ANNUAL REPORT 2016



AB Bank

AB Bank Limited

Letter of Transmittal

Date: July 30, 2017

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 FOR THE YEAR ENDED 31 DECEMBER 2016

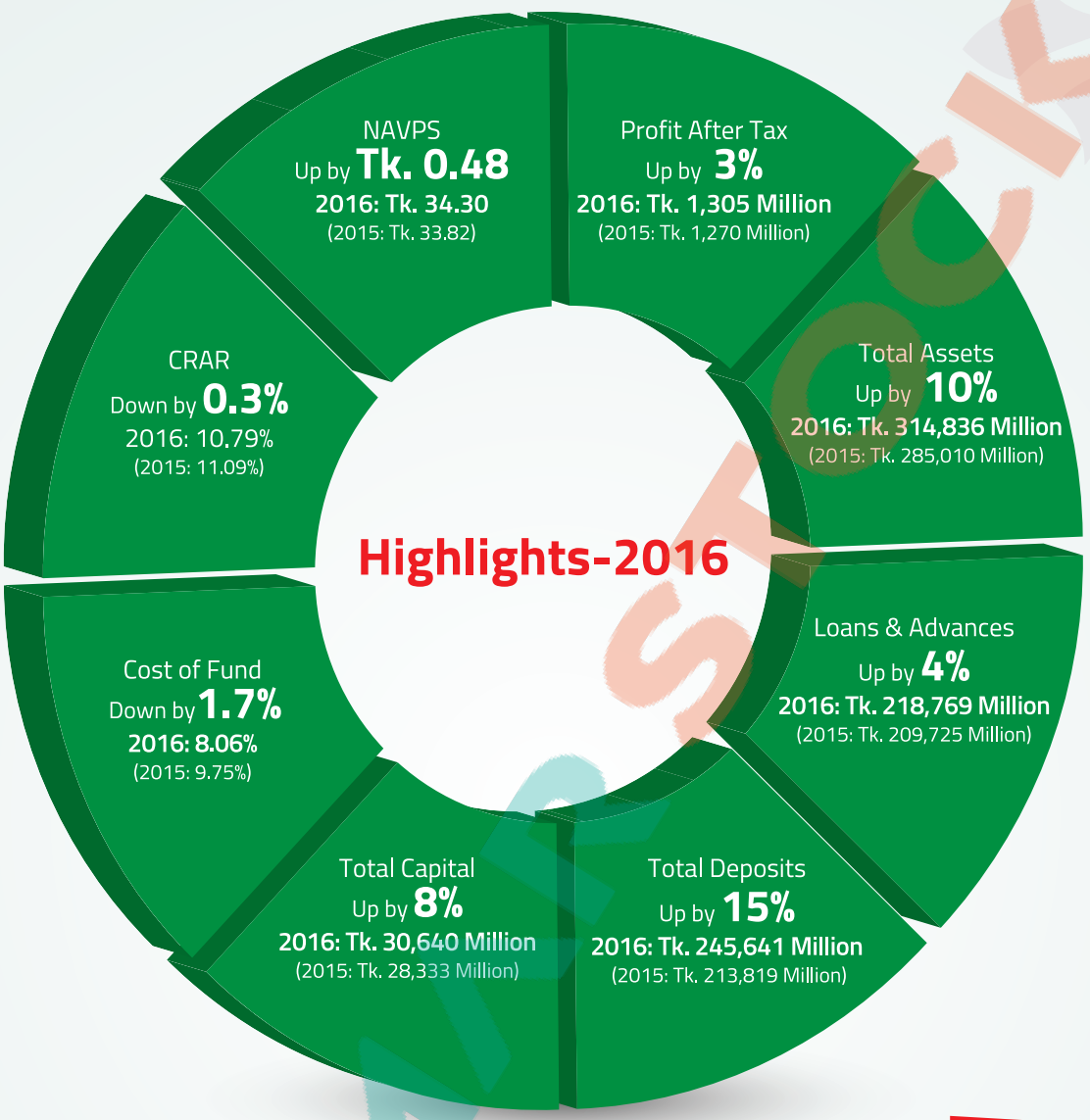
We are pleased to enclose a copy of the Annual Report together with the audited financial statements including consolidated and separate balance sheet as on 31 December 2016, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year then ended, and 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 Off-shore 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).

Yours sincerely,

Mahadev Sarker Sumon FCA
Company Secretary

AMAR STOCK


Highlights-2016
NAVPS
Up by Tk. 0.48
2016: Tk. 34.30
(2015: Tk. 33.82)
Profit After Tax
Up by 3%
2016: Tk. 1,305 Million
(2015: Tk. 1,270 Million)
Total Assets
Up by 10%
2016: Tk. 314,836 Million
(2015: Tk. 285,010 Million)
Loans & Advances
Up by 4%
2016: Tk. 218,769 Million
(2015: Tk. 209,725 Million)
Total Deposits
Up by 15%
2016: Tk. 245,641 Million
(2015: Tk. 213,819 Million)
Total Capital
Up by 8%
2016: Tk. 30,640 Million
(2015: Tk. 28,333 Million)
Cost of Fund
Down by 1.7%
2016: 8.06%
(2015: 9.75%)
CRAR
Down by 0.3%
2016: 10.79%
(2015: 11.09%)


No. of Accounts
491,303
SME Centres
11
ATMs
275
Employees
2,423
Branches
104

Celebrating 35 YEARS OF SUCCESSFUL PARTNERSHIP

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AMF STOCK

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 performance over a rolling year.

Our Team Members

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

STRATEGIC PRIORITIES

- Diversified portfolio
- Strengthen service quality
- Focus on alternative delivery channels
- Upgrade IT infrastructure
- Convert human resources to human capital
- Emphasize on asset quality
- Balance sheet consolidation



AB CHRONICLES

Certificate of Incorporation	December 31, 1981
First meeting of the Board of Directors	February 5, 1982
Commencement of Business	February 27, 1982
Opening of the First Branch (Karwan Bazar Branch)	April 12, 1982
Opening of ABIFL – Subsidiary at Hong Kong	November, 1995
First Foreign Branch at Mumbai, India	April 6, 1996
Opening of the Islamic Banking Branch	December 23, 2004
Listing with Dhaka Stock Exchange (DSE)	December 28, 1983
Publication of Prospectus for IPO	May 5, 1984
Subscription for Share starts	June 25, 1984
Listing with Chittagong Stock Exchange (CSE)	October 21, 1995
Online share transaction in CDS	May 7, 2006
Opening of Merchant Banking Wing (MBW)	November 2, 2002
Incorporation of Arab Bangladesh Bank Foundation	November 3, 2003
Security Custodial Service License	January 22, 2007
Incorporation of AB Investment Limited (ABIL)	December 24, 2009
Launching of ATM	April 12, 2002
Launching of Visa Card	December 23, 2004
First ATM Booth launched at Board Bazaar (under CBL Network)	October 19, 2009
New Logo Launch	January 01, 2008
Opening of AB Bank Training Academy	October 07, 2008
Customer Service Desk placed at Branches	November, 2008
First SME Center opened (at Principal Branch)	March 29, 2009
Primary Dealership License	December 08, 2009
Off-shore Banking Unit	December 06, 2009
Incorporation of AB Bank Limited, Myanmar Rep. Office	December 10, 2010
Launching of Internet Banking	October 24, 2011

Business Automation	
MISYS Roll-out (1st Phase)	March, 2007
Islamic Banking Software 'Ababil' Launched	July 13, 2008
Mumbai Branch gets connected with Central Network	April 20, 2009
Trade Innovation (TI) Module Roll Out (completed)	April 27, 2009
Disaster Recovery Site (DR Site) starts operation	April 28, 2009
Automated Cheque Requisition System	May 04, 2009
Digitization of Authorized Signatories	October 17, 2009
Centralized Fixed Asset Registration	December 14, 2009
SMS Banking Services	August 10, 2010
Cheque truncation & automated clearing process	October 7, 2010
Internet Banking Services	November 25, 2010
Electronic Fund Transfer (EFT)	February, 2011
Automation of Credit Information Bureau (CIB)	August 25, 2011
Automation for Off-shore Banking	December 6, 2012
Anti-Money Laundering Solution	January 1, 2013
Bank Guarantee	March 6, 2013
Commencement of Real Time Gross Settlement System	October 29, 2015
Customers' NID Verification Agreement with Election Commission	November 24, 2015

Branching-out	
Opening of Principal Branch	January 16, 1986
First Branch in Dhaka Division (Karwan Bazar Branch)	April 12, 1982
First Branch in Chittagong Division (Agrabad Branch)	September 19, 1982
First Branch in Sylhet Division (Dargha Gate Branch)	May 27, 1983
First Branch in Khulna Division (Khulna Branch)	March 15, 1984
First Branch in Rajshahi Division (Bogra Branch)	July 25, 1984
First Branch in Barisal Division (Barisal Branch)	October 7, 1986
First Branch in Rangpur Division (Saidpur Branch)	July 19, 1986
First Branch in Mymensingh Division (Mymensingh)	May 20, 1999



PRODUCTS AND 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) Products

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

Retail Products

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

Deposit Products

- Savings Account
- MaxSaver
- SmartSaver
- Student Account
- Shampurna
- Current Account
- Progati
- Special Notice Deposit
- 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)

Service Products

- 24 hour ATM access
- Payroll Management
- Online Banking
- SMS Banking
- Internet Banking
- Exchange Houses
- SWIFT

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

Treasury and Foreign Exchange Products

Fixed Income Market

- Treasury bill
- Treasury bond
- Custodian Service

FX Market

- Spot
- Forward
- Corporate





Message from the Chairman

Assalamualaikum

Honorable Shareholders,

It is an honor and a privilege for me to present the Annual Report for the year 2016.

Global economy

After a slow outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications.

With these caveats, aggregate growth estimates and projections for 2016–18 remain unchanged relative to the October 2016 World Economic Outlook. The outlook for advanced economies has improved for 2017–18, reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States.

আস্‌সালামু আলাইকুম

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আজ আপনাদের সামনে ২০১৬ সালের বার্ষিক প্রতিবেদন উপস্থাপন করতে পেরে আমি আনন্দিত।

বিশ্ব অর্থনৈতিক প্রেক্ষাপট

২০১৬ সালে কিছুটা শ্লথ হলেও ২০১৭ এবং ২০১৮ সালে বিশ্ব অর্থনৈতিক গতি কিছুটা বাড়ার প্রাক্কলন করা হয়েছে উদীয়মান বাজার এবং উন্নয়নশীল অর্থনীতিগুলোতে। তবে মার্কিন যুক্তরাষ্ট্র প্রশাসনের নীতি নির্ধারণে অনিশ্চয়তার কারণে প্রাক্কলনে বিচ্যুতির আশঙ্কাও রয়েছে।

২০১৭-১৮ সালের জন্য উন্নত অর্থনীতিতেও ভালো প্রবৃদ্ধির প্রাক্কলন করা হয়েছে। প্রত্যাশিত নীতি গ্রহণের কারণে চীনের অর্থনীতিতে ভালো প্রবৃদ্ধি হবে বলে প্রাক্কলন করা হয়েছে। আর ভারত, ব্রাজিল এবং মেক্সিকোর অর্থনীতি প্রাক্কলনের তুলনায় কিছুটা কম প্রবৃদ্ধি হওয়ার

Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies-notably India, Brazil, and Mexico.

This forecast is based on the assumption of a changing policy mix under a new administration in the United States and its global spillovers. This projection is consistent with the steepening U.S. yield curve, the rise in equity prices, and the sizable appreciation of the U.S. dollar since the November 8 election. This WEO forecast also incorporates a firming of oil prices following the agreement among OPEC members and several other major producers to limit supply.

Crude Oil

Oil prices recovered sligthly in 2016 but it was well short of the magic number of USD 100 per barrel it reached in 2014-2015. Prices increased gradually in February and March and went over USD 40 per barrel after major producers prepared to meet to discuss a production freeze and U.S. output finally showed signs of declining. After a stable period, crude oil price reached to USD 50 level as an agreement between OPEC and non-OPEC members on output cap appeared in sight. In December, as the output deals materialized, oil prices ascended to USD 55 per barrel level, which sustained till the year-end.

Remittance inflows suffer setback

Wage earner's remittance saw a steep decline during H1 FY 17, dropping by 17.63% to USD 6.17 billion from USD 7.49 billion in the last fiscal. In FY 16, the overall remittance dropped 2.52% to USD 14.93 billion. These uninspiring numbers were registered at a time when the country's manpower export was 36.31% higher in 2016 than previous year with more than 0.75 million workers getting jobs abroad.

Remittance from Gulf Cooperation Council (GCC) countries which account for over 55% of total remittance inflow dropped 16.9% during July-December period as per reports from Centre for Policy Dialogue (CPD). Remittances from Malaysia, Singapore, UK and USA have also seen a significant fall during the same period, dipping by 9.8%, 13.5%, 23.2%

আশংকা করা হয়েছে। এসব পূর্বাভাস দেওয়া হয়েছে যুক্তরাষ্ট্রের প্রশাসনের নীতিগত ভিন্নতার প্রভাব বিবেচনায় নিয়ে। এমনকি বিশ্ব অর্থনীতির আউটলুকের এসব পূর্বাভাসে ওপেক (তেল রপ্তানিকারক দেশগুলোর জোট) সদস্য এবং প্রধান তেল রপ্তানিকারক দেশগুলোর মধ্যে চুক্তির ফলে তেলের দাম কেমন হতে পারে সেটিও বিবেচনায় নেওয়া হয়েছে।

অপরিশোধিত জ্বালানি তেল

২০১৬ সালে তেলের মূল্য কিছুটা বৃদ্ধি পেলেও তা ২০১৪-২০১৫ সালের (১০০ ডলার/ব্যারেল) মূল্যের কাছাকাছিও পৌঁছাতে পারেনি। বছরের শুরুর দিকে, মূল্য ৪০ ডলার / ব্যারেল পৌঁছালে, ওপেক ও তেল রপ্তানী কারক প্রধান দেশগুলো তেল উৎপাদন কমানোর সিদ্ধান্ত গ্রহণ করে। এর ফলশ্রুতিতে বছরের শেষে ব্যারেল প্রতি তেলের মূল্য ৫৫ ডলারে উপনীত হয়।

প্রবাসীদের আয়

এদিকে ২০১৬ সালে শ্রমিক রপ্তানি বাড়লেও প্রবাসী আয় কমেছে। ২০১৭ অর্থবছরের প্রথম অর্ধে রেমিট্যান্স আয় ব্যাপকভাবে কমে গেছে। এ সময়ে রেমিট্যান্স আয় আগের চেয়ে ১৭ দশমিক ৬৩ শতাংশ কমে ৬ দশমিক ১৭ বিলিয়ন ডলারে নেমে এসেছে। ২০১৬ অর্থ বছরে রেমিট্যান্স আয় কমেছে আড়াই শতাংশ। অথচ এ সময়ে জনশক্তি রপ্তানি বেড়েছে ৩৬ শতাংশ। সেন্টার ফর পলিসি ডায়ালগের (সিপিডি) প্রতিবেদন অনুযায়ী, জুলাই-ডিসেম্বর সময়ে উপসাগরীয় অঞ্চলগুলো থেকে রেমিট্যান্স আয় কমেছে প্রায় ১৭ শতাংশ। অথচ এসব দেশগুলো থেকেই দেশের মোট ৫৫ শতাংশ রেমিট্যান্স আসে। মালয়েশিয়া, সিঙ্গাপুর, যুক্তরাজ্য এবং যুক্তরাষ্ট্র থেকেও যথাক্রমে সাড়ে ৯, সাড়ে ১৩, ২৩ এবং ৩৭ শতাংশ রেমিট্যান্স আয় কমেছে। তেলের দাম কমে যাওয়ায় উপসাগরীয় দেশগুলোর সরকার ব্যয় কর্তন করছে। পাশাপাশি তারা বিভিন্ন সংস্কার কর্মসূচীও নিয়েছে। যার প্রভাব পড়েছে এসব দেশের প্রবাসীদের আয়ের উপর। তবে অপ্রাতিষ্ঠানিক মাধ্যমে রেমিট্যান্স পাঠানোর কারণেও রেমিট্যান্স আয় কিছুটা কমেছে। আর রেমিট্যান্স কমে যাওয়ার ফলে বৈদেশিক মুদ্রার রিজার্ভের উপর নেতিবাচক প্রভাব পড়েছে। তাই প্রাতিষ্ঠানিক মাধ্যমে রেমিট্যান্স আনার জন্য দ্রুত পদক্ষেপ নিতে হবে। পাশাপাশি দক্ষ জনশক্তি রপ্তানির জন্য প্রাধান্য দিয়ে প্রশিক্ষণ ইন্সটিটিউট গড়ে তোলা দরকার।

and 36.9% respectively. Sharp fall in oil prices forced GCC governments to undertake economic reforms to scale down government spending including lowering of public and private investment programs and adopt austerity measures, which ultimately impacted worker remittances from these countries. In addition, as per media reports, the increase in transfer through informal channels has brought down the official remittance figures. Favorable exchange rate, lower transaction cost and lower delivery time are considered to be the primary factors driving the rise in usage of informal channels.

Slowdown in remittance can have undesirable implications concerning FX reserve and financing development projects therefore, addressing of the issue is of utmost importance. Immediate measures are required to bring the overseas remitters into the formal channel. While this may address the issue in short term, setting up of training institutes and information centers need to be prioritized to build and export skilled workforce, which would reap the benefits in the medium and long term through building a more sustainable remitter base.

Inflation and Monetary Policy

Average annual inflation has decreased to 5.52% at the end of 2016 down from 6.19% in 2015. The point-to-point inflation also dropped to 5.03% in December from 6.10% a year earlier. Drop in both food and non-food inflation and political calmness have helped to keep the inflation rate within government's and central bank's target of 5.80%. Food inflation has come down marginally to 5.38% in December 2016 from 5.48% in December 2015 whereas, non-food inflation slid to 4.49% from 7.05% during the same period.

Despite demand from the business community for lower interest rates, Bangladesh Bank (BB) did not make any major policy change in interest rates or rates related to repos and reverse repos. At the same time, BB was liberal in programming more credit flow to the private sector allowing an increase of up to 16.5 per cent to this sector for the next one year from that of the existing rate 16.4 per cent. In an emerging economy like that of Bangladesh having potentiality for higher growth, the supply side economics should be used as a neutralising factor against inflationary pressure.
Despite the challenges faced in 2016, the Bank was able to

মূল্যস্ফীতি ও মুদ্রানীতি

২০১৫ সালে যেখানে বার্ষিক গড় মূল্যস্ফীতির হার ছিল ৬ দশমিক ১৯ শতাংশ সেখানে ২০১৬ সালে তা কমে ৫ দশমিক ৫২ শতাংশে নেমে এসেছে। পয়েন্ট টু পয়েন্ট ভিত্তিতেও মূল্যস্ফীতির হার কমে ৫ দশমিক ৩ শতাংশে নেমে এসেছে। যা আগের বছরে ছিল ৬ দশমিক ১০ শতাংশ। খাদ্য এবং খাদ্য বহির্ভূত পণ্যে মূল্যস্ফীতি কমে আসা এবং রাজনৈতিক স্থিতিশীলতার কারণে মূল্যস্ফীতি কমে গেছে। ২০১৬ সালের ডিসেম্বরে খাদ্য মূল্যস্ফীতি কমে ৫ দশমিক ৩৮ শতাংশে নেমে এসেছে। যা ২০১৫ সালের ডিসেম্বরে ছিল ৫ দশমিক ৪৮ শতাংশ। খাদ্য বহির্ভূত পণ্যেও মূল্যস্ফীতির হার নেমে এসেছে ৪ দশমিক ৪৯ শতাংশে। যা আগের বছর একই সময়ে ছিল ৭ দশমিক ৫ শতাংশে।

উদ্যোক্তাদের পক্ষ থেকে ব্যাংক ঋণে সুদের হার কমানোর দাবি করা হলেও এ ব্যাপারে বাংলাদেশ ব্যাংকের পক্ষ থেকে কোনো পদক্ষেপ নেয়নি। এ সংক্রান্ত যেসব ইন্সট্রুমেন্টকে (রিপো ও রিভার্স রেপো) কাজে লাগানো যেতে পারে তাও করা হয়নি। তবে বাংলাদেশ ব্যাংক বেসরকারি খাতে ঋণ প্রবাহ বাড়ানোর ব্যাপারে সহযোগী ছিল। এখাতে ঋণ প্রবৃদ্ধি ১৬ দশমিক ৪ শতাংশ থেকে সামান্য বাড়িয়ে সাড়ে ১৬ শতাংশ করার লক্ষ্য ধরা হয়েছে। বাংলাদেশের মতো উদীয়মান অর্থনীতিতে উচ্চ প্রবৃদ্ধি অর্জনের সম্ভাবনা রয়েছে। তবে এজন্য সরকারকে সরবরাহ ব্যবস্থাকে প্রাধান্য দিয়ে মূল্যস্ফীতির চাপ নিয়ন্ত্রণে রাখা শ্রেয় হবে।

২০১৬ সালের চ্যালেঞ্জ মোকাবেলাসত্ত্বেও ব্যাংক শেয়ারহোল্ডারদের ইক্যুইটি ১ দশমিক ৪১ শতাংশ বাড়াতে পেরেছে। ব্যাংকের খেলাপি ঋণের হার দাঁড়িয়েছে ৫ দশমিক ১৯ শতাংশে, যেখানে ব্যাংক খাতে গড় খেলাপি ঋণের হার ৯ দশমিক ২৩ শতাংশ। ব্যাংকের মোট সম্পদের পরিমান ১০ দশমিক ৪৭ শতাংশ বেড়ে দাঁড়িয়েছে ৩১ হাজার ৪৮৪ কোটি টাকায়। যা আগের বছর ছিল ২৮ হাজার ৫০১ কোটি টাকা।

পরিশেষে আমি ব্যাংক পরিচালনা পর্ষদে থাকা আমার সহকর্মীদের প্রতি ধন্যবাদ জানাই। যারা আমাকে প্রয়োজনীয় পরামর্শ, সহযোগিতা দিয়েছেন এবং আমার নেতৃত্বের প্রতি আস্থা রেখে সামনে এগুতে সহায়ক ভূমিকা পালন করেছেন। আমি ব্যাংকের ঊর্ধ্বতন ব্যবস্থাপনা কর্তৃপক্ষকেও ধন্যবাদ জানাচ্ছি তাদের তাদের কর্মের দৃঢ়তা, অক্লান্ত শ্রম ও পরিস্থিতি মোকাবেলার আত্মপ্রত্যয়ী মনোভাবের জন্য। একই সঙ্গে আমি নিয়ন্ত্রক সংস্থাগুলোর কাছে বিশেষ করে বাংলাদেশ ব্যাংকের কাছে

increase the shareholders' equity by 1.41%. Percentage of Classified Loans stood at 5.19% while the industry average was 9.23%. Total Assets of the Bank increased to Tk. 31,484 crore from Tk. 28,501 crore registering an increase of 10.47%.

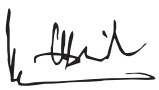
In the end I would like to thank my colleagues of the Board, for their relentless guidance, support and the confidence they have bestowed upon my leadership. I would also like to thank the senior management of the Bank for their dedication and determination in these trying circumstances. I also express my sincerest gratitude to all the regulatory bodies specially Bangladesh Bank for their support and guidance.

I thank the honourable shareholders of the Bank for their continued support and loyalty. I would like to end here with a word of caution that the coming year will be a challenging one for AB in many ways because of uncertainties of business, reduction of interest rates and constraints of the bank in undertaking large loan disbursement.

Let's all hope for a better 2017.

Thank you all.

Assalamualaikum



M. Wahidul Haque
Chairman

কৃতজ্ঞতা প্রকাশ করছি তাদের সহযোগিতা ও প্রয়োজনীয় দিকনির্দেশনার জন্য।

সর্বোপরি, আমি সম্মানিত শেয়ারহোল্ডারগণকে ধন্যবাদ জানাচ্ছি তাদের অব্যাহত সহযোগিতা ও বিশ্বাস রাখার জন্য, যা আমাদের চলার পথে সহায়ক হয়েছে। এতকিছুর পরও আমি শেষ করতে চাই এই বলে যে, আগামী বছরটি হবে এবি ব্যাংকের জন্য অত্যন্ত কঠিন, কারণ ব্যবসায়িক অনিশ্চয়তা, সুদের হার কমে যাওয়া এবং বৃহৎ ঋণ প্রদানে ব্যাংকের সীমাবদ্ধতার বিষয়গুলো আমাদের মোকাবেলা করতে হবে।

২০১৭ সাল সবার ভাল কাটুক, এই আশা রাখি।

সকলকে ধন্যবাদ।

আস্সালামু আলাইকুম।

AMARSTOCK



Message from the President & Managing Director

Dear Shareholders,

Assalamualaikum

AB, being the first private sector bank in this country, epitomises the banking industry benchmark offering best quality services to its customers. In today's world, economic development of a country is quite impossible without banking services. Banks play a pivotal role in the economy and the society as a whole. Initiatives taken by Banks and/or its partnership with entrepreneurs, contribute positively towards the economy, business environment, creation of job opportunities, technological innovations and thereby contribute the society as a whole.

AB offers a quintessential environment to implement banking solutions. The bank is committed to support new entrepreneurs to accelerate the innovative nature of their talent and build successful businesses.

In 2016, Bangladesh experienced a mosaic of hope, despair and the creation of momentous opportunities for shared prosperity. The government is working on creating 100 special economic zones in the country and has also classified a number of mega development projects into fast-track category to ensure rapid completion. Easing business setup and investment regulations and rapid execution of infrastructure projects will be the driving factors that will decide whether Bangladesh can increase foreign direct investment to USD 9.6 billion by 2020 from USD 2.2 billion at present and GDP growth rate to 8% in line with Planning Commission's 7th Five Year Plan.

While public investment is crucial for building private investment, revenue mobilization is the most important aspect that will drive public investment in coming years. At present, the Revenue-GDP ratio is only 9.90% and the government has a target to increase the ratio to 16.10% by 2020. Broadening the taxpayers base and revenue sources as well as focusing on income from service providers and self-employed are the primary challenges in attaining the target.

In 2016' AB's asset size and deposits increased by 10.46% and 14.88% respectively over 2015. Total export was Taka 7,605 crore and total import was Taka 11,579 crore in 2016. However, due to the tightened guidelines and weak business

sector-wise growth, it was very difficult to maintain asset quality. Our classified loan stood at Taka 1,136 crore as against last year's Taka 662 crore. Despite provisions due to classification of assets, AB maintained a Capital to Risk Weighted Assets Ratio (CRAR) of 10.79% i.e. above the regulatory requirement of 10.625%. Earnings per Share stood at Taka 1.94 and the Profit after Taxes stood at Taka 130 crore.

This year, we faced various challenges that slowed down our momentum, however, we have taken some measures to alleviate the effect of those challenges. My sincere appreciation to the spirit of my team members and the sound and professional guidance of our Honourable Board.

A culture has been set in AB to foster value-driven business rather than to run for profit only. AB is now one of the leading, successful Private Sector Commercial Banks of the country becoming an icon of a sustainable institution for our entire stakeholders as it is focused on "Bonding Generations". AB's visionary policy was always been concentrated on expanding business horizon by making portfolio diversification. We will continue to explore and expand our networks and business at home and abroad.

AB believes in compliance and control with strong emphasis has been given on adherence and implementation of national and regulatory policies and guidelines.

A large segment of banking is now technology-driven. Without losing sight of the human aspect of traditional banking, AB is taking strides in providing tech-savvy services to its clientele. We expanded our alternative delivery channels by increasing the number of ATM Booths to 275, partnering with MasterCard and introduction of World MasterCard, Gold and Titanium credit cards, automated utility bill collections etc. We have focused more on SME and Consumer Banking in order to reach the common, unbanked population of the country as inclusive finance ecosystem is evolving to include not only financial service providers, both banks and non-banks, but new players, like mobile money providers and e-money operators. AB firmly believes 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 first and foremost 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.

I believe the biggest asset of an institution is the skilled human resources. The quality of their output forms the basis of the institution's overall performance resulting in the 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 2016 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 deserving candidates from diverse backgrounds for ensuring creativity, innovation and value-addition.

The year 2016 being difficult, our Board has termed the year as a year of consolidation and compliance. We have to prioritize our focus on selective investments rather than wholesale growth. I believe we have taken up the right strategy and have the right people to identify, grasp and benefit from opportunities and cope efficiently with adversity.

My sincerest thanks 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 would also like to take the opportunity to express my sincere gratitude to our former President & Managing Director for his guidance and support.

This April, AB Bank completed 35 years of successful journey of serving its valued customers. We are committed to making a greater endeavor and success in the years ahead with your unwavering support and patronage.

I am privileged and honored to lead a winning and shining team of professionals. I thank all my team members for their strong commitment, dedication and continuous support.

Together we as AB family will thrive for a better tomorrow.

Thank you.



Moshiur Rahman Chowdhury
President & Managing Director

AB Bank Limited
Board of Directors

Sitting from left: Prof. Dr. M. Imtiaz Hossain, M. A. Awal, M. Wahidul Haque and Shishir Ranjan Bose FCA
Standing from left: Asish Baran Sarkar, Feroz Ahmed, Faheemul Huq, Moshiur Rahman Chowdhury, Salim Ahmed, Md. Mesbahul Hoque, Syed Afzal Hasan Uddin and Syed Golam Kibria



AB Bank Limited

Composition of the Board and Committees

BOARD OF DIRECTORS

Chairman

Mr. M. Wahidul Haque

Vice Chairman

Mr. Salim Ahmed

Directors

Mr. Feroz Ahmed
Mr. M. A. Awal
Mr. Faheemul Huq, Barrister-at-Law
Mr. Syed Afzal Hasan Uddin, Barrister-at-Law
Mr. Md. Mesbahul Hoque
Mr. Syed Golam Kibria
Mr. Asish Baran Sarkar

Independent Directors

Mr. Shishir Ranjan Bose, FCA
Prof. Dr. M. Imtiaz Hossain

President & Managing Director

Mr. Moshiur Rahman Chowdhury
(Appointed on May 9, 2017)

AUDIT COMMITTEE

Chairman

Mr. Shishir Ranjan Bose, FCA

Members

Mr. M. Wahidul Haque
Mr. Salim Ahmed
Mr. M. A. Awal
Prof. Dr. M. Imtiaz Hossain

EXECUTIVE COMMITTEE

Chairman

Mr. Feroz Ahmed

Members

Mr. Md. Mesbahul Hoque
Mr. Faheemul Huq
Mr. Syed Afzal Hasan Uddin

RISK MANAGEMENT COMMITTEE

Chairman

Mr. M. Wahidul Haque

Members

Mr. Feroz Ahmed
Mr. Syed Afzal Hasan Uddin
Mr. Faheemul Huq
Mr. Shishir Ranjan Bose, FCA

SHARIAH SUPERVISORY COMMITTEE

Chairman

Mr. M. Azizul Huq

Vice-Chairman

Mr. Md. Shouquat Ali

Members

Mr. M. Wahidul Haque
Mr. Moshiur Rahman Chowdhury
(President & Managing Director, ABBL)
Mr. Mawlana Muhammad Musa

Member Secretary

Mr. Dr. Mohd. Haroon Rashid

COMPANY SECRETARY

Mr. Mahadev Sarker Sumon, FCA

AMAR STOCK

AB Bank Limited
Directors' Profile



M. Wahidul Haque
Chairman

Mr. M. Wahidul Haque joined the Board of Directors of AB Bank Limited on December 12, 2007 as Director. He was unanimously elected as the Chairman of the Board of Directors on July 16, 2008.

Mr. Haque is also the Managing Director of Deundi Tea Company (UK) Limited and the Noyapara Tea Company (UK) Limited both of which are UK registered companies. He had been the Chairman of Bangladesh Tea Association for six (6) years, representing tea plantation owners in Bangladesh.

Mr. Haque also represents the Board of Trustees of Plantation Employees Provident Fund, managed by Ministry of Labour and Employment, Government of Bangladesh.

He is also a Trustee in the Tea Workers Welfare Trust constituted by the Government for the welfare and enhancement of education etc. for the tea plantation workers.

In addintion Mr. Haque also holds the position of the Chairman of the Board of the following subsidiary companies of AB Bank Limited:

- AB Investment Limited
- AB Securities Limited
- Cashlink Bangladesh Limited
- AB Exchange (UK) Limited

Mr. Haque has been awarded the prestigious "Atish Dipanker Gold Medal Award" in 2010 and "Sher-E-Bangla Gold Medal Award" in 2016 for his contribution to the Tea Industry of Bangladesh.

Mr. Haque is a graduate of Dhaka University and also holds a Law Degree. Mr. Haque is married with three daughters. He takes active part in social activities and in organizing small & medium sized businesses in Bangladesh.

AMARSTOCK



Salim Ahmed
Vice Chairman

Mr. Salim Ahmed is one of the most renowned and successful entrepreneurs and Industrialists in Bangladesh since the last three decades. He is the Vice Chairman of Elite Paints & Chemical Industries Limited. Earlier he was the Chairman of the same group.

He is also the Managing Director of Super Group of Companies, Chittagong wherein Super Refinery (Pvt.) Limited is the pioneer in manufacturing of Hydro Carbon Solvents from Natural Gas Condensate in the private sector. He has been rewarded as CIP (Commercially Important Person) several times by the Government of Bangladesh in the Large Industrial Category in recognition of his remarkable contribution to the National economy.

Mr. Ahmed is the Vice-Chairman of the Board of Directors of the Bank since 2008. He was a member of the Executive body of FBCCI & presently also a Director of Imperial Hospital Limited.

He is the President of Bangladesh Paint Manufacturers' Association (BPMA), a position which he is holding for 7 (seven) consecutive years. He is one of the founder Directors and regular member of Chittagong Metropolitan Chamber of Commerce & Industry (CMCC&I). He is also the Vice President of Chittagong Metropolitan Krira Sangstha.

Mr. Ahmed is also involved with many business apex forums, sports bodies, and socio-cultural organizations.

AB Bank Limited
Directors' Profile



Feroz Ahmed
Director

Mr. Feroz Ahmed is a Director of AB Bank Limited, Chairman of the Executive Committee and also the former Vice Chairman of the Board. He is also 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 Member, Board of Trustees, Chittagong Independent University, life member of Chittagong Zila Krira Sangstha and member of Chattagram Mohanagari Krira Sangstha. He also a life member of Red Crescent Society, Chittagong and Maa O Shishu Hospital, Chittagong.



M. A. Awal
Director

Mr. M. A. Awal joined AB Bank Limited as Director on July 16, 2008. He has over 40 years of banking experience serving in senior responsible positions in different Banks including AB Bank. Prior to his Directorship, Mr. Awal served as the Advisor and also the Chief Consultant of AB Bank for about three years. He is also the director of AB International Finance Limited, Hong Kong.

AMARSTOCK



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, commercial affairs, corporate finance, and restructuring. Mr. Afzal also serves in the Board of other prominent listed and unlisted companies as Independent Director.



Md. Mesbahul Hoque
Director

Mr. Md. Mesbahul Hoque, Director, started his career in Country's Pharmaceutical Sector in 1969 by joining May & Baker (UK) Ltd presently known as Aventis (BD) Ltd. He is the Former Chairman of Reptiles Farm Ltd. (first crocodile captive breeding farm in Bangladesh). At present, he is the Managing Director of Therapeutics (BD) Ltd. and an active member of Bangladesh Pharmaceuticals Society. He is also presently Independent Director of GlaxoSmithKline (GSK) Bangladesh Limited.

AB Bank Limited
Directors' Profile



Faheemul Huq
Director

Mr. Faheemul Huq, Barrister-at-Law, a distinguished legal practitioner in the country is vastly known for his profound knowledge in Corporate and Banking Sector. Apart from his legal profession, the contribution of Mr. Huq in the policy matter of the bank is significant. Mr. Huq's wide knowledge in the Banking Sector has assisted the bank in resolving various complicated issues.



Shishir Ranjan Bose, FCA
Independent Director

A fellow of Institute of Chartered Accountants of Bangladesh, Mr. Bose joined AB Bank Limited on July 16, 2008 as a Director of the Board. Having a long 35 years of experience in the field of chartered accountancy profession, Mr. Bose is the Chairman of the Audit Committee of the Board effective from July 22, 2008. He has been nominated as the Independent Director of the Board. He is also the Independent Director of AB Securities Ltd, Cashlink Bangladesh Ltd, and AB International Finance Limited, Hong Kong.

AMAR STOCK



Prof. Dr. M. Imtiaz Hossain
Independent Director

Prof. Dr. M. Imtiaz Hossain is an Independent Director of AB Bank Limited. A PhD from the University of Manchester Institute of Science and Technology, Manchester, UK. Mr. Hossain is currently a professor of the Dept. of Mechanical Engineering, Bangladesh University of Engineering and Technology (BUET) at Dhaka. He is a Fellow of the Institute of Engineers, life Fellow of Bangladesh Society of Mechanical Engineers and also a life Member of National Oceanographic and Maritime Institute, Bangladesh.



Syed Golam Kibria
Director

Mr. Syed Golam Kibria retired as an Additional Secretary & Secretary in charge Economic Relations Divisions, Ministry of Finance, Government of Bangladesh. During his service with the Government, he served in different capacities in the Ministry of Finance, Fisheries & Livestock, Establishment, Energy & Mineral Resources, Youth and Sports, Industry, Relief and Rehabilitation, and NBR.

Mr. Kibria represented the Government in the Board of Bangladesh Krishi Bank (1996), Janata Bank (2003-2004), AB Bank (2000-2007), Pan Pacific Sonargaon Hotel (2002-2003), and Insurance Academy (2001-2002).

Presently Mr. Kibria is working as Director Finance & Registrar (Acting) of North East University Bangladesh, Telihaor, Sheikhghat, Sylhet.

AB Bank Limited
Directors' Profile



Asish Baran Sarkar
Director

Mr. Asish Baran Sarkar 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.

Presently Mr. Sarker is working as Director, Supply Chain Management, Pacific Bangladesh Telecom Limited and responsible for local and foreign procurement.



Moshiur Rahman Chowdhury
President & Managing Director

Mr. Moshiur Rahman Chowdhury was appointed as the President & Managing Director with effect from May 09, 2017. Prior to that he was working as the Deputy Managing Director and Head of Credit of the bank. Mr. Rahman joined the bank on 26th June 2003 as a "Vice President" in Credit Risk Management Division.

He started his career with Sonali Bank in 1984 as "Senior Officer- Financial Analyst" after completion of his Bachelor with Honors and Masters (Accounting) from the University of Dhaka. He continued there as "Assistant General Manager" till 22nd June 2003. He also completed MBA from Victoria University, Melbourne, Australia.

During his 33 years of service in the banking industry, he served in different capacities e.g.- Credit Analyst, Manager of Foreign Trade Branch, Credit Controller and In-Charge, UK Operation (Sonali Bank), Head of SME Business Division, Head of Corporate and Structured Finance Division, Head of Credit Risk Management Division. He participated in many training programs, workshops and seminars at home and abroad. Mr. Rahman also takes keen interest in imparting training. He is a regular Trainer on Credit Risk Management at AB Bank Training Academy and Guest Trainer at SEDF.

AMARSTOCK

AB Bank Limited
Core Management Committee

Sitting from left: Shamshia I. Mutasim, Moshiur Rahman Chowdhury, Sajjad Hussain and M. A. Abdullah
Standing from left: Reazul Islam, Mahadev Sarker Sumon FCA, Shamima Hedayet, Sarfuddin Ahmed and Mohammad Mahfuz-ul-Islam



AB Bank Limited
Management Committees

A. Core MANCOM

Position	Present Incumbent	Status in CMC
President & Managing Director	Mr. Moshiur Rahman Chowdhury	Chairman
Deputy Managing Director(s)	Mr. Sajjad Hussain	Member Secretary
	Mr. M. A. Abdullah	Member
	Ms. Shamshia I. Mutasim	
Head of Information Technology & eBiz (IT & eBiz)	Mr. Reazul Islam	Member
Chief Financial Officer (CFO) & Company Secretary	Mr. Mahadev Sarker Sumon	Member
Head of Financial Institution (FI)	Mr. Sarfuddin Ahmed	Member
One Representative from Business Category Heads	Ms. Shamima Hedayet	Member
Head of Treasury	Mr. Mohammad Mahfuz-ul-Islam	Member

B. Extended Management Committee (Extended MANCOM)

Position	Present Incumbent	Status in Extended MANCOM
President & Managing Director	Mr. Moshiur Rahman Chowdhury	Chairman
Deputy Managing Director(s)	Mr. Sajjad Hussain	Member Secretary
	Mr. M. A. Abdullah	Member
	Ms. Shamshia I. Mutasim	
Head of Business Category- A	Mr. Abu Hena Mustafa Kamal	Member
Head of Information Technology & eBiz (IT & eBiz)	Mr. Reazul Islam	Member
Head of General Services, Security & Procurement	Mr. Mahbub-E-Sobhani Sikder	Member
Head of Credit Risk Management (CRM)	Ms. Salma Akhter	Member
Chief Financial Officer (CFO) & Company Secretary	Mr. Mahadev Sarker Sumon	Member
Head of Financial Institution (FI)	Mr. Sarfuddin Ahmed	Member
Head of Business Category-B	Ms. Shamima Hedayet	Member
Head of Retail Banking (RBD)	Mr. Syed Mizanur Rahman	Member
Head of Small & Medium Enterprise (SME)	Mr. Iftekhar Enam Awal	Member
Head of Credit Administration and Management (CAM)	Mr. Md. Saiful Islam Khan	Member
Head of Internal Control & Compliance (ICC)	Mr. Anupam Kanti Debnath	Member
Head of Islamic Banking	Mr. A.B.M. Abdus Sattar	Member
Deputy Chief Risk Officer (DCRO)	Mr. Md. Jahangir Alam	Member
Head of Treasury	Mr. Mohammad Mahfuz-ul-Islam	Member

C. Asset Liability Committee (ALCO)

Position	Present Incumbent	Status in ALCO
President & Managing Director	Mr. Moshiur Rahman Chowdhury	Chairman
Head of Business Category- A	Mr. Abu Hena Mustafa Kamal, SEVP	Member
Chief Financial Officer (CFO)	Mr. Mahadev Sarker Sumon, EVP	Member
Head of Business Category- B & OBU (Corporate Banking)	Ms. Shamima Hedayet, EVP	Member
Head of Retail Banking & Business Category-C	Mr. Syed Mizanur Rahman, EVP	Member
Head of SME & Business Category-D	Mr. Iftekhar Enam Awal, EVP	Member
Head of Risk Management Division (RMD)	Mr. Md. Jahangir Alam, EVP	Member
Head of Islamic Banking Branch (IBB)	Mr. A. B. M. Abdus Sattar, EVP	Member
Head of Treasury Back Office (TBO)	Mr. Md. Aminur Rahman, EVP	Member
Head of Treasury	Mr. Mohammad Mahfuz-Ul Islam, VP	Member- Secretary
Head of ALM Desk	Mr. Md. Anisur Rahman, SPO	Permanent Invitee

AMARSTOCK

AB Bank Limited

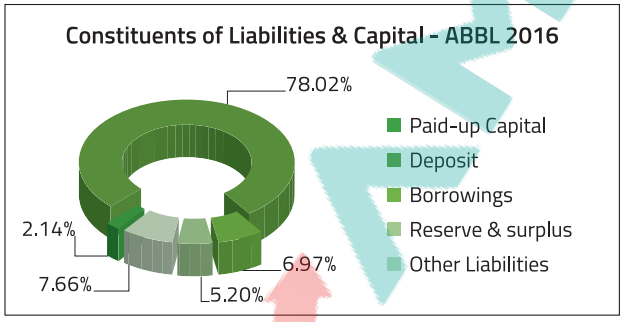
Shareholders' Information

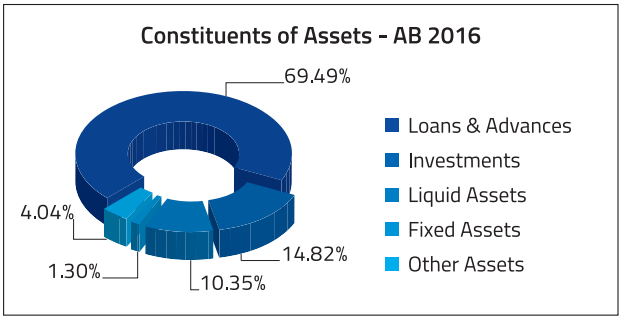
Financial Highlights - AB & Consolidated

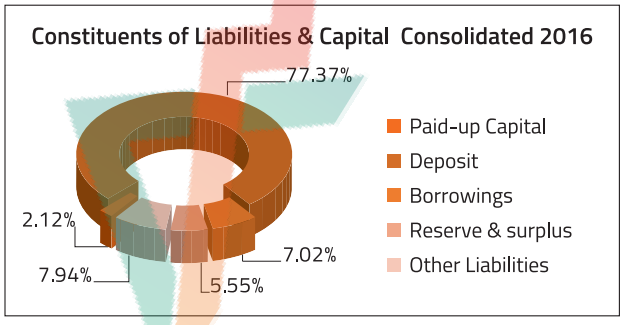
In Million Taka

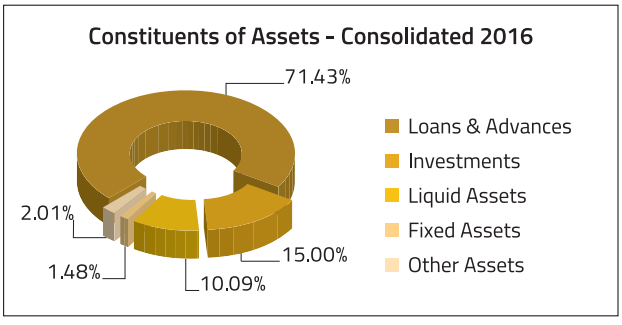
	AB Bank Limited			Consolidated		
	2016	2015	% Growth	2016	2015	% Growth
At the end year						
Equity	23,114	22,792	1%	24,324	23,576	3%
Total Deposits	245,641	213,819	15%	245,394	213,672	15%
Loans & advances	218,769	209,725	4%	226,547	216,365	5%
Investments	46,667	32,559	43%	47,561	33,438	42%
Fixed assets	4,080	4,201	-3%	4,681	4,820	-3%
Total assets	314,836	285,010	10%	317,169	286,939	11%
Performance during the year						
Net Interest Income	2,837	4,279	-34%	3,311	4,620	-28%
Operating Profit	5,019	4,954	1%	5,420	5,382	1%
Provision for loans and others	3,017	2,195	37%	3,021	2,312	31%
Profit before tax	2,002	2,759	-27%	2,395	3,070	-22%
Provision for tax	697	1,489	-53%	887	1,613	-45%
Profit after tax	1,305	1,270	3%	1,509	1,457	4%
Statutory Ratios						
Liquid Assets	23.83%	19.85%		23.83%	19.85%	
Capital adequacy ratio	10.79%	11.09%		11.10%	11.30%	
Share information						
Earnings per share (Taka)	1.94	1.89	3%	2.25	2.15	4%
Dividend - %	*12.5	12.5		*12.5	12.5	
Net Asset Value per share (Taka)	34.30	33.82	1%	36.10	34.98	3%
Ratios						
Classified Loan	5.19%	3.16%		5.02%	3.06%	
Return on Assets (ROA)	0.44%	0.48%		0.50%	0.54%	
Return on Equity (ROE)	5.68%	6.03%		6.30%	6.70%	

*Proposed









AB Bank Limited

Last 10 years performance

In Million Taka

Financial position	2016	2015	2014	2013	2012
Cash & bank balances	24,265	21,744	20,436	17,338	18,499
Investments	46,667	32,559	30,779	28,676	26,115
Money at call and short notice	8,326	5,284	3,863	2,251	3,672
Loans & advances	218,769	209,725	177,571	140,121	106,066
Fixed assets	4,080	4,201	4,405	4,173	4,230
Other assets	12,728	11,496	9,277	15,446	15,261
Total assets	**314,836**	**285,010**	**246,331**	**208,006**	**173,842**
Borrowings	15,454	23,693	10,977	9,987	3,649
Subordinated Bond	6,500	6,500	2,500	-	-
Total deposits	245,641	213,819	198,189	161,846	140,026
Other liabilities	24,126	18,206	15,351	19,232	14,133
Equity	23,114	22,792	19,314	16,940	16,034
Total liability & SH's equity	**314,836**	**285,010**	**246,331**	**208,006**	**173,842**
Total contingent liabilities & commitments	73,479	68,649	77,069	83,217	59,590
Loan Deposit Ratio	*83.67%	96.80%	89.60%	86.58%	75.75%
Interest earning assets	272,625	249,985	215,691	175,978	144,167
Non-Interest earning assets	42,211	35,026	30,640	32,028	29,676
Profitability					
Net interest margin	2,837	4,279	6,079	3,780	3,123
Operating income	11,018	10,582	12,155	9,755	8,435
Operating expenses	5,999	5,628	5,230	4,465	4,072
Operating profit	5,019	4,954	6,925	5,290	4,363
Provision for loans and others	3,017	2,195	2,946	2,305	1,173
Profit before tax	2,002	2,759	3,979	2,985	3,190
Provision for tax	697	1,489	2,719	1,974	1,752
Profit after tax	1,305	1,270	1,260	1,011	1,439
Cost income ratio	54.44%	52.86%	43.03%	45.78%	48.27%
Return on investment (ROI)	13.50%	10.49%	9.68%	10.37%	11.39%
Return on assets (ROA)	0.44%	0.48%	0.54%	0.53%	0.88%
Return on equity (ROE)	5.68%	6.03%	6.95%	6.13%	9.31%
Assets Utilization Ratio	86.59%	87.71%	87.56%	84.60%	82.93%
Cost of fund	8.06%	9.75%	10.63%	11.82%	12.07%
Earnings Per Share	1.94	1.89	1.87	1.50	2.13
Net income per share	1.94	1.89	1.87	1.50	2.13
Other business					
Import	115,794	111,245	112,220	125,383	100,373
Export	76,052	72,982	77,252	72,571	65,782
Remittance (Million USD)	254	280	299	237	217
Equity measures					
Authorized capital	15,000	6,000	6,000	6,000	6,000
Paid-up capital	6,739	5,990	5,325	4,976	4,423
Capital - Core (Tier I)	18,703	18,339	16,561	15,570	14,630
Capital - Supplementary (Tier II)	11,938	9,994	6,238	3,203	2,552
Total capital	30,640	28,333	22,799	18,772	17,181
Capital surplus/ (deficit)	462	2,780	712	1,385	2,532
Statutory reserve	6,496	6,111	5,582	5,565	5,005
Retained earnings	6,810	6,831	6,768	4,986	5,159
Capital to Risk Weighted Assets Ratio	10.79%	11.09%	10.32%	10.80%	11.73%
Asset quality					
Total loans & advances	218,769	209,725	177,571	140,121	106,066
Classified loans (CL)	11,365	6,619	6,856	4,720	3,522
% CL to total loans & advances	5.19%	3.16%	3.86%	3.37%	3.32%
Provision for unclassified loan	4,099	2,119	1,930	1,707	1,270
Provision for classified loan	2,506	2,596	2,924	2,273	1,049
Share information					
Market Price per share (DSE)	22.30	20.90	29.90	26.20	33.70
Dividend - %	12.5	12.5	12.5	12.0	12.5
Bonus - %	**12.5	12.5	12.5	7.0	12.5
Cash - %	-	-	-	5	-
Price earning ratio (times)	11.52	11.09	15.99	17.46	15.79
Net Asset Value per share (Taka)	34.30	33.82	28.66	25.14	23.79
Distribution network					
Number of branches	104	101	93	89	87
Number of SME service center	11	11	11	11	11
Employee number	2,423	2,276	2,220	2,179	2,070

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

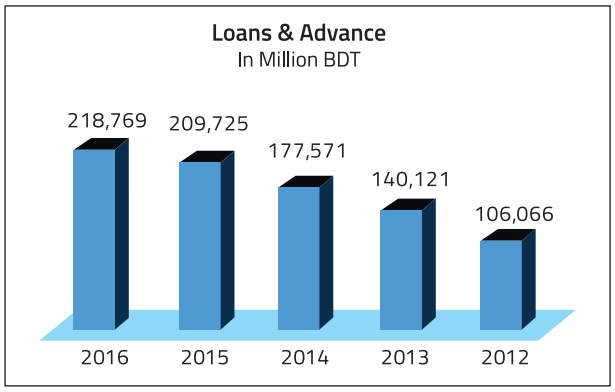
AB Bank Limited

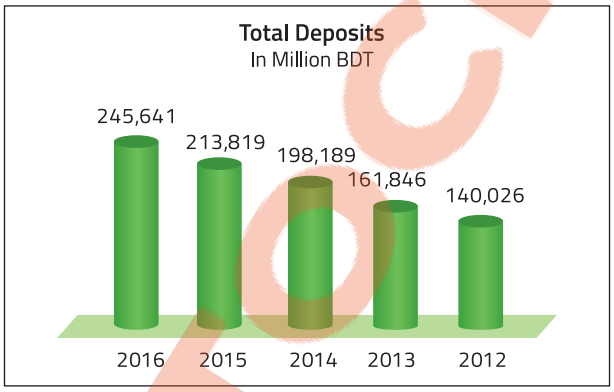
Last 10 years performance

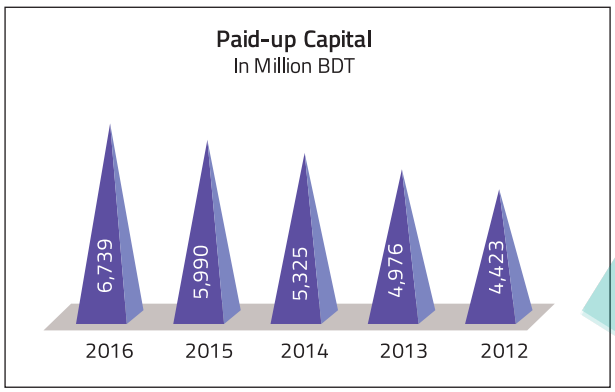
In Million Taka

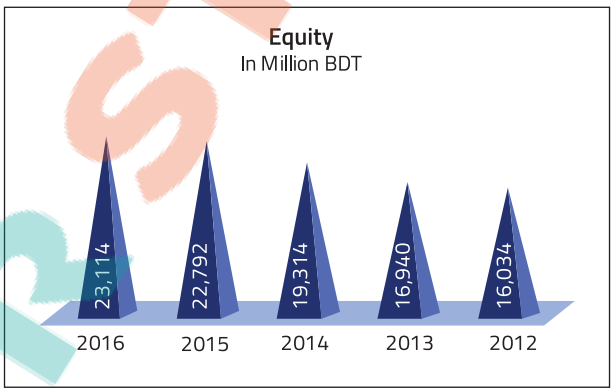
Financial position	2011	2010	2009	2008	2007
Cash & bank balances	17,524	12,914	8,849	6,396	6,160
Investments	21,556	14,563	16,369	11,396	8,885
Money at call and short notice	666	380	600	1,191	574
Loans & advances	94,638	88,002	70,880	56,709	40,915
Fixed assets	3,854	3,926	2,441	2,445	2,381
Other assets	14,725	12,906	7,773	5,918	4,635
Total assets	**152,963**	**132,691**	**106,912**	**84,054**	**63,550**
Borrowings	10,248	14,200	6,125	3,193	1,872
Subordinated Bond	-	-	-	-	-
Total deposits	116,152	95,702	83,087	68,560	53,375
Other liabilities	11,710	8,922	7,542	5,577	3,791
Equity	14,853	13,867	10,158	6,723	4,512
Total liability & SH's equity	**152,963**	**132,691**	**106,912**	**84,054**	**63,550**
Total contingent liabilities & commitments	52,595	44,485	28,996	26,074	27,288
Loan Deposit Ratio*	81.48%	91.95%	85.31%	82.71%	76.66%
Interest earning assets	125,049	110,453	86,768	68,580	49,208
Non-Interest earning assets	27,914	22,535	20,144	15,473	14,342
Profitability					
Net interest margin	2,394	3,481	2,908	2,034	1,439
Operating income	7,743	10,898	8,269	6,153	4,657
Operating expenses	3,431	3,489	2,466	1,854	1,331
Operating profit	4,312	7,409	5,802	4,298	3,325
Provision for loans and others	1,355	1,052	598	698	507
Profit before tax	2,957	6,357	5,205	3,601	2,818
Provision for tax	1,629	2,661	1,842	1,300	915
Profit after tax	1,328	3,696	3,363	2,301	1,903
Cost income ratio	44.31%	32.01%	29.83%	30.14%	28.59%
Return on investment (ROI)	14.62%	32.72%	21.06%	23.89%	22.87%
Return on assets (ROA)	0.93%	3.08%	3.52%	3.12%	3.41%
Return on equity (ROE)	9.25%	30.77%	39.84%	40.96%	42.19%
Assets Utilization Ratio	81.75%	83.24%	81.16%	81.59%	77.43%
Cost of fund	11.19%	9.89%	10.31%	11.09%	10.54%
Earnings Per Share	1.97	5.48	4.99	3.41	2.82
Net income per share	1.97	5.48	4.99	3.41	2.82
Other business					
Import	79,463	90,751	65,956	70,041	48,441
Export	57,592	41,686	30,640	28,937	20,677
Remittance (Million USD)	250	210	182	164	156
Equity measures					
Authorized capital	6,000	6,000	6,000	3,000	2,000
Paid-up capital	3,686	3,205	2,564	2,230	743
Capital - Core (Tier I)	13,410	12,411	9,250	6,128	3,838
Capital - Supplementary (Tier II)	2,534	2,249	1,668	1,312	947
Total capital	15,943	14,660	10,918	7,440	4,785
Capital surplus/ (deficit)	1,920	1,345	1,072	1,644	331
Statutory reserve	4,390	4,396	3,101	2,066	1,357
Retained earnings	5,291	4,768	3,542	1,790	1,696
Capital to Risk Weighted Assets Ratio	11.37%	9.91%	11.09%	12.84%	10.75%
Asset quality					
Total loans & advances	94,638	88,002	70,880	56,709	40,915
Classified loans (CL)	2,672	1,852	1,949	1,695	1,763
% CL to total loans & advances	2.82%	2.11%	2.75%	2.99%	4.31%
Provision for unclassified loan	1,317	1,041	826	691	487
Provision for classified loan	1,031	921	427	658	660
Share information					
Market Price per share (DSE)	68.30	158.05	117.65	82.23	85.37
Dividend - %	25.0	25.0	45.0	30.0	200.0
Bonus - %	20.0	15.0	25.0	15.0	200.0
Cash - %	5	10	20	15	-
Price earning ratio (times)	34.66	28.82	23.58	24.09	30.22
Net Asset Value per share (Taka)	22.04	20.58	15.07	9.98	6.69
Distribution network					
Number of branches	86	82	78	73	72
Number of SME service center	11	11	10	-	-
Employee number	2,096	2,008	1,952	1,804	1,725

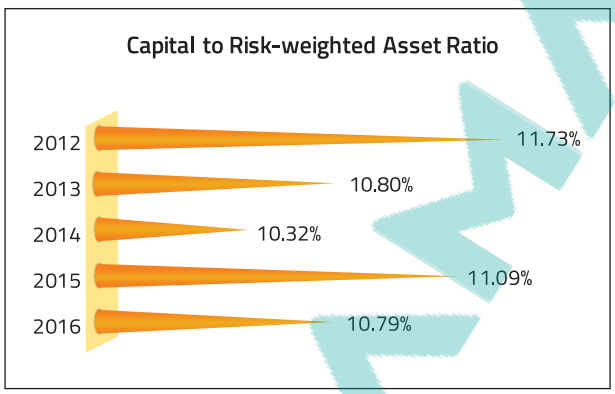
AB Bank Limited
Graphical Presentation

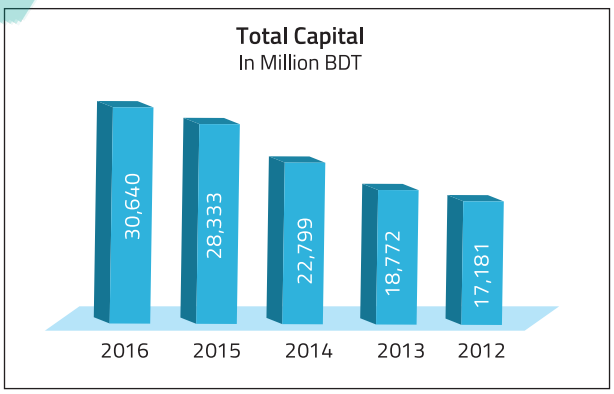


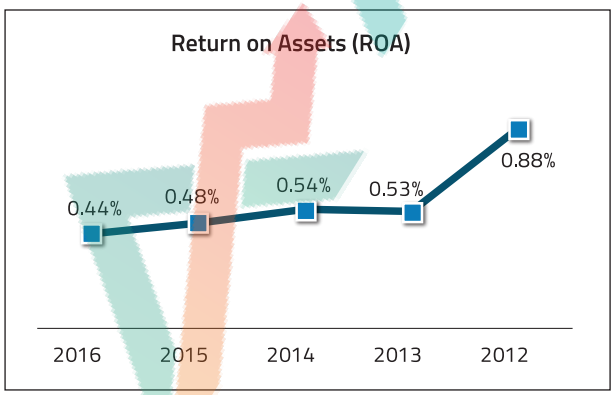


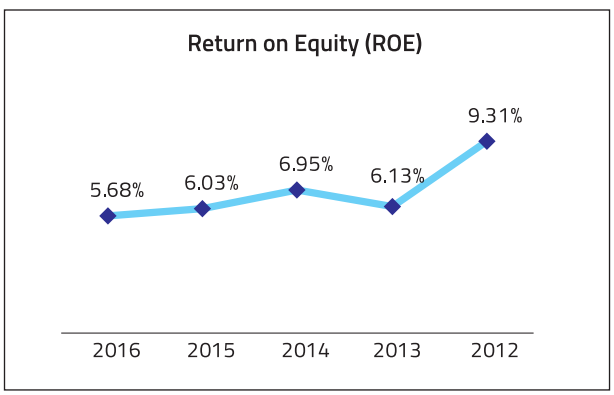








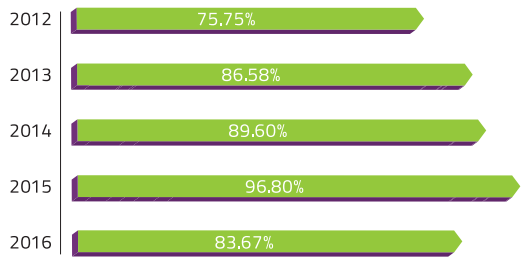




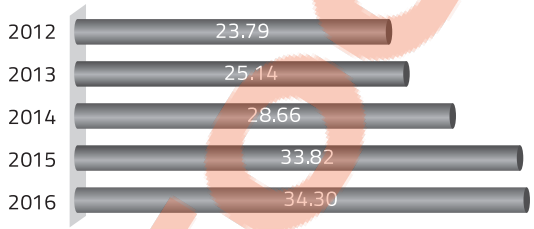
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Graphical Presentation

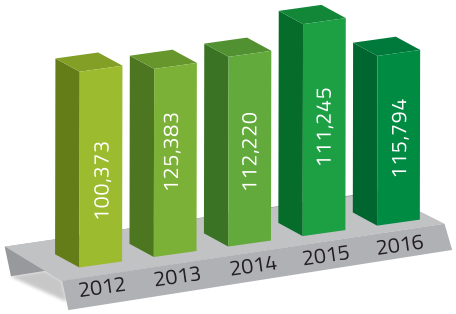
Loan Deposit (LD) Ratio



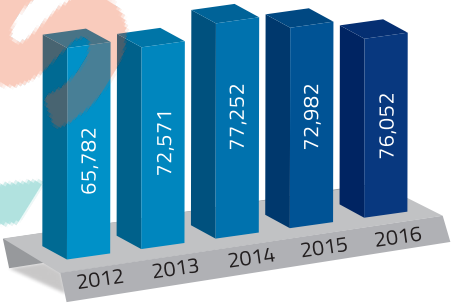
Net Asset Value
(BDT/Share)



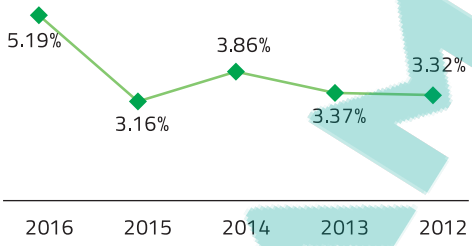
Import
In Million BDT



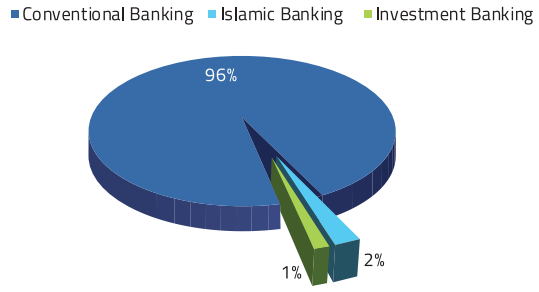
Export
In Million BDT



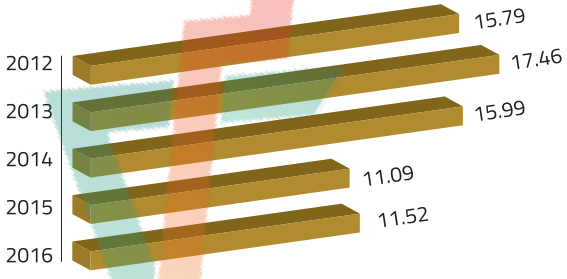
Classified Loans (CL) Ratio



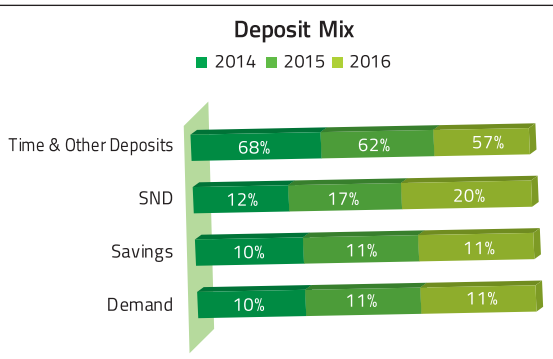
Assets Employed



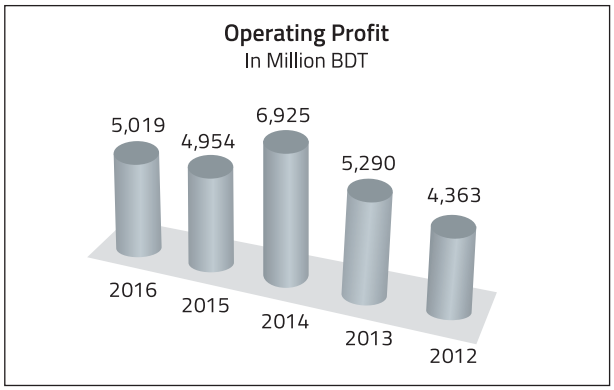
Price Earning Ratio

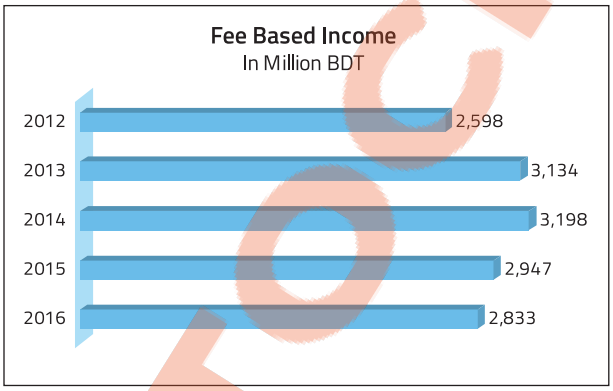


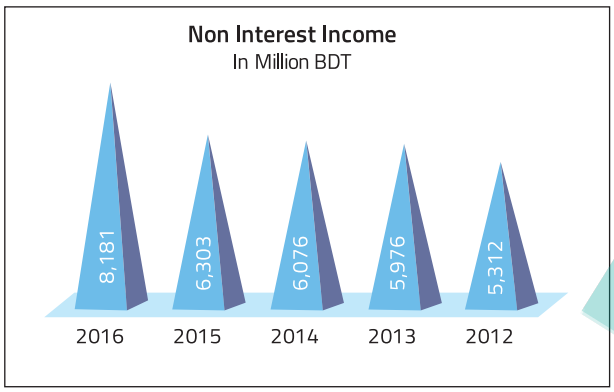
Deposit Mix

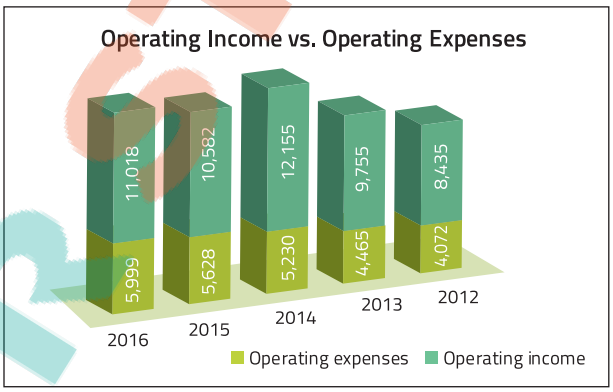


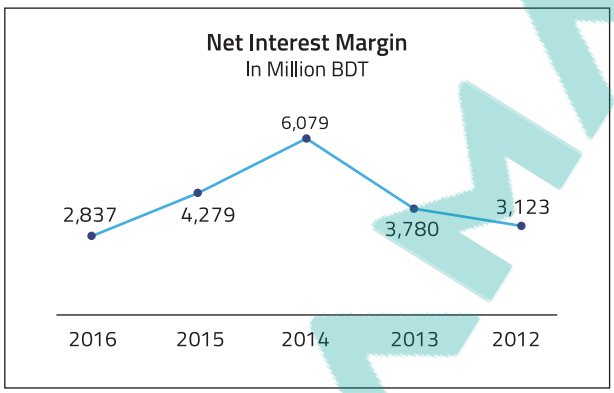
AB Bank Limited
Graphical Presentation

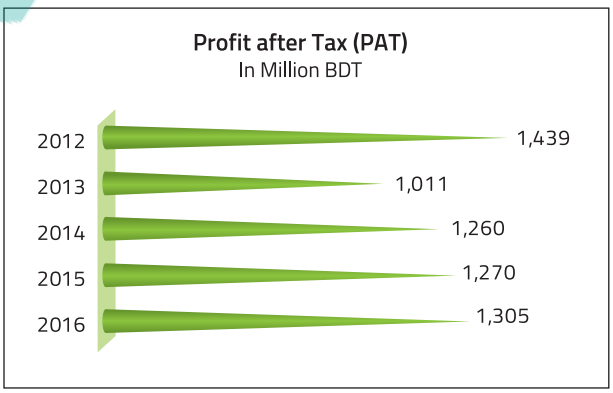


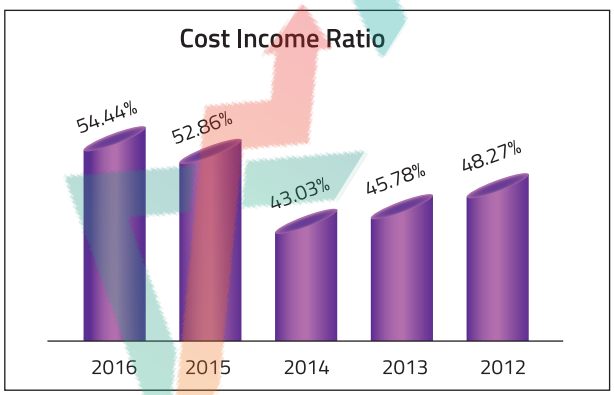


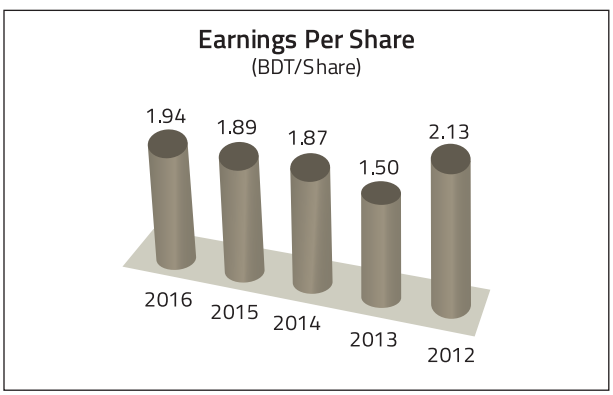










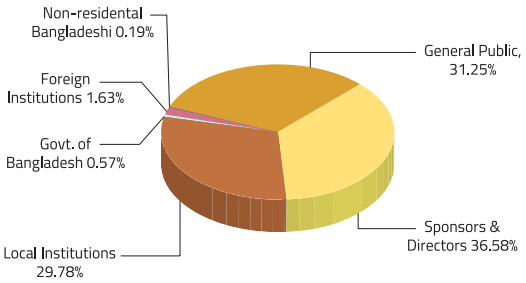


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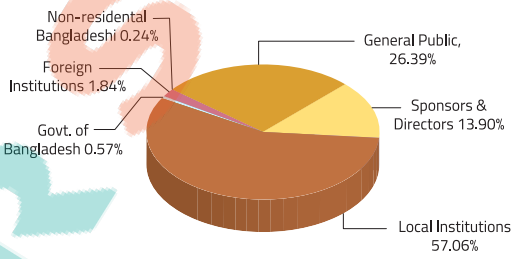
AB Bank Limited
Shareholders' Pattern

Particulars	Number of Shares		% of Shares	
	2016	2015	2016	2015
Sponsors & Directors	246,481,579	83,290,090	36.576%	13.904%
Local Institutions	200,666,711	341,774,724	29.777%	57.056%
Govt. of Bangladesh	3,862,826	3,433,624	0.573%	0.573%
Foreign Institutions	10,977,958	11,001,530	1.629%	1.837%
Non-residential Bangladeshi	1,298,535	1,464,430	0.193%	0.244%
General Public	210,606,005	158,052,148	31.252%	26.385%
Total	**673,893,614**	**599,016,546**	**100%**	**100%**

Year : 2016



Year : 2015



Name of the Director	Status	No. of Shareholding	
		31.12.2016	31.12.2015
Mr. M. Wahidul Haque	Chairman	145,793	129,595
Mr. Salim Ahmed	Vice-Chairman	15,917,596	14,148,975
Mr. Feroz Ahmed	Director	13,982,398	12,428,799
Mr. M. A. Awal	Director	4,222	3,753
Mr. Faheemul Huq, Barrister-at-Law	Director	578,201	513,957
Mr. Syed Afzal Hasan Uddin, Barrister-at-law	Director	2,997	2,664
Mr. Md. Mesbahul Hoque	Director	2,997	2,664
Mr. Syed Golam Kibria*	Director	1,000	-
Mr. Asish Baran Sarkar**	Director	1,000	-
Mr. Shishir Ranjan Bose FCA	Independent Director	-	-
Prof. Dr. M. Imtiaz Hossain	Independent Director	-	-
Mr. Shamim Ahmed Chaudhury***	President & Managing Director	-	-

* Mr. Kibria joined the Board on June 8, 2016

** Mr. Sarkar was appointed in the 34th Annual General Meeting held on July 12, 2016

*** Left the Bank on February 23, 2017

AB Bank Limited
Financial Calendar

QUARTERLY RESULTS OF 2016		
Unaudited results for the 1st Quarter ended 30th March 2016	Announced on	April 27, 2016
Unaudited result for the 2nd quarter and half-year ended 30th June 2016	Announced on	July 31, 2016
Unaudited results for the 3rd Quarter ended 30th September 2016	Announced on	October 30, 2016
Audited consolidated results for the year ended 31st December 2016	Announced on	April 29, 2017

34TH AGM	Price Sensitive Information	April 27, 2016
Record Date		May 31, 2016
AGM		July 12, 2016
Publication of 34th AGM Notice		May 20, 2016
Annual Report-2015 Dispatch		May 19 2016
Stock Dividend Credited	Respective BO Account	July 17, 2016
Cash Dividend Distribution	N/A	N/A

35TH AGM	
Publication of Price Sensitive Information	April 30, 2017
Record Date	June 12, 2017
Publication of notice of the 35th AGM	August 01, 2017
Date of 35th AGM	August 17, 2017

STOCK DETAILS		
Particulars	**DSE**	**CSE**
Stock symbol	ABBANK	ABBNK
Listing Year	28th December, 1983	21st October, 1995
Market category	A	A
Electronic share	YES	YES
Face Value (Taka)	10	10
Paid-up Capital (Taka)	6,738,936,140	6,738,936,140
Market lot	1	1
Total number of securities	673,893,614	673,893,614

Availability of Information about Annual Report

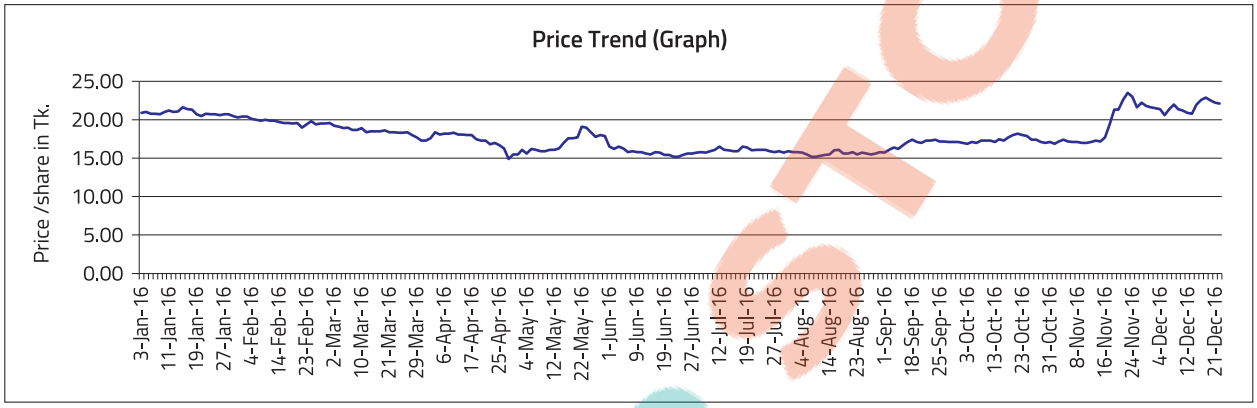
Annual Report 2016 and other information is available at www.abbl.com

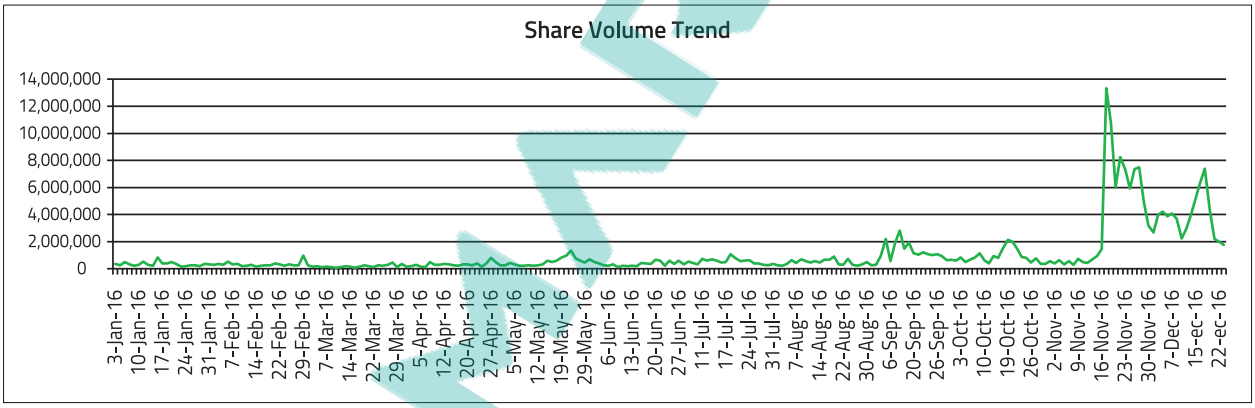
AMAR STOCK

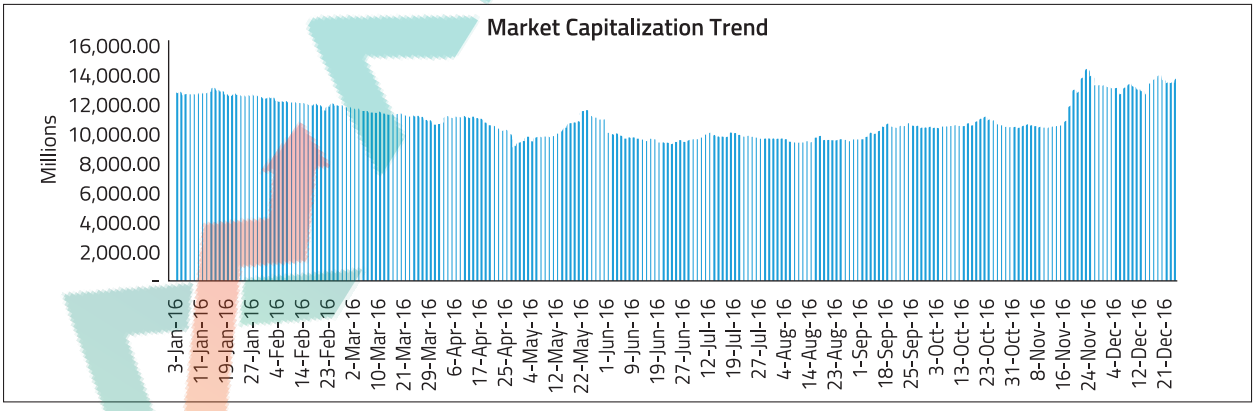
AB Bank Limited

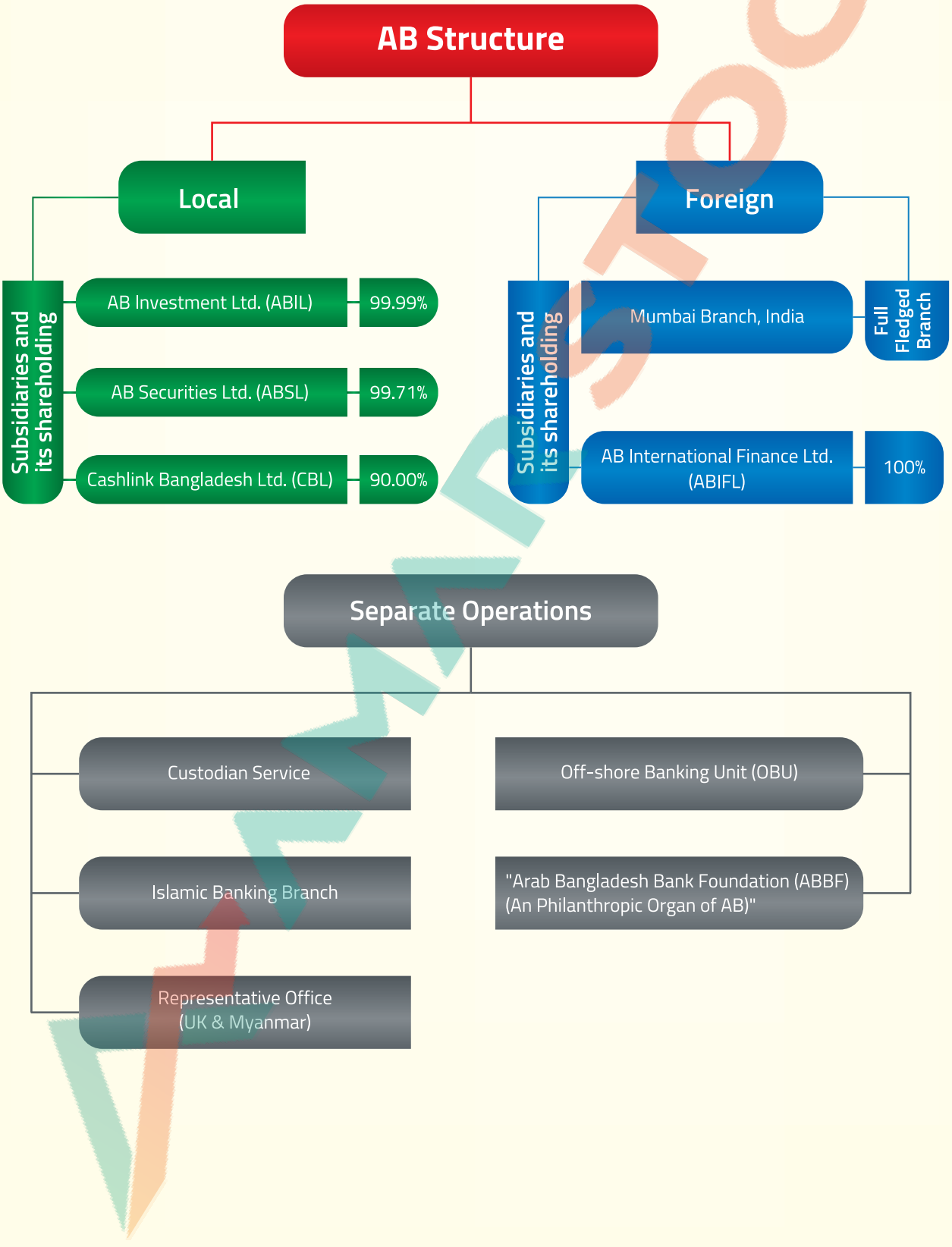
Price Trend of AB Bank Share

Period	January to December 2016
Year End closing	Tk. 22.30
Year High	Tk. 23.90
Year Low	Tk. 14.70
Average Trade Volume (Per Day)	1,048,070 shares per day
Total Trade Volume	251,536,904 shares








AB Structure
Local
Subsidiaries and its shareholding
AB Investment Ltd. (ABIL)
99.99%
AB Securities Ltd. (ABSL)
99.71%
Cashlink Bangladesh Ltd. (CBL)
90.00%
Foreign
Subsidiaries and its shareholding
Mumbai Branch, India
Full Fledged Branch
AB International Finance Ltd. (ABIFL)
100%
Separate Operations
Custodian Service
Islamic Banking Branch
Representative Office (UK & Myanmar)
Off-shore Banking Unit (OBU)
"Arab Bangladesh Bank Foundation (ABBF) (An Philanthropic Organ of AB)"

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.

Board of Directors of AB comprises of 12 (twelve) Members including President & Managing Director. This is in conformity of Bangladesh Bank guidelines and the Articles of Association of the Bank. Board includes two Independent Directors in pursuance with respective regulatory requirements.

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 chaired by Mr. M. Wahidul Haque 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 4(four) Members nominated by the Board. Mr. Feroz Ahmed, Director of AB Bank, is Chairman of the Executive Committee. Executive Committee operates within the Terms of Reference (TOR) set by the Board.

Audit Committee of the Bank has been formed in strict compliance of Bangladesh Bank guidelines and accordingly comprises of 5 (five) 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 scope of Bangladesh Bank guidelines and Corporate Governance guidelines.

Risk Management Committee (RMC) of the Bank has been formed in compliance of Bank Company (Amendment upto 2013) Act-1991, sec-15 Kha, and subsequent BRPD Circular # 11 Dated October 27, 2013. RMC is formed by 5 (five) Board Members and Chairman of the Board is also the Chairman of the RMC. 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 6 (six) Members for overseeing and strategic guidance of the Islamic Banking business. The Council comprises of scholars 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 of proper rules/guidelines/directives in the form of Price Sensitive Declarations.

Bank also ensures submission of returns to regulatory bodies in full-compliance of 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 & Managing Director is the Executive Head of the Bank. Bank has approved Organizational Structure (Organogram) up to the Unit Level with clear functional 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 incompliance with the relevant guidelines of Bangladesh Bank. Bank also has a strong SRP Team in place.

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, are governed by the rules and regulations of the respective countries. While the two local subsidiaries - AB Investment Limited (ABIL) and AB Securities Limited (ABSL) are 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 2016:

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 2016 with respect to Business Plan Target is given below:

Amount in Crore Tk.

Performance	BGT 2016	ACT 2016	Variance	
			Amount	%
Operating Profit	622.85	501.94	(120.91)	(19.41)
Provisions for loans and others	212.94	301.73	88.79	41.70
Profit before Tax	409.91	200.21	(209.70)	(51.16)
Provision for Tax	264.91	69.74	(195.17)	(73.67)
Net Profit After Tax	145.00	130.47	(14.53)	(10.02)
Loans and Advances	23,354.03	21,876.95	(1,477.08)	(6.32)
Deposits	24,525.83	24,564.08	38.25	0.16
Import	12,560.77	11,579.40	(981.37)	(7.81)
Export	8,002.92	7,605.23	(397.69)	(4.97)
Guarantee	1,442.54	1,667.00	224.46	15.56
Inward Remittance (USD)	27.26	25.36	(1.89)	(6.94)

Bangladesh Bank Inspection:

Bangladesh Bank conducted the comprehensive inspection of Head Office and 8 (Eight) selected Branches based on 31 December 2016. Tripartite meeting among Bangladesh Bank, External Auditors and Management of AB took place for finalization of annual Financial Statements.

External Audit:

External Auditors also covered major Branches and Head Office as part of the Annual Audit Program. Auditors covered 80% of the risk weighted assets.

Auditors submitted a Management Report with a Special Section on the "Review of Bank's Internal Control Environment" of the Bank. The Report was discussed in the Audit Committee.

Department of Internal Control and Compliance (ICC):

Bank has a separate Department for Internal Control & Compliance. This Department operates independently in line with the Bangladesh Bank guidelines. Head of Internal Control & Compliance is accountable to the Audit Committee of the Board.

Rating:

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

Surveillance Rating (2016)	Long Term	Short Term
	A_1	ST-2
Date of Rating	28 May 2017	
Validity Date	30 June 2018	

CRAB has affirmed 'A1' rating in the long term and 'ST-2' rating in the short term to AB Bank Limited for the year ended December 31, 2016 (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 Guidelines (Notification dated 7th August, 2012) for the companies listed with the Stock Exchanges. Compliance status of the guidelines is attached in Annexure-I, II and A respectively.

Compliance status of the guidelines issued by Bangladesh Bank regarding Corporate Governance is enclosed in Annexure-III.

ANNEXURE - I

MEETINGS OF THE BOARD OF DIRECTORS OF AB BANK LIMITED
(From 1st January, 2016 to 31st December 2016)

Name of Directors	Designation	Date of Original Appointment /Election	Attendance in Board Meeting of the Bank		Leave of Absence granted for–days
			No. of Meetings held since 01.01.2016 to 31.12.2016	No. of meeting attendedsince 01.01.2016 to 31.12.2016	
Mr. M. Wahidul Haque	Chairman	12.12.2007	25 (Twenty Five)	25 (Twenty Five)	Nil
Mr. Salim Ahmed	Vice Chairman	09.07.2008	-do-	07 (Seven)	18 (Eighteen)
Mr. Feroz Ahmed	Director	19.10.2008	-do-	13 (Thirteen)	12 (Twelve)
Mr. M. A. Awal	Director	16.07.2008	-do-	25 (Twenty Five)	Nil
Mr. Shishir Ranjan Bose, FCA	Independent Director	16.07.2008	-do-	22 (Twenty Two)	03 (Three)
Mr. Faheemul Huq	Director	06.09.2007	-do-	20 (Twenty)	05 (Five)
Mr. Syed Afzal Hasan Uddin	Director	06.09.2007	-do-	20 (Twenty)	05 (Five)
Mr. Md. Mesbahul Hoque	Director	16.07.2008	-do-	11 (Eleven)	14 (Fourteen)
Mr. B.B. Saha Roy (upto 15.02.2016)	Director	29.06.2009	-do-	02 (Two)	01 (One)
Mr. Gholam Sarwar (upto 12.07.2016)	Director	24.12.2012	-do-	Nil	13 (Thirteen)
Prof. Dr. M. Imtiaz Hossain	Independent Director	03.12.2008	-do-	24 (Twenty Four)	01 (One)
Mr. Syed Golam Kibria (w.e.f. 16.06.2016)	Director	16.06.2016	-do-	14 (Fourteen)	01 (One)
Mr. Asish Baran Sarkar (w.e.f. 28.07.2016)	Director	28.07.2016	-do-	12 (Twelve)	Nil
Mr. Shamim Ahmed Chaudhury	President & Managing Director	23.02.2014	-do-	24 (Twenty Four)	01 (One)

EXECUTIVE COMMITTEE MEETING
(From 1st January, 2016 to 31st December 2016)

Name of Directors	Status	No. of Meetings held since 01.01.2016 to 31.12.2016	No. of meeting attended since 01.01.2016 to 31.12.2016	Leave of Absence granted for – days
Mr. Feroz Ahmed	Chairman	02 (Two)	02 (Two)	Nil
Mr. Md. Mesbahul Hoque	Member	-do-	01 (One)	01 (One)
Mr. Faheemul Huq	Member	-do-	02 (Two)	Nil
Mr. Syed Afzal Hasan Uddin	Member	-do-	02 (Two)	Nil

AB Bank Limited
Corporate Governance

ANNEXURE - I

AUDIT COMMITTEE MEETING
(From 1st January, 2016 to 31st December 2016)

Name of Directors	Status	No. of Meetings held since 01.01.2016 to 31.12.2016	No. of meeting attended since 01.01.2016 to 31.12.2016	Leave of Absence granted for – days
Mr. Shishir Ranjan Bose, FCA Independent Director	Chairman	13 (Thirteen)	11 (Eleven)	02 (two)
Mr. M. Wahidul Haque	Member	-do-	13 (Thirteen)	Nil
Mr. Salim Ahmed	Member	-do-	03 (Three)	10 (ten)
Mr. M. A. Awal	Member	-do-	13 (Thirteen)	Nil
Prof. Dr. M. Imtiaz Hossain Independent Director	Member	-do-	13 (Thirteen)	Nil

RISK MANAGEMENT COMMITTEE MEETING
(From 1st January, 2016 to 31st December 2016)

Name of Directors	Status	No. of Meetings held since 01.01.2016 to 31.12.2016	No. of meeting attended since 01.01.2016 to 31.12.2016	Leave of Absence granted for – days
Mr. M. Wahidul Haque	Chairman	13 (Thirteen)	13 (Thirteen)	Nil
Mr. Feroz Ahmed (w.e.f. 29.02.2016)	Member	-do-	05 (Five)	06 (Six)
Mr. Shishir Ranjan Bose, FCA Independent Director	Member	-do-	11 (Eleven)	02 (Two)
Mr. B. B. Saha Roy (upto 15.02.2016)	Member	-do-	01 (One)	Nil
Mr. Faheemul Huq	Member	-do-	12 (Twelve)	01 (One)
Mr. Syed Afzal Hasan Uddin	Member	-do-	08 (Eight)	05 (Five)

AMAR STOCK

ANNEXURE - II

Shareholding pattern of the Bank is disclosed as below following the requirements of Section 1.5 (xxi) of SEC Notification No. – SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

a) Parent / Subsidiary / Associated Companies and other related parties: N/A

b) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouses and Minor Children are as follows: status as of December 31, 2016

i) Shares held by Directors and their spouses

Name of the Directors	Status	No. of Shares	%	Name of the Spouses	No. of Shares	%
Mr. M. Wahidul Haque	Chairman	145,793	0.0216%	Mrs. Lutfun Nesa	32,928	0.0049%
Mr. Salim Ahmed	Vice-Chairman	15,917,596	2.3620%	Mrs. Lutfunnessa Ahmed	275,946	0.0409%
Mr. Feroz Ahmed	Director	13,982,398	2.0749%	Mrs. Tahmina Salvana	275,998	0.0410%
Mr. M. A. Awal	Director	4,222	0.0006%	Mrs. Hosne Ara Awal	-	-
Mr. Faheemul Huq Barrister-at-Law	Director	578,201	0.0858%	Mrs. Rokeya Sultana	-	-
Mr. Syed Afzal Hasan Uddin Barrister-at-law	Director	2,997	0.0004%	Mrs. Razia Akhter Choudhury	-	-
Mr. Md. Mesbahul Hoque	Director	2,997	0.0004%	Mrs. Mahfuza Hoque	-	-
Mr. Syed Golam Kibria	Director	1,000	0.0001%	Mrs. Hazera Faizun Nahar	-	-
Mr. Asish Baran Sarkar	Director	1,000	0.0001%	Mrs. Shova Sarkar	-	-
Mr. Shishir Ranjan Bose, FCA	Independent Director	-	-	Mrs. Buli Bose	-	-
Prof. Dr. M. Imtiaz Hossain	Independent Director	-	-	Mrs. Shirin Jahan	-	-
Mr. Shamim Ahmed Chaudhury*	President & Managing Director	-	-	Mrs. Riffat Rahman Chaudhury	-	-

* Left the Bank on February 23, 2017

ii) Shares held by Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.

Name	Status	No. of Shares
Mr. Shamim Ahmed Chaudhury*	President & Managing Director	-
Mr. Mahadev Sarker Sumon FCA	Company Secretary & Chief Financial Officer	-
Mr. Md. Shahjahan**	Head of Internal Control and Compliance Division	-

* Left the Bank on February 23, 2017
** Left the Bank on May 21, 2017.

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.

Sl. No.	Name	Status	No. of Shares
1.	Moshiur Rahman Chowdhury*	Deputy Managing Director & Head of Credit	-
2.	Reazul Islam	Sr. Executive Vice President & Head of IT & eBiz	-
3.	M. A. Abdullah	Deputy Managing Director & Head of HRMD	-
4.	Abu Hena Mustafa Kamal	Sr. Executive Vice President & Head FI&T	-
5.	Sajjad Hussain	Deputy Managing Director – Operations & CRO	-

* Appointed as President & Managing Director on May 9, 2017.

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

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

Telephone: (8802) 8144347 to 52
(8802) 8189428 to 29
Facsimile: (8802) 8144353
email: acnabin@bangla.net
web: www.acnabin.com

Certificate on Compliance of Conditions of Corporate Governance Guidelines

[Issued under condition # 7 (i) of Corporate Governance Guidelines of BSEC vide Notification No. SEC/ CMRRCD/ 2006-158/134/Admin/ 44 dated 07 August 2012]

I have reviewed the compliance with the conditions of Corporate Governance Guidelines by AB Bank Limited ("the Bank") for the year ended 31 December 2016. These conditions of Corporate Governance were issued by Bangladesh Securities & Commission (BSEC) vide their notification no. SEC/CMRRCD/2006-158/134/ Admin/44 dated 07 August 2012. The Compliance with the said conditions of Corporate Governance and reporting the status thereof are the responsibility of the Bank. My responsibility is to provide a certificate about whether the Bank is in compliance with the said conditions of Corporate Governance based on my examination.

My examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance and correct reporting to the status of the compliance on the attached statement on the basis of evidence gathered and representations received. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

To the best of my information and according to the explanations given to me by the Bank, I hereby certify that AB Bank Limited has complied with the conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 07 August 2012.

M. Moniruzzaman, FCA
Partner
ACNABIN, Chartered Accountants
ICAB Enrollment # 787

Dhaka
05 April 2017

AMARSTOCK

ANNEXURE-A

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 07th August 2012 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 (BoD)**			
1.1	Board's size - Number of Board members shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	**Independent Directors**			
1.2 (i)	At least one fifth (I/5) of the total number of Directors shall be Independent Directors	√		
1.2 (ii)	**Independent Director means a Director -**			
1.2 (ii) (a)	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 (ii) (b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	√		
1.2 (ii) (c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1.2 (ii) (d)	who is not a member, director or officer of any stock exchange	√		
1.2 (ii) (e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
1.2 (ii) (f)	who is not a partner or executive or was not a partner or an executive during the preceding 03 (three) years of the company's statutory audit firm	√		
1.2 (ii) (g)	who shall not be an independent director in more than 03 (three) listed companies	√		
1.2 (ii) (h)	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)	√		
1.2 (ii) (i)	who has not been convicted for a criminal offence involving moral turpitude	√		
1.2 (iii)	Independent Director(s) shall be appointed by the BoD and approved by the shareholders in the Annual General Meeting (AGM)	√		
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 03 (three) years, which may be extended for 01 (one) term only	√		
1.3	**Qualification of Independent Director (ID)**			
1.3(i)	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	√		

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(ii)	Independent Director should be a Business Leader/Corporate leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	√		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	N/A		
1.4	The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	√		
1.5	**The Directors' Report to Shareholders shall include the following additional statements:**			
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	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	N/A		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	N/A		
1.5 (vi)	Basis for related party transactions - a statement of all related party transactions should be disclosed in the annual report	√		
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 IPO, RPO, Rights Offer, direct Listing.	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)	Adaptation of appropriate accounting policies & estimates	√		
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	√		
1.5 (xv)	The system of Internal control is sound in design and has been effectively implemented and monitored	√		
1.5 (xvi)	Company's ability to continue as going concern	√		
1.5 (xvii)	Highlight and explain significant deviations from the last year's operating results	√		
1.5 (xviii)	Key operating and financial data of at least preceding 05 (five) years shall be summarized	√		
1.5 (xix)	Reason for non-declaration of Dividend	N/A		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director	√		
1.5 (xxi)	**Pattern of shareholding and name wise details (disclosing aggregate number of shares):**			
1.5 (xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties	√		

IMAGE STOCK

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 (xxi)(b)	Directors, Chief Executive Officer (CEO). Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and their spouses and minor children	√		
1.5 (xxi)(c)	Executives	√		
1.5 (xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	√		
1.5 (xxii)	**In case of the appointment/re-appointment of a director, disclose:**			
1.5 (xxii) (a)	a brief resume of the director	√		
1.5 (xxii) (b)	nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	names of companies in which the person also held the directorship and the membership of committees of the board	√		
2	**Chief Financial Officer, Head of Internal Audit & Company Secretary**			
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties	√		
2.2	The CFO and the CS shall attend the meeting of the Board of Directors	√		
3	**Audit Committee**			
3 (i)	The Audit Committee shall be the sub-committee of the BoD	√		
3 (ii)	The Audit Committee shall assist the BoD in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3 (iii)	The Audit Committee shall be responsible to the BoD. The duties of the Audit Committee shall be clearly set forth in writing	√		
3.1	**Constitution of the Audit Committee**			
3.1 (i)	The Audit Committee shall be composed of at least 03 (three) members	√		
3.1 (ii)	The BoD shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 01 (one) Independent Director	√		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 01 (one) member shall have accounting or related financial management experience	√		
3.1 (iv)	Expiration of the term of service of Audit Committee members making the number lower than 03 (three) and fill up the vacancy(ies) by the Board not later than 01 (one) month from the date of vacancy(ies)	N/A		
3.1 (v)	The Company Secretary shall act as the secretary of the Audit Committee	√		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 01(one) independent director	√		
3.2	**Chairman of the Audit Committee**			
3.2 (i)	The BoD shall select the Chairman of the Audit Committee, who shall be an Independent Director	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM	√		
3.3	**Role of Audit Committee**			
3.3(i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice of accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk Management process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		

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(v)	Review the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review along with the Management, the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review statement of significant related party transactions submitted by the management	√		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
3.3(x)	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		
3.4	**Reporting of the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1(i)	Reporting to BoD on the activities of the Audit Committee	√		
3.4.1 (ii)	The Audit Committee shall immediately report to the BoD on the following findings, if any-	√		
3.4.1(ii)(a)	on conflicts of interests	√		
3.4.1(ii)(b)	on any fraud or irregularity or material defect in the internal control system	√		
3.4.1(ii)(c)	on suspected infringement of laws	√		
3.4.1(ii)(d)	on any other matter	√		
3.4.2	**Reporting to the Authorities**			
	If the Audit Committee has reported to the BoD about anything which has material impact on the financial condition and results of operation and has discussed with the BoD and the management that any rectification is necessary and if the audit committee finds that such rectification has been unreasonably ignored, the audit committee shall report such findings to the commission, upon reporting of such matters to the BoD for 03 times or completion of a period of 06 months from the date of first reporting to BoD, whichever is earlier	√		
3.5	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by the audit committee, including any report made to the BoD under condition 3.4.1(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	√		
4	**External / Statutory Auditors:**			
	The issuer company should not engage its external/statutory auditors to perform the following services-			
4 (i)	Appraisal or valuation services or fairness opinions	√		
4 (ii)	Designing and implementation of Financial Information System	√		
4 (iii)	Book Keeping or other services related to the accounting records or financial statements	√		
4 (iv)	Broker-dealer services	√		

FINANCIAL STOCK

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	
4 (v)	Actuarial services	√		
4 (vi)	Internal audit services	√		
4 (vii)	Any other services that the Audit Committee determines	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	√		
5	**Subsidiary Company**			
5(i)	Provisions relating to the composition of the BoD of the holding company shall be made applicable to the composition of the BoD of the subsidiary company	√		
5(ii)	At least 01(one) Independent Director on the BoD of the holding company shall be a director on the BoD of the subsidiary company	√		
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
5(iv)	The minutes of the respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
5(v)	The Audit committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
6	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
6(i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	√		
6 (i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6 (i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	√		
7	**Reporting and Compliance of Corporate Governance**			
7 (i)	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	√		
7 (ii)	Directors statement in the directors' report whether the company has complied with these conditions	√		

Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no. 11 dated 27.10.2013)

SI No.		Particulars	Compliance Status
1		**Formation of Board of Directors:** The newly amended Section 15 of the Bank Company Act, 1991 (Amended up to 2013) includes provisions for prior approval of Bangladesh Bank before the appointment of new bank Directors, as well as dismissal, termination or removal of any Director from the post; Director's fit & proper criteria; maximum number of Directors; appointment of Independent Directors; appointment of maximum 2 (two) members from a family as Director; etc.	Complied
	1.1	**Appointment of New Directors:** Under section 15(4) of the Bank Company Act, 1991 (amended up to 2013), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing Directors should furnish the following documents along with the application: a) Personal information of the nominated person (Appendix-ka); b) Nominated person's declaration (Appendix-kha); c) 'Declaration for Confidentiality' by the nominated person (Appendix-ga); d) In case of Independent Director, the approval letter from Security and Exchange commission; e) In case of Independent Director, a declaration of the Directors concern as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga); f) CIB report of the nominated person; g) Updated list of the Directors.	Complied
	1.2	**Vacation of office of Director:** a) The office of Director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank Director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the Director will be vacated. b) If the office of a Director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a Director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the Director in that bank. When a Director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution. c) Besides, Bangladesh Bank can remove a Director or Chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the Board of a banking company under Section 47 of BCA, 1991.	Situation did not arise
	1.3	**Removal of Directors from office:** According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a bank Director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the Board and list of Directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.	Situation did not arise

VMART STOCK

Sl No.		Particulars	Compliance Status
	1.4	**Appointment of Alternate Director:** Subject to compliance of section 101 of the Companies Act, 1994, an alternate Director can be appointed to act for a Director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed: a) Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original Director. If there is any exception, the Chief Executive Officer should immediately inform it to Bangladesh Bank. b) The copy of the decision of the Board regarding appointment of Alternate Director, with original Director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the Director's arrival date must be intimated to Bangladesh Bank immediately after his return. c) Any loan defaulter or any person who is not eligible to become a Director as per any rules & regulation will not be appointed as an Alternate Director. d) As appointment of Alternate Director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the Board. e) While in the office, an Alternate Director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to Directors according to rules & regulations will also be applicable to the alternate Director.	Situation did not arise
2.		**Depositor Director:** As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of Director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended up to 2013) bank can consider the tenure of existing Depositor Director or may appoint them as Independent Director.	Not Applicable
3.		**Information regarding Directors:** Banks are advised to take the following steps regarding Director information: a) Every bank should keep an updated list of bank Directors, b) Banks should send a Directors' list to other Banks or Financial Institutions immediately after the appointment or release of Director. c) Banks should display a list of Directors in the website and update it on a regular basis.	Complied
4.		**Responsibilities of the Board of Directors:** To ensure good governance in the bank management it is essential to have specific demarcation of responsibilities and authorities among controlling bodies over bank affairs. In the Bank Company Act, 1991 (amended up to 2013) the newly included Section 15(kha) & (ga) give responsibility to the Board of Directors for establishing policies for the bank company, for risk management, internal controls, internal audit and compliance and for ensuring their implementation.	Complied
	4.1	**Responsibilities and authorities of the Board of Directors:** **(a) Work-planning and strategic Management:** i) The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the work-plans.	Complied

Sl No.		Particulars	Compliance Status
		ii) The Board shall have its analytical review incorporated in the Annual Report as regard to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and officers immediate two tiers below the CEO, and have it evaluated from time to time.	
		(b) Credit and Risk Management: i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No Director, however, shall interfere, direct or indirect, into the process of loan approval. ii) The Board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the Board Meeting. The Board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.	Complied
		(c) Internal Control Management: The Board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The Board will establish such an internal control system so that the internal audit process can be conducted independently from the Management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.	Complied
		(d) Human resources Management and development: i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the Board. The Chairman or the Directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer, and disciplinary measures as executed under the set service rules. No member of the Board of Directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer, & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the Board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion. ii) The Board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The Board shall get these programmes incorporated in its annual work plan. iii) The Board will compose Code of Ethics for every tier and they will follow it properly. The Board will promote healthy code of conducts for developing a compliance culture.	Complied
		(e) Financial Management: i) The annual budget and the statutory financial statements shall be finalized with the approval of the Board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.	Complied

AMAR STOCK

Sl No.		Particulars	Compliance Status
		ii) The Board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the Board. iii) The Board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	
		(f) Appointment of Chief Executive Officer (CEO): In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the Board of Directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of Directors will appoint a suitable CEO with the approval of the Bangladesh Bank.	Complied
		(g) Other responsibilities of the Board: The Board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied
	4.2	**Meeting of Board:** Board of Directors may meet once or more than once in a month if necessary. But Board of Directors shall meet at least once in every three months. Excessive meetings are discouraged.	Complied
	4.3	**Responsibilities of the Chairman of the Board of Directors:** a) As the Chairman of the Board of Directors or Chairman of any Committee formed by the Board or any Director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank. b) The Chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the Board or the Executive Committee and if deemed necessary, with the approval of the Board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the Board along with the statement of the CEO. c) The Chairman may be offered an office-room, a personal Secretary/ Assistant, one Peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the Board.	Complied
5.		**Formation of committees from the Board of Directors:** Each bank company can form 1(one) Executive Committee, 1(one) Audit Committee and 1(one) Risk Management Committee with the directors. Board can't form any other permanent, temporary or sub- committee except the above mentioned three committees.	Complied
	5.1	**Executive Committee:** Executive Committee should be formed with the members of the Board to continue the urgent and daily or routine works between the intervals of two Board meetings. Executive Committee will perform according to their terms of reference determined by the Board of Directors.	Complied
		a) Organizational structure: i) Members of the committee will be nominated by the Board of Directors from themselves; ii) The Executive Committee will comprise of maximum 07 (seven) members; iii) Members may be appointed for a 03 (three)-year term of office; iv) Chairman of the Board of Directors can be the Chairman of Executive Committee; v) Company Secretary of the bank will be the Secretary of the Executive Committee.	Complied

Sl No.		Particulars	Compliance Status
		b) Qualifications of the Members: i) Integrity, dedication, and opportunity to spare time in the functions of Committee will have to be considered while nominating a Director to the committee; ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii) To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	Complied
		c) Roles and Responsibilities of the Executive Committee: i) The Executive Committee can decide or can act in those cases as instructed by the Board of Directors that are not specifically assigned on full Board through the Bank Company Act, 1991 and other laws and regulations. ii) The Executive Committee can take all necessary decision or can approve cases within power delegated by the Board of Directors. iii) All decisions taken in the Executive Committee should be ratified in the next Board meeting.	Complied
		d) Meetings: i) The Executive Committee can sit any time as it may deem fit. ii) The Committee may invite Chief Executive Officer, Head of Internal Audit or any other Officer to its meetings, if it deems necessary; iii) To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; iv) All decisions/observations of the committee should be noted in minutes.	Complied
	5.2	**Audit Committee:** The Board will approve the objectives, strategies and overall business plans of the bank and the Audit Committee will assist the Board in fulfilling its oversight responsibilities. The Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	Complied
		a) Organizational structure: i) Members of the Committee will be nominated by the Board of Directors from the Directors; ii) The Audit Committee will comprise of maximum 05 (five) members, with minimum 2 (two) Independent Director; iii) Audit Committee will comprise with Directors who are not Executive Committee Members; iv) Members may be appointed for a 03 (three) year term of office; v) Company Secretary of the bank will be the Secretary of the Audit Committee.	Complied
		b) Qualifications of the Members: i) Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a Director to the committee ; ii) Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii) To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the Committee membership as well as the bank's business, operations and its risks. iv) Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee.	Complied

FAIR STOCK

Sl No.		Particulars	Compliance Status
		c) Roles and Responsibilities of the Audit Committee	
		(i) Internal Control: 1. Evaluate whether Management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities; 2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS); 3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management; 4. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the Board after reviewing whether necessary corrective measures have been taken by the Management.	Complied
		(ii) Financial Reporting: 1. Audit Committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank; 2. Discuss with management and the external auditors to review the financial statements before its finalization.	Complied
		(iii) Internal Audit: 1. Audit Committee will monitor whether internal audit working independently from the management. 2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process; 3. Examine the efficiency and effectiveness of internal audit function; 4. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.	Complied
		(iv) External Audit: 1. Review the performance of the external auditors and their audit reports; 2. Examine whether the findings and recommendations made by the external auditors are duly considered by the Management or not. 3. Make recommendations to the Board regarding the appointment of the external auditors.	Complied
		(v) Compliance with existing laws and Regulations: Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the Board are being complied with.	Complied
		(vi) Other Responsibilities: 1. Submit compliance report to the Board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities; 2. External and internal auditors will submit their related assessment report, if the committee solicit; 3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.	Complied
		d) Meetings: 1. The Audit Committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; 2. The Committee may invite Chief Executive Officer, Head of Internal Audit or any other Officer to its meetings, if it deems necessary;	Complied

SI No.		Particulars	Compliance Status
		3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; 4. All decisions/observations of the committee should be noted in minutes.	
	5.3	**Risk Management Committee:** To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a Risk Management Committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the Risk Management Committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.	Complied
		a) Organizational Structure: 1. Members of the committee will be nominated by the Board of Directors from themselves; 2. The Risk Management Committee will comprise of maximum 05 (five) members; 3. Members may be appointed for a 03 (three) year term of office; 4. Company Secretary of the bank will be the Secretary of the Risk Management Committee.	Complied
		b) Qualifications of the Members: 1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a Director to the committee; 2. Each member should be capable of making valuable and effective contributions in the functioning of the committee; 3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	Complied
		c) Roles and Responsibilities of the Risk Management Committee:	
		i) Risk Identification & Control Policy : Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The Committee will review the risk management process to ensure effective prevention and control measures.	Complied
		ii) Construction of Organizational Structure: The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.	Complied
		iii) Analysis and approval of Risk Management Policy: Risk Management policies & guidelines of the bank should be reviewed annually by the Committee. The Committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	Complied
		iv) Storage of data & Reporting System: Adequate record keeping & reporting system developed by the bank management will be approved by the Risk Management Committee. The Committee will ensure proper use of the system. The Committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	Complied

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Sl No.		Particulars	Compliance Status
		v) Monitoring the implementation of overall Risk Management Policy: Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.	Complied
		vi) Other responsibilities: 1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; 2. Comply instructions issued time to time by the controlling body; 3. Internal & external auditor will submit respective evaluation report whenever required by the committee.	Complied
		d) Meetings: 1. The Risk Management Committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; 2. The Committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary; 3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; 4. All decisions/observations of the committee should be noted in minutes.	Complied
6		**Training for the Directors:** The Directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.	Complied

Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no. 18 dated 27.10.2013)

Sl No.		Particulars	Compliance Status
A.		**Rules and regulations for appointing CEO:**	
	1.	**Moral Integrity:** In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that,- a) He has not been convicted by any Criminal Court of Law; b) He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority; c) He was not associated with any such company/organization, registration or licence of which has been cancelled.	Complied
	2.	**Experience and Suitability:** a) For appointment as Chief Executive, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years' experience in a post immediate below the Chief Executive of a Bank. b) He must at least have a Master's degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c) In respect of service, the concerned person should have excellent record of performance. d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was Chairman/Director/Official of any company; e) Any Director of any bank or Financial Institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of Chief Executive.	Complied
	3.	**Transparency and Financial Integrity:** Before appointment as Chief Executive, satisfaction should be ensured to the effects that: a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession; b) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter; c) He is not a tax defaulter; d) He has never been adjudicated an insolvent.	Complied

Sl No.		Particulars	Compliance Status
	4.	**Age limit:** No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied
	5.	**Tenure:** The tenure of the Chief Executive shall be for at least 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that period.	Complied
	6.	**Guidelines in fixing the salary and allowances:** Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to Bangladesh Bank: a) In fixing the salary and allowances of the Chief Executive, financial condition, scope of operation, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration. b) Total salary shall be comprised of direct salary covering 'Basic Pay' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be monetized and thus determining monthly total salary, it shall have to be mentioned in the proposal to be submitted to Bangladesh Bank. In the proposal, Basic Pay, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount. c) Without improving the bank's major economic indicator like- CAMELS annual salary increment will not be payable. d) Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent chief executive. e) The Chief Executive so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above. f) The bank shall not pay any income tax for the chief executive, i.e., the chief executive so appointed shall have to pay it.	Complied
	7.	**Incentive Bonus:** Subject to the payment of incentive bonuses to all stuffs/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross Taka 10.00 (ten) lacs per year.	Complied
	8.	**Honorarium for Board Meeting:** As CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any Committee formed by the Board.	Complied
	9.	**Evaluation Report:** While reappointing CEO, an evaluation report approved by the Board of Directors should be submitted to Bangladesh Bank by the Chairman of the Board.	Situation did not arise
	10.	**Prior approval from Bangladesh Bank:** Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act 1991 (Amended up to 2013). For processing such approval, along with the proposal signed by the Chairman of the Board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure-ka & Annexure-kha to Bangladesh Bank.	Complied
	11.	Decision of Bangladesh Bank regarding appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released and removed from his office without prior approval from Bangladesh Bank.	Complied

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Sl No.	Particulars	Compliance Status
B.	**Duties & Responsibilities of the CEO:** The CEO of the bank, whatever name called, shall discharge the responsibilities and affect the authorities as follows: a) In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof, and prudent administrative and financial Management. b) The CEO shall ensure compliance of the Bank Company Act, 1991 and other relevant laws and regulations in discharging routine functions of the bank. c) At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act, 1991 and other relevant laws and regulations. d) The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 or of other laws/regulations. e) The recruitment and promotion of all staff of the bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the Board. f) The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the Board, he shall nominate officers for training etc.	Complied

Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no. 19 dated 27.10.2013)

Sl No.		Particulars	Compliance Status
A		**Appointment of Advisor:**	
	1.	**Experience and Suitability:** For appointment as advisor, the concerned person will have to fulfil the following requirements with regard to experience and qualifications: a) Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities; b) Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person; c) Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Official of any Company; d) A person who is working in any Bank or Financial Institution or who has business interest in that Bank will not be considered eligible for appointment to the post of advisor; e) Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated an insolvent by the court.	Not Applicable
	2.	**Responsibilities:** The responsibilities or terms of reference of Advisor should be specified. The Advisor can advise the Board of Directors or the Chief Executive only on those matters that are specified in the appointment letter. Routine works or general works will not be included in his term of reference. He can't exercise any kind of power or can't participate in the decision making process of financial, administrative, operational or any other activities of the bank.	Not Applicable
	3.	**Prior approval from Bangladesh Bank:** Prior approval from Bangladesh Bank is mandatory before appointing Advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of Board's approval must be submitted to Bangladesh Bank. The nominated person has to make a declaration as per Annexure-ka. This declaration must be also submitted to Bangladesh Bank.	Not Applicable

Sl No.		Particulars	Compliance Status
	4.	**Remuneration and other facilities:** The post of Advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with terms of reference of the advisor will not be considered as acceptable by Bangladesh Bank.	Not Applicable
	5.	**Tenure:** The tenure of the Advisor shall be maximum 1(one) year, which is renewable. An evaluation report (by the Chairman that is approved by the Board of Directors) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	Not Applicable
	6.	**Appointment of Ex-officials:** For good governance any former Director, Chief Executive or any official will not be eligible to become an Advisor in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as Advisor.	Not Applicable
B		**Appointment of Consultant:**	
	1.	**Terms of Reference:** Consultant can be appointed for specialized tasks like tax, law & legal procedures, engineering & technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	Not Applicable
	2.	**Responsibilities:** The responsibilities or term of reference of Consultant should be specified. He/she shouldn't be involved beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.	Not Applicable
	3.	**Appointment:** Consultant can be appointed with the approval of Board of Directors. After such appointment the bank shall send the Consultant's complete resume, terms of reference and details of remuneration to Bangladesh Bank immediately.	Not Applicable
	4.	**Tenure:** The tenure of Consultant should be consistent with the terms of reference, but would not exceed 2 (two) years. Generally, Consultant's appointment will not be renewable, but to complete unfinished tasks, the contract can be extended up to maximum 1 year with the approval of Bangladesh Bank. An evaluation report (by the Chairman that is approved by the Board of Directors) of previous period should be submitted to Bangladesh Bank.	Not Applicable
	5.	**Remuneration/honorarium:** The Consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities.	Not Applicable
	6.	**Appointment of Ex-officials:** For ensuring good governance any former Director, Chief Executive or any official will not be eligible to become a Consultant in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as Consultant.	Not Applicable

AB Bank Limited
Directors' Statement of Responsibilities

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders

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

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 the Bank Company Act (Amendment up to 2013) 1991.

The Directors' Report of AB Bank Limited confirm that Directors' Report together with the Financial Statements in the Annual Report for the year 2016 have been prepared in compliance with laws, rules and regulatory guidelines as per the Companies Act, 1994, the Bank Company Act (Amendment up to 2013), 1991, guidelines issued by Bangladesh Bank and also in compliance with BSEC Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 7 August 2012.

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 2015, twenty-four (24) Meetings of the Board of Directors took place.

This report should be read in conjunction with the Auditors' Report to the Shareholders of AB Bank Limited. Other compliance as per BSEC Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 7 August 2012 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 guarantees of future performance. Therefore, actual future results and trends may differ materially from what is in our forward-looking statements.

On behalf of the Board.



M. Wahidul Haque
Chairman

AB Bank Limited
Report of the Exucitive Committee



Executive Committee of the Board has been formed following the guidelines of Bangladesh Bank and comprises of 4 (four) 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.

Executive Committee comprises of the following:

Mr. Feroz Ahmed, Director, ABBL	-	Chairman
Mr. Syed Afzal Hasan Uddin Director, ABBL	-	Member
Mr. Mesbahul Hoque, Director, ABBL	-	Member
Mr. Faheemul Huq, Director, ABBL	-	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.

Feroz Ahmed
Chairman, Executive Committee

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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 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 processes and procedures set out in the Business Plans and Policies. Audit Committee also reviews the internal control regime and compliance status of the Bank as a whole.

Functions of the Audit Committee

Main function of the Audit Committee is to facilitate the Board in its oversight responsibilities. In order to fulfill the responsibilities, among others, main responsibilities of the Audit Committee 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 Polices & Principles, Internal Control Risk Management Process,
- Monitor compliance culture,
- Recommend appointment of Auditor,
- Compliance of rules and regulations, etc.

Composition of the Audit Committee

Current Audit Committee is comprised of-

1. Mr. Shishir Ranjan Bose, FCA
   Independent Director, ABBL - Chairman
2. Mr. M. Wahidul Haque
   Chairman, ABBL - Member
3. Mr. Salim Ahmed
   Vice-Chairman, ABBL - Member
4. Mr. M.A. Awal
   Director, ABBL - Member
5. Prof. Dr. M. Imtiaz Hossain
   Independent Director, ABBL - Member

Mr. Shishir Ranjan Bose, FCA, is the Chairman of the Audit Committee. 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.

Meetings of the Audit Committee

The Audit Committee had held 13 (thirteen) Meeting during the year 2016.
During the year under review the Committee, inter alia, focused on following activities (not an exhaustive test):

- Reviewed Internal Audit Plan for the year 2016.
- 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 Financial Statements of the Bank and recommended its submission to the shareholders as a statutory requirement.
- 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).

Recommendation of Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements for the year 2016 prepared by the Management and audited by the External Auditor Howladar Yunus & Co., Chartered Accountants, and recommended these 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.

Shishir Ranjan Bose, FCA
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 2013) and as per BRPD circular no. 11 dated 27 October 2013 with a view to execute risk related responsibilities of the BOD 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 is comprised of-

1. Mr. M. Wahidul Haque, Chairman AB Bank - Chairman
2. Mr. Shishir Ranjan Bose, FCA, Director AB Bank - Member
3. Mr. Feroz Ahmed, Director AB Bank - Member
4. Mr. Syed Afzal Hassan Uddin, Director AB Bank - Member
5. Mr. Faheemul Huq, Director AB Bank - Member

Meeting of the Risk Management Committee

To comply with the clauses of BRPD Circular No.11 dated 27 October 2013 the Risk Management Committee formed in the 541st Board Meeting of the Bank on 26 December 2013. The Risk Management Committee has held 13 (thirteen) Meetings during the year 2016. The meeting resolves to review:

- Existing risk management methodology policies and procedure for ensuring effective control system (in a short- cut form),
- Redefine the risk management policy and procedure in summarized form, and
- Review the loan approval delegation and other delegation limits.

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.

M. Wahidul Haque
Chairman, Risk Management Committee

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AB Bank Limited
Report of AB Bank Shariah Supervisory Committee



In the name of Allah, The Beneficent, The Merciful

The duty of the Shariah Supervisory Committee is to give independent opinions 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's Management is to ensure that the Bank conducts it's business under Islamic banking operation in accordance with the rules and principles of Shariah.

During the Year 2016, AB Bank Shariah Supervisory Committee held 05 (Five) meetings (Full Committee 03+ Sub-Committee 02) 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 2016 are:

1. Reviewing the Yearly Shariah Audit Report (July-December, 2015) of Islami Banking Branch and its observations.
2. Reviewing the Half-yearly Shariah Audit Report (January-June, 2016) of Islami Banking Branch and its observations.
3. Approving the Final Account, 2015 of Islami Banking Branch
4. Approving the Annual Report of Shariah Supervisory Committee for the year 2015 on Islamic Banking.

The Supervisory Committee, after reviewing the Shariah Inspection Reports, Balance Sheet (as at the end of 31st December, 2016) and Profit & Loss Account of Islamic Banking operation of the Bank for the Year 2016, 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 Shariah.
3. Compensation amounts have been kept seperate 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 sincere to comply with the Shariah direction.
6. Profit payment to Mudaraba depositors may be converted to Income Sharing Ratio (ISR) system.

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

M. Azizul Huq
Chairman,
AB Bank Shariah Supervisory Committee

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 services, 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 savings and allocation thereof in productive investments, consumptions and development of trading activities locally and internationally.

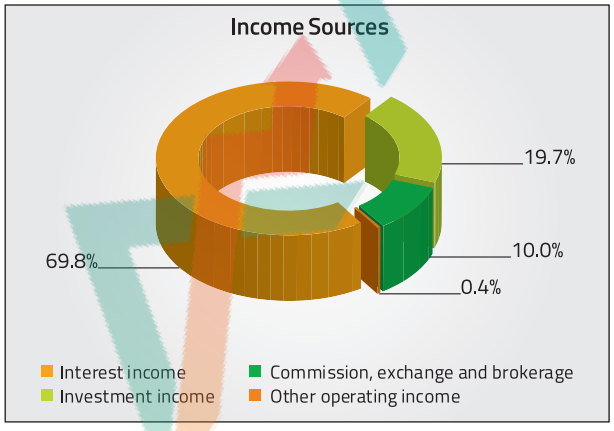
Economic impact related to a bank as an institution and ordained activities of a bank extends beyond the boundaries of any single organization and is linked to both environmental and social development. By analyzing economic impact we seek to understand how a company adds value to society. Bank's direct contributions to the economy would comprising 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.

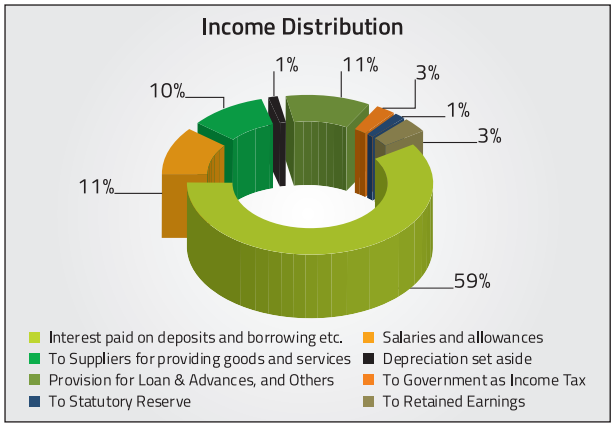
Bank as an institution is woven in to the socio- economic fabric involving numerous sectors of the society which together are identified as stakeholders of a bank. Shareholders provide much needed capital, depositors and investors invest money, borrowers obtain credit facility, employees put their efforts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

(Amount in crore Taka)

Source of Income	2016	%	2015	%
Interest income	1,891	70%	2,081	77%
Investment income	535	20%	336	12%
Commission, exchange and brokerage	272	10%	283	10%
Other operating income	12	0.4%	12	0.4%
	2,710	100%	2,711	100%

Distribution of Income	2016	%	2015	%
Interest paid on deposits and borrowing etc.	1,608	59%	1,653	61%
Salaries and allowances	295	11%	283	10%
To Suppliers for providing goods and services	271	10%	246	9%
Depreciation set aside	34	1%	34	1%
Provision for Loan & Advances, and Others	302	11%	219	8%
To Government as Income Tax	70	3%	149	5%
To Statutory Reserve	39	1%	54	2%
To Retained Earnings	92	3%	73	3%
	2,710	100%	2,711	100%





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 risk, market risk, operational risk, 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.

At the end of 2016, Bank's total capital reached at BDT 3,064.04 Crore as against BDT 2,833.28 Crore on 31 December 2015.

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

Taka in Crore

	2016	2015
Common Equity Tier-I	1,870.28	1,833.92
Capital Tier-2 Capital	1,193.76	999.36
Total Capital	3,064.04	2,833.28
Risk weighted assets	**28,402.85**	**25,552.54**
CRAR against		
Common Equity Tier-I Capital	6.58%	7.18%
Tier-2 Capital	4.20%	3.91%
Total Capital	**10.79%**	**11.09%**

B. Risk Management

Risk management covering credit risk, market risk and operational risk 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, 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.

AB Bank issued 12.50% Stock Dividend in 2015 while for 2016 the proposition is Stock Dividend @ 12.50%.

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.

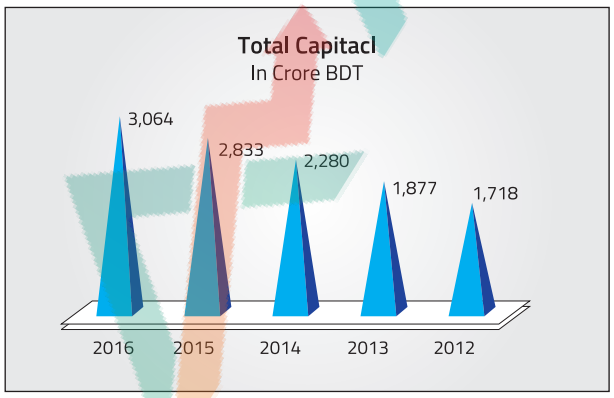
AB maintains positive mismatch in interest earning assets and interest bearing liabilities. Bank has detailed laid down plan for business inflow and outflow to manage liquidity profile and also ensure generation of profitability.

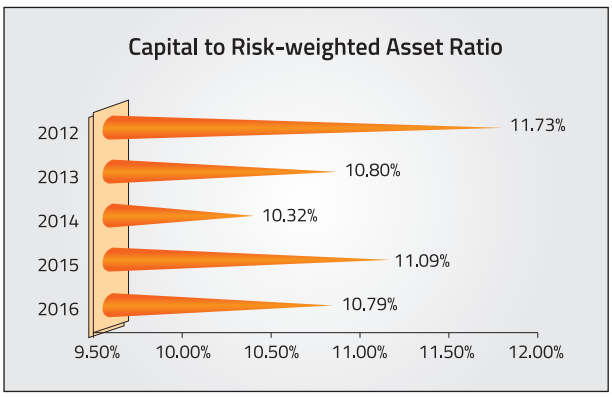
E. Utilization of resources

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 of profitable investments for bottom line growth.

Resource allocation at competitive rate follows the productive sectors including export oriented sectors and 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 way. 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.

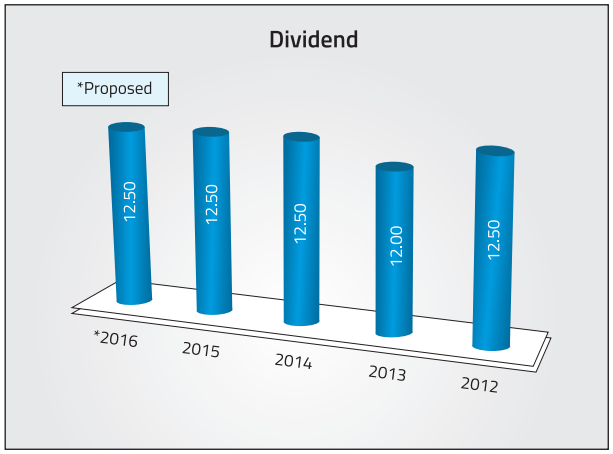


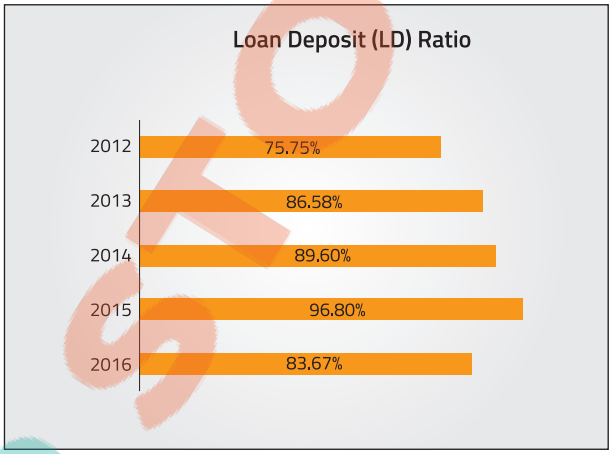


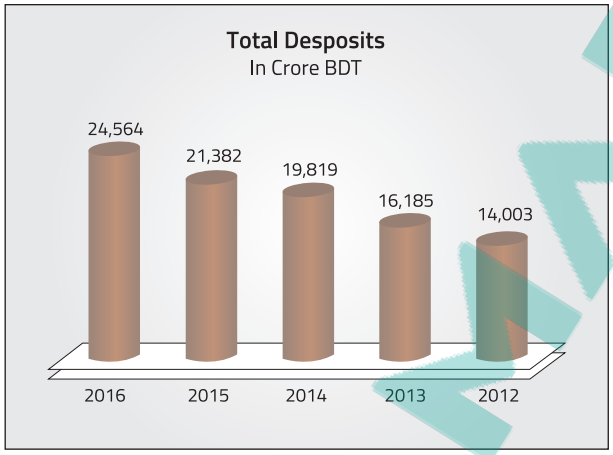
Shareholders' equity of the Bank stood of Taka 2,311.45 crore on 31 December 2016 being resultant cumulative of prudent dividend, tax and capital expenditure planning.

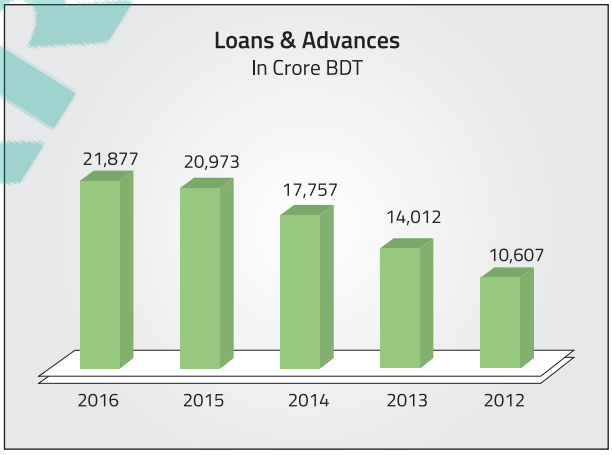
F. Contribution to the National Exchequer

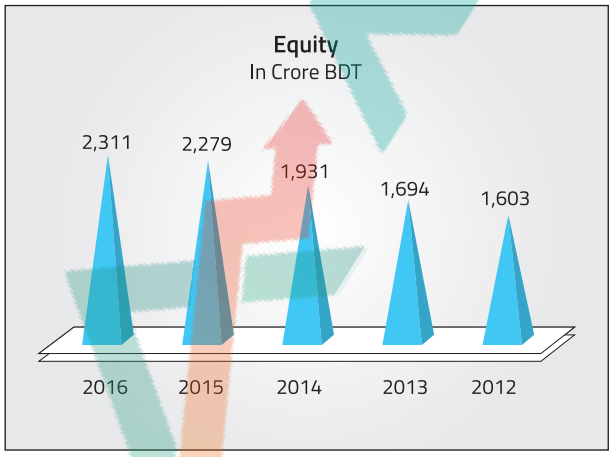
AB Bank contributed Taka 428 crore into the national exchequer in the form of VAT, Income Tax and Excise Duty.

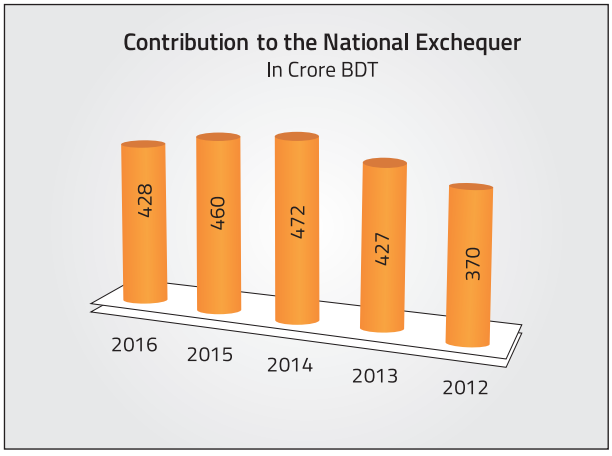










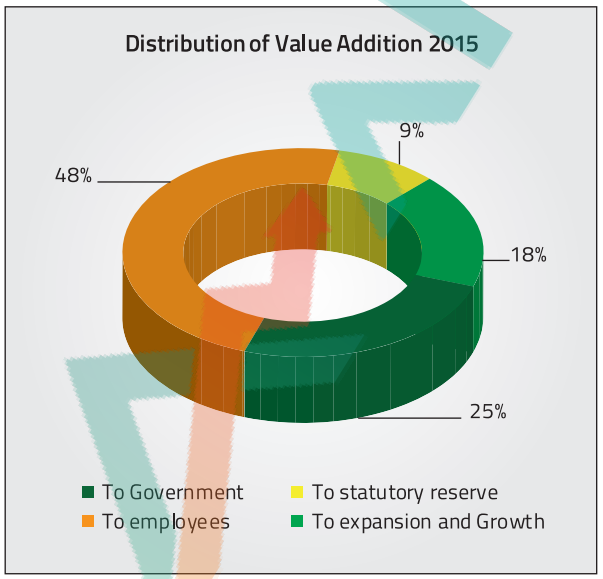


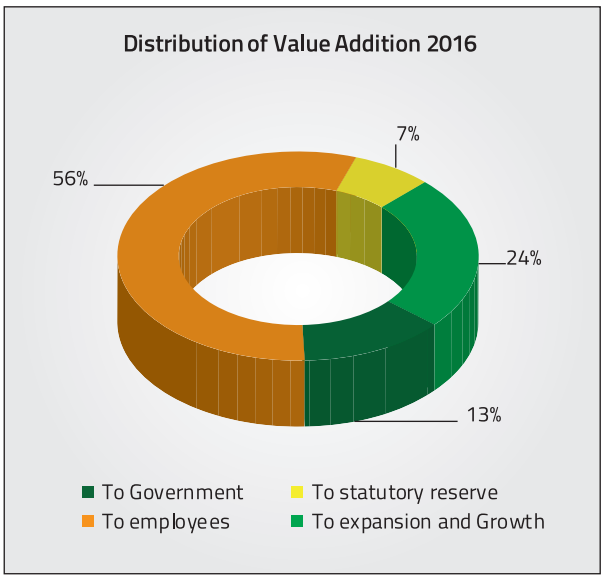
AB Bank Limited
Economic Impact Report

G. VALUE ADDED STATEMENT

Value Added Statement (VAS) for the year ended 31 December 2016

	2016 Crore Taka		2015 Crore Taka	
Income from Banking Services/Total Income	2,709.51		2,711.43	
Less: Cost of services & supplies :				
Interest paid on deposits and borrowings, etc	1,607.70		1,653.22	
Total operating expenses excluding salary and allowances and depreciation & amortization	271.40		245.66	
	1,879.10		1,898.89	
Less: Loan loss provision and other provisions	301.73		219.48	
Total value added	**528.67**		**593.07**	
Distribution of added value				
To Government	69.74	13%	148.85	25%
To employees	294.70	56%	283.41	48%
To statutory reserve	38.87	7%	53.58	9%
To expansion and Growth	125.35	24%	107.22	18%
Retained earning	91.60		73.46	
Depreciation & amortization	33.76		33.76	
	528.67		**593.07**	





AMARSTOCK

H. ECONOMIC VALUE ADDED STATEMENT

EVA Statement for the year ended 31 December 2016

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.

Amount in Crore BDT

	2016	2015	2014
Shareholder's equity	2,311	2,279	1,931
Add: Cumulative provisions	925	821	847
Total Invested fund by shareholders	**3,237**	**3,101**	**2,779**
Average Shareholder's equity [A]	**3,169**	**2,940**	**2,590**
Earnings for the year			
Profit after taxation	130	127	126
Add: Total provisions excluding taxation	302	219	295
Earning for the year [B]	**432**	**347**	**421**
Average Cost of Equity (based on highest rate of Shanchay Patra issued by the Government of Bangladesh) plus 2% risk premium [C]	13.52%	14.76%	15.45%
Cost of average equity [D=A X C]	428	434	400
Economic Value Added [B-D]	**3.8**	**-87.4**	**20.4**
Growth over last year	**104%**	**-528%**	**330%**

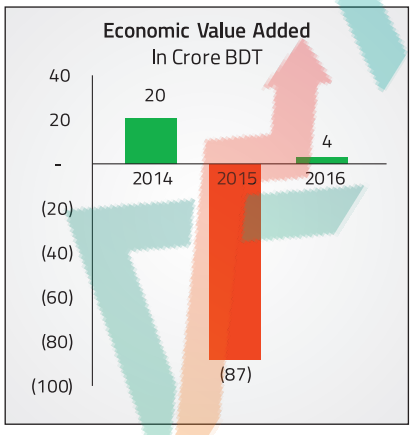
I. MARKET VALUE ADDED (MVA)

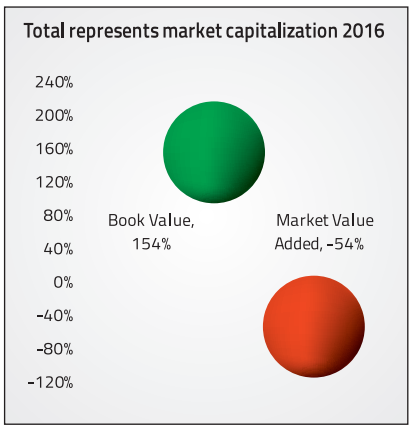
Market Value Added (MVA) Statement for the year ended 31 December 2016

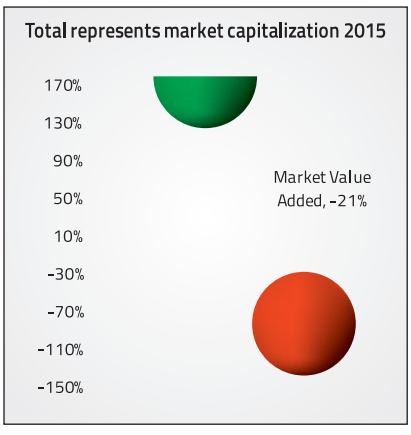
Market Value Added (MVA) is the difference between the current market value (based on the quoted price in the main bourse) of a company and the capital contributed by investors. A high MVA indicates the company has created substantial wealth for the shareholders.

The share market value of AB stood at Taka 1,503 crore whereas the book value of the Shareholder's Equity stood at Taka 2,311 crore, resulting in a negative Market Value of Taka 809 crore as on 31 December 2016. The calculation of Market Value is given below:

	2016	2015
Total market value of the equity	1,503	1,252
Less: Total book value of the equity	2,311	2,279
Market Value Added	**-809**	**-1,027**







RISK MANAGEMENT REPORT



AB Bank Limited
Risk Management Report

1. Overview

Risk simply means the unexpected situation or the deviation of the expected outcome. It is an inherent part of any business operation. It may arise from internal faults or from external factors affecting adverse result in the said business or downgrading the image of the institution.

In banking business, risk factors are generally exposed to its lending and trade-service business and other operational activities. Banks need to meet forthcoming regulatory requirements for risk measurement and mitigation thereof by arrangement of capital and provisions. However, to meet the regulatory requirements is not enough. A sound and scientific risk management system should be there for regular monitoring, performance evaluation and corrective measures. Managing and mitigating such risks are always a prioritized concern of AB Bank Ltd.

2. Risks in Banking Sector

Risks in Banking Sector

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 ethos in AB Bank

- The Board and the Management consciously promote a responsible approach to risk management and ensure that, the long-term survival and reputation of the Bank are not jeopardized while expanding the Bank's market share.
- The responsibility for risk management in the Bank is fully vested in the Board of Directors, which in turn delegated to senior management.
- The Bank pays attention to both quantifiable and unquantifiable risks.
- The Bank's management promotes awareness of risk and risk management across the Bank.
- The Bank avoids products, markets and businesses where it cannot objectively assess and manage the associated risks.
- The Bank introduces various policies and guidelines for different areas of its business operations in line with central bank's instructions and complies the same

AB Bank has always taken cognizance of the risks associated with its business operation. Accordingly a well-organized Risk Management Division (RMD) has been set up in line with guidelines provided by Bangladesh Bank and incorporating best practices in the industry.

4. AB's Risk Management Strategy

Objective

At a strategic level, Bank's risk management objectives are:

- To identify the Bank's material risks.
- To formulate the Bank's Risk Appetite and ensure that business profile and plans are consistent with it.
- To optimize risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structures.
- To ensure that business growth plans are properly supported by effective risk infrastructure.
- To manage risk profile to ensure that, specific financial deliverables remain possible under a range of adverse business conditions.
- To help executives in control and co-ordination of risk taking across the business.

a. Risk Appetite

The financial institutions need to have a comprehensive risk appetite framework in place which may help them better understand and manage their risks by translating metrics and methods into strategic actions of day-to-day business decision. It 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, capital allocation and risk mitigation. Therefore, Business Strategy, Risk Appetite and Management Action Trigger are interlinked with each other.

This Risk Appetite Statement is reviewed annually, or whenever there is a significant change to the Bank's operating environment and/or strategies. This review is coordinated by the Risk Management Division (RMD) along with other related Divisions. In terms of Bangladesh Bank instructions vide DOS Circular Letter No. 13 dated September 09, 2015, we chalked out a Board approved Risk Appetite statement for the year-2016 and maintained it with review from time to time observing all necessary formalities.

b. Policies & Guidelines

In AB Bank, there are approved policies and procedures covering all risk 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 on Credit Risk Management, Internal Control & Compliance, Asset and Liability Management, Foreign Exchange Risk Management, Information Technology Risk Management and Money Laundering Risk Management. These policies are regularly reviewed and updated to keep pace with the changing operating environment, technology and regulatory requirements. Besides, the bank has also 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 (RMC)

and the Executive Committee drawn through the organization to each business manager and risk analyst. Bank distributes these responsibilities, so that risk/return decisions are taken at the most appropriate level. The risk management procedures are approved, monitored and mitigated at various stages of the Bank with a combination of Board, its Committees - Executive Committee, Audit Committee and Risk Management Committee (RMC), Management Committee (MANCOM), Assets Liability Committee (ALCO), Risk Management Division (RMD), Credit Committee and Internal Control & Compliance Department (ICCD) as detailed below:

Board of Directors

The Board responsible for approving and setting Risk Appetite in pursuit of its business objectives. The Board is also monitors the Internal Control and Compliance Framework. Board oversees, approves and ensures all major risk management policies and parameters taking into account market condition, regulatory requirements and lessons learnt in the past.

Audit Committee of the Board

The Audit Committee assists the Board in establishing an effective system of financial reporting and internal control. It has responsibility for reviewing the findings of internal and external auditors and monitoring the implementation of appropriate actions to resolve the identified weaknesses. Audit Committee also receives reports on the operation of the risk framework and the risk management processes of the bank.

Risk Management Committee (RMC) of the Board

The Board's Risk Management Committee (RMC) is formed in line with Bank- Company (Amendment up to 2013) Act-1991, sec-15 Kha, and subsequent BRPD Circular # 11 dated October 27, 2013. RMC of AB Bank Ltd is comprised of 5(five) Directors. The key function of the RMC is to minimize risk regarding Strategic planning & implementation and to accomplish Board's functions accurately related to risk.

RMC also guides management on Credit Risk, Foreign Exchange Risk, Internal Control and Compliance, Credit Administration Risk, Money Laundering Risk, Information and Technology Risk, Operation Risk, Interest Risk and Liquidity Risk and so on. Its also determines and controls strategy, Organizational Structure, Review and approves risk management guidelines, Information Storage & Reporting Process, Supervision of overall Risk Management Guidelines implementation and Miscellaneous issues.

Management Risk Committee (MRC)

The Bank has its Management Risk Committee (MRC) which executes, among others, the following supervisory & supporting jobs:

- Implementation of risk strategy approved by the Board of Directors;
- Developing policies and procedures for identifying, measuring and controlling risk;
- Providing appropriate resources to evaluate and control risk;
- Reviewing risk reports on a regular and timely basis; and
- Providing all reports required by the Board and its committees for the effective performance of risk management oversight functions.

Assets and Liabilities Committee (ALCO)

ALCO supports and advises the Managing Director, on the management of the Bank's Balance Sheet. In the context of the risk framework, it monitors the financial performance and risk profile of the Bank's main financial activities and the balance sheet as a whole.

Management Credit Committee (MCC)

The Management Credit Committee (well known as Credit Committee) of the bank executes the following jobs under the guidance of the Board of Directors:

- To establish credit policy of the bank in line with central bank's guidelines.
- To determine and maintain an effective credit risk management environment in the Bank;
- To review credit proposals, to evaluate its standard & policy compliance and endorse them to the Board of Directors for approval;
- To define the Bank's risk and return preferences and target risk portfolio;
- To monitor (ongoing basis) the Bank's credit risk quality and performance, review periodic credit portfolio reports, and assess portfolio performance;
- To define credit approval framework and assign credit approval authority as directed by the Board.
- To review defined credit product programs with recommendation of the Head, Credit Risk Management (CRM) and endorse to the Board of Directors for review and approval;

Internal Control and Compliance Division (ICCD)

ICCD independently verifies compliance of all approved risk management and internal control policies. Deviations are identified, reported and corrected to mitigate risks as a continuous process and to ensure that the Bank is operating in compliance with all approved and established policies.

5. Risk Management

A. Credit Risk Management:

In order to mitigate Credit Risk, AB Bank has taken the following steps:

- Introduced a Credit Risk policy clearly defining our objectives, criteria, credit approval process and clear cut responsibilities of individuals associated with marketing, approving and administering the credit portfolio of the bank.
- Uses well-designed and exhaustive Credit proposals which contain details of the customer's financials, reputation, security etc. to enable the credit approving authority to make a well-informed decision.
- Centralized set up for credit limits loading and 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.
- System based monitoring of credit limits, maturity, repayment etc.
- Periodic credit portfolio review and arrangement of timely classification and provisioning (if applicable)
- Periodic stress testing etc.

The Bank has segregated duties of the officers / executives involved in credit related activities. There is Business Division which is entrusted with the duties of maintaining effective relationship with the branch RMs and the customers, marketing of various credit products, exploring new business opportunities, etc. Credit approval responsibilities has been vested upon the CRM Division while credit activation, administration, monitoring and recovery functions have been assigned upon CAM Division.

A thorough assessment is done before sanctioning of any credit facility. The risk assessment includes borrower's risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at branch level by the Relationship Manager / Officer and ends at Credit Risk Management Divisin when it is approved / recommended and submitted for board approval or declined by the competent authority.

In determining Single borrower Exposure / Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodic intervals to ensure compliance of Bank's internal and Regulatory policies.

Loans are classified as per Bangladesh Bank's guidelines. Interest accrued on classified loan is suspended and adequate provision is maintained there against as per Bangladesh Bank's Guidelines.

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:

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

C. Operational Risk

It is a risk of direct or indirect losses resulting from human errors, external events, inadequate or failed internal processes and systems e.g. frauds and forgeries etc. We are committed to alleviate this risk through the following:

a) Set down guidelines, manuals and for all back office functions
b) Strong operational teams with clear segregation of duties to ensure check and balance and regular reviews by senior management
c) A strong and committed control culture across the bank
d) A strong internal control team conducting regular audits
e) Frequent HO Senior Management on-site visits
f) Arrangement of training, meeting, seminars etc

D. Liquidity Risk

Liquidity risk is faced by a bank 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 instituted the following safeguards against liquidity risks:

a) 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 and determines the steps to be taken by the bank.
b) Parameters set by Bangladesh Bank especially in regards to AD ratio strictly maintained.
c) A balanced mix of short and long terms deposits to counter maturity gaps.
d) Annual budget is formulated with a balance between growth in assets viz a viz liabilities.
e) Introduction of different products to attract deposits.

E. Combating Money Laundering & Financing of Terrorism

Money Laundering and Terrorist Financing are alarming threats worldwide. Economy, political stability, law and order and in some cases the entire country may face a great threat if appropriate measures are not taken to check these risks. Since these risks are directly associated with "money", banks have an active role in prevention of money laundering and terrorist financing. Bangladesh Bank too has taken a leading role to combat these risks and have already introduced guidelines and policies on "Anti Money Laundering" and "Combating the Financing of Terrorism". In accordance with these guidelines, AB Bank has taken the following steps:

a) A Central Compliance Unit (CCU) has been set up headed by a Deputy Managing Director who is also the Chief Anti Money Laundering and Compliance Officer (CAMLCO)
b) 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
c) An AML software has been implemented to monitor account activities and for Auto reporting of Cash Trans action Reports (CTR)
d) Trainings are imparted to employees on AML & CFT to create awareness and to be vigilant
e) AML & CFT compliance status of branches are reviewed by the internal audit team during their periodic audit of AB Branches

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.

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 pursuing a dividend policy that must ensure satisfactory return for shareholders as well as sustainable growth of the Bank with strong capital adequacy ratio (CAR) to protect greater interest of 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:

i. Credit Risk
ii. Interest Rate Risk
iii. Exchange Rate Risk
iv. Equity Price Risk
v. Liquidity Risk
vi. Combined shock

Latest Stress Testing Report based on December 31, 2016 has been approved by the Board of Directors of the Bank and accordingly submitted to Bangladesh Bank.

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 principle that Banks have a process for assessing overall capital adequacy in relation to risk profile and strategy for maintaining their capital at an adequate level. The process involves constitution of two teams viz SRP Team at the Bank level and SREP Team at Bangladesh Bank. Accordingly, AB Bank 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 ensures 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 2013) Act, 1991.

Mentionable that SRP – SREP Dialogue on ICAAP based on December 2015 was duly held by the Bangladesh Bank. The document for ICAAP-2016 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.

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.

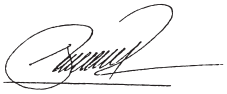
In line with Bangladesh Bank requirement, AB Bank has already formed a Basel III implementation committee to ensure timely implementation of Basel III accord.

10. Risk Management Division

As per Bangladesh Bank guidelines, AB Bank has formed a high-powered Risk Management Division (RMD) headed by an EVP and Deputy Chief Risk Officer (DCRO) . The RMD is constantly contemplating and exerting efforts for developing a structure and processes to ensure sound risk management in all areas of the Bank. The Division follows Bangladesh Bank's risk related directives and works closely with dealing divisions to mitigate the risks. RMD has a continuous focus on the core risk areas. Where risks are high and mitigating factors are not up to the mark as suggested by Bangladesh Bank, RMD provides its suggestions for 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, the first private commercial bank now stands as one of the largest bank in Bangladesh. In its successful operation of long 35 years, the bank has proved itself as "First of Many First". 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 priority. The bank is well aware that its business also carries certain risk elements. Therefore, it 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. It has been able to establish an inherent culture of continuous and gradual improvement.



Sajjad Hussain, DMD
Chief Risk Officer

VMARKET

DIRECTORS' REPORT



Bismillahir Rahmanir Rahim

Honorable Shareholders

Assalamualaikum.

It is a pleasure for the Board of Directors of AB Bank Limited to present the Annual Directors' Report 2016. This report outlines the performance of the Bank for the year ended December 31, 2016. The Board of Directors has reviewed the financial statements to ensure effective financial controls, transparency and accuracy of the data and financial reporting of the Bank. The report deals with the Bank's overall performance and activities of 2016. The Directors' Report also contains a brief overview of the world economy alongside Bangladesh economy and Banking industry outlook of the country.

Dear Shareholders,

The Directors' Report 2016 is prepared in accordance with Section 184 of Companies Act, 1994 and Bangladesh Securities & Exchange Commission's Notification SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012. We are pleased to place the audited Financial Statements of the Bank for the year ended 31st December 2016 along with the Auditors' 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 fair 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.

Today, after 35 years, we are stronger, more compliant and a robust banking institution facing squarely the challenges of changing business environment - a testament to an enduring partnership with our Shareholders, Directors, Customers, Regulators and well-wishers. To honour and in recognition of the bondage, we have designed our 35th year mnemonic to read - "35 Years of Successful Partnership".

As a testimony to the concerted efforts of the Board and Management of the Bank, total asset of the Bank reached Tk. 31,484 crore with a capital base of Tk. 3,064 crore in 2016. This year, the profit after Tax reached Tk.130 crore. The equity of the Bank also reflected a growth of 1.4%.

Dear Shareholders,

Global Economy

In its latest World Economic Outlook (WEO, October 2016), IMF projected global growth to decline 3.1 percent in 2016 before recovering to 3.4 percent in 2017. The forecast reflects a more subdued outlook for advanced economies following the June 2016 BREXIT (Britain's exit from EU) vote in U.K. and weaker-than-expected growth in the United States. These developments have put further downward pressure on global interest rates, consequently the monetary policy is expected to continue to remain accommodative, particularly in the developed economies.

The IMF notes several underlying weaknesses as reflected in continuing decline in consumer spending in developed countries; Eurozone economic crisis and poor investment prospects are all adding to the slow growth to no growth situation. Declining real wages, rising unemployment, high levels of household debt are further exacerbating the current economic woes. Eight years on, the developed economies are still in a sluggish recovery mode following the Global Financial Crisis (GFC). The precarious nature of the recovery and the economic stagnation could ignite persistent calls for protection given the rising grip of populism in developed democracies. Such a fear is also shared by the OECD in its 2016 Annual Report pointing to the growing political and social opposition to freer trade that finds ardent constituencies in Europe and North America. Perhaps the November 8 election in the USA which catapulted highly protectionist Donald Trump on to the world stage could well be the harbinger of trade wars in the offing, which is reminiscent of the 1930s beggar-thy-neighbour tariff hikes. While Brazil, South Africa and Russian economy are struggling due to sanctions, falling oil prices and political crises, the Chinese economic growth prospects appear to be on track as envisaged in the 17th Five Year Plan (2016-20) at 6.5 to 7 per cent per annum. India is the star performer now among BRICS countries and is expected to achieve a growth rate of 7.6 percent this year and the next.

According to WEO October 2016 the subdued performance of world trade flows persisted in 2015 and 2016, with the volume of world trade is hovering at 2.6 and 2.3 percent - the lowest growth rate since the global financial crisis. The weakening pace of trade liberalisation and the recent uptick in protectionism are holding back trade growth, even though their quantitative impact thus far has been limited. The decline in the growth of global value chains has also played an important part in the observed slowdown. Global trade growth is expected to pick up to a moderate pace of 3.8 per cent in 2017, outpacing real world GDP growth, but still considerably below the rates witnessed during the pre-crisis period.

Continuing poor economic performance in the wake of the GFC in developed economies and very subdued economic growth prospect for developing economies are creating a fortress mentality in those countries. WTO has forecasted very slow growth in trade reaching the lowest level at just 1.7 percent this year since the GFC of 2008. Trade growth in

2017 is estimated to lie between 1.8 percent and 3.1 percent. In the pre-GFC period trade was growing at double the rate of global GDP but in the post GFC period it is barely keeping up with the global GDP growth which itself also has declined significantly. Since the mid-1980s to 2007 world trade grew at an average of 6.5 per cent per annum but that figure reached 2.5 per cent in 2015 and is likely to be no better for 2016. One major factor that contributed to impressive growth in trade in the pre-crisis period was the fragmentation of production across countries around the world (known as global value chains or GVCs). This enabled the MNCs to exploit comparative advantage of individual countries to achieve global competitiveness. That also stimulated the flow of FDI.

Bangladesh Economy

Bangladesh managed to grow at an impressive rate of 7.11% in FY 16 signifying strong macroeconomic fundamentals. Both industrial and service sector registered higher growth in the FY 16 fiscal compared to FY 15 registering 11.09% and 6.25% growth respectively. There were promising signs as private investment share in GDP increased to 23% in FY 16 from 22.1% in FY 15 along with stable public investment.

While public investment is crucial for building private investment, revenue mobilization is the most important aspect that will drive public investment in coming years. At present, the Revenue-GDP ratio is only 9.90% and the government has a target to increase the ratio to 16.10% by 2020.

Economic Growth

For FY 2017, the government has set the GDP growth target at 7.20%. However, World Bank has projected the growth at 6.80% citing domestic security challenges, weak external demand, stable private investment and weak remittances dampening private consumption. Some progress has been made by the government in helping to ease doing business, however there is still some way to go if the country is to attract large investment from local and foreign investors. The government is working on creating 100 special economic zones in the country and has also classified a number of mega development projects into fast-track category to ensure rapid completion. Easing business setup and investment regulations and rapid execution of infrastructure projects will be the driving factors that will decide whether Bangladesh can increase foreign direct investment to USD 9.6 billion by 2020 from USD 2.2 billion at present and GDP growth rate to 8% in line with Planning Commission's 7th Five Year Plan.

Inflation hits the lowest mark in more than 4 years

Average annual inflation has decreased to 5.52% at the end of 2016 down from 6.19% in 2015. The point-to-point inflation also dropped to 5.03% in December from 6.10% a year earlier. Drop in both food and non-food inflation and political calmness have helped to keep the inflation rate within government's and central bank's target of 5.80%. Food inflation has come down marginally to 5.38% in December 2016 from 5.48% in December 2015 whereas, non-food inflation slid to 4.49% from 7.05% during the same period.

The Finance Minister has indicated that oil prices will be adjusted downward in January 2017, which will be the second adjustment after the last cut in April 2016. While cutting oil prices may help to reduce the inflation, the announcement by Bangladesh Energy Regulatory Commission (BERC) to raise the price of gas for household users by 50% could undermine the effect. Furthermore, as global commodity prices have shown signs of recovery and as Taka has been depreciating over the past few months, there could be some degree of inflation.

FX reserve posts robust growth

The country's FX Reserves has continued to grow robustly in 2016 reaching USD 32.09 billion from USD 27.49 billion at the end of 2015, up by 16.73%. Although, the current account slipped into negative territory on the back of falling remittances and rising imports, the overall balance of payment is in surplus due to surplus in financial account. During the July-November period, the balance of payment surplus stood at USD 1.9 billion compared to USD 2.04 billion in the corresponding period last fiscal.

Stock market surges on growing enthusiasm

Dhaka Stock Exchange delivered a stellar performance during the first half of FY 17, picking up from a jaded performance in the previous fiscal. Sluggish credit growth and poor dividend declarations were the major drags on the performance of the capital market in FY16. In July, from the very outset of FY 17, stock market started to recover as upbeat macroeconomic indicators and a steady political situation boosted investor confidence. Improvement in participation from both local and foreign investors contributed to recovery as DSEX index posted an 8.8% y-o-y growth as of December 2016 and posted an impressive 11.7% growth during the H1 of FY 17. Investor sentiment was largely aided by the policy support extended by Bangladesh Bank to banks in adjusting their capital market exposure without selling shares. In addition, as the deposit rates in banks pummeled backed by excess liquidity, people were more eager to enter into the capital market in search of higher returns, which has driven up the turnover in the stock market.

The premier bourse also witnessed major improvement in terms of foreign portfolio investment. In 2016, the capital market amassed BDT 13.41 billion of net overseas investment up more than sevenfold over BDT 1.85 billion in 2015. Banks, NBFIs, Power & Energy, Pharmaceuticals and Telecom sectors attracted majority of foreign investments.

While portfolio investment accounts for a very small percentage of the bourse's market capitalization, such a growth exudes confidence in the economy. Market analysts believe that if the interest rate on national savings certificate is brought down in line with bank deposit rates, more money would flow into the capital market making it more vibrant.

Foreign Direct Investment

Higher foreign direct investment, portfolio investment and higher net foreign borrowing resulted in surplus in the financial account. Net foreign direct investment recorded a 9.6% growth to reach USD 719 million during July-November period of FY 17 compared to previous fiscal. In addition, the purchase of US Dollars by Bangladesh Bank through open market operation also helped to boost the overall FX Reserves.

Although the FDI is increasing it still comprises of only 0.9% of GDP, which is crucial in creating jobs and building sustainable FX reserves. However, there are encouraging signs as investment registration with Bangladesh Investment Development Authority (BIDA) has increased substantially to USD 14 billion during July-November period which is higher than the total amount of proposed investment registered in FY 16. With growing FX reserves and import coverage over 8 months, there are increasing demands of better utilization of reserves to check on inflationary pressure and growth in reserve money. Recently, the government has provided indication of setting up a sovereign wealth fund worth USD 5 billion using foreign exchange reserve for implementing its mega development projects.

Liquidity glut keeps call money rates low

There has been very little movement in call money rate throughout 2016. Multiple factors, which include high government borrowing from non-banking sources, less than expected private sector credit demand and discontinuation of reverse-repo mechanism have weighed on the overnight interbank borrowing requirement. The weighted average call money rate dropped to 3.61% in December from 3.90% in January.

Larger than estimated sale of national savings instruments have reduced the government borrowing requirements. A 5-6 percentage point gap in rate between the savings instruments and commercial bank deposit rates led to its strong demand as national savings instruments are considered largely risk-free. The government has borrowed only BDT 40 billion from banking sources in FY 16 against a target of 385 billion. During July-September period, the government borrowed BDT 42 billion from banks while it repaid BDT 93.4 billion which added to the liquidity glut. The private sector credit growth which went up to 15.97% and 16.21% in July and August respectively came down to 15.01% in November. This is in contrast to the central bank projection of 16.60% growth in December and 16.50% at the end of June 2017.

The Central Bank discontinued reverse repo mechanism from November 2015 to lead banks towards investing in more productive sectors, which put downward pressure on call money rates in 2015. Furthermore, in January 2016 the repo rate was cut from 7.25% to 6.75% and reverse repo rate was cut from 5.25% to 4.75%. However, in April they have introduced 7-days and 14-days bill in addition to the 30-days bill to mop up excess liquidity, the auction of which takes place on all working days. The excess liquidity in the market has resulted in sharp decline in deposit and lending rates of banks as well as the interest rate spread. With the recent rise in import of capital machineries and construction materials for private investment and different infrastructure development projects, the low interest rate environment could drive up domestic credit growth.

Trade deficit widens as import outpaces export growth

During July-November, 2016, the country's trade deficit swelled to USD 3.88 billion, up 22.86% from USD 3.15 billion during July-November, 2015. During the same period, the current account deficit widened to USD 726 million compared to USD 1.34 billion surplus last year due to rising trade deficit and weak remittances. Growth in imports is partly attributed to increased imports for expediting different infrastructure projects of the government as well as capital machinery and raw materials imports, which could be a boon for the country's economic progress.

Business Overview 2016:

DEPARTMENT OF BUSINESS

Corporate Banking

Based on experience and practical knowledge, AB Bank provides Corporate Banking solutions to the growing Corporate Sector 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 attain 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.

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. With its 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, AB offers clients the necessary services to raise capital and debt from the market. The Corporate Product and Services of the Bank is extended to the Clients through its 04 (Four) Business Categories.

Financial Highlights – as on December 31, 2016

1) Total outstanding of corporate loan: Tk 15,984 Crore
2) Proportion of Corporate Loans 74.74% against the total loan portfolio
3) Corporate Loan growth was 5% in comparison with the year 2015
4) Dominant sectors in the Bank's exposure to corporate clients include Readymade Garments, Textiles, Construction, Power, Food, Manufacturing and Trading Sectors.

Business Highlight in 2016:

In its continuation to finance the corporate sector, the Bank has been very active in financing the RMG, Textiles, Steel Manufacturing, Food & allied, Ship Breaking, Tourism and Health sectors. AB Bank strengthened its footprint in these sectors by extending substantial amount of credit facilities to a number of clients.

Retail Banking Division

AB Bank Limited always emphasizes on bonding generation, as such, it always tries to understand the changing needs of the customers which helps to successfully develop flexible and customized retail asset and liability products to meet the market demand. In this regard, Retail Banking Division of the Bank is significantly contributing with their new and innovative product concepts. Presently the Bank has a wide range of products under its Retail Banking segment. The Bank with its expanded Branch network and with the aid of Direct Sales Executives is facilitating the banking services to reach at the doorstep of the customers.

AB Bank Retail Product Line

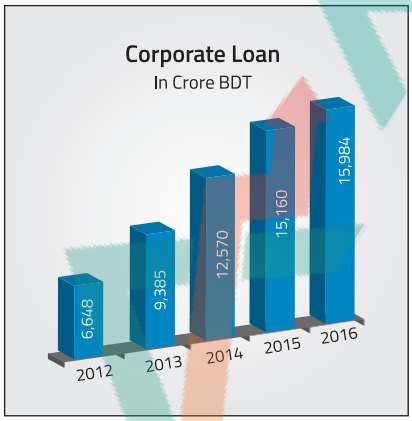
Asset Products :

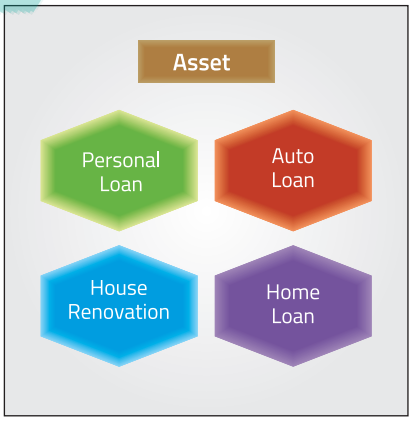
The Bank has a wide range of asset products to meet customer demands. The broad categories under Consumer Credit Scheme are:

- Personal Loan
- Auto Loan
- Home Loan for renovation, construction and apartment purchase
- Secured Loan

Deposit Product :

The Bank has concentrated on introducing new products as well as proper nurturing of the existing products to build up core deposit which paves the way for a sustainable growth of the Bank. During the year 2016 the Retail Banking Division emphasized more on its existing products which yielded a better result at the yearend.







Business Overview of Retail Banking Division in 2016

Liability Performance:

The volume of the liability products, especially savings deposit increased significantly in 2016 in consideration to the prior years, which is considered as an inspiring performance. The total deposit stood at Tk. 24,564 crore in 2016, an increase of 14.88% over 2015.

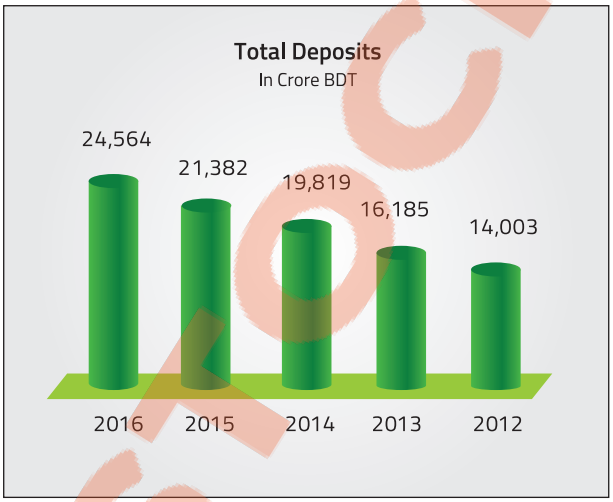
Deposit Mix:

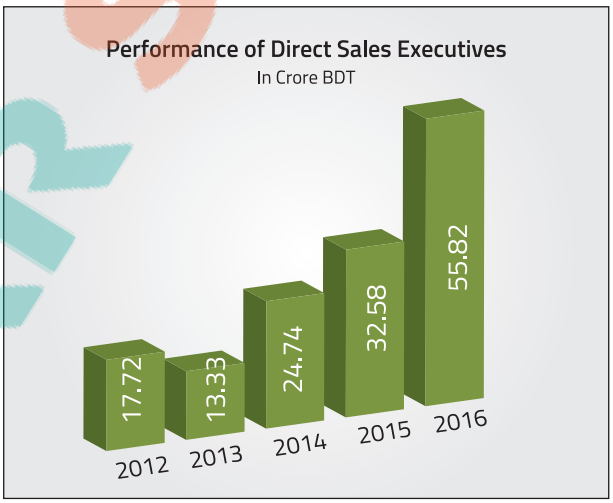
The bank has adopted the strategy to shift its focus from high cost to no cost or low cost deposit. There has been significant improvement in the deposit mix during last 2 years. The percentage of High Cost FDR in the deposit mix has decreased significantly from 60% in 2014 to 53% in 2015 and further to 50% in 2016. On the other hand, the percentage of current and savings account (CASA), i.e. no cost and low cost deposit, was 19% in 2014 increased to 21% in 2015 and further increased to 22% in 2016 which significantly contributed to the sustainable profit growth of the Bank.

Performance of Direct Sales Executives:

During 2016, Direct Sales Executives (DSEs) were instructed to focus on CASA account and was able to book a total deposit Tk. 55.82 Crore in CASA which was 71.33% higher than the preceding year.

Some Events in Frame:







MOU signing with PRAN-RFL for providing Payroll Management



MOU signing with BTCL

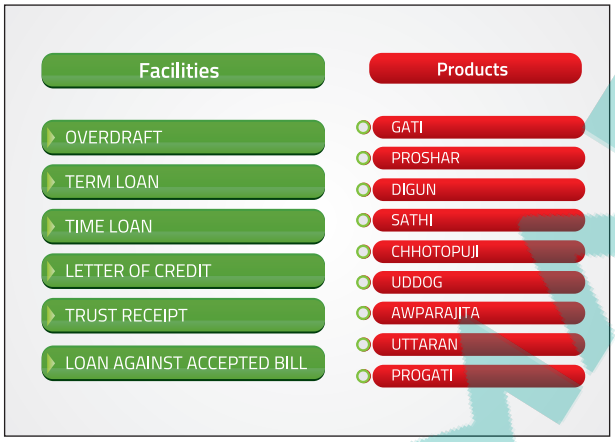
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SME Business

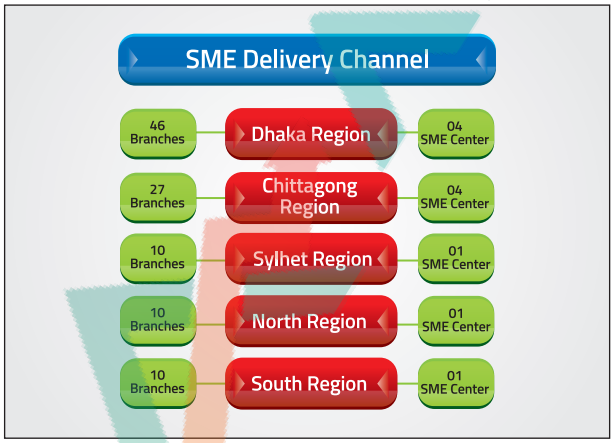
SME has already emerged as a powerful and sustainable pillar of the Bangladesh Economy. SME financing is now at the focal point of the banking sector for its significant role in socio-economic development. Financing the SMEs has opened a door for the banks to channel their investments in a socially desirable as well as profitable business segment. In line with the Bank's greater intention to contribute to the economic development, AB is strengthening its disbursements to the SME sector. AB is one of the top ranked Banks of the country appreciated for its strong footage in SME Financing.

To cater the needs of the promising SME segment, AB has introduced a strong range of product lines and strong market presence with significant exposure.

SME Products & Facilities:



Sme Delivery Channels:



AB participated in different SME Development events and conducted a number of training programs for Cluster development initiatives for potential SME clients and Skill Development program for SME Personnel:



Prospective Women Entrepreneurs of Sonargaon Area (Jamdani Saree manufacturer) receiving certificate after participating the Training Program jointly organized by ABBL & AGWEB.



AB Woman Enterpreneur receiving cheque from the Governor

Agricultural & Rural Credit

Considering the potential of Agricultural sector, AB has expanded the Agricultural and Rural Credit operation in 2016. Through the Bank's existing network of Branches as well as tie-up with micro finance institutions, Bank disbursed Taka 310.26 crore in FY 2015-16 to cater the needs of the rural farmers.

AB emphasizes financing in Agricultural Sector, specially for crop cultivation through its branch network as well as through renowned NGO/MFI linkages having strong network at grassroot level.

DEPARTMENT OF INFORMATION TECHNOLOGY & EBIZ (IT & EBIZ)

AB Bank Alternate Delivery Channel

In 35 years of banking excellence, AB Bank Limited has established itself in the banking arena with a country wide 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 with a 24-hour call center.

Automated Teller Machines (ATMs)

AB Bank now has the fourth largest ATM network with 275 ATMs located across the country and has planned to reach 300 ATMs within 2017. 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. The Bank is also undergoing implementation of Bills-Pay (WASA, DESCO, DESA etc.) using any card in its ATM network. Customers presently can avail following services in its ATM booths:

- Cash Withdrawal
- Balance Inquiry
- PIN Change
- Mini Statement

All the AB Bank ATMs are under 24x7 video surveillance. Any Visa or MasterCard cardholder of the Bank can enjoy ATM facilities around the globe. AB Bank has also joined the National Payment Switch of Bangladesh (NPSB), operated by Bangladesh Bank. Through this arrangement, any member bank's cardholder can use AB Bank's network Nearly 3.30 million transactions were made via AB Bank ATMs last year.

Credit Cards

AB Bank, in partnership with MasterCard, launched World MasterCard in 2014 which is another first of many firsts. A 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 (yet another first) and MasterCard Gold credit cards.

SMS Banking

AB Bank SMS Banking allows day to day banking by using cellular phones 24 hours a day, providing the following facilities:

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

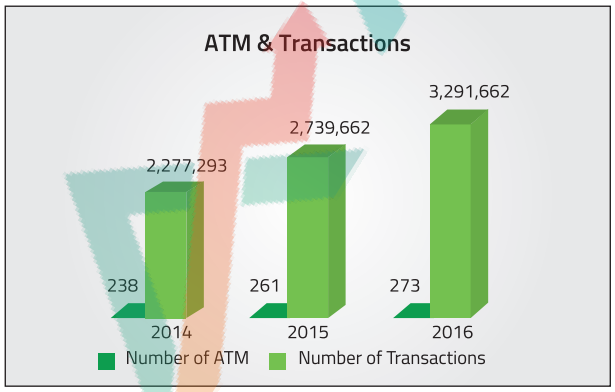
Internet Banking

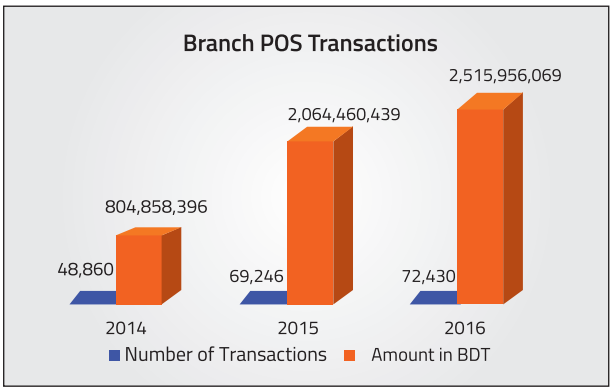
To facilitate modern banking services, AB Bank introduced Internet Banking in the year 2011. The Bank's Internet Banking comes up with a host of online services. Wherever the customer is - either at home or at work, or even during travel and can access their account to avail the following services:

- Account Inquiry
- Mini Statement
- Account History
- Account Statement
- Fund Transfer
- Loan Account Information
- Loan Disbursement Details and many more to come.
- Utility Payment for WASA, DESCO, DESA, TITAS etc.
- Real Time Mobile Top Up for all available TELCO operators of country

Branch POS (Checkless Transaction)

The Bank introduced Branch POS (Point of Sale) Services introduced to facilitate AB Bank Debit cardholders for the higher cash withdrawal facility in selected AB Bank Branches.





Utility Payments

AB Bank currently facilitates following utility bills through its Branches, SMS Banking and Internet Banking:

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

Call Center

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

AB Bank IT

IT Department has been working towards providing uninterrupted systems support. The Core Banking System (CBS) as well as the surrounding systems such as Cheque Processing, Trade Finance, Foreign Exchange, ATM network and Card – all are under the custodianship of IT.

During the year IT has taken quite a number of initiatives for upgrading and enhancing the infrastructure. Some significant initiatives are follows:

- High availability and disaster recovery site for Microsoft Exchange 2013
- Secondary Core router for load sharing and redundancy of branch connectivity
- Supervisor module upgradation on both Server Firm Switches (Nexus 7009)
- 3G GSM Network for ATM
- Branch to AB DR fully automatic link shift connectivity
- URL filtering security device Frocepoint
- Mumbai branch users' URL Filtering Remote agent to increase security
- VPN Connectivity between AB Bank Limited to Election Commission for NID verification
- Connectivity between AB Bank Limited to TITAS, BTCL and DPDC for bill collection
- Data Center Power and space upgradation:
  - New UPS installation
  - Data Center power BUSWAY
  - Data Center physical space enhancement
  - Data Center cooling upgradation
- DR Site Power and UPS room space upgradation
- CISCO VSS switch for Head office uplink redundancy
- AB-EMS (AB Expense Management System)
- Enhancement to ADC Management

INVESTMENT BANKING DIVISION (IBD)

Investment Banking Division (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. IBD also provides one-stop services to NRB's and Foreign Investors interested to invest in Capital Market. In its destined role of strategic support, IBD shall be the platform for co-ordination for Capital market Subsidiaries of AB besides being the vehicle for strategic Investment of the Bank in future.

AB's last five years portfolio Investments (Quoted shares) are shown below:

Year	BDT in Crore
2016	404
2015	390
2014	407
2013	454
2012	499

Investment Banking Division (IBD) continued its operation with a vision to cater various needs of the investors in the Capital Market. 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 facilitate remittance in the local capital market through NRB-IDA, FC and NITA account facilities. As a value-adding option AB also has Custodian Wing under a separate License in operation from the year 2007.

Custodian Wing's operating profit for the last five years is summarized below:

Year	BDT in Lac
2016	5.36
2015	8.72
2014	85.52
2013	0.47
2012	0.55

1st Mutual Fund

At the end of 2016, the "AB Bank 1st Mutual Fund" reported a Net Asset Value (NAV) of Tk. 11.46 per unit on the basis of current market price and Tk. 10.85 per unit on the basis of cost price against face value of Tk. 10.00 whereas total Net Assets of the Fund stood at Tk. 2,390.87 million on the basis of market price and Tk. 2,262.92 million on the basis of cost price considering all assets and liabilities of the Fund.

ANTI-MONEY LAUNDERING (AML) AND COMBATING THE FINANCING OF TERRORISM (CFT)

'Money Laundering' and 'Financing of Terrorism' have been identified as major threats to the financial services community. In order to manage these risks, AB Bank adheres to the relevant laws, regulations, international standards, industry best practices, and strict ethical standards. AB Bank's commitment to contribute in combating money laundering and financing of terrorism is driven by its desire to uphold the integrity of the financial system, to protect its reputation and to safeguard the interests of all its stakeholders.

AB sets its AML and CFT strategies, goal and objectives on an ongoing basis and maintains an effective program for its business that reflects the best practices for a diversified financial service provider. It has formulated clear policy and guidelines to be complied with by all employees of the Bank. The Bank understands that the fight against money laundering and terrorist financing is a team effort within the Bank and between all financial institutions, regulators, law enforcement agencies etc. AB is committed to assist the regulators to combat these threats and will continuously thrive to prevent the same.

According to first recommendation of Financial Action Task Force (FATF), Bank formulated policies and control procedures that enable us to manage and mitigate ML & TF risks effectively. On-site inspections plays an effective role in reviewing the adequacy of AML & CFT controls by communicating their findings and recommendations to the Management.

Training is essential for every employee to become more efficient and familiar with the AML & CFT Policy as well as to create awareness. With this end in view, the Bank arranged AML & CFT trainings for 1,216 officers in 2016.

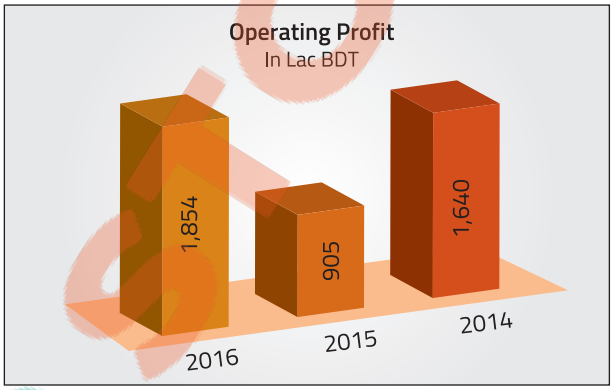
In order to prevent dealing with UN sanctioned entities the Bank implemented auto screening of names prior to establishing account relationships and also in international trade transactions (Letters of Credit).

Effective monitoring of 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. Adherence to the ABBL AML & CFT Policy is the responsibility of all employees.

OFF-SHORE BANKING UNIT (OBU)

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

OBU grew at an appreciable rate. Operating profit increased 104.86% in 2016 compared to 2015 while Loans and advances decreased by 21.47%.



DEPARTMENT OF INTERNAL CONTROL AND COMPLIANCE (ICC)

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

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

The Department of Internal Control & Compliance conducts Risk Based Audit and Annual comprehensive Audit of the Branches, Head Office Departments/Divisions/Units etc. The Department of Internal Control & Compliance ensures compliance of internal as well as external & Bangladesh Bank Audit Reports including Bangladesh Bank Special 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.

The Department of Internal Control & Compliance also monitors branches operational activities through internal control tools e.g. DCFCL, LDCL and QOR and summarizes the findings & reports with update 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 Board Audit Committee although it becomes a part of ICC administratively. The Department of Internal Control & Compliance follows its charter as embodied in the ICC

Manual approved by the Board of Directors & 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.

The Department of Internal Control & Compliance had conducted the following during 2016:

Risk Based Audit of Branches	:	100 Branches
Annual Comprehensive Audit of Branches	:	100 Branches
Annual Comprehensive Audit of Divisions	:	10 Divisions
Special Investigation	:	08 Numbers
Surprise Visits	:	11 Branches

OPERATIONS DEPARTMENT

General Banking Operations

The primary objective of Operations Department is to ensure smooth operations of branches and effective and efficient supervision so that branches deliver superior service in a compliant manner. Head Office Operations is responsible to set certain standards in delivery of products and services within a controlled culture. Like previous years the department undertook different initiatives in 2016 to ensure service standards, operational controls, improved process flows, etc. The department continuously monitors branch activities to mitigate risks and ensure regulatory compliance.

2016 Initiatives:

- Verification process of Clients' NID using Election Commission Database.
- 'AB Customer Charter', 'Service Standard', 'Code of Conduct for Customer Services' and 'Customer Awareness Program Policy' introduced in accordance with Bangladesh Bank guidelines
- Reviewed Learning Modules on General Banking Operations in collaboration with Bangladesh Institute of Bank Management (BIBM)
- Developed SOP for different operational processes like 'Handling Emergency Situation', 'Opening of Account for PEPs and IPs' etc.
- Imparted training on Major Operational Processes e.g. Effective Cash Management, Account Opening and Customer Service Excellence
- Revised 'Operations Manual – 2016' in line with current laws, best practices in the industry, relevant guidelines of Bangladesh Bank and other regulators
- Upgraded Bank's website with a completely new and vibrant look.
- Prepared guidelines for Electronic Fund Transfer (EFT) and Real Time Gross Settlement (RTGS) in collaboration with Core Business Team
- Rolled out the online collection facilities for utility bill collection in collaboration with eBiz division
- Created awareness on fake notes among general public by displaying actual bank notes and special security features through videos in important public places
- Installed Fake Note Detection Booths at cattle markets in Dhaka and different parts of the country during Eid-ul-Azha
- Introduced e-statements to employees of the Bank as a pilot project under green banking initiatives
- Design and layout of new account opening form completed as per Bangladesh Bank guidelines



Launching of Bank's upgraded website

Branch Network Expansion:

Under its Branch expansion program AB opened 3 (three) new Branches in 2016.



Opening of 101st Branch at Jhenaidah on November 14, 2016



Opening of 102nd Branch at Jatrabari on December 14, 2016



Opening of 103rd Branch at Kamrangirchar on December 21, 2016

DEPARTMENT OF HUMAN RESOURCE MANAGEMENT & DEVELOPMENT (HRMD)

Operating Performance 2016

Department of Human Resource Management and Development

To achieve the Bank's vision to be the "best performing bank in the country", the Department of Human Resource Management & Development focuses on qualitative improvement of productivity, service excellence, operational efficiency and building competencies of employees at different levels.

HR in collaboration with line and functional partners in business aims for an "Enterprise Culture" founded on "Values" such as:

a) Ensure equal opportunities for the employees irrespective of any caste and creed or gender
b) Maintain workforce diversity
c) Mutual respect, trust and Inter-dependence with unconditional support to each other as a team
d) Positive attitude and commitment
e) Honesty and Integrity

Highlights of HR initiatives – 2016

1) Learning & Development:

The Bank recognizes that only knowledge based workforce can face the banking challenges of the 21st century. In order to ensure a well-trained and skilled base of human resources, Management of the bank in collaboration with BIBM developed three Learning Modules for its employees at three levels (Basic, Intermediate and Advance). These modules cover the following courses:

i. General Banking,
ii. Trade Services including Foreign Trade Credit

The main objectives of these learning modules is to equip employees at different levels with adequate knowledge and understanding about different aspects of banking including policy compliance and a understanding of standard operating procedures. A policy guideline on learning modules has been approved by the Board. One of the important aspects of the guideline is that officers have to study specific modules and pass the examinations in order to be promoted to the next higher level.



An extensive training plan based on TNA has been launched in 2016. Trainings included:

a) Specialized programs on specific subjects led by Division/ Department heads supported by Training Academy.
b) Management development programs i.e. develop PO/SPO as OM and AVP/SAVP as RM.
c) Development and grooming of MTO enabling them to take responsibilities in their early career.
d) Leadership and other soft skill programs.
e) Specific foreign training either on functional excellence or soft skills or both offered by Iclif, NIBM and other foreign training institutes.

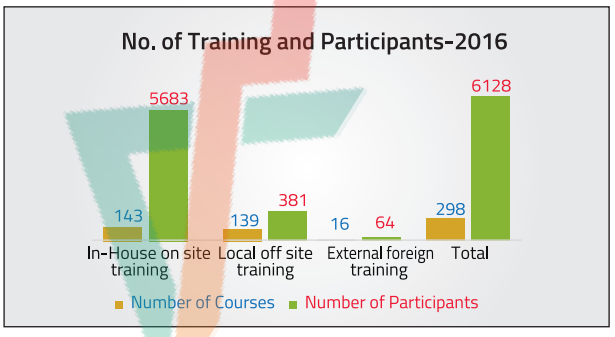
HR organization was restructured which included 2 (two) divisions (a) HR Operations incorporating Talent Management and (b) Learning & Development Division under AB Training Academy.

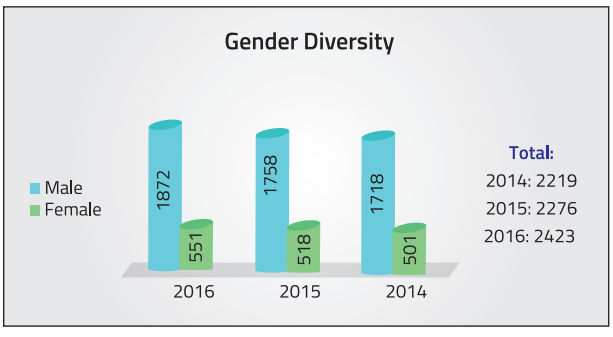
2) Potential assessment (Future Leaders): identifying and developing potential future leaders was a high priority in 2016. This process started with an assessment center as part of Career Development Program in that potential employees who were identified for development based on their potentials of becoming future business leaders.

3) KPI based "Performance Appraisal System" has been simplified with necessary training and counseling covering all managers.

4) Entry level Recruitment: Our key objective in recruitment is to "attract, develop and retain the best". In 2016, we have recruited 103 Management Trainee Officers (MTO) who are considered to be the future leaders of the Bank.

5) Gender Diversity: (Year to Year comparison from 2014 - 2016): HRMD champions the diversity and inclusiveness in the Bank. Below is a graph showing increasing trend of female officers in AB:





HR strategy – 2017

1. **Rationalization of manpower:**

- Review all job responsibilities including volume and category of job
- Review business matrix / service quality matrix vis-à-vis structure with succession plan
- Prepare/update standard job description for all positions
- Determine a standard manning level by number, job grades and quality

2. **Develop a Talent Pool by potential assessment:**

- Update HR Policy, Service Rules
- Strengthen AB Training Academy and also impart more trainings on building soft skills
- Ensure compliance transfers in a structured manner
- Job rotation structured plan to be in place
- All Board mandated initiatives to be implemented as and when advised

Given the vision and our strategies, HRMD will continue to play its role as business partner through human resources strategy and initiatives and thereby contribute significantly to be more effective, efficient which will help to yield high profitability and fulfilling its vision of **"To be the best performing bank"**.

TREASURY FUNCTIONS

AB Bank Treasury is engaged in management of Liquidity Risk, Interest rate risk and Foreign exchange risk within the laid down policies and guidelines of Bangladesh Bank. Functions of Treasury are broadly divided into ALM desk, Foreign Exchange desk and Primary Dealership desk. Core responsibilities of Treasury operations are maintenance of statutory requirement i.e. CRR, SLR and NOP limits. In the process of liquidity risk management, treasury arranges funds both in LCY and FCY. While as an interest rate risk manager, treasury focuses on maturity management of both Loans and Deposits in line with Bank's risk appetite. As a primary dealer, AB Bank performs its responsibility as an underwriter to Govt. securities. AB Bank treasury provides an array of treasury products at competitive prices and superior services with a dynamic and innovative work force. It has been performing consistently over the years with respect to contribution to bank's profitability.

Despite the challenges of 2016, AB treasury has done considerably well by exercising diligence and proper execution of its strategies. To ensure market stability and to maintain the pace of economic growth, Bangladesh Bank has taken several measures in 2016, which are as follows:

- To mop up the excess liquidity and to keep the interest rate stable, Bangladesh Bank continued its sterilization operation through the auction of BB Bill of 30 days, 14 days and 7 days tenor.
- BB has adopted accommodative monetary policy to bring down the lending rate to single digit to stimulate credit growth for speeding up economic growth.
- Bangladesh Bank continues its participation in the domestic foreign exchange market as required for stabilizing foreign exchange rate (USD/BDT) to boost up export and remittance flow.

In the year 2016, there was no CRR/SLR short fall and no breach of Net Open Position (NOP) limit. Treasury successfully used all types of money market and foreign exchange instruments to efficiently manage the funds to ensure optimum Balance Sheet spread.

Highlights of 2016:

- Interest income on Money Market Product stood BDT 404.82 million in 2016 compared to BDT 316.2 million in 2015.
- Investment income increased to BDT 5,082.6 million in 2016 from BDT 3,129.9 million in 2015.
- Income from Foreign Exchange was BDT 648.3 million in 2016 compared to BDT 753 million in 2015.
- During 2016 net realized gain on sale of securities increased substantially to BDT 1,086.5 million from BDT 341.7 million in 2015.

Financial Institutions Unit

FI marketing team facilitates trade business on behalf of AB Bank Mumbai Branch and AB International Finance Limited (ABIFL), Hong Kong. FI Marketing is primarily engaged in harnessing Reimbursement Authorities/ Payment Instructions and scouting of LC advising from different commercial Banks for Mumbai Branch. For ABIFL, the FI Marketing Team procures foreign trade related business e.g. advising LCs, confirmation of LCs and discounting of bills.

International Trade

International Trade plays a significant role in AB's Business profile. Import business increased to Taka 11,579 crore in 2016 which was Taka 11,125 crore in 2015. Import bucket of AB covers areas like scrap vessels, food items, chemicals, medicines, textiles, capital machineries etc. Total Import increased by 4.08% in the year 2016.

Total export growth of AB was 4.21% percent in the year 2016 compared to the previous year. Total export reached Taka 7,605 crore at the end of the year 2016 which was Taka 7,298 crore in 2015. Export business focused mainly in frozen fish, readymade garments, knitwear and other indigenous products.

AB's foreign correspondent relationship covers most of the important financial hubs and financial institutions in the world. About 542 correspondents comprise the correspondent banking platform of the Bank, facilitating its expanding international trade business and customer services.

Remittance Initiative

AB strengthened the existing remittance relationship with various exchange houses in 2016. AB has been focusing on enhanced customer services through its Branch network. Dedicated "Remittance Hub" centrally located at Head Office backed by advanced technology platform helped 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 stood at USD 250 million in 2016.

OVERSEAS OPERATIONS

Mumbai Branch

AB Bank Limited Mumbai Branch, India is the only Bangladeshi Bank based in Mumbai catering to Indo-Bangla Trade. Since its inception in the year 1996, in addition to retail banking activities, it is engaged in handling L/Cs and documents arising out of exports from India to Bangladesh. The Branch also handles add confirmation, negotiation and discounting of documents among others.

Our FI Marketing Team, formed on 20th July, 2003, facilitates trade business activities originating from the different Banks in Bangladesh. The operations of our FI Marketing Team are a fee based income infusing foreign currency to our national economy.

At present our Mumbai Branch is maintaining VOSTRO Accounts of 47 Banks in Bangladesh. During the year 2016, 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.

Branch's Operating Profit at the year-end 2016 was INR 188.54 million.

Highlights of the Branch Business in 2016:

INR Million	2016	2015	2014	2013	2012
Total Assets	2,564.18	2,767.26	2,196.75	1,759.93	1,717.58
Total Loans and Advances	405.31	673.91	729.84	561.35	398.38
Total Deposits	1,367.94	1,609.58	1,073.10	798.63	847.61
CRAR – Overall	32.24%	34.87%	30.50%	33.87%	26.28%
CRAR – Tier I	31.97%	34.56%	30.22%	33.59%	25.70%
CRAR – Tier II	0.27%	0.31%	0.28%	0.28%	0.58%
Fee based income to Total income	81.87%	79.92%	78.15%	78.46%	75.52%
Return on Total Assets	2.39%	4.75%	4.77%	4.68%	6.30%

Operating results of Mumbai in 2016:

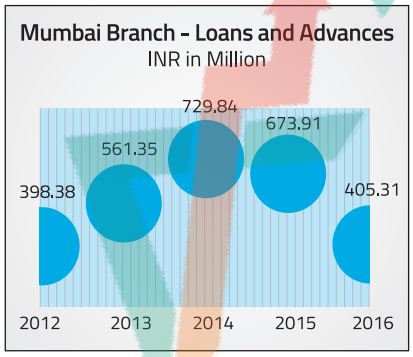
INR Million	2016	2015	2014	2013	2012
Operating Profit-INR Million	188.54	194.34	158.85	141.74	142.76
Profit after tax (PAT)- INR Million	63.68	114.24	94.44	81.37	93.57
Return on assets (%)	2.39	4.75	4.77	4.68	6.30
Return on equity (%)	6.53	12.38	11.04	10.60	13.75

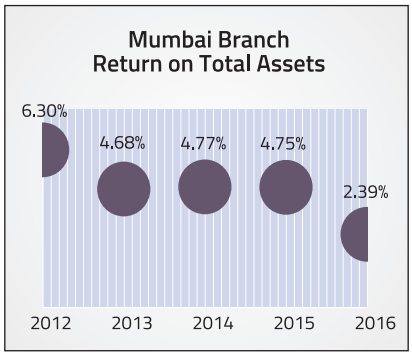
AB International Finance Limited

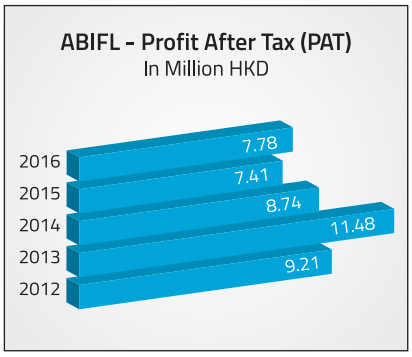
AB International Finance Limited, Hong Kong a wholly owned Subsidiary of AB Bank Limited, having started its operations in the year 1995 is primarily engaged in advising, adding confirmation to documentary credits, negotiation and discounting of bills under L/C. ABIFL's performance in 2016 was satisfactory.

Operating results of ABIFL in 2016:

Particulars	2016	2015	2014	2013	2012
Profit after tax (PAT) – HKD Million	7.78	7.41	8.74	11.48	9.21
Return on assets (%)	8.49	5.76	5.5	7.19	5.54
Return on equity (%)	46.52	43.06	45.42	58.98	50.23
Earnings per Share- HKD	77.77	74.06	87.38	114.85	92.07

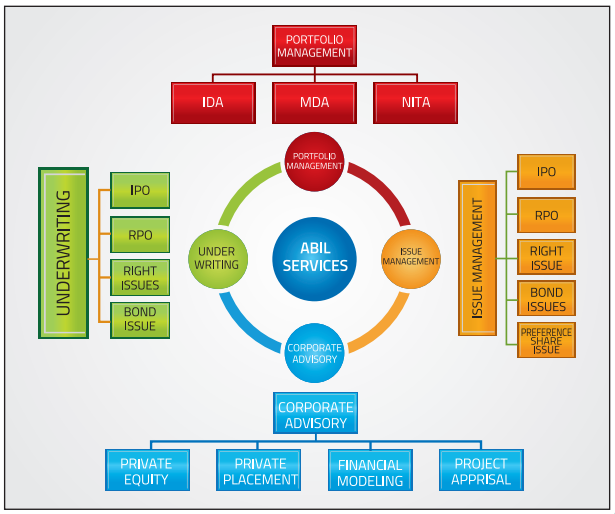






AB INVESTMENT LIMITED (ABIL)

AB Investment Limited (ABIL), a wholly owned subsidiary of AB Bank was incorporated in December 2009. ABIL offers a range of services shown in the following charts:



The number of clients of AB Investment Limited is about 2,509. The clientele include local individuals, Institutional clients, NRBs and Foreign Individuals. ABIL has 7(seven) panel brokers to perform trading for its clients and also for its own portfolio. Total portfolio of ABIL was more than Tk. 8 billion in 2016. Currently, ABIL operates from Dhaka, Chittagong and Sylhet.

Performances of ABIL:

In Million Taka

Particulars	2016	2015	2014	2013
Number of Clients	2,509	2,567	2,553	2,705
Margin Loan provided to Clients	715.24	6,991	7,017	7,137
Operating Income	473	438	623	534
Operating Profit	391	253	330	174
Net Profit	244	114	169	43
Earnings Per Share (Tk.)	*0.71	*0.36	*5.87	*0.49
Face Value (Tk.)	10	10	10	10

*Restated EPS

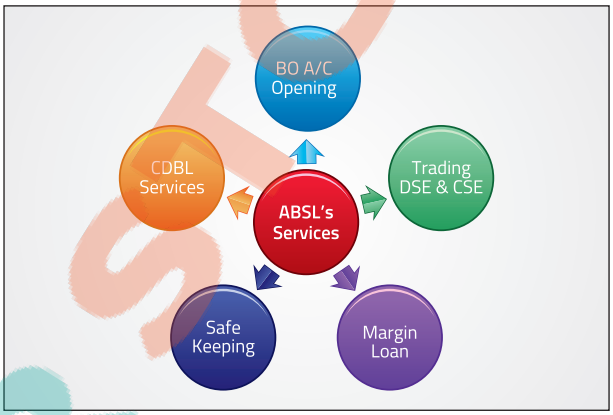
AB SECURITIES LIMITED (ABSL)

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 3,166 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 2016, total turnover of ABSL was around Tk. 20.68 billion.

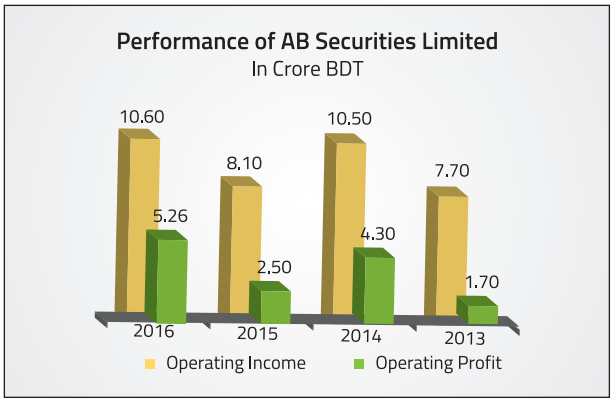
Services of ABSL:



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

	2014	2015	2016
Number of Clients	2,892	3,051	3166
Margin Loan Disbursed (Million Tk.)	1,046	990	957.75
Operating Income (Million Tk.)	105	81	106
Operating Profit (Million Tk.)	43	25	52.57
Earnings Per Share (Tk.)	0.62	0.32	1.14
Total Turnover –Trade (Billion Tk.)	38.68	22.49	20.68



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 paymenat 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
- Debit Card, Credit Card processing services, etc.
- To facilitate E-commerce facility to our clients.

In 2016 our Switch approved about 2,994,160 number of transactions, about 40,800 card issued and about 96,555 card renewed.

DEPARTMENT OF CREDIT

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 practices specific risk mitigating factors 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 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 set up has also ensured sound practices in overall credit management viz. credit processing / appraisal, approval, documentation, disbursement, monitoring and control. The Division exercises continuous up-gradation of its 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 a financial institution like AB. It also ensures operations of the Bank within the compliance framework. The Department primarily focuses on developing and maintaining a service-oriented culture in a compliant environment. It performs the key roles of controllership, budgeting, forecasting, financial analysis, business performance monitoring, decision support, cost control, 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 DIVISION (RMD)

Risk Management is one of the key elements of the Bank. AB Bank has established Risk Management Division (RMD) in accordance with Bangladesh Bank guidelines. The primary objective of this Division is to protect the organization from unexpected financial and reputational losses by detecting those associated risks and there-by to ensure a sustainable growth. RMD provides necessary suggestions and possible initiatives through the Board's Risk Management Committee.

RMD plays an effective role in successful completion of Supervisory Review Process and holding SRP-SREP dialogue on ICAAP. The Division, in association with Finance Division and Treasury Division has introduced the module for VAR calculation on fixed income and FX position. It also provides training to AB Bank officials on risk management 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.

ARAB BANGLADESH BANK FOUNDATION (ABBF)

Arab Bangladesh Bank Foundation (ABBF), a fully owned subsidiary of the Bank is a platform for philanthropic activities. The Board of Directors of AB decided to convert the Foundation into an "entity" in its present form a with its philanthropic activities as envisaged. ABBF has donated Taka 9 million in 2016 under CSR activities.

AB Bank Limited
Directors' Report 2016

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. AB feels obligated towards the community in which it operates. It has long been active in a wide range of socially responsible initiatives. AB Bank believes that Corporate Social Responsibility is the first and foremost commitment 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, more so when Bangladesh is likely to be the most affected country in the world due to climate change. The Bank always respons to the crying needs of the society and to stand beside the affected ones in times of crisis.



FINANCIAL PERFORMANCE

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. Sound financial health of a bank is the guarantee not only to its depositors but is equally significant for the shareholders, employees and for the economy as well. As a sequel to this maxim, efforts have been made from time to time, to measure the financial position of each bank and manage it efficiently and effectively. Amid a challenging economic and business environment, which prevailed throughout 2016, AB registered following financials:

Total Assets of the Bank stood at Taka 31,484 crore (growth of 10%) while total capital reached the level of Taka 3,064 crore at the year end which indicates the maximum level of wealth of the Bank.

Business Results:

Particulars	Amount in Crore Taka		Amount in Crore USD		Change
	2016	2015	2016	2015	
Deposits	24,564.08	21,381.89	312.08	272.38	14.88%
Loans and Advances	21,876.95	20,972.52	277.94	267.16	4.31%
Investments	4,666.69	3,255.91	59.29	41.48	43.33%
Import Business	11,579.40	11,124.52	147.11	141.71	4.09%
Export Business	7,605.23	7,298.20	96.62	92.97	4.21%
Guarantee Business	1,667.00	1,572.00	21.18	20.03	6.04%
Remittance	1,996.46	2,198.01	25.36	28.00	-9.17%
Operating Profit	501.94	495.38	6.40	6.32	1.33%
Profit before taxation	200.21	275.89	2.55	3.52	-27.43%
Profit after Tax	130.47	127.04	1.66	1.62	2.70%
Earnings Per Share (TK)	1.94	1.89	0.02	0.02	2.70%
Return on Equity (%)	5.68%	6.03%	5.68%	6.03%	-5.81%
Return on Assets (%)	0.44%	0.48%	0.44%	0.48%	-9.03%
Asset Utilization Ratio (%)	86.59%	87.71%	86.59%	87.71%	-1.27%

Loans and Advances reached Taka 21,877 crore while Deposits was Taka 24,564 crore representing growth of 4 percent and 15 percent respectively. In 2016 fee based business of the bank was not quite satisfactory.

At the end of the year, Bank achieved Taka 502 crore as Operating Profit. Investment Income growth was 59 percent, where other income growth was -2 percent. After providing required level of Tax Provisions as per Income Tax Ordinance, 1984, related Finance Act and Bangladesh Bank guidelines; Profit after Tax (PAT) stood at Taka 130 crore for the year.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change
	2016	2015	2016	2015	
Interest income	1,891.40	2,081.16	24.11	26.69	-9.12%
Interest expenses	1,607.70	1,653.22	20.50	21.20	-2.75%
Net interest income	283.70	427.93	3.62	5.49	-33.70%
Investment income	534.82	335.54	6.82	4.30	59.39%
Comm.exchange & brokerage	271.71	282.88	3.46	3.63	-3.95%
Other income	11.58	11.86	0.15	0.15	-2.35%
Operating Revenue	1,101.81	1,058.21	14.05	13.57	4.12%
Operating expenses	599.86	562.83	7.65	7.22	6.58%
Profit before Provision & Tax	501.94	495.38	6.40	6.35	1.33%
Provision & Tax	371.48	368.33	4.74	4.72	0.85%
Profit after Tax	130.47	127.04	1.66	1.63	2.70%

During 2016, Net Interest Income was Tk. 284 crore. Total Non-funded or Non-interest Income including Income from Investments stood at Taka 818 crore at the end of the year where last year's position was Tk. 630 crore.

Operating expenses during the year increased by Taka 37 crore i.e. 7% growth over last year. Bank had to sustain the growth momentum through investment in infrastructure and human capital. Moreover, inflationary effects and

increase of business inputs including utilities contributed towards this upward move. Salary and allowances which accounts for 49 percent of Operating expenses increased by 4 percent as the Bank went for promotion and salary increment. Besides, rent, taxes, insurance, electricity also increased due to multiple reasons like increasing of rate imposition of VAT, expansion of new branch, etc. Communication and other expenses increased keeping pace with the increasing business volume.

In 2016, Total Assets per employee stood at Tk. 12.99 crore where the operating profit per employee reduced to Tk. 0.21 crore from Tk. 0.22 crore.

Taka in Crore	2016	2015	Change
Operating profit per employee	0.21	0.22	-4.82%
Net Profit after Tax per employee	0.05	0.06	-3.53%
Total Asset per employee	12.99	12.52	3.76%

Bank gave constant emphasis on quality credit portfolio and could also keep the NPL Ratio at a manageable level due to the prudent risk management strategies. A committed recovery team and adequate monitoring and control systems are in place for asset quality assurance. Bank made total provisions of Taka 302 crore against Loans and Advances, Investments and others in 2016.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change
	2016	2015	2016	2015	
Net Profit after Tax	130.47	127.04	1.66	1.63	2.70%
Total Income	2,709.51	2,711.43	34.54	34.78	-0.07%
Interest Income	1,891.40	2,081.16	24.11	26.69	-9.12%
Classified Loans	1,136.48	661.91	14.44	8.43	71.70%
CL Ratio	5.19%	3.16%	5.19%	3.16%	2.04%
CL Provisions	250.63	259.62	3.18	3.31	-3.46%

Total Assets of the Bank stood at Taka 31,484 crore in 2016 against Taka 28,501 crore in 2015 registering a growth 10 percent. Increases of total assets were mainly driven by increase of business volume i.e. increase in Loan & Advances, Cash, Money at call and on short notice, Investments. Near about 58% and 43% growth in Money at call and on short notice & Investments respectively also boosted the total assets.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change
	2016	2015	2016	2015	
Cash	1,970.77	1,703.33	25.04	21.70	15.70%
Balance with other banks and FI	455.74	471.10	5.79	6.00	-3.26%
Money at call and short notice	832.59	528.43	10.58	6.73	57.56%
Investments	4,666.69	3,255.91	59.29	41.48	43.33%
Loans and Advances	21,876.95	20,972.52	277.94	267.16	4.31%
Fixed Assets	408.04	420.09	5.18	5.35	-2.87%
Other Assets	1,272.82	1,149.64	16.17	14.65	10.71%
Total Assets	**31,483.59**	**28,501.03**	**399.99**	**363.07**	**10.46%**

Loans and advances of the Bank grew by 4% percent and stood at Taka 21,877 crore at the end of 2016. This is a result of continued growth in lending business. Bank is very much focused to finance in all the sectors of the economy in order to diversify the risk and a balanced growth in line with monetary policy as well.

Bank's investments, during the year 2016, were made mostly in government securities which stood at Tk. 4,667 crore as against Tk. 3,256 crore in 2015. Out of total Investments 90% belongs to Government Securities which supports the Bank to maintain SLR. Other Investments including investments in capital market stood at Tk. 476 crore at the year end.

Other Assets of the Bank stood at Taka 1,273 crore a growth of 11 percent during the year. Other assets mostly comprises investment in subsidiaries, deferred tax, operational advances among others.

Total liabilities in 2016 increased by 11 percent to Taka 29,172 crore from Taka 26,222 crore in 2015. Significant increases were in the area of Deposits and Borrowings. AB's total Deposit stood at Taka 24,564 crore at the end of year 2016. The volume of deposits, therefore, grew by 15 percent in 2016 over the previous year.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change
	2016	2015	2016	2015	
Borrowings from other banks, FI & Agents	1,545.44	2,369.33	19.63	30.18	-34.77%
AB Bank Subordinated Bond	650.00	650.00	8.26	8.28	0.00%
Deposits and other accounts	24,564.08	21,381.89	312.08	272.38	14.88%
Other liabilities	2,412.62	1,820.58	30.65	23.19	32.52%
Capital/Shareholders' Equity	2,311.45	2,279.22	29.37	29.03	1.41%
Total Liabilities & Shareholders' Equity	**31,483.59**	**28,501.03**	**399.99**	**363.0**	**10.46%**

Earnings Per Share stood at Taka 1.94 in 2016 compared to Taka 1.89 last year. Return on Assets (ROA) for the year was 0.44 percent while Return on Equity (ROE) was 5.68 percent.

Shareholders Equity stood at Taka 2,311 crore at the end of 2016 showing a growth of 1 percent over last year. Paid-up Capital of the Bank went up by 12.50 percent to Taka 674 crore representing the effect of Stock Dividend for the year 2015. Statutory Reserve stood at Taka 650 crore – during the year. A retained earnings for the year ended was Taka 681 crore from the last year level of Taka 683 crore.

Cash flow statement

During the year 2016, Bank had a net cash inflow of Taka 556 crore as given below:

Taka in Crore	2016	2015
Net cash flow from operating activities	2,045.86	-2.22
Net cash flow from investment activities	-1,511.23	-147.78
Net cash flow from financing activities	21.68	422.90
Net increase and (decrease) in cash	**556.31**	**272.91**

Net cash flow from operating activities

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 cash flow from investment activities

Net cash flow from investment activities is negative as the Bank purchased government securities for SLR maintaining and fixed assets purchased for banking operation.

Net cash flow from financing activities

Net cash flow from financing activities comprised long term borrowings and Dividend paid during the year.

Capital Adequacy

Bank maintained adequate capital throughout and at the end of the year CRAR was 10.79 percent. In 2016 the Bank's Common Equity Tier-I Capital and Total Capital were 6.58 percent and 10.79 percent respectively.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change
	2016	2015	2016	2015	
Fully Paid-up Capital	673.89	599.02	8.56	7.63	12.50%
Statutory Reserve	649.56	611.12	8.25	7.78	6.29%
General Reserve	122.22	122.22	1.55	1.56	0.00%
Retained earnings	680.97	683.09	8.65	8.70	-0.31%
a. Common Equity Tier-I Capital	**2,126.64**	**2,015.45**	**27.02**	**25.67**	**5.52%**
Less: Regulatory Adjustment	256.36	181.53	3.26	2.31	41.22%
Total Common Equity Tier-I Capital	**1,870.28**	**1,833.92**	**23.76**	**23.36**	**1.98%**
Tier-2 Capital:					
General Provision (eligible portion)	495.87	285.52	6.30	3.64	73.68%
Revaluation Reserves (50% of Fixed Assets & Securities & 10% of Equities)	79.80	79.80	1.01	1.02	0.00%
Subordinated Debt	650.00	650.00	8.26	8.28	0.00%
b. Total Eligible Tier-II Capital	**1,225.68**	**1,015.32**	**15.57**	**12.93**	**20.72%**
Less: Regulatory Adjustment	31.92	15.96	0.41	0.20	100.00%
Total Tier-2 Capital Available	1,193.76	999.36	15.17	12.73	19.45%
c. Total Eligible Capital (a+b)	**3,064.04**	**2,833.28**	**38.93**	**36.09**	**8.14%**
Total assets including off-Balance Sheet items	38,831.48	35,365.94	493.34	450.52	9.80%
Total risk-weighted assets (RWA)	28,402.85	25,552.54	360.85	325.51	11.15%
Total required capital (10.625% of Total RWA)	**3,017.80**	**2,555.25**	**38.34**	**32.55**	**18.10%**
Capital Surplus / (Shortfall)	**46.24**	**278.03**	**0.59**	**3.54**	**-83.37%**
CRAR	**10.79%**	**11.09%**	**10.79%**	**11.09%**	**-2.71%**

Quarterly CRAR Position under BASEL III
Capital to Risk Weighted Assets Ratio (Under BASEL III)

Particulars	2016			
	QTR I	QTR II	QTR III	QTR IV
Total Risk Weighted Assets (RWA)	26,892	27,043	27,658	28,403
Total Capital requirement	2,857	2,873	2,939	3,018
CRAR-				
Requirement	10.625%	10.625%	10.625%	10.625%
Maintained	**10.72%**	**10.69%**	**10.63%**	**10.79%**
Total Capital maintained	**2,883**	**2,892**	**2,941**	**3,064**

Overall business performance indicators shows good position in terms of profitability, capital maintenance and Shareholders value addition for AB in 2016.

Particulars	2016	2015	2014	2013	2012
LD Ratio (%)	83.67	96.80	89.60	86.58	75.75
CL (%)	5.19	3.16	3.86	3.37	3.32
Capital to Risk Weighted Assets Ratio (%)	10.79	11.09	10.32	10.80	11.73
Cost Income Ratio (%)	54.44	52.86	43.03	45.78	48.27
Earnings Per Share (Taka)-Diluted	1.94	1.89	1.87	1.50	2.13
Return on Equity (%)	5.68	6.03	6.95	6.13	9.31
Return on Assets (%)	0.44	0.48	0.54	0.53	0.88
Asset Utilization Ratio (%)	86.59	87.71	87.56	84.60	82.93

Consolidated Financial Statements

As per the Bangladesh Securities & Exchange Rules, 1987 Rules 12(2) " The Financial Statements of an issuer of a listed security shall be prepared in accordance with requirements laid down in the Schedule and the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB)."

In the year 2009, Bangladesh Bank guidelines on Basel – II also laid emphasis on consolidation of accounts in case of Bank's having any subsidiary company. Accordingly, Bank Management and the Board of Directors resolved to follow the guidelines of Bangladesh Financial Reporting Standards (BFRS) 10:˝Consolidated Financial Statements˝.

In compliance with the aforesaid, AB Bank prepared Financial Statements on Consolidated basis and Solo basis. Consolidated Financial Statements consists of consolidation of:

AB Bank Limited
AB Investment Limited
AB Securities Limited
Cashlink Bangladesh Limited
AB International Finance Limited

Consolidated Financial Statements for the Bank and its Subsidiaries were prepared and also separate Financial Statements were prepared for the Bank in relation to the year end 2016 accounts. The Financial Statements for the year 2015 have also been re-arranged for better comparative information.

Consolidated Financial positions of AB Bank Limited & its subsidiaries is given below:

Property and Assets	Amount in Crore Taka		Amount in Crore USD		Change
	2016	2015	2016	2015	
Cash	1,970.77	1,703.46	25.04	21.70	15.69%
Balance with other banks and FI	465.50	475.27	5.91	6.05	-2.06%
Money at call and on short notice	763.32	456.68	9.70	5.82	67.14%
Investments	4,756.15	3,343.78	60.43	42.60	42.24%
Loans and advances	22,654.65	21,636.49	287.82	275.62	4.71%
Fixed assets	468.10	481.95	5.95	6.14	-2.88%
Other assets	638.39	596.25	8.11	7.60	7.07%
Total Assets	**31,716.88**	**28,693.88**	**402.95**	**365.53**	**10.54%**

Liabilities and Capital	Amount in Crore Taka		Amount in Crore USD		Change
	2016	2015	2016	2015	
Liabilities					
Borrowings from other banks, FI	1,575.78	2,409.86	20.02	30.70	-34.61%
AB Bank Subordinated Bond	650.00	650.00	8.26	8.28	-
Deposits and other accounts	24,539.44	21,367.17	311.77	272.19	14.85%
Other liabilities	2,518.25	1,909.48	31.99	24.32	31.88%
Liabilities	**29,283.47**	**26,336.51**	**372.04**	**335.50**	**11.19%**
Equity attributable to equity holders of the parent company	2,432.42	2,357.60	30.90	30.03	3.17%
Minority interest	0.99	(0.22)	0.01	(0.00)	543.33%
Total Equity	**2,433.41**	**2,357.38**	**30.92**	**30.03**	**3.23%**
Total Liabilities and Shareholders' Equity	**31,716.88**	**28,693.88**	**402.95**	**365.53**	**10.54%**

Consolidated Profit & Loss Account

Liabilities and Capital	Amount in Crore Taka		Amount in Crore USD		Change
	2016	2015	2016	2015	
Operating Income					
Interest income	1,945.00	2,122.89	24.80	27.23	-8.38%
Interest paid on deposits and borrowings, etc.	(1,613.92)	(1,660.88)	(20.58)	(21.30)	2.83%
Net interest income	**331.08**	**462.00**	**4.22**	**5.93**	**-28.34%**
Investment income	510.59	328.20	6.51	4.21	55.57%
Commission, exchange and brokerage	285.58	296.44	3.64	3.80	-3.67%
Other operating income	16.89	22.77	0.22	0.29	-25.81%
	813.06	**647.41**	**10.37**	**8.30**	**25.59%**
Total Operating Income	**1,144.14**	**1,109.42**	**14.59**	**14.23**	**3.13%**
Total operating expenses	602.11	571.26	7.68	7.33	5.40%
Profit before provision	**542.03**	**538.16**	**6.91**	**6.90**	**0.72%**
Total provision	302.05	231.15	3.85	2.96	30.67%
Loss on disposal of AB Exchange (UK) Limited	0.44	-	-	-	100.00%
Profit before taxation	**239.54**	**307.01**	**3.06**	**3.94**	**-21.98%**
Provision for taxation	88.66	161.28	1.13	2.07	-45.03%
Net profit after taxation	**150.88**	**145.73**	**1.93**	**1.87**	**3.53%**

Dividend

Board of Directors of the Bank has recommended a Stock Dividend @12.5% for the year ended 31 December 2016 after keeping required provisions as envisaged by the applicable acts and laws and regulations of Bangladesh Bank in this respect. Bank has fully provided for all bad, doubtful and statutory provision as per Bangladesh Bank's rules and guidelines.

Election of Directors

In accordance with the relevant 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. 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.

Board of Directors

Board of Directors of AB comprises of 12 (twelve) Members including the President & Managing Director. President & Managing Director is the Ex-Officio Member of the Board. Mr. Shishir Ranjan Bose, FCA and Prof. Dr. M. Imtiaz Hossain have been inducted as Independent Directors in compliance with the guidelines of the Bangladesh Securities and Exchange Commission (BSEC) and by the circulars of Bangladesh Bank. Board also has three Committees in operation viz Executive Committee, Audit Committee and Risk Management Committee. Respective Committees operate following their given TOR set by the Board or Bangladesh Bank as the case may be.

Rating of AB Bank Limited

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

Surveillance Rating (2016)	Long Term	Short Term
	A_1	ST-2
Date of Rating:	May 28, 2017	
Validity Date:	June 30, 2018	

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.

35th Annual General Meeting

The 35th Annual General Meeting will be held on August 17, 2017 (Thursday) at 9:00 a.m. at the Hall -1 (Gulnaksha), International Convention City Bashundhara, Kuril Biswa Road, Purbachal Express Highway, Dhaka-1219.

Country Outlook

Bangladesh's growth and poverty reduction objectives is partly dependent on global prosperity and openness in trade and investment in the coming decades. The 7th Five-year Plan has articulated a strategy for higher manufacturing growth coupled with export expansion and diversification predicated upon an export-oriented trade policy. A highly productive agriculture and double digit export-oriented manufacturing growth form the core development strategies to reach upper middle income status and eliminate extreme poverty by fiscal year 2030-31. Achieving success in these strategies will require deepening of globalisation and Bangladesh's increasing integration with the developed, emerging, and developing economies.

A strong wind of right-wing populist economic nationalism, anti-globalisation, and anti-establishment is sweeping much of Europe and North American politics, from prosperous Sweden and crisis-ridden Greece, to the USA, leading to the election of inward-looking leadership in the UK, the USA, Hungary, while similar prospects threaten France, Italy, Austria, and even Germany. Much vaunted plurilateral pacts, the Trans Pacific Partnership (TPP) and Trans Atlantic Trade and Investment Partnership (TTIP) are facing their steepest challenge yet and may be destined for the ashes of history. As bad as this might look, it could provide the much needed impetus to multilateralism which could be the saving grace in the end. Whereas China's export prowess could be an envy of the West, LDCs like Bangladesh are not on their radar yet. What could be disastrous for countries like Bangladesh is if the currents of economic nationalism lead to misguided policies of trade protectionism in advanced economies. That would not only result in further trade contraction but would be harmful for job creation and economic growth in developed and developing countries alike.

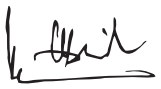
In the past years, the global slowdown of trade as well as exports has raised doubts in many minds, elsewhere and in Bangladesh, as to whether export dependence is a good idea, and whether it would be prudent to reduce such external dependence. Voices are being heard in seminar circles to the effect that it is time to shift focus from exports to the domestic market. The point must be made that even slow growth in advanced economies create enormous demand for Bangladeshi apparels and footwear. Some $40 trillion of global GDP and market demand is tied up in these markets. Our domestic market is growing fast with a rising middle class expected to grow to 27-30 million by 2025, according to a report by Boston Consulting Group. Yet this is no match to the potential global market that beckons our entrepreneurs and the two million workers entering the labour force every year.

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 continued support and co-operations over the years. The Board is also indebted to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, Office of the Registrar of Joint Stock Companies and Firms and other related entities for their continued guidance and support throughout this enduring 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 Shareholder value. Besides, AB will also continue its holistic efforts in improving the lot of the common people and accelerating its contribution towards economic and social development of the country.



M. Wahidul Haque
Chairman

VMARKET

AB Bank Limited

President & Managing Director and CFO's Statement

April 27, 2017

TO

THE BOARD OF DIRECTORS
AB Bank Limited
Head Office, Dhaka

SUB: CEO AND CFO's DECLERATION TO THE BOARD OF DIRECTORS OF THE BANK

In compliance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMR-RCD/2006-158/134/Admin/44 dated August 07, 2012; we declare the following for the financial year ended 31 December 2016:

i. We have reviewed the financial statements for the year 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 together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;

ii. There are, to the best of knowledge and belief, no transaction was entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank's code of Conduct.

This is placed for kind perusal of the Board.

Mahadev Sarker Sumon FCA
Chief Financial Officer

Moshiur Rahman Chowdhury
President & Managing Director (CC)

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Auditor's Report and Audited Consolidated & Separate Financial Statements



Independent Auditor's Report to the Shareholders of **AB Bank Limited**

Report on the Financial Statements

We have audited the accompanying 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 balance sheet and the separate balance sheet as at 31 December 2016, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in Note-1.12 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in Note-1.12.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended and the rules and regulations issued by Bangladesh Bank, 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) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the financial statements of the Bank 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 Financial Statements and Internal Control:

   i. internal audit, internal control and risk management arrangements of the Bank as disclosed in Note-1.15 of the financial statements appeared to be materially adequate;
   ii. 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 Bank and its related entities other than matters disclosed in these financial statements.

c) financial statements of all subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;

d) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;

f) the expenditure incurred was for the purposes of the Bank's business;

g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;

h) adequate provisions as explained in Note-14.1, have been made for advances which are, in our opinion, doubtful of recovery;

i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

j) the information and explanation required by us have been received and found satisfactory; and

k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,555 person hours for the audit of the books and accounts of the Bank.

Chartered Accountants

Dated: Dhaka
29 April 2017

AMR STOCK

AB Bank Limited & its Subsidiaries

Consolidated Balance Sheet

As at December 31, 2016

PROPERTY AND ASSETS	Notes	31.12.2016 Taka	31.12.2015 Taka
Cash	**3(a)**	**19,707,725,976**	**17,034,569,843**
In hand (including foreign currencies)	3.1(a)	1,536,407,693	1,205,441,602
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	18,171,318,283	15,829,128,241
Balance with other banks and financial institutions	**4(a)**	**4,655,002,507**	**4,752,701,128**
In Bangladesh	4.1(a)	2,624,288,364	2,196,851,448
Outside Bangladesh	4.2(a)	2,030,714,143	2,555,849,680
Money at call and on short notice	**5(a)**	**7,633,213,824**	**4,566,844,263**
Investments	**6(a)**	**47,561,451,498**	**33,437,817,546**
Government	6.1(a)	41,903,780,261	27,900,211,389
Others	6.2(a)	5,657,671,237	5,537,606,158
Loans, advances and lease/investments		**226,546,501,234**	**216,364,880,127**
Loans, cash credits, overdrafts, etc./Investments	7(a)	225,023,967,197	214,291,708,326
Bills purchased and discounted	8(a)	1,522,534,037	2,073,171,801
Fixed assets including premises, furniture and fixtures	**9(a)**	**4,680,967,000**	**4,819,543,816**
Other assets	**10(a)**	**6,383,908,169**	**5,962,473,246**
Non-banking assets		**-**	**-**
Total Assets		**317,168,770,208**	**286,938,829,969**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	**11(a)**	**15,757,755,476**	**24,098,598,784**
AB Bank Subordinated Bond	**12**	**6,500,000,000**	**6,500,000,000**
Deposits and other accounts	**13(a)**	**245,394,404,421**	**213,671,723,838**
Current account and other accounts		22,296,581,953	20,050,332,586
Bills payable		4,865,582,322	3,699,973,387
Savings bank deposits		28,024,691,434	22,573,067,458
Fixed deposits		122,034,379,371	111,741,032,463
Other deposits		68,173,169,341	55,607,317,944
Other liabilities	**14(a)**	**25,182,491,365**	**19,094,756,031**
Total Liabilities		**292,834,651,262**	**263,365,078,652**
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		**24,324,206,960**	**23,575,987,130**
Paid-up capital	15	6,738,936,140	5,990,165,460
Statutory reserve	16	6,495,637,440	6,111,203,545
Other reserve	17(a)	3,253,395,264	4,039,376,532
Retained earnings	18(a)	7,836,238,115	7,435,241,593
Minority interest	18(b)	9,911,986	(2,235,814)
Total Equity		**24,334,118,946**	**23,573,751,317**
Total Liabilities and Shareholders' Equity		**317,168,770,208**	**286,938,829,969**

AB Bank Limited & its Subsidiaries

Consolidated Balance Sheet

As at December 31, 2016

	Notes	31.12.2016 Taka	31.12.2015 Taka
Off-Balance Sheet Items			
Contingent liabilities	19	**73,478,914,136**	**68,649,158,866**
Acceptances and endorsements		29,034,996,366	24,351,049,686
Letters of guarantee	19.1	13,920,306,922	12,327,410,154
Irrevocable letters of credit		22,005,679,984	23,650,724,184
Bills for collection		8,517,930,863	8,319,974,842
Other contingent liabilities		-	-
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		**73,478,914,136**	**68,649,158,866**

The annexed notes form an integral part of these consolidated financial statements.

Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director (Current Charge)	**Independent Director**	**Director**	**Chairman**

This is the Consolidated Balance Sheet referred to in our separate report of even date.

Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

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AB Bank Limited & its Subsidiaries

Consolidated Profit and Loss Account

For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
OPERATING INCOME			
Interest income/profit on investments	21(a)	19,450,005,916	21,228,897,178
Interest/profit paid on deposits and borrowings, etc.	22(a)	(16,139,157,478)	(16,608,847,742)
Net interest income		**3,310,848,438**	**4,620,049,436**
Investment income	23(a)	5,105,865,296	3,281,987,184
Commission, exchange and brokerage	24(a)	2,855,788,192	2,964,436,043
Other operating income	25(a)	168,909,279	227,682,558
		8,130,562,767	**6,474,105,785**
Total operating income (a)		**11,441,411,205**	**11,094,155,221**
OPERATING EXPENSES			
Salary and allowances	26(a)	3,011,081,546	2,904,505,487
Rent, taxes, insurance, electricity, etc.	27(a)	711,166,604	606,508,831
Legal expenses	28(a)	18,571,996	9,292,376
Postage, stamps, telecommunication, etc.	29(a)	143,774,685	139,947,246
Stationery, printing, advertisement, etc.	30(a)	197,362,277	168,617,596
Chief executive's salary and fees	26.1	12,900,000	13,900,000
Directors' fees	31(a)	10,699,895	8,783,017
Auditors' fees	32(a)	5,762,139	5,285,950
Depreciation and repairs of Bank's assets	33(a)	585,870,806	600,206,526
Other expenses	34(a)	1,323,937,179	1,255,511,701
Total operating expenses (b)		**6,021,127,128**	**5,712,558,730**
Profit before provision c = (a-b)		**5,420,284,078**	**5,381,596,491**
Provision against loans and advances	35(a)	2,938,984,936	2,066,527,189
Provision for diminution in value of investments	36(a)	21,980,479	44,910,791
Other provisions	37(a)	59,558,484	200,066,450
Total provision (d)		**3,020,523,899**	**2,311,504,430**
Loss on disposal of AB Exchange (UK) Limited		**4,381,780**	**-**
Profit before tax		**2,395,378,399**	**3,070,092,061**
Provision for taxation		**886,586,150**	**1,612,779,701**
Current tax		1,774,806,624	2,015,720,840
Deferred tax		(888,220,474)	(402,941,140)
Net profit after tax		**1,508,792,249**	**1,457,312,360**
Appropriations			
Statutory reserve		388,712,367	535,826,124
General reserve		-	-
Dividends, etc.		-	-
		388,712,367	**535,826,124**
Retained surplus		**1,120,079,882**	**921,486,237**
Minority interest		**(5,944,179)**	**7,220,463**
Net Profit attributable to the shareholders of parent company		**1,126,024,060**	**914,265,774**
Consolidated Earnings Per Share (EPS)	**39(a)**	**2.25**	**2.15**

The annexed notes form an integral part of these consolidated financial statements.

Moshiur Rahman Chowdhury
President & Managing Director
(Current Charge)

Shishir Ranjan Bose, FCA
Independent Director

M. A. Awal
Director

M. Wahidul Haque
Chairman

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Dhaka,
April 29, 2017

Howladar Yunus & Co.
Chartered Accountants

Celebrating 35 YEARS OF SUCCESSFUL PARTNERSHIP

AB Bank Limited and its Subsidiaries

Consolidated Cash Flow Statement

For the year ended December 31, 2016

	2016 Taka	2015 Taka
Cash Flows from Operating Activities		
Interest receipts	18,320,297,829	21,773,331,027
Interest payments	(16,125,576,572)	(16,508,505,249)
Dividend receipts	133,087,213	115,124,494
Fee and commission receipts	2,007,736,220	1,989,547,686
Recoveries on loans previously written off	23,385,264	66,437,637
Payments to employees	(3,023,981,546)	(2,918,405,487)
Payments to suppliers	(197,362,277)	(168,617,596)
Income taxes paid	(1,531,193,578)	(2,402,728,026)
Receipts from other operating activities	6,170,669,593	4,302,995,967
Payments for other operating activities	(2,443,034,619)	(2,257,080,318)
Operating profit before changes in operating assets & liabilities	**3,334,027,525**	**3,992,100,136**
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(12,091,885,321)	(34,002,162,475)
Other assets	285,323,789	(1,132,502,797)
Deposits from other banks	963,238,791	(6,289,172,380)
Deposits from customers	30,745,860,885	21,743,796,011
Trading liabilities (short-term borrowings)	(8,557,748,994)	12,483,490,932
Other liabilities	5,875,153,318	3,783,309,830
	17,219,942,470	**(3,413,240,879)**
Net cash flow from operating activities (a)	**20,553,969,995**	**578,859,257**
Cash Flows from Investing Activities		
Purchase of government securities	(14,790,747,653)	(1,534,904,107)
(Purchase)/Sale of trading securities, shares, bonds, etc.	(120,065,079)	257,702,023
Purchase of property, plant and equipment	(217,381,698)	(139,989,135)
Net cash used in investing activities (b)	**(15,128,194,430)**	**(1,417,191,220)**
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	216,905,686	4,229,440,326
Dividend paid	(120,780)	(392,021)
Net cash flow from financing activities (c)	**216,784,906**	**4,229,048,305**
Net (decrease)/increase in cash (a+b+c)	5,642,560,471	3,390,716,342
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	26,357,133,035	22,966,416,693
Cash and cash equivalents at end of the period (*)	**31,999,693,507**	**26,357,133,035**
(*) Cash and cash equivalents:		
Cash	1,536,407,693	1,205,441,602
Prize bonds	3,751,200	3,017,800
Money at call and on short notice	7,633,213,824	4,566,844,263
Balance with Bangladesh Bank and its agent bank(s)	18,171,318,283	15,829,128,241
Balance with other banks and financial institutions	4,655,002,507	4,752,701,129
	31,999,693,507	**26,357,133,035**
Net Operating Cash Flow Per Share (NOCFPS)	**30.50**	**0.86**

Moshiur Rahman Chowdhury
President & Managing Director
(Current Charge)

Shishir Ranjan Bose, FCA
Independent Director

M. A. Awal
Director

M. Wahidul Haque
Chairman

This is the Consolidated Cash Flow Statement referred to in our separate report of even date.

Dhaka,
April 29, 2017

Howladar Yunus & Co.
Chartered Accountants

AMARSTOCK

AB Bank Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended December 31, 2016

(Amount in Taka)

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Minority interest	Retained earnings	Total
Balance at 01 January 2016	5,990,165,460	6,111,203,545	1,298,786,918	1,305,535,181	944,469	1,434,109,964	(2,235,814)	7,435,241,593	23,573,751,317
Adjustment:	-	-	-	-	-	-	-	-	-
Bonus for 2015:									
12.50% Stock Dividend	748,770,680	-	-	-	-	-	-	(748,770,680)	-
Restated balance at 01 January 2016	**6,738,936,140**	**6,111,203,545**	**1,298,786,918**	**1,305,535,181**	**944,469**	**1,434,109,964**	**(2,235,814)**	**6,686,470,913**	**23,573,751,317**
Net profit after taxation for the year	-	-	-	-	-	-	(5,944,179)	1,514,736,427	1,508,792,249
Adjustment for subsidiaries	-	-	-	-	-	-	-	230,620,224	230,620,224
Addition/(Adjustment) made during the year	-	388,712,366	-	(1,774,401)	-	(787,912,180)	18,091,978	(495,941,985)	(878,824,221)
Foreign Exchange Rate Fluctuation	-	(4,278,471)	123,023	-	3,582,290	-	-	(99,647,465)	(100,220,623)
Balance at December 31, 2016	**6,738,936,140**	**6,495,637,440**	**1,298,909,941**	**1,303,760,780**	**4,526,759**	**646,197,784**	**9,911,986**	**7,836,238,115**	**24,334,118,946**
Balance at December 31, 2015	**5,990,165,460**	**6,111,203,545**	**1,298,786,918**	**1,305,535,181**	**944,469**	**1,434,109,964**	**(2,235,814)**	**7,435,241,593**	**23,573,751,317**

Moshiur Rahman Chowdhury
President & Managing Director
(Current Charge)

Shishir Ranjan Bose, FCA
Independent Director

M. A. Awal
Director

M. Wahidul Haque
Chairman

This is the Consolidated Statement of Changes in Equity referred to in our separate report of even date.

Dhaka,
April 29, 2017

Howladar Yunus & Co.
Chartered Accountants

AB Bank Limited

Balance Sheet

As at December 31, 2016

PROPERTY AND ASSETS	Notes	31.12.2016 Taka	31.12.2015 Taka
Cash	**3**	**19,707,650,776**	**17,033,284,356**
In hand (including foreign currencies)	3.1	1,536,332,492	1,204,156,116
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	18,171,318,283	15,829,128,241
Balance with other banks and financial institutions	**4**	**4,557,434,958**	**4,711,003,257**
In Bangladesh		2,531,704,237	2,159,121,205
Outside Bangladesh		2,025,730,721	2,551,882,052
Money at call and on short notice	**5**	**8,325,871,504**	**5,284,337,005**
Investments	**6**	**46,666,898,817**	**32,559,141,564**
Government	6.1	41,903,780,261	27,900,211,389
Others	6.2	4,763,118,556	4,658,930,176
Loans, advances and lease/investments	**7**	**218,769,451,248**	**209,725,203,268**
Loans, cash credits, overdrafts, etc./Investments		218,136,406,416	208,565,121,079
Bills purchased and discounted	8	633,044,832	1,160,082,188
Fixed assets including premises, furniture and fixtures	**9**	**4,080,377,435**	**4,200,872,767**
Other assets	**10**	**12,728,206,273**	**11,496,412,503**
Non-banking assets		**-**	**-**
Total Assets		**314,835,891,011**	**285,010,254,720**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks financial institutions and agents	**11**	**15,454,422,143**	**23,693,344,309**
AB Bank Subordinated Bond	**12**	**6,500,000,000**	**6,500,000,000**
Deposits and other accounts	**13**	**245,640,782,909**	**213,818,905,499**
Current accounts and other accounts		22,298,120,917	20,067,587,921
Bills payable		4,865,582,322	3,699,973,387
Savings bank deposits		28,024,691,434	22,573,067,458
Fixed deposits		122,034,379,371	111,741,032,463
Other deposits		68,418,008,865	55,737,244,271
Other liabilities	**14**	**24,126,225,778**	**18,205,779,567**
Total Liabilities		**291,721,430,830**	**262,218,029,375**
Capital/Shareholders' Equity			
Total Shareholders' Equity		**23,114,460,183**	**22,792,225,345**
Paid-up capital	15	6,738,936,140	5,990,165,460
Statutory reserve	16	6,495,637,440	6,111,203,545
Other reserve	17	3,070,222,838	3,859,909,419
Retained earnings	18	6,809,663,765	6,830,946,921
Total Liabilities and Shareholders' Equity		**314,835,891,011**	**285,010,254,720**

AMARSTOCK

AB Bank Limited

Balance Sheet

As at December 31, 2016

	Notes	31.12.2016 Taka	31.12.2015 Taka
Off-Balance Sheet Items			
Contingent liabilities	19	**73,478,914,136**	**68,649,158,866**
Acceptances and endorsements		29,034,996,366	24,351,049,686
Letters of guarantee	19.1	13,920,306,922	12,327,410,154
Irrevocable letters of credit		22,005,679,984	23,650,724,184
Bills for collection		8,517,930,863	8,319,974,842
Other contingent liabilities		-	-
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		**73,478,914,136**	**68,649,158,866**

The annexed notes form an integral part of these consolidated financial statements.

Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

This is the Balance Sheet referred to in our separate report of even date.

Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

AB Bank Limited

Profit and Loss Account

For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
OPERATING INCOME			
Interest income/profit on investments	21	18,914,027,627	20,811,576,016
Interest paid/profit on deposits and borrowings, etc.	22	(16,077,046,356)	(16,532,249,413)
Net interest income		**2,836,981,270**	**4,279,326,603**
Investment income	23	5,348,168,994	3,355,421,410
Commission, exchange and brokerage	24	2,717,093,896	2,828,755,798
Other operating income	25	115,809,979	118,591,268
		8,181,072,869	6,302,768,477
Total operating income (a)		**11,018,054,139**	**10,582,095,080**
OPERATING EXPENSES			
Salary and allowances	26	2,934,133,386	2,820,224,346
Rent, taxes, insurance, electricity, etc.	27	697,882,398	592,500,607
Legal expenses	28	18,146,709	8,418,187
Postage, stamps, telecommunication, etc.	29	135,901,070	135,241,035
Stationery, printing, advertisement, etc.	30	196,167,659	167,510,614
Chief executive's salary and fees	26.1	12,900,000	13,900,000
Directors' fees	31	9,586,543	7,985,347
Auditors' fees	32	5,012,790	4,345,900
Depreciation and repairs of Bank's assets	33	564,494,152	573,803,326
Other expenses	34	1,424,393,841	1,304,413,020
Total operating expenses (b)		**5,998,618,547**	**5,628,342,383**
Profit before provision c = (a-b)		**5,019,435,593**	**4,953,752,697**
Provision against loans and advances	35	2,932,772,661	1,994,811,363
Provision for diminution in value of investments	36	25,000,000	-
Other provisions	37	59,558,484	200,000,000
Total provision (d)		**3,017,331,145**	**2,194,811,363**
Profit before taxation (c-d)		**2,002,104,448**	**2,758,941,334**
Provision for taxation		697,434,025	1,488,526,466
Current tax		1,581,104,434	1,896,468,866
Deferred tax		(883,670,410)	(407,942,400)
Net profit after taxation		**1,304,670,423**	**1,270,414,868**
Appropriations			
Statutory reserve		388,712,367	535,826,124
General reserve		-	-
Dividends, etc.		-	-
		388,712,367	**535,826,124**
Retained surplus		**915,958,056**	**734,588,744**
Earnings Per Share (EPS)	**39**	**1.94**	**1.89**

The annexed notes form an integral part of these consolidated financial statements.

Moshiur Rahman Chowdhury
President & Managing Director
(Current Charge)

Shishir Ranjan Bose, FCA
Independent Director

M. A. Awal
Director

M. Wahidul Haque
Chairman

This is the Profit and Loss Account referred to in our separate report of even date.

Dhaka,
April 29, 2017

Howladar Yunus & Co.
Chartered Accountants

AMARSTOCK

AB Bank Limited

Cash Flow Statement

For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
Cash flows from Operating Activities			
Interest receipts		17,784,319,539	21,356,009,865
Interest payments		(16,063,465,450)	(16,431,906,919)
Dividend receipts		192,687,562	180,634,136
Fees and commission receipts		1,872,192,713	1,855,689,669
Recoveries on loans previously written off		23,385,264	66,437,637
Payments to employees		(2,947,033,386)	(2,834,124,346)
Payments to suppliers		(196,167,659)	(167,510,614)
Income taxes paid		(1,426,153,910)	(2,169,479,061)
Receipts from other operating activities	40	6,167,893,301	4,266,444,672
Payments for other operating activities	41	(2,517,832,213)	(2,283,109,070)
Operating profit before changes in operating assets & liabilities		**2,889,825,760**	**3,839,085,967**
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(10,954,512,194)	(34,529,580,155)
Other assets		(575,458,450)	(1,194,431,447)
Deposits from other banks		963,238,791	(6,289,172,380)
Deposits from customers		30,845,057,712	21,818,538,165
Trading liabilities (short-term borrowings)		(8,455,827,852)	12,487,093,552
Other liabilities		5,746,275,074	3,846,295,697
		17,568,773,082	**(3,861,256,567)**
Net cash flow from operating activities (a)		**20,458,598,843**	**(22,170,601)**
Cash Flows from Investing Activities			
Purchase of government securities		(14,790,747,653)	(1,534,904,107)
(Purchase)/Sale of trading securities, shares, bonds, etc.		(104,188,380)	197,069,162
Purchase of property, plant and equipment		(217,381,698)	(139,989,135)
Net cash used in investing activities (b)		**(15,112,317,731)**	**(1,477,824,080)**
Cash Flows from Financing Activities			
Increase/(decrease) of long-term borrowings		216,905,686	4,229,440,326
Dividend paid		(120,780)	(392,021)
Net cash flow from financing activities (c)		**216,784,906**	**4,229,048,305**
Net Increase/(decrease) in cash (a+b+c)		**5,563,066,018**	**2,729,053,624**
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		27,031,642,418	24,302,588,793
Cash and cash equivalents at end of the period (*)		**32,594,708,438**	**27,031,642,417**
(*) Cash and cash equivalents			
Cash		1,536,332,492	1,204,156,116
Prize bonds		3,751,200	3,017,800
Money at call and on short notice		8,325,871,504	5,284,337,004
Balance with Bangladesh Bank and its agent bank(s)		18,171,318,283	15,829,128,241
Balance with other banks and financial institutions		4,557,434,958	4,711,003,257
		32,594,708,438	**27,031,642,417**
Net Operating Cash Flow Per Share (NOCFPS)		**30.36**	**(0.03)**

The annexed notes form an integral part of these consolidated financial statements.

Moshiur Rahman Chowdhury
President & Managing Director
(Current Charge)

Shishir Ranjan Bose, FCA
Independent Director

M. A. Awal
Director

M. Wahidul Haque
Chairman

This is the Cash Flow Statement referred to in our separate report of even date.

Dhaka,
April 29, 2017

Howladar Yunus & Co.
Chartered Accountants

AB Bank Limited

Statement of Changes in Equity

For the year ended December 31, 2016

(Amount in Taka)

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total
Balance at 01 January 2016	5,990,165,460	6,111,203,545	1,222,199,200	1,305,535,182	1,332,175,037	6,830,946,921	22,792,225,345
Adjustment:	-	-	-	-	-	-	-
Bonus for 2015:							
12.50% Stock Dividend	748,770,680	-	-	-	-	(748,770,680)	-
Restated balance at 01 January 2016	**6,738,936,140**	**6,111,203,545**	**1,222,199,200**	**1,305,535,182**	**1,332,175,037**	**6,082,176,241**	**22,792,225,345**
Net profit after taxation for the year	-	-	-	-	-	1,304,670,423	1,304,670,423
Addition/(Adjustment) made during the year	-	388,712,367	-	(1,774,401)	(787,912,180)	(477,850,007)	(878,824,221)
Foreign Exchange Rate Fluctuation	-	(4,278,471)	-	-	-	(99,332,892)	(103,611,364)
Balance at December 31, 2016	**6,738,936,140**	**6,495,637,440**	**1,222,199,200**	**1,303,760,781**	**544,262,857**	**6,809,663,765**	**23,114,460,183**
Balance at December 31, 2015	**5,990,165,460**	**6,111,203,545**	**1,222,199,200**	**1,305,535,182**	**1,332,175,037**	**6,830,946,921**	**22,792,225,345**

Moshiur Rahman Chowdhury
President & Managing Director
(Current Charge)

Shishir Ranjan Bose, FCA
Independent Director

M. A. Awal
Director

M. Wahidul Haque
Chairman

This is the Statement of Changes in Equity referred to in our separate report of even date.

Dhaka,
April 29, 2017

Howladar Yunus & Co.
Chartered Accountants

AMARSTOCK

AB Bank Limited

Liquidity Statement

Analysis of Maturity of Assets and Liabilities
As at December 31, 2016

(Amount in Taka)

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
Assets						
Cash in hand & with banks	2,904,066,153	-	-	-	16,803,584,623	19,707,650,776
Balance with Other banks and financial institutions	3,527,434,958	700,000,000	330,000,000	-	-	4,557,434,958
Money at Call & Short Notice	4,716,455,032	3,285,381,956	324,034,516	-	-	8,325,871,504
Investments	575,534,920	4,989,246,060	4,450,983,640	13,545,313,988	23,105,820,209	46,666,898,817
Loans & advances	26,548,123,560	57,221,854,887	95,569,461,888	34,298,354,326	5,131,656,587	218,769,451,248
Fixed assets including premises, furniture and fixture	-	-	-	-	4,080,377,435	4,080,377,435
Other assets	377,360,854	2,639,668,325	2,552,611,376	1,251,468,568	5,907,097,149	12,728,206,273
Non-banking assets	-	-	-	-	-	-
Total Assets	**38,648,975,477**	**68,836,151,228**	**103,227,091,421**	**49,095,136,882**	**55,028,536,004**	**314,835,891,011**
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	5,528,473,257	7,287,965,189	2,438,516,686	5,625,373,900	1,074,093,110	21,954,422,143
Deposit and other accounts	31,227,249,880	60,103,828,484	89,703,315,254	62,520,054,989	2,086,334,302	245,640,782,909
Provision and other Liabilities	613,533,275	461,642,202	4,903,613,722	18,146,814,990	621,590	24,126,225,778
Total Liabilities	**37,369,256,412**	**67,853,435,875**	**97,045,445,662**	**86,292,243,880**	**3,161,049,001**	**291,721,430,830**
Net Liquidity Excess/(shortage)	**1,279,719,065**	**982,715,353**	**6,181,645,59**	**(37,197,106,998)**	**51,867,487,003**	**23,114,460,183**

Moshiur Rahman Chowdhury
President & Managing Director
(Current Charge)

Shishir Ranjan Bose, FCA
Independent Director

M. A. Awal
Director

M. Wahidul Haque
Chairman

This is the liquidity statement referred to in our separate report of even date.

Dhaka,
April 29, 2017

Howladar Yunus & Co.
Chartered Accountants

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 2013). 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 104 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.

Brokerage business of Arab Bangladesh Bank Foundation (ABBF) was transferred on 01 August 2010 to AB Securities Limited (ABSL) vide Bangladesh Bank approval letter BRPD(R-1)717/2009-493 dated 08 November 2009.

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.

The Bank has a dedicated philanthropic unit named Arab Bangladesh Bank Foundation (the Foundation) which has been operating since 2002. Foundation has obtained brokerage licenses from BSEC on 15 August 2006 and 23 October 2006 for Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively and started its operation from 28 August 2006 and 05 December 2006 on DSE and CSE respectively. However, in view of the decision of Bangladesh Bank and upon due agreement to that effect the Board of Directors of ABBL and ABBF respectively, launched a new subsidiary company AB Securities Limited for the operation of brokerage business.

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

Presentation of the financial statements

Consolidated financial statements and separate financial statements of the Bank comprise of Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures.

Consolidated financial statements and financial statements of the Bank were made as at December 31, 2016 and were prepared under the historical cost convention except investments categorised under held for trading and in accordance with Bank Company Act 1991, (Amendment up to 2013); 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.

Consolidated financial statements and financial statements of the Bank have been prepared in accordance with the measurement and recognition requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).

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 BFRS 10 "Consolidated Financial Statements". The Consolidated Financial Statements have been prepared to a common reporting period ending on December 31, 2016.

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 2016 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.

Amana Bank Limited as Associates

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 5 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 1 August 2011. Amana Bank is also a listed company under the Colombo Stock Exchange.

The principal activities of the Bank is to provide Sharia compliant banking and related activities such as accepting customer deposits, personal banking, lease financing, home and property financing, advances against gold, resident and non-resident foreign currency operations, trade financing, import and export financing, equipment and machinery financing, working capital financing and project financing.

Although AB Bank Limited invested 14.44% in equity of Amana Bank Limited, Amana Bank Limited considered as Associates. A representative in the board of directors of Amana Bank Limited holds by the Bank.

Investment in Amana Bank Limited is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets in accordance with BAS 28 using the equity method as AB has 14.44% holding in equity of Amana Bank with a representation in their Board. The Balance Sheet and Profit and Loss Account of Amana Bank Limited have been shown separately in Annexure-K.

Subsidiaries Operation

The financial statements of subsidiaries (except Arab Bangladesh Bank Foundation-ABBF) have been consolidated following BFRS 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 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 Unit 1201-B, 12/F, Admiralty Centre, Tower One, 18 Harcourt, 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.

AB Exchange (UK) Limited

AB Exchange (UK) Limited (ABEL) is a company incorporated and domiciled in United Kingdom (UK) vide registration no. 07272766 (England & Wales). The registered office is situated at 69 Whitechapel High Street, London, E1 7PL. ABEL is a fully owned (100%) Subsidiary of AB Bank Limited.

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The Board of Directors of AB Bank Limited has decided to close-down the AB Exchange (UK) Limited, UK in its 607th Board Meeting held on July 12, 2016. Accordingly, after completing all the formalities, Management of AB Exchange (UK) applied to Companies House (UK) on July 25, 2016 for striking off the company and on November 15, 2016 the Company was dissolved through official gazette.

The company ceased its commercial operations from November 15, 2016 and treated the assets and liabilities at net realizable value as per BFRS 5 – Non –current Assets Held for Sale and discontinued operation. The financial statements for the period ended as on 15 November 2016 were prepared.

The Balance Sheet and Profit and Loss Account of the ABEL have been shown separately in Annexure-P.

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 -Q.

Use of estimates and judgements

The preparation of consolidated financial statements and financial statements of the Bank required management to make judgements, 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 BAS/ BFRS.

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 BAS 21 "The Effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies as at 31 December 2016 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.

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 BAS 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 year. Cash Flows during the period 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 BAS 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:

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 December 31, 2016.

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 January 29,2015 and BRPD Circular No. 08 dated 02 August 2015 . 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				
UC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%	1%
	SMA	2.5%	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%	

Investment

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Premium have 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	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	Realised gain or loss, recognised in P&L.
Shares	Cost	Lower of cost and market value	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 as per BAS 18 "Revenue".

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.

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 BAS 27 "Separate Financial Statements".

Fixed assets

i. All fixed assets are stated at cost less accumulated depreciation as per BAS 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 BFRS.

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:

Category of asset	Rate of depreciation
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.

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 BAS 17 "Leases". All other leases are classified as operating leases as per BAS 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.

Statutory reserve

As per Section 24 of the Bank Company Act, 1991 (Amendment up to 2013), 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 BAS 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 @ 40% 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.

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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 BAS-12 "Income Taxes" (note 10.01).

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 BAS 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.

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 BAS 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 maintained as per circular letter no. FEPD(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

Minority Interest

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

As per BFRS 10 'Consolidated Financial Statements' Bank presents Minority 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 Minority Interest. Total shareholders equity is attributed to the owners of the parent and to the Minority Interest even if this result in the Minority Interest having a deficit balance.

1.5 Revenue recognition

Interest income

According to the BAS 18 "Revenue", 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.

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

As per BAS 18 "Revenue", dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It recognised when:

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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 BAS 1 "Presentation of Financial Statements".

Profit paid on deposits (Islami Banking Branch)

Profit paid to different Mudaraba depositors is recognised on accrual basis as per provisional rate. However, the final rate of profit is determined and to be paid to the depositors as per **Annex H.**

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the BAS 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 December 31, 2016.

1.7 Earnings Per Share (EPS)

Basic earnings per share

Basic earnings per share have been calculated in accordance with BAS 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 year was restated giving effect of issue of bonus shares.

Diluted earnings per share

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.

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, general provision @ 1% has been made on the outstanding balances of Off-Balance Sheet exposure of the Bank as at December 31, 2016. 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

AB Bank Limited
Notes to the Financial Statements
For the year ended December 31, 2016

1.10 Segment Reporting

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

By Geographical Location & Segment Busines

Profit and Loss Account for the year ended December 31, 2016

Amount in Crore Taka

Particulars	AB Bank Limited							Subsidiaries				Adjustment	AB Bank & it's subsidiaries
	Inside Bangladesh				India (Mumbai Branch)	Adjustment	Total	Inside Bangladesh			AB Int. Finance Ltd. (Hong Kong)		
	Conventional Banking	Islamic Banking	Investment Banking	Off- Shore Banking Unit				AB Investment Limited	AB Securities Ltd.	Cash Link Bangladesh Ltd. (CBL)			
Interest income	1,827.52	58.39	-	71.30	6.12	(71.93)	1,891.40	41.20	7.75	0.15	5.04	(0.54)	1,945.00
Interest paid on deposits and borrowings, etc.	1,530.78	38.52	31.78	51.20	1.97	(46.54)	1,607.70	3.64	2.81	-	0.58	(0.81)	1,613.92
Net interest income	**296.74**	**19.86**	**(31.78)**	**20.11**	**4.15**	**(25.38)**	**283.70**	**37.57**	**4.94**	**0.15**	**4.46**	**0.27**	**331.08**
Investment income	510.95	0.05	21.06	-	2.76	-	534.82	0.79	1.10	(18.26)	-	(7.86)	510.59
Commission, exchange and brokerage	236.52	3.46	-	0.28	32.27	(0.83)	271.71	4.25	4.35	12.33	5.14	(12.21)	285.58
Other operating income	11.27	0.07	-	0.01	0.24	-	11.58	1.14	0.21	-	4.78	(0.82)	16.89
Total operating income	**1,055.48**	**23.44**	**(10.71)**	**20.39**	**39.42**	**(26.21)**	**1,101.81**	**43.75**	**10.60**	**(5.79)**	**14.39**	**(12.76)**	**1,144.14**
Operating Expenses													
Salary and allowances	289.27	3.32	-	0.58	1.54	-	294.70	1.52	3.06	0.02	3.09	-	302.40
Rent, taxes, insurance, electricity, etc.	67.77	0.15	-	0.00	1.86	-	69.79	0.27	0.84	-	0.78	(0.55)	71.12
Legal expenses	1.80	-	-	0.01	0.01	-	1.81	0.01	-	0.01	0.03	-	1.86
Postage, stamps, telecommunication, etc.	12.44	0.06	-	0.03	1.06	-	13.59	0.09	0.16	0.00	0.75	(0.21)	14.38
Stationery, printing, advertisement, etc.	19.27	0.05	-	0.00	0.29	-	19.62	0.04	0.05	-	0.03	-	19.74
Directors' fees	0.94	0.02	-	-	-	-	0.96	0.04	0.05	0.03	-	-	1.07
Auditors' fees	0.43	-	-	-	0.07	-	0.50	0.01	0.01	0.02	0.04	-	0.58
Charges on loan losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and repairs of Bank's assets	55.34	0.29	0.01	0.08	0.73	-	56.45	1.89	0.20	0.01	0.04	-	58.59
Other expenses	128.25	0.75	0.34	1.23	11.87	-	142.44	0.73	0.97	0.00	0.25	(12.00)	132.39
Total operating expenses	**575.53**	**4.62**	**0.35**	**1.93**	**17.43**		**599.86**	**4.59**	**5.34**	**0.08**	**5.00**	**(12.76)**	**602.11**
Profit before provision	**479.95**	**18.82**	**(11.07)**	**18.46**	**21.99**	**(26.21)**	**501.94**	**39.16**	**5.26**	**(5.87)**	**9.39**	**-**	**542.03**
Provision against loans and advances							293.28						293.90
Provision for diminution in value of investments							2.50						2.20
Other provisions							5.96						5.96
Total provision							**301.73**						**302.05**
Loss on disposal of AB Exchange (UK) Limited							-						0.44
Profit before taxation							200.21						239.54
Provision for taxation							69.74						88.66
Net profit after taxation							**130.47**						**150.88**

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

Balance Sheet

Amount in Crore Taka

Particulars	AB Bank Limited							Subsidiaries					AB Bank & it's subsidiaries
	Inside Bangladesh				India (Mumbai Branch)	Adjustment	Total	Inside Bangladesh			AB Int. Finance Ltd. (Hong Kong)	Adjustment	
	Conventional Banking	Islamic Banking	Investment Banking	Off- Shore Banking Unit				AB Investment Limited	AB Securities Ltd.	Cash Link Bangladesh Ltd. (CBL)			
PROPERTY AND ASSETS													
Cash	1,941.51	28.39	-	-	0.87	-	1,970.77	0.00	0.00	0.00	0.00	-	1,970.77
Balance with other banks and financial instit.	84.79	241.56	-	10.35	127.07	(8.02)	455.74	0.06	30.18	3.51	0.64	(24.64)	465.50
Money at call and on short notice	1,069.88	-	-	221.30	47.68	(506.27)	832.59	-	-	-	-	(69.27)	763.32
Investments	4,172.03	24.85	427.58	-	42.23	-	4,666.69	72.13	17.29	0.04	-	-	4,756.15
Loans and advances	20,254.18	442.30	-	1,136.11	46.93	(2.57)	21,876.95	722.98	95.77	-	88.95	(130.00)	22,654.65
Fixed assets	405.74	0.93	-	0.18	1.19	-	408.04	59.72	0.32	0.01	0.02	-	468.10
Other assets	2,872.13	2.65	4.05	3.03	30.94	(1,639.98)	1,272.82	5.67	3.28	3.09	2.34	(648.82)	638.39
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	**30,800.24**	**740.67**	**431.63**	**1,370.97**	**296.91**	**(2,156.84)**	**31,483.59**	**860.55**	**146.84**	**6.66**	**91.95**	**(872.72)**	**31,716.88**
LIABILITIES AND CAPITAL													
Liabilities													
Borrowings from other banks, financial institutions and agents	1,686.42	-	-	1,335.12	-	(826.10)	2,195.44	120.73	25.36	-	69.22	(184.98)	2,225.78
Deposits and other accounts	23,675.40	731.13	0.00	7.17	158.39	(8.01)	24,564.08	-	-	-	-	(24.64)	24,539.44
Other liabilities	3,088.52	8.17	432.03	10.15	21.89	(1,148.13)	2,412.62	61.37	69.97	0.99	5.58	(32.29)	2,518.25
Total Liabilities	**28,450.34**	**739.30**	**432.03**	**1,352.44**	**180.29**	**(1,982.25)**	**29,172.14**	**182.10**	**95.33**	**0.99**	**74.81**	**(241.91)**	**29,283.47**
Total Shareholders' Equity	2,349.90	1.38	(0.40)	18.54	116.62	(174.59)	2,311.45	678.45	51.51	5.67	17.15	(631.80)	2,432.42
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	0.99	0.99
Total Liabilities and Shareholders' Equity	**30,800.24**	**740.67**	**431.63**	**1,370.97**	**296.91**	**(2,156.84)**	**31,483.59**	**860.55**	**146.84**	**6.66**	**91.95**	**(872.72)**	**31,716.88**

1.11 Compliance of Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS)

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

Sl #	Name of BAS	No. of BAS	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	Construction Contracts	11	N/A
7	Income Taxes	12	Complied
8	Property, Plant and Equipment	16	Complied
9	Leases	17	Complied
10	Revenue	18	Complied
11	Employee Benefits	19	Complied
12	Accounting for Govt. Grants and Disclosure of Govt. Assistance	20	N/A
13	The Effects of Changes in Foreign Exchanges Rates	21	Complied
14	Borrowing Costs	23	Complied
15	Related Party Disclosures	24	Complied
16	Accounting and Reporting by Retirement Benefit Plans	26	Complied
17	Separate Financial Statements	27	Complied
18	Investments in Associates and Joint Ventures	28	Complied
19	Financial Reporting in Hyperinflationary Economics	29	N/A
20	Interests in Joint Ventures	31	N/A
21	Financial Instruments: Presentation	32	*
22	Earnings Per Share	33	Complied
23	Interim Financial Reporting	34	Complied
24	Impairment of Assets	36	Complied
25	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
26	Intangible Assets	38	Complied
27	Financial Instruments: Recognition and Measurement	39	*
28	Investment Property	40	N/A
29	Agriculture	41	N/A

Sl #	Name of BFRS	No. of BFRS	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	Consolidated Financial statements	10	Complied
10	Joint Arrangements	11	N/A
11	Disclosure of interests in other Entities	12	Complied

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

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1.12 Compliance of Bangladesh Bank regulations over BAS/BFRS:

Sl No.	Issues	BAS/BFRS	Bangladesh Bank
1	**Presentation**	As per BAS 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 BAS 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 equivalent**	As per BAS-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.
3	**Investment in shares and securities**	As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.	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 BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of Held For Trading (HFT) assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised 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**	When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or similar asset) at a fixed price on a future date (REPO), the arrangements is accounted for as a deposit as oppose to a sale, and the underlying asset continues to be recognized in the entity's financial statements. Such transaction do not satisfy de-recognition criteria specified in BAS 39. 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.

1.12 Compliance of Bangladesh Bank regulations over BAS/BFRS:

Sl No.	Issues	BAS/BFRS	Bangladesh Bank
6	**Provision on loans and advances/ investments**	As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis. Such provision shall be netted off against loans and advances.	As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) 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 BAS 39. 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 as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised 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 BFRS.	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 BAS-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.
10	**Financial Guarantee**	Financial guarantee liabilities are recognised initially at their fair value (as measured in accordance with BFRS 13), and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included under 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 2013)
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, 1984 and Rules
ix. The Value Added Tax (VAT) Act, 1991 and Rules
x. Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) Listing Regulations, 2015
xi. Central Depository Bangladesh Limited (CDBL) rules and regulations.

1.14 Reporting period

Sl no.	Name of the entity/segment	Reporting period
1	AB Bank Limited	01 January 2016 to 31 December 2016
2	Off Shore Banking Unit	01 January 2016 to 31 December 2016
3	Mumbai Branch, India	01 January 2016 to 31 December 2016
4	AB Investment Limited	01 January 2016 to 31 December 2016
5	AB Securities Limited	01 January 2016 to 31 December 2016
6	Cashlink Bangladesh Limited	01 January 2016 to 31 December 2016
7	AB International Finance Limited	01 January 2016 to 31 December 2016
8	AB Exchange (UK) Limited	01 January 2016 to 15 November 2016
9	Arab Bangladesh Bank Foundation	01 January 2016 to 31 December 2016

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.

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

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 30.01.2011 and BRPD Circular no.02 dated 27 February, 2011 respectively. Bank accordingly introduced the Guideline on Environment Risk Management on June 15, 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 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
Jan to Dec 2012	May 26, 2013	AA_3	ST-2

1.18 Events after the Reporting Period

As per BAS -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.	Salim Ahmed &Feroz Ahmed	Common Director

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in Taka
Elite International Ltd.	Common Director	Office Rent	2,021,840

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	902,012,897
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	253,621,766
03	Cashlink Bangladesh Limited (CBL)	90% owned Subsidiary	Loans and advances	142,388,324
04	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	692,657,680
Total Loans/placement to subsidiary				**1,990,680,667**

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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. The Committee was formed comprising 5 (five) Members of the Board:

Sl no.	Name	Status with Bank	Status with Committee	Duration	Educational/ Professional Qualification
1	Mr. Shishir Ranjan Bose, FCA	Independent Director	Chairman	With effect from 16 July 2008	Chartered Accountant
2	Mr. M. Wahidul Haque	Chairman	Member	With effect from 04 February 2008	B.A., LLB
3	Mr. Salim Ahmed	Vice Chairman	Member	With effect from 08 May 2014	B.A (Hons.) M.A. (History)
4	Mr. M.A. Awal	Director	Member	With effect from 12 July 2011	B.Com.
5	Prof. Dr. M. Imtiaz Hossain	Independent Director	Member	With effect from 12 April 2015	Ph. D. from University of Manchester, U.K.

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

ii) Meeting held with Audit Committee

During the year 2016, the Audit Committee conducted 13 (thirteen) meetings in which, among others, the following issues were reviewed and discussed:

- comprehensive inspection report of Bangladesh Bank including status of compliance thereof;
- inspection reports of Branches/Head Office conducted by Bank's Internal Control & Compliance Division;
- financial statements of the Bank;
- quarterly and half-yearly Financial Statements of the Bank for the year 2016;
- review of the financial statements of the subsidiary companies; and
- status of compliance of different rules and regulations.

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 (1st class). Ex-Company Secretary & Head of Law Division, IBBL
3	Jb. M. Wahidul Haque Chairman, BOD, ABBL	Member	BA, LLB
4	Jb. Shamim Ahmed Chaudhury President & Managing Director, ABBL	Member	MBA with Major in Finance
5	Jb. Mawlana Muhammad Musa	Member	Prominent auther and research Scholar of Quran & Hadith. Kamil, Madrasah Edu. Board, B.Com (Hons) M.Com, Dhaka University
6	Jb. Dr. Mohd. Haroon Rashid	Member	M.A, M. Phil PhD Aligor University, India. Mufti (1st Class) Darul Ulum Dewband, India

AB Bank Limited
Notes to the Financial Statements
For the year ended December 31, 2016

During the Year 2016, AB Bank Shariah Supervisory Committee met in 05 (Five) meetings (Full Committee 03+Sub-Committee 02) 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 attending by the Shariah Supervisory Committee during the year 2016 are :

- Reviewing the Half-Yearly Shariah Audit Report (July-December,2015) of Islami Banking Branch and its observations.
- Reviewing the Half- Yearly Shariah Audit Report (January-June,2016) of Islami Banking Branch .
- Approving the Final Account, 2015 of Islami Banking Branch.
- Approving the Annual Report of Shariah Supervisory Committee for the year 2015 on Islamic banking operation of the Bank.
- Reviewing the Shari'ah By-Laws of the Bank.

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.

		31.12.2016 Taka	31.12.2015 Taka
3. Cash			
Cash in hand	(Note: 3.1)	1,536,332,492	1,204,156,116
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	18,171,318,283	15,829,128,241
		19,707,650,776	**17,033,284,356**
3(a) Consolidated Cash			
AB Bank Limited		19,707,650,776	17,033,284,356
AB Investments Limited		25,000	25,000
AB International Finance Limited		10,117	-
AB Securities Limited		2,245	2,410
Cashlink Bangladesh Limited (CBL)		37,839	6,445
AB Exchange (UK) Ltd.		-	1,251,631
		19,707,725,976	**17,034,569,843**
3.1 Cash in hand			
In local currency		1,505,667,616	1,174,908,808
In foreign currency		30,664,876	29,247,308
		1,536,332,492	**1,204,156,116**
3.1(a) Consolidated Cash in hand			
AB Bank Limited		1,536,332,492	1,204,156,116
AB Investments Limited		25,000	25,000
AB International Finance Limited		10,117	-
AB Securities Limited		2,245	2,410
Cashlink Bangladesh Limited (CBL)		37,839	6,445
AB Exchange (UK) Ltd.		-	1,251,631
		1,536,407,693	**1,205,441,602**
3.2 Balance with Bangladesh Bank and its agent bank(s)			
Balance with Bangladesh Bank			
In local currency		17,465,080,869	14,828,917,268
In foreign currency		298,117,635	636,067,309
		17,763,198,503	15,464,984,577
Sonali Bank Limited			
(as an agent bank of Bangladesh Bank) - local currency		408,119,780	364,143,664
		18,171,318,283	**15,829,128,241**

AMAR STOCK

	31.12.2016 Taka	31.12.2015 Taka
3.2.1 Balance with Bangladesh Bank- local currency		
Balance as per Bank Ledger	17,465,080,869	14,828,917,268
Unresponded debit entries:	416,427,442	73,257,072
Bangladesh Bank statement	407,941,845	73,257,072
AB Bank's ledger	8,485,597	-
Unresponded credit entries:	82,152,179	6,754,860
Bangladesh Bank statement	81,962,179	6,557,885
AB Bank's ledger	190,000	196,975
	17,130,805,606	**14,762,415,056**

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 31.12.2016 is given below:

Period of Unreconciliation	Number of		Unresponded Amount	
	Debit	Credit	Debit	Credit
Less than 3 months	20	13	415,384,042	81,962,179
3 months to less than 6 months	1	-	543,400	-
6 months to less than 12 months	-	-	-	-
12 months and more	1	1	500,000	190,000
Total	**22**	**14**	**416,427,442**	**82,152,179**

3.2.2 Balance with Bangladesh Bank-Foreign currency		
Balance as per Bank Ledger	298,117,635	636,067,309
Unresponded debit entries:	118,316,794	91,784,804
Bangladesh Bank statement	250,144	69,780,153
AB Bank's ledger	118,066,650	22,004,651
Unresponded credit entries:	518,246,575	293,977,233
Bangladesh Bank statement	223,842,629	117,186,981
AB Bank's ledger	294,403,946	176,790,252
Balance as per Bangladesh Bank Statement	**698,047,416**	**838,259,738**

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 31.12.2016 is given below:

Period of Unreconciliation	Number of		Unresponded Amount	
	Debit	Credit	Debit	Credit
Less than 3 months	3	360	118,316,794	518,064,716
3 months to less than 6 months	-	3	-	57,685
6 months to less than 12 months	-	2	-	124,175
12 months and more	-	-	-	-
Total	**3**	**365**	**118,316,794**	**518,246,575**

3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)		
AB Bank Limited	18,171,318,283	15,829,128,241
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	18,171,318,283	**15,829,128,241**

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 Bank Company Act, 1991 (Amendment up to 2013), Bangladesh Bank's MPD circular no. 05 dated 01 December 2010, MPD circular no. 01 dated 23 June 2014 and DOS circular no. 01 dated 19 January 2014.

The statutory cash reserve requirement is on the Bank's time and demand liabilities at the rate of 6.50% 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 23 June 2014, Bank has to maintain CRR @ 6.50% on fortnightly cumulative average basis and minimum CRR @ 6.00% on daily basis.

	31.12.2016 Taka	31.12.2015 Taka
i. Daily Position as on the reporting date		
Required reserve	16,524,589,436	14,311,926,525
Actual reserve maintained	16,840,182,357	14,451,833,382
Surplus	**315,592,920**	**139,906,857**

As per Bank ledger, balance with Bangladesh Bank (local currency) is Tk 17,185,457,620 while as per Bangladesh Bank Statements balance is Tk 16,851,182,356.81 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 23 June 2014, Bank has to maintain CRR @ 6.50% on fortnightly cumulative average basis.

Required reserve (6.5% of total time & demand liabilities)	280,918,020,418	243,302,750,923
Actual reserve maintained	283,448,606,792	243,672,654,926
Surplus	**2,530,586,374**	**369,904,004**

(b) Statutory Liquidity Ratio (SLR)

Required reserve (13% of total time & demand liabilities)	33,049,178,873	28,623,853,050
Actual reserve maintained	43,898,597,690	29,356,067,647
Total surplus	**10,849,418,817**	**732,214,597**

As per Bangladesh Bank MPD circular no. 05 dated 01 December 2010, MPD circular no. 01 dated 23 June 2014 and Bangladesh Bank DOS circular no. 01 dated 19 January 2014 all scheduled Banks have to maintain CRR and SLR @ 6.50% and @ 13.00% respectively of their total time and demand liabilities on bi-weekly average basis, where the Bank maintained @ 6.62% and @ 17.27% respectively at the year end.

(c) Components of Statutory Liquidity Ratio (SLR)

Cash in hand	1,523,355,928	1,194,823,535
Balance with Sonali Bank	408,119,780	364,143,664
HTM Securities	26,772,534,816	18,599,744,739
HFT Securities	14,878,994,246	9,057,448,852
Excess Reserve of CRR	315,592,920	139,906,857
Other Eligible Security	-	-
	43,898,597,690	**29,356,067,647**

FINANCIAL STOCK

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 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 6.50% 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 (BGIIB), 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 :

	31.12.2016 Taka	31.12.2015 Taka
(a) Cash Reserve Requirement (CRR)		
Required reserve	278,995,186	299,107,166
Actual reserve maintained	279,623,249	299,581,674
Surplus	**628,063**	**474,508**
(b) Statutory Liquidity Ratio (SLR)		
Total required reserve	236,072,850	253,090,679
Total actual reserve held	253,428,446	254,179,042
Total surplus	**17,355,596**	**1,088,363**

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 % for 31.12.2015 & for 31.12.2016 and has been calculated and maintained with RBI in current account while statutory liquidity ratio of 21.50% for 31.12.2015 & 20.75% for 31.12.2016 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:

(a) Cash Reserve Ratio (CRR)		
Required reserve	11,715,608	13,591,067
Actual reserve maintained	25,831,749	19,205,033
Surplus	**14,116,141**	**5,613,966**
(b) Statutory Liquidity Ratio (SLR)		
Required reserv	~~297,935,158~~	283,965,610
Actual reserve maintained	422,292,782	406,787,241
Surplus	~~**124,357,623**~~	**122,821,632**
Total required reserve	309,650,766	297,556,677
Total actual reserve held	448,124,531	425,992,275
Total surplus	**138,473,765**	**128,435,598**

4. Balance with other banks and financial institutions

In Bangladesh	(Note: 4.1)	2,531,704,237	2,159,121,205
Outside Bangladesh	(Note: 4.2)	2,025,730,721	2,551,882,052
		4,557,434,958	**4,711,003,257**

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

	31.12.2016 Taka	31.12.2015 Taka
4(a) Consolidated balance with other banks and financial institutions		
In Bangladesh	2,624,288,364	2,196,851,448
Outside Bangladesh (Nostro Accounts)	2,030,714,143	2,555,849,680
	4,655,002,507	**4,752,701,128**
4.1 In Bangladesh		
Current Deposits		
Standard Chartered Bank, Dhaka City Centre Branch	2,913,073	3,753,023
Agrani Bank Ltd., VIP Road Branch, Sylhet	7,010	3,779
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	7,000,534	30,000,534
Janata Bank Ltd., Jessore Branch	60,463	4,810
Agrani Bank Ltd., Mymensingh Branch	47,350	29,490,600
Trust Bank Ltd., Mymensingh Branch	87,774	6,096,580
Janata Bank Ltd., Corporate Branch, Bogra	38,685	88,791
Rupali Bank Ltd., Bogra Branch	10,175	24,410
Agrani Bank Ltd., Thana Road Branch, Bogra	41,322,566	15,090,109
RAKUB, Bogra Branch	11,339	21,220
Agrani Bank Ltd., Shaheb Bazar Branch, Rajshahi	5,000	5,230
Janata Bank Ltd., Rajshahi Branch	5,000	5,000
IFIC Bank Ltd., Rajshahi Branch	-	265
Rupali Bank Ltd., Rajshahi Branch	7,925	10,575
Janata Bank Ltd., Rangpur Branch	17,305,223	52,021,549
RAKUB, Rangpur Branch	109,593	110,168
Rupali Bank Ltd., Rangpur Branch	691,095	16,765
Janata Bank Ltd., Chapai Nawabganj Branch	13,919	1,216
Agrani Bank Ltd., Brahmanbaria Branch	270	2,930
	69,679,155	**136,789,715**
Special Notice Deposit		
Agrani Bank Ltd., Rangpur Branch	22,587,987	66,508,857
Agrani Bank Ltd., Saidpur Branch	3,892	12,657
Agrani Bank Ltd., VIP Road Branch, Sylhet	23,939	34,026
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	23,059,512	24,428,851
Agrani Bank Ltd., Sirajgonj Branch	18,858,257	-
RAKUB, Sirajgonj Branch	1,425	-
Agrani Bank Ltd., Sir Iqbal Road Branch, Khulna	45,595	1,691
Agrani Bank Ltd., Naogaon Branch	15,571,462	4,133,689
Agrani Bank Ltd., Jessore Branch	5,031,193	8,595
Agrani Bank Ltd., Moulvi Bazar Branch	2,540,180	12,757,552
Agrani Bank Ltd., Satkhira Branch	9,443	10,018
Southeast Bank Ltd., Principal Branch	48,120	48,120
Agrani Bank Ltd., Principal Branch, Dhaka	668	189
Agrani Bank Ltd., Barisal Branch	31,542	37,554
Bangladesh Krishi Bank, Barisal Branch	42,691	90,425
Janata Bank Ltd., Barisal Branch	5,142	4,953
Standard Chartered Bank, Dhaka City Centre Branch	1,039,533	1,041,033
Islami Bank Bangladesh Ltd., Head Office Complex Corporate Br.	527,037	515,815
Bank Asia Ltd., Islami Banking Window, Shantinagar Branch	40,222	41,647
First Security Islami Bank Ltd, Dilkusha Br.	158,321	156,386
Al-Arafah Islami Bank Ltd, Dilkusha Branch	333,306,075	3,100,111
Shahjalal Islami Bank Ltd, Dhaka Main Branch	165,961	80,630
The City Bank Ltd, Islamic Banking Br, Paltan, Dhaka	89,319	88,303

MARSTOCK

	31.12.2016 Taka	31.12.2015 Taka
Banka Alfalah Ltd, Main Branch, Dhaka	250,000,000	254,112,588
Southeast Bank Ltd., Motijheel Branch (Islami Banking)	2,473,793	5,729,315
ICB Islamic Bank Ltd., Principal Br, Motijheel	139,688	29,993,421
Agrani Bank Ltd., Islami Banking Window, Amin Court Corp. Br.	3,878,505	298,831,582
Jamuna Bank Ltd. Nayabazar Islami Banking Br.	14,665	150,207,721
Union Bank Ltd., Dilkusha Branch	6,758	8,083
	679,710,453	**851,993,342**
Savings Deposit		
Social Islamic Bank Ltd. Principal Branch	2,008,758	160,982
EXIM Bank Ltd, Motijheel Branch	305,873	177,168
	2,314,630	**338,149**
Fixed Deposits		
Hajj Finance Company Ltd.	230,000,000	90,000,000
Social Islami Bank Ltd.	700,000,000	400,000,000
Phoenix Finance and Investment Ltd.	200,000,000	100,000,000
ICB Islamic Bank Ltd.	-	150,000,000
Islamic Finance & Investment Ltd.	100,000,000	30,000,000
Union Capital Ltd.	150,000,000	-
IDLC Finance Ltd.	150,000,000	150,000,000
IIDFC	150,000,000	150,000,000
Peoples Leasing	100,000,000	100,000,000
	1,780,000,000	**1,170,000,000**
	2,531,704,237	**2,159,121,205**
4.1(a) Consolidated In Bangladesh		
AB Bank Limited	2,531,704,237	2,159,121,205
AB Investment Limited	589,394	407,792
AB International Finance Limited	-	-
AB Securities Limited	301,781,150	165,337,954
Cashlink Bangladesh Limited (CBL)	35,129,817	2,541,951
AB Exchange (UK) Ltd.	-	-
	2,869,204,598	**2,327,408,902**
Less: Inter company transaction	244,916,234	130,557,454
	2,624,288,364	**2,196,851,448**
4.2 Outside Bangladesh		
Current Deposits		
The Bank of Tokyo Mitsubishi Limited	1,517,399	2,346,493
HSBC AUST	-	1,964,146
JP Morgan Chase Bank	66,606,161	289,365,303
Sonali Bank (Kolkata)	4,419,042	3,214,619
Sonali Bank (UK) Limited USD	34,651,846	61,274,722
Sonali Bank (UK) Limited GBP	14,327	2,908,780
Myanmar Economic Bank	32,272	32,185
Citibank NA	15,969,528	58,242,176
Hatton National Bank Limited	3,582,419	6,100,873
Commerz Bank AG	27,564,966	52,995,482
NIB Bank Limited	7,467,975	11,115,678
Mashreq Bank Psc	56,562,687	65,780,113
Nepal Bangladesh Bank Limited	1,417,764	1,705,203
Bank of Bhutan	7,409,209	1,896,107
HABIB Zuric	1,012,020	2,102,504
Wachovia Bank/Wells Fargo N.A	232,728,906	113,483,885
Habib America Bank	34,895,134	50,804,395
Commerz Bank AG	11,002,073	56,399,858
Hypovereins Bank	16,085,422	4,314,679

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

	31.12.2016 Taka	31.12.2015 Taka
Habib Metro Bank	29,493,069	43,348,031
Habib Bank AG(AED)	295,963	494,717
COMMERZ BK CAD	3,614,893	5,257,648
COMMERZ BK CHF	4,198,199	2,916,759
HSBC NY (OBU)	-	14,423,769
JPMC NY-OBU	102,727,497	978,429
Commerz Bank (R)-OBU	19,479	-
HSBC New York	-	173,528,238
Reserve Bank of India	25,831,749	19,205,033
HDFC BANK CSGL	264,968	125,063
HDFC Bank Limited	40,875,802	45,616,872
Commerz Bank AG (Euro)	-	3,756,767
Commerz Bank AG (ACU)	-	9,167,230
Kotak Mahindra Bank	61,554,263	65,991,225
HSBC (USD)	-	7,445,573
HSBC (ACUD)	-	690,660,468
Habib American Bank Limited	3,303,805	41,322,812
Habib Bank	2,963,103	-
Habib Bank ACU	1,744,326	-
JP CHASE ACU	1,087,748,226	-
Habib Sons Bank	1,593,766	42,990,297
Standard Chartered Bank, NY, USA	37,347,945	86,167,373
Standard Chartered Bank, Singapore	1,721,935	5,091,531
Standard Chartered Bank, UK, GBP	4,491,311	4,050,657
HABIB UK, GBP	1,532,647	3,808,784
HABIB UK, USD	45,922,344	56,579,791
JP Morgan Chase Bank	45,546,283	442,907,785
(Details are given in **Annex - A**)	**2,025,730,721**	**2,551,882,052**
4.2 (a) Consolidated Outside Bangladesh (Nostro Accounts)		
AB Bank Limited	2,025,730,721	2,551,882,052
AB Investment Limited	-	-
AB International Finance Limited	6,443,952	20,473,829
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	116,291
	2,032,174,673	**2,572,472,172**
Less: Inter company transactions	1,460,530	16,622,492
	2,030,714,143	**2,555,849,680**
4.3 Account-wise/grouping of balance with other banks and financial institutions		
Current deposits	2,095,409,877	2,688,673,767
Savings deposits	2,314,630	338,149
Short-Notice Deposits	679,710,453	851,991,342
Fixed deposits	1,780,000,000	1,170,000,000
	4,557,434,958	**4,711,003,257**
4.4 Maturity grouping of balance with other banks		
Repayable – on demand	2,095,409,877	2,688,673,767
– up to 3 months	2,132,025,082	1,982,329,491
– over 3 months but below 1 year	330,000,000	40,000,000
– over 1 year but below 5 years	-	-
– over 5 years	-	-
	4,557,434,958	**4,711,003,257**

AMARSTOCK

		31.12.2016 Taka	31.12.2015 Taka
5. Money at call and on short notice			
In Bangladesh	(Note: 5.1)	5,636,133,300	2,712,507,500
Outside Bangladesh	(Note: 5.2)	2,689,738,204	2,571,829,505
		8,325,871,504	**5,284,337,005**
5.1 In Bangladesh			
With banking companies			
Local Currency:			
Mercantile Bank Limited		1,000,000,000	-
NRB Commercial Bank Limited		400,000,000	-
National Bank Limited		1,000,000,000	-
NRB Global Bank Limited		100,000,000	-
Jamuna Bank Limited		500,000,000	-
Basic Bank Limited		1,000,000,000	-
		4,000,000,000	**-**
Foreign Currency:			
Eastern Bank Limited		236,133,300	392,501,500
Islami Bank Bangladesh Limited		-	1,570,006,000
		236,133,300	**1,962,507,500**
With non-banking financial institutions			
Prime Finance & Investment Ltd.		150,000,000	50,000,000
Bay Leasing and Investment Limited		100,000,000	50,000,000
Industrial and Infrastructure Development Finance Company (IIDFC)		-	100,000,000
GSP Finance		100,000,000	-
Lanka Bangla		200,000,000	-
Delta Brac Housing		250,000,000	-
Union Capital		150,000,000	-
People's Leasing and Financial Services Ltd.		-	100,000,000
International Leasing & Financial Services Ltd.		450,000,000	450,000,000
		1,400,000,000	**750,000,000**
		5,636,133,300	**2,712,507,500**
At short notice		**-**	**-**
On calls and placements			
Eastern Bank Limited		236,133,300	392,501,500
Islami Bank Bangladesh Limited		-	1,570,006,000
Mercantile Bank Limited		1,000,000,000	-
NRB Commercial Bank Limited		400,000,000	-
National Bank Limited		1,000,000,000	-
NRB Global Bank Limited		100,000,000	-
Jamuna Bank Limited		500,000,000	-
Basic Bank Limited		1,000,000,000	-
GSP Finance		100,000,000	-
Lanka Bangla		200,000,000	-
Delta Brac Housing		250,000,000	-
Union Capital		150,000,000	-
Industrial and Infrastructure Development Finance Company (IIDFC)		-	100,000,000
Prime Finance & Investment Ltd.		150,000,000	50,000,000
Bay Leasing & Investment Limited		100,000,000	50,000,000
People's leasing and financial services Limited		-	100,000,000
International Leasing & Financial Services Limited		450,000,000	450,000,000
		5,636,133,300	**2,712,507,500**

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

		31.12.2016 Taka	31.12.2015 Taka
5.2 Outside Bangladesh			
Pinnacle Global Fund Pte Limited		1,520,308,045	1,570,006,000
AB International Finance Limited		692,657,680	717,492,742
Kotak Mahindra Bank		93,789,706	106,254,000
Abu Dhabi Commercial Bank		34,736,928	-
HDFC Bank Limited		348,245,845	178,076,763
		2,689,738,204	**2,571,829,505**
5(a) Consolidated money at call and on short notice			
AB Bank Limited		8,325,871,504	5,284,337,005
AB Investment Limited		-	-
AB International Finance Limited		-	-
AB Securities Limited		-	-
Cashlink Bangladesh Limited (CBL)		-	-
AB Exchange (UK) Limited		-	-
		8,325,871,504	5,284,337,005
Less: Inter-group transaction		(692,657,680)	(717,492,742)
		7,633,213,824	**4,566,844,263**
6. Investments		**46,666,898,817**	**32,559,141,564**
Nature wise (Bangladesh Operation):			
Held for Trading		14,878,994,246	9,057,448,852
Held to Maturity		26,772,534,816	18,599,744,739
Others		4,593,076,974	4,495,160,732
		46,244,606,036	**32,152,354,323**
Nature wise (Mumbai Branch):			
Held for Trading/Available for Sale		168,382,569	192,159,840
Held to Maturity		253,910,212	214,627,402
Others		-	-
		422,292,782	**406,787,241**
Claim wise:			
Government securities	(Note: 6.1)	41,903,780,261	27,900,211,389
Other investments	(Note: 6.2)	4,763,118,556	4,658,930,176
		46,666,898,817	**32,559,141,564**
6 (a) Consolidated investments			
AB Bank Limited		46,666,898,817	32,559,141,564
AB International Finance Limited		-	-
AB Investment Limited		721,255,054	686,571,505
AB Securities Limited		172,865,988	168,598,202
Cashlink Bangladesh Limited (CBL		431,639	23,506,275
AB Exchange (UK) Ltd.		-	-
		47,561,451,498	**33,437,817,546**
6.1 Government securities			
Treasury bills		3,099,601,719	-
Treasury bonds		38,551,927,342	27,657,193,589
Bangladesh Bank Islami Investment bonds		248,500,000	240,000,000
Prize bonds		3,751,200	3,017,800
		41,903,780,261	**27,900,211,389**
6.1.1 Maturity wise Treasury Bills & Bonds			
(a) 30 Days Bangladesh Bank Bill		-	-
(b) Treasury Bill			
(i) 91 Days Treasury Bill		-	-
(ii) 182 Days Treasury Bill		89,883,720	-
(iii) 364 Days Treasury Bill		3,009,717,999	-
Total Treasury Bill		**3,099,601,719**	**-**

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	31.12.2016 Taka	31.12.2015 Taka
(c) Treasury Bond		
(i) 02 Years Treasury Bond	2,754,212,762	1,376,476,025
(ii) 05 Years Treasury Bond	4,244,212,683	3,829,558,681
(iii) 10 Years Treasury Bond	19,015,316,652	13,287,209,326
(iv) 15 Years Treasury Bond	6,914,912,645	4,792,573,141
(v) 20 Years Treasury Bond	5,623,272,600	4,371,376,416
Total Treasury Bond	**38,551,927,343**	**27,657,193,589**
Total (a)+(b)+(c)	**41,651,529,062**	**27,657,193,589**
6.1(a) Consolidated Government securities		
AB Bank Limited	41,903,780,261	27,900,211,389
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	41,903,780,261	**27,900,211,389**
6.2 Other investments		
Shares	4,275,825,774	4,132,142,935
Bond	65,000,000	120,000,000
	4,340,825,774	**4,252,142,935**
Investments -ABBL, Mumbai Branch		
Treasury bills	422,292,782	406,787,241
Debentures and Bonds	-	-
	422,292,782	**406,787,241**
Total Other investments	**4,763,118,556**	**4,658,930,176**
6.2 (a) Consolidated other investments		
AB Bank Limited	4,763,118,556	4,658,930,176
AB Investment Limited	721,255,054	686,571,505
AB International Finance Limited	-	-
AB Securities Limited	172,865,988	168,598,202
Cashlink Bangladesh Limited (CBL)	431,639	23,506,275
AB Exchange (UK) Ltd.	-	-
	5,657,671,237	**5,537,606,158**
6.2.1 Investments in shares		
Quoted (Publicly Traded)	4,044,554,844	3,900,872,005
Unquoted	231,270,930	231,270,930
	4,275,825,774	**4,132,142,935**
Details are given in **Annexure-B**		
6.2.2 Investment in subordinated bonds		
Prime Bank Limited	45,000,000	90,000,000
Trust Bank Limited	20,000,000	30,000,000
	65,000,000	**120,000,000**
6.3 Maturity grouping		
Repayable – on demand	-	-
– upto 3 months	5,564,780,980	836,521,967
– over 3 months but below 1 year	4,450,983,640	5,929,296,131
– over 1 year but below 5 years	13,545,313,989	7,839,516,342
– over 5 years	23,105,820,209	17,953,807,124
	46,666,898,818	**32,559,141,564**

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

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 December 31, 2016:

Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
Janata Bank Limited	29/Dec/16	01/Jan/17	3,248,038,900
National Bank Limited	29/Dec/16	01/Jan/17	990,677,600
Total			**4,238,716,500**

(ii) Disclosure regarding outstanding Reverse Repo as on December 31, 2016:

Counter Party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
NIL	N/A	N/A	N/A

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

Counter Party Name	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIS	-	7,024,910,000	1,163,388,852
Securities purchased under reverse repo:			
i) from Bangladesh Bank	-	NIL	NIL
ii) from other banks & FIS	-	3,221,953,443	374,898,758

	31.12.2016 Taka	31.12.2015 Taka
7. Loans, advances and lease/investments	**218,769,451,248**	**209,725,203,268**
7.1 Maturity grouping		
Repayable – on demand	7,483,816,192	4,099,228,662
– upto 3 months	76,286,162,255	85,394,625,460
– over 3 months but below 1 year	95,569,461,888	83,823,390,835
– over 1 year but below 5 years	34,298,354,326	34,627,758,562
– over 5 years	5,131,656,587	1,780,199,748
	218,769,451,248	**209,725,203,268**
7.2 Broad category-wise breakup		
In Bangladesh		
Loan	196,098,211,776	186,497,250,636
Overdrafts	21,894,121,995	21,933,481,587
Cash credits	-	-
	217,992,333,771	**208,430,732,223**
Outside Bangladesh: ABBL, Mumbai Branch		
Loans	127,607,382	118,274,428
Overdrafts	2,657,760	172,003
Cash credits	13,807,503	15,942,426
	144,072,646	**134,388,856**
	218,136,406,416	**208,565,121,079**
7.3 Product wise Loans and Advances		
Overdraft	21,896,779,755	21,933,653,590
Cash Credit	13,807,503	15,942,426
Time loan	57,816,781,042	62,722,556,379
Term loan	119,784,568,627	105,476,350,097

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	31.12.2016 Taka	31.12.2015 Taka
Bills under LC	207,109,508	238,473,847
Trust Receipt	9,162,163,925	10,158,011,199
Packing credit	212,208,534	436,274,437
Loan against accepted bills	2,930,851,022	4,924,495,085
Loan-EDF	3,205,905,915	-
Consumer Loan	1,402,328,120	1,370,222,178
Staff Loan	1,503,902,463	1,289,141,842
Bills Purchased & Discounted	633,044,832	1,160,082,188
	218,769,451,248	**209,725,203,268**
7.4 Net loans, advances and lease/investments		
Gross loans and advances	218,769,451,248	209,725,203,268
Less:		
Interest suspense	10,459,867,308	6,071,639,588
Provision for loans and advances	6,605,083,960	4,714,778,454
	17,064,951,268	**10,786,418,042**
	201,704,499,980	**198,938,785,226**
7.5 Significant concentration		
Advances to industries	103,892,254,569	102,402,047,046
Advances to customer groups	114,877,038,550	107,323,060,171
Advances to allied concerns of Directors	-	-
Advances to Chief Executive	158,129	96,051
	218,769,451,248	**209,725,203,268**
7.6 Advances to customers for more than 10% of Bank's total capital		
Total capital of the Bank	**30,640,391,090**	**28,332,822,072**
Number of clients	29	34
Amount of outstanding advances	81,708,700,000	74,749,500,000
Amount of classified advances	-	-
Measures taken for recovery	Not applicable	Not applicable
7.7 Industry-wise loans, advances and lease/investments		
Agriculture	3,116,265,264	2,058,247,212
Large and medium scale industry	64,053,600,000	64,732,262,241
Working capital	38,301,100,000	36,768,278,195
Export	3,722,200,000	921,400,000
Commercial lending	52,550,500,000	56,041,600,000
Small and cottage industry	1,537,400,000	901,506,610
Others	55,488,385,984	48,301,909,009
	218,769,451,248	**209,725,203,268**
7.8 Geographical location-wise (division) distribution		
In Bangladesh		
Urban Branches		
Dhaka	154,911,059,292	137,272,287,598
Chittagong	45,824,548,751	53,176,711,427
Khulna	4,787,526,569	5,155,594,729
Sylhet	2,083,030,726	2,288,244,147
Barisal	247,632,983	291,274,020
Rajshahi	3,637,345,158	4,055,184,742
Rangpur	3,903,431,024	3,807,632,601
Mymensingh	947,782,315	898,609,694
	216,342,356,818	**206,945,538,959**

AB Bank Limited
Notes to the Financial Statements
For the year ended December 31, 2016

	31.12.2016 Taka	31.12.2015 Taka
Rural Branches		
Dhaka	1,405,596,596	1,435,259,973
Chittagong	504,644,774	480,644,102
Khulna	-	-
Sylhet	47,546,256	66,005,026
Barisal	-	-
Rajshahi	-	-
Rangpur	-	-
Mymensingh	-	-
	1,957,787,626	**1,981,909,101**
Outside Bangladesh		
ABBL, Mumbai Branch	469,306,804	797,755,207
	218,769,451,248	**209,725,203,268**
7.9 Classification of loans, advances and lease/investments		
In Bangladesh		
Unclassified		
Standard	191,153,443,332	194,703,648,060
Special Mention Account	15,903,500,316	7,715,500,000
	207,056,943,648	**202,419,148,060**
Classified		
Sub-Standard	1,236,200,000	266,500,000
Doubtful	1,175,345,000	241,200,000
Bad/Loss	8,831,655,796	6,000,600,000
	11,243,200,796	6,508,300,000
	218,300,144,444	**208,927,448,060**
Outside Bangladesh-Mumbai Branch		
Unclassified Loan	347,689,566	686,976,757
Classified Loan	121,617,238	110,778,451
	469,306,804	**797,755,207**
	218,769,451,248	**209,725,203,268**
7.10 Particulars of Loans, advances and lease/investments		
(i) Loans considered good in respect of which the Bank is fully secured	204,625,033,550	188,714,991,048
(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	14,144,417,698	21,010,212,219
(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	1,503,902,463	1,289,141,842
(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)]	1,503,902,463	1,292,195,879

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		31.12.2016 Taka	31.12.2015 Taka
(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)	1,947,800,261	1,092,961,223
	(b) Amount of loan written off	3,039,972,301	1,830,740,429
	(c) Amount realised against loan previously written off	23,892,175	67,170,000
	(d) Provision kept against loans classified as bad /loss on the date of preparing the balance sheet	2,108,653,374	2,465,200,000
	(e) Interest creditable to interest suspense account	5,145,548,468	3,719,575,575
(xi)	Written off loan:		
	Openning written off loan	9,019,658,429	7,188,918,000
	Add: Written off during the year	3,039,972,301	1,830,740,429
	Cummulative Written off loans	12,059,630,730	9,019,658,429
	Less: Adjustments/ recoveries/ Settlement up to the period	3,062,264,760	2,899,594,000
	Closing Balance of Written off loan	**8,997,365,970**	**6,120,064,429**
	The amount of written off loans for which lawsuits have been filed for its recovery	8,989,538,956	6,113,171,556

7.10 (a) The amount represents loans Tk. 1,503,902,463 due by the employees of the Bank.

7.11 Securities wise Loans, advances and lease/investments

Nature of security		
Collateral of movable/immovable assets	178,714,611,427	167,374,155,209
Cash collateral	4,374,830,636	5,830,295,248
Banks and financial institutions guarantee	632,913,831	1,160,082,188
Personal guarantee	10,167,850,166	10,499,990,839
Corporate guarantee	3,976,567,532	3,079,575,524
Other securities	20,902,677,657	21,781,104,259
	218,769,451,249	**209,725,203,267**

7(a) Consolidated Loans, advances and lease/investments

AB Bank Limited	218,136,406,416	208,565,121,079
AB Investment Limited	7,229,768,195	6,990,517,740
AB International Finance Limited	-	-
AB Securities Limited	957,742,708	990,300,833
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	226,323,917,319	**216,545,939,652**
Less: Inter company transaction	1,299,950,122	2,254,231,326
	225,023,967,197	**214,291,708,326**

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 Taka
Beximco Ltd.	Corp-Term	June 29, 2022	133,202,252
Abdul Monem Sugar	Corp-Term	December 22, 2021	499,974,836
Beximco Ltd.	Corp-Term	June 26, 2028	986,410,417
R & R Aviation Limited	Corp-Term	December 23, 2027	89,016,931
BEL Construction SDN BHD Ltd	SME-Term	September 30, 2021	511,433,309
BEL Construction SDN BHD Ltd	SME-Term	September 30, 2027	3,626,482,154
Bangladesh Export Import Co. Ltd	Corp-Term	June 29, 2022	546,673,143

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

Name of the Client	Loan Type	Expiry Date	Amount in Taka
International Knitwear & Apparels Ltd	Corp-Term	June 29, 2028	728,798,282
New Dacca Industries Ltd	Corp-Term	June 29, 2028	771,706,013
New Dacca Industries Ltd	Corp-Term	June 29, 2022	2,695,176,302
R & R Holdings	Corp-Term	December 22, 2027	2,644,554,796
			13,233,428,436

	31.12.2016 Taka	31.12.2015 Taka
8. Bills purchased and discounted		
In Bangladesh	307,810,673	496,715,837
Outside Bangladesh - ABBL, Mumbai Branch	325,234,158	663,366,351
	633,044,832	**1,160,082,188**
8 (a) Consolidated Bills purchased and discounted		
AB Bank Limited	633,044,832	1,160,082,188
AB Investment Limited	-	-
AB International Finance Limited	889,489,205	913,089,613
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	1,522,534,037	**2,073,171,801**
8.1 Maturity grouping		
Repayable – within 1 month	273,275,308	280,039,913
– over 1 month but within 3 months	173,851,736	602,134,186
– over 3 months but within 6 months	138,487,586	277,908,089
– over 6 months	47,430,201	-
	633,044,831	**1,160,082,188**
9. Fixed assets including premises, furniture and fixtures		
Cost:		
Land and Building	3,341,682,082	3,341,682,082
Furniture and fixtures	244,966,861	230,635,936
Office appliances	60,825,847	62,729,842
Electrical appliances	1,558,912,484	1,489,025,807
Motor vehicles	680,140,745	581,049,757
Intangible Assets	594,165,723	571,059,066
	6,480,693,743	**6,276,182,491**
Less: Accumulated depreciation and amortization	2,400,316,308	2,075,309,724
	4,080,377,435	**4,200,872,767**
A schedule of fixed assets is given in **Annexure-C**		
9(a) Consolidated Fixed assets including premises, furniture and fixtures		
Cost:		
AB Bank Limited	6,480,693,743	6,276,182,491
AB Investments Limited	683,616,541	682,564,941
AB International Finance Limited	7,889,183	7,717,176
AB Securities Limited	30,284,145	29,343,095
Cashlink Bangladesh Limited (CBL)	81,471,360	81,471,358
AB Exchange (UK) Ltd.	-	15,274,525
	7,283,954,972	**7,092,553,586**
Accumulated depreciation:		
AB Bank Limited	2,400,316,308	2,075,309,724
AB Investments Limited	86,449,029	68,747,827
AB International Finance Limited	7,728,873	7,626,814
AB Securities Limited	27,126,913	25,826,906
Cashlink Bangladesh Limited (CBL)	81,366,850	81,294,170
AB Exchange (UK) Ltd.	-	14,204,328
	2,602,987,972	2,273,009,770
	4,680,967,000	**4,819,543,816**

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		31.12.2016 Taka	31.12.2015 Taka
10. Other Assets:			
Income generating-Equity Investment			
In Bangladesh:			
AB Investment Limited		5,811,431,750	2,800,000,000
(99.99% owned subsidiary company of ABBL)			
AB Securities Limited		199,898,000	199,898,000
(99.91% owned subsidiary company of ABBL)			
Cashlink Bangladesh Limited (CBL)		212,581,228	212,581,228
(90% owned subsidiary company of ABBL)			
		6,223,910,978	**3,212,479,228**
Outside Bangladesh:			
AB International Finance Ltd., Hong Kong		5,203,944	5,203,944
(wholly owned subsidiary company of ABBL)			
AB Exchange (UK) Limited		-	50,423,392
(wholly owned subsidiary company of ABBL)			
Investment in Amana Bank Limited as Associates		439,683,073	616,735,915
		444,887,018	**672,363,251**
		6,668,797,996	**3,884,842,479**
Non-income generating			
Arab Bangladesh Bank Foundation		19,920,000	19,920,000
(99.60% owned subsidiary company of ABBL)			
Share Money Deposits - AB Investment Limited		-	2,199,999,000
Deferred Tax	(Note:10.01)	2,312,064,286	1,428,252,732
Accounts receivable		889,650,552	1,058,534,763
Preliminary, formation, organisational, renovation, development, prepaid expenses and others		805,559,950	644,563,195
Exchange for clearing		570,641,969	1,044,718,906
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables		1,026,651,535	791,115,465
Security deposits		159,266,370	166,089,818
Advance rent and advertisement		246,555,630	233,138,317
Stationery, stamps, printing materials, etc.		28,476,396	25,237,828
Inter-branch adjustment		621,590	-
		6,059,408,278	**7,611,570,024**
		12,728,206,273	**11,496,412,503**
10(a) Consolidated Other assets			
AB Bank Limited		12,728,206,273	11,496,412,503
AB Investment Limited		56,699,559	34,254,324
AB International Finance Limited		23,437,029	4,603,844
AB Securities Limited		32,836,258	14,920,190
Cashlink Bangladesh Limited (CBL)		30,917,320	30,222,875
AB Exchange (UK) Ltd.		-	2,158,232
		12,872,096,439	**11,582,571,968**
Less: Inter-group transaction		6,488,188,273	5,620,098,722
		6,383,908,169	**5,962,473,246**
10.01 Deferred Tax Assets			
a) Deferred tax assets for specific provisions of loans and advances			
Opening Deferred Tax (Assets)/Liabilities		1,561,348,994	1,156,529,394
Add. Deferred Tax Income during the year		872,165,895	404,819,600
(Tax @ 40% on Specific provision made during the year Tk. 2,180,414,736 & last year Tk. 1,012,049,000)			
Closing Deferred Tax Assets		**2,433,514,888**	**1,561,348,994**

AB Bank Limited
Notes to the Financial Statements
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		31.12.2016 Taka	31.12.2015 Taka
b) Deferred tax liabilities against Property, Plant & Equipment			
Balance at 01 January		133,096,262	136,219,062
Add/(less): Provision made during the year		(11,504,515)	(3,382,036)
Add/(Less): Adjustment for Rate Fluctuation during the year		(141,145)	259,236
Closing Deferred Tax Liabilities		**121,450,602**	**133,096,262**
Net Deferred Tax Assets (a-b)		**2,312,064,286**	**1,428,252,732**
Net Deferred Tax Income during the year		**883,670,410**	**407,942,400**
11. Borrowings from other banks, financial institutions and agents			
In Bangladesh	(Note: 11.1)	9,941,690,524	14,281,704,120
Outside Bangladesh	(Note: 11.2)	5,512,731,619	9,411,640,189
		15,454,422,143	**23,693,344,309**
11.1 In Bangladesh:			
11.1.1 Bangladesh Bank			
ADB loan		890,625	6,334,875
Export Development Fund		2,961,842,309	-
Islamic Investment Bond		-	-
Refinance against IPFF		372,713,265	354,656,325
Refinance against Women Entr., Small Enterprise, ETP & Others		321,659,394	117,366,398
		3,657,105,593	**478,357,598**
11.1.2 Call & Term Borrowing from			
Basic Bank Limited		-	400,000,000
Dutch Bangla Bank Limited		792,450,236	2,714,640,637
CITI Bank NA		220,000,000	220,000,000
Agrani Bank Limited		393,555,500	150,000,000
Prime Bank Limited		800,000,000	700,000,000
One Bank Limited		-	300,000,000
HSBC		-	300,000,000
Sonali Bank Limited		-	290,000,000
Bank Asia Limited		-	1,400,000,000
Mutual Trust Bank Limited		-	190,000,000
National Bank Limited		900,000,000	892,501,500
Premier Bank Limited		-	795,170,510
NCC Bank Limited		-	500,000,000
Uttara Bank Limited		-	892,501,500
Habib Bank Limited		79,236,934	79,010,552
Southeast Bank Limited		712,722,451	392,891,276
Bank Al Falah		196,777,750	157,000,600
Dhaka Bank Limited		1,187,290,259	392,501,500
Pubali Bank Limited		-	-
Trust Bank Limited		1,000,000,000	-
Brac Bank Limited		-	1,394,324,451
United Commercial Bank Limited		-	1,000,000,000
Commercial Bank of Ceylon		-	628,002,400
Accrued interest		1,447,372	14,801,596
Accrued Interest Repo Other Bank		1,104,429	-
		6,284,584,931	**13,803,346,522**
		9,941,690,524	**14,281,704,120**

AMAR STOCK

		31.12.2016 Taka	31.12.2015 Taka
11.2 Outside Bangladesh			
Sonali Bank UK		495,452,954	598,215,467
ICICI BK LTD, HK		-	1,729,347,653
International Finance Corporation		-	2,752,715,811
Banca UBAE, Italy		395,436,258	-
Noor Bank Limited		3,940,519,398	4,331,361,258
RAK BANK		681,323,009	-
		5,512,731,619	**9,411,640,189**

Schedule of Borrowings from other banks, financial institutions and agents outside Bangladesh is given in **Annex - D.**

11.3 Analysis by security			
Secured (assets pledge as security for liabilities)		-	-
Unsecured		15,454,422,143	23,693,344,309
		15,454,422,143	**23,693,344,309**
11.4 Repayment pattern			
Repayable on demand		1,120,000,000	3,500,000,000
Repayable on maturity	(Note: 11.4.1)	14,334,422,143	20,193,344,309
		15,454,422,143	**23,693,344,309**
11.4.1 Repayable on maturity			
Bangladesh Bank refinance:			
ADB loan		890,625	6,334,875
Export Development Fund		2,961,842,309	-
Refinance against IPFF		372,713,265	354,656,325
Refinance against Women Entr., Small Enterprise, ETP & Others		321,659,394	117,366,398
		3,657,105,593	**478,357,598**
Term borrowings:			
International Finance Corporation		-	2,752,715,811
Trust Bank Limited		1,000,000,000	-
Agrani Bank Limited		393,555,500	-
South East Bank Limited		712,722,451	-
First Gulf Bank		-	-
Commercial Bank of Ceylon		-	628,002,400
Uttara Bank Limited		-	892,501,500
Bank Al Falah		196,777,750	157,000,600
National Bank Limited			892,501,500
Dhaka Bank Limited		1,187,290,259	392,501,500
Bank Asia Limited		-	800,000,000
Premier Bank Limited		-	795,170,510
Prime Bank Limited		800,000,000	400,000,000
NCC Bank Limited		-	500,000,000
Habib Bank Limited		79,236,934	79,010,552
Southeast Bank Limited		-	392,891,276
Meghna Bank Limited		-	-
Brac Bank Limited		-	1,394,324,451
United Commercial Bank Limited		-	1,000,000,000
Dutch Bangla Bank Ltd		792,450,236	1,964,640,637
BANCA UBAE SPA		395,436,258	-
RAK Bank		681,323,009	-
Sonali Bank UK		495,452,954	598,215,467
ICICI BK LTD,HK		-	1,729,347,653
Al-Noor Bank Limited		3,940,519,398	4,331,361,258
Accrued interest		2,551,802	14,801,596
		10,677,316,550	**19,714,986,711**
		14,334,422,143	**20,193,344,309**

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

	31.12.2016 Taka	31.12.2015 Taka
11(a) Consolidated Borrowings from other banks, financial institutions and agents		
AB Bank Limited	15,454,422,143	23,693,344,309
AB Investment Limited	1,207,273,365	2,132,209,626
AB International Finance Limited	692,242,365	717,810,985
AB Securities Limited	253,621,766	284,303,246
Cashlink Bangladesh Limited (CBL)	-	106,741,029
AB Exchange (UK) Ltd.	-	-
	17,607,559,639	26,934,409,195
Less: Intercompany transactions	1,849,804,163	2,835,810,411
	15,757,755,476	**24,098,598,784**
12. AB Bank Subordinated Bond		
AB Bank Subordinated Bond-I	2,500,000,000	2,500,000,000
AB Bank Subordinated Bond-II	4,000,000,000	4,000,000,000
	6,500,000,000	**6,500,000,000**

AB Bank Subordinated Bonds

Bank has issued 7 years Sub-Ordinated bonds in two phases, namely- AB Bank Subordinated Bond-I for BDT 250 crore in August 2014 and AB Bank Subordinated Bond-II for BDT 400 crore in September 2015 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	1,000,000,000	1,000,000,000
Sonali Bank Limited	1,500,000,000	1,500,000,000
Agrani Bank Limited	1,000,000,000	1,000,000,000
Midland Bank Limited	200,000,000	200,000,000
BRAC Bank Limited	400,000,000	400,000,000
NRB Commercial Bank Limited	100,000,000	100,000,000
Mutual Trust Bank Limited	80,000,000	80,000,000
Grameen Capital Management Limited	20,000,000	20,000,000
Rupali Bank Limited	1,000,000,000	1,000,000,000
Janata Bank Limited	500,000,000	500,000,000
NRB Commercial Bank Limited	300,000,000	300,000,000
Uttara Bank Limited	300,000,000	300,000,000
National Life Insurance Co. Ltd.	100,000,000	100,000,000
	6,500,000,000	**6,500,000,000**
13. Deposit and other accounts		
Inter-bank deposits	4,681,805,278	3,718,566,487
Other deposits	240,958,977,631	210,100,339,012
	245,640,782,909	**213,818,905,499**
13(a) Consolidated Deposit and other accounts		
AB Bank Limited	245,640,782,909	213,818,905,500
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	245,640,782,909	213,818,905,500
Less: Inter-group transaction	246,378,489	147,181,662
	245,394,404,421	**213,671,723,838**
13.1 Maturity analysis of inter-bank deposits		
Repayable – on demand	1,323,228,968	3,115,609,157
– within 1 month	3,338,175,477	568,375,673
– over 1 month but within 3 months	-	34,581,657
– over 3 months but within 1 period	20,400,833	-
– over 1 period but within 5 periods	-	-
– over 5 periods but within 10 periods	-	-
– over 10 periods	-	-
	4,681,805,278	**3,718,566,487**

		31.12.2016 Taka	31.12.2015 Taka
13.2 Maturity analysis of other deposits			
Repayable – on demand		3,408,558,336	200,184,005
– within 1 month		23,157,287,099	19,180,421,571
– over 1 month but within 3 months		60,103,828,484	56,111,962,963
– over 3 months but within 1 period		89,682,914,421	77,983,565,999
– over 1 period but within 5 periods		62,520,054,989	54,567,155,889
– over 5 periods		2,086,334,302	2,057,048,586
		240,958,977,631	**210,100,339,013**
13.3 Demand and time deposits			
a) Demand Deposits		**29,685,925,468**	**25,799,137,379**
Current accounts and other accounts		22,298,120,917	20,067,587,921
Savings Deposits (9%)		2,522,222,229	2,031,576,071
Bills Payable		4,865,582,322	3,699,973,387
b) Time Deposits		**215,954,857,441**	**188,019,768,120**
Savings Deposits (91%)		25,502,469,205	20,541,491,386
Short Notice Deposits		49,236,728,682	37,757,866,523
Fixed Deposits		122,034,379,371	111,741,032,463
Other Deposits		19,181,280,183	17,979,377,748
Total Demand and Time Deposits		**245,640,782,909**	**213,818,905,499**
13.4 Sector-wise break up of deposits and other accounts			
Government		1,753,988,460	2,695,343,411
Deposit money Banks		4,681,805,278	3,718,566,487
Autonomous & Semi-Autonomous Bodies		4,667,196,517	3,717,509,300
Public Non-Financial Organisation		61,334,737,839	49,055,402,371
Other Public		3,394,084,791	3,811,432,586
Foreign Currency		6,805,419,728	6,902,166,758
Private		163,003,550,296	143,918,484,587
		245,640,782,909	**213,818,905,499**
14. Other liabilities			
Accumulated provision against loans and advances	(Note 14.1)	6,605,083,960	4,714,778,454
Inter-branch adjustment		-	366,832
Provision for current tax (net of advance tax)	(Note 14.2)	2,561,589,337	2,739,993,532
Interest suspense account		10,459,867,308	6,071,639,588
Provision against other assets	(Note 14.3)	237,198,969	764,251,969
Provision for outstanding debit entries in NOSTRO accounts		-	200,000
Accounts payable - Bangladesh Bank		802,485,542	186,568,806
Accrued expenses		360,305,082	341,172,292
Provision for off balance sheet items	(Note 14.4)	860,000,000	860,000,000
Provision against investments	(Note 14.5)	1,550,053,000	1,875,053,000
Others (*)		689,642,580	651,755,094
		24,126,225,778	**18,205,779,567**

(*) 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.

14.1 Accumulated provision against loans and advances			
The movement in specific provision for bad and doubtful debts			
Balance at 01 January		2,564,529,261	2,891,323,484
Fully provided debts written off during the year	(-)	(2,305,175,887)	(1,338,843,223)
Recovery of amounts previously written off	(+)	23,385,264	66,437,637
Specific provision made during the year	(+)	2,180,414,736	945,611,363
Transferred from provision for current tax	(+)		-

AB Bank Limited

Notes to the Financial Statements

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		31.12.2016 Taka	31.12.2015 Taka
Transfer from general reserve	(+)	-	-
Recoveries and provision no longer required	(-)	-	-
Net charge to Profit and Loss Account	(+)	-	-
		(101,375,887)	(326,794,223)
Balance at December 31		**2,463,153,374**	**2,564,529,261**
Provision made by ABBL, Mumbai Branch		43,189,581	31,640,080
Total provision on classified loans and advances		**2,506,342,955**	**2,596,169,341**
On unclassified loans			
Balance at 01 January		2,115,067,313	1,925,867,313
Transfer from other assets provisions	(+)	100,000,000	-
Transfer from investment provisions	(+)	350,000,000	-
Transfer from Other Assets		440,000,000	-
Transferred from provision for current tax		350,000,000	-
Transfer to general reserve during the year	(-)	-	(860,000,000)
General provision made during the year	(+)	740,200,000	1,049,200,000
		1,980,200,000	189,200,000
Balance at the year ended		4,095,267,313	2,115,067,313
Provision made by ABBL, Mumbai Branch		3,473,693	3,541,800
Total provision on un-classified loans and advances		**4,098,741,006**	**2,118,609,113**
Total provision on loans and advances		**6,605,083,960**	**4,714,778,454**

		31.12.2016	
Provision for	Required	Maintained	Excess
Un-classified loans and advances	4,080,365,693	4,098,741,006	18,375,313
Classified loans and advances	2,500,989,581	2,506,342,955	5,353,374
	6,581,355,273	**6,605,083,960**	**23,728,687**

In accordance with letter no. BRPD(P-1)/661/13/2017/2606 dated April 27, 2017 of Banking Regulations & Policy Department (BRPD) of Bangladesh Bank (BB), provision for Loans and Advances (against unclassified, writ cases & classified loans determined by Department of Banking Inspection-1 of BB) amounting Tk. 167.66 crore has been maintained in 2016 and rest amount is required to be maintained @ 30% from 2017-2019 amounting to Tk. 502.95 crore for each year.

	31.12.2016	
14.1.1 Details of provision for loans and advances	Required	Maintained
General Provision	**4,080,365,693**	**4,098,741,006**
Standard	3,752,565,693	3,770,941,006
Special Mention Account	327,800,000	327,800,000
Specific Provision	**2,500,989,581**	**2,506,342,955**
Substandard	22,100,000	22,100,000
Doubtful	375,589,581	375,589,581
Bad/Loss	2,103,300,000	2,108,653,374
Surplus provision maintained at December 31, 2016		**23,728,687**

		31.12.2016 Taka	31.12.2015 Taka
14.2 Provision for current tax (net of advance tax)			
Current Tax	(note 14.2.1)	15,150,207,047	14,117,950,475
Advance Income Tax	(note 14.2.2)	12,588,617,710	11,377,956,943
Provision for current tax (net of advance tax)		**2,561,589,337**	**2,739,993,532**

SHARESTOCK

		31.12.2016 Taka	31.12.2015 Taka
14.2.1 Provision for current tax			
Balance at 01 January		13,935,338,386	12,133,437,043
Add: Provision made during the year		1,495,394,805	1,801,901,343
Less: Transferred to General Provision of loans and advance		350,000,000	-
Balance at the year ended		15,080,733,191	13,935,338,386
Provision held by ABBL, Mumbai Branch		69,473,856	182,612,089
		15,150,207,047	**14,117,950,475**

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2013 (Assessment Year 2014-15). Corporate income tax return for the years 2014 & 2015 submitted under section 82BB corresponding to Assessment Years 2015-16 & 2016-17. 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.

14.2.2 Advance corporate income tax			
In Bangladesh:			
Balance at 01 January 2016		11,180,990,162	9,125,367,470
Add: Paid during the year		1,241,741,245	1,948,415,000
Tax withheld during the year		91,876,011	105,955,561
		1,333,617,256	2,054,370,561
Less: Transfer/Adjustment during the year		-	1,252,131
Balance at December 31		12,514,607,419	11,180,990,162
Advance tax of ABBL, Mumbai Branch		74,010,292	196,966,780
		12,588,617,710	**11,377,956,943**
14.3 Interest suspense account			
Balance at 01 January		6,038,040,779	2,866,769,441
Transfer during the year	(+)	5,184,751,472	3,747,616,575
Recovery during the year	(-)	34,455,000	74,548,032
Waiver during the year		39,203,000	9,900,000
Write off during the year	(-)	734,796,414	491,897,206
Balance at December 31		10,414,337,836	6,038,040,779
Mumbai Branch		45,529,471	33,598,809
		10,459,867,307	**6,071,639,588**
14.4 Provision against other assets			
Provision for			
Prepaid legal expenses		85,030,000	72,030,000
Protested bills		26,065,610	26,065,610
Others		126,103,359	666,156,359
		237,198,969	**764,251,969**

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

	Outstanding amount	Base for Provision	Rate	Provisions Requirement	Provisions Maintained
Prepaid legal expenses	84,296,684	84,296,684	50% & 100%	42,148,342	85,030,000
Protested bills	23,743,304	23,743,304	100%	23,743,304	26,065,610
Others	93,589,571	93,589,571	100%	93,589,571	126,103,359
Required provision for other assets				**159,481,217**	**237,198,969**

Total provision requirement	**159,481,217**
Total provision maintained	237,198,969
Excess provision maintained at December 31, 2016	**77,717,752**

AB Bank Limited
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	31.12.2016 Taka	31.12.2015 Taka
14.5 Provision for off balance sheet items		
Balance at 01 January	860,000,000	1,010,000,000
Less. Transferred to general reserve	-	(200,000,000)
Add: Provision made during the year	-	50,000,000
Less: Adjustment during the year	-	-
	860,000,000	**860,000,000**

14.5.1 Particulars of required provision for Off-Balance Sheet Items

	Base for Provision	Rate (%)	31.12.2016	31.12.2015
Acceptances and endorsements	28,966,637,831	1%	289,666,378	242,564,308
Letters of guarantee	13,920,306,922	1%	139,203,069	123,274,102
Irrevocable letters of credit	22,005,679,984	1%	220,056,800	236,507,242
Bills for collection	6,031,396,865	1%	60,313,969	61,096,751
Others	-	1%	-	-
Total Off Balance Sheet Items & required provision	**70,924,021,602**		**709,240,216**	**663,442,402**
Total provision maintained			860,000,000	860,000,000
Excess provision at December 31, 2016			**150,759,784**	**196,557,598**

No provision has been maintained against Off Balance Sheet items of Mumbai Branch amounting Tk. 2,554,892,533 as per Reserve Bank of India (RBI) guidelines.

14.6 Provision against investments		
Balance at 01 January	1,875,053,000	1,995,053,000
Add: Provision made during the year	25,000,000	-
Less: Transferred to general provision for loans and advances	350,000,000	-
Less: Transferred to General Reserve	-	(120,000,000)
Balance at December 31	**1,550,053,000**	**1,875,053,000**
Total provision maintained for Investment	1,550,053,000	1,875,053,000
Total provision requirement for Investment	1,547,018,037	1,505,598,610
Excess provision at December 31	**3,034,963**	**369,454,390**
14(a) Consolidated Other liabilities		
AB Bank Limited	24,126,225,778	18,205,779,567
AB Investment Limited	613,737,751	460,347,151
AB International Finance Limited	55,835,113	53,011,430
AB Securities Limited	699,671,854	571,452,230
Cashlink Bangladesh Limited (CBL)	9,914,506	14,245,142
AB Exchange (UK) Ltd.	-	3,388,419
	25,505,385,002	19,308,223,938
Less: Inter-group transaction	322,893,637	213,467,908
	25,182,491,365	**19,094,756,031**
15. Share Capital	**6,738,936,140**	**5,990,165,460**
15.1 Authorised Capital		
1,500,000,000 ordinary shares of Tk. 10 each	**15,000,000,000**	**6,000,000,000**
15.2 Issued, Subscribed and Paid-up Capital		
10,000,000 ordinary shares of Taka 10 each issued for cash	100,000,000	100,000,000
5,000,000 ordinary shares of Taka 10 each (Rights issue)	50,000,000	50,000,000
658,893,614 ordinary shares of Taka 10 each (Bonus shares)	6,588,936,140	5,840,165,460
	6,738,936,140	**5,990,165,460**

AMARSTOCK

15.3 Percentage of shareholding

	As at December 31, 2016		As at December 31, 2015	
	No. of shares	%	No. of shares	%
Sponsors and public	670,030,788	99.43	595,582,922	99.43
Government	3,862,826	0.57	3,433,624	0.57
	673,893,614	100.00	599,016,546	100.00

15.4 Classification of shareholders by holding

Holding	No. of Shareholders		% of total Shareholding	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Upto 500	40,376	49,546	55.74	60.59
501 to 5,000	25,968	26,938	35.85	32.94
5,001 to 10,000	3,082	2,798	4.26	3.42
10,001 to 20,000	1,570	1,327	2.17	1.62
20,001 to 30,000	514	399	0.71	0.49
30,001 to 40,000	199	180	0.27	0.22
40,001 to 50,000	145	103	0.20	0.13
50,001 to 100,000	250	206	0.35	0.25
100,001 to 1,000,000	270	226	0.37	0.28
Over 1,000,000	58	56	0.08	0.07
	72,432	81,779	100	100

15.5 Names of the Directors and their shareholding as at December 31, 2016

Name of the Director	Status	No of Shareholding	
		31.12.2016	31.12.2015
Mr. M. Wahidul Haque	Chairman	145,793	129,595
Mr. Salim Ahmed	Vice-Chairman	15,917,596	14,148,975
Mr. Feroz Ahmed	Director	13,982,398	12,428,799
Mr. M. A. Awal	Director	4,222	3,753
Mr. Shishir Ranjan Bose FCA	Independent Director	-	-
Mr. Faheemul Huq, Barrister - at -Law	Director	578,201	513,957
Mr. Syed Afzal Hasan Uddin, Barrister - at -Law	Director	2,997	2,664
Mr. Md. Mesbahul Hoque	Director	2,997	2,664
Mr. Syed Golam Kibria	Director	1,000	-
Mr. Asish Baran Sarkar	Director	1,000	-
Prof. Dr. M. Imtiaz Hossain	Independent Director	-	-
Mr. Shamim Ahmed Chaudhury*	President & Managing Director	-	-

* Contract expired on February 22, 2017. Board in its 626th meeting held on April 19, 2017 appointed Mr. Moshiur Rahman Chowdhury as President & Managing Director & Bangladesh Bank approval is under process.

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 Act, 1991(amendment up to 2013) 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 31 December 2016 is Taka 30,515,446,584 as against available Total Common Equity Tier-I Capital of Taka 19,806,069,176 and Total Tier-2 Capital available of Taka 12,063,963,398 that is, a total of Taka 31,870,032,574 thereby showing surplus capital of Taka 1,354,585,990 at that date. Details are shown below:

AB Bank Limited

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	31.12.2016 Taka	31.12.2015 Taka
Tier I Capital (Going-Concern Capital)		
Common Equity Tier-I Capital		
Fully Paid-up Capital/Capital Deposited with BB	6,738,936,140	5,990,165,460
Statutory Reserve	6,495,637,440	6,111,203,545
Non-repayable share premium account	-	-
General Reserve	1,298,909,942	1,401,086,919
Retained earnings	7,836,238,115	7,435,241,593
Minority interest in Subsidiaries	9,911,986	(2,235,814)
Non-Cumulative irredeemable Preferences shares	-	-
Dividend Equalization Account	-	-
	22,379,633,623	**20,935,461,703**
Regulatory Adjustment:		
Goodwill and all other Intangible Assets	238,275,824	322,958,427
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)	2,311,839,144	1,483,281,544
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 Entitie	13,489,480	9,054,440
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	9,960,000	9,960,000
Other if any	-	-
	2,573,564,448	1,825,254,411
Total Common Equity Tier-I Capital	**19,806,069,176**	**19,110,207,292**
Additional Tier-I Capital	**-**	**-**
Tier-2 Capital (Gone concern Capital		
General Provision/General loan-loss reserve	5,064,140,543	2,867,752,202
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)	6,500,000,000	6,500,000,000
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)	-	-
Sub-Total	**12,413,778,636**	**10,217,390,295**
Regulatory Adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	339,855,237	169,927,619
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)	-	-

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	31.12.2016 Taka	31.12.2015 Taka
Investments in subsidiaries which are not consolidated	-	-
50% of Investment	9,960,000	9,960,000
Other (if any)		
Total Tier-2 Capital Available	**12,063,963,398**	**10,037,502,676**
Maximum limit of Tier-2 Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	17,605,614,890	16,987,063,262
Excess amount over maximum limit of T 2	-	-
Total admissible Tier 2 Capital	**12,063,963,398**	**10,037,502,676**
Total Eligible Capital	**31,870,032,574**	**29,147,709,968**
Total assets including off-Balance Sheet items	390,647,684,343	355,587,988,835
Total risk-weighted assets (RWA)	287,204,203,147	258,013,752,529
B. Total required capital (10.625% of Total RWA)	**30,515,446,584**	**25,801,375,253**
Capital Surplus / (Shortfall) [A-B]	**1,354,585,990**	**3,346,334,716**
Capital to Risk Weighted Assets Ratio (CRAR)	**11.10%**	**11.30%**

Solo - Capital to Risk Weighted Assets Ratio (CRAR)

In terms of section 13(2) of the Bank Company Act, 1991 (amendment up to 2013) 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 2016 is Taka 30,178,032,248 as against available Total Common Equity Tier-I Capital of Taka 18,702,832,098 and Total Tier-2 Capital available of Taka 11,937,558,993 that is, a total of Taka 30,640,391,090 thereby showing surplus capital of Taka 462,358,843 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	6,738,936,140	5,990,165,460
Statutory Reserve	6,495,637,440	6,111,203,545
Non-repayable share premium account	-	-
General Reserve	1,222,199,200	1,222,199,200
Retained earnings	6,809,663,765	6,830,946,921
Minority interest in Subsidiaries		
Non-Cumulative irredeemable Preferences shares		
Dividend Equalization Account		
	21,266,436,546	**20,154,515,126**
Regulatory Adjustment :		
Goodwill and all other Intangible Assets	238,275,824	322,958,427
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)	2,311,839,144	1,483,281,544
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	13,489,480	9,054,440
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991.	-	-

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

	31.12.2016 Taka	31.12.2015 Taka
Investments in subsidiaries which are not consolidated	-	-
50% of Investment		
Other if any		
	2,563,604,448	1,815,294,411
Total Common Equity Tier-I Capital	**18,702,832,098**	**18,339,220,715**
Tier-2 Capital (Gone concern Capital)		
General Provision/General loan-loss reserve	4,958,741,006	2,855,177,375
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)	6,500,000,000	6,500,000,000
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)	798,029,978	798,029,978
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	**12,256,770,984**	**10,153,207,353**
Regulatory Adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	319,211,991	159,605,996
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)	-	-
Total Tier-2 Capital Available	**11,937,558,993**	**9,993,601,357**
Maximum limit of Tier-2 Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	16,624,947,452	16,301,733,294
Excess amount over maximum limit of T 2	-	-
Total admissible Tier 2 Capital	**11,937,558,993**	**9,993,601,357**
Total Eligible Capital	**30,640,391,090**	**28,332,822,072**
Total assets including off-Balance Sheet items	388,314,805,147	353,659,413,585
Total risk-weighted assets (RWA)	284,028,538,801	255,525,397,235
B. Total required capital (10.625% of Total RWA)	**30,178,032,248**	**25,552,539,723**
Capital Surplus / (Shortfall) [A-B]	**462,358,843**	**2,780,282,349**
Capital to Risk Weighted Assets Ratio (CRAR)	**10.79%**	**11.09%**

Detailed Disclosure under Pillar III of Basel III is presented in **(Annex- E)**.

		31.12.2016 Taka	31.12.2015 Taka
16. Statutory reserve			
In Bangladesh			
Opening balance		5,888,708,849	5,384,130,846
Add: Addition during the year		368,185,215	504,578,003
Add./less Adjustment for Foreign Exchange Rate Fluctuation		-	-
		6,256,894,064	5,888,708,849
Outside Bangladesh - ABBL, Mumbai Branch			
Opening balance		222,494,695	198,309,382
Add: Addition during the year		20,527,152	31,248,121
Add: Transferred from Investment fluctuation reserve		-	-
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation		(4,278,471)	(7,062,808)
		238,743,376	222,494,695
		6,495,637,440	**6,111,203,545**
17. Other reserve			
General reserve	(Note-17.1)	1,222,199,200	1,222,199,200
Assets revaluation reserve	(Note-17.2)	1,303,760,781	1,305,535,182
Investment revaluation reserve	(Note-17.3)	544,262,857	1,332,175,037
Foreign exchange revaluation for investment in foreign operation		-	-
		3,070,222,838	**3,859,909,419**
17.1 General reserve			
Opening balance		1,222,199,200	42,199,200
Add. Transferred from general provision of loans and advances		-	860,000,000
Add. Transferred from off balance sheet provisions		-	200,000,000
Add: Transferred from investment provisions		-	120,000,000
		1,222,199,200	**1,222,199,200**
17.2 Assets revaluation reserve			
Opening balance		1,305,535,182	1,323,567,486
Add: Addition during the period		-	-
Less: Transferred to retained earnings		(1,774,401)	(18,032,304)
		1,303,760,781	**1,305,535,182**
17.3 Investment revaluation reserve (Treasury Bills & Treasury Bonds)			
In Bangladesh			
Revaluation Reserve for:			
Held to Maturity (HTM)	Note (17.3.1)	2,227,349	2,176,484
Held for Trading (HFT)	Note (17.3.2)	542,035,508	1,329,998,553
		544,262,857	1,332,175,037
Outside Bangladesh			
ABBL, Mumbai Branch		-	-
		544,262,857	**1,332,175,037**
17.3.1 Revaluation Reserve for Held to Maturity (HTM)			
Opening balance		2,176,484	3,946,258
Add: Addition during the year		672,032	773,514
		2,848,516	4,719,772
Less: Adjustment during the year		621,167	2,543,288
		2,227,349	**2,176,484**
17.3.2 Revaluation Reserve for Held for Trading (HFT)			
Opening balance		1,329,998,553	268,546,211
Add: Addition during the year		2,261,509,415	1,795,936,708
		3,591,507,968	2,064,482,919
Less: Adjustment during the year		3,049,472,459	734,484,366
		542,035,509	**1,329,998,553**

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

	31.12.2016 Taka	31.12.2015 Taka
17(a) Consolidated other reserve		
AB Bank Limited	3,070,222,838	3,859,909,419
AB Investment Limited	-	-
AB International Finance Limited	81,237,501	77,532,187
AB Securities Limited	101,934,926	101,934,926
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	3,253,395,264	**4,039,376,532**
18. Retained earnings		
Opening balance	6,830,946,921	6,768,352,063
Less. Adjustment for investment in Amana Bank	180,140,019	-
Add: Post-tax profit for the year	1,304,670,423	1,270,414,868
Less: Transfer to statutory reserve	388,712,367	535,826,124
Cash dividend	-	-
Bonus shares issued	748,770,680	665,573,940
	6,817,994,278	**6,837,366,867**
Add/(Less): Transferred from Assets Revaluation Reserve	1,774,401	18,032,304
Add/(Less): Retained earnings adjustment	-	(2,946,778)
Add/(Less): Foreign Exchange Translation gain/(loss)	(10,104,914)	(21,505,472)
	6,809,663,765	**6,830,946,921**
18(a) Consolidated Retained earnings		
AB Bank Limited	6,809,663,765	6,830,946,921
AB Investment Limited	635,065,186	544,469,448
AB International Finance Limited	84,608,098	80,719,490
AB Securities Limited	166,317,601	138,145,940
Cashlink Bangladesh Limited (CBL)	(185,493,381)	(306,731,436)
AB Exchange (UK) Ltd.	-	(45,308,187)
	7,510,161,269	7,242,242,176
Add./(Less): Adjustment made during the year	307,674,218	162,448,989
Minority Interest	(18,402,628)	(30,550,428)
	7,836,238,115	**7,435,241,593**
18(b) Minority Interest		
AB Investment Limited	9,797	10,498
AB Securities Limited	451,527	426,832
Cashlink Bangladesh Limited	9,450,662	(2,673,144)
	9,911,986	**(2,235,814)**
19. Contingent liabilities	**73,478,914,136**	**68,649,158,866**
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	126,303,800	118,800,000
Others	13,794,003,122	12,208,610,154
	13,920,306,922	**12,327,410,154**

	2016 Taka	2015 Taka
20. Profit and loss account		
Income:		
Interest, discount and similar income	22,941,335,413	23,664,997,552
Dividend income	192,687,562	180,634,136
Fee, commission and brokerage	1,872,192,713	1,855,689,669
Gains less losses arising from investment securities	96,492,875	2,996,773
Gains less losses arising from dealing in foreign currencies	844,901,183	973,066,129
Other operating income	115,809,979	118,591,269

	2016 Taka	2015 Taka
Gains less losses arising from dealing securities	1,086,468,655	318,368,965
Income from non-banking assets	-	-
Loss on disposal of AB Exchange (UK) Limited	(54,787,885)	-
	27,095,100,496	27,114,344,493
Expenses:		
Interest, fee and commission	16,077,046,356	16,532,249,413
Administrative expenses	4,236,639,417	3,980,332,983
Other operating expenses	1,424,393,841	1,304,413,020
Depreciation and amortization on banking assets	337,585,289	343,596,380
Losses on loans and advances	-	-
	22,075,664,903	22,160,591,796
	5,019,435,593	**4,953,752,697**

21. Interest income/profit on investments

Interest on loans and advances:		
Loans and advances	18,052,078,467	20,145,481,015
Bills purchased and discounted	361,618,093	298,078,258
	18,413,696,561	**20,443,559,273**
*Less. Incentive for good borrowers	13,655,184	63,960,816
	18,400,041,377	**20,379,598,457**
Interest on:		
Calls and placements	497,120,122	407,090,134
Balance with foreign banks	1,315,791	1,322,879
Reverse Repo	12,732,711	22,729,948
Balance with Bangladesh Bank	2,817,625	834,599
	513,986,250	431,977,559
	18,914,027,627	**20,811,576,016**

*Bank has maintained incentive for good borrowers in accordance with Bangladesh Bank, BRPD circular no. 06 dated March 19, 2015, BRPD circular letter no.16 dated December 30, 2015 and BRPD circular letter no. 03 dated February 16, 2016.

21(a). Consolidated Interest income/profit on investments

AB Bank Limited	18,914,027,627	20,811,576,016
AB International Finance Limited	50,392,731	63,843,754
AB Investment Limited	412,045,652	393,372,052
AB Securities Limited	77,480,793	83,771,511
Cashlink Bangladesh Limited (CBL)	1,470,187	336,312
AB Exchange (UK) Ltd.	-	-
	19,455,416,990	21,352,899,645
Less: Intercompany Transactions	5,411,074	124,002,467
	19,450,005,916	**21,228,897,178**

22. Interest/profit paid on deposits, borrowings, etc.

Interest on deposits:		
Fixed deposits	8,442,005,899	10,842,348,932
Savings deposits	769,587,124	694,118,806
Special notice deposits	2,981,596,605	1,912,833,661
Other deposits	1,932,860,542	1,781,765,032
	14,126,050,170	15,231,066,431
Interest on borrowings:		
Local banks, financial institutions including Bangladesh Bank	1,254,092,081	892,689,832
Subordinated Bond	696,904,106	408,493,151
	16,077,046,356	**16,532,249,413**

AB Bank Limited

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	2016 Taka	2015 Taka
22(a). Consolidated Interest/profit paid on deposits, borrowings, etc.		
AB Bank Limited	16,077,046,356	16,532,249,413
AB Investment Limited	36,372,222	144,722,697
AB International Finance Limited	5,774,974	5,765,028
AB Securities Limited	28,053,154	53,040,725
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	16,147,246,706	**16,735,777,862**
Less: Intercompany Transactions	8,089,228	126,930,120
	16,139,157,478	**16,608,847,742**
23. Investment income		
Capital gain on sale of shares	96,492,875	2,996,773
Interest on treasury bills	423,855,841	287,706,047
Dividend on shares	192,687,562	180,634,136
Income from Amana Bank Limited as Associates	3,087,178	-
Loss on disposal of ABEL	(54,787,885)	-
Interest on debentures	-	641,671
Interest on treasury bonds	3,590,641,483	2,548,036,366
Gain/(Loss) on treasury bills and treasury bonds	1,086,468,655	318,368,965
Interest on other bonds & others	9,723,285	17,037,452
	5,348,168,994	**3,355,421,410**
23(a). Consolidated Investment income		
AB Bank Limited	5,348,168,994	3,355,421,410
AB Investment Limited	7,902,899	252,437
AB International Finance Limited	-	-
AB Securities Limited	10,978,747	1,435,988
Cashlink Bangladesh Limited (CBL)	(182,616,310)	(756,799)
AB Exchange (UK) Ltd.	-	-
	5,184,434,330	3,356,353,037
Less: Intercompany Transactions (*)	78,569,034	74,365,853
	5,105,865,296	**3,281,987,184**

(*) Inter-company transactions includes dividend income from AB International Finance Limited.

24. Commission, exchange and brokerage		
Other fees, commission and service charges	1,039,395,834	989,906,895
Commission on letters of credit	657,804,855	694,088,952
Commission on letters of guarantee	174,992,024	171,693,822
Exchange gains less losses arising from dealings in foreign currencies	844,901,183	973,066,129
	2,717,093,896	**2,828,755,798**
24(a). Consolidated Commission, exchange and brokerage		
AB Bank Limited	2,717,093,896	2,828,755,798
AB Investment Limited	42,541,797	44,140,728
AB International Finance Limited	51,446,422	41,853,467
AB Securities Limited	43,504,521	45,853,762
Cashlink Bangladesh Limited (CBL)	123,290,014	77,327,792
AB Exchange (UK) Ltd.	-	2,314,760
	2,977,876,650	**3,040,246,306**
Less: Intercompany Transactions	122,088,458	75,810,263
	2,855,788,192	**2,964,436,043**

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	2016 Taka	2015 Taka
25. Other income		
Locker rent, insurance claim and others	4,751,956	8,144,567
Recoveries on telex, telephone, fax, etc.	84,781,759	82,288,508
Recoveries on courier, postage, stamp, etc.	26,005,800	24,950,165
Non-operating income (*)	270,463	3,208,028
	115,809,979	**118,591,268**
(*) Non-operating income includes sale of scrap items.		
25(a). Consolidated other income		
AB Bank Limited	115,809,979	185,028,906
AB Investment Limited	11,407,551	8,758,224
AB International Finance Limited	47,838,245	39,377,049
AB Securities Limited	2,087,087	2,962,552
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	177,142,862	236,126,731
Less: Inter company transactions	8,233,583	8,444,173
	168,909,279	**227,682,558**
26. Salary and allowances		
Basic salary, provident fund contribution and all other allowances	2,603,883,283	2,557,134,869
Festival and incentive bonus	330,250,103	263,089,477
	2,934,133,386	**2,820,224,346**
26.1 Chief executive's salary and fees	**12,900,000**	**13,900,000**

In 2016, incentive bonus paid to Chief Executive Officer Taka 1,000,000 which was charged against salary and allowances in 2015. Thus, Chief Executive's salary and fees for the year 2015 has been restated by Taka 1,000,000 with salary and allowances.

26(a). Consolidated salary and allowances		
AB Bank Limited	2,934,133,386	2,820,224,346
AB Investment Limited	15,167,897	17,442,336
AB International Finance Limited	30,941,853	32,944,029
AB Securities Limited	30,607,697	29,251,154
Cashlink Bangladesh Limited (CBL)	230,714	219,204
AB Exchange (UK) Ltd.	-	4,424,417
	3,011,081,546	**2,904,505,487**
27. Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes	430,192,895	355,383,641
Electricity, gas, water, etc.	170,375,310	145,062,566
Insurance	97,314,193	92,054,400
	697,882,398	**592,500,607**
27(a). Consolidated Rent, taxes, insurance, electricity, etc.		
AB Bank Limited	697,882,398	592,500,607
AB Investment Limited	2,651,581	2,707,281
AB International Finance Limited	7,766,735	7,463,310
AB Securities Limited	8,382,409	8,045,943
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	1,308,211
	716,683,124	612,025,351
Less: Inter company transactions	5,516,520	5,516,520
	711,166,604	**606,508,831**

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

	2016 Taka	2015 Taka
28. Legal expenses		
Legal expenses	**18,146,709**	**8,418,187**
28(a). Consolidated Legal expenses		
AB Bank Limited	18,146,709	8,418,187
AB Investment Limited	112,700	489,200
AB International Finance Limited	260,838	-
AB Securities Limited	-	95,500
Cashlink Bangladesh Limited (CBL)	51,750	172,500
AB Exchange (UK) Ltd.	-	116,988
	18,571,996	**9,292,376**
29. Postage, stamp, telecommunication, etc.		
Telex, fax, internet, wireless link, SWIFT, etc.	91,998,742	91,884,268
Telephone	10,731,635	11,806,021
Postage, stamp and shipping	33,170,694	31,550,746
	135,901,070	**135,241,035**
29(a). Consolidated Postage, stamp, telecommunication, etc.		
AB Bank Limited	135,901,070	135,241,035
AB Investment Limited	891,607	922,449
AB International Finance Limited	7,466,800	5,936,778
AB Securities Limited	1,603,253	1,594,613
Cashlink Bangladesh Limited (CBL)	413	4,756
AB Exchange (UK) Ltd.	-	230,154
	145,863,143	**143,929,785**
Less: Inter company transactions	(2,088,458)	(3,982,539)
	143,774,685	**139,947,246**
30. Stationery, printing, advertisements, etc.		
Printing and stationery	152,711,368	129,704,906
Publicity, advertisement, etc.	43,456,291	37,805,709
	196,167,659	**167,510,614**
30(a). Consolidated Stationery, printing, advertisements, etc.		
AB Bank Limited	196,167,659	167,510,614
AB Investment Limited	362,806	213,397
AB International Finance Limited	338,886	329,663
AB Securities Limited	492,926	563,922
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	197,362,277	**168,617,596**
31. Directors' fees		
Directors' fees	2,718,600	2,129,100
Meeting expenses	6,867,943	5,856,247
	9,586,543	**7,985,347**

Directors' fees includes fees for attending the meeting of the Board, Executive Committee, Audit Committee, Risk Management Committee and Shariah Council.

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	2016 Taka	2015 Taka
31(a). Consolidated Directors' fees		
AB Bank Limited	9,586,543	7,985,347
AB Investment Limited	373,352	340,340
AB International Finance Limited	-	-
AB Securities Limited	480,001	317,330
Cashlink Bangladesh Limited (CBL)	260,000	140,000
AB Exchange (UK) Ltd.	-	-
	10,699,895	**8,783,017**
32. Auditors' fees		
Statutory	1,213,141	911,950
Others	3,799,649	3,433,950
	5,012,790	**4,345,900**
32(a). Consolidated Auditors' fees		
AB Bank Limited	5,012,790	4,345,900
AB Investment Limited	138,000	126,500
AB International Finance Limited	353,849	331,830
AB Securities Limited	85,000	95,000
Cashlink Bangladesh Limited (CBL)	172,500	172,500
AB Exchange (UK) Ltd.	-	214,220
	5,762,139	**5,285,950**
33. Depreciation and repairs of Bank's assets		
Depreciation:		
Electrical appliances	135,030,950	147,802,949
Furniture and fixtures	13,762,881	12,886,364
Office appliances	2,359,829	2,438,742
Building	19,070,730	19,552,271
Motor vehicles	59,394,125	52,688,093
	229,618,514	235,368,419
Repairs:		
Motor vehicles	40,955,249	32,274,445
Electrical appliances	75,952,267	82,357,927
Office premises and others	102,485,767	107,939,444
Furniture and fixtures	2,769,995	2,493,771
Office appliances	4,745,584	5,141,359
	226,908,863	230,206,946
	456,527,377	465,575,365
Amortization of Intangible Assets	107,966,775	108,227,961
	564,494,152	**573,803,326**
33(a). Consolidated Depreciation and repairs of Bank's assets		
AB Bank Limited	564,494,152	573,803,327
AB Investment Limited	18,916,434	18,432,970
AB International Finance Limited	351,140	350,615
AB Securities Limited	2,036,397	4,927,888
Cashlink Bangladesh Limited (CBL)	72,683	72,683
AB Exchange (UK) Ltd.	-	2,619,044
	585,870,806	**600,206,526**
34. Other expenses		
Contractual service	582,616,075	477,627,551
Petrol, oil and lubricant	74,903,921	71,402,998
Software expenses	145,829,727	142,300,110
Entertainment	49,906,193	64,040,138
Travelling	28,945,241	32,338,978
Subscription, membership and sponsorship	79,105,129	78,285,480
Training, seminar and workshop	37,369,497	40,526,503

AB Bank Limited
Notes to the Financial Statements
For the year ended December 31, 2016

	2016 Taka	2015 Taka
Local conveyance	9,659,008	9,306,348
Professional charges	55,930,874	89,875,491
Books, newspapers and periodicals	1,611,813	1,580,622
Branch opening expenses	311,994	404,204
Bank Charges	73,070,673	24,052,653
Sundry expenses (*)	285,133,696	272,671,945
	1,424,393,841	**1,304,413,020**

(*) Sundry expenses includes business promotion, rebate to foreign correspondents, donation & dress employees etc.

34(a). Consolidated other expenses

AB Bank Limited	1,424,393,841	1,304,413,020
AB Investment Limited	7,294,724	7,943,640
AB International Finance Limited	2,520,695	2,928,650
AB Securities Limited	9,743,783	10,739,868
Cashlink Bangladesh Limited (CBL)	23,045	437,803
AB Exchange (UK) Ltd.	-	876,443
	1,443,976,088	**1,327,339,425**
Less: Inter company transactions	120,038,909	71,827,724
	1,323,937,179	**1,255,511,701**

35. Provision against loans and advances

On un-classified loans	740,200,000	1,049,200,000
On classified loans	2,192,572,661	945,611,363
	2,932,772,661	**1,994,811,363**

35(a). Consolidated provision against loans and advances

AB Bank Limited	2,932,772,661	2,061,249,000
AB Investment Limited	-	3,864,130
AB International Finance Limited	-	-
AB Securities Limited	6,212,275	1,414,059
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	2,938,984,936	**2,066,527,189**

36. Provisions for diminution in value of investments

In quoted shares	**25,000,000**	**-**

36(a).Consolidated provisions for diminution in value of investments

AB Bank Limited	25,000,000	-
AB Investment Limited	-	40,000,000
AB International Finance Limited	-	-
AB Securities Limited	1,287,725	1,585,941
Cashlink Bangladesh Limited (CBL)	(4,307,246)	3,324,850
AB Exchange (UK) Ltd.	-	-
	21,980,479	**44,910,791**

37. Other provision

Provision for off balance sheet items	-	50,000,000
Provision for Other assets	59,558,484	150,000,000
	59,558,484	**200,000,000**

Provision for other assets included prepaid legal expenses,protested bills and others has been made as per Bangladesh Bank BRPD Circular # 14 dated 25 June 2001.

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	2016 Taka	2015 Taka
37(a). Consolidated other provisions		
AB Bank Limited	59,558,484	200,000,000
AB Investment Limited	-	-
AB International Finance Limited	-	66,450
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	59,558,484	**200,066,450**
38. Appropriations		
Retained earnings - brought forward	6,830,946,921	6,768,352,063
Less. Adjustment for investment in Amana Bank	180,140,019	-
Add: Post-tax profit for the year	1,304,670,423	1,270,414,868
	7,955,477,324	8,038,766,931
Less: Dividend-		
Cash dividend	-	-
Bonus shares issued	748,770,680	665,573,940
	7,206,706,644	7,373,192,991
Transferred to		
Statutory reserve	388,712,367	535,826,124
General reserve	-	-
Proposed dividend	-	-
	388,712,367	535,826,124
Retained earnings	**6,817,994,277**	**6,837,366,867**
Add: Transferred from Assets Revaluation Reserve	1,774,401	18,032,304
Less: Adjustment during the year	-	(2,946,778)
Add: Foreign Exchange translation gain/(Loss)	(10,104,914)	(21,505,472)
	6,809,663,765	**6,830,946,921**
39. Earnings Per Share (EPS)		
Profit after taxation	1,304,670,423	1,270,414,868
Number of ordinary shares outstanding	673,893,614	673,893,614
Earnings Per Share	**1.94**	**1.89**
39.(a) Consolidated Earnings Per Share		
Net Profit attributable to the shareholders of parent company	1,514,736,427	1,450,091,898
Number of ordinary shares outstanding	673,893,614	673,893,614
Earnings Per Share	**2.25**	**2.15**

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of December 31, 2016 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended December 31, 2015 was restated for the issues of bonus share in 2015.

40. Receipts from other operating activities		
Interest on treasury bills, bonds, debenture and others	5,207,182,139	3,174,787,275
Exchange earnings	844,901,183	973,066,129
Recoveries on telex, telephone, fax, etc.	84,781,759	82,288,508
Recoveries on courier, postage, stamp, etc.	26,005,800	24,950,165
Non-operating income	270,463	3,208,028
Others	4,751,956	8,144,567
	6,167,893,301	**4,266,444,672**

AB Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2016

	2016 Taka	2015 Taka
41. Payments for other operating activities		
Rent, taxes, insurance, electricity, etc.	697,882,398	592,500,607
Postage, stamps, telecommunication, etc.	135,901,070	135,241,035
Repairs of Bank's assets	226,908,863	230,204,974
Legal expenses	18,146,709	8,418,187
Auditor's fees	5,012,790	4,345,900
Directors' fees	9,586,543	7,985,347
Other Expenses	1,424,393,841	1,304,413,020
	2,517,832,213	**2,283,109,070**
42. Decrease in other assets		
Investment in Subsidiaries	6,229,114,922	5,468,105,565
Advance rent and advertisement	246,555,630	233,138,317
Stationery, stamps, printing materials, etc.	28,476,396	25,237,828
Security deposits	159,266,370	166,089,818
Commission and brokerage receivable on shares	-	-
and debentures, and other income receivables	1,026,651,535	791,115,465
Accounts receivable	889,650,552	1,058,534,763
Preliminary, formation, organizational, renovation, development and prepaid expenses	805,559,950	644,563,195
Exchange for clearing	570,641,969	1,044,718,906
Arab Bangladesh Bank Foundation	19,920,000	19,920,000
Inter-branch adjustment	621,590	-
	9,976,458,914	9,451,423,856
Add. Adjustment during the year	50,423,392	-
	10,026,882,306	**9,451,423,856**
Net Decrease	**575,458,450**	**1,194,431,447**
43. Increase/(decrease) in other liabilities		
Accumulated provision against loans and advances	6,605,083,960	4,714,778,454
Provision for current tax	2,561,589,337	2,739,993,532
Interest suspense account	10,459,867,308	6,071,639,588
Accounts payable - Bangladesh Bank	802,485,542	186,568,806
Provision against other assets	237,198,969	764,251,969
Accrued expenses	360,305,082	341,172,292
Provision against investments	1,550,053,000	1,875,053,000
Provision against off balance sheet items	860,000,000	860,000,000
Provision for outstanding debit entries in NOSTRO accounts	-	200,000
Others	689,642,580	651,755,094
	24,126,225,778	18,205,412,735
Less: Adjustment for provision & others	11,703,765,438	11,559,227,467
	12,422,460,340	**6,646,185,268**
Net Increase/(Decrease)	**5,776,275,074**	**3,846,295,697**

44. Conversion Rates

Assets and liabilities as at December 31, 2016 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

Currency	Abbreviation	Unit	Equivalent to BDT
British Pound Sterling	GBP	1.00	96.59
European Currency	EURO	1.00	82.31
Indian Rupee	INR	1.00	1.16
Japanese Yen	JPY	1.00	0.67
US Dollar	USD	1.00	78.71
Honkong Dollar	HKD	1.00	10.14
U.A.E Dirham	DIRHAM	1.00	21.43

AMARSTOCK

45. Highlights of the overall activities of the Bank

Sl #	Particulars	2016 Taka	2015 Taka
1	Paid-up capital	6,738,936,140	5,990,165,460
2	Total capital	30,640,391,090	28,332,822,072
3	Capital surplus	462,358,843	2,780,282,349
4	Total assets	314,835,891,011	285,010,254,719
5	Total deposits	245,640,782,909	213,818,905,499
6	Total loans and advances	218,769,451,248	209,725,203,267
7	Total contingent liabilities and commitments	73,478,914,136	68,649,158,866
8	Credit-deposit ratio*	83.67%	96.80%
9	Ratio of classified loans against total loans and advances	5.19%	3.16%
10	Profit after tax and provision	1,304,670,423	1,270,414,868
11	Loans Classified during the year	7,785,711,884	1,593,869,499
12	Provision kept against classified loans	2,506,342,955	2,596,169,341
13	Provision surplus	23,728,687	151,696,574
14	Cost of fund	8.06%	9.75%
15	Interest earning assets	272,624,556,302	249,984,680,535
16	Non-interest earning assets	42,211,334,710	35,025,574,184
17	Return on investments (ROI)	13.50%	10.49%
18	Return on assets (ROA)	0.44%	0.48%
19	Income from investments	5,348,168,994	3,355,421,410
20	Earnings per share	1.94	1.89
21	Net Income per share	1.94	1.89
22	Price-earnings ratio (Times)	11.52	11.09

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

Moshiur Rahman Chowdhury
President & Managing Director
(Current Charge)

Shishir Ranjan Bose, FCA
Independent Director

M. A. Awal
Director

M. Wahidul Haque
Chairman

Dhaka,
April 29, 2017

AB Bank Limited

Currency wise Balances

As at December 31, 2016

Annexure-A

Name of the bank	Location	Name of currency	As at December 31, 2016		
			Amounts in foreign currency	Conversion rate	Equivalent amounts in Taka
The Bank of Tokyo Mitsubishi Ltd.	Japan	JPY	2,263,761.00	0.67	1,517,399.00
JP Morgan Chase Bank	USA	USD	846,210.52	78.71	66,606,160.86
Sonali Bank (Kolkata)	India	ACU	56,142.55	78.71	4,419,041.87
Sonali Bank (UK)	UK,London	USD	440,240.91	78.71	34,651,846.29
Sonali Bank (UK)	UK,London	GBP	148.33	96.59	14,326.66
Myanmar Economic Bank	Myanmar	ACU	410.00	78.71	32,271.55
Citibank NA	USA	USD	202,887.88	78.71	15,969,528.21
Hatton National Bank Ltd.	Srilanka	ACU	45,513.52	78.71	3,582,419.22
Commerz Bank AG	Germany	USD	350,204.31	78.71	27,564,966.46
NIB Bank Ltd.	Pakistan	ACU	94,878.29	78.71	7,467,974.57
Mashreq Bank Psc	USA	USD	718,611.32	78.71	56,562,687.47
Nepal Bangladesh Bank Ltd.	Nepal	ACU	18,012.25	78.71	1,417,764.01
Bank of Bhutan	Bhutan	ACU	94,131.69	78.71	7,409,208.86
HABIB Zuric	Germany	EUR	12,295.50	82.31	1,012,020.47
Wachovia Bank/Wells Fargo N.A	USA	USD	2,956,748.23	78.71	232,728,905.61
Habib America Bank	USA	USD	443,331.81	78.71	34,895,134.43
Commerz Bank AG	Germany	EUR	133,669.22	82.31	11,002,072.89
Hypovereins Bank	Germany	EUR	195,429.15	82.31	16,085,421.56
Habib Metro Bank	Pakistan	ACU	374,700.25	78.71	29,493,068.85
Habib Bank AG	Dubai	AED	13,809.42	21.43	295,963.49
COMMERZ BK CAD	Germany	CAD	62,344.66	57.98	3,614,893.01
COMMERZ BK CHF	Germany	CHF	54,835.55	76.56	4,198,198.74
Commerz Bank (R)-OBU	Germany	EUR	236.66	82.31	19,479.06
JPMC NY-OBU	USA	USD	1,305,120.84	78.71	102,727,496.95
Reserve Bank of India	Mumbai	INR	22,309,182.57	1.16	25,831,748.99
HDFC Bank Ltd.	Mumbai	INR	35,530,576.33	1.16	41,140,769.11
HABIB BANK	Newyork	EUR	35,999.31	82.31	2,963,103.21
HABIB BANK ACU	Newyork	EUR	21,192.15	82.31	1,744,325.87
JP MORGAN CHASE	Newyork	USD	578,651.34	78.71	45,546,283.49
HABIB AMERICAN	Newyork	USD	41,973.81	78.71	3,303,804.76
HABIBSONS BANK	London	USD	20,248.30	78.71	1,593,765.97
JP CHASE ACU	Newyork	USD	13,819,502.28	78.71	1,087,748,225.91
Kotak Mahindra Bank	India	INR	53,160,367.92	1.16	61,554,262.51
Standard Chartered Bank	New York	USD	474,494.01	78.71	37,347,945.47
Standard Chartered Bank	Singapore	SGD	31,710.23	54.30	1,721,935.25
Standard Chartered Bank,UK	UK,London	GBP	46,500.45	96.59	4,491,311.06
HABIB,UK	UK,London	GBP	15,868.14	96.59	1,532,646.52
HABIB,UK	UK,London	USD	583,429.07	78.71	45,922,343.87
Total					**2,025,730,722.10**

AB Bank Limited

Investment in Shares

as at 31 December 2016

Annexure-B

Amount in Taka

Particulars	Number of shares	Market price per share	Total market price	Cost per Share	Total Cost
National Bank Limited	1,391,500	10.20	14,193,300	33.43	46,512,852
City Bank Limited	2,220,000	27.20	60,384,000	26.21	58,180,067
AB Bank 1st Mutual Fund	41,714,127	5.90	246,113,349	7.19	300,000,004
LR Global Bangladesh Mutual Fund One	10,369,343	7.10	73,622,335	9.64	100,000,001
Popular Life First Mutual Fund	2,600,799	5.40	14,044,315	5.78	15,041,003
Pragati Insurance Limited	1,054,416	27.10	28,574,674	119.10	125,579,298
Dhaka Electric Supply Company Limited	7,023,760	46.30	325,200,088	87.73	616,189,388
Jamuna Oil Company Limited	207,598	181.60	37,699,797	196.49	40,791,122
Khulna Power Company Limited	3,868,584	62.50	241,786,500	97.34	376,579,625
Linde Bangladesh Limited	13,869	1296.00	17,974,224	1386.09	19,223,714
Meghna Petroleum Limited	72,442	170.40	12,344,117	197.55	14,310,988
Padma Oil Company Limited	305,000	180.20	54,961,000	306.07	93,352,670
Powergrid Company of Bangladesh Ltd.	3,366,500	54.00	181,791,000	81.61	274,723,472
United Power Generation & Distribution Company Ltd.	843,983	141.60	119,507,993	154.83	130,672,135
Beacon Pharmaceuticals Limited	6,642,500	22.00	146,135,000	73.96	491,289,694
Beximco Pharmaceuticals Limited	613,083	80.80	49,537,106	62.14	38,096,239
Orion Pharma Limited	1,200,000	42.10	50,520,000	83.33	100,000,001
The ACME Laboratories Limited	20,000	99.00	1,980,000	112.75	2,255,095
Fu Wang Food Limited	629,096	16.00	10,065,536	24.90	15,666,130
Heidelberg Cement Bangladesh Limited	116,816	552.30	64,517,477	552.86	64,582,844
Lafarge Surma Cement Limited	125,000	82.10	10,262,500	134.50	16,812,600
BSRM Steels Limited	3,330,801	92.80	309,098,333	108.16	360,249,532
GPH Ispat Limited	3,970,000	34.30	136,171,000	31.17	123,761,020
Union Capital Limited	2,011,963	20.50	41,245,242	74.08	149,037,206
Bangladesh Export Import Company Ltd.	4,044,138	26.00	105,147,588	83.35	337,094,017
Shinepukur Ceramics Limited	1,143,962	10.40	11,897,205	58.13	66,501,146
Argon Denims Limited	1,656,000	31.10	51,501,600	41.09	68,052,981
			2,416,275,278		4,044,554,844

Shares/Bond (unquoted)

Particulars	Number of shares	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	105,765	100.00	10,576,500
Bangladesh Fund	2,000,000	100.00	200,000,000
Stock Market Stablization Fund	500,000	10.00	5,000,000
			231,270,930

AB Bank Limited

Schedule of Fixed Assets

As of December 31, 2016

Annexure-C

Amount in Taka

Particulars	Land and Building	Furniture and Fixtures	Office Appliances	Electrical Appliances	Motor Vehicles	Intangible Assets	Total
Cost/ Revaluation							
Balance at 01 January 2016	3,341,682,082	230,635,936	62,729,842	1,489,025,808	581,049,757	571,059,065	6,276,182,491
Addition during the year	-	16,079,027	1,511,000	78,427,967	99,166,700	23,444,498	218,629,192
Less: Disposal/Adjustment during the year	-	1,688,397	3,261,262	8,152,572	-	-	13,102,231
Less: Adjustment for FX Rate Fluctuation	-	59,705	153,733	388,719	75,712	337,840	1,015,709
At 31 December 2016	**3,341,682,082**	**244,966,861**	**60,825,847**	**1,558,912,484**	**680,140,745**	**594,165,723**	**6,480,693,743**
Accumulated Depreciation							
Balance at 01 January 2016	112,276,012	114,611,104	51,894,820	1,082,791,942	465,635,206	248,100,640	2,075,309,724
Addition during the year	19,070,729	13,762,881	2,359,829	135,030,949	59,394,124	107,966,775	337,585,287
Less: Disposal/Adjustment during the year	-	1,453,168	3,250,571	7,150,998	-	-	11,854,737
Less: Adjustment for FX Rate Fluctuation	-	44,491	147,470	293,793	60,696	177,516	723,966
At 31 December 2016	**131,346,741**	**126,876,326**	**50,856,608**	**1,210,378,100**	**524,968,634**	**355,889,899**	**2,400,316,308**
Net Book Value							
At 31 December 2016	**3,210,335,341**	**118,090,535**	**9,969,239**	**348,534,384**	**155,172,112**	**238,275,824**	**4,080,377,435**
At 31 December 2015	**3,229,406,070**	**116,024,832**	**10,835,021**	**406,233,865**	**115,414,552**	**322,958,426**	**4,200,872,766**

AB Bank Limited

Borrowings from other banks, financial institutions and agents-outside Bangladesh

Annexure-D

Name of the bank	Location	Currency	At December 31, 2016			At December 31, 2015		
			Amounts in foreign currency	Conversion rate	Equivalent amount in Taka	Amounts in foreign currency	Conversion rate	Equivalent amount in Taka
Sonali Bank UK	UK	USD	6,294,575	78.7111	495,452,954	7,620,550	78.5003	598,215,461
ICICI BK LTD	HK	USD	-	78.7111	-	22,029,822	78.5003	1,729,347,639
Noor Bank Limited	UAE	USD	50,063,071	78.7111	3,940,519,398	55,176,366	78.5003	4,331,361,309
International Finance Corporation	USA	USD	-	78.7111	-	35,066,309	78.5003	2,752,715,780
RAK Bank	UAE	USD	8,655,997	78.7111	681,323,009	-	-	-
BANCA UBAE SPA	Italy	USD	5,023,894	78.7111	395,436,258	-	-	-
					5,512,731,619			9,411,640,189

AB Bank Limited

Detailed of Risk Weighted Assets under Basel III

at 31 December 2016

Annexure-E

Amount in Taka

Risk Weighted Assets (RWA) for	31.12.2016		31.12.2015	
	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A. Credit Risk				
On- Balance sheet (as shown below)	292,818,157,041	218,150,288,581	278,342,180,617	200,964,390,233
Off-Balance sheet (as shown below)	42,739,092,226	34,969,765,767	36,720,306,577	27,449,799,774
B. Market Risk		8,767,854,108		7,796,149,895
C. Operational Risk		22,140,630,345		19,315,057,333
Total RWA (A+B+C)	**335,557,249,267**	**284,028,538,801**	**315,062,487,194**	**255,525,397,235**

Credit Risk - On Balance Sheet

Sl.	Exposure Type	31.12.2016		31.12.2015	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
a)	Cash and Cash Equivalents	1,540,083,692	-	1,207,173,916	-
b)	Claims on Bangladesh Government and Bangladesh Bank	45,170,375,416	-	34,651,501,799	-
c)	Claims on other Sovereigns & Central Banks*	422,292,782	211,146,391	406,787,241	203,393,621
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	28,021,152	14,010,576	55,892,214	27,946,107
g)	Claims on Banks and Non-bank Financial Institution (NBFI)				
	i) Original maturity over 3 months	2,365,363,255	618,679,356	1,570,782,197	494,881,132
	ii) Maturity less than 3 months	14,589,166,314	2,917,833,263	14,993,279,001	2,998,655,800
h)	Claims on Corporate (excluding equity exposure)	125,278,972,963	116,520,195,230	123,252,283,275	113,999,929,922
	i) Claims on SME	36,418,048,526	28,403,178,039	36,260,300,864	30,024,518,347
i)	Claims under Credit Risk Mitigation	5,504,105,664	1,074,326,375	4,806,284,250	1,315,810,291
	Fixed Risk Weight Groups:				
j)	Claims categorized as retail portfolio (excluding consumer loan)	2,544,276,130	1,908,207,097	2,981,961,393	2,236,471,045
k)	Consumer Loan	1,053,460,558	1,053,460,558	935,140,862	935,140,862
l)	Claims fully secured by residential property	1,335,088,529	667,544,264	1,380,482,151	690,241,075
m)	Claims fully secured by commercial real estate	6,779,256,684	6,779,256,684	5,585,188,457	5,585,188,457
n)	Past Due Claims (Risk weights are to be assigned net of specific provision)	24,783,786,556	36,238,413,591	11,739,283,667	16,381,305,806
o)	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	14,256,000	14,256,000	-	-
p)	Investments in venture capital	468,976,102	703,464,154	1,085,712,017	1,628,568,026
q)	Claim on Capital Market Exposure	1,597,244,871	1,996,556,089	4,211,649,696	5,264,562,121
r)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	6,011,329,750	7,514,162,188	3,050,321,392	3,812,901,740
s)	Investments in premises, plant and equipment and all other fixed assets	3,842,101,611	3,842,101,611	3,877,914,340	3,877,914,340
t)	Claims on all fixed assets under operating lease	-	-	-	-
u)	All other assets	13,071,950,486	7,673,497,117	26,290,241,883	11,486,961,542
	Total	**292,818,157,041**	**218,150,288,581**	**278,342,180,617**	**200,964,390,233**

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AB Bank Limited

Detailed of Risk Weighted Assets under Basel III

at 31 December 2016

Annexure-E

Credit Risk - Off Balance Sheet

Sl.	Exposure Type	31.12.2016		31.12.2015	
		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 & 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	63,151,900	12,630,380	59,400,000	11,880,000
g)	Claims on Corporate (excluding equity exposure)	39,482,534,916	32,311,550,491	32,179,285,626	24,115,523,628
h)	Against retail portfolio (excluding consumer loan)	222,061,902	166,546,427	193,101,302	144,825,977
	i) Claims on SME	2,925,630,204	2,433,325,165	4,258,567,346	3,147,617,867
i)	Consumer Loan	45,713,304	45,713,304	29,952,302	29,952,302
j)	Claims fully secured by residential property	-	-	-	-
k)	Claims fully secured by commercial real estate	-	-	-	-
l)	Investments in venture capital	-	-	-	-
m)	Capital Market Exposure	-	-	-	-
n)	All other assets	-	-	-	-
Total		**42,739,092,226**	**34,969,765,767**	**36,720,306,577**	**27,449,799,774**

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

These disclosures have been made in accordance with the Bangladesh Bank BRPD Circular no. 18 of 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 January 01, 2015. The guidelines were issued by Bangladesh Bank (BB) under section 13 and section 45 of the Bank Company Act, 1991 (amendment up to 2013) .

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 categorized 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) Minority interest in subsidiaries
Less: Regulatory adjustments applicable on CET1

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 as specified at Annex4.
b) Minority 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

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following items:

a) General Provisions
b) Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital;
c) Minority Interest i.e. Tier-2 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

	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	-	0.63%	1.25%	1.88%	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%

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 securitization 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 harmonized 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.

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, 2016. 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 January 1, 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 January 1, 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 Standardized 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 collateralized 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.

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 (alpha), 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.

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

11. Disclosure under Pillar III

Disclosure given below as specified by RBCA Guidelines dated 21 December 2014:

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 (e) AB International Finance Limited and (f) AB Exchange (UK) Limited. A brief description of these are given below: **AB Bank Limited (ABBL)** 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 (Amendment upto 2013) Act 1991. 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 104 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). **AB Investment Limited** 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. **AB Securities Limited** 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. 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 it's operation independently on 02 August 2010, before that it was operated under the ABBF License.

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(b) Continued..	**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 and domiciled in Hong Kong and has its registered office and principal place of business at Unit 1201-B, 12/F, Admiralty Centre, Tower One, 18 Harcourt, Hong Kong. **AB Exchange (UK) Limited** AB Exchange (UK) Limited (ABEL) is a company incorporated and domiciled in United Kingdom (UK) vide registration no. 07272766 (England & Wales). The registered office is situated at 69 Whitechapel High Street, London, E1 7PL. ABEL is a fully owned (100%) Subsidiary of AB Bank Limited. The Board of Directors of AB Bank Limited has decided to close-down the AB Exchange (UK) Limited, UK in its 607th Board Meeting held on July 12, 2016. Accordingly, after completing all the formalities, Management of AB Exchange (UK) applied to Companies House (UK) on July 25, 2016 for striking off the company and on November 15, 2016 the Company was dissolved through official gazette. The company ceased its commercial operations from November 15, 2016 and treated the assets and liabilities at net realizable value as per BFRS 5 – Non –current Assets Held for Sale and discontinued operation. The financial statements for the period ended as on 15 November 2016 were prepared.
	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: Tk. 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 2016

Annexure: E-1

B) Capital Structure

Qualitative Disclosure

(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.	The terms and conditions of the main features of all capital instruments have been segregated in line with of 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: Common Equity Tier 1 capital instruments 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. Statutory Reserve: As per Section 24(1) of the Bank Company (Amendment upto 2013) Act, 1991, an amount equivalent to 20% of the profit before taxes for each year of the Bank has been transferred to the Statutory Reserve Fund. General reserve: Any reserve created through Profit and Loss Appropriation Account for fulfilling any purpose. Retained Earnings: Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations. **In this respect, Bank is complied.** **Additional Tier 1 Capital** Bank has no any type of Additional Tier I Capital. **Tier 2 Capital** a) General Provisions; b) Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital; c) Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified Less: Regulatory adjustments applicable on Tier-2 capital;

		Taka in Crore			
		31.12.2016		31.12.2015	
		Solo	Conso	Solo	Conso
(b) The amount of Regulatory capital, with separate disclosure of: CET 1 Capital	> Paid up Capital	674	674	599	599
	> Non- repayable share premium account	-	-	-	-
	> Statutory reserve	650	650	611	611
	> General reserve	122	130	122	140
	> Retained earnings	681	784	683	744
	> Minority Interest in Subsidiaries	-	1	-	(0.22)
	> Non- cumulative irredeemable preference shares	-	-	-	-
	> Dividend equalization account	-	-	-	-
		2,127	**2,238**	**2,015**	**2,094**
	Additional Tier 1 Capital	-	-	-	-
	Total Tier 1 Capital	**2,127**	**2,238**	**2,015**	**2,094**
	Tier 2 Capital	1,194	1,206	999	1,004
(c)	Regulatory Adjustments/Deductions from capital	256	257	182	183
(d)	Total eligible capital	**3,064**	**3,187**	**2,833**	**2,915**

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AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

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 Standardized Approach for Credit Risk, Standardized (Rule Based) Approach for Market Risk and Basic Indicator Approach for Operational Risk for computing Capital Adequacy.

	Taka in Crore			
	31.12.2016		31.12.2015	
	Solo	Conso	Solo	Conso
(b) Capital requirement for Credit Risk:	2,531	2,546	2,284	2,294
(C) Capital requirement for Market Risk:	88	98	78	86
(d) Capital requirement for Operational Risk:	221	228	193	200
(e) Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital ratio:				
> For the Bank alone	69.41%	-	71.13%	-
> For the consolidated group	-	70.22%	-	71.83%
(f) Capital Conservation Buffer	N/A	N/A	N/A	N/A
(g) Available Capital under Pillar 2 Requirement	1,194	1,206	999	1,004

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 but 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. > 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.

	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'
> Definitions of past due and impaired (for accounting purposes)	**i. In case of Fixed Term Loans :** > 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''. 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.
> Description of approaches followed for specific and general allowances and statistical methods	

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%	

> Discussion of the Bank's credit risk management policy	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 monitoring and recovery of irregular loans. Internal control & 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.

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

Taka in Crore

Quantitative Disclosure

		31.12.2016		31.12.2015	
		In%	Taka	In%	Taka
(b) Total gross credit risk exposures broken down by major types of credit exposure	Overdraft	10.01%	2,190	10.46%	2,193
	Cash Credit	0.01%	1	0.01%	2
	Time loan	26.43%	5,782	29.91%	6,272
	Term loan	54.75%	11,978	50.29%	10,548
	Blc	0.09%	21	0.11%	24
	TR	4.19%	916	4.84%	1,016
	Packing credit	0.10%	21	0.21%	44
	Loan-accp bills	1.34%	293	2.35%	492
	Loan-EDF	1.47%	321	-	-
	Consumer Loan	0.64%	140	0.65%	137
	Staff Loan	0.69%	150	0.61%	129
	Bills Purchased & Discounted	0.29%	63	0.55%	116
	Total	**100%**	**21,877**	**100%**	**20,973**
(C) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	**Urban Branches**				
	Dhaka	71.60%	15,491	66.46%	13,630
	Chittagong	21.18%	4,582	25.93%	5,318
	Khulna	2.21%	479	2.51%	516
	Sylhet	0.96%	208	1.12%	229
	Barisal	0.11%	25	0.14%	29
	Rajshahi	1.68%	364	1.98%	406
	Rangpur	1.80%	390	1.86%	381
	Mymensingh	0.44%	95	-	-
		100%	21,634	100%	20,508
	Rural Branches				
	Dhaka	71.80%	141	85.80%	330
	Chittagong	25.78%	50	12.48%	48
	Khulna	0.00%	-	0.00%	-
	Sylhet	2.43%	5	1.71%	7
	Barisal	0.00%	-	0.00%	-
	Rajshahi	0.00%	-	0.00%	-
	Rangpur	0.00%	-	0.00%	-
		100%	196	100%	385
	Outside Bangladesh				
	ABBL, Mumbai Branch	0.21%	47	0.38%	80
		100%	**21,877**	**100%**	**20,973**
(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Agriculture	1.42%	312	0.98%	206
	Large and medium scale industry	29.28%	6,405	30.87%	6,473
	Working capital	17.51%	3,830	17.53%	3,677
	Export	1.70%	372	0.44%	92
	Commercial lending	24.02%	5,255	26.72%	5,604
	Small and cottage industry	0.70%	154	0.43%	90
	Others	25.36%	5,549	23.03%	4,830
		100%	**21,877**	**100%**	**20,973**
(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	(Repayable – on demand	3.42%	748	1.95%	410
	– upto 3 months	34.87%	7,629	40.72%	8,539
	– over 3 months but below 1 year	43.69%	9,557	39.97%	8,382
	– over 1 year but below 5 years	15.68%	3,430	16.51%	3,463
	– over 5 years	2.35%	513	0.85%	178
		100%	21,877	100%	20,973

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

Taka in Crore

Qualitative Disclosure: credit risk (cont..)

	31.12.2016		31.12.2015	
	In%	Taka	In%	Taka
(f) By major industry or counterparty type:				
i. Amount of impaired loans and if available, past due loans, provided separately	5.19%	1,136	3.16%	662
ii. Specific and general provisions		661		471
iii. Charges for specific allowances and charge-offs during the period		451		235

		2016	2015
(g) Gross Non Performing Assets (NPAs) Non Performing Assets (NPAs) to Outstanding Loans & advances	Non Performing Assets (NPAs)	1,136	662
	Non Performing Assets (NPAs) to Outstnading Loans & Advances	5.19%	3.16%
	Movement of Non Performing Assets (NPAs)-Bangladesh Operations:		
	Opening Balance	650.83	675.46
	Additions	854.51	398.99
	Reductions	381.02	423.62
	Closing balance	**1,124.32**	**650.83**
	Movement of Specific Provision for Non Performing Assets (NPAs)		
	Opening Balance	256.45	289.13
	Provision made during the period	220.38	101.20
	Write-off	230.52	133.88
	Closing balance	**246.32**	**256.45**
	Provision held by Mumbai Branch	4.32	3.16
	Provision made during the period	**250.63**	**259.62**

E) Equities: Disclosures for Banking Book Positions

Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to the equity risk, including: > differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.
> 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

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Qualitative Disclosure (cont..)

(C) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period (2016)		Taka in Crore 9.65
(d) > Total unrealized gains (losses) > Total latent revaluation gains losses) > Any amounts of the above included in Tier 2 capital		(162.83) 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

F) Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosure

(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	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. 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%

Quantitative Disclosure

		Taka in Crore	
		31.12.16	**31.12.15**
(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).	Market Value of Assets	32,012	29,001
	Market Value of Liability	29,296	27,011
	Weighted Avg. Duration GAP	0.98	0.79
	CRAR after different level of Shocks:		
	Minor Level	9.87%	10.36%
	Moderate Level	8.93%	9.61%
	Major Level	7.96%	8.85%

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

G) Market Risk

Qualitative Disclosure

(a) > Views of BOD on trading/ investment activities	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.
> Methods used to measure Market risk	Standardized 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'.
> 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.

Quantitative Disclosure

(b) The capital requirements for:

	Taka in Crore	
	31.12.16	31.12.15
Interest rate risk	37.53	30.33
Equity position risk	48.33	44.49
Foreign exchange risk	1.82	3.14
Commodity risk	-	-
	87.68	77.96

H) Operational Risk

Qualitative Disclosure

(a) > Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Borad oversees the activities of Internal Control & 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.

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Qualitative Disclosure (cont..)

> 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 & 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 & 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. 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	
	31.12.16	**31.12.15**
(b) The capital requirements for Operational Risk	221.41	193.15

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.

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

Qualitative Disclosure (cont..)

	> 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 is 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 place 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	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). 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. 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.
> Policies and processes for mitigating liquidity risk	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. 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. 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.

Quantitative Disclosure

	Taka in Crore
(b)	**31.12.16**
Liquidity Coverage Ratio	123.00%
Net Stable Funding Ratio (NSFR)	106.61%
Stock of High quality liquid assets	6,123.50
Total net cash outflows over the next 30 calendar days	4,978.33
Available amount of stable funding	24,531.07
Required amount of stable funding	23,010.39

J) Leverage Ratio

Qualitative Disclosure

(a) > Views of BOD on system to reduce liquidity Risk	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. Key initiatives of the Board: ▪ Emphasized 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 ▪ Decentralization 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.
> Policies and processes for managing excessive on and off-balance sheet leverage	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. All these above measures as a whole, helps the Management to keep the exposures at sound level.
> Approach for calculating exposure	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: 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>** 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.): **<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:

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

> Approach for calculating exposure (Continued...)	▪ The accounting measure of exposure; and ▪ Without netting various long and short positions with the same counterparty **Off-Balance Sheet Items** 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 December 21, 2014. OBS exposures calculation is given below for considering Leverage Ratio of the Bank:

Exposures Types	CCF	Notional Amount (In Taka)	Exposure (In Taka)
Direct credit substitutes	100%	29,753,575,932	29,753,575,932
Performance related contingencies	50%	11,168,754,914	5,584,377,457
Short-term self-liquidating trade letters of credit	20%	21,714,674,152	4,342,934,830
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%	15,291,020,036	3,058,204,007
Commitments with original maturity of over one year	50%	-	-
Other commitments that can be unconditionally cancelled by any time	10%	16,445,900,000	1,644,590,000
Market related Off-Balance sheet exposure		-	-
Total		**94,373,925,034**	**44,383,682,227**

Quantitative Disclosure

	Taka in Crore
	31.12.16
(b) **Leverage Ratio**	5.28%
On balance sheet exposure	31,232.95
Off balance sheet exposure	4,438.37
Total exposure	**35,414.96**

K) Remuneration

Qualitative Disclosure

a) .	**Information relating to the bodies that oversees remuneratio**	
	> 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 & 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. #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. #Objective of remuneration policy is to pay competitively within industry norms in order to attract & retain good employees,

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

Qualitative Disclosure (cont..)

		#Pay for performance link to merit measured in terms of delivery of set KPI annually (annual merit pay) #Bank's service rules stands as a guide besides instructions & guidance from the Board from time to time
	> 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 & 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.**	
	> An overview of the key risks that the bank takes into account when implementing remuneration measures.	The business risks including credit/default risk, compliance & reputational risk, financial and liquidity risk are considered while implementing remuneration measures for each employee/group of employees.
	> An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure	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 & 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.
	> A discussion of the ways in which these measures affect remuneration.	Individual employee's performance standards are set in term of financial & 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 & not achieved) leading to variation in performance reward (annual merit pay) thus affects in remuneration.
	> 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 & best impact on competitive motivation at work as usual. No material change in remuneration package.

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Qualitative Disclosure (cont..)

d)	**Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.**	
	> 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, naintenance of CRR and SLR etc. beside non-financial KPI
	> 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.
	> 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**	
	> A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the 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.	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 favorably met.
	> 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.	Not applicable

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

Qualitative Disclosure (cont..)

f)	**Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms.**	
	> An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms	Not applicable
	> 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.	Not applicable

Quantitative Disclosure

g)	**Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.**	The main body that oversees remunerations organizes meeting as & when needed to discuss issues arising in the process of administration.
	> Number of employees having received a variable remuneration award during the financial year.	Not applicable (Variable remuneration practice is not available)
	> 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 **183,209,903** during the year 2016.
	> 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

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AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2016

Annexure: E-1

(i)	**Breakdown of amount of remuneration awards for the financial year to show:**	
	Fixed and variable.	BDT 294.70 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

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AB BANK LIMITED
Mumbai Branch
Balance Sheet
As at 31 December 2016

Annexure-F

	31.12.2016 INR	31.12.2015 INR
PROPERTY AND ASSETS		
Cash	**29,802,230**	**19,763,748**
In hand (including foreign currencies)	7,493,047	3,496,567
Balance with Reserve Bank India (including foreign currencies)	22,309,183	16,267,181
Balance with other banks and financial institutions	**1,075,082,608**	**1,138,205,504**
In India	88,690,944	94,640,996
Outside India	986,391,664	1,043,564,508
Money at call and on short notice	**411,757,031**	**240,835,815**
Investments	**364,706,500**	**344,559,750**
Government	364,706,500	344,559,750
Others	-	-
Loans and advances	**405,309,419**	**673,914,433**
Loans, cash credits, overdrafts, etc.	124,426,068	113,830,982
Bills purchased and discounted	280,883,351	560,083,451
Fixed assets including premises, furniture and fixtures	**10,288,025**	**15,224,667**
Other assets	**267,229,419**	**334,754,336**
Non-banking assets	**-**	**-**
Total Assets	**2,564,175,232**	**2,767,258,253**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**-**	**-**
Deposits and other accounts	**1,367,943,715**	**1,609,578,899**
Current deposits	1,155,747,445	1,406,647,806
Demand deposits	586,287	644,915
Bills payable	626,723	718,815
Savings deposits	9,100,177	9,572,472
Fixed deposits	201,883,083	191,994,891
Other deposits	-	-
Other liabilities	**189,063,895**	**214,195,396**
Total Liabilities	**1,557,007,610**	**1,823,774,295**
Capital/Shareholders' Equity		
Total Shareholders' Equity	**1,007,167,621**	**943,483,958**
Paid-up capital	369,822,602	369,822,602
Statutory reserve	206,186,951	188,459,000
Other reserve	-	-
Retained earnings	431,158,067	385,202,356
Total Liabilities and Shareholders' Equity	**2,564,175,232**	**2,767,258,253**

AMARSTOCK

AB BANK LIMITED

Mumbai Branch

Profit and Loss Account

For the year ended 31 December 2016

Annexure-F-1

	2016 INR	2015 INR
OPERATING INCOME		
Interest income	52,470,472	57,796,620
Interest paid on deposits and borrowings, etc.	(16,866,394)	(15,895,873)
Net interest income	**35,604,078**	**41,900,747**
Investment income	23,643,631	25,329,482
Commission, exchange and brokerage	276,706,121	276,779,051
Other operating income	2,048,641	2,303,184
	302,398,392	**304,411,717**
Total operating income (a)	**338,002,470**	**346,312,464**
OPERATING EXPENSES		
Salary and allowances	13,190,755	15,355,626
Rent, taxes, insurance, electricity, etc.	15,980,320	14,945,599
Legal expenses	65,687	251,400
Postage, stamps, telecommunication, etc.	9,100,531	10,518,225
Stationery, printing, advertisement, etc.	2,514,864	2,132,236
Auditors' fees	573,080	641,381
Depreciation and repairs of Bank's assets	6,275,591	7,991,578
Other expenses	101,760,381	100,131,516
Total operating expenses (b)	**149,461,208**	**151,967,560**
Profit before provision (c = a-b)	**188,541,263**	**194,344,904**
Provision against loans and advances	10,500,000	-
Other provisions	40,209,500	-
Total provision (d)	**50,709,500**	**-**
Profit before taxation (c-d)	**137,831,763**	**194,344,904**
Provision for taxation	**74,148,100**	**80,101,240**
Current tax	74,212,703	80,372,664
Deferred tax	(64,603)	(271,425)
Net profit after taxation	**63,683,663**	**114,243,664**

AB Bank Limited
Islami Banking Branch
Balance Sheet
As at 31 December 2016

Annexure-G

	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS		
Cash in hand	**270,140,394**	**304,786,207**
Cash in Hand (Including foreign currencies)	4,300,384	5,204,533
Balance with Bangladesh Bank and its Agent Banks (Incl. FC)	265,840,010	299,581,674
Balance with Other Banks and Financial Institutions	**2,415,566,470**	**2,021,892,911**
In Bangladesh	2,415,566,470	2,021,892,911
Outside Bangladesh	-	-
Placement with other Banks & Financial Institutions	**-**	**-**
Investment in shares & other financial institutions	**248,500,000**	**240,000,000**
Government (BGIIB For SLR)	248,500,000	240,000,000
Others	-	-
Investments	**4,422,979,996**	**3,818,966,701**
General Investments etc.	4,422,979,996	3,812,021,764
Bills Purchased & Discounted	-	6,944,937
Fixed Assets	**9,251,533**	**10,524,959**
Other Assets	**26,517,395**	**46,338,286**
Non-Banking Assets	**-**	**-**
Total Asset	**7,392,955,787**	**6,442,509,063**
LIABILITIES AND CAPITAL		
Liabilities		
Placement from Banks (BGIIB) & Other Financial Institutions	**-**	**-**
Deposits and Other Accounts	**7,311,296,055**	**6,386,950,395**
Mudaraba Savings Deposits	106,811,149	90,687,440
Mudaraba Term Deposits	4,081,262,744	3,627,855,408
Other Mudaraba Deposits	3,000,929,470	2,589,538,328
Al-Wadeeah Current and Other Deposit Accounts	116,562,265	74,753,543
Bills Payable	5,730,426	4,115,676
Other Liabilities	**81,659,732**	**55,558,668**
Deferred Tax Liabilities/(Assets)	**-**	**-**
Total Liabilities	**7,392,955,787**	**6,442,509,063**

AMAR STOCK

AB Bank Limited
Islami Banking Branch
Balance Sheet
As at 31 December 2016

	31.12.2016 Taka	31.12.2015 Taka
Contingent Liabilities		
Acceptances & Endorsements	380,418,216	-
Letter of Guarantee	130,000,000	319,340,442
Irrevocable Letters of Credit (including Back to Back Bills)	332,550,279	230,995,056
Inland Bills for collection	-	-
Other Contingent Liabilities	-	-
Total	**842,968,495**	**550,335,498**
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	**842,968,495**	**550,335,498**

AB Bank Limited
Islami Banking Branch
Profit and Loss Account
For the year ended 31 December 2016

Annexure-G-1

	2016 Taka	2015 Taka
Investment Income	583,877,086	672,381,561
Profit paid on Deposits	385,240,147	507,677,489
Net Investment Income	**198,636,940**	**164,704,072**
Income from Investments in Shares/Securities	475,476	1,896,353
Commission, Exchange and Brokerage	34,601,038	24,202,361
Other Operating Income	695,741	3,655,032
Total Operating Income	**234,409,194**	**194,457,818**
Operating Expenses		
Salaries and Allowances	33,161,266	31,913,422
Rent, Taxes, Insurance, Electricity etc.	1,491,079	1,345,771
Legal Expenses	-	-
Postage, Stamps, Telecommunication etc.	556,819	408,694
Stationeries, Printing and Advertisement etc.	473,596	766,043
Directors' Fees & Expenses	-	-
Shariah Supervisory Committee's Fees & Expenses	155,087	137,963
Auditors' Fees	-	-
Charges on investment Losses	-	-
Depreciation and repair to Bank's Assets	2,938,660	2,902,387
Zakat Expenses	-	-
Other Expenses	7,456,303	8,209,179
Total Operating Expenses	**46,232,809**	**45,683,460**
Operating Profit	**188,176,385**	**148,774,358**

AMARSTOCK

AB Bank Limited

Islami Banking Branch

Profit paid on deposits

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 2016 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 - 0.33	3.50 - 4.00
2. Mudaraba Special Notice Deposits		
a. General	0.25	3
b. Inter-Bank	0.25 - 0.33	3.00 - 4.00
3. Mudaraba Term Deposits		
a. General		
▪ 24 Months	0.50 - 1.00	6.00 - 12.00
▪ 12 Months	0.50 - 0.79	6.00 - 9.50
▪ 6 Months	0.48 - 0.73	5.75 - 8.75
▪ 3 Months	0.46 - 0.60	5.50 - 7.25
▪ 1 Month	0.33 - 0.35	4.00 - 4.25
b. Inter - Bank		
▪ 1 Month	0.39	4.75
4. Mudaraba Probable Millionaire Scheme	1.04 - 1.11	12.50 - 13.34
5. Mudaraba Quarterly Profit Paying Scheme	0.81	9.75
6. Mudaraba Hajj Deposit Scheme	0.75 - 1.11	9.00 - 13.34
7. Mudaraba Pension Deposit Scheme	0.66 - 1.04	8.00 - 12.50
8. Mudaraba Monthly Profit Payment Scheme	0.58 - 1.11	7.00 - 13.34
9. Mudaraba Cash WAQF Deposit	0.66 - 1.04	8.00 - 12.50

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 2016, Shariah Supervisory Committee met in 05 (Five) meetings (Full Committee 03+Sub-Committee 02) and reviewed different operational issues. The Committee also audited the branch through it's Muraquib 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.

AB Bank Limited

Custodian Wing

Independent Auditors' Report

We have audited the accompanying financial statements of Custodian Wing of AB Bank Limited, which comprise the Statement of Financial Position as at December 31, 2016 and Statement of Profit or Loss and Other Comprehensive Income for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibilities for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financialstatements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above give a true and fair view of the financial position of the Custodian Wing of AB Bank Limited as at December 31, 2016, and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on other Legal and Regulatory Requirements

We also report that the financial statements of the Custodian Wing of AB Bank limited comply with the Companies Act 1994, the Bank Company Act 1991(amended upto 2013) the Securities and Exchange Act 1993, the Securities and Exchange Rules 1987, Bangladesh Bank guidelines and circulars and other applicable laws and regulations. We further report that-

a) 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;
b) in our opinion, proper books of accounts as required by law have been kept by the custodian wing so far as it appeared from our examination of those books; and
c) the statement of financial position and statement of profit and loss and other comprehensive income dealt with by the report are in agreement with the books of account maintained by the Custodian Wing and examined by us;
d) the expenditure incurred was for the purpose of the business of the Custodian Wing.

Dated: 27 April, 2017
Dhaka, Bangladesh

Shiraz Khan Basak & Co.
Chartered Accountants

AB Bank Limited
Custodian Wing

Annexure- I

Balance Sheet As at 31 December 2016	31.12.2016 Taka	31.12.2015 Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	26,375	36,925
Intangible Assets	-	-
Total Non Current Assets	**26,375**	**36,925**
Current Assets		
Cash and Bank Balances	-	-
Advance, Deposit and Prepayments	-	-
Accounts Receivables	30,975,447	17,159,327
Total Current Assets	30,975,447	17,159,327
Total Assets	**31,001,822**	**17,196,252**
LIABILITIES		
Non-Current Liabilities	-	-
Current Liabilities		
Payable to AB Bank	13,505,085	13,515,635
Accounts Payable	17,470,287	3,654,167
Provision for Audit Fees	26,450	26,450
Total Current Liabilities	31,001,822	17,196,252
Total Liabilities	**31,001,822**	**17,196,252**

Profit and Loss Account For the year ended 31 December 2016	2016 Taka	2015 Taka
Operating Income		
Commission, exchange and brokerage	937,500	937,500
Total Operating Income	**937,500**	**937,500**
Operating Expenses		
Rent, taxes and insurance	16,500	16,400
Auditor's fees	26,450	26,450
Depreciation and repair of bank's assets	10,550	10,550
Other expenses	347,891	12,430
Total operating expenses	**401,391**	**65,830**
Operating Profit	**536,109**	**871,670**

AB Bank Limited
Off-Shore Banking Unit (OBU)

Annexure-J

Balance Sheet As at 31 December 2016	31.12.2016 Taka	31.12.2016 USD	31.12.2015 Taka	31.12.2015 USD
PROPERTY AND ASSETS				
Cash	-	-	-	-
Balance with Other Banks and FIs'	**103,481,273**	**1,314,697**	**15,624,068**	**199,032**
In Bangladesh	734,297	9,329	221,870	2,826
Outside Bangladesh	102,746,976	1,305,368	15,402,198	196,206
Money at call and on short notice (Placement)	**2,212,965,725**	**28,115,040**	**2,287,498,742**	**29,140,000**
Loans and Advances:	**11,361,144,011**	**144,339,795**	**14,696,619,255**	**187,217,364**
Loans & Advances - Regular	11,361,144,011	144,339,795	14,696,619,255	187,217,364
Bills Purchased & Discounted	-	-	-	-
Premises and Fixed Assets (WDV)	**1,842,866**	**23,413**	**3,243,127**	**41,314**
Other Assets:	**30,308,004**	**385,054**	**47,192,181**	**601,172**
Accrued Interest	416,408	5,290	242,607	3,091
Pre-paid Advances	165,957	2,108	204,019	2,599
Miscellaneous	29,725,640	377,655	46,745,555	595,482
Total Assets	**13,709,741,880**	**174,177,999**	**17,050,177,372**	**217,198,882**
LIABILITIES AND CAPITAL				
Liabilities:				
Borrowing from Bank & FIs'	**13,351,236,403**	**169,623,298**	**15,676,272,977**	**199,696,982**
In Bangladesh	7,838,504,785	99,585,761	6,264,632,788	79,803,934
Outside Bangladesh	5,512,731,619	70,037,538	9,411,640,189	119,893,047
Deposits and Other Accounts	**71,688,147**	**910,776**	**1,283,381,876**	**16,348,751**
Demand Deposits	21,473,619	272,816	1,219,275,859	15,532,117
Demand Deposits - Others	50,214,528	637,960	64,106,017	816,634
Other Deposits	-	-	-	-
Other Liabilities	**101,454,560**	**1,288,949**	-	-
Total Liabilities	**13,524,379,110**	**171,823,023**	**16,959,654,853**	**216,045,733**
Capital and Shareholders' Equity				
Retained Earnings	185,362,770	2,354,976	90,522,520	1,153,149
Total Shareholders' Equity	**185,362,770**	**2,354,976**	**90,522,520**	**1,153,149**
Total Liabilities and Shareholders' Equity	**13,709,741,880**	**174,177,999**	**17,050,177,372**	**217,198,882**

Profit and Loss Account For the year ended 31 December 2016	2016 Taka	2016 USD	2015 Taka	2015 USD
Interest income	713,013,393	9,095,495	551,864,037	7,068,271
Interest paid on deposits and borrowing etc.	511,963,149	6,530,814	452,733,405	5,798,607
Net Interest income	**201,050,244**	**2,564,680**	**99,130,632**	**1,269,665**
Commission, exchange and brokerage	2,811,089	35,859	1,379,529	17,669
Other operating income	53,727	685	198,445	2,542
Total operating income (A)	**203,915,059**	**2,601,225**	**100,708,606**	**1,289,875**
Salaries and allowances	5,786,944	73,821	7,410,975	94,920
Rent, taxes, insurance, electricity etc.	42,927	548	67,054	859
Legal expenses	62,961	803	-	-
Postage, stamps, telecommunication etc.	321,596	4,102	254,565	3,260
Stationeries, printing, advertisement etc.	46,442	592	11,673	150
Depreciation and repair of bank's assets	757,294	9,660	1,356,248	17,371
Other expenses	12,285,761	156,722	1,574,577	20,167
Total operating expenses (B)	**19,303,925**	**246,249**	**10,675,092**	**136,727**
Operating Profit	**184,611,134**	**2,354,976**	**90,033,514**	**1,153,149**

AMARSTOCK

AMANA BANK PLC (PB 3618 PQ)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

Annexure-K

RUPEES IN THOUSAND

	AS AT 31.12.2016	AS AT 31.12.2015
Assets		
Cash and Cash Equivalents	5,686,924	5,016,459
Balances with Central Bank of Sri Lanka	2,816,770	2,292,888
Derivative Financial Assets	59,483	61,037
Placements with Banks	4,662,466	3,624,929
Placements with Licensed Finance Companies	21	954,528
Financial Investments-Held for Trading	45,182	59,474
Financing and Receivables to Others Customers	38,451,662	33,073,596
Financial Investments-Available for Sale	394,775	432,056
Financial Investments-Held to Maturity	-	-
Other Financial Assets	307,322	315,749
Other Non Financial Assets	227,059	257,217
Property, Plant and Equipment	1,247,591	1,271,732
Intangible Assets	269,376	236,503
Differed Tax Assets	146,356	145,703
Total Assets	**54,314,987**	**47,741,871**
Liabilities		
Due to Banks	751,964	2,955,278
Derivative Financial Liabilities	98,341	67,405
Due to Other Customers	46,915,290	38,467,461
Other Financial Liabilities	566,565	341,598
Other Non Financial Liabilities	112,175	113,063
Retirement Benefit Liability	82,606	74,071
Total Liabilities	**48,526,943**	**42,018,875**
Shareholder's Funds		
Stated Capital	5,866,808	5,866,808
Statutory Reserve Fund	17,258	15,231
Revaluations Reserves	527,800	527,800
Other Reserves	(243,795)	(261,525)
Retained Earnings	(380,027)	(425,318)
Total Equity	**5,788,044**	**5,722,996**
Total Liabilities and Shareholder's Equity	**54,314,987**	**47,741,871**

AMANA STOCK

AMANA BANK PLC (PB 3618 PQ)

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2016

Annexure-K-1

RUPEES IN THOUSAND

	2016 LKR	2015 LKR
Financing Income	4,039,624	2,885,932
Financing Expenses	(2,115,335)	(1,405,259)
Net Financing Income	**1,924,289**	**1,480,673**
Net Fee and Commission Income	246,568	168,556
Net Gain/(Loss) from Trading	257,455	390,235
Net Other Operating Income	4,961	27,659
Total Operating Income	**2,433,273**	**2,067,123**
Impairment Revesal / (Charge) for Financing and Receivables to Other Customer and Other Losses		
Individual Impairment	(40,156)	255
Collective Impairment	(27,830)	(3,073)
Others	(149,192)	-
Net Operating Income	**2,216,095**	**2,064,305**
Personal Expenses	1,025,032	908,237
Depreciation of Property, Plant and Equipment	162,621	150,818
Amortisation of Intangible Assets	78,635	40,881
Other Operating Expenses	678,729	593,404
Total Operating Expenses	**1,945,017**	**1,693,340**
Operating Profit Before Value Added Tax & Nation Building Tax	**271,077**	**370,964**
value Added Tax on Financial Services & Nation Building Tax	(168,266)	(152,248)
Profit Before Tax	**102,811**	**218,716**
Tax (Expenses)/ Reversal	(62,171)	(60,087)
Profit for the Period	**40,640**	**158,629**

AMARSTOCK

AB Investment Limited

(A Subsidiary of AB Bank Limited)

Auditors' Report to the Shareholders

For the year ended 31 December 2016

We have audited the accompanying financial statements of AB Investment Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2016, and the statement of profit or loss and other comprehensive income (profit and loss statement), 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 and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the financial position of the company as at 31 December 2016 and of its financial performance and its cash flows for the year then ended and comply with the requirements of Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations.

We also report that:

(a) 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;

(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 (balance sheet) and 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, 25 April 2017

S. F. AHMED & CO
Chartered Accountants

AB Investment Limited

(A Subsidiary of AB Bank Limited)

Annexure-L

Statement of Financial Position (Balance Sheet) As at 31 December 2016	31.12.2016 BDT	31.12.2015 BDT
Assets		
Non- current assets		
Property, plant and equipment	597,167,511	613,817,114
Investment in shares	721,255,054	686,571,505
Office renovation	-	320,882
Total non- current assets	**1,318,422,565**	**1,300,709,501**
Current assets		
Loans to clients	7,229,768,195	6,990,517,740
Advances, deposits and prepayments	23,461,147	21,168,843
Receivable from brokers	33,238,412	12,764,599
Advance income tax	235,957,025	216,951,177
Cash and cash equivalents	614,394	432,792
Total current assets	**7,523,039,173**	**7,241,835,151**
Total assets	**8,841,461,738**	**8,542,544,652**
Equity and Liabilities		
Capital and reserve		
Share capital	6,149,428,410	2,988,568,250
Share money deposit	-	2,199,999,000
Retained earnings	635,065,186	544,469,448
Total capital and reserve	**6,784,493,596**	**5,733,036,698**
Non-current liabilities		
Provident fund, gratuity fund and recreation club fund	7,794,251	7,207,993
Deferred tax	23,681,668	18,945,456
Total non-current liabilities	**31,475,919**	**26,153,449**
Current liabilities		
Borrowing from banks, etc.	1,203,940,032	2,127,542,960
Liabilities for expenses	4,264,012	5,420,218
Payable against sale proceeds of shares	33,238,412	11,896,586
Provision for taxation	348,436,278	267,770,486
Provision for unclassified loans and investment	338,145,182	338,145,182
Credit balance with clients' accounts	97,468,307	32,579,073
Total current liabilities	2,025,492,223	2,783,354,505
Total liabilities	**2,056,968,142**	**2,809,507,954**
Total shareholders' equity and liability	**8,841,461,738**	**8,542,544,652**

Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement) For the year ended 31 December 2016	2016 BDT	2015 BDT
Operating income		
Interest income	412,045,652	393,372,052
Management fee	16,349,835	17,941,568
Transaction/ settlement fee	26,191,962	26,199,160
Investment income	7,902,899	252,437
Other operating income	11,407,551	8,758,224
Total operating income (A)	**473,897,899**	**446,523,441**
Operating expenses		
Salary and allowances	15,160,710	17,278,034
Audit and consultancy fees	250,700	615,700
Administrative expenses	30,474,024	30,724,379
Financial expenses	36,395,889	144,722,697
Total operating expenses (B)	**82,281,323**	**193,340,810**
Net operating income (C=A-B)	**391,616,576**	**253,182,631**
Profit before provision for loans and investment	**391,616,576**	**253,182,631**
Provision for loan	-	3,864,130
Provision for investment	-	40,000,000
Net profit before tax for the year	**391,616,576**	**209,318,501**
Income tax expense	**151,592,428**	**94,943,487**
Current tax	146,856,216	89,292,367
Deferred tax	4,736,212	5,651,120
Net profit after tax for the year	**240,024,148**	**114,375,014**
Earnings per share (EPS)	**0.69**	**0.36**

AMARSTOCK

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, 2016, 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, 2016, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

Basis for Opinion

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs.) 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 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 preformed, 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 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 BFRSs, 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.

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 BSAs 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 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, Bangladseh)
Date:

AB Securities Limited

Annexure-M

Statement of Financial Position As at 31 December 2016	31.12.2016 BDT	31.12.2015 BDT
I. Sources of Fund		
A) Shareholders' Equity	515,091,961	486,920,300
Share Capital	246,750,000	246,750,000
Revaluation Reserve	102,024,360	102,024,360
Retained Earnings	166,317,601	138,145,940
B) Non Current Liabilities	384,579,863	382,988,078
Liabilities for Other Finance	370,263,485	370,263,485
Deferred Liability-Gratuity	5,147,975	4,755,802
Provision for Provident Fund	9,168,403	7,968,791
Total Source of Fund (A+B)	899,671,824	869,908,378
II. Application of Fund		
A) Non Current Assets	5,868,249	6,041,058
Property, Plant & Equipment	3,157,231	3,516,188
Deferred Tax Assets	2,711,018	2,524,870
B) Investments	172,865,988	168,598,202
C) Current Assets	1,341,210,825	1,203,834,593
Cash and Cash Equivalents	301,783,395	165,340,364
Advance, Deposit & Prepayment	3,301,145	2,522,241
Advance Income Tax	48,848,463	33,273,206
Accounts Receivable	29,535,114	12,397,949
Margin Loan	957,742,708	990,300,833
D) Current Liabilities and Provisions	620,273,237	508,565,474
Accounts Payable	233,669,082	120,530,747
Bank Overdraft	253,621,766	284,303,246
Liabilities for Expense	4,956,087	1,251,195
Provision for Income Tax	58,629,199	41,548,183
Other Liabilities	69,397,103	60,932,103
E) Net Current Assets (C-D)	720,937,587	695,269,118
F) Total Application of Fund (A+B+E)	899,671,824	869,908,378

Statement of Comprehensive Income For the year ended 31 December 2016	2016 BDT	2015 BDT
A) OPERATING INCOME	105,997,994	80,983,089
Brokerage Commission	43,504,521	45,853,762
Interest Income	49,427,639	30,730,786
Investment Income	10,978,747	1,435,989
Other Operating Income	2,087,087	2,962,552
B) OPERATING & OTHER EXPENSE	53,431,466	55,631,218
Operating Expenses	51,327,321	50,536,793
Other Financial Expenses	804,138	935,196
Depreciation on Property, Plant & Equipment	1,300,007	4,159,229
C) Profit Before Provision (A-B)	52,566,529	25,351,871
D) Provision	7,500,000	3,000,000
For Diminution in Value of Investments	1,287,725	1,585,941
For Diminution in Value of Loan	6,212,275	1,414,059
E) Profit Before Taxation (C-D)	45,066,529	22,351,871
F) Provision for Taxation	16,894,868	14,486,961
Current Tax	17,081,016	15,136,821
Deferred Tax	(186,148)	(649,860)
Net Profit After Taxation (E-F)	28,171,661	7,864,910
Earnings Per Share (EPS)	1.14	0.32

AMARSTOCK

Independent Auditor's Report

To the Shareholders of Cashlink Bangladesh Limited

We have audited the accompanying financial statements of Cashlink Bangladesh Limited which comprise the Statement of Financial Position as at 31 December 2016, and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibilities for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above give a true and fair view of the financial position of Cashlink Bangladesh Limited as at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Report on other Legal and Regulatory Requirements:

We report that the financial statements of the Cashlink Bangladesh Limited comply with the Companies Act 1994, the Bank Company Act 1991 (2013 Amended), the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987, Bangladesh Bank guidelines and Circulars and other applicable laws and regulations.

We also report that:

(a) 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;

(b) 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 company's 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 and returns.

Dhaka,
13 March 2017

ACNABIN
Chartered Accountants

Cashlink Bangladesh Limited

Annexure-N

Statement of Financial Position As at 31 December 2016	31.12.2016 BDT	31.12.2015 BDT
ASSETS		
Non Current Assets	104,508	177,188
Property, Plant and Equipment	-	101,600,000
Investment in ETN	**104,508**	**101,777,188**
Current Assets		
Cash and Bank Balances	2,667,656	1,166,305
Investment in FDR	32,500,000	-
Investment in Share	431,639	23,506,275
Current Account with ETN	-	71,566,239
Advance, Deposit & Prepayment	37,794,461	30,746,918
Accounts Receivable	-	491,217
Other Receivable	214,030	60,000
	73,607,785	**127,536,954**
Total Assets	**73,712,293**	**229,314,146**
EQUITY AND LIABILITIES		
Equity		
Share Capital	238,000,000	238,000,000
Share Money Deposit	4,200,000	4,200,000
Retained Profit/(Loss)	(185,493,383)	(125,801,178)
	56,706,617	**116,398,822**
Liabilities		
Non-current Liabilities		
Long term loan	9,742,006	-
Current Liabilities		
Accrued Expenses	172,500	115,000
Provision for Taxation	7,091,170	1,728,657
Short Term Loan	-	106,741,029
Provision for decrease in market value of investment in Share	-	4,307,246
VAT Deducted at Source	-	23,392
	7,263,670	**112,915,323**
Total Liabilities	**17,005,676**	**112,915,323**
Total Equity and Liabilities	**73,712,293**	**229,314,146**

Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2016	2016 BDT	2015 BDT
Revenue	123,290,014	77,327,792
Less: Operating Expenses	-	13,715
General and Administration Expenses	613,081	1,067,708
Net Operating Profit	**122,676,933**	**76,246,369**
Add: Other Income	1,470,187	336,312
Non-Operating Loss	(182,813,810)	(756,799)
	(58,666,690)	**75,825,883**
Less: Other Expenses	525	520
Profit Before Provision	**(58,667,215)**	**75,825,363**
Provision for Decrease in Market Value of Investment in Share	(4,307,246)	3,324,850
Profit Before Taxation	**(54,359,970)**	**72,500,513**
Income Tax Expenses	5,332,235	230,722
Net Profit After Tax	**(59,692,205)**	**72,269,791**
Other Comprehensive Income	-	-
Total Comprehensive Income/Loss	**(59,692,205)**	**72,269,791**

AMARSTOCK

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 10 to 18, which comprise the statement of financial position as at 31st December, 2016, 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, 2016, 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 Report of the Directors, 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.



T. O. Yip & Co. Limited
Certified Public Accountants (Practising)
Hong Kong

Samuel Ming Sum Yip
Practising Certificate Number : P05704
7th February, 2017

AB International Finance Limited

Annexure-O

Balance Sheet As at 31 December 2016	31.12.2016 HK$	31.12.2015 HK$
NON-CURRENT ASSETS		
Property, plant and equipment	**15,803**	**8,922**
CURRENT ASSETS		
Discounted bills receivable	87,683,696	90,154,751
Deposits, prepayments and other receivable	2,310,366	454,565
Cash and bank balances	636,227	2,021,503
	90,630,289	**92,630,819**
CURRENT LIABILITIES		
Accrued liabilities and other payables	4,134,050	3,819,557
Deferred interest income	818,675	772,063
Provision for long service payments	520,256	516,050
Due to ultimate holding company	68,200,000	70,835,000
Tax payable	70,689	165,197
	73,743,670	**76,107,867**
NET CURRENT ASSETS	16,886,619	16,522,952
	16,902,422	**16,531,874**
EQUITY		
Share capital	1,000,000	1,000,000
Retained earnings	563,904	563,904
Proposed final dividend	7,776,559	7,406,011
Capital Reserve	7,561,960	7,561,960
	16,902,422	**16,531,874**

Profit and Loss Account For the year ended 31 December 2016	2016 HK$	2015 HK$
Interest income	4,721,731	6,120,785
Interest expenses	(571,215)	(573,322)
Net interest income	**4,150,516**	**5,547,463**
Other operating income	10,083,178	8,306,621
Total operating income	**14,233,694**	**13,854,084**
Staff costs	(2,538,848)	(2,787,988)
Depreciation	(8,853)	(11,310)
Provision for long service payments	(4,206)	(6,561)
Other operating expenses	(2,393,778)	(2,201,453)
Total operating expenses	**(4,945,685)**	**(5,007,312)**
Profit before taxation	9,288,009	8,846,772
Income tax	(1,511,450)	(1,440,761)
Profit for the year	**7,776,559**	**7,406,011**
Retained earnings at start of the year	563,904	563,904
Dividends	(7,776,559)	(7,406,011)
Retained earnings at the end of the year	**563,904**	**563,904**

AMARSTOCK

AB EXCHANGE (UK) LIMITED

Independent auditors' report

to the members of AB EXCHANGE (UK) LIMITED

We have audited the accounts of AB EXCHANGE (UK) LIMITED for the period ended 15 November 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 15 November 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- These are the final cessation accounts and the company has been stricken off from the companies house in the UK on 15 November 2016.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



MOHAMMAD NAZIM-UD-DIN
(Senior Statutory Auditor)
for and on behalf of
DeanCoopers
Accountants and Statutory Auditors

Suite 4, Cranbrook House
61 Cranbrook Road
Ilford
Essex
IG1 4PG

AB Exchange (UK) Limited (ABEL)

Annexure-P

Balance Sheet As at 15 November 2016	15.11.2016 GBP	31.12.2015 GBP
FIXED ASSETS		
Tangible Assets	-	9,203
	-	9,203
Current Assets		
Debtors	359	18,559
Cash at Bank and in Hand	67	11,763
	426	**30,322**
Creditors		
Amounts falling due within one year	45,793	23,638
Net Current Assets/(Liabilities)	**(45,367)**	**6,684**
Total Assets less Current Liabilities	**(45,367)**	**15,887**
CREDITORS		
Amounts falling due after more than one year	-	5,500
Net Assets	**(45,367)**	**10,387**
CAPITAL AND RESERVES	**(45,367)**	**10,387**
Called up share capital	400,000	400,000
Profit and loss account	(445,367)	(389,613)
(DEFICIT)/SHAREHOLDERS' FUND	**(45,367)**	**10,387**

Profit and Loss Account For the year ended 15 November 2016	Jan-Nov'16 GBP	2015 GBP
Turnover	-	19,450
Administrative expenses	54,021	82,257
Operating Loss	**(54,021)**	**(62,807)**
Interest payable and similar charges	1,733	-
Loss on ordinary activities before taxation	**(55,754)**	**(62,807)**
Tax on loss on ordinary activities	-	-
Operating loss for the financial year	**(55,754)**	**(62,807)**

AMAR STOCK

AUDITORS' REPORT

TO

THE SHAREHOLDERS OF ARAB BANGLADESH BANK FOUNDATION

Report on the Financial Statements

We have audited the accompanying financial statements of the Arab Bangladesh Bank Foundation, which comprise the Statement of Financial Position as of 31 December 2016 and the related Statement of Comprehensive Income, statement of Changes in equity and Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used ant the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion the financial statements presents fairly, in all materials respects, the financial position of Arab Bangladesh Bank Foundation as of 31 December 2016 and its financial performance and its cash flows for the year the ended in accordance with Bangladesh Financial Reporting Standards and comply with the applicable sections of the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the purposes of our audit and made due verification thereof;
b) In our opinion, proper books of accounts as required by law have been kept by the Foundation so far as it appeared from our examination of those books;
c) The Foundation's Balance Sheet and Income Statement dealt with by the report are agreement with the books of accounts.

Date: 7th February 2017
Dhaka, Bangladesh

SHIRAZ KHAN BASAK & CO.
Chartered Accountants

Arab Bangladesh Bank Foundation (ABBF)

Annexure- Q

Statement of Financial Position As at 31 December 2016	31.12.2016 BDT	31.12.2015 BDT
ASSETS		
Non Current Assets	**40,488,576**	**41,179,450**
Property, Plant & Equipment	40,487,576	13,543,492
Investment at cost in equity share of ABIL	1,000	1,000
Advances to Police Plaza Concord	-	27,634,958
Current Assets	**565,679,203**	**547,618,044**
Loan to ABSL	350,000,000	350,000,000
Investment in FDR	34,541,836	32,596,376
Accrued income	12,725,169	37,668
Advance Tax	114,829,710	114,384,675
Cash and Cash equivalents	53,582,488	50,599,325
TOTAL ASSETS	**606,167,779**	**588,797,494**
EQUITY AND LIABILITIES		
Shareholders' Equity	**488,794,866**	**476,488,783**
Share Capital	20,000,000	20,000,000
Retained Earnings	468,794,866	456,488,783
Non-Current Liabilities		
Advance Rent	1,145,400	1,597,426
Current Liabilities	**116,227,510**	**110,711,285**
Provision for Income Tax	115,522,482	110,012,157
Advance Rent	452,028	452,028
Provision for expenses	253,000	247,100
TOTAL EQUITY AND LIABILITIES	**606,167,779**	**588,797,494**

Statement of Comprehensive Income For the year ended 31 December 2016	2016 BDT	2015 BDT
Income		
Operating Income	**30,475,881**	**36,671,887**
Interest Income	29,571,829	36,370,536
Rental Income	904,052	301,351
Non Operating Income	-	468,656
Other Income	-	468,656
Less : Operating & Other Expenses	**12,659,472**	**9,793,397**
Operating expenses	3,087,272	496,497
Other expenses	9,572,200	9,296,900
Profit / (Loss) before Tax	**17,816,409**	**27,347,146**
Less: Provision for Tax	5,510,325	9,571,501
Profit / (Loss) carried forward	**12,306,083**	**17,775,645**

AMARSTOCK

Name of the Directors and entities in which had interest

As at December 31, 2016

Annexure - R

Sl. No.	Name	Status	Name of Firms / Companies in which interested as pro-proprietor/ partner/director/managing agent/guarantor/employees etc.
1	Mr. M. Wahidul Haque	Chairman	**Chairman:** 1. AB Bank Limited 2. AB Investment Limited 3. AB Securities Limited 4. Cashlink Bangladesh Limited 5. AB Exchange (UK) Limited, London, UK **Managing Director:** 6. Deundi Tea Company (UK) Ltd. 7. Noyapara Tea Co. Limited.
2	Mr. Salim Ahmed	Vice-Chairman	1. AB Bank Limited 2. Super Refinery (Pvt.) Ltd. 3. Super Sea Fish (Pvt.) Ltd. 4. Super Share & Securities Ltd. 5. Supertel Ltd. 6. Super Silica Bangladesh Ltd. 7. Elite Super Plastic Ind.(Pvt.) Ltd. 8. Elite Properties Management Ltd. 9. Elite Paint & Chemical Industries Ltd. 10. Elite International Ltd. 11. Hexagon Chemical Complex Ltd. **Nominated by AB Bank Limited in the Board of:** 12. AB Securities Ltd, Director 13. AB Investment Ltd, Director 14. Cashlink Bangladesh Ltd, Director
3	Mr. Feroz Ahmed	Director	1. AB Bank Limited **Chairman:** 2. AB Internaltonal Finance Ltd., Hong Kong, Nomnated by AB Bank Ltd. 3. Hexagaon Chemical Complex Ltd. 4. Elite Paint & Chemical Ind. Ltd. **Managing Director:** 5. Elite International Ltd. 6. FDN Energy Ltd. 7. Ahemd Securities Services Ltd. **Managing Partner:** 8. Universal Shipping & Trawling Company **Shareholder:** 9. Bangladesh Generel Insurance Company Ltd. 10. Holy Crescent Hospital
4	Mr. M. A. Awal	Director	1. AB Bank Limited 2. AB International Finance Ltd., Hong Kong, Director, nominated by AB Bank Ltd.
5	Mr. Faheemul Huq, Barrister-at-Law	Director	1. AB Bank Limited 2. Amana Bank PLC, Colombo, SriLanka, nominated by AB Bank Limited.
6	Mr. Syed Afzal Hasan Uddin, Barrister-at-Law	Director	1. AB Bank Limited 2. AB Exchange (UK) Ltd, Director, nominated by AB Bank Ltd. 3. Syed Ishtiaq Ahmed & Associates, Partner 4. Square Textiles Ltd, Independent Director 5. Color City Ltd, Independent Director 6. Managewell Media Ltd, Nominee Director 7. Forward Air Avation Ltd, Nominee Director 8. Managewell Holdings Ltd. 9. Managewell Investment Ltd. 10. Managewell Service Ltd.
7	Mr. Shishir Ranjan Bose, FCA	Independent Director	1. S .R. Bose & Co., Chartered Accountants, Proprietor 2. Therapeutics (Bangladesh) Ltd, Independent Director **Nominated by AB Bank Limited in the Board of :** 3. AB Securities Ltd, Indepandent Director 4. Cashlink Bangladesh Ltd, Independent Director 5. AB Exchange (UK) Ltd, Independent Director 6. AB International Finance Limited (ABIFL), Hong Kong
8	Mr. Md. Mesbahul Hoque	Director	1. AB Bank Limited 2. Therapeutics (BD) Ltd, Managing Director 3. GlaxoSmithKline Bangladesh Limited, Independent Director
9	Prof. Dr. M. Imtiaz Hossain	Independent Director	1. AB Investment Ltd, Indepandant Director, nominated by AB Bank Ltd. 2. Professor, Bangladesh University of Engineering and Technology (BUET)
10	Mr. Syed Golam Kibria	Director	1. AB Bank Limited 2. North East University Bangladesh, Telihaor, Sheikhghat, Sylhet-3100 – Director Finance & Registrar (Acting)
11	Mr. Asish Baran Sarkar	Director	1. AB Bank Limited 2. Pacific Bangladesh Telecom Ltd
12	Mr. Shamim Ahmed Chaudhury (Left the Bank on February 23, 2017)	President & Managing Director	1. AB Securities Ltd, Director 2. Cashlink Bangladesh Ltd, Director, nominated by AB Bank Ltd

AB Bank Limited

Green Banking

AB Bank has adopted comprehensive Green Banking Policy in line with global norms and Central Bank guidelines. Accordingly, a Sustainable Finance Unit and Sustainable Finance Committee have been formed with the responsibility of designing, evaluating and administering related Green Banking issues.

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. The Bank has incorporated 'Environmental and Climate Change Risk' as part of its existing credit risk methodology.

The Bank has introduced Green Office Guide (Green Tips) to better manage in-house environment. Some of the practices under Green Office Guide are set out below:

- Bank prepares and maintains inventory of the consumption of water, paper, electricity, energy etc. in all its offices and branches
- Online communication is encouraged and extensively used
- Use of energy saving LED Bulb as much as possible

"REDUCE, REUSE AND RECYCLE" is AB's slogan on Green Banking

We are aware that every ton of paper saves around 17 trees and therefore, the Bank emphasizes on purchasing recycled paper, print on reusable sheets, print multiple pages on single sheets, set defaults to print on both sides, print only when 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. We save an enormous amount of paper, fewer letters to open- we call or email you for service reasons wherever possible rather than write to you, low use of cheque books 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 maintain temperature of the AC over 22 Degree Celsius, switch off the lights of the common are after banking hour and Switch off the computer / printer, when not in use etc.

To ensure optimum consumption of electricity, water and also to control and reduce electricity consumption, a Green Monitor has been nominated for each floors at Head Office and all branches of the Bank aiming at:

- Air cooler temperature is maintained preferably at 24^0 Celsius during office hours.
- Air coolers are switched off after 7:00pm and unnecessary lights are switched 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.

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. To this effect, a placard inside prominent place of the branch is shown mentioning the time schedule and its purpose.

Climate Risk Fund: Bank allocates Climate Risk Fund for CSR activities for the people affected by climate change like flood, severe winters which we have observed last few years. AB Bank has stood by the side of the people affected by the above causes.

Green marketing: To promote Green marketing AB Bank is arranging Training and Capacity Building initiatives for its employees.

Disclosure and reporting of Green banking: Such disclosure has been done in the Annual Report, Bank's periodicals and Bank's website to disseminate Green Products.

Phase II of Green Banking: Under phase –II the Bank has already formulated Sector Specific Environmental Policies for different environmental sensitive sectors. Under Green Strategic Planning, the Bank puts a restrain and ensure sagacious consumption of water, fuel and energy. For setting up Green Branches, the Bank has been emphasizing on using renewable energy (e.g. solar power), use of energy saving bulbs and equipment etc. Clients and business houses are also encouraged to comply with the environmental regulations to undertake resource efficient and environmental friendly activities.

Phase III of Green Banking: Environment friendly innovative green products (e.g. Earth Hour, Green Monitor, Internet based Banking solutions etc.) have been introduced by the Bank to address the core environmental challenges of the country. Besides, the Bank extensively promotes all the innovative Green Finance Products as introduced by Sustainable Finance Department, Bangladesh Bank. Publication of independent Green Annual Report following internationally accepted format targeting Bank's stakeholders is in active consideration. At present, AB Bank reports its initiatives and activities of Green Banking to Sustainable Finance Department, Bangladesh Bank in specified format. It may be mentioned that Bangladesh Bank also publishes Annual Reports and different publications with such data provided by all banks & FIs for easy accessible to all stakeholders.

AB Bank Limited

Head office Address: BCIC Bhaban, 30-31, Dilkusha C/A, Motijheel, Dhaka-1000.

Branch Network

Sl. No.	Branch Name	Address	Sl. No.
Dhaka Division			
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, Narayangonj, 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, Gazupur.	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, Keranigonj, Dhaka	17
18	Joypara	Joyprara 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, Narayangonj.	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

AB Bank Limited

Head office Address: BCIC Bhaban, 30-31, Dilkusha C/A, Motijheel, Dhaka-1000.

Branch Network

Sl. No.	Branch Name	Address	Sl. No.
Mymensingh Division			
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
Chittagong Division			
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	Boalkhali	TCCA Complex, Gomdandi (East), Boalkhali, Chittagong, Bangladesh	49
6	Brahmanbaria	1090/128, Court Road, Brahmanbaria, Bangladesh	50
7	CDA Avenue	BMA Bhabhan (Ground Floor), 1367, CDA Avenue, East Nasirabad, Chittagong	51
8	Chakaria	M.Rahman Complex, Holding No-625,W-4, Chakaria Pouroshova, Chakaria,Cox'sbazar	52
9	Chandpur	123/115, Poura New Market, Kali Bari Road, Chandpur.	53
10	Chawk Bazar	67/68 College Road, Moti Tower,ChawkBazar, Chittagong,Bangladesh	54
11	Chaumuhani	Holding # 886, Feni Road, Chaumuhani, Bedumganj, Noakhali	55
12	Chaturi	Al Amin Super Market, Mouza & Union: Chaturi, Police Station: Anowara, Chittagong	56
13	Comilla	Moghultuli Super Market(1st Floor)Moghultoli Road,Comilla.	57
14	Cox's Bazar	Diganta Complex, New Market Bazar Ghata cox's Bazar.	58
15	Dewanhat	315, Dewan Chamber, Dewanhat, Doublemuring, Chittagong	59
16	Export Processing Zone (EPZ)	EPZ Branch, P.O. South EPZ, Bay Shopping Centre, Halishahar, Chittagong	60
17	Feni	Hoque Plaza, 193, Shaheed Shahidullah Kaiser Road, Feni	61
18	Hathazari	Haji Siddique Market (1st floor), Hathazari Bus Stand, Hathazari, Chittagong	62
19	Jubilee Road	175, Jubilee Road, Chittagong, Bangladesh	63
20	Khatunganj	395 Khatungonj, Chittagong	64
21	Khulshi	Road # 01, Khulshi, Chittagong	65
22	Lohagara	Mostafa City, 1st floor,Amirabad, Lohagara ,Ctg.	66
23	Momin Road	Equity Central,42-43,Momin Road, Jamal Khan, Chittagong	67
24	Nazu Meah Hat	Burischar,Kaptai Road, P.O-Nurali Bari, P.S- Hathazari,Chittagong.	68
25	Patherhat	Khayez Shopping Centre, 2nd Floor, Noapara, Patherhat, P.S.-Raozan, Chittagong	69
26	Pahartoli	Abdur Rahim Tower, Holding No - 972/1043, D, T Road, Ward No 9, A,K, Khan Gate, Pahartali, Chittagong.	70
27	Port Connecting Road	5,P.C Road,Block-G,Baropole,Halisahar,Ctg	71
28	Sandwip	Sandwip City Center, Anamnahar, Plot no 22370 & 22371, Haramia, Sandwip, Chittagong	72
29	Sitakunda	Aziz Shopping Complex, (1st Floor), Mohadevpur, PO+PS-Sitakunda, Chittagong	73
30	Station Road	Equity Anitri, 32 H.S.S. Road, Kotowali, Chittagong	74
31	Teknaf	Abu Hanif Market, Bus- Station, Main road, Teknaf.	75
Khulna Division			
1	Benapole	Hotel Haque international,607, Local Bus stand, Benapole,Jessore	76
2	Jhenaidah	Pushpoprangon, 249 Sher-E-Bangla Road, Jhenaidah Sadar, Jhenaidah	77
3	Jessore	38 M.K Road, Jessore	78
4	Jhikargacha	Hanef Super Market, Local Bus Stand, Jhikargacha, Jessore	79
5	Khulna	99, Jessore Road	80
6	Kushtia	12-14, N.S. Road Kushtia	81
7	Satkhira	84/810 Abul Kashem road satkhira	82

MAT STOCK

AB Bank Limited

Head office Address: BCIC Bhaban, 30-31, Dilkusha C/A, Motijheel, Dhaka-1000.

Branch Network

Sl. No.	Branch Name	Address	Sl. No.
Rajshahi Division			
1	Bogra	324 Kabi Nazrul Islam, Sarak, Jhawtola, Bogra.	83
2	Chapai Nawabganj	16, Godagari Road, Chapai Nawabgonj	84
3	Naogaon	Mojaffer ossain marketing Complex, Main Road, Naogaon	85
4	Pabna	AR Plaza,118 Abdul Hamid Road, Pabna Sadar, Pabna.	86
5	Sirajganj	Friends Plaza, 1039 ,S S Road, Ward# 1, Sirajgonj Sadar, Sirajganj.	87
6	Rajshahi	102-103, Shaheb Bazar, Ghoramara, Rajshahi.	88
Sylhet Division			
1	Boroikandi	Rongdhonu Biponi Bitan (1st Floor),Central Bus Terminal Road, Verthokhola Sylhet .	89
2	Chhatak	Modaris mension,Bagbari, Chhatak,Sunamgonj	90
3	Dargahgate	Raj Monjil, Dargahgate, Sylhet	91
4	Garden Tower	Biswa Road, Shahjalal Uposhohor Point, Sylhet	92
5	Habiganj	Holding no-6286, Habiganj-Shaistaganj Main Road, Ward-8, Habiganj	93
6	Madhabpur	317, Munshi Tower, 1st Floor, Ward # 07, Madhabpur Pourashava, P.O & P.S. Madhabpur, Dist. Habiganj	94
7	Moulvibazar	Shamsernagar Road, Chowmuhona, Moulvibazar, Sylhet	95
8	Sreemongal	Aziz Super Market, Moulvibazar Road, PO. & PS. Sreemongal-3210, Dist.Moulvibazar	96
9	Tajpur	Hazi Keramat Ali Super Market, Kodomtola, Tajpur, Osmanninagor, Sylhet	97
10	VIP Road	Surma Tower, V.I.P. Road, Taltala, Sylhet.	98
Rangpur Division			
1	Dinajpur	Javed Super Market, Plot.189, Bahadur Bazar, P.S. Kotwali, Dist. Dinajpur	99
2	Lalmonirhat	Kasir Uddin Kallyan Foundation Bhaban, Holding No. 5/32-S, Ward No.05, Puran Bazar, Dist. Lalmonirhat, Bangladesh.	100
3	Rangpur	Baitus Syed Super Market, 91-92,Central Road, Sadar, Rangpur.	101
4	Saidpur	Noor Plaza, Shaheed Dr. Zikrul Haque Road, Word No.12, Saidpur, Nilphamari	102
Barisal Division			
1	Barisal	101, Monsur Mansