Financial Organisation	43,935,841,158	49,037,812,443
Other Public	3,411,397,293	3,414,634,389
Foreign Currency	9,770,384,592	7,348,050,954
Private	169,883,782,686	167,191,392,900
	235,444,849,491	235,954,308,453
14. Other liabilities		
Accumulated provision against loans and advances (Note 14.1)	10,639,913,428	8,733,640,130
Inter-branch adjustment	838,178	5,405,965
Provision for current tax (net of advance tax) (Note 14.2)	1,500,377,781	889,411,024
Interest suspense account (Note 14.3)	19,704,000,511	13,345,309,883
Provision against other assets (Note 14.4)	318,685,468	250,198,969
Accounts payable - Bangladesh Bank	1,642,013,761	1,439,084,087
Accrued expenses	224,980,797	218,789,290
Provision for off balance sheet items (Note 14.5)	810,000,000	860,000,000
Provision against investments (Note 14.6)	1,889,303,000	1,560,053,000
Others (*)	728,077,572	666,110,214
	37,458,190,496	27,968,002,561

(*) Others includes provision for audit fee, excise duty, income tax and VAT deducted at source, unclaimed dividend, accounts payable for safe keeping, earnest and security money, etc.

14.1 Accumulated provision against loans and advances

The movement in specific provision for bad and doubtful debts

Balance at 01 January		3,772,067,423	2,463,153,374
Fully provided debts written off during the period (-)		-	(2,506,985,952)
Recovery of amounts previously written off (+)		8,725,518	6,286,093
Specific provision made during the year (+)		1,297,974,482	3,809,613,907
		1,306,700,000	1,308,914,048
Balance at 31 December		5,078,767,423	3,772,067,423
Provision made by ABBL, Mumbai Branch		-	90,382,514
Total provision on classified loans and advances		5,078,767,423	3,862,449,936

On unclassified loans

Balance at 01 January		4,867,316,658	4,095,267,313
Transfer from other assets provisions (+)		-	-
Transferred from Off Balance Sheet provisions (+)		50,000,000	-
Transfer from Other Assets (+)		-	-
Transferred from provision for current tax (+)		-	-
General provision made during the year (+)		639,817,000	772,049,345
		689,817,000	772,049,345
Balance at 31 December		5,557,133,658	4,867,316,658
Provision made by ABBL, Mumbai Branch		4,012,348	3,873,536
Total provision on un-classified loans and advances		5,561,146,006	4,871,190,194
Total provision on loans and advances		10,639,913,428	8,733,640,130



AB Bank Limited
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Provision for	Required	Maintained	Excess
Un-classified loans and advances	5,555,287,348	5,561,146,006	5,858,658
Classified loans and advances	5,078,700,000	5,078,767,422	67,422
	10,633,987,348	10,639,913,428	5,926,080

Provision against loans and advances has been maintained as per Bangladesh Bank letter no. DBI-1/101/2019-905 dated April 24, 2019. According to letter, there is a provision shortfall of Tk. 6,171 crore against loans and advances which requires to be kept in next 10 years equally from 2019-2028.

14.1.1 Details of provision for loans and advances

General Provision

Standard	4,837,987,348
Special Mention Account	717,300,000

Specific Provision

Substandard	109,700,000
Doubtful	343,000,000
Bad/Loss	4,626,000,000

Excess provision maintained at 31 December 2018

	Required	Maintained	31 Dec 2018
	5,555,287,348	5,561,146,006	5,926,080
	4,837,987,348	4,843,846,006	
	717,300,000	717,300,000	
	5,078,700,000	5,078,767,423	5,926,080
	109,700,000	109,700,000	
	343,000,000	343,000,000	
	4,626,000,000	4,626,067,423	

14.2 Provision for current tax (net of advance tax)

	(note 14.2.1)	31 Dec 2018 BDT	31 Dec 2017 BDT
Current Tax	14,978,959,012	14,075,970,095	
Advance Income Tax	(note 14.2.2) 13,478,581,232	13,186,559,071	
Provision for current tax (net of advance tax)	1,500,377,781	889,411,024	

14.2.1 Provision for current tax

Balance at 01 January	13,917,551,618	15,080,733,191
<u>Add:</u> Provision made during the year	918,280,342	1,285,351,909
<u>Less:</u> Write-off adjustment	-	2,448,533,482
Balance at 31 December	14,835,831,960	13,917,551,618
Provision held by ABBL, Mumbai Branch	143,127,052	158,418,477
	14,978,959,012	14,075,970,095

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2014 (Assessment Year 2015-16). Corporate income tax return for the years 2015, 2016 & 2017 submitted under section 82BB corresponding to Assessment Years 2016-17, 2017-18 & 2018-19. Tax assessments for income years 1995, 1996, 1997, 2007, 2009, 2010, 2011 and 2012 were completed but these were referred to the Hon'ble High Court on the application made by the Bank for some disputed points.

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	31 Dec 2018 BDT	31 Dec 2017 BDT
14.2.2 Advance corporate income tax		
In Bangladesh:		
Balance at 01 January 2018	13,008,910,364	12,514,607,418
Paid during the year	321,089,875	494,302,946
<u>Less:</u> Transfer/Adjustment during the year	-	-
Balance at 31 December	13,330,000,239	13,008,910,364
Advance tax of ABBL, Mumbai Branch	148,580,992	177,648,707
	13,478,581,232	13,186,559,071
14.3 Interest suspense account		
Balance at 01 January	13,280,998,451	10,414,337,836
Add: Transfer during the year	(+)	6,467,603,060
<u>Less:</u> Recovery during the year	(-)	31,189,000
<u>Less:</u> Waiver during the year	(-)	27,486,040
<u>Less:</u> Write off during the year	(-)	9,968,000
Balance at 31 December	19,704,000,511	770,951,917
Mumbai Branch	-	13,280,998,451
	19,704,000,511	64,311,431
	19,704,000,511	13,345,309,883
14.4 Provision against other assets		
Provision for		
Prepaid legal expenses	107,530,000	95,030,000
Protested bills	76,055,610	26,065,610
Others	135,099,858	129,103,359
	318,685,468	250,198,969

Provision against other assets was made as per BRPD Circular # 14 dated 25 June 2001 issued by Bangladesh Bank.

14.4.1 Calculation of Provision against other assets

Particulars	Outstanding amount	Base for Provision	Rate	Provisions Requirement	Provisions Maintained
Prepaid legal expenses	107,407,898	107,407,898	50% & 100%	53,703,949	107,530,000
Protested bills	70,489,001	70,489,001	100%	70,489,001	76,055,610
Others	92,548,490	92,548,490	100%	92,548,490	135,099,858
Required provision for other assets				216,741,441	318,685,468
Total provision requirement				216,741,441	
Total provision maintained				318,685,468	
Excess provision maintained at 31 December 2018				101,944,027	

14.5 Provision for off balance sheet items

Opening balance	860,000,000	860,000,000
<u>Less:</u> Transferred to general provisions	50,000,000	-
<u>Add:</u> Provision made during the year	-	-
<u>Less:</u> Adjustment during the year	-	-
Closing balance	810,000,000	860,000,000



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14.5.1 Particulars of required provision for Off-Balance Sheet items

	Base for Provision	Rate (%)	31 Dec 2018	31 Dec 2017
Acceptances and endorsements	21,664,813,157	1%	216,648,132	238,793,226
Letters of guarantee	14,569,014,333	1%	145,690,143	135,253,511
Irrevocable letters of credit	12,060,360,225	1%	120,603,602	158,369,133
Bills for collection	-	1%	-	64,023,893
Others	1,461,301,865	1%	14,613,019	26,065,304
Total Off-Balance Sheet items & required provision	49,755,489,580		497,554,896	622,505,066
Total provision maintained			810,000,000	860,000,000
Excess provision at 31 December 2018			312,445,104	237,494,934

No provision has been maintained against Off Balance Sheet items of Mumbai Branch BDT 2,684,695,185 as per Reserve Bank of India (RBI) guidelines.

14.6 Provision against investments

Provision against quoted shares:

	31 Dec 2018 BDT	31 Dec 2017 BDT
Opening balance	1,560,053,000	1,550,053,000
Add: Provision made during the year	90,000,000	10,000,000
Closing Balance	1,650,053,000	1,560,053,000

Total provision maintained for Investment

Total provision requirement for Investment

Excess provision

Provision for Pinnacle Global Fund Pte Limited:

Provision made during the year

1,650,053,000	1,560,053,000
90,000,000	10,000,000
1,650,053,000	1,560,053,000
1,650,053,000	1,560,053,000
1,642,820,432	1,557,650,635
7,232,568	2,402,366
239,250,000	-

(*) Provision for Pinnacle Global Fund Pte Limited of BDT 137.41 crore has been deferred as per Bangladesh Bank letter no. DBI-1/101/2019-905 dated April 24, 2019 for 10 years from 2019-2028.

Total Provision maintained against investment:

Provision against quoted shares	1,650,053,000	1,560,053,000
Provision for Pinnacle Global Fund Pte Limited	239,250,000	-
	1,889,303,000	1,560,053,000

14(a) Consolidated Other liabilities

AB Bank Limited	37,458,190,496	27,968,002,561
AB Investment Limited	873,488,971	829,769,725
AB International Finance Limited	65,509,340	50,956,308
AB Securities Limited	610,856,624	976,422,273
Cashlink Bangladesh Limited (CBL)	9,770,756	9,765,006
<u>Less: Inter-group transaction</u>	39,017,816,187	29,834,915,872
	115,494,023	174,793,931
	38,902,322,164	29,660,121,941

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	31 Dec 2018 BDT	31 Dec 2017 BDT
15. Share Capital	7,581,303,150	7,581,303,150
15.1 Authorised Capital 1,500,000,000 ordinary shares of BDT 10 each	15,000,000,000	15,000,000,000
15.2 Issued, Subscribed and Paid-up Capital 10,000,000 ordinary shares of BDT 10 each issued for cash 5,000,000 ordinary shares of BDT 10 each issued for rights 743,130,315 ordinary shares of BDT 10 each issued as bonus shares	100,000,000 50,000,000 7,431,303,150 7,581,303,150	100,000,000 50,000,000 7,431,303,150 7,581,303,150

15.3 Percentage of shareholding

	As at 31 December 2018		As at 31 December 2017	
	No. of shares	%	No. of shares	%
Sponsors and public	753,784,637	99.43	753,784,637	99.43
Government	4,345,678	0.57	4,345,678	0.57
	758,130,315	100.00	758,130,315	100.00

15.4 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Upto 500	34,999	41,184	50.79	53.50
501 to 5,000	25,746	27,537	37.37	35.77
5,001 to 10,000	3,836	3,820	5.57	4.96
10,001 to 20,000	2,175	2,191	3.16	2.85
20,001 to 30,000	714	719	1.04	0.93
30,001 to 40,000	336	372	0.49	0.48
40,001 to 50,000	253	236	0.37	0.31
50,001 to 100,000	385	443	0.56	0.58
100,001 to 1,000,000	403	411	0.58	0.53
Over 1,000,000	57	64	0.08	0.08
	68,904	76,977	100	100



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15.5 Names of the Directors and their shareholding as at 31 December 2018

Name of the Director	Status	No of Shareholding including nominating institution/individual	
		31 Dec 2018	31 Dec 2017
Mr. Feroz Ahmed	Director	15,730,196	15,730,196
Mr. Syed Afzal Hasan Uddin, Nominated by Mr. M. Morshed Khan	Nominated Director	38,251,403	38,251,403
Mr. Moshtaque Ahmed Chowdhury Nominated by Mr. M. Morshed Khan	Nominated Director		
Mr. Syed Golam Kibria Nominated by Pacific Traders Limited*	Nominated Director	75,696,901	75,696,901
Mr. Asish Baran Sarkar Nominated by Pacific Motors Limited	Nominated Director	54,725,559	54,725,559
Mr. Shajir Ahmed Nominated by Mr. Salim Ahmed	Nominated Director	17,907,293	17,907,293
Mr. Khairul Alam Choudhury Nominated by Pacific Industries Limited	Nominated Director	74,157,802	74,157,802
Mr. Shishir Ranjan Bose FCA **	Independent Director	-	-
Mr. Kaiser A. Chowdhury	Independent Director	-	-
Mr. Tarique Afzal	President and Managing Director (CC)	-	-

*Mr. Syed Golam Kibria replaced by Mr. Muhammad A. (Rumee) Ali in the 669th Board Meeting held on February 27, 2019.

**Mr. Shishir Ranjan Bose, FCA, Independent Director, resigned from the Board in the 669th Board Meeting held on February 27, 2019.

15.6 Capital to Risk Weighted Assets Ratio (CRAR) - As per BASEL III

Consolidated - Capital Adequacy Ratio

In terms of section 13(2) of the Bank Company (Amendment up to 2018) Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank on Consolidated basis at the close of business on December 31, 2018 is Taka 39,548,106,424 as against available Total Common Equity Tier-I Capital of Taka 20,338,050,098 and Total Tier-2 Capital available of Taka 14,571,253,536 that is, a total of Taka 34,909,303,635 thereby showing deficit capital of Taka 4,638,802,789 at that date. Details are shown below:

Tier I Capital (Going-Concern Capital)

Common Equity Tier-I Capital

Fully Paid-up Capital/Capital Deposited with BB
Statutory Reserve
Non-repayable share premium account
General Reserve
Retained earnings
Minority interest in Subsidiaries
Non-Cumulative irredeemable Preferences shares
Dividend Equalization Account

31 Dec 2018

BDT

31 Dec 2017

BDT

7,581,303,150	7,581,303,150
6,623,362,740	6,549,242,999
-	-
1,303,199,679	1,302,259,888
6,967,589,458	7,051,767,695
10,414,140	10,106,613
-	-
22,485,869,167	22,494,680,345

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
Regulatory adjustment:		
Goodwill and all other Intangible Assets	117,481,270	165,644,969
Shortfall in provisions required against Non Performing Loans (NPLs)	-	-
Shortfall in provisions required against investment in shares	-	-
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
Deferred Tax Assets (DTA)	1,995,567,400	1,433,385,621
Defined benefit pension fund assets	-	-
Gain on sale related to securitization transactions	-	-
Investment in own CET-1 Instruments/Shares	-	-
Reciprocal crossholdings in the CET-1 capital of Banking, Financial and Insurance Entities	24,810,399	34,857,814
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (amendment up to 2018).	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	9,960,000	9,960,000
Other if any	-	-
	2,147,819,069	1,643,848,403
Total Common Equity Tier-I Capital	20,338,050,098	20,850,831,942
Additional Tier-I Capital		-
Tier-2 Capital (Gone concern Capital)		
General Provision/General loan-loss reserve	7,090,083,994	6,297,628,181
All other preference shares	-	-
Subordinated debt/Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital (as per Annex 4 of Basel III Guidelines)	7,460,000,000	5,600,000,000
Minority Interest	-	-
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital	-	-
Revaluation Reserves as on 31 December, 2014 (50% of Fixed Assets and Securities & 10% of Equities)	849,638,093	849,638,093
Other (if any item approved by Bangladesh Bank)	-	-
	15,399,722,087	12,747,266,274
Regulatory Adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	679,710,474	509,782,856
Investment in own T-2 Instruments/Shares	-	-
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	9,960,000	9,960,000
Other (if any)	138,798,076	94,776,107
	14,571,253,536	12,132,747,311
Total Eligible Capital	34,909,303,635	32,983,579,253



AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
Total assets including off-Balance Sheet items	382,362,859,159	382,549,026,029
Total risk-weighted assets (RWA)	333,036,685,673	293,184,224,499
B. Total required capital (11.875% of Total RWA)	39,548,106,424	32,983,225,256
Capital Surplus / (Shortfall) [A-B]	(4,638,802,789)	353,997
Capital to Risk Weighted Assets Ratio (CRAR)	10.48%	11.25%

Solo - Capital to Risk Weighted Assets Ratio (CRAR)

In terms of section 13(2) of the Bank Company (Amendment up to 2018) Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank on Solo basis at the close of business on 31 December 2018 is BDT 39,137,978,979 as against available Common Equity Tier-I capital of BDT 19,194,159,001 and Total Tier-2 Capital Available capital of BDT 13,851,953,926 that is, a total of BDT 33,046,112,927 thereby showing deficit capital of BDT 6,091,866,052 at that date. Details are shown below:

Tier I Capital (going-concern capital)

Common Equity Tier-I Capital

Fully Paid-up Capital/Capital Deposited with BB	7,581,303,150	7,581,303,150
Statutory Reserve	6,623,362,740	6,549,243,000
Non-repayable share premium account	-	-
General Reserve	1,222,199,200	1,222,199,200
Retained earnings	5,905,152,980	6,011,991,999
Minority interest in Subsidiaries	-	-
Non-Cumulative irredeemable Preferences shares	-	-
Dividend Equalization Account	-	-
	21,332,018,070	21,364,737,348

Regulatory adjustment:

Goodwill and all other Intangible Assets	117,481,270	165,644,969
Shortfall in provisions required against Non Performing Loans (NPLs)	-	-
Shortfall in provisions required against investment in shares	-	-
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
Deferred Tax Assets (DTA)	1,995,567,400	1,433,385,621
Defined benefit pension fund assets	-	-
Gain on sale related to securitization transactions	-	-
Investment in own CET-1 Instruments/Shares	-	-
Reciprocal crossholdings in the CET-1 capital of Banking, Financial and Insurance Entities	24,810,399	34,857,814
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991.	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	-	-
Other if any	-	-
	2,137,859,069	1,633,888,403
Total Common Equity Tier-I Capital	19,194,159,001	19,730,848,945
	-	-
Additional Tier-I Capital	-	-

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

Tier-2 Capital (Gone concern Capital)	31 Dec 2018 BDT	31 Dec 2017 BDT
General Provision/General loan-loss reserve	6,371,146,006	5,731,190,194
All other preference shares	7,460,000,000	5,600,000,000
Subordinated debt/Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital (as per Annex 4 of Basel III Guidelines)	-	-
Minority Interest	-	-
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital	-	-
Revaluation Reserves as on 31 December, 2014 (50% of Fixed Assets and Securities & 10% of Equities)	798,029,978	798,029,978
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	14,629,175,984	12,129,220,172
 Regulatory adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	638,423,982	478,817,987
Investment in own T-2 Instruments/Shares	-	-
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	-	-
Other (if any)	138,798,076	94,776,107
Total Tier-2 Capital Available	13,851,953,926	11,555,626,078
 Total Eligible Capital	33,046,112,927	31,286,475,023
Total assets including off-Balance Sheet items	379,735,007,106	380,015,615,614
Total risk-weighted assets (RWA)	329,582,980,874	289,742,290,566
 B. Total required capital (11.875% of Total RWA)	39,137,978,979	32,596,007,689
 Capital Surplus / (Shortfall) [A-B]	(6,091,866,052)	(1,309,532,666)
 Capital to Risk Weighted Assets Ratio (CRAR)	10.03%	10.80%

Bangladesh Bank vide letter no. DOS(CAMS)1157/1(II)-A/2019-1797 dated April 30, 2019 provide exemption for maintaining capital against newly classified loans of Tk. 6,011.09 crore and on related deferred provisions in 2018.

16. Statutory reserve

In Bangladesh

Opening balance
Add: Addition during the year
Add/less: Adjustment for Foreign Exchange Rate Fluctuation

6,256,894,064	6,256,894,064
67,659,496	-
-	-

6,324,553,560 6,256,894,064

Outside Bangladesh - ABBL, Mumbai Branch

Opening balance
Add: Addition during the year
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation

292,348,935	238,743,376
27,622,121	26,124,722
(21,161,876)	27,480,837
298,809,180	292,348,935
6,623,362,740	6,549,242,999



AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

		31 Dec 2018 BDT	31 Dec 2017 BDT
17.	Other reserve		
	General reserve	(Note 17.1) 1,222,199,200	1,222,199,200
	Assets revaluation reserve	(Note 17.2) 1,298,209,633	1,300,480,317
	Investment revaluation reserve	(Note 17.3) 20,254,171	106,027,424
	Foreign exchange revaluation for investment in foreign operation	-	-
		2,540,663,004	2,628,706,941
17.1	General reserve	1,222,199,200	1,222,199,200
17.2	Assets revaluation reserve		
	Opening balance	1,300,480,317	1,303,760,781
	<u>Less:</u> Transferred to retained earnings	(2,270,684)	(3,280,464)
		1,298,209,633	1,300,480,317
17.3	Investment revaluation reserve (T.Bills & T.Bonds)		
	In Bangladesh		
	Revaluation Reserve for:		
	Held to Maturity (HTM)	Note (17.3.1) 4,789,464	3,483,281
	Held for Trading (HFT)	Note (17.3.2) 15,464,707	102,544,143
		20,254,171	106,027,424
	Outside Bangladesh		
	ABBL, Mumbai Branch	-	-
		20,254,171	106,027,424
17.3.1	Revaluation Reserve for Held to Maturity (HTM)		
	Opening balance	3,483,281	2,227,349
	<u>Add:</u> Addition during the year	1,306,183	1,255,932
	<u>Less:</u> Adjustment during the year	4,789,464	3,483,281
		4,789,464	3,483,281
17.3.2	Revaluation Reserve for Held for Trading (HFT)		
	Opening balance	102,544,143	542,035,509
	<u>Add:</u> Addition during the year	666,902,427	425,339,665
	<u>Less:</u> Adjustment during the year	769,446,570	967,375,174
		15,464,707	864,831,030
17(a)	Consolidated Other reserve		
	AB Bank Limited	2,540,663,004	2,628,706,941
	AB Investment Limited	-	-
	AB International Finance Limited	86,517,889	80,664,415
	AB Securities Limited	85,910,523	101,934,105
	Cashlink Bangladesh Limited (CBL)	-	-
		2,713,091,416	2,811,305,460

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	31 Dec 2018 BDT	31 Dec 2017 BDT
18. Retained earnings		
Opening balance	6,011,991,999	6,809,663,765
<u>Add/(Less): Adjustment for investment in Amana Bank</u>	-	(17,852,549)
<u>Add:</u> Post-tax profit for the year	18,323,578	29,600,965
<u>Less:</u> Transfer to statutory reserve	(95,281,616)	(26,124,722)
Cash dividend	-	-
Bonus shares issued	-	(842,367,010)
	5,935,033,960	5,952,920,449
<u>Add/(Less): Transferred from Assets Revaluation Reserve</u>	2,270,683	3,280,464
<u>Add/(Less): Foreign Exchange Translation gain/(loss)</u>	(32,151,664)	55,791,085
	5,905,152,980	6,011,991,999
18(a) Consolidated Retained earnings		
AB Bank Limited	5,905,152,980	6,011,991,999
AB Investment Limited	348,015,148	330,303,286
AB International Finance Limited	108,540,902	88,586,493
AB Securities Limited	151,680,259	147,708,877
Cashlink Bangladesh Limited (CBL)	(180,470,666)	(183,652,421)
	6,332,918,623	6,394,938,234
<u>Add/(Less): Adjustment made during the year</u>	616,758,478	638,595,388
Non-controlling interest	(17,912,357)	(18,234,073)
	6,967,589,458	7,051,767,695
18(b) Non-controlling interest		
AB Investment Limited	10,297	10,270
AB Securities Limited	450,910	461,585
Cashlink Bangladesh Limited	9,952,933	9,634,758
	10,414,140	10,106,613
19. Contingent liabilities	57,209,035,486	65,450,616,147
19.1 Letters of guarantee		
Money for which the Bank is contingently liable in respect of guarantees issued favoring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	68,158,730	126,395,210
Others	14,500,855,603	13,398,955,918
	14,569,014,333	13,525,351,128
20. Profit and loss account	2018 BDT	2017 BDT
<u>Income:</u>		
Interest, discount and similar income	23,098,116,994	21,544,112,223
Dividend income	198,357,616	187,773,760
Fee, commission and brokerage	1,505,554,954	1,690,166,432
Gains less losses arising from investment securities	85,890,892	138,878,628
Gains less losses arising from dealing in foreign currencies	827,040,221	1,094,559,439
Other operating income	127,566,812	110,356,902
Gains less losses arising from dealing securities	362,641,934	478,036,591
Income from non-banking assets	-	-
	26,205,169,423	25,243,883,976

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

	2018 BDT	2017 BDT
Expenses:		
Interest, fee and commission	17,557,309,639	14,896,849,195
Administrative expenses	4,036,977,365	4,217,593,486
Other operating expenses	1,247,892,797	1,352,875,569
Depreciation and amortization on banking assets	287,863,273	300,443,088
Loss on loans and advances	-	-
	23,130,043,074	20,767,761,339
	3,075,126,349	4,476,122,637
21. Interest income/profit on investments		
Interest on loans and advances:		
Loans and advances	18,255,386,422	16,364,512,852
Bills purchased and discounted	912,573,703	931,362,946
	19,167,960,125	17,295,875,799
Less. Incentive for good borrowers	-	16,295,110
	19,167,960,125	17,279,580,689
Interest on:		
Calls and placements	282,532,512	277,525,463
Balance with foreign banks	10,680,185	5,693,056
Reverse Repo	-	542,680
Balance with Bangladesh Bank	6,286,984	3,599,386
	299,499,682	287,360,585
	19,467,459,807	17,566,941,274
21(a) Consolidated Interest income/profit on investments		
AB Bank Limited	19,467,459,807	17,566,941,274
AB International Finance Limited	53,701,638	39,751,793
AB Investment Limited	239,440,553	414,656,876
AB Securities Limited	52,615,368	75,431,578
Cashlink Bangladesh Limited (CBL)	3,542,157	3,153,072
	19,816,759,522	18,099,934,592
<u>Less:</u> Intercompany transactions	5,908,926	4,546,065
	19,810,850,595	18,095,388,527
22. Interest/profit paid on deposits, borrowings, etc.		
Interest on deposits:		
Fixed deposits	10,299,866,141	7,487,499,642
Savings deposits	936,686,464	818,641,453
Special notice deposits	1,930,914,402	2,233,473,872
Other deposits	1,868,620,349	1,919,605,262
	15,036,087,355	12,459,220,229
Interest on borrowings:		
Local banks, financial institutions including BB	1,677,800,912	1,761,916,638
Subordinated Bond	843,421,371	675,712,328
	17,557,309,639	14,896,849,195

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	2018 BDT	2017 BDT
22(a) Consolidated Interest/profit paid on deposits, borrowings, etc.		
AB Bank Limited	17,557,309,639	14,896,849,195
AB Investment Limited	-	15,986,805
AB International Finance Limited	6,286,955	4,878,151
AB Securities Limited	25,388,336	26,884,815
Cashlink Bangladesh Limited (CBL)	-	-
	17,588,984,930	14,944,598,966
<u>Less:</u> Intercompany transactions	8,579,762	7,216,901
	17,580,405,167	14,937,382,065
23. Investment income		
Capital gain on sale of shares	85,890,892	138,878,628
Interest on treasury bills	34,783,208	60,970,692
Dividend on shares	198,357,616	187,773,760
Income from Amana Bank Limited as Associates	-	19,619,698
Interest on treasury bonds	3,348,921,201	3,891,812,992
Gain/(Loss) on treasury bills and treasury bonds	362,641,934	478,036,591
Interest on other bonds & others	246,952,778	4,767,568
	4,277,547,629	4,781,859,929
23(a) Consolidated Investment income		
AB Bank Limited	4,277,547,629	4,781,859,929
AB Investment Limited	19,347,382	13,436,300
AB International Finance Limited	-	-
AB Securities Limited	52,226,468	11,058,832
Cashlink Bangladesh Limited (CBL)	147,177	165,975
	4,349,268,656	4,806,521,037
<u>Less:</u> Intercompany transactions	102,222,804	80,385,894
	4,247,045,852	4,726,135,143
(*) Inter-company transactions includes dividend income from AB International Finance Limited.		
24. Commission, exchange and brokerage		
Other fees, commission and service charges	843,528,575	956,973,402
Commission on letters of credit	520,301,993	597,082,449
Commission on letters of guarantee	141,724,386	136,110,581
Exchange gains less losses arising from dealings in foreign currencies	827,040,221	1,094,559,439
	2,332,595,175	2,784,725,871
24(a) Consolidated Commission, exchange and brokerage		
AB Bank Limited	2,332,595,175	2,784,725,871
AB Investment Limited	36,645,977	68,867,462
AB International Finance Limited	65,264,303	55,747,240
AB Securities Limited	43,582,674	84,871,298
Cashlink Bangladesh Limited (CBL)	-	-
	2,478,088,129	2,994,211,871

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	2018 BDT	2017 BDT
25. Other operating income		
Locker rent, insurance claim and others	7,730,928	6,022,552
Recoveries on telex, telephone, fax, etc.	63,216,760	74,958,139
Recoveries on courier, postage, stamp, etc.	26,447,096	28,307,519
Non-operating income (*)	30,172,028	1,068,692
	127,566,812	110,356,902
(*) Non-operating income includes sale of scrap items.		
25(a) Consolidated other operating income		
AB Bank Limited	127,566,812	110,356,902
AB Investment Limited	12,904,246	12,599,044
AB International Finance Limited	63,810,277	60,721,521
AB Securities Limited	1,714,353	2,914,638
Cashlink Bangladesh Limited (CBL)	-	-
	205,995,688	186,592,105
<u>Less:</u> Inter company transactions	8,187,356	8,187,356
	197,808,332	178,404,749
26. Salary and allowances		
Basic salary, provident fund contribution and all other allowances	2,640,981,766	2,718,310,414
Festival and incentive bonus	184,021,674	195,769,495
	2,825,003,440	2,914,079,909
26.1 Chief executive's salary and fees	9,932,258	9,940,551
26(a) Consolidated salary and allowances		
AB Bank Limited	2,825,003,440	2,914,079,909
AB Investment Limited	14,868,417	16,587,467
AB International Finance Limited	30,711,921	33,163,313
AB Securities Limited	25,032,872	25,928,018
Cashlink Bangladesh Limited (CBL)	266,928	266,352
	2,895,883,578	2,990,025,060
27. Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes	477,033,554	464,677,659
Electricity, gas, water, etc.	102,266,082	98,461,761
Insurance	169,448,434	170,887,110
	748,748,069	734,026,531
27(a) Consolidated Rent, taxes, insurance, electricity, etc.		
AB Bank Limited	748,748,069	734,026,531
AB Investment Limited	2,139,857	2,260,184
AB International Finance Limited	9,655,103	8,104,112
AB Securities Limited	7,991,824	8,330,201
Cashlink Bangladesh Limited (CBL)	11,005	-
	768,545,859	752,721,028
<u>Less:</u> Inter company transactions	5,516,520	5,516,520
	763,029,339	747,204,508

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

	2018 BDT	2017 BDT
28. Legal expenses	2,826,348	7,587,144
28(a) Consolidated legal expenses		
AB Bank Limited	2,826,348	7,587,144
AB Investment Limited	241,260	239,700
AB International Finance Limited	319,621	499,420
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	80,500
	3,387,229	8,406,763
29. Postage, stamp, telecommunication, etc.		
Telex, fax, internet, wireless link, SWIFT, etc.	75,582,514	81,187,883
Telephone	7,573,194	9,008,959
Postage, stamp and shipping	31,633,536	35,484,725
	114,789,243	125,681,567
29(a) Consolidated Postage, stamp, telecommunication, etc.		
AB Bank Limited	114,789,243	125,681,567
AB Investment Limited	828,071	882,710
AB International Finance Limited	10,352,448	8,699,829
AB Securities Limited	1,440,910	1,530,181
Cashlink Bangladesh Limited (CBL)	150	-
	127,410,823	136,794,287
30. Stationery, printing, advertisements, etc.		
Printing and stationery	129,724,338	164,633,614
Publicity, advertisement, etc.	21,693,963	34,095,358
	151,418,300	198,728,972
30(a) Consolidated Stationery, printing, advertisements, etc.		
AB Bank Limited	151,418,300	198,728,972
AB Investment Limited	187,989	265,830
AB International Finance Limited	552,077	344,268
AB Securities Limited	456,649	609,196
Cashlink Bangladesh Limited (CBL)	-	-
	152,615,016	199,948,266
31. Directors' fees		
Directors' fees	1,984,800	2,171,200
Meeting expenses	2,024,791	5,813,442
	4,009,591	7,984,642

Directors' fees includes fees for attending the meeting of the Board, Executive Committee, Audit Committee, Risk Management Committee and Shariah Council.

AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	2018 BDT	2017 BDT
31(a) Consolidated Directors' fees		
AB Bank Limited	4,009,591	7,984,642
AB Investment Limited	293,348	200,010
AB International Finance Limited	-	-
AB Securities Limited	400,000	400,001
Cashlink Bangladesh Limited (CBL)	57,500	69,000
	4,760,439	8,653,653
32. Auditors' fees		
Statutory	1,363,565	1,330,236
Others	1,282,487	1,834,586
	2,646,052	3,164,822
32(a) Consolidated Auditors' fees		
AB Bank Limited	2,646,052	3,164,822
AB Investment Limited	143,750	143,750
AB International Finance Limited	404,853	362,251
AB Securities Limited	88,000	88,000
Cashlink Bangladesh Limited (CBL)	28,750	23,000
	3,311,405	3,781,823
33. Depreciation and repairs of Bank's assets		
<u>Depreciation:</u>		
Electrical appliances	103,256,528	107,777,727
Furniture and fixtures	12,423,358	13,332,628
Office appliances	2,309,425	2,252,659
Building	18,034,930	18,513,464
Motor vehicles	72,541,973	56,209,382
	208,566,214	198,085,859
<u>Repairs:</u>		
Motor vehicles	27,287,995	47,363,725
Electrical appliances	67,947,777	73,099,067
Office premises and others	75,548,423	87,269,665
Furniture and fixtures	1,918,434	2,841,023
Office appliances	4,901,434	5,825,866
	177,604,064	216,399,346
	386,170,278	414,485,205
Amortization of Intangible Assets	79,297,059	102,357,229
	465,467,337	516,842,435
33(a) Consolidated Depreciation and repairs of Bank's assets		
AB Bank Limited	465,467,337	516,842,435
AB Investment Limited	18,487,430	18,443,009
AB International Finance Limited	808,541	415,076
AB Securities Limited	1,464,420	1,817,399
Cashlink Bangladesh Limited (CBL)	31,824	72,683
	486,259,551	537,590,602

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

	2018 BDT	2017 BDT
34. Other expenses		
Contractual service	484,157,680	496,815,426
Petrol, oil and lubricant	64,647,808	75,942,084
Software expenses	169,692,134	149,497,116
Entertainment	37,347,066	56,111,238
Travelling	19,666,937	33,808,109
Subscription, membership and sponsorship	60,198,184	21,373,168
Training, seminar and workshop	12,851,116	30,039,682
Local conveyance	9,996,958	10,981,982
Professional charges	74,644,077	45,794,517
Books, newspapers and periodicals	1,570,286	1,805,834
Branch opening expenses	189,954	357,175
Bank Charges	14,296,509	57,633,430
Sundry expenses (*)	298,634,089	372,715,808
	1,247,892,797	1,352,875,569

(*) Sundry expenses includes business promotion, rebate to foreign correspondents, donation & dress employees etc.

34(a) Consolidated other expenses		
AB Bank Limited	1,247,892,797	1,352,875,569
AB Investment Limited	7,528,636	12,088,409
AB International Finance Limited	3,783,000	3,355,874
AB Securities Limited	8,120,531	10,205,381
Cashlink Bangladesh Limited (CBL)	111,425	37,805
	1,267,436,388	1,378,563,037
35. Provision against loans and advances		
On un-classified loans	640,236,201	760,041,382
On classified loans	1,297,974,482	3,863,843,415
	1,938,210,683	4,623,884,798
35(a) Consolidated provision against loans and advances		
AB Bank Limited	1,938,210,683	4,623,884,798
AB Investment Limited	100,000,000	270,000,000
AB International Finance Limited	-	-
AB Securities Limited	52,500,000	56,250,000
Cashlink Bangladesh Limited (CBL)	-	-
	2,090,710,683	4,950,134,798
36. Provisions for investments		
Provision for quoted shares in Bangladesh operations	90,000,000	10,000,000
Provision for Pinnacle Global Fund Pte Limited	239,250,000	-
Provision for Amana Bank Plc	184,263,018	-
Total provision for investments	513,513,018	10,000,000



AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

	2018 BDT	2017 BDT
36(a) Consolidated provisions for diminution in value of investments		
AB Bank Limited	513,513,018	10,000,000
AB Investment Limited	61,673,057	-
AB International Finance Limited	-	-
AB Securities Limited	3,000,000	2,050,000
Cashlink Bangladesh Limited (CBL)	-	-
	578,186,075	12,050,000
37. Other provision		
Provision for off balance sheet items	-	-
Provision for Other assets	67,408,023	171,752
	67,408,023	171,752
Provision for other assets (prepaid legal expenses, protested bills and others) has been made as per Bangladesh Bank BRPD Circular # 14 dated 25 June 2001.		
37(a) Consolidated other provisions		
AB Bank Limited	67,408,023	171,752
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	67,408,023	171,752
38. Appropriations		
Retained earnings - brought forward	6,011,991,999	6,809,663,765
<u>Add/(Less): Adjustment for investment in Amana Bank</u>	-	(17,852,549)
<u>Add:</u> Post-tax profit for the period	18,323,578	29,600,965
	6,030,315,577	6,821,412,181
<u>Less:</u> Dividend-		
Cash dividend	-	-
Bonus shares issued	-	842,367,010
	6,030,315,577	5,979,045,171
Transferred to		
Statutory reserve	95,281,616	26,124,722
General reserve	-	-
Proposed dividend	-	-
	95,281,616	26,124,722
Retained earnings	5,935,033,961	5,952,920,449
<u>Add:</u> Transferred from Assets Revaluation Reserve	2,270,683	3,280,464
<u>Less:</u> Adjustment during the year	-	-
<u>Add:</u> Foreign Exchange translation gain/(Loss)	(32,151,664)	55,791,085
	5,905,152,980	6,011,991,999
39. Earnings Per Share (EPS)		
Profit after taxation	18,323,578	29,600,965
Number of ordinary shares outstanding	758,130,315	758,130,315
Earnings Per Share	0.02	0.04

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

	2018 BDT	2017 BDT
39(a) Consolidated Earnings Per Share		
Net Profit attributable to the shareholders of parent company	42,866,863	40,644,569
Number of ordinary shares outstanding	758,130,315	758,130,315
Earnings Per Share	0.06	0.05
Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of December 31, 2018 in terms of IAS 33.		
No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.		
40. Receipts from other operating activities		
Interest on treasury bills, bonds, debenture and others	4,079,190,013	4,574,466,471
Exchange earnings	792,809,864	1,094,559,439
Recoveries on telex, telephone, fax, etc.	63,216,760	74,958,139
Recoveries on courier, postage, stamp, etc.	26,447,096	28,307,519
Non-operating income	30,172,028	1,068,692
Others	7,730,928	6,022,552
	4,999,566,689	5,779,382,812
41. Payments for other operating activities		
Rent, taxes, insurance, electricity, etc.	748,748,069	734,026,531
Postage, stamps, telecommunication, etc.	114,789,243	125,681,567
Repairs of Bank's assets	177,604,064	216,399,346
Legal expenses	2,826,348	7,587,144
Auditor's fees	2,646,052	3,164,822
Directors' fees	4,009,591	7,984,642
Other Expenses	1,247,892,797	1,352,875,569
	2,298,516,163	2,447,719,622
42. Decrease in other assets		
Investment in subsidiaries	6,229,114,922	6,229,114,922
Advance rent and advertisement	226,716,629	262,872,811
Stationery, stamps, printing materials, etc.	48,962,028	65,706,665
Security deposits	162,207,512	177,077,324
Commission and brokerage receivable on shares and debentures, and other income receivables	605,240,157	968,925,438
Accounts receivable	2,299,178,425	1,156,026,660
Preliminary, formation, organizational, renovation, development and prepaid expenses	999,244,181	875,183,299
Exchange for clearing	453,222,112	492,291,351
Arab Bangladesh Bank Foundation	19,920,000	19,920,000
	11,043,805,967	10,247,118,470
Net Decrease	796,687,496	270,659,557



AB Bank Limited
Notes to the Financial Statements

For the year ended 31 December 2018

		2018 BDT	2017 BDT
43.	Increase/(decrease) in other liabilities		
	Accumulated provision against loans and advances	10,639,913,428	8,733,640,130
	Provision for current tax	1,500,377,781	889,411,024
	Interest suspense account	19,704,000,511	13,345,309,883
	Accounts payable - Bangladesh Bank	1,642,013,761	1,439,084,087
	Provision against other assets	318,685,468	250,198,969
	Accrued expenses	224,980,797	218,789,290
	Provision against investments	1,889,303,000	1,560,053,000
	Provision against off balance sheet items	810,000,000	860,000,000
	Others	728,077,572	666,110,214
		37,457,352,318	27,962,596,595
	<u>Less:</u> Adjustment for provision and others	16,037,642,766	13,767,501,323
		21,419,709,552	14,195,095,272
	Net Increase/(Decrease)	7,224,614,281	1,772,634,933
44.	Net Operating Cash Flow Per Share (NOCFPS)		
	Net Operating Cash Flow	(6,812,654,906)	(9,183,626,040)
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Net Operating Cash Flow Per Share (NOCFPS)	(8.99)	(12.11)
44(a)	Consolidated Net Operating Cash Flow Per Share (NOCFPS)		
	Net Operating Cash Flow	(6,908,514,022)	(9,267,073,662)
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Net Operating Cash Flow Per Share (NOCFPS)	(9.11)	(12.22)
45.	Net Asset Value Per Share (NAVPS)		
	Net Asset Value	22,650,481,875	22,771,245,089
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Net Asset Value Per Share (NAVPS)	29.88	30.04
45(a)	Consolidated Net Asset Value Per Share (NAVPS)		
	Net Asset Value	23,885,346,764	23,993,619,305
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Net Asset Value Per Share (NAVPS)	31.51	31.65
46.	Reconciliation of net profit with cash flows from operating activities		
	Bank prepares Cash flow statement in accordance with Bangladesh Bank, BRPD Circular No. 14 dated 25 June 2003.		
47.	Conversion Rates		
	Assets and liabilities as at December 31, 2018 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:		
	Currency	Abbreviation	Unit
	British Pound Sterling	GBP	1.00
	European Currency	EURO	1.00
	Indian Rupee	INR	1.00
	US Dollar	USD	1.00
	Honkong Dollar	HKD	1.00
	U.A.E Dirham	DIRHAM	1.00

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2018

48. Highlights of the overall activities of the Bank

Sl no.	Particulars	31 Dec 2018 BDT	31 Dec 2017 BDT
1	Paid-up capital	7,581,303,150	7,581,303,150
2	Total capital	33,046,112,927	31,286,475,023
3	Capital surplus	(6,091,866,052)	(1,309,532,666)
4	Total assets	322,525,971,620	314,564,999,466
5	Total deposits	235,444,849,491	235,954,308,453
6	Total loans and advances	241,070,141,407	229,647,286,231
7	Total contingent liabilities and commitments	57,209,035,486	65,450,616,147
8	Credit-deposit ratio*	91.09%	86.24%
9	Ratio of classified loans against total loans and advances	33.07%	7.15%
10	Profit after tax and provision	18,323,578	29,600,965
11	Loans Classified during the year	63,462,551,323	8,321,910,856
12	Provision kept against classified loans	5,078,767,422	3,862,449,936
13	Provision surplus/ (deficit)	5,926,080	1,884,080
14	Cost of fund	8.64%	7.52%
15	Interest earning assets	214,824,532,505	270,092,805,867
16	Non-interest earning assets	107,701,439,114	44,472,193,599
17	Return on investments (ROI)	9.58%	10.18%
18	Return on assets (ROA)	0.01%	0.01%
19	Income from investments	4,277,547,629	4,781,859,929
20	Earnings per share	0.02	0.04
21	Net Income per share	0.02	0.04
22	Price-earnings ratio (Times)	496.49	566.02

* Credit-deposit ratio calculation has been done as per Bangladesh Bank guidelines.


Tarique Afzal
President & Managing Director (CC)


Syed Afzal Hasan Uddin
Director


Kaiser A. Chowdhury
Independent Director


Muhammad A. (Rumee) Ali
Chairman

Dhaka, Bangladesh
Dated, 30 April 2019

AB Bank Limited
Currency wise balances

As at 31 December 2018

Annexure-A

Name of the bank	Location	Name of currency	Amounts in foreign currency	Conversion rate	Equivalent amounts in BDT
The Bank of Tokyo Mitsubishi Ltd.	Japan	JPY	1,928,699	0.7608	1,467,354
JP Morgan Chase Bank	USA	USD	2,339,859	83.9000	196,314,137
Sonali Bank (Kolkata)	India	ACU	82,475	83.9000	6,919,651
MFT, YANGON	Myanmar,YANGON	USD	1,000	83.9000	83,900
Myanmar Economic Bank	Myanmar	ACU	410	83.9000	34,399
Citibank NA	USA	USD	369,564	83.9000	31,006,436
Hatton National Bank Ltd.	Srilanka	ACU	19,179	83.9000	1,609,079
Commerz Bank AG	Germany	USD	417,584	83.9000	35,035,314
NIB Bank Ltd.	Pakistan	ACU	49,878	83.9000	4,184,789
Mashreq Bank Psc	USA	USD	795,226	83.9000	66,719,462
Nepal Bangladesh Bank Ltd.	Nepal	ACU	49,696	83.9000	4,169,515
Bank of Bhutan	Bhutan	ACU	12,152	83.9000	1,019,523
Habib America Bank	USA	USD	424,150	83.9000	35,586,168
Commerz Bank AG	Germany	EUR	222,627	95.3356	21,224,254
Hypovereins Bank	Germany	EUR	44,034	95.3356	4,198,043
Habib Metro Bank	Pakistan	ACU	102,655	83.9000	8,612,786
COMMERZ BK CAD	Germany	CAD	8,318	61.7366	513,500
COMMERZ BK CHF	Germany	CHF	7,921	85.0568	673,737
Reserve Bank of India	Mumbai	INR	19,607,146	1.1977	23,483,791
HDFC Bank Ltd.	Mumbai	INR	34,341,257	1.1977	41,131,070
HDFC BANK CSGL	Mumbai	INR	2,558,400	1.1977	3,064,236
JP MORGAN CHASE	Newyork	USD	1,346,403	83.9000	112,963,206
HABIB AMERICAN	Newyork	USD	54,136	83.9000	4,541,971
JP CHASE ACU	Newyork	USD	10,011,518	83.9000	839,966,397
Kotak Mahindra Bank	India	INR	30,861,349	1.1977	36,963,129
Standard Chartered Bank	New York	USD	703,124	83.9000	58,992,119
Standard Chartered Bank	Singapore	SGD	19,042	61.1026	1,163,500
Standard Chartered Bank,UK	UK,London	GBP	24,228	106.4439	2,578,870
JPMC NY-OBU	USA	USD	89,267	83.9000	7,489,500
COMMERZ BANK (R)	Germany	EUR	14,513	95.3356	1,383,604
Total					1,553,093,439

AB Bank Limited
Investment in Shares

As at 31 December 2018

Annexure-B

Particulars	Number of shares	Market price per share	Amounts in BDT		
			Total market price	Cost per Share	Total cost
Dhaka Bank Limited	1,473,611	14.20	20,925,276	18.54	27,326,892
National Bank Limited	1,870,176	9.30	17,392,637	24.87	46,512,854
Premier Bank Limited	6,598,914	11.70	77,207,294	11.77	77,690,244
AB Bank 1st Mutual Fund	42,086,435	4.40	185,180,314	6.27	264,040,965
LR Global Bangladesh Mutual Fund One	10,369,343	6.90	71,548,467	9.64	100,000,001
Popular Life First Mutual Fund	748,479	4.20	3,143,612	5.12	3,829,325
Pragati Insurance Limited	1,162,492	27.90	32,433,527	108.03	125,579,300
Dhaka Electric Supply Company Limited	7,023,760	40.40	283,759,904	87.73	616,294,530
Dorren Power Generations & Sys Ltd.	22,000	79.90	1,757,800	90.07	1,981,501
Intraco Refuelling Station Ltd	11,200	26.80	300,160	9.52	106,671
Jamuna Oil Company Limited	20,444	190.50	3,894,582	211.26	4,318,986
Khulna Power Company Limited	345,865	59.30	20,509,795	88.49	30,606,883
Linde Bangladesh Limited	35,109	1198.40	42,074,626	1331.53	46,748,561
MJL Bangladesh Ltd.	21,000	99.20	2,083,200	98.76	2,074,001
Padma Oil Company Limited	321,333	225.20	72,364,192	303.53	97,533,757
Powergrid Company of Bangladesh Limited	3,366,500	48.00	161,592,000	81.61	274,723,472
Shahjibazar Power Co. Ltd.	137,644	94.80	13,048,651	121.85	16,771,327
Summit Power Limited	1,355,446	39.40	53,404,572	42.04	56,982,905
Active Fine Chemicals Ltd.	36,000	28.20	1,015,200	31.25	1,125,001
Advent Pharma Ltd	7,603	40.90	310,963	9.09	69,121
Beacon Pharmaceuticals Limited	6,642,500	16.20	107,608,500	73.96	491,289,694
Indo-Bangla Pharmaceuticals Ltd	3,239	31.10	100,733	9.09	29,451
Orion Pharma Limited	1,200,000	36.80	44,160,000	83.33	100,000,001
Silva Pharmaceuticals Ltd.	9,194	30.10	276,739	10.00	91,940
Appollo Ispat Complex Ltd.	2,678,000	8.20	21,959,600	16.17	43,289,997
BBS Cables Limited	575,228	96.30	55,394,456	107.37	61,764,159
Bangladesh Building Systems Ltd.	165,000	28.00	4,620,000	28.97	4,780,001
BSRM Steels Limited	2,454,161	59.90	147,004,244	98.32	241,287,030
GPH Ispat Limited	1,884,851	35.00	65,969,785	38.89	73,297,728
IFAD Autos Ltd.	631,503	108.40	68,454,925	105.65	66,719,567
Olympic Industries Ltd.	35,000	216.20	7,567,000	221.74	7,760,896
SS Steel	13,492	10.00	134,920	10.00	134,920
Heidelberg Cement Bangladesh Ltd.	66,720	334.70	22,331,184	555.88	37,088,160
LafargeHolcim Bangladesh Ltd.	125,000	43.50	5,437,500	134.50	16,812,600
Union Capital Limited	2,323,816	12.40	28,815,318	64.13	149,037,208
Bangladesh Export Import Company Limited	4,458,661	23.50	104,778,534	75.60	337,094,019
Shinepukur Ceramics Limited	1,181,500	14.00	16,541,000	56.68	66,964,579
Summit Alliance Port Ltd	10,000	25.30	253,000	28.10	281,000
SAIF Powertec Ltd.	324,000	21.00	6,804,000	25.63	8,305,001
Argon Denims Limited	2,000,000	26.30	52,600,000	38.26	76,525,581
Generation Next Fashions Ltd.	220,000	6.30	1,386,000	6.81	1,498,173
Kattali Textile Ltd	22,139	25.30	560,117	9.09	201,271
M.L. Dyeing Ltd.	14,496	29.70	430,531	19.46	282,063
Sk Trims & Industries Ltd.	11,179	46.30	517,588	9.09	101,631
VFS Thread Dyeing Ltd.	7,741	57.80	447,430	9.09	70,380
Total quoted shares (a)			1,828,099,874		3,579,023,347

Shares/Bond (unquoted)

Particulars	Number of shares	Amounts in BDT		
		Cost per share	Book value/cost	
CDBL	5,000,000	2.00		10,000,002
CDBL (Placement)	711,804	8.00		5,694,428
IIDFCL	2,338,080	7.02		16,421,700.00
Bangladesh Fund	2,000,000	100.00		200,000,000
Stock Market Stabilization Fund	500,000	10.00		5,000,000
Total un-quoted shares (b)				237,116,130

Strategic Investment:

Particulars	Number of shares	Cost price	Book Value
Amana Bank Limited PLC, Srilanka	180,562,010	616,735,915	257,187,204
Total	180,562,010	616,735,915	257,187,204
Total investment (a+b+c)			4,073,326,681



AB Bank Limited
Schedule of Fixed Assets

As at 31 December 2018

Annexure-C

Particulars	Amounts in BDT					Total
	Land and Building	Furniture and Fixtures	Office Appliances	Electrical Appliances	Motor Vehicles	
Cost/Revaluation						
Balance at 01 January 2018	3,334,695,982	251,645,602	63,934,080	1,686,952,850	839,192,793	6,801,822,607
Addition during the year	-	1,048,475	1,384,642	28,654,001	-	62,501,246
Less: Disposal/adjustment during the year	-	756,050	90,596	17,954,311	-	110,898,512
Adjustment for rate fluctuation	-	241,351	385,815	1,485,995	248,995	3,748,528
At 31 December 2018	3,334,695,982	251,696,676	64,842,311	1,696,166,545	746,846,243	655,429,056
Accumulated Depreciation						
Balance at 01 January 2018	148,371,896	139,115,300	53,447,595	1,308,159,024	579,631,192	2,688,481,339
Addition during the year	18,034,930	12,423,358	2,309,425	103,256,529	72,541,973	287,863,273
Less: Disposal/adjustment during the year	-	569,689	89,086	17,085,268	92,097,492	109,841,536
Adjustment for rate fluctuation	-	209,476	371,701	1,297,771	50,481	3,035,034
At 31 December 2018	166,406,826	150,759,492	55,296,233	1,393,032,513	560,025,193	537,947,786
Net Book Value						
At 31 December 2018	3,168,289,156	100,937,184	9,546,078	303,134,032	186,821,050	117,481,270
At 31 December 2017	3,186,324,086	112,530,302	10,486,485	378,793,827	259,561,600	165,644,969
						4,113,341,268



Borrowings from other banks, financial institutions and agents-outside Bangladesh

As at 31 December 2018

Annexure-D

Name of the Bank	Location	Currency	Amounts in foreign currency	Conversion rate	Equivalent amount in BDT	Amounts in foreign currency	Conversion rate	At 31 December 2017
ICICI BK LTD	HK	USD	-	-	-	15,382,037	82.700	1,272,094,447

AB Bank Limited
Detailed of Risk Weighted Assets under Basel III

As at 31 December 2018

Annexure-E

Risk Weighted Assets (RWA) for	Amounts in BDT			
	31 Dec 2018		31 Dec 2017	
	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A. Credit risk				
On balance sheet (as shown below)	309,735,185,970	271,289,319,712	302,777,928,713	232,432,582,990
Off balance sheet (as shown below)	33,209,625,000	27,318,731,921	35,749,204,708	26,766,226,885
B. Market risk		6,116,454,633		7,897,233,749
C. Operational risk		24,858,474,608		22,646,246,941
Total RWA (A+B+C)	342,944,810,970	329,582,980,874	338,527,133,420	289,742,290,566

Credit risk - On balance sheet

Sl. no.	Exposure type	31 Dec 2018		31 Dec 2017	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
a)	Cash and cash equivalents	1,962,708,820	-	1,575,453,032	-
b)	Claims on Bangladesh Government and Bangladesh Bank	44,444,889,757	-	52,215,088,344	-
c)	Claims on other Sovereigns and Central Banks*	376,603,110	188,301,555	495,667,389	247,833,694
d)	Claims on Bank for international settlements, International Monetary Fund and European Central Bank	-	-	-	-
e)	Claims on Multilateral Development Banks (MDBs)	-	-	-	-
f)	Claims on Public Sector Entities (other than Government) in Bangladesh	-	-	-	-
g)	Claims on Banks and Non-bank Financial Institution (NBFI)				
i)	Original maturity over 3 months	770,645,204	273,608,884	2,076,446,480	668,123,469
ii)	Maturity less than 3 months	5,568,011,515	1,113,602,303	7,976,940,597	1,595,388,119
h)	Claims on corporate (excluding equity exposure)	120,384,196,254	116,531,765,112	120,454,083,748	111,386,107,225
i)	Claims on SME	20,980,348,226	15,906,566,848	35,141,261,574	25,983,818,934
j)	Claims under Credit Risk Mitigation	6,432,337,426	1,357,430,660	5,482,587,046	1,237,703,022
	Fixed Risk Weight groups:				
k)	Claims categorised as retail portfolio (excluding consumer loan)	1,378,566,182	1,033,924,636	1,689,983,370	1,267,487,527
l)	Consumer loan	979,284,159	979,284,159	1,187,061,477	1,187,061,477
m)	Claims fully secured by residential property	1,169,278,436	584,639,218	1,253,441,297	626,720,648
n)	Claims fully secured by commercial real estate	6,366,432,806	6,366,432,806	6,317,522,175	6,317,522,175
o)	Past due Claims (Risk weights are to be assigned net of specific provision)	66,686,162,575	97,374,986,734	39,247,298,047	57,108,759,433
p)	Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there against is less than 20% of outstanding amount	117,383,451	117,383,451	73,649,950	73,649,950
q)	Investments in venture capital	474,821,302	712,231,954	468,976,102	703,464,154
r)	Claim on capital market exposure	879,200,478	1,099,000,598	1,000,056,209	1,250,070,261
s)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	10,011,329,750	12,514,162,188	6,011,329,750	7,514,162,188
t)	Investments in premises, plant and equipment and all other fixed assets	3,768,727,500	3,768,727,500	3,947,696,299	3,947,696,299
u)	Claims on all fixed assets under operating lease	-	-	-	-
v)	All other assets	16,984,259,020	11,367,271,107	16,163,385,827	11,317,014,414
	Total	309,735,185,970	271,289,319,712	302,777,928,713	232,432,582,990

AB Bank Limited
Detailed of Risk Weighted Assets under Basel III
As at 31 December 2018

Annexure-E

Credit risk - Off balance sheet

Sl. no.	Exposure type	Amounts in BDT			
		31 Dec 2018		31 Dec 2017	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
1	2	3	4	5	6
a)	Claims on Bangladesh Government and Bangladesh Bank	-	-	-	-
b)	Claims on other Sovereigns and Central Banks*	-	-	-	-
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	-	-	-	-
d)	Claims on Multilateral Development Banks (MDBs):	-	-	-	-
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	-	-	-	-
f)	Claims on Banks:	-	-	-	-
i)	Maturity over 3 months	-	-	-	-
ii)	Maturity less than 3 months	34,079,365	6,815,873	63,197,605	12,639,521
g)	Claims on corporate (excluding equity exposure)	29,302,759,784	24,070,625,625	31,938,595,536	23,626,228,025
h)	Against retail portfolio (excluding consumer loan)	221,593,773	166,195,329	205,509,216	154,131,912
i)	Claims on SME	3,618,239,008	3,042,142,023	3,496,336,393	2,927,661,470
j)	Consumer loan	32,953,070	32,953,070	45,565,958	45,565,958
k)	Claims fully secured by residential property	-	-	-	-
l)	Claims fully secured by commercial real estate	-	-	-	-
m)	Investments in venture capital	-	-	-	-
n)	Capital market exposure	-	-	-	-
o)	All other assets	-	-	-	-
Total		33,209,625,000	27,318,731,921	35,749,204,708	26,766,226,885



AB Bank Limited
Disclosures on Risk Based Capital (Basel III)
Based on 31 December 2018

Annexure-E-1

These disclosures have been made in accordance with the Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014 as to guidelines on 'Risk Based Capital Adequacy for Banks' in line with Basel III.

1. Capital adequacy under Basel-III

To cope with the international best practices and to make the Bank's capital more risk sensitive as well as more shock resilient, 'Guidelines on Risk Based Capital Adequacy (RBCA) for Banks' (revised regulatory capital framework in line with Basel III) have been introduced from 01 January 2015. The guidelines were issued by Bangladesh Bank (BB) under section 13 and section 45 of the Bank Company Act, 1991 (amendment up to 2018).

Basel III guidelines are structured on the following aspects:

- a) Minimum capital requirements to be maintained by a Bank against credit, market, and operational risks.
- b) Process for assessing the overall capital adequacy aligned with risk profile of a Bank as well as capital growth plan.
- c) Framework of public disclosure on the position of a Bank's risk profiles, capital adequacy, and risk management system.

2. Scope of application

Basel III guidelines apply to all scheduled banks on 'Solo' basis as well as on 'Consolidated' basis where-

- Solo Basis refers to all position of the Bank and its local and overseas branches/offices; and
- Consolidated basis refers to all position of the bank (including its local and overseas branches/offices) and its subsidiary company(ies) engaged in financial (excluding insurance) activities like Merchant banks, Brokerage Firms, Discount Houses, etc. (if any).

AB Bank followed the scope narrated above. Bank has Tier 1 capital (going concern) and Tier 2 capital (gone concern) structure at the moment.

3. Capital base

Regulatory capital has been categorised into following way:

- 1) Tier 1 capital (going concern capital)
 - a) Common equity Tier I
 - b) Additional Tier I
- 2) Tier 2 capital (gone concern)

1. (a) Common Equity Tier 1 Capital

For the local Banks, Common Equity Tier 1 (CET1) capital shall consist of sum of the following items:

- a) Paid up capital
- b) Non repayable share premium account
- c) Statutory reserve
- d) General reserve
- e) Retained earnings
- f) Dividend equalization reserve
- g) Noncontrolling interest in subsidiaries

Less: Regulatory adjustments applicable on CET1

AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 201

Annexure-E-1

1. (b) Additional Tier 1 Capital

For the local Banks, Additional Tier 1 (AT1) capital shall consist of the following items:

- a) Instruments issued by the banks that meet the qualifying criteria for AT1
- b) Noncontrolling Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only);

Less: Regulatory adjustments applicable on AT1 Capital

2. Tier 2 Capital

Tier 2 capital, also called 'gone-concern capital', represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank. For the local banks, Tier 2 capital shall consist of the following items:

- a) General provisions
- b) Subordinated debt / Instruments issued by the Banks that meet the qualifying criteria for Tier 2 capital;
- c) Noncontrolling Interest i.e. Tier 2 capital issued by consolidated subsidiaries to third parties as specified

Less: Regulatory adjustments applicable on Tier 2 capital;

4. Limits (Minima and Maxima)

These instructions will be adopted in a phased manner starting from the January 2015, with full implementation of capital ratios from the beginning of 2019. Banks will be required to maintain the following ratios on an ongoing basis:

- a) Common equity Tier 1 of at least 4.5% of the total RWA.
- b) Tier 1 capital will be at least 6.0% of the total RWA.
- c) Minimum CRAR of 10% of the total RWA.
- d) Additional Tier 1 capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET1, whichever is higher
- e) Tier 2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher
- f) In addition to minimum CRAR, Capital Conservation Buffer (CCB) of 2.5% of the total RWA is being introduced which will be maintained in the form of CET1.

Following is the phase-in arrangement for the implementation of minimum capital requirements

Phase-in arrangement of minimum capital requirements

Particulars	2015	2016	2017	2018	2019
Minimum Common Equity Tier-1 Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	-	0.625%	1.25%	1.875%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4. 50%	5.13%	5.75%	6.38%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.625%	11.25%	11.875%	12.50%



AB Bank Limited
Disclosures on Risk Based Capital (Basel III)
Based on 31 December 2018

Annexure-E-1

5. Capital conservation buffer

Banks are required to maintain a capital conservation buffer of 2.5%, comprised of Common Equity Tier 1 capital, above the regulatory minimum capital requirement of 10%. Banks should not distribute capital (i.e. pay dividends or bonuses in any form) in case capital level falls within this range. However, they will be able to conduct business as normal when their capital levels fall into the conservation range as they experience losses. Therefore, the constraints imposed are related to the distributions only and are not related to the operations of banks. The distribution constraints imposed on Banks when their capital levels fall into the range increase as the Banks' capital levels approach the minimum requirements. The table below shows the minimum capital conservation ratios a Bank must meet at various levels of the Common Equity Tier 1 capital ratios.

Bank's minimum capital conservation standards

CET-1 ratio	Minimum capital conservation ratio (expressed as percentage of earnings)
4.5% - 5.125%	100%
>5.125% - 5.75%	80%
>5.75% - 6.375%	60%
>6.375% - 7.0%	40%
>7.0%	0%

6 Regulatory adjustments / deductions

In order to arrive at the eligible regulatory capital for the purpose of calculating CRAR, Banks are required to make the following deductions from CET1/capital:

- Shortfall in provisions against NPLs and investments
- Goodwill and all other intangible assets
- Deferred tax assets (DTA)
- Defined benefit pension fund assets
- Gain on sale related to securitisation transactions
- Investment in own shares
- Investments in the capital of Banking, Financial and Insurance entities
- (Reciprocal crossholdings in the Capital of Banking, Financial and Insurance entities)

Transitional arrangements for capital deductions

Currently, 10% of revaluation reserves for equity instruments and 50% of revaluation reserves for fixed assets and securities are eligible for Tier 2 capital. However, Bangladesh Bank, in the light of Basel III proposals, has harmonised deductions from capital which will mostly be applied at the level of Tier 2. The regulatory capital adjustment will start in a phased manner from January 2015 in the following manner:

Transitional Arrangements for Capital Deductions:

Phase-in of deductions from Tier 2	2015	2016	2017	2018	2019
RR for Fixed Assets	20%	40%	60%	80%	100%
RR for Securities	20%	40%	60%	80%	100%
RR for Equity Securities	20%	40%	60%	80%	100%

Bank complied with the conditions as embodied in this respect wherever applicable.


AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2018

Annexure-E-1

7. Leverage Ratio

A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level

The banks will maintain leverage ratio on quarterly basis. The calculation at the end of each calendar quarter will be submitted to BB showing the average of the month end leverage ratios based on the following definition of capital and total exposure.

$$\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$$

Transitional arrangements

The parallel run period for leverage ratio will commence from January, 2015 and run until December 31, 2017. During this period, the leverage ratio and its components will be tracked to assess whether the design and calibration of the minimum Tier 1 leverage ratio of 3% is appropriate over a credit cycle and for different types of business models, including its behavior relative to the risk based requirements.

Bank level disclosure of the leverage ratio and its components will start from 01 January 2015. However, Banks should report their Tier 1 leverage ratio to the BB (Department of Off-Site Supervision) along with CRAR report from the quarter ending March, 2015. Based on the results of the parallel run period, any final adjustments to the definition and calibration of the leverage ratio will be made by BB in 2017, with a view to setting the leverage ratio requirements as a separate capital standard from 01 January 2018.

Bank complied with the conditions as embodied in this respect wherever applicable.

8. a) Credit Risk

Credit risk is the potential that a bank borrower or counterparty fails to meet its obligation in accordance with agreed term.

Bank followed the suggested methodology, process as contained in the guidelines.

b) Methodology

Bangladesh Bank adopted Standardised approach for calculating Risk Weighted Assets. The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to all their on balance sheet and off balance sheet exposures. Risk weights are based on external credit rating (solicited) which was mapped with the BB rating grade or a fixed weight that is specified by Bangladesh Bank.

c) Credit risk mitigation

AB Bank uses a number of techniques to reduce its credit risk to which the Bank is exposed. For example, exposures may be collateralised by first priority claims, in whole as in part with cash or securities, a loan exposure may be guaranteed by a third party. Additionally, Bank may agree to net loans owed to them against deposits from the same counterparty.

Bank uses comprehensive approach as adopted by the Central Bank. In this approach when taking collateral, Bank will need to calculate adjusted exposure to a counterparty for capital adequacy purposes in order to take account of the effects of that collateral. Using haircut, Bank is required to adjust both the amount of the exposure to the counterparty and the value of any collateral received in support of that counterparty to take account of possible future fluctuations in the value of either, occasioned by market movements. This will produce volatility adjusted amounts for both exposure and collateral.



AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2018

Annexure-E-1

9. a) Market Risk

Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions subject to this requirement are:

- i) The risks pertaining to interest rate related instruments and equities in the trading book; and
- ii) Foreign exchange risk and commodities risk throughout the Bank (both in the Banking and in the trading book).

b) Methodology

In Standardized Approach, the capital requirement for various market risks (interest rate risk, equity price risk, commodity price risk, and foreign exchange risk) is determined separately. The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. The methodology to calculate capital requirement under Standardized Approach for each of these market risk categories is as follows:

- a) Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk.
- b) Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk.
- c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk
- d) Capital Charge for Commodity Position Risk = Capital Charge for General Market Risk

Bank followed the suggested methodology, process as contained in the Guidelines.

10. a) Operational risk

Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk.

b) Measurement methodology

Banks operating in Bangladesh shall compute the capital requirements for operational risk under the Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by (α), of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average.

Bank followed the suggested methodology, process as contained in the guidelines.

11. Disclosure under Pillar III

Disclosure given below as specified by RBCA guidelines dated 21 December 2014:

AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2018

Annexure-E-1

A) Scope of application

Qualitative disclosure

(a)	The name of the top corporate entity in the group to which this guidelines applies.	AB Bank Limited
(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The consolidated financial statements of the Bank include the financial statements of (a) AB Bank Limited (b) AB Investment Limited (c) AB Securities Limited (d) Cash Link Bangladesh Limited and (e) AB International Finance Limited. A brief description of these are given below: <u>AB Bank Limited (ABBL)</u> AB Bank Limited is one of the first generation private commercial banks (PCBs), incorporated in Bangladesh on 31 December 1981 as a public limited company under the Companies Act 1913, subsequently replaced by the Companies Act 1994, and governed by the Bank Company Act 1991 (amendment up to 2018) . The Bank went for public issue of its shares on 28 December 1983 and its shares are listed with Dhaka Stock Exchange and Chittagong Stock Exchange respectively. AB Bank Limited has 105 Branches including 1 Islami Banking Branch, 1 Overseas Branch in Mumbai, India. The Bank has five (05) subsidiary companies, AB Investment Limited (ABIL), AB Securities Limited (ABSL), CashLink Bangladesh Limited (CBL), AB International Finance Limited (ABIFL), incorporated in Hong Kong, and Arab Bangladesh Bank Foundation (ABBF). <u>AB Investment Limited</u> AB Investment Limited (ABIL), a Subsidiary of AB Bank Limited was incorporated under the Companies Act, 1994 on 24 December 2009 with a view to run and manage the operations of Merchant Banking Wing of AB Bank Limited independently. AB Investment Limited started its operation on 10 March 2010. AB Investment Limited has achieved an unparallel reputation as a leading Merchant Banker through providing portfolio management services by maintaining a high level of professional expertise and integrity in client relationship. ABIL's Registered Office is located at WW Tower (Level 7), 68 Motijheel C.A., Dhaka. ABIL has two branch offices at Agrabad, Chittagong and Chowhatta, Sylhet. <u>AB Securities Limited</u> Brokerage business of Arab Bangladesh Bank Foundation has been transferred to the newly formed AB Securities Limited (ABSL) vide Bangladesh Bank approval letter BRPD(R-1)717/2009-493 dated 08 November 2009. Main objective of the company is to act as a stock broker to buy and sell Securities, Bond, Debenture, etc.



AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2018

Annexure-E-1

(b)	Continued	on behalf of clients. ABSL also manages its own portfolio under Stock Dealer License. ABSL is a member of both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. ABSL started its operation independently on 02 August 2010, before that it was operated under the ABBF License.
		Cashlink Bangladesh Limited Cashlink Bangladesh Limited (CBL) was incorporated on 24 September 2008 in Bangladesh under the Companies Act 1994 as a private company limited. AB Bank Limited presently holds 90% shares in CBL. The principal activity of the company is to install and operate a switched Automated Teller Machines (ATM) and Point of Sales (POS) network on behalf of a number of local and foreign banks enabling these member bank customers who are active cardholders to withdraw cash, make utility bill payments (e.g. water, gas, electricity and telephone bills) and to purchase commodity goods from any of the ATM and POS terminals established under the network.
		AB International Finance Limited AB International Finance Limited (ABIFL) is a company incorporated in Hong Kong. Its registered office and principal place of business is situated at Room 1608, 16th Floor, Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, Hong Kong
		Arab Bangladesh Bank Foundation Bank also has a Subsidiary (99.60% owned by AB Bank) for philanthropic/ CSR activities known as Arab Bangladesh Bank Foundation (ABBF). This has not been included in the consolidation as ABBF operated only for philanthropic purpose and its profit is not distributable to the shareholders. Thus, for ensuring the fair presentation of the financial statements of the parent company (the Bank), the Financial Statements of ABBF has not been consolidated.
(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not Applicable
(d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Aggregate amount of Capital: BDT. 20,000,000 Name of subsidiary: Arab Bangladesh Bank Foundation (ABBF)

AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2018

Annexure-E-1

B) Capital structure

Qualitative disclosure

<p>(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.</p>	<p>The terms and conditions of the main features of all capital instruments have been segregated in line with the eligibility criteria set forth vide BRPD circular no. 18 dated 21 December 2014 and other relevant instructions given by Bangladesh Bank from time to time. The main features of the capital instruments are as follows:</p> <p>Common Equity Tier 1 capital instruments</p> <p>Paid-up share capital: Issued, subscribed and fully paid up share capital of the Bank. It represents Paid up Capital, Right Shares as well as Bonus Shares issued from time to time.</p> <p>Statutory reserve: As per Section 24(1) of the Bank Company Act, 1991 (amendment up to 2018), an amount equivalent to 20% of the profit before taxes for each year of the Bank has been transferred to the Statutory Reserve Fund.</p> <p>General reserve: Any reserve created through Profit and Loss appropriation account for fulfilling any purpose.</p> <p>Retained earnings: Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations.</p> <p>In this respect, Bank is complied.</p> <p>Additional Tier 1 Capital</p> <p>Bank has no any type of Additional Tier I Capital.</p> <p>Tier 2 Capital</p> <p>a) General provisions; b) Subordinated debt / instruments issued by the banks that meet the qualifying criteria for Tier 2 capital; c) Noncontrolling interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified</p> <p><u>Less:</u> Regulatory adjustments applicable on Tier-2 capital;</p>
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		Taka in Crore			
		31.12.2018		31.12.2017	
		Solo	Conso	Solo	Conso
(b) The amount of Regulatory capital, with separate disclosure of: CET 1 Capital	> Paid up Capital	758	758	758	758
	> Non-repayable share premium account	-	-	-	-
	> Statutory reserve	662	662	655	655
	> General reserve	122	130	122	130
	> Retained earnings	591	697	601	705
	> Non-Controlling Interest	-	1	-	1
	> Non-cumulative irredeemable preference shares	-	-	-	-
	> Dividend equalization account	-	-	-	-
		2,133	2,249	2,136	2,249
	Additional Tier 1 Capital	-	-	-	-
(c) Regulatory Adjustments/Deductions from capital	Total Tier 1 Capital	2,133	2,249	2,136	2,249
	Tier 2 Capital	1,385	1,457	1,156	1,213
	Regulatory Adjustments/Deductions from capital	214	215	163	164
	Total eligible capital	3,305	3,491	3,129	3,298

AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2018

Annexure-E-1

C) Capital adequacy

Qualitative disclosure

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.	Capital adequacy is the cushion required to be maintained for covering the Credit Risk, Market Risk and Operational Risk so as to protect the depositors and general creditors interest against such losses. In line with BRPD circular no. 18 dated 21 December, 2014, the Bank has adopted standardised approach for credit risk, standardised (rule based) Approach for Market Risk and Basic Indicator Approach for Operational Risk for computing capital adequacy.				
Taka in Crore					
		31.12.2018	31.12.2017		
Solo	Conso	Solo	Conso		
(b) Capital requirement for Credit Risk:	2,986	3,004	2,592	2,611	
(c) Capital requirement for Market Risk:	61	70	79	86	
(d) Capital requirement for Operational Risk:	249	257	226	235	
(e) Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital ratio:					
> For the Bank alone	64.55%	-	68.29%	-	
> For the consolidated group	-	64.41%	-	68.20%	
(f) Capital Conservation Buffer	1.88%	1.88%	1.25%	1.25%	
(g) Available Capital under Pillar 2 requirement	1,385	1,457	1,156	1,213	

D) Credit Risk

Qualitative disclosure

(a) The general qualitative disclosure requirement with respect to credit risk, including: > Definitions of past due and impaired (for accounting purposes)	Bank classifies loans and advances (loans and bill discount in the nature of an advance) into performing and Non Performing Loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect. An NPA (impaired) is defined as a loan or an advance where interest and/ or installment of principal remain overdue for more than 90 days in respect of a Continuous credit, Demand loan or a Term Loan etc.
	Classified loan is categorized under following 03 (three) categories: >> Sub-standard > Doubtful > Bad/Loss
	Any continuous loan will be classified as: > "Sub-standard" if it is past due/over due for 3 months or beyond ut less than 6 months. > "Doubtful" if it is past due/over due for 6 months or beyond but less than 9 months. > "Bad/Loss" if it is past due/over due for 9 months or beyond.
	Any Demand Loan will be classified as: > "Sub-standard" if it remains past due/overdue for 3 months or beyond but not over 6 months from the date of claim by the Bank or from the date of creation of forced loan. > "Doubtful" if it remains past due/overdue for 6 months or beyond but not over 9 months from the date of claim by the Bank or from the date of creation of forced loan.

AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2018

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	<ul style="list-style-type: none"> > Bad/Loss' if it remains past due/overdue for 9 months or beyond from the date of claim by the Bank or from the date of creation of forced loan. <p>In case of any installment(s) or part of installment(s) of a fixed term loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as `defaulted installment'.</p>																																																									
<ul style="list-style-type: none"> > Definitions of past due and impaired (for accounting purposes) 	<p>i. In case of fixed term loans:</p> <ul style="list-style-type: none"> > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 3 (three) months, the entire loan will be classified as "Sub-standard". > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 6 (six) months, the entire loan will be classified as "Doubtful". > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 9 (nine) months, the entire loan will be classified as "Bad/Loss". <p>If any fixed term loan is repayable on monthly installment basis, the amount of installment(s) due within 06 (six) months will be equal to the sum of 06 monthly installments. Similarly, if the loan is repayable on quarterly installment basis, the amount of installment(s) due within 06 (six) months will be equal to the sum of 2 quarterly installments.</p>																																																									
<ul style="list-style-type: none"> > Description of approaches followed for specific and general allowances and statistical methods 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" rowspan="2">Particulars</th> <th rowspan="2">Short Term Agri Credit</th> <th colspan="3">Consumer Financing</th> <th rowspan="2">SMEF</th> <th rowspan="2">Loans To BHs/MBs/SDs</th> <th rowspan="2">All Other Credit</th> <th rowspan="2">Off Balance Sheet Exposures</th> </tr> <tr> <th>Other Than HF, LP</th> <th>HF</th> <th>LP</th> </tr> </thead> <tbody> <tr> <td rowspan="2">UC</td> <td>Standard</td> <td>2.50%</td> <td>5%</td> <td>2%</td> <td>2%</td> <td>0.25%</td> <td>2%</td> <td>1%</td> <td rowspan="4">1%</td> </tr> <tr> <td>SMA</td> <td>-</td> <td>5%</td> <td>2%</td> <td>2%</td> <td>0.25%</td> <td>2%</td> <td>1%</td> </tr> <tr> <td rowspan="3">Classified</td> <td>SS</td> <td>5%</td> <td>20%</td> <td>20%</td> <td>20%</td> <td>20%</td> <td>20%</td> <td>20%</td> </tr> <tr> <td>DF</td> <td>5%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> </tr> <tr> <td>BL</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>		Particulars		Short Term Agri Credit	Consumer Financing			SMEF	Loans To BHs/MBs/SDs	All Other Credit	Off Balance Sheet Exposures	Other Than HF, LP	HF	LP	UC	Standard	2.50%	5%	2%	2%	0.25%	2%	1%	1%	SMA	-	5%	2%	2%	0.25%	2%	1%	Classified	SS	5%	20%	20%	20%	20%	20%	20%	DF	5%	50%	50%	50%	50%	50%	50%	BL	100%	100%	100%	100%	100%	100%	100%
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<ul style="list-style-type: none"> > Discussion of the Bank's credit risk management policy 	<p>The Board approves the credit policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets. Authorities are properly delegated in ensuring check and balance in credit operation at every stage i.e. screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision for early warning system. There is a separate Credit Risk Management Division for ensuring proper risk management of Loans and Credit Administration Management Division for</p>																																																									



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		monitoring and recovery of irregular loans. Internal control and compliance division independently assess quality of loans and compliance status at least once in a year. Adequate provision is maintained against classified loans as per Bangladesh Bank guidelines. Status of loans are regularly reported to the Board/ Board Audit Committee. Besides, credit risk management process involves focus on monitoring of top 30 loans, Sectoral exposures etc. among others limit.			
		Taka in Crore			
		31.12.2018		31.12.2017	
		In (%)	BDT	In (%)	BDT
(b) Total gross credit risk exposures broken down by major types of credit exposure	Overdraft	8.91%	2,147	8.95%	2,056
	Cash credit	0.01%	2	0.01%	3
	Time loan	19.47%	4,695	23.53%	5,404
	Term loan	58.72%	14,156	52.66%	12,093
	Forced loan	6.23%	1,503	6.23%	1,430
	Bills under LC	0.10%	23	0.08%	19
	Trust receipt	3.78%	912	3.74%	860
	Packing credit	0.10%	25	0.12%	27
	Loan against accepted bills	0.17%	42	1.53%	352
	Loan-EDF	0.76%	183	1.32%	303
	Consumer Loan	0.62%	150	0.69%	159
	Staff loan	0.65%	157	0.68%	156
	Bills purchased and discounted	0.47%	112	0.45%	102
Total		100%	24,107	100%	22,965
(c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	Urban branches				
	Dhaka	74.49%	17,740	72.56%	16,455
	Chittagong	18.92%	4,504	20.93%	4,747
	Khulna	1.78%	424	1.81%	409
	Sylhet	0.72%	171	0.84%	191
	Barisal	0.09%	21	0.11%	24
	Rajshahi	1.66%	395	1.65%	375
	Rangpur	2.00%	477	1.77%	401
	Mymensingh	0.34%	81	0.33%	75
		100%	23,814	100%	22,678
	Rural branches				
	Dhaka	69.89%	142	71.94%	151
	Chittagong	23.81%	48	25.60%	54
	Khulna	0.00%	-	0.00%	-
	Sylhet	2.51%	5	2.46%	5
	Barisal	0.00%	-	0.00%	-
	Rajshahi	0.00%	-	0.00%	-
	Rangpur	0.00%	-	0.00%	-
	Mymensingh	3.80%	8	0.00%	-
		100%	204	100%	211
	Outside Bangladesh				
	ABBL, Mumbai branch	0.37%	90	0.33%	77
		100%	24,107	100%	22,965

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		Taka in Crore			
		31.12.2018		31.12.2017	
		In (%)	BDT	In (%)	BDT
(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Agriculture	1.80%	434	1.32%	304
	Large and medium scale indus.	28.09%	6,772	28.48%	6,541
	Working capital	23.65%	5,702	22.67%	5,206
	Export	1.45%	351	1.63%	375
	Commercial lending	24.07%	5,804	24.40%	5,603
	Small and cottage industry	0.88%	211	0.86%	197
	Others	20.05%	4,834	20.64%	4,739
		100%	24,107	100%	22,965
(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Repayable – on demand	0.46%	110	4.80%	1,103
	– upto 3 months	41.84%	10,085	37.98%	8,721
	– over 3 months but below 1 year	41.58%	10,023	42.33%	9,721
	– over 1 year but below 5 years	12.80%	3,087	12.34%	2,834
	– over 5 years	3.32%	801	2.55%	585
		100%	24,107	100%	22,965
(f) By major industry or counterparty type:	i. Amount of impaired loans and if available, past due loans, provided separately				
	ii. Specific and general provisions	33.07%	7,973	7.15%	1,641
	iii. Charges for specific allowances and charge-offs during the period		1,064		873
			131		632
(g) Gross Non Performing Assets (NPAs) (NPAs) to outstanding Loans & advances					2018
					BDT
	Non Performing Assets (NPAs)		7,973		1,641
	NPAs to outstanding loans and advances		33.07%		7.15%
	Movement of NPAs Bangladesh Operations:				
	Opening balance		1,625.86		1,124.32
	Additions		6,407.93		1,245.38
	Reductions		61.01		743.84
	Closing balance		7,972.78		1,625.86
	Movement of specific provision for NPAs				
	Opening balance		377.21		246.32
	Provision made during the period		130.67		381.59
	Write-off		-		250.70
	Closing balance		507.88		377.21
	Provision held by Mumbai branch		-		9.04
			507.88		386.25

E) Equities: Disclosures for Banking book positions

Qualitative disclosure

<p>(a) The general qualitative disclosure requirement with respect to the equity risk, including:</p> <p>> differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons</p>	<p>Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.</p>
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> discussion of important policies covering the valuation and accounting of equity holdings in the Banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	Quoted shares are valued at cost. Necessary provision is maintained if market price fall below the cost price. Unquoted shares are valued at cost.
(b) Value disclosed in the balance sheet of investment, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Not applicable
(c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period (2018)	BDT in Crore 8.59
(d) > Total unrealized gains (losses) > Total latent revaluation gains (losses) > Any amounts of the above included in Tier 2 capital	(175.08) Nil Nil
(e) Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	Nil

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F) Interest Rate Risk in the Banking Book (IRRBB)

Qualitative disclosure

<p>(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.</p>	<p>Interest rate risk is the potential that the value of the On Balance Sheet and the Off Balance Sheet position of the Bank would be negatively effected with the change in the interest rate. The vulnerability of an institution towards the advance movement of the interest rate can be gauged by using duration GAP under Stress Testing Analysis.</p> <p>AB Bank has also been exercising the Stress Testing using the duration GAP for measuring the Interest Rate Risk on its On Balance Sheet exposure for estimating the impact of the net change in the market value of equity on the Capital Adequacy Ratio (CAR) due to change in interest rates only on its On Balance Sheet position (as the Bank holds no interest bearing Off Balance Sheet positions and or Derivatives). Under the assumption of three different interest rate changes i.e. 1%, 2% and 3%.</p>																											
<p>(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f2e0d2;"></th> <th colspan="2" style="text-align: center; background-color: #f2e0d2;">Taka in Crore</th> </tr> <tr> <th></th> <th style="text-align: center;">31.12.2018</th> <th style="text-align: center;">31.12.2017</th> </tr> </thead> <tbody> <tr> <td>Market value of assets</td> <td style="text-align: center;">32,786</td> <td style="text-align: center;">31,713</td> </tr> <tr> <td>Market value of liability</td> <td style="text-align: center;">30,040</td> <td style="text-align: center;">29,552</td> </tr> <tr> <td>Weighted avg. duration GAP</td> <td style="text-align: center;">0.74</td> <td style="text-align: center;">0.92</td> </tr> <tr> <td colspan="3">CRAR after different level of Shocks:</td></tr> <tr> <td>Minor level</td> <td style="text-align: center;">9.42%</td> <td style="text-align: center;">9.96%</td> </tr> <tr> <td>Moderate level</td> <td style="text-align: center;">8.81%</td> <td style="text-align: center;">9.12%</td> </tr> <tr> <td>Major level</td> <td style="text-align: center;">8.19%</td> <td style="text-align: center;">8.25%</td> </tr> </tbody> </table>		Taka in Crore			31.12.2018	31.12.2017	Market value of assets	32,786	31,713	Market value of liability	30,040	29,552	Weighted avg. duration GAP	0.74	0.92	CRAR after different level of Shocks:			Minor level	9.42%	9.96%	Moderate level	8.81%	9.12%	Major level	8.19%	8.25%
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G) Market Risk

Qualitative disclosure

<p>(a) > Views of BOD on trading/investment activities</p>	<p>The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction.</p>
<p>> Methods used to measure Market risk</p>	<p>Standardised approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.</p>



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> Market risk management system	The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.		
> Policies and process for mitigating market risk	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.		
		Taka in Crore	31.12.2018
(b) The capital requirements for:		31.12.2017	31.12.2017
Interest rate risk	17.63	22.11	
Equity position risk	36.56	42.16	
Foreign exchange risk	6.97	14.70	
Commodity risk	-	-	
	61.16	78.97	

H) Operational Risk

Qualitative disclosure

(a) > Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control and compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board oversees the activities of Internal Control and Compliance Division (ICCD) to protect against all operational risk.
> Performance gap of executives and staffs	AB has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. AB's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.
> Potential external events	No potential external events is expected to expose the Bank to significant operational risk.
> Policies and processes for mitigating operational risk	The policy for operational risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Policy guidelines on Risk Based Internal Audit system is in operation as per RBA branches are rated according to their risk status and branches scoring more on risk status are subjected to more frequent audit by Internal Control and Compliance Division (ICCD). It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year.

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	ICCD directly reports to Audit Committee of the Board. In addition there is a Vigilance Cell established in 2009 to reinforce operational risk management of the bank. Bank's Anti-Money laundering activities are headed by CAMELCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.
> Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.

Quantitative disclosure	Taka in Crore	
	31.12.2018	31.12.2017
(b) The capital requirements for Operational Risk	248.58	226.46

I) Liquidity Ratio

Qualitative disclosure

(a) > Views of BOD on system to reduce liquidity Risk	Liquidity risk is the potential for loss to the bank arising from either its inability to meet its obligations of depositors as they fall due or to fund in increased assets as per commitment. To mitigate liquidity risk Bank asses its risk appetite and manage the risk within a structured frame work. Professional resources are deployed to set the limits and procedures and get them approved by the Board. To reduce the liquidity Risk in a structured way, Bank monitors various indicators like regulatory indicators(CRR, SLR, MTFR, MCO, ADR, LCR, NSFR) and uses internal monitoring tools (WBG, CLP and MAT)
> Methods used to measure Liquidity risk	Liquidity measurement involves forecasting the Bank's cash inflows against its outflows to identify the potential for any net shortfalls going forward. For measuring Bank uses some simple techniques as mentioned below: > Bank prepares Structural Liquidity Profile (SLP) on monthly basis. SLP is used to estimate the Bank's cash inflows and outflows and thus net deficit or surplus (GAP) over a series of specified time periods. Bank focuses on the maturity of its assets and liabilities in different tenors. Excessive longer tenor lending against shorter-term borrowing is monitored as this can put the Bank's balance sheet in a very critical and risky position.

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	<ul style="list-style-type: none"> > Bank has a Contingency Funding Plan (CFP) in place. Contingency Funding Plan (CFP) is a set of policies and procedures that serves as a blueprint for the Bank to meet its funding needs in a timely manner and at a reasonable cost. Bank maintains sufficient high quality liquid assets to meet the liquidity crisis period. > Bank estimates the funding requirement both in normal and stress conditions arising from on and off balance sheet exposures. Bank monitors its products which are interest rate sensitive. Those are taken care of at the time of interest rate movement in the market based on behavior of clients and other competitors. > Bank monitors liability concentration level. Highly concentrated deposits means bank is relying on too few providers or funding sources. Bank has to be ready for arranging fund if concentrated deposits are withdrawn at a time or Bank places this fund for short term lending. > Bank uses variety of ratios to quantify the liquidity and interpret them taking into account the qualitative factors.
> Liquidity risk management system	<p>The Management of the Bank measures the liquidity risk and manage them under the Board approved guidelines and policies. Bank prepares extensive reports for monitoring the balance sheet movement on daily basis. Bank also monitors the market information of the country and global market. Bank has an Asset Liability Committee (ALCO).</p> <p>ALCO is a senior management level committee responsible for supervision and management of liquidity and other risks using different monitoring tools. They monitor the limit for indicators set by Bangladesh Bank as well as Bank's Board.</p> <p>Key elements of an effective liquidity risk management process include an efficient MIS to measure, monitor and control existing as well as future liquidity risks and reporting them to senior management and the Board. Bank is therefore working for continuous improvement of MIS.</p>
> Policies and processes for mitigating liquidity risk	<p>Bank has set of policies duly approved by the Board for mitigating liquidity risk. These policies are supported by effective procedures to measure, achieve and maintain liquidity. The ALCO recommends the policies for liquidity risk which is reviewed and approved by the Board.</p> <p>Operating liquidity is managed by the Bank for day to day fund requirements. And for managing the crisis period Bank follows the CFP approved by the Board.</p>

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	For regulatory purposes the Bank maintains specific amount of assets classed as "liquid", based on its liabilities. In addition, the Bank has to maintain excess liquid assets as per CFP.
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Taka in Crore	
31.12.2018	
(b)	Liquidity Coverage Ratio
	119.15%
	Net Stable Funding Ratio (NSFR)
	104.59%
	Stock of high quality liquid assets
	5,001.52
	Total net cash outflows over the next 30 calendar days
	4,197.83
	Available amount of stable funding
	25,774.19
	Required amount of stable funding
	24,642.42

J) Leverage Ratio

Qualitative disclosure

<p>(a) > Views of BOD on system to reduce excessive leverage</p>	<p>For reducing the leverage up to an optimum level, the Board of Directors of the Bank always keen to focus on the capital strength and the quality of the assets. Board is always concern to maximise the core capital portion and keep the growth of on and off balance sheet exposures at a favourable level.</p> <p>Key initiatives of the Board:</p> <ul style="list-style-type: none"> • Emphasised to keep LD ratio at the optimal level/budgeted level • Stressed to keep the interest rate spread at the optimal level for ensuring the profitability of the Bank • Market competitive Cost of Fund must be maintained • Non-funded business i.e. import, export and bank guarantee to be expedited as per budget • Operational expenses must be reduced at rational level • Decentralisation of portfolio in SME and retail business • Special Mentioned Account (SMA) and classified loans are to be closely monitored for ensuring asset quality, and • Recovery cell must ensure the monitoring of risk assets frequently to maintain the asset quality.
<p>> Policies and processes for managing excessive on and off-balance sheet leverage</p>	<p>Primary principle of the Board is to enhance the core capital of the Bank. To keep the leverage at a reduced level, Board emphasised Management to build strong internal control system specifically in the risk points by putting dual control in each phase. Apart from this, by the instruction of the Board, Management formed different Committees to work under specific Terms of Reference (ToR) and to report to the Board.</p> <p>All these above measures as a whole, helps the Management to keep the exposures at sound level.</p>

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> Approach for calculating exposure	<p>The exposure calculation for the leverage ratio is generally followed the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following is applied by the bank:</p> <ul style="list-style-type: none"> i. On balance sheet and non-derivative exposures are net of specific provisions and valuation adjustments (e.g. surplus/deficit on Available for sale (AFS)/Held-for-trading (HFT) positions). ii. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. iii. Netting of loans and deposits is not allowed. 					
<u>On Balance Sheet Items</u>						
<p>Bank included items using their accounting balance sheet for the purposes of the leverage ratio. In addition, the exposure measure is included the following treatments for Securities Financing Transactions (e.g. repo, reverse repo etc.):</p>						
<p><u>Repurchase agreements and securities financing:</u> Securities Financing Transactions (SFT) are a form of secured funding and therefore an important source of balance sheet leverage that included in the leverage ratio. Therefore Banks calculate SFT for the purposes of leverage ratio by applying:</p> <ul style="list-style-type: none"> • The accounting measure of exposure; and • Without netting various long and short positions with the same counterparty 						
<p><u>Off Balance Sheet Items</u> Bank calculates the Off-Balance Sheet (OBS) items specified in Risk based Capital Adequacy Guidelines issued by Bangladesh Bank vide BRPD circular no. 18 dated 21 December 2014. OBS exposures calculation is given below for considering Leverage Ratio of the Bank:</p>						
Exposures Types		Taka in Crore				
		CCF	Notional amount			
Direct credit substitutes		100%	2,228			
Performance related contingencies		50%	1,100			
Short-term self-liquidating trade letters of credit		20%	234			
Lending of securities or posting of securities as collateral		100%	-			
Other commitments with certain drawdown		100%	-			
Commitments with original maturity of one year or less		20%	1,539			
Commitments with original maturity of over one year		50%	-			
Other commitments that can be unconditionally cancelled by any time		0%	1,405			
Market related Off-Balance sheet exposure		1%	146.13			
Total		7,587	3,321			

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		Taka in Crore
		31.12.2018
(b) Leverage Ratio		5.49%
On balance sheet exposure		31,744.72
Off balance sheet exposure		3,459.96
Total deduction from On and Off-Balance Sheet Exposure		213.79
Total exposure		34,990.89

K) Remuneration

Qualitative disclosure

(a)	Information relating to the bodies that oversees remuneration.	
	> Name of the bodies that oversees remuneration	The primary body that currently oversees remuneration practices includes: In charge of remuneration & payroll, Head of HR, and Managing Director of the Bank.
	> Name, composition and mandate of the main body overseeing remuneration.	Board of Directors of the bank is the main body which approves the remuneration proposals/changes as when needed based on the recommendation of the primary body
	> External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	Periodically services of external consultants are sought in the process of remuneration update/survey in every 2/3 years to ensure competitive effectiveness of remuneration structure. Survey focuses on gross remuneration package in each job grade i.e. minimum, mid point and maximum in the given scale. Gross salary includes different elements like Basic pay and other admissible emoluments.
	> A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	Key objective of the remuneration policy is to offer competitive remuneration package to employees in each job grade commensurate with job responsibilities irrespective of any location/region. It is done through periodical remuneration survey with local comparators engaging consultant. Similarly, for foreign subsidiaries, it is done in context of specific country remuneration market status to remain competitive in the foreign market that ensures attracting and retention of the best performers.
	> A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	Divisional Heads, Departmental Heads, Senior Members of Management, Head of Branches/Business Units supported by MANCOM are the material risk takers in business.
(b)	Information relating to the design and structure of remuneration processes.	
	> An overview of the key features and objectives of remuneration policy.	A scale of salary structure with a minimum – mid point and maximum package for each job grade is available. The package includes: Basic pay, Housing, Medical, conveyance (when car is not allowed), Utilities, Maintenance, Leave fare assistance, Personal pay (in appropriate cases) etc.

AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2018

Annexure-E-1

	<p>Salary progression in the form of annual merit pay linked to individual performance within the scale etc. Service benefits like Provident Fund, Gratuity, Group term insurance, festival bonus, car facilities and related cost as per bank's service rules are components of total compensation.</p> <p>Objective of remuneration policy is to pay competitively within industry norms in order to attract and retain good employees,</p> <p>Pay for performance link to merit measured in terms of delivery of set KPI annually (annual merit pay)</p> <p>Bank's service rules stands as a guide besides instructions and guidance from the Board from time to time</p>
> Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.	Remuneration structure is updated periodically usually in an interval of 2/3 years to remain competitive in the market with the approval of the Board of Directors of the Bank. No major change made in the recent past
> A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	Risks and compliance employees carry out their job independently as per terms of reference. In respect of remuneration, they are treated equally in line with other regular employees
(c) Description of the ways in which current and future risks are taken into account in the remuneration processes.	<p>> An overview of the key risks that the bank takes into account when implementing remuneration measures.</p> <p>The business risks including credit/default risk, compliance and reputational risk, financial and liquidity risk are considered while implementing remuneration measures for each employee/group of employees.</p> <p>> An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure</p> <p>Different set of measures are in practice based on nature of business lines/segments etc. these measures are primarily focused on the business targets/goals set for each area of operation, branch vis-à-vis actual results achieved as of the reporting date. The most important tools and indicators used for measuring the risks are asset quality (NPL ration), LD ratio, Net Interest Margin (NIM), provision coverage ratio, cost income ratio, cost of fund, growth of net profit as well as non-financial indicators i.e. compliance status with regulatory norms/instructions, service delivery etc. are brought to all concerned of the bank from time to time.</p>

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Annexure-E-1

	<ul style="list-style-type: none"> > A discussion of the ways in which these measures affect remuneration. 	Individual employee's performance standards are set in term of financial and non-financial indicators (KPI) early each year which are expected to be delivered by them individually. Performance evaluation at the end of year results in variation in performance outcome (KPI fully achieved, partially achieved and not achieved) leading to variation in performance reward (annual merit pay) thus affects in remuneration.
	<ul style="list-style-type: none"> > A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration. 	Based on differentiating performance outcome employees are rewarded annually. Differentiating reward i.e. good, better and best impact on competitive motivation at work as usual. No material change in remuneration package.
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	
	<ul style="list-style-type: none"> > An overview of main performance metrics for bank, top-level business lines and individuals. 	Performance matrix in terms of broad KPI is set by the Board for the Management covering business lines/different segments of businesses each year. The Management in turn develops strategies and set performance KPI for individual employees across functions/business to activate and achieve the set targets/KPI in delivering business results. The most common KPIs are loan deposit ratio, cost of fund, cost income ratio, yield on loan, quality of asset, profit target, provision coverage ration, capital to risk weighted ratio, ROE, ROA, Liquidity position, maintenance of CRR and SLR etc. beside non-financial KPI.
	<ul style="list-style-type: none"> > A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance. 	Annual merit pay i.e. merit increment of employees are linked to performance outcome based on individual performance criteria (KPI). Merit increase is also liked to other elements of remuneration package, so aggregate of all employees has reasonable impact on the remuneration package and not insignificant.
	<ul style="list-style-type: none"> > A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak 	No documented criteria as such is available to adjust remuneration of employees in the event of weak business performance matrix. If profit target is not met in a given year, generally annual merit increment is lower.
(e)	Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.	
	<ul style="list-style-type: none"> > A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the 	The concept of variable remuneration or for that matter deferred payment system is not in practice. A share of profit in the form of incentive bonus is allowed to employees as approved by the board when profit target is favourably met.



AB Bank Limited
Disclosures on Risk Based Capital (Basel III)
Based on 31 December 2018

Annexure-E-1

	<p>fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.</p> <p>> A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.</p>	
(f)	Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms.	
	<p>> An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms</p>	Not applicable
	<p>> A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.</p>	Not applicable

Quantitative Disclosure

(g)	<p>Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.</p> <p>> Number of employees having received a variable remuneration award during the financial year.</p>	The main body that oversees remunerations organizes meeting as & when needed to discuss issues arising in the process of administration. Not applicable (Variable remuneration practice is not available)
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AB Bank Limited
Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2018

Annexure-E-1

	> Number and total amount of guaranteed bonuses awarded during the financial year.	Bank has disbursed 02 (two) festival bonus among the employees amounting to taka 184,021,674 during the year 2018.
	> Number and total amount of sign-on awards made during the financial year.	Not applicable
	> Number and total amount of severance payments made during the financial year	None during the financial year
	> Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Not applicable
	> Total amount of deferred remuneration paid out in the financial year.	Not applicable
(h) Breakdown of amount of remuneration awards for the financial year to show:	Fixed and variable.	BDT 283.49 crore (Fixed including annual merit pay)
	Deferred and non-deferred.	Not applicable
	Different forms used (cash, shares and share linked instruments, other forms).	Not applicable
	Quantitative information about employees' exposure to implicit and explicit adjustments of deferred remuneration and retained remuneration:	
	> Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Not applicable
	> Total amount of reductions during the financial year due to ex post explicit adjustments.	Not applicable
	> Total amount of reductions during the financial year due to ex post implicit adjustments.	Not applicable



**AB Bank Limited
Mumbai Branch
Balance Sheet**

As at 31 December 2018

Annexure-F

PROPERTY AND ASSETS

Cash

In hand (including foreign currencies)
Balance with Reserve Bank India
(including foreign currencies)

Balance with other banks and financial institutions

In India
Outside India

Money at call and on short notice

Investments

Government
Others

Loans and advances

Loans, cash credits, overdrafts, etc.
Bills purchased and discounted

Fixed assets including premises, furniture and fixtures

Other assets

Non-banking assets

Total Assets

LIABILITIES AND CAPITAL

Liabilities

Borrowings from other banks, FIs and agents

Deposits and other accounts

Current deposits
Demand deposits
Bills payable
Savings deposits
Fixed deposits
Other deposits

Other liabilities

Total Liabilities

Capital/Shareholders' Equity

Total Shareholders' Equity

Paid-up capital
Statutory reserve
Other reserve
Retained earnings

Total Liabilities and Shareholders' Equity

	2018 INR	2017 INR
Cash	23,087,617	27,482,592
In hand (including foreign currencies)	3,480,471	3,039,492
Balance with Reserve Bank India	19,607,146	24,443,100
Balance with other banks and financial institutions	864,664,939	699,658,623
In India	67,761,006	114,898,608
Outside India	796,903,933	584,760,015
Money at call and on short notice	200,233,592	291,504,512
Investments	314,434,420	383,887,500
Government	314,434,420	383,887,500
Others	-	-
Loans and advances	750,236,018	593,138,007
Loans, cash credits, overdrafts, etc.	18,261,164	148,667,190
Bills purchased and discounted	731,974,854	444,470,817
Fixed assets including premises, furniture and fixtures	7,032,825	8,856,858
Other assets	388,787,607	341,579,628
Total Assets	2,548,477,019	2,346,107,720
Liabilities and Capital		
Liabilities		
Borrowings from other banks, FIs and agents	-	-
Deposits and other accounts	1,437,476,065	1,189,176,007
Current deposits	1,195,191,952	959,563,493
Demand deposits	334,282	124,275
Bills payable	286,571	682,575
Savings deposits	9,635,889	8,969,744
Fixed deposits	232,027,371	219,835,919
Other deposits	-	-
Other liabilities	159,919,759	280,394,571
Total Liabilities	1,597,395,823	1,469,570,578
Capital/Shareholders' Equity	951,081,196	876,537,142
Paid-up capital	369,822,602	369,822,602
Statutory reserve	249,482,516	226,420,185
Other reserve	-	-
Retained earnings	331,776,078	280,294,355
Total Liabilities and Shareholders' Equity	2,548,477,019	2,346,107,720

AB Bank Limited
Mumbai Branch
Balance Sheet

As at 31 December 2018

Annexure-F

Off-Balance Sheet Items

Contingent liabilities

Acceptances and endorsements
Letters of guarantee
Irrevocable letters of credit
Bills for collection
Other contingent liabilities

	2018 INR	2017 INR
2,511,998,368		2,630,571,155
61,583,182		169,397,016
-		-
-		-
2,450,415,186		2,461,174,139
-		-
-		-
-		-
-		-
-		-
2,511,998,368		2,630,571,155

Other commitments

Documentary credits and short term trade-related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Undrawn formal standby facilities, credit lines and other commitments

Total

2,511,998,368 **2,630,571,155**



**AB Bank Limited
Mumbai Branch**
Profit and Loss Account
For the year ended 31 December 2018

Annexure-F-1

OPERATING INCOME

Interest income
Interest paid on deposits and borrowings, etc.
Net interest income

Investment income
Commission, exchange and brokerage
Other operating income

Total operating income (a)

Operating Expenses

Salary and allowances
Rent, taxes, insurance, electricity, etc.
Legal expenses
Postage, stamps, telecommunication, etc.
Stationery, printing, advertisement, etc.
Auditors' fees
Depreciation and repairs of Bank's assets
Other expenses

Total operating expenses (b)

Profit before provision (c = a-b)

Provision against loans and advances
General Provision
Other provisions

Total provision (d)

Profit before taxation (c-d)

Provision for taxation

Current tax
Deferred tax

Net profit after taxation

Appropriations

Statutory reserve

Retained surplus

	2018 INR	2017 INR
Interest income	52,846,532	43,420,203
Interest paid on deposits and borrowings, etc.	(18,383,732)	(18,416,303)
Net interest income	34,462,800	25,003,900
Investment income	20,857,968	25,061,241
Commission, exchange and brokerage	267,010,450	275,875,139
Other operating income	2,869,570	2,723,173
	290,737,988	303,659,553
Total operating income (a)	325,200,788	328,663,453
Operating Expenses		
Salary and allowances	14,868,940	13,913,618
Rent, taxes, insurance, electricity, etc.	17,665,162	17,556,777
Legal expenses	192,708	155,232
Postage, stamps, telecommunication, etc.	6,829,631	7,990,141
Stationery, printing, advertisement, etc.	1,703,459	2,347,601
Auditors' fees	788,445	658,420
Depreciation and repairs of Bank's assets	4,157,928	4,808,322
Other expenses	100,323,887	124,995,660
Total operating expenses (b)	146,530,158	172,425,772
Profit before provision (c = a-b)	178,670,630	156,237,681
Provision against loans and advances	350,000	32,700,000
General Provision	-	(10,000,000)
Other provisions	20,000	64,700
Total provision (d)	370,000	22,764,700
Profit before taxation (c-d)	178,300,630	133,472,981
Provision for taxation	90,654,972	55,145,800
Current tax	71,079,142	70,313,794
Deferred tax	19,575,831	(15,167,994)
Net profit after taxation	87,645,658	78,327,181
Appropriations		
Statutory reserve	23,062,331	20,233,234
Retained surplus	23,062,331	20,233,234
	64,583,327	58,093,947

AB Bank Limited
Islami Banking Branch
Balance Sheet
As at 31 December 2018

Annexure-G

PROPERTY AND ASSETS

Cash in hand

Cash in Hand (Including foreign currencies)
Balance with Bangladesh Bank and its Agent Banks (Incl. FC)

Balance with Other Banks and Financial Institutions

In Bangladesh
Outside Bangladesh

Placement with other Banks & Financial Institutions

Investment in shares & other financial institutions

Government (BGIIB For SLR)
Others

Investments

General Investments etc.
Bills Purchased & Discounted

Fixed Assets

Other Assets

Non-Banking Assets

	2018 Taka	2017 Taka
Cash in hand		
Cash in Hand (Including foreign currencies)	256,807,225	333,984,548
Balance with Bangladesh Bank and its Agent Banks (Incl. FC)	3,575,885 253,231,340	3,449,220 330,535,328
Balance with Other Banks and Financial Institutions		
In Bangladesh	1,538,385,936	2,220,827,730
Outside Bangladesh	1,538,385,936 -	2,220,827,730 -
Placement with other Banks & Financial Institutions		
Investment in shares & other financial institutions		
Government (BGIIB For SLR)	267,500,000	280,000,000
Others	267,500,000 -	280,000,000 -
Investments		
General Investments etc.	5,352,510,723	4,613,170,208
Bills Purchased & Discounted	5,352,510,723 -	4,613,170,208 -
Fixed Assets		
	8,003,563	11,264,559
Other Assets		
	46,488,135	39,958,785
Non-Banking Assets		
	-	-
	7,469,695,583	7,499,205,830

LIABILITIES AND CAPITAL

Liabilities

Placement from Banks (BGIIB)& Other Financial Institutions

2,056,462,900

2,103,666,667

Deposits and Other Accounts

Mudaraba Savings Deposits
Mudaraba Term Deposits
Other Mudaraba Deposits
Al-Wadeeah Current and Other Deposit Accounts
Bills Payable

5,165,623,614

5,240,822,184

108,438,855	122,988,024
4,030,241,207	4,022,553,327
964,488,862	961,993,777
39,046,928	126,690,801
23,407,761	6,596,254

Other Liabilities

247,609,069

154,716,980

Total Liabilities

7,469,695,583

7,499,205,830



AB Bank Limited
Islami Banking Branch
Balance Sheet

As at 31 December 2018

Annexure-G

Contingent Liabilities

- Acceptances & Endorsements
- Letter of Guarantee
- Irrevocable Letters of Credit (including Back to Back Bills)
- Inland Bills for collection
- Other Contingent Liabilities

Total

	2018 Taka	2017 Taka
Acceptances & Endorsements	395,754,826	1,376,260,269
Letter of Guarantee	13,806,354	76,293,835
Irrevocable Letters of Credit (including Back to Back Bills)	150,341,764	189,119,729
Inland Bills for collection	-	-
Other Contingent Liabilities	-	-
Total	559,902,944	1,641,673,833

Other Commitments

- Documentary Credits and short term trade related transactions
- Forward assets purchased and forward deposits placed
- Undrawn note issuance and revolving underwriting facilities
- Undrawn formal standby facilities, credit lines and other-commitments

Total Off-Balance Sheet items including Contingent Liabilities

559,902,944 **1,641,673,833**

AB Bank Limited
Islami Banking Branch
Profit and Loss Account

For the year ended 31 December 2018

Annexure-G-1

	2018 Taka	2017 Taka
Investment Income	613,580,736	537,326,238
Profit paid on Deposits	550,427,943	383,669,723
Net Investment Income	63,152,793	153,656,514
Income from Investments in Shares/Securities	5,534,045	1,959,010
Commission, Exchange and Brokerage	18,581,799	31,418,994
Other Operating Income	543,189	649,276
Total Operating Income	87,811,826	187,683,795
Operating Expenses		
Salaries and Allowances	30,552,528	36,452,483
Rent, Taxes, Insurance, Electricity etc.	2,046,030	1,441,640
Legal Expenses	-	2,300
Postage, Stamps, Telecommunication etc.	450,525	482,756
Stationeries, Printing and Advertisement etc.	394,709	518,465
Shariah Supervisory Committee's Fees & Expenses	65,200	114,200
Depreciation and repair to Bank's Assets	1,907,389	2,164,263
Other Expenses	7,263,788	7,629,075
Total Operating Expenses	42,680,169	48,805,182
Operating Profit	45,131,657	138,878,613

AB Bank Limited
Islami Banking Branch
Profit paid on deposits

As at 31 December 2018

Annexure-H

Profit and loss of Islami Banking Branch is calculated annually as at 31 December in every year. More than 60% of investment income is distributed among the different types of Mudaraba depositors following weightage system and the remaining portion is retained by the bank to meet administrative expenses and investment loss offsetting reserve. Provisional profit rates are applied to the different types of deposit A/Cs as decided by the Bank from time to time commensurate with weightage taking into consideration of the industry trend and that of the rates of other Islamic banks in the Country.

In the year 2018 final profit has been paid to the depositors as per following weightage and rates:

Types of Deposit	Weightage	Rate of Profit (%)
1. Mudaraba Savings Deposits	0.29	3.50
2. Mudaraba Special Notice Deposits		
a. General	0.21	2.50
b. Inter - Bank	0.25 - 0.29	3.00 - 3.50
3. Mudaraba Term Deposits		
a. General		
· 24 Months	0.60 - 0.83	7.25 - 10.00
· 12 Months	0.60 - 0.92	7.25 - 11.00
· 9 Months	0.73- 0.75	8.75 - 9.00
· 6 Months	0.71 - 0.85	8.50 - 10.25
· 4 Months	0.63 - 0.67	7.50 - 8.00
· 3 Months	0.50 - 0.71	6.00 - 8.50
· 1 Month	0.42	5.00-5.00
4. Mudaraba Probable Millionaire Scheme	1.04	12.5
5. Mudaraba Hajj Deposit Scheme	0.67 - 1.11	8.00 - 13.34
6. Mudaraba Pension Deposit Scheme	0.67 - 1.04	8.00 - 12.50
7. Mudaraba Monthly Profit Payment Scheme	0.58 - 1.11	7.00 - 13.34
8. Mudaraba Cash WAQF Deposit	0.67	8

A competent Shariah Supervisory Committee consisting of Islamic scholars, Ulema, Fuqaha and Islamic bankers headed by **Mr. M. Azizul Huq**, a prominent Islamic scholar and banker guides the Islamic banking operations of the Bank. During the year 2018, Shariah Supervisory Committee met in 02 (Tow) meetings and reviewed different operational issues. The Committee also audited the branch through it's Muraqib and reviewed the audit report in it's regular meeting. Shariah Supervisory Committee observed that both the officials and clients of the Branch became more cautious about the compliance of Shariah Principles.



Custodian Wing **Independent Auditors' Report to the Shareholders**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AB Bank Limited, Custodian Wing, which comprise the statement of financial position (balance sheet) as at 31 December 2018, and the statement of profit or loss and other comprehensive income (profit and loss statement) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.1.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of AB Bank Limited, Custodian Wing, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there is no key audit matters to communicate in our report.

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 of the AB Bank Limited, Custodian Wing, in accordance with International Financial Reporting Standards, the Securities and Exchange Commission (Securities Custodian Service) Rules 2003, Depository (User) Regulations 2003, and for such internal controls 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 AB Bank Limited, Custodian Wing'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 AB Bank Limited, Custodian Wing or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the AB Bank Limited, Custodian Wing's financial reporting process.

Auditor's Responsibilities for the Audit of 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 auditors' 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.

As part of an audit in accordance with ISAs, we exercise professional judgment 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;
- 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 AB Bank Limited, Custodian Wing's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group and the Bank 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; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the AB Bank Limited, Custodian Wing to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

we also report that:

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

Dhaka, Bangladesh

Dated, 30 April 2019


S. F. AHMED & CO
Chartered Accountants

**AB Bank Limited
Custodian Wing
Balance Sheet**

As at 31 December 2018

Annexure- I

	2018 Taka	2017 Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	5,275	15,825
Intangible Assets	-	-
Total Non Current Assets	5,275	15,825
Current Assets		
Cash and Bank Balances	-	-
Advance, Deposit and Prepayments	-	-
Accounts Receivables	20,700,410	20,700,410
Total Current Assets	20,700,410	20,700,410
Total Assets	20,705,685	20,716,235
LIABILITIES		
Non-Current Liabilities		
	-	-
Current Liabilities		
Payable to Head Office	9,273,317	9,287,417
Accounts Payable	11,402,368	11,402,368
Provision for Audit Fees	30,000	26,450
Total Current Liabilities	20,705,685	20,716,235
Total Liabilities	20,705,685	20,716,235

Profit and Loss Account
For the year ended 31 December 2018

Annexure- I-1

	2018 Taka	2017 Taka
Operating Income		
Commission, exchange and brokerage	-	8,744,805
Total Operating Income	-	8,744,805
Operating Expenses		
Rent, taxes and insurance	11,500	11,500
Auditor's fees	61,050	26,450
Depreciation and repair of bank's assets	10,550	10,550
Other expenses	6,500	178,311
Total operating expenses	89,600	226,811
Operating Profit	(89,600)	8,517,994

AB Bank Limited
Off-Shore Banking Unit (OBU)
Balance Sheet

As at 31 December 2018

Annexure-J

PROPERTY AND ASSETS	2018	2018	2017	2017
	Taka	USD	Taka	USD
Cash	-	-	-	-
Balance with Other Banks and FIs'	8,995,466	107,217	5,897,061	71,307
In Bangladesh	122,363	1,458	164,494	1,989
Outside Bangladesh	8,873,103	105,758	5,732,567	69,318
Money at call and on short notice (Placement)	839,000,000	10,000,000	674,005,000	8,150,000
Investment	1,620,531,856	19,315,040	1,597,353,808	19,315,040
Loans and Advances:	7,425,982,306	88,509,920	10,660,157,888	128,901,546
Loans & Advances - Regular	4,207,166,057	50,145,007	7,580,739,608	91,665,533
Loans & Advances - Classified	3,218,816,249	38,364,914	3,079,418,280	37,236,013
Premises and Fixed Assets (WDV)	1,613,028	19,226	2,645,348	31,987
Other Assets:	1,075,960	12,824	1,606,898	19,430
Accrued Interest	930,330	11,089	516,874	6,250
Pre-paid Advances	145,630	1,736	169,387	2,048
Miscellaneous	-	-	920,637	11,132
Total Assets	9,897,198,617	117,964,227	12,941,666,002	156,489,311
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from Bank & FIs'	9,895,362,230	117,942,339	12,792,565,600	154,686,404
In Bangladesh	9,895,362,230	117,942,339	11,520,471,150	139,304,367
Outside Bangladesh	-	-	1,272,094,450	15,382,037
Deposits and Other Accounts	13,016,543	155,144	14,167,846	171,316
Demand Deposits	10,967,742	130,724	13,936,826	168,523
Demand Deposits - Others	2,048,801	24,420	231,021	2,793
Other Deposits	-	-	-	-
Other Liabilities	187,023,905	2,229,129	184,348,951	2,229,129
Total Liabilities	10,095,402,679	120,326,611	12,991,082,397	157,086,849
Capital and Shareholders' Equity	(198,204,062)	(2,362,385)	(49,416,395)	(597,538)
Profit/(Loss)				
Total Shareholders' Equity	(198,204,062)	(2,362,385)	(49,416,395)	(597,538)
Total Liabilities and Shareholders' Equity	9,897,198,617	117,964,227	12,941,666,002	156,489,311

Profit and Loss Account

For the year ended 31 December 2018

Annexure-J-1

	2018	2018	2017	2017
	Taka	USD	Taka	USD
Interest income	273,174,003	3,272,451	451,417,488	5,573,284
Interest paid on deposits and borrowing etc.	412,662,801	4,943,438	488,855,214	6,035,497
Net Interest income	(139,488,799)	(1,670,987)	(37,437,726)	(462,213)
Commission, exchange and brokerage	(24,295)	(291)	2,665,223	32,905
Other operating income	-	-	24,675	305
Total operating income	(139,513,094)	(1,671,278)	(34,747,827)	(429,003)
Salaries and allowances	5,496,774	65,848	6,416,184	79,215
Rent, taxes, insurance, electricity etc.	36,369	436	21,497	265
Legal expenses	-	-	-	-
Postage, stamps, telecommunication etc.	92,692	1,110	247,301	3,053
Stationeries, printing, advertisement etc.	82,828	992	210,364	2,597
Depreciation and repair of bank's assets	1,153,345	13,816	992,087	12,248
Other expenses	948,775	11,366	5,766,357	71,193
Total operating expenses	7,810,782	93,568	13,653,789	168,572
Operating Profit/(Loss)	(147,323,875)	(1,764,847)	(48,401,617)	(597,575)

Myanmar Representative Office
Statement of Receipts and Payments

As at 31 December 2018

Annexure-K

Receipts	Total		Payments	Total	
	USD	BDT		USD	BDT
Opening Balance	71,033.55	5,433,785.89	Bank Charges (Nostro & Others)	17.00	1,419.29
			Miscellaneous Contract Service	79.00	6,591.50
			Local Conveyance	120.00	10,014.62
			Internet bill	256.00	21,346.34
			Electricity Bill	23.00	1,918.10
			Allowances- Officers	6,000.00	500,465.00
			Stationery & Others	37.00	3,085.06
			Water and Sewerage	3.00	250.40
			Audit Fees	700.00	58,383.50
			Mobile Bill	7.00	583.09
			Other Fees and Taxes	785.00	65,789.56
			Repair & Maintenance	63.00	5,264.69
			Judicial & Non- judicial Stamps	59.00	4,950.10
			Office Rent	11,700.00	981,630.00
			Closing Balance	51,184.55	3,772,094.64
Total	71,033.55	5,433,785.89	Total	71,033.55	5,433,785.89



Independent Auditor's Report to the Shareholders of AB Investment Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AB Investment Limited (the Company) which comprise the statement of financial position as at 31 December 2018, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is no material misstatement of this other information. So, we have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs 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.

As part of an audit in accordance with ISAs, we exercise professional judgments 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act, 1994, the Securities and Exchange Act, 1993, the Securities and Exchange Rules, 1987 and other applicable laws and regulations. We, as required by the Companies Act, 1994, further report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (ii) 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;
- (iii) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account maintained by the Company and examined by us; and
- (iv) the expenditure incurred was for the purposes of the Company's business.

Dhaka,
30 April 2019


ACNABIN
Chartered Accountants



**AB Investment Limited
(A Subsidiary of AB Bank Limited)**
Statement of Financial Position (Balance Sheet)

As at 31 December 2018

ASSETS	
Non-current assets	
Property, plant and equipment	565,195,823
Current Assets	
Investment in shares	598,400,806
Loans to clients	6,781,090,546
Advances, deposits and prepayments	21,200,715
Receivable from brokers	135,865,105
Advance income tax	460,782,935
Cash and bank balances	188,372
TOTAL ASSETS	8,562,724,302
EQUITY AND LIABILITIES	
Equity	
Share capital	6,456,899,810
Retained earnings	348,015,148
Liabilities	
Non-current liabilities	
Provident fund, gratuity fund and recreation club fund	9,710,739
Deferred tax liability	12,888,007
Current liabilities	
Borrowing from banks	423,537,438
Liabilities for expenses	640,397
Provision for taxation	497,305,203
Provision for loans and investment	769,818,239
Payable to clients	43,909,321
Total liabilities	1,757,809,344
TOTAL EQUITY AND LIABILITIES	8,562,724,302

Annexure-L	2018	2017
	Taka	Taka
	563,556,178	583,556,178
7,997,528,479	7,796,628,683	
598,400,806	456,075,614	
6,781,090,546	6,816,006,993	
21,200,715	21,478,465	
135,865,105	80,264,009	
460,782,935	422,612,744	
188,372	190,858	
8,562,724,302	8,380,184,861	
6,804,914,958	6,787,203,101	
6,456,899,810	6,456,899,810	
348,015,148	330,303,291	
22,598,746	36,956,123	
9,710,739	9,445,327	
12,888,007	27,510,796	
1,735,210,598	1,556,025,637	
423,537,438	333,601,157	
640,397	629,900	
497,305,203	514,359,458	
769,818,239	608,145,182	
43,909,321	99,289,940	
1,757,809,344	1,592,981,760	
8,562,724,302	8,380,184,861	

**Statement of Profit or Loss and Other Comprehensive Income
(Profit and Loss Statement)**

For the year ended 31 December 2018

Operating income	
Interest income	239,440,553
Management fee	9,523,160
Transaction/settlement fee	27,114,817
Investment income	19,347,382
Other operating income	12,912,246
Operating expenses	44,718,758
Salary and allowances	14,784,115
Audit and consultancy fees	385,010
Administrative expenses	29,483,898
Financial expenses	65,735
Profit before provision for loans and investment	263,619,400
Provision for loan	100,000,000
Provision for investment	61,673,057
Net profit before tax for the year	101,946,343
Income tax expenses	84,234,486
Current tax expenses	98,857,275
Deferred tax expenses	(14,622,789)
Net profit after tax for the year	17,711,857
Total Comprehensive Income	17,711,857
Earnings per share (EPS)	0.027

Annexure-L-1

2018	2017
	Taka
	509,559,685
308,338,158	414,656,876
239,440,553	11,869,438
9,523,160	56,978,027
27,114,817	13,436,301
19,347,382	12,619,043
12,912,246	
44,718,758	67,097,873
14,784,115	16,473,995
385,010	383,450
29,483,898	34,170,685
65,735	16,069,743
263,619,400	442,461,812
100,000,000	270,000,000
61,673,057	-
101,946,343	172,461,812
84,234,486	169,752,308
98,857,275	165,923,180
(14,622,789)	3,829,128
17,711,857	2,709,505
17,711,857	2,709,505
0.027	0.004

Independent Auditor's Report to the Shareholders of AB Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **AB Securities Limited** which comprise the Statement of Financial Position as at December 31, 2018, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information .The information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact and we have found nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

Haider Ahmed Khan FCA



**Ahmed Khan & Co.
Chartered Accountants**

Modhumita Building (1st Floor)
160 Motijheel C/A, Dhaka-1000, Bangladesh

Date: April 30, 2019

AB Securities Limited
Statement of Financial Position
As at 31 December 2018

Annexure-M

		2018	2017
		BDT	BDT
I	A) Sources of Fund		
	Shareholders' Equity	509,708,626	521,775,108
	Share Capital	272,041,880	272,041,880
	Revaluation Reserve	85,986,590	102,024,360
	Retained Earnings	151,680,156	147,708,868
	B) Non-Current Liabilities	298,149,255	336,574,727
	Liabilities for Other Finance	280,263,485	320,263,485
	Provision for Gratuity	6,049,607	5,591,542
	Provision for Provident Fund	11,836,163	10,719,700
	Total Source of Fund (A+B)	807,857,881	858,349,835
II	A) Application of Fund		
	Non Current Assets	3,902,598	4,720,166
	Property, Plant & Equipment	1,534,696	2,163,698
	Deferred Tax Assets	2,367,901	2,556,468
	B) Investments	159,564,043	176,002,093
	C) Current Assets	1,238,961,689	1,621,439,266
	Cash and Cash Equivalents	219,425,776	549,820,229
	Advance, Deposit & Prepayments	5,305,760	7,622,820
	Advance Income Tax	83,571,185	75,360,853
	Accounts Receivable	48,769,272	62,183,186
	Margin Loan	881,889,697	926,452,178
	D) Current Liabilities and Provisions	594,570,450	943,811,690
	Accounts Payable	125,232,074	497,210,126
	Bank Overdraft	198,475,836	226,047,986
	Liabilities for Expense	663,561	669,325
	Provision for Income Tax	86,789,374	91,974,649
	Other Liabilities	183,409,604	127,909,604
	E) Net Current Assets (C-D)	644,391,240	677,627,576
F)	Total Application of Fund (A+B+E)	807,857,881	858,349,835

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended December 31, 2018

Annexure-M-1

		2018	2017
		Taka	Taka
A	Operating Income	124,750,427	147,392,990
	Brokerage Commission	43,582,574	84,872,824
	Interest Income	27,227,032	48,546,763
	Investment Income	52,226,468	11,058,832
	Other Operating Income	1,714,353	2,914,571
B	Operating & Other Expense	44,995,209	48,909,844
	Operating Expenses	43,451,552	47,038,673
	Other Financial Expenses	855,102	877,637
	Depreciation on Property, Plant & Equipment	688,555	993,534
C	Profit before Provision (A-B)	79,755,218	98,483,146
D	Provision	55,500,000	58,300,000
	For Diminution in Value of Investments	3,000,000	2,050,000
	For Diminution in Value of Loan	52,500,000	56,250,000
E	Profit before Taxation (C-D)	24,255,218	40,183,146
F	Provision for Taxation	20,283,929	33,500,000
	Current Tax	20,095,362	33,345,450
	Deferred Tax	188,567	154,550
	Net Profit After Taxation (E-F)	3,971,289	6,683,146
	Earnings Per Share (EPS)	0.15	0.25



Auditors' Report to the Shareholders of Cashlink Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Cashlink Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 December, 2018 and the Statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended and notes to the Financial Statements including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the Financial position of the Company as at 31 December, 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirement 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 and Internal Control

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations 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 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.

As part of an audit in accordance with ISAs, we have exercised professional judgment and maintained professional skepticism throughout the audit.

We also have:

- Identified and assessed 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 obtained 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;
- Obtained 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;
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluded 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.

We communicated 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 identified during our audit.

Report on Other Legal and Regulatory Requirements

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

- 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 account.

Dated, Dhaka
24 April 2019


DHAR & CO.
 Chartered Accountants



**Cashlink Bangladesh Limited
Statement of Financial Position**

As at 31 December 2018

Annexure-N

ASSETS
Non Current Assets
Property, Plant and Equipment

Current Assets
Cash & Bank Balances
Investment in FDR
Investment in Shares
Advance, Deposit & Prepayment
Other Receivable

Total Assets

EQUITY AND LIABILITIES

Equity

Share Capital
Share Money Deposit
Retained Earnings
Total Equity

Liabilities

Non-Current Liabilities

Long Term Loan

Current Liabilities

Accrued Expenses
Provision for Taxation

Total Liabilities

Total Equity and Liabilities

	2018	2017
	Taka	Taka
Property, Plant and Equipment	3	31,825
	3	31,825
Cash & Bank Balances	26,156	2,733,542
Investment in FDR	39,118,566	34,643,500
Investment in Shares	1,000	694,619
Advance, Deposit & Prepayment	37,980,017	38,174,733
Other Receivable	2,061,820	54,282
	79,187,559	76,300,676
	79,187,562	76,332,500
Share Capital	238,000,000	238,000,000
Share Money Deposit	4,200,000	4,200,000
Retained Earnings	(180,470,668)	(183,652,421)
	61,729,332	58,547,579
Long Term Loan	9,742,006	9,742,006
Accrued Expenses	28,750	23,000
Provision for Taxation	7,687,474	8,019,914
	7,716,224	8,042,914
	17,458,230	17,784,920
	79,187,562	76,332,500

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

Annexure-N-1

Revenue
Less: General and Administration Expenses
Operating Profit/(Loss)
Add: Other Income
Non-Operating Income/(Loss)

Less: Other Expenses
Profit/(Loss) Before Provision

Provision for Decrease in Market Value of Investment in Share

Profit/(Loss) Before Taxation

Provision for taxation

Net Profit/(Loss) After Tax

Other Comprehensive Income

Total Comprehensive Income/(Expenses)

	2018	2017
	Taka	Taka
Revenue	-	-
<u>Less:</u> General and Administration Expenses	496,576	548,815
	(496,576)	(548,815)
Operating Profit/(Loss)	3,542,157	3,153,072
<u>Add:</u> Other Income	147,177	165,975
Non-Operating Income/(Loss)	3,192,758	2,770,232
	11,005	525
	3,181,753	2,769,707
Provision for Decrease in Market Value of Investment in Share	-	-
	3,181,753	2,769,707
Provision for taxation	-	928,745
	3,181,753	1,840,962
	3,181,753	1,840,962



Independent Auditor's Report **to the Members of AB International Finance Limited**

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of AB International Finance Limited ("the Company") set out on pages 6 to 18, which comprise the statement of financial position as at 31st December, 2018, and the statement of income and retained earnings and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December, 2018, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have 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. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

As part of an audit in accordance with HKSAs, we exercise professional judgment 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 the directors.
- Conclude on the appropriateness of the directors' 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.

Do you like it?

T. O. Yip & Co. Limited

Certified Public Accountants (Practising)

Hong Kong

Samuel Ming Sum Yip

Practising Certificate Number : P05704

29th April, 2019

AB International Finance Limited
Balance Sheet

As at 31 December 2018

Annexure-O

	2018 HK\$	2017 HK\$
NON-CURRENT ASSETS		
Property, plant and equipment	48,262	14,368
CURRENT ASSETS		
Discounted bills receivable	99,457,270	76,539,908
Deposits, prepayments and other receivable	2,615,840	2,818,264
Cash and bank balances	273,873	5,579,254
	102,346,983	84,937,426
CURRENT LIABILITIES		
Accrued liabilities and other payables	4,391,757	3,580,081
Deferred interest income	691,956	757,240
Provision for long service payments	461,635	521,805
Due to ultimate holding company	77,500,000	63,162,500
Tax payable	654,888	964
	83,700,236	68,022,590
NET CURRENT ASSETS	18,646,747	16,914,836
EQUITY	18,695,009	16,929,204
Share capital	1,000,000	1,000,000
Retained earnings	563,904	563,904
Proposed final dividend	9,569,146	7,803,341
Capital Reserve	7,561,960	7,561,960
	18,695,009	16,929,204

Profit and Loss Account
For the year ended 31 December 2018

Annexure-O-1

	2018 HK\$	2017 HK\$
Interest income	4,638,664	3,653,515
Interest expenses	(590,099)	(471,318)
Net interest income	4,048,565	3,182,197
Other operating income	12,516,917	11,442,157
Total operating income	16,565,482	14,624,354
Staff costs	(2,357,701)	(2,658,025)
Depreciation	(13,696)	(9,024)
Provision for long service payments	(1,582)	(1,549)
Other operating expenses	(2,972,909)	(2,640,001)
Total operating expenses	(5,345,888)	(5,308,599)
Profit before taxation	11,219,594	9,315,755
Income tax	(1,650,448)	(1,512,414)
Profit for the year	9,569,146	7,803,341
Retained earnings at start of the year	563,904	563,904
Dividends	(9,569,146)	(7,803,341)
Retained earnings at the end of the year	563,904	563,904



Auditors' Report to the Shareholders of Arab Bangladesh Bank Foundation

Opinion

We have audited the financial statements of Arab Bangladesh Bank Foundation which comprise the Statement of Financial Position as at December 31, 2018, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, The Statement of Financial Position of the fund as at December 31, 2018, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund 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 of financial statements in accordance with International Financial Reporting Standards (IFRSs), 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.

Auditors' 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 auditors' 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 ISA will always detect a material misstatement when it exists. Misstatement 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.

Date: 10th April, 2019
Dhaka, Bangladesh


SHIRAZ KHAN BASAK & CO.
Chartered Accountants

Arab Bangladesh Bank Foundation (ABBF)
Statement of Financial Position

As at 31 December 2018

Annexure-P

	2018 Taka	2017 Taka
ASSETS		
Non Current Assets		
Property, Plant & Equipment	39,158,212	39,814,974
Investment at cost in equity share of ABIL	39,157,212 1,000	39,813,974 1,000
Current Assets	433,852,986	585,164,083
Loan to ABSL	260,000,000	300,000,000
Investment in FDR	93,305,220	87,187,619
Accrued income	37,669	37,669
Advance Tax	1,035,163	128,783,664
Cash and Cash equivalents	79,474,935	69,155,131
TOTAL ASSETS	473,011,198	624,979,056
EQUITY AND LIABILITIES		
Shareholders' Equity		
Share Capital	461,007,876	501,184,454
Retained Earnings	20,000,000 441,007,876	20,000,000 481,184,454
Non-Current Liabilities		
Advance Rent	693,376	1,145,402
Current Liabilities	11,309,946	122,649,199
Provision for Income Tax	11,219,446	122,193,799
Provision for expenses	90,500	455,400
TOTAL EQUITY AND LIABILITIES	473,011,198	624,979,056

Statement of Comprehensive Income

For the year ended 31 December 2018

Annexure-P-1

	2018 Taka	2017 Taka
Income		
Operating Income		
Interest Income	33,659,773	29,888,173
Rental Income	32,755,721 904,052	28,984,121 904,052
Less : Operating & Other Expenses	1,604,212	10,827,270
Operating expenses	1,604,212	3,371,470
Other expenses	-	7,455,800
Profit before Tax	32,055,561	19,060,904
Less: Provision for Tax	11,219,446	6,671,316
Profit carried forward	20,836,115	12,389,588



AB Bank Limited
Name of the Directors and entities in which had interest

As at 31 December 2018

Annexure-Q

Sl. No.	Name	Status	Name of Firms / Companies in which interested as proprietor/partner/director/managing agent/guarantor/employees etc.
1	Mr. Feroz Ahmed	Director	1. AB International Finance Ltd, Hong Kong, Chairman, nominated by AB Bank Ltd. 2. Hexagaon Chemical Complex Ltd, Chairman 3. Elite Paint & Chemical Ind. Ltd, Chairman 4. Elite International Ltd, Managing Director 5. FDN Energy Ltd, Managing Director 6. Ahmed Securities Services Ltd, Managing Director 7. Bangladesh General Insurance Company Ltd, Shareholder 8. Holy Crescent Hospital, Shareholder
2	Mr. Syed Afzal Hasan Uddin, Barrister-at-Law	Nominated Director	1. Syed Ishtiaq Ahmed & Associates, Partner 2. Square Textiles Ltd, Independent Director 3. Color City Ltd. Independent Director 4. Forward Air Aviation Ltd, Nominated Director 5. Managewell Media Ltd, Nominated Director 6. Managewell Holdings Ltd 7. Managewell Investment Ltd 8. Managewell Service Ltd
3	Mr. Syed Golam Kibria*	Nominated Director	1. North East University Bangladesh, Telihaor, Sheikhhgat, Sylhet-3100 – Director Finance & Registrar (Acting)
4	Mr. Asish Baran Sarkar	Nominated Director	Nil
5	Mr. Shajir Ahmed	Nominated Director	1. Elite paint & chemical Industries Ltd, Director 2. Super refinery (Pvt.) Ltd, Director 3. Super share & Securities Ltd, Director 4. Elite super plastic Ind. (Pvt.) Ltd, Director 5. Super sea Fish (Pvt.) Ltd, Director 6. Super Tel Limited, Director 7. Super silica Bangladesh Ltd, Director 8. Aurora Décor Limited, Director 9. Broast Foods Ind (Pvt) Ltd, Director 10. Elite Foods Industries Ltd, Director
6	Mr. Moshtaque Ahmed Chowdhury	Nominated Director	1. M. A CHY & CO; Proprietor
7	Mr. Shishir Ranjan Bose, FCA**	Independent Director	1. S. R. Bose & Co., Chartered Accountants, Proprietor 2. Therapeutics (Bangladesh) Ltd, Independent Director 3. AB Securities Ltd, Independent Director, Nominated by AB Bank Limited 4. AB International Finance Limited, Hong Kong; Director, Nominated by AB Bank Limited 5. Cashlink Bangladesh Ltd, Independent Director, Nominated by AB Bank Limited 6. Golden Son Limited Chairman, Audit Committee & Independent Director
8	Mr. Khairul Alam Choudhury	Nominated Director	Nil
9	Mr. Kaiser A. Chowdhury	Independent Director	Nil
10	Mr. Tarique Afzal	President & Managing Director (CC)	Nil

* Mr. Syed Golam Kibria replaced by Mr. Muhammad A. (Rumee) Ali in the 669th Board Meeting held on February 27, 2019 by Pacific Traders Limited. Below is the list of entities where Mr. Muhammad A. (Rumee) Ali has interest:

1. Bangladesh International Arbitration Centre (BIAC), Chief Executive Officer
2. Finnova Technologies Limited, Chairman
3. Finaction Bangladesh Limited, Chairman
4. R & I Ventures Ltd, Managing Director
5. Eastland Insurance Company Limited, Independent Director

** Mr. Shishir Ranjan Bose, FCA, Independent Director, resigned from the Board in the 669th Board Meeting held on February 27, 2019.

CITIZEN CHARTER



AB Bank Limited Corporate Social Responsibility

AB Bank recognizes it's obligations to the society, and always making reasonable and ethical decision in the manner to carry out bank's business, which contributes towards the improvement of quality of the lives of people.

In 2018, AB Bank continued its focus on CSR initiatives in the following field:

- 1. Education:** AB Bank provided financial assistance to a number of educational Institutions to support the studies of poor students. The bank also provided computers to enhance technology-based learning. Wooden floor gymnasium for students of IUT was constructed under CSR activity of AB Bank.
- 2. Health:** The Bank, in its commitment to contribute to the health sector, has financed in training nurses. The Bank also backed to create awareness against cancer. To ensure the

education of the autistic children, AB played its part to build special school.

- 3. Art & Culture preservation:** The Bank also patronized in publishing the book "1971: Resistance, Resilience and Redemption". The Book contains the legacy of Bangladesh's Liberation War History and Heritage.
- 4. Sports Arena:** AB always supported the development of sports, be it cricket, football or golf. The President Cup Golf at Bhatiary Chittagong is a trademark event sponsored by AB for the last 27 years. The Bank has also made significant contribution in the field of Cricket and Football as well.

AB also donated substantial amount to Prime Minister's relief fund to help the people at distress.



AB Bank Limited presented 50,000 blankets to the prime Minister's Relief Fund for distribution among the poor people of the country to alleviate their sufferings during the winter season.

AB Bank Limited

Corporate Social Responsibility



AB Bank is proud to promote The Book "1971: Resistance, Resilience and Redemption" written by Maj Gen Sarwar Hossain.



AB Bank as part of its Corporate Social Responsibility presented a cheque towards construction of a wooden floor gymnasium for Islamic University of Technology (IUT).

AB Bank Limited **Green Banking Activities**

AB Bank has adopted comprehensive Green Banking Policy in line with global norms and BRPD Circular no. 02 Dated February 27, 2011 on "Policy Guidelines for Green Banking" (as approved by Board of Director's 488th Meeting held on 19.12.2011). Subsequently, as per Bangladesh Bank SFD Circular No.02 dated December 01, 2016, the Bank has formed the following (upon due approval from Board of Director's 624th meeting held on March 08, 2017):

- A separate Sustainable Finance Unit (SFU) having the responsibility of designing, evaluating and administering related Green Banking issues of the bank, comprising with 6 (Six) Senior and mid-level Officials from AB Head Office.
- Sustainable Finance Committee (SFC) comprising the senior Officials of the Bank

Policy Formulation and Governance:

Incorporation of ESRM in CRM:

Eco friendly business activities and energy efficient industries are given preference in financing by the Bank. Environmental infrastructure such as wastewater treatment plant, bio-gas plant, bio-fertilizer plants are encouraged and financed by the Bank. Besides, projects having such installations are encouraged. Bank has incorporated Environment, Social and Climate Change Risk as part of the existing credit risk methodology and introduced 'Environmental and Social Risk Assessment (ESRA) - Generic Checklist' to assess existing as well as a prospective borrower (Credit Circular No.02/2017 on November 19, 2017).

Before introducing ESRA, Bank has been conducting Environmental Risk Rating (EnvRR) since July 2011.

In – House Environment Management:

We have introduced and practicing Green Office Guide (Green Tips) to better manage In-House Environment. Some of the practices under Green Office Guide is as below:

As per the above guide:

- Bank prepare & maintain inventory of the consumption of water, paper, electricity, energy etc. in its offices and branches in different places.
- Save electricity and reduce water and paper consumption.
- In place of relying on printed documents, online communication is extensively used.
- Energy efficient electronic equipment's and energy saving LED Bulb are used as much as possible.

We are aware that every ton of paper saves around 17 trees. Therefore Bank emphasize on purchase recycled paper, print on reusable sheets, print multiple pages on single sheets of paper, set defaults to print double –sided and print on both sides, print only the pages that are required, increase margin width of the documents, lower the default font (preferably to 10 point) which would shrink the document by about 10%, use email statements through which we save an enormous quantity of paper, we call or email our customers

for service reasons wherever possible rather than writing letters, low use of cheque book or paying-in book (withdrawal & payment through Card), installed solar ATM's (we already have 7 such ATMs), switch off the ACs after 7 pm (or earlier specially when not required), and maintaining the temperature of the AC over 22 Degree Celsius, switch off the lights of the common area after banking hour, switch off the computer / printer, when not in use;

Green Monitor

To Ensure Optimum consumption of Electricity and Water, Head Office and all Branches of the Bank is set to control and reduce electricity consumption. To this effect,

One Officer for each ABBL Floor (at Head Office as well as at each Branch) has been nominated as 'Green Monitor' who ensure that:

- Air Cooler Temperature is maintained preferably at 240 Celsius during office hours.
- Air Coolers are put off after 7:00 p.m. and unnecessary lights are put off when not required.
- There is no wastage of water (in kitchen, gardens, car wash and rest rooms especially due to faulty tap).
- Switch off Air Coolers inside ATM Booths every night from 12:00 Midnight to 6:00 a.m.

Earth Hour

Introduction of Earth Hour in every Branch and at Head Office:

To save electricity and to promote the environmental cause effectively, every ABBL Branches switch off Air Coolers of the branches as well as the unnecessary lights for 1 (one) hour every Sunday from 3:00 p.m. to 4:00 p.m.

Climate Risk Fund: Bank to allocate Climate Risk Fund for CSR activities for the people affected by climate change like flood, severe winters which we have seen in last few years. AB Bank has stood by the side of the people affected by the above mentioned calamities caused due to climate change.

Green marketing: To promote Green marketing Bank is arranging Training & Capacity Building among it's employees.

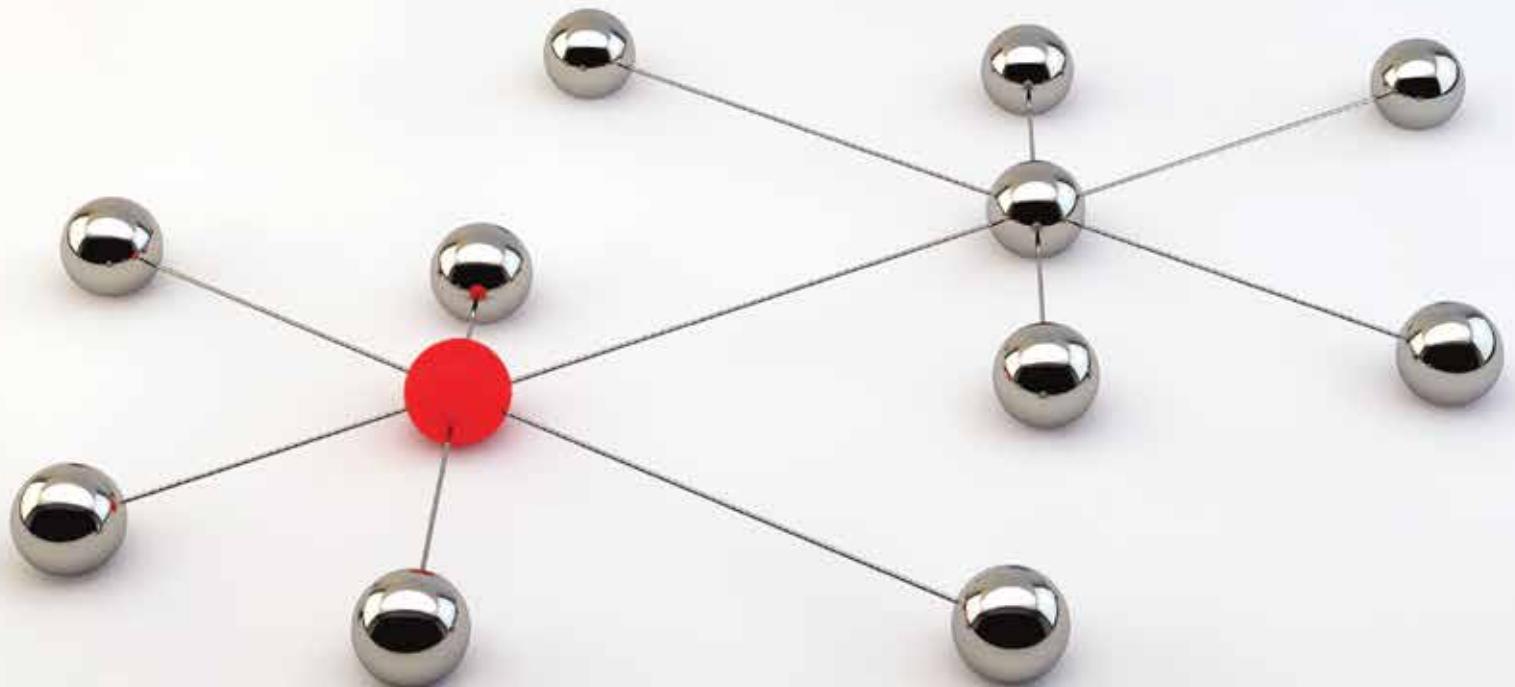
Online Banking:

- ABBL is a fully real-time online Bank and encourage customers to use internet banking (AB Direct) for transactions including online bill payment, fund transfers etc.
- It gives more emphasis to make the easiest way to help environment by eliminating paper waste, saving gas and carbon emission, reducing printing costs and postage expenses.

Disclosure and reporting of Green banking:

Such disclosure has been done in our Annual Report, Bank's periodicals while our website also speaks of our Green Products & initiatives.

AB NETWORK





AB Bank Limited
Branch Network

Dhaka Division		Details Address	Sl. No.
1	Austagram	Mustari Bhaban, Union-3 No. Austagram Sadar. P.S. Austagram, Kishoreganj	1
2	Banani	S.R.R. Commercial Tower, Plot 50, Road 11, Block C, Banani, Dhaka-1213	2
3	Bandura	Bandura Branch, Bandura Govt. Super Market (1st floor), Hasnabad, Nawabgonj, Dhaka	3
4	Bashundhara	Green Coronet, Plot-7, Block-A, Bashundhara R/A, Dhaka-1229	4
5	Bhairab Bazar	248(W)Tin Patty,Bhairab Bazar ,Kishoreganj	5
6	Bhulta	Haji Complex (1st Floor), Bhulta, Golakandail, Rupgonj, Narayanganj, Bangladesh	6
7	Board Bazar	Board Bazar, PO-National University, PS-Gazipur Sadar, Dist-Gazipur	7
8	Chandra	Al Haj Khabir Uddin Super Market, Kaliakair Bazar, Kaliakair, Gazipur.	8
9	Dhanmondi	House No.286 B (Old),45 (New), Road .27 (Old),16 (New),Dhnmondi R/a, Dhaka-1209	9
10	Faridpur	AR City Center, Holding No-29, Goalchomat, Faridpur	10
11	Garib-E-Newaz Avenue	Plot-08, Garib-E-Newaz Avenue Road, Sec-13, Uttara, Dhaka.	11
12	Gulshan	Ventura Avenue, Plot No. CWN (C) -8/B, Road No. 34, Gulshan Model Town, WARD No. 19, P.S.-Gulshan, Dist-Dhaka	12
13	Imamganj	40,Imamganj,Dhaka-1100	13
14	Islampur	38-39 Islampur Road, Islampur, Dhaka	14
15	Islami Banking Branch	82, Kakrail, Ramna, Dhaka.	15
16	Jatrabari	Tony Tower, 33 Shaheed Faruque Road, Jatrabari, Dhaka	16
17	Jinjira	Hazi Karim Market, 2nd Floor, East Aganagar, Keraniganj, Dhaka	17
18	Joypara	Joypara Bazar, Joypara, Dohar, Dhaka.	18
19	Kakrail	81, VIP Road, Kakrail ,Dhaka.	19
20	Kalampur	Vill: Kalampur, P.O-Kalampur. P.S- Dhamrai, Dist- Dhaka	20
21	Kalatiya	Sufiya Zaman Complex, Shamsherpur, Kalatiya, Keraniganj, Dhaka	21
22	Kamrangirchar	Al-Madina Super Market, 1201 West Rosulpur, Kamrangirchar, Dhaka	22
23	Karwan Bazar	102, Kazi Nazrul Islam Avenue, BSEC Bhaban, Dhaka-1215	23
24	Madhabdi	Parkashipur, Madhabdi Bazar, Madhabdi, Narsingdi	24
25	Malibagh	72, Advanced Melinda, (Level-1), Malibagh, Dhaka-1217.	25
26	Mirpur	5/A, 5/B, Darussalam main Road, Mirpur-1, Dhaka-1216	26
27	Motijheel	BDBL Bhaban, 8, RAJUK Avenue, Dhaka-1000	27
28	Mohakhali	Pacific Centre, 14 Mohakhali Commercial Area, Bir Uttam A. K. Khandaker Road, P.S- Banani, Dhaka-1212	28
29	Narayanganj	109, Banga Bandu Road, Narayanganj	29
30	Nawabpur Road	198-202, Nawabpur Road (Nawabpur Tower),Nawabpur, Dhaka-1100	30
31	New Elephant Road	Dhaka South City Corporation, Holding#05,Ward#49 [Old],Thana#Dhanmondi,Building#Novera Square,Road#02, Dhaka	31
32	North South Road	9/1,North South Road, Bangshal,Dhaka	32
33	Pagla	Alhajj Afser Karim Bhaban, DN Road,Kutubpur,Fatullah, Narayanganj.	33
34	Paril	RS-934, Khatian-RS-596, Mouza-Paril Noadda, Union-Boldhara, PS-Singair, Dist-Manikgonj	34
35	Principal	BCIC Bhabon,30-31 Dilkhusha,Dhaka	35
36	Progati Sharani	72,N.R.Tower, Block-J, Baridhara,Progati Sharani,Dhaka	36
37	Rokeya Sharani	923 Shewrapara Rokeya Sharani, Mirpur, Dhaka-1216	37
38	Savar	Polashbari, Ashulia, Savar, Dhaka.	38
39	Shyamoli	Holding No-24/1 & 24/2, Khilzi Road,Ward No-45, Shyamoli Square Dhaka	39
40	Tangail	702, Sabur Khan Tower, Kalibari Road, Tangail Sadar, Tangail, Bangladesh	40
41	Tongi	Sena Kalayan Commercial Complex, Plot No. 9/F, Tongi, Gazipur	41
42	Uttara	House:11, Road:14/D, Sector:4, Uttara, Dhaka-1230	42

Mymensingh Division		Details Address	Sl. No.
1	Mymensingh	52,Dr.Bipin Sen Road,Choto Bazar,Mymensingh	43
2	Seed Store Bazar	Al-Madina Shopping Complex, Seed Store Bazar, Bhaluka, Mymensingh	44

AB Bank Limited Branch Network

Chittagong Division		Details Address	Sl. No.
1	Agrabad	Spencers Building, 26, Agrabad C/A, Chittagong	45
2	Anderkilla	Anderkilla Branch, Universal Chamber (1st Floor), 7- Laldighi East, Kotowali, Chittagong, Bangladesh.	46
3	Ashuganj	Kashem Plaza , Ashuganj Sadar , Ashuganj, Brahmanbaria	47
4	Bahaddarhat	4543,Bahaddarhat, Arakan road. Chandgaon, Chittagong.	48
5	Banskhali	Mohammed Meah Plaza, Ramdas Munshirhat, Kokdandi, Kalipur Union, Banskhali, Chittagong	49
6	Boalkhali	TCCA Complex, Gomdandi (East), Boalkhali, Chittagong, Bangladesh	50
7	Brahmanbaria	1090/128, Court Road, Brahmanbaria, Bangladesh	51
8	CDA Avenue	BMA Bhabhan (Ground Floor), 1367, CDA Avenue, East Nasirabad, Chittagong	52
9	Chakaria	M.Rahman Complex, Holding No-625,W-4, Chakaria Puroshova, Chakaria,Cox'sbazar	53
10	Chandpur	123/115, Poura New Market, Kali Bari Road, Chandpur.	54
11	Chawk Bazar	67/68 College Road, Moti Tower,ChawkBazar, Chittagong,Bangladesh	55
12	Chaumuhani	Holding # 886, Feni Road, Chaumuhani, Bedumganj, Noakhali	56
13	Chaturi	Al Amin Super Market, Mouza & Union: Chaturi, Police Station: Anowara, Chittagong	57
14	Comilla	Moghultoli Super Market(1st Floor)Moghultoli Road,Comilla.	58
15	Cox's Bazar	Diganta Complex, New Market Bazar Ghata cox's Bazar.	59
16	Dewanhat	315, Dewan Chamber, Dewanhat, Doublemuring, Chittagong	60
17	Export Processing Zone (EPZ)	EPZ Branch, P.O. South EPZ, Bay Shopping Centre, Halishahar, Chittagong	61
18	Feni	Hoque Plaza, 193, Shaheed Shahidullah Kaiser Road, Feni	62
19	Hathazari	Haji Siddique Market (1st floor), Hathazari Bus Stand, Hathazari, Chittagong	63
20	Jubilee Road	175, Jubilee Road, Chittagong, Bangladesh	64
21	Khatunganj	395 Khatunganj, Chittagong	65
22	Khulshi	Road # 01, Khulshi, Chittagong	66
23	Lohagara	Mostafa City, 1st floor,Amirabad, Lohagara ,Ctg.	67
24	Momin Road	Equity Central,42-43,Momin Road, Jamal Khan, Chittagong	68
25	Nazu Meah Hat	Burischar,Kaptai Road, P.O-Nurali Bari, P.S- Hathazari,Chittagong.	69
26	Patherhat	Khayez Shopping Centre, 2nd Floor, Noapara, Patherhat, P.S.-Raozan, Chittagong	70
27	Pahartoli	Abdur Rahim Tower, Holding No - 972/1043, D, T Road, Ward No 9, A,K, Khan Gate, Pahartali, Chittagong.	71
28	Port Connecting Road	5,P.C Road,Block-G,Baropole,Halisahar,Ctg	72
29	Sandwip	Sandwip City Center, Anamnahar, Plot no 22370 & 22371, Haramia, Sandwip, Chittagong	73
30	Sitakunda	Aziz Shopping Complex, (1st Floor), Mohadevpur, PO+PS-Sitakunda, Chittagong	74
31	Station Road	Equity Anitri, 32 H.S.S. Road, Kotowali, Chittagong	75
32	Teknaf	Abu Hanif Market, Bus- Station, Main road, Teknaf.	76

Khulna Division		Details Address	Sl. No.
1	Benapole	Hotel Haque international,607, Local Bus stand, Benapole,Jessore	77
2	Jhenaidah	Pushpoprangon, 249 Sher-E-Bangla Road, Jhenaidah Sadar, Jhenaidah	78
3	Jessore	38 M.K Road, Jessore	79
4	Jhikargacha	Hanef Super Market, Local Bus Stand, Jhikargacha, Jessore	80
5	Khulna	99, Jessore Road	81
6	Kushtia	12-14, N.S. Road Kushtia	82
7	Satkhira	84/810 Abul Kashem road satkhira	83

Rajshahi Division		Details Address	Sl. No.
1	Bogra	324 Kabi Nazrul Islam, Sarak, Jhawtola, Bogra.	84
2	Chapai Nawabganj	16, Godagari Road, Chapai Nawabgonj	85
3	Naogaon	Mojaffer ossain marketing Complex, Main Road, Naogaon	86
4	Pabna	AR Plaza,118 Abdul Hamid Road, Pabna Sadar, Pabna.	87
5	Sirajganj	Friends Plaza, 1039 ,S S Road, Ward# 1, Sirajgonj Sadar, Sirajganj.	88
6	Rajshahi	102-103, Shaheb Bazar, Ghoramara, Rajshahi.	89



AB Bank Limited
Branch Network

Sylhet Division		Details Address	Sl. No.
1	Boroikandi	Rongdhonu Biponi Bitan (1st Floor),Central Bus Terminal Road, Verthokkhola Sylhet .	90
2	Chhatak	Modaris mension,Bagbari, Chhatak,Sunamgonj	91
3	Dargahgate	Raj Monjil, Dargahgate, Sylhet	92
4	Garden Tower	"Biswa Road, Shahjalal Uposhohor Point, Sylhet	93
5	Habiganj	Holding no-6286, Habiganj-Shaistaganj Main Road, Ward-8, Habiganj	94
6	Madhabpur	317, Munshi Tower, 1st Floor, Ward # 07, Madhabpur Pourashava, P.O & P.S. Madhabpur, Dist. Habiganj	95
7	Moulvibazar	Shamsernagar Road, Chowmuhonra, Moulvibazar, Sylhet	96
8	Sreemongal	Aziz Super Market, Moulvibazar Road, PO. & PS. Sreemongal-3210, Dist.Moulvibazar	97
9	Tajpur	Hazi Keramat Ali Super Market, Kodomtola, Tajpur, Osmanninagar, Sylhet	98
10	VIP Road	Surma Tower, V.I.P. Road, Taltala, Sylhet.	99

Rangpur Division		Details Address	Sl. No.
1	Dinajpur	Javed Super Market, Plot.189, Bahadur Bazar, P.S. Kotwali, Dist. Dinajpur	100
2	Salmonirhat	Kasir Uddin Kallyan Foundation Bhaban, Holding No. 5/32-S, Ward No.05, Puran Bazar, Dist. Salmonirhat, Bangladesh.	101
3	Rangpur	Baitus Syed Super Market, 91-92,Central Road, Sadar, Rangpur.	102
4	Saidpur	Noor Plaza, Shaheed Dr. Zikrul Haque Road, Word No.12, Saidpur, Nilphamar	103

Barisal Division		Details Address	Sl. No.
1	Barisal	101, Monsur Mansion, Sadar Road, Barisal, Bangladesh	104
Total of Branch Number: 104			

AB Bank Limited
ATM Network

SI.No.	ATM Location	Address	Attached Branch
1	Bashundhara	Green Coronet Plot No-07, Block-A, Bashundhara Main Road.	Basundhara
2	Rangpur	Shop No:01 Muktijoddha Complex Bhaban, Station Road, Rangpur.	Rangpur
3	Kalurghat	Global Shirts 49 (NP) Kalurghat Heavy Industrial Area, Chottogram.	Bahaddarhat
4	Mirpur-1	5-B Darus Slam Road, Section 01, Mirpur Dhaka.	Mirpur
5	Gulshan	155 Gulshan Avenue Road No 54 Dhaka	Gulshan
6	Siddeswari Road ATM	Total Camelia, 49, Siddeswari Road, Dhaka.	Malibag
7	New Senpara Road ATM	House no- 5543, Road No-1, New Senpara Road, Grand Hotel More, Rangpur.	Rangpur
8	Gulshan-1 ATM	Shop No.15,50, South Gulshan, Dhaka	Gulshan
9	Pran RFL ATM	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayangonj.	Madhabdi
10	Mohakhali	G-37, Wireless Gate, Dhaka	Mohakhali
11	East Dargahgate	5222, East Dargahgate, Sylhet	Dargahgate
12	Rayer Bazar	15, Sultangonj. Rayer Bazar , Dhaka	Dhanmondi
13	Middle Badda	Gha-131/1, Middle Badda, Dhaka	Progoti Sharani
14	Hobigonj Branch ATM	Sayestagonj Main Road Hobigonj	Hobigonj
15	Banasree Main Road	B/4,Block#B,Main Road,Banasree,Dhaka	Malibag
16	Cox's Bazar	Digonta Complex (New Market), Bazar Ghata, Cox's Bazar	Cox's Bazar
17	Asad Avenue	Mohammadpur Housing Estate Plot No. 71/C, Block No. D, Mohammadpur, Dhaka.	Shyamoli
18	West Panthopath	89/2, West Panthopath, Dhaka 1215	Karwan Bazar
19	Satmosjid Road	Block-E, Plot No. Gha/13, Mohammadpur Housing Estate, Mohammadpur, Dhaka	Dhanmondi
20	Malibagh Chowdhury Para	577, Malibagh Chowdhury Para, Dhaka	Malibag
21	Training Academy	719 (old) Satmasjid Road, Dhanmondi R/A, Dhaka. 85/A (New) M R Akhter Mukul Sarak, Dhanmondi R/A, Dhaka	New Elephant Road
22	Comilla	333, Jhawtala, Comilla	Comilla
23	Naz Garden	Plot No. 1668, Hotel Naz Garden, Selimpur, Bogra	Bogra
24	Narinda	98/1, Bhagabath Shah Sanka Nidhi Lane, Narinda Road, Gandaria, Dhaka	North South Road
25	PC Culture Housing Society	H - 23, Road - 10, Block - Kha, PC Culture Housing Society, Mohammadpur, Dhaka	Shyamoli
26	NICVD	NICVD, Sher-E-Bangla Nagar, Dhaka	Shyamoli
27	Medda Bazar	Municipal Holding No. 345/338, Medda Bazar, Brahmanbaria	Brahmanbaria
28	Sadar Road	45, Sadar Road, Barisal	Barisal
29	Doylar More	Municipal Holding No. 1952, Chawk Enayet, Naogaon	Naogaon
30	Lucas More	115 West Nakhalpara, Tejgaon, Dhaka	Karwan Bazar
31	Lake Drive Road	Plot No.19, Lake Drive Road, Sector -0 7 Uttara, Dhaka	Uttara
32	Shahjahanpur	714/1, Uttar Shahjahanpur, Dhaka.	Motijheel
33	South Basabo	445, South Bashbo, Sabujbagh, Dhaka	Motijheel
34	Sony Cinema	Crescent Homes, 150/1 Shah Ali bag Mirpur-1, Dhaka	Mirpur
35	Tejtute bazar	37 East Tejtute Bazar, Farmgate, Dhaka 1215	Karwan Bazar
36	Nazim Uddin Road	1/2 Nazim Uddin Road, Dhaka	Imamganj
37	Gopibagh	1/A Gopibagh, 1st Lane, Dhaka - 1203	Principal
38	Nikunja-2	Plot No.06, Road No.01, Nikunja-02, Dhaka.	Progoti Sharani
39	Simanta Square	Simanta Square Market Premises, Pilkhana, Dhaka.	New Elephant Road
40	Banani	House#50, Road#11, Block-C, Banani, Dhaka	Banani
41	Adabar Bazar	H-32/1/A North Adabar, Mohammadpur, Dhaka	Shyamoli
42	Darus Salam Station	59/D, Darus Salam, Mirpur Road, Dhaka	Shyamoli
43	Ring Road	KPBL Chayapat, House No.16/A/6, Ring Road, Near By Japan Garden City, Mohammadpur, Dhaka	Shyamoli
44	Sutrapur	29/5 K.M Das Lane, Sutrapur, Dhaka.	Principal
45	Gulshan	Block B, H-50, Road -3 Avenue Road – 1, Niketan , Gulshan - 1	Mohakhali
46	Comilla	SA Plot No. 634, Shashangacha, Badsha Miar Bazar, Kowtali, Comilla	Comilla
47	Sandwip	Sandwip City Centre, Haramia, Sandwip, District - Chottogram.	Sandwip



AB Bank Limited
ATM Network

Sl.No.	ATM Location	Address	Attached Branch
48	Jatrabari	Holding No. 102/1, Sahid Faruk Road, South Jatrabari, Dhaka.	Principal
49	Lalmatia	House# B/20, Block- E, Zakir Hossain Road, Lalmatia, Dhaka	Dhanmondi
50	Rupnagar	House#57, Road#22, Rupnagar R/A, Mirpur, Dhaka	Mirpur
51	Sutrapur(RM Das)	Holding No. 108, R M Das Road, Sutrapur, Dhaka.	Nawabpur
52	Gulshan Link	TA-137/1, Gulshan Link Road, Dhaka	Gulshan
53	Dakhinkhan	House#12,Ward#4, Dakhinkhan, Dhaka	Uttara
54	Rampura	City Corporation Holding No. 1, East Rampura, Dhaka.	Kakrail
55	Tongi	Sena Kalyan Commercial Complex, Plot No. 9/F, Tongi, Gazipur	Tongi
56	Dhanmondi Takwa Masjid	Block-C, Plot No. 251/F, Road No. 22, at present Plot No. 60/A, Road No. 12/A, Dhanmondi R/A., Dhaka.	Dhanmondi
57	Bandar ATM	RSA Complex, South Halishahar, BS Plot No. 8098, Bandar, Chottogram.	C-EPZ
58	Sutrapur	No. 95/4, Distillery Road, Sutrapur, Dhaka	Nawabpur
59	MDC Square ATM	MDC Square, chawkbazar	Chawk Bazar
60	Doymair Bazar	Osmany Shopping Center, Doyamir Bazar,Balaganj, Sylhet	Tajpur
61	Fantasy Kingdoom	SA Plot No. 193,(Near to Fantasy Kingdoom)Diakhali, Jamgora, Ashulia, Dhaka.	Savar
62	Segunbagicha	42/1Kha, Segunbagicha, Ramna, Dhaka	Kakrail
63	Kalachandpur	Ka/12, Kalachandpur, Baridhara, Gulshan, Dhaka	Progoti Sharani
64	Amirabad	Best Chowdhury Plaza, Amirabad, Lohagara, Chottogram	Lohagara
65	Chaumuhani	Feni Road, Chaumuhani, Noakhali	Chaumuhani
66	Nawabgonj	Kashimpur, Nawabganj, Bandura, (Nearer to Upazila Parisad), Dhaka	Bandura
67	Notun Bazar	25, Kali Sankar Guha Road, Notun Bazar, Mymensingh	Mymensingh
68	Uttara	Plot No. 05, Rana Bhola Road, Sector-10, Uttara, Dhaka	Uttara
69	Mirpur- 10	1247, Monipur, Mirpur, Dhaka	Rokeya Sharani
70	Brac Shoping	Shop No-111, Brac Shopping Centre, Faidabad, Azampur, Uttara, Dhaka	Uttara
71	Navaron ATM	"Navaron Bazar, Sharsha , District - Jessore.	Benapole
72	Kadirganj ATM	97,Kadirganj, Dorikhorbona, Greater Road, Rajshahi	Rajshahi
73	Uttara#7	Plot-89, Road-28, Sector # 07, Uttara, Dhaka	Uttara
74	Mirpur #12	Plot No. 17, Road No. 02, Block No. E, Section No. 12, Rupnagar R/A., Mirpur Housing Estate, Mirpur, Dhaka.	Mirpur
75	Indira Road	26, Indira Road, Farmgate, Dhaka	Karwan Bazar
76	Jubilee Road	175, Jubilee Road, Enayet Bazar, Chottogram	Jublee Road
77	Mukda Para	111/C, North Mukda Para, Sabujbagh, Dhaka	Malibag
78	Khilkhet	Concord Lake city, Holding No. Kha-94/3, Khilkhet, Dhaka	Progoti Sharani
79	Ashkuna	Hazi Supper Market, Holding No. 2522, Ashkuna, Uttara, Dhaka.	Uttara
80	Kochukhet	234/6,Kochukhet,Mirpur	Rokeya Sharani
81	Uttara-14	House:20,Road:12,Sector:14,Uttara	Uttara
82	PCR Road ATM	Shah Amanat Shopping Complex, Plot No. 12/A, Block-G, Road No#1, Len-2, Hali Shahar Housing Estate, Holding No. 2113/A, Rampur, Chottogram	PCR
83	Polton Tower	Shop No-11,Box Kalbart Road, 87 Purna Polton Road, Polton Tower, Polton, Dhaka	Motijheel
84	Boro Moghbazar	625 Boro Moghbazar (Nayatola)(Opposite Red Cr. Society)	Malibag
85	Kaderabad Housing Society	41/A, Kaderabad Housing Society, Katasur, Mohammadpur, Dhaka	Dhanmondi
86	Lalbag	15, Lalbag Road, Lalbag Kella, Dhaka	New Elephant Road
87	BRRI	Krishi Gobesona Institute, 58/1 58/2 Laksmipura, Chandra , Gazipur.	Board Bazar
88	Baipail	Opposite of Ashulia Thana (Baipail Police Station, Near Baipail Mosque), RS Plot No: 181, Dhamsona, Ashulia, Savar, Dhaka	Savar
89	Kaliakair Super Market	Kaliakair Super Market, Kaliakair Bazar Bus Stand, P.O: Kaliakair Bazar, P.S: Kaliakoir Dist: Gazipur	Chandra
90	Konabari Bus Stand	Konabari Bus Stand, Gazipur, Plot No A-146 & A-147(p) Block Chemical , BSCIC , Konabari ,Gazipur.	Chandra
91	Al-Hasan Hotel	144, Sir Iqbal Raod, Khulna	Khulna
92	United Tower	4 KDA, Khulna	Khulna
93	VIP Tower	VIP Tower, Kazir Dewri, Chottogram	Jublee Road
94	Dostagir Center	Dostagir Center 31, D.T Road, Chottogram	Dewan Hat

AB Bank Limited
ATM Network

SI.No.	ATM Location	Address	Attached Branch
95	Tajpur ATM	Kazi Mansion, Dhaka-Sylhet High Way, Kadamtola, Po-Tajpur, Ps-Osmaninagar, Sylhet.	Tajpur
96	Grand Huq Tower	457-458, Grand Huq Tower, Mizan Road, Feni	Feni
97	Nathullabad ATM	Nathullabad Bus Stand, Barisal	Barisal
98	Launch Ghat ATM	Barishal Launch Ghat, Barisal	Barisal
99	Bar House ATM	District Judge Court Bar Associatio (Bhaban No-1), Near Jessore Municipal Eid Ghah Moidan), Mudjib Sarak, Jessore	Jessore
100	Shib Bari ATM	B7, Mojit Sharani, Shib Bari, Khulna	Khulna
101	Ashuganj ATM	SA Plot# 10812, Main Road, Ashuganj City	Ashuganj
102	Chalkbazar ATM	18/1 Water Works Road, Dal Potti,Chalkbazar, Dhaka	Imamganj
103	Monipuripara ATM-2	Lion's Shopping, Old Airport Road, Monipuripara, Dhaka	Karwan Bazar
104	Gabtoli ATM	86, 1st Colony, Mazar Road, Near of Cement House, Gabtoli, Mirpur, Dhaka	Shyamoli
105	Mojumdar Merket ATM	Mojumdar Merket, Sadar Hospital Road, Feni	Feni
106	Khanpur Puro Market ATM	8 No, Khanpur Puro Market, Hospital Market, Narayanganj	Narayanganj
107	Pabna ATM	AR Plaza, (Ground Fl.) Abdul Hamid Road, Pabna	Pabna
108	Zigatola ATM	House-43/3/2, Zigatola, Dhanmondi, Dhaka	New Elephant Road
109	Bokshi Bazar ATM	Bokshi Bazar, City Corporation Market, Dhaka Medical College , Dhaka	North South Road
110	Pilkhana ATM	57 Azimpur Pilkhana Road,Opp-Thana Education Office, Dhaka	New Elephant Road
111	Pall Bari ATM	Pallbari Circle, Beside Royal Community Center, Jessore	Jessore
112	Subid Bazar ATM	Indiana Height, Subid Bazar, Sylhet	Dargahgate
113	Baridhara ATM-1	Baridhara Parishad Office, Baridhara DOHS, Road#5, Opposite to CSD, Dhaka	Gulshan
114	Baridhara ATM-2	Baridhara Parishad Office, Baridhara DOHS, Road#5, Opposite to CSD Dhaka	Gulshan
115	Gowsul Azam ATM	Gowsul Azam Avenue, House#57, Sec#14, Uttara, Dhaka 1230	Uttara
116	Jhikargacha Branch ATM	Hanif Super Market, Jhikargacha	Jhikargacha
117	Foy's Lake ATM	Concord Amusement World, Foy's Lake, Khulshi, Chottogram	Khulshi
118	Lama Bazar ATM	VIP Road, Lama Bazar, Sylhet	VIP Road
119	Rina Monjil ATM	69, Central Jail Road, Jessore	Jessore
120	Sitakunda ATM	Aziz Shopping Complex, Sitakunda, Chottogram	Sitakunda
121	Pagla Branch ATM	DN Road Pagla, Fatullah, Narayangonj	Pagla
122	Concord Arcadia ATM	Dhanmondi (Concord Arcadia), Plot#122,Road#4,Dhanmondi, Dhaka.	New Elephant Road
123	Khilgoan ATM	425/C, Khilgaon, Dhaka	Malibag
124	Bijoy Sharoni ATM	Bijoy Sharani Link Road, Tejgaon, Dhaka	Karwan Bazar
125	Prince Plaza ATM	4/2, Prince Plaza, Sobhanbag, Mirpur Road, Dhaka	Dhammondi
126	Monipuripara ATM	20/1, Monipuripara (Sangshad Avenue) Dhaka	Rokeya Sharani
127	Jhinaidah ATM	Jhinaidah Road , M. A Razzaq Kushtia	Kushtia
128	Saidabad ATM	17/A,North Saidabad Jatrabari Dhaka	Principal
129	Patuatoli ATM	28, Patuatuli, Hazi Nur Mohammad Road. - Old Town Dhaka	Islampur
130	Zinda Bazar ATM	Blue Water Shopping Complex, Zinda Bazaar, Sylhet	VIP Road
131	Shi'ah Mosque ATM	Shi'ah Mosque - House: 16, Road: 1, Mohammadpur, Dhaka-1207	Shyamoli
132	Shewrapara ATM	820,West Shewrapara, Rokeya Sharani Road, Dhaka	Rokeya Sharani
133	Uttara-3 ATM	House: 37, Road: 7, Sector: 3, Uttara, Dhaka-1230	Uttara
134	Farmgate ATM	71-75, Kazi Nazrul Islam Avenue, Farmgate, Dhaka 1215	Karwan Bazar
135	Dewanbazar ATM	82,Nawab Sirajuddowla Road, Chawkbazar, Chottogram	Chawk Bazar
136	Patrail ATM	Patrail, Deldura, Tangail	Tangail
137	Madhabpur Branch ATM	Munshi Tower (1st Floor), Ward 7, Madhabpur, Habiganj	Madhabpur
138	Puradah ATM	Khan Super Market Puradah , Kushtia	Kushtia
139	Islampur ATM (Gandaria)	56 Haricharan Roy Road, Faridabad - Old Town Dhaka	Islampur
140	Chakaria Branch ATM	Chakaria Branch Chakaria	Chakaria
141	Branch ATM (Old Satkhira)	Old AB Bank Branch, Satkhira	Satkhira



AB Bank Limited
ATM Network

Sl.No.	ATM Location	Address	Attached Branch
142	Chapai Nawabganj ATM	Chapai Nawabganj Branch Chapai Nawabganj	Chapai Nawabganj
143	New Eskaton ATM	94,New Eskaton Road, Romna, Dhaka-1000	Karwan Bazar
144	Feni Branch ATM	Haque Plaza (1st Floor), 193 SSK Road, Feni	Feni
145	Royal More ATM	Royal More, Khulna	Khulna
146	Malibag Branch ATM	Advanced Melinda (Level-1), 72 Malibag, Dhaka 1219	Malibag
147	Shyamoli Branch ATM	Shymoli Square, 23/8 - B & C, Block: B Khilji Road, Dhaka-1207	Shyamoli
148	Naya Bazar ATM	Nawab Yousuf Super Market , Naya Bazar - Old Town Dhaka	Islampur
149	Dream Plaza ATM	Dream Plaza, Jessore	Jessore
150	Chowhatta ATM	Firoj Tower, Chowhatta Sylhet	Dargahgate
151	Amtola ATM	Amtola, Satkhira	Satkhira
152	Station Road ATM	Kutum Bari, Station Road, Sreemongol	Sreemongol
153	Nawabpur ATM	Bakultala Complex, Folder Street, Nawabpur,Dhaka	Nawabpur
154	Wari ATM	216,Nawab Street, Wari Dhaka	Nawabpur
155	Sabujbagh ATM	78(O),25(N),Sabujbagh, Biswa Road Dhaka	Principal
156	Keranigonj ATM	Chowrasta, Bishwa Road, Keranigonj, Dhaka	Jinjira
157	Mirpur # 1 ATM	House. 2, Road. 6, Block. F, Muktijoddah market- Mirpur, Dhaka	Mirpur
158	Proshika More ATM	Plot. 33, Lane. 1, Block. B, Section-6, Mirpur Dhaka	Mirpur
159	Kushtia Branch ATM	Serajuddowla Road , Al Amin Super Market, Kushtia	Kushtia
160	Bonosree ATM	House. 35, Road. 2, Block. C, Bonosree - Rampura Dhaka	Progoti Sharani
161	Dinajpur Branch ATM	189 Zabed Super Market, Bahadur Bazar, Dinajpur	Dinajpur
162	Mordern More ATM	Modern More, Ganeshtala , Dinajpur	Dinajpur
163	Kamlapur ATM	14,15 North Kamlapur Dhaka	Principal
164	Arakan Road ATM	957/1553, Arakan Road, Bahadarhaat	Bahaddarhat
165	Rangpur ATM	91-92, Central Road, Kotowali, Rangpur (Opposite of Rangpur Bangladesh Bank)	Rangpur
166	Malibag ATM	480, D.I.T Road, Malibag Dhaka	Kakrail
167	Tajmahal Rd. ATM	3/4,Block - C, Taj Mahal Road, Mohammadpur Dhaka 1207	Dhanmondi
168	Fakirapool ATM	1/A Fakirapool D.I.T Ext. Road Dhaka	Motijheel
169	Shantinagar ATM	Eastern Point, 8-9 Shantinagar Dhaka	Kakrail
170	Boalkhali Branch ATM	TCCA Complex, Gomdandi (East), Boalkhali, Chottogram 4366	Boalkhali
171	Khulshi ATM	Khulshi House, Bungalow No. 2, B-2, Road 1, P.S.: Khulshi, Chottogram 4000	Khulshi
172	Boroikandi ATM	Rongdhonu Biponi Bitan, 1st Floor, Central Bus Terminal Road, Verthokhola, Sylhet 3100	Boroikandi
173	Dhanmondi Branch ATM	Plot: 45 (new) 286/B (old), Road: 16 (new) 27 (old), Dhanmondi R/A, Dhaka 1209	Dhanmondi
174	Imamganj ATM	40, Imamganj, Dhaka 1211	Imamganj
175	Bandura Branch ATM	Bandura Government Super Market, Nawabgonj, Dhaka	Bandura
176	Teknaf Branch ATM	Teknaf Main Road, Teknaf, Cox's Bazar 4760	Teknaf
177	Sreemongol ATM	Aziz Super Market , Moulvibazar Road, Sreemongol, Moulvibazar 3210	Sreemongol
178	Lohagara Branch ATM	Sicho Shopping Complex, Padua, Lohagara, Chottogram 4397	Lohagara
179	Comilla ATM	Mogholtooly Super Market, Mogholtooly Road, Comilla 3500	Comilla
180	Narayanganj Branch ATM	109,B.B Road Narayanganj	Narayanganj
181	Mymensingh Branch ATM	52 Dr. Bipin Sen Road, Choto Bazar, Kotowali, Mymensingh - 2201	Mymensingh
182	Pahartoli ATM	825,Zakir Hossain Road, Amader Bari, Chottogram	Pahartoli
183	Moulovibazar Branch ATM	Shamsher Nagar Road, Choumuhana, Moulovibazar 3200	Moulovibazar
184	Rajshahi Branch ATM	102-103 Shaheb Bazar, Rajshahi 6000	Rajshahi
185	Saidpur Branch ATM	24, Nur Plaza, Ward 12, Shaheed Dr. Zikrul Haque Road, Saidpur, Nilphamari 5310	Saidpur
186	Midtown Shopping Mall ATM	Plot 22, Main Road 03, Section-7, Pallabi, Mirpur, Dhaka 1216	Mirpur
187	Jessore Branch ATM	38 M. K. Road, Jessore 7400	Jessore
188	Sirajganj Branch ATM	Friends Plaza, S S Road, Ward 1, Sirajganj 6700	Sirajganj

AB Bank Limited
ATM Network

SI.No.	ATM Location	Address	Attached Branch
189	C-EPZ Branch ATM	Bay Shopping Centre, P.O: EPZ, South Halishahar P.S. Bandar, Chottogram 4100	C-EPZ
190	Chandpur ATM	123/115 Kalibari Pouro New Market, Chandpur Sadar, Chandpur 3600	Chandpur
191	Satkhira Branch ATM	884/810, Abul Kashem Road, Satkhira 7431	Satkhira
192	Naogaon ATM	Mozaffer Hossain Marketing Complex, Main Road, Naogaon 6500	Naogaon
193	Bhairab Bazar ATM	248(W) Tin Potty, Bhairab Bazar, Bhairab, Kishoregonj 2350	Bhairab Bazar
194	O.R. Nizam Road ATM	862/A, O.R. Nizam Road Goal Pahar Circle, Chottogram 4000	CDA
195	Brahmanbaria ATM	1090/128, Court Road, Brahmanbaria 3400	Brahmanbaria
196	Benapole Branch ATM	607 Benapole, Local Bus Stand, Benapole, Jessore 7431	Benapole
197	Madhabdi Branch ATM	Parkashipur, Madhabdi Bazar, Narsingdi 1604	Madhabdi
198	Nazumeah Hat Branch ATM	Burischar, Kaptai Road, Hatazari, Chottogram 4330	Nazumeah Hat
199	Khulna ATM	Mollick Shopping Complex Limited, 99 Khan A Sabur Road, Khulna 9100	Khulna
200	Patherhat Branch ATM	Khayez Shopping Center, Patherhat, Noyapara, Chottogram	Patherhat
201	Khatunganj ATM	395, Khatunganj, Chottogram 4000	Khatunganj
202	Agrabad Branch ATM	BCIC Sadan, 26, Agrabad C/A, Chottogram 4100	Agrabad
203	Progoti Sharani Br ATM	N.R. Tower, 72 Progoti Sharani, Block: J, Baridhara Dhaka	Progoti Sharani
204	Bahaddarhat ATM	Bismillah Complex, Arakan Road, Bahaddarhat, Chottogram 4323	Bahaddarhat
205	CDA Avenue ATM	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chottogram 4000	CDA
206	Mohakhali Branch ATM	Pacific Centre, 14 Mohakhali C/A, Dhaka 1212	Mohakhali
207	Kawran Bazar ATM	BSEC Bhaban, 102 Kazi Nazrul Islam Avenue, Dhaka 1215	Karwan Bazar
208	Kakrail Branch ATM	81, VIP Road, Kakrail, Dhaka -1000	Kakrail
209	Elephant Road ATM	Noverta Square, House 05, Road 02, Dhanmondi, Dhaka 1205	New Elephant Road
210	Uttara Branch ATM	House 11, Road 14D, Sector 4, Uttara, Dhaka-1230	Uttara
211	Principal Branch ATM	BCIC Bhaban,30-31, Dilkusha C/A, Dhaka 1000	Principal
212	Tangail ATM	702 Sabur Khan Tower, Kalibari Road, Tangail Sadar, Tangail 1900	Tangail
213	Chattak Branch ATM	Madaris Mansion, Bagbari, Chattak, Sunamganj 08723	Chattak
214	Dargahgate ATM	Raj Manjil, Dargahgate, Sylhet 3100	Dargahgate
215	Garden Tower ATM	Bishwa Road, Shahjalal Uposhohor Point, Sylhet 3100	Garden Tower
216	V.I.P Road Branch ATM	Surma Tower, Plot - 6006(old), 27640(new), Ward 13, V.I.P. Road, Taltala, P.S.: Kotwali, Sylhet City Corporation, Sylhet 4112	VIP Road
217	Kakrail (Islami Br.) ATM	82, V.I.P Road, Kakrail, Dhaka -1000	Kakrail
218	Bogra Branch ATM	324, Kazi Nazrul Islam Sarak, Jhwatala, Bogra 5800	Bogra
219	Gulshan Branch ATM	Ventura Avenue, Plot No. CWN(C)-8, Road No. 34, Gulshan Model Town, Gulshan Dhaka	Gulshan
220	Joypara Branch ATM	Joypara, Dohar, Dhaka-1300	Joypara
221	Board Bazar ATM	Union: Gacha, PO: National University, PS: Gazipur Sadar, Gazipur-1704	Board Bazar
222	AGB Colony ATM	Shop No-13, Baitul Aman Jame Mosjeed Market, AGB Colony, Dhaka.	Principal
223	Pirerbagh ATM	348/4, Pirerbagh, Mirpur, Dhaka	Shyamoli
224	Jaleswaritola ATM	Shahid Abdul Jabber Road, Jaleswaritola, Bogra.	Bogra
225	Sataish Road ATM	10/11, Sataish Road, Gazipura, Gazipur.	Board Bazar
226	Laila Tower ATM	Laila Tower, 8, Gulshan Avenue, Dhaka	Gulshan
227	Meril More ATM	Salgaria, Meril More, Pabna	Pabna
228	Agrabad Branch ATM - 2	BCIC Sadan, 26, Agrabad C/A, Chottogram 4100	Agrabad
229	Jamuna Future Park ATM	Shop No-5-D-14, Jamuna Future Park, Dhaka	Basundhara
230	Police Plaza Concord ATM	Shop No-105, " Police Plaza Concord", Road No-2, Gulshan, Dhaka.	Gulshan
232	Gareeb-E-Newaz ATM	Plot No-8, Gareeb-E-Newaz Avenue, Sector-13, Uttara, Dhaka.	Gareeb-E-Newaz
233	WW Tower ATM	WW Tower, 68, Motijheel Commercial Area, Dhaka .	Principal
234	Sylhet Station Club ATM	Sylhet Station Club Limited, Shahjalal Road, Sylhet.	VIP Road
235	Islamic University ATM	Islamic University of Technology (IUT) Board Bazar, Gazipur	Board Bazar
236	Ashiyen Medical College ATM	Ashiyen Medical College Hospital, Barua, Khilkhet, Dhaka.	Basundhara



AB Bank Limited
ATM Network

Sl.No.	ATM Location	Address	Attached Branch
237	Kalampur ATM	Kalampur Branch On-site ATM, Kalampur, Dhamrai,Dhaka.	Kalampur
238	Jurain ATM	302/1, Jurain, Dhaka.	North South Road
239	Chatterjee Lane ATM	6/3, Shashi Bhushan Chatterjee Lane, Gandaria, Dhaka.	Islampur
240	Banani	House No-34,Road-10,Block-D Banani, Dhaka	Banani
241	Eye Hospital ATM	Bangladesh Eye Hospital ATM Booth at Bangladesh Eye Hospital Ltd. 78,Sat Masjid Road Dhanmondi, Dhaka.	Dhanmondi
242	Chaturi ATM	Shop No-3, Alam Plaza, Chaturi, Anowara, Chottogram.	Chaturi
243	Paril ATM	Paril Branch ATM Booth at Paril Bazar, Singair, Manikgonj.	Paril
244	Thengamara Medical College ATM	Thengamara Medical College (TMSS) ATM, Thengamara, Bogra	Bogra
245	Kaptai Link Road ATM	Kaptai Link Road, Mohara, Chandgaon, Chottogram	Nazumeah Hat
246	Lalmonirhat ATM	5/32-S, Puran Bazar, Lalmonirhat.	Lalmonirhat
247	Faridpur ATM	Holding No-29, Faridpur AR City Center, Haji Shariatullah Bazar Road, Faridpur.	Faridpur
248	Raynagar (East Mirabazar) ATM	Raynagar, Sonapara (East Mirabazar), Sylhet.	Garden Tower
249	Board Bazar Branch - 2 ATM	Union: Gacha, PO: National University, PS: Gazipur Sadar, Gazipur-1704	Board Bazar
250	CDA Avenue ATM - 2	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chottogram 4000	CDA
251	C-EPZ Branch ATM - 2	Bay Shopping Centre, P.O: EPZ, South Halishahar P.S. Bandar, Chottogram 4100	C-EPZ
252	Bhulta Branch ATM	Haji Shopping Complex, Bhulta, Rupgonj, Narayanganj.	Bhulta
253	Comilla Medicine Complex ATM	Comilla Medicine Complex, Durgapur, Comilla	Comilla
254	Station Road ATM	Equity Anitri , 32, H.S.S Road, under AB Bank Station Road Branch, Chottogram.	Station Road
255	Ramna Bhaban ATM	Shop No-13, Ramna Bhaban, Dhaka.	Motijheel
256	Mitford Road ATM	Shop No-12, Red Crescent Market, 14/20, Mitford Road, Dhaka.	Imamganj
257	Seed Store Bazar ATM	Al- Madina Shopping Complex, Seed Store Bazar, Bhaluka, Mymensingh	Bhaluka
258	Lalkhuti ATM	House No-187, Road No-01, Lalkhuti, Rangpur.	Rangpur
259	Austagram Branch ATM	Mustari Bhaban, Jamtoli, Austagram Sadar, Kishoreganj	Austagram Branch
260	Kaliganj ATM	RFL Industrial Park, Mulagaon, Kaliganj, Gazipur.	Madhabdi Branch
261	Jhenaidah ATM	Pospo Prangan, Holding No-249, Sher-e- Bangla Road, Jhenaidah.	Jhenaidah Branch
262	Pran RFL ATM - 2	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayanganj.	Madhabdi
263	Matikata ATM	134/3, Matikata, Dhaka Cantonment, Dhaka.	Bashundhara Branch
264	Moghbazar ATM	Holding No-115, Shahid Tajuddin Ahmed Sharani, Moghbazar, Dhaka.	Malibag
265	North South Road ATM	7/2, North South Road, Bangshal, Dhaka.	North South Road
266	SSS Bhaban ATM	Holding No-4475, SSS Bhaban, Mymensingh-Tangail Road, Tangail.	Tangail Branch
267	Kamrangir Char ATM	Al-Madina Super Market, 1201 Rasulpur, Kamrangir Char, Dhaka.	Kamrangir Char Branch
268	Banskhali ATM	Mohammed Meah Plaza, Ramdas Munshir Hat,Banskhali, Chottogram	Bashkhali Branch
269	Jinjira ATM	Shop No-06, Nupur Market, Keraniganj, Jinjira, Dhaka.	Jinjira
270	Signboard Bus Stand ATM	251, Signboard Bus Stand, Board Bazar, Gazipur.	Board Bazar
271	Nilphamari ATM	Entrance of Uttara EPZ, Nilphamari, Saidpur.	Saidpur Branch
272	Chaturi-2	Ittadi Shopping Complex, Bandar Community Center , Mohalkhan Bazer PO-Mohalkhan Bazer, PS-Karnafully ,Chottogram	ChatUri Branch
273	World Bank Biswa Colony	Plot No.239, Block-C, Road No.01, Koibulladam Residential Area, World Bank Biswa Colony, Chottogram	Pahartoli
274	Umme Salma Tower	Umme Salma Tower, Kaliakor, Gazipur	Chandra
275	Central Road	Baitus Sayed Super Market, 91-92 Central Road, Rangpur.	Rangpur
276	J.C Guha Road	15, J.C Guha Road, Nandankanon, Chottogram	Anderkilla
277	Kalatiya	Nur Pur, Chourangi Bridge, Kalatiya Bazar, Keraniganj, Dhaka	Kalatiya
278	Jamal Khan Road	42, Jamal Khan Road, Chottogram	Momin Road
279	Jigatola Main Road	21/3, Jigatola Main Road, Dhaka-1209	New Elephant Road
280	Collectorate School & College	Sirajgonj Collectorate School & College, Sirajgonj	Sirajgonj

AB Bank Limited
Agent Banking Outlet

Sl.No.	Agent Outlet Name	Opening date	Address	Contact No.
1	M/s. Shikder Enterprise	December 24, 2017	Megula Bazar, Dohar, Dhaka	01913848433
2	Mridha Trader's	March 11, 2018	Molla Market, Kartikpur Bazar, Dohar, Dhaka	01716102596
3	H.R. Trade International	March 12, 2018	Kendriyo Jame Masjid Road, Holding no. 410, Konabari, Gazipur	01711934152
4	ATM Enterprise	May 15, 2018	Time Bazar, Shilkup, Banskhali, Chittagong	01818441997
5	M/s. Bhai Bahi Traders	June 4, 2018	Montola Bazar Station, Madhabpur, Habigonj	01713802341
6	M/s. Rafsan Telecom	July 25, 2018	Chorvodroson Road, Gazariya Bazar, Faridpur.	01760785017
7	M/s. Farid Iron & Steel Industries	July 30, 2018	Ghoshail Bazar, Kuthuri, Nawabgonj, Dhaka.	01715004742
8	M/s. Purbachal Traders	August 27, 2018	Amtoli Bazar, B. Baria	01714312871
9	M/S N.H Enterprise	August 29, 2018	Kathghor, Potenga, Chittagong	01728333212
10	M/s L R Traders	August 30, 2018	Ukhyia, Cox's Bazar	01824923268
11	Zahir Enterprise	September 17, 2018	Madhabdi, Choisuti, kuliarchar, kishoregonj	01783362992
12	Labony Decorator	September 24, 2018	Sadapur Bazar, Nawabgonj, Dhaka	01943998390
13	M/s Khan Construction	September 27, 2018	Islampur Bazar, Bijoynagar, B.Baria	01711667863
14	Parmisha Traders	October 25, 2018	Plot-33, lane-01, Block-B, Sec-06, Proshika Mour, Mirpur-1216	01675561372
15	Louhajang Construction	October 30, 2018	New Market, Chatihati Bazar, Kalihati, Tangail	01711593050
16	M/S Arafat Enterprise	November 19, 2018	Gudam Quarter Road, Feni	01712035096
17	Shotorupa Enterprise	December 5, 2018	Pouro Super Market, Kazipur, Sirajgonj	01716065548
18	Faith Point	December 9, 2018	Raj Narayan Road, Lalbagh, Dhaka	01716847095
19	Oyon Thai Aluminium & Glass House	December 11, 2018	Uttar Jamsha, Noyapara, Singair, Manikgonj	01714238493
20	M/s. Tangail Traders	December 13, 2018	Adabari Bazar, Mirzapur, Tangail	01718691538
21	Nishat Commercial Center	December 20, 2018	Chakhar Bazar, Banaripara, Barisal	01721676711
22	Akota Traders	December 24, 2018	Shohor Molok Road, Bolir Hat, Khaza Road, Chittagong	01754336633
23	Auronno Impex	December 27, 2018	Gorpara Bazar, Sharsha, Jessore	01713314908
24	Shahi Shipping & Trading	January 30, 2019	Uttar Sonaichari, Kumira, Sitkunda, Chittagong	01811466703
25	Lalu Traders	February 27, 2019	Kamalpur Bazar, Dolatpur Bazar, Kushtia	01711396275
26	Jewel Digital Studio & Telecom	March 4, 2019	Shyamol Bazar, Doara Bazar, Sunamganj	01714726020
27	M/s. Alhaz Ibrahim Ali & Sons	March 12, 2019	Dohalia Bazar, Doara Bazar, Sunamganj	01711382278
28	Srot Enterprise	March 13, 2019	Rajnagar, College Point, Moulavibazar	01715405104
29	Friends Enterprise	March 21, 2019	Shaheed Moshiur Rahman Sarak, Biman Mor, Jessore	01716698192
30	Bondhumahal Sarbik Gram Unnayan Somobay Samity Ltd.	March 21, 2019	Dakuriya, Monirampur, Jessore	01740965249
31	Zara & Zaif Dairy Farm	April 24, 2019	Paris Road Mor, Pollobi, Mirpur, Dhaka	01980237695
32	Rudra Enterprise	April 25, 2019	Nandanpur, Halima Nagar	01755240500
33	Super Speed Shipping Lines	April 30, 2019	Megula Bazar, Dohar, Dhaka	01919106535
34	Afia Medical House	May 6, 2019	Harinarayan Bazar Hall Mor, Islamic University, Kushtia	01716513190





Corporate Head Office, BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka-1000

PROXY FORM

I/We of

being a Member of AB Bank Limited do hereby appoint Mr./Mrs.
of as my/our proxy to attend and vote on my/our
behalf at the 37th Annual General Meeting of the Company scheduled to be held on June 26, 2019 (Wednesday) at
10:00 a.m. and at any adjournment thereof.

As witness my/our hand this day of 2019.

Signature of Shareholder(s)

No. of Shares held

Folio No.

or

BO ID No.

Signature of PROXY

Revenue
Stamp
Tk. 20.00

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly stamped, must be deposited at the Corporate Head Office of the Bank at least 48 hours before the time fixed for meeting.

Signature Verified

Proxy Regn. No.

Authorized Signatory



Corporate Head Office, BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka-1000



ATTENDANCE SLIP

I/We hereby record my/our attendance at the 37th Annual General Meeting (AGM) being held today, the June 26, 2019 (Wednesday) at 10:00 a.m. at Sena Malancha, Dhaka Cantonment, Western side of Naval Headquarters on Airport Road, Dhaka-1206.

Name of the Shareholder(s) (in Block Letter)	
No. of Shares	
Folio No.	<input type="text"/>
BO ID No.	<input type="text"/>
Name of the Proxy (if any)	

Signature of Shareholder(s) / Proxy

Signature verified by

অটো
লোন

সবার মুখে হাসি ছড়িয়ে দিতে
নিয়ে আসুন নতুন গাড়ি...

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AB Bank

বিভাগিত জানতে যোগাযোগ করুন:
০১৮১৯১৬০৯৮০/০৫৬০৩১২ এক্স.-১৪০

দ্বিশৃণু সঞ্চয়
ইনস্টলমেন্ট স্কীম

AB RETAIL

দিচ্ছি এক পাচিশ দুই বছর

সর্বনিম্ন প্রাথমিক ৫০,০০০ টাকা এবং
স্বল্প পরিমাণ মাসিক কিন্তির
মাধ্যমে গড়ে তুলুন দ্বিশৃণু সঞ্চয় ৩ বছর।

১৬২০৭
www.abbl.com

AB Bank

CORPORATE INFORMATION

Name of the Company
AB Bank Limited (ABBL)

Legal Form: Public Limited Company

Date of Incorporation
31st December 1981

Commencement of Business
27th February 1982

Registered Office
BCIC Bhaban, 30-31, Dilkusha C/A
Dhaka 1000, Bangladesh.

GPO Box: 3522

Telephone: (+8802) 956 0312

Telefax: (+8802) 956 4122-23

SWIFT Code: ABBLBDDH

E-mail: info@abbl.com

Web Page: www.abbl.com

Islami Banking Branch
82, Kakrail, Ramna, Dhaka
Tel: (+8802) 833 2235, 37-38
Fax: (+8802) 833 2236
E-mail: kibb@abbl.com

Custodian Services
BCIC Bhaban (7th Floor)
30-31, Dilkusha C/A
Dhaka 1000, Bangladesh
Tel: (+8802) 9569732
9571265, 7177047
Fax: (+8802) 7160592
SWIFT: ABBLBDDH005
E-mail: custodian@abbl.com

Off-shore Banking Unit (OBU)
Bay Shopping Centre, P.O. EPZ
South Halishahar, P.S. Bandar
Chittagong
Tel: (+ 88031) 740604
Fax: (+ 88031) 741150

OVERSEAS BRANCH

Mumbai Branch

Liberty Building
41-42, Sir Vithaldas Thackersey Marg
New Marine Lines, Mumbai 400020, India
Tel: (+91) (22) 22005392-3
Fax: (+91) (22) 22005391
SWIFT: ABBLINBB
E-mail: mumbai@abbl.com

SUBSIDIARY COMPANIES

AB International Finance Limited (ABIFL)

Unit 1608, 16th Floor, Tower 1
Silvercord, 30 Canton Road
Tsim Sha Tsui, Hong Kong.
Tel: (+852) 28668094
SWIFT: ABFLNKHH
E-mail: abifl@abbl.com
abhk@abbl.com

AB Investment Limited (ABIL)

WW Tower (7th Floor)
68 Motijheel C/A
Dhaka 1000, Bangladesh
Tel: (+8802) 9569732
9571265, 7177047
Fax: (+8802) 7160592
E-mail: abil@abbl.com

AB Securities Limited (ABSL)

WW Tower (6th Floor)
68 Motijheel C/A
Dhaka 1000, Bangladesh
Tel: (+8802) 9566266, 9566238, 7124888
Fax: (+8802) 9568937
E-mail: absl@abbl.com

Cashlink Bangladesh Limited (CBL)

BCIC Bhaban (7th Floor)
30-31, Dilkusha C/A, Dhaka 1000
Tel: (+8802) 9560312
E-mail: info@cashlinkbd.com

Arab Bangladesh Bank Foundation (ABBF)

BCIC Bhaban (11th Floor)
30-31, Dilkusha C/A, Dhaka 1000
Tel: (+8802) 9560312
Fax: (+8802) 956 4122-23
E-mail: abbf@abbl.com

Authorized Capital: Tk. 1,500 crore

Paid-up Capital: Tk. 758 crore

Number of Shareholders: 68,904

(Record Date: 29.05.2019)

Total Asset: Tk. 32,253 crore

Earnings per Share (EPS): Tk. 0.02

Net Asset Value per Share: Tk. 29.88

Market Capitalization: Tk. 910 crore

Total Manpower: 2,310

Number of Branches: 105

Number of SME Centers: 11

Number of Agent Banking Branch: 34

Auditor

S.F. Ahmed & Co.
Chartered Accountants

Rating Agency

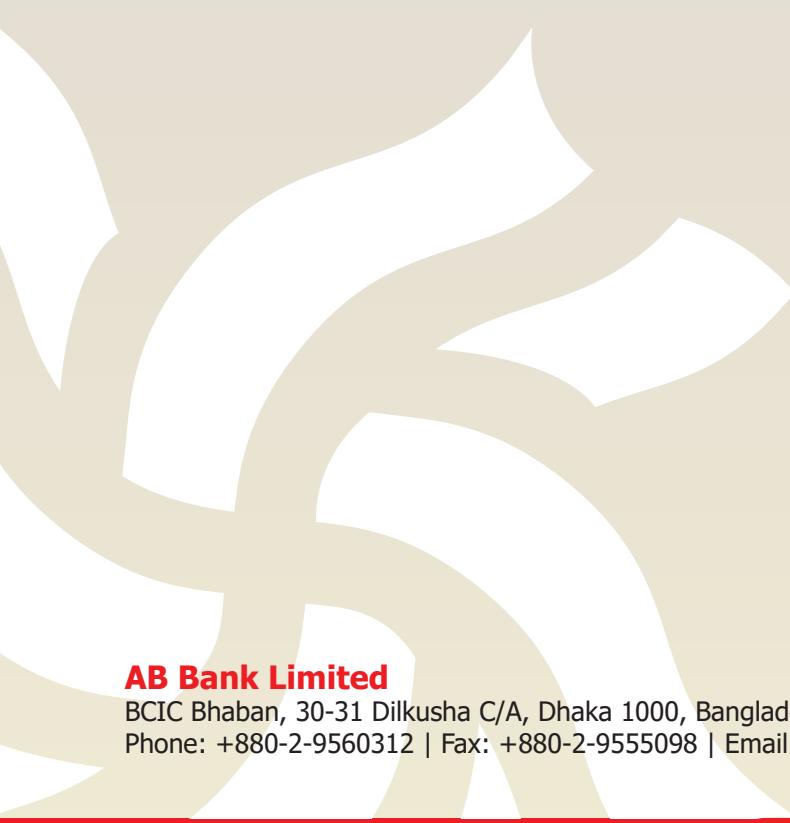
Credit Rating Agency of Bangladesh
(CRAB)

For any Clarifications on this Report
Please Write to:

The Company Secretary

AB Bank Limited
Head Office
30-31 Dilkusha C/A, Dhaka-1000

 **16207**



AB Bank Limited

BCIC Bhaban, 30-31 Dilkusha C/A, Dhaka 1000, Bangladesh

Phone: +880-2-9560312 | Fax: +880-2-9555098 | Email: info@abbl.com | web: www.abbl.com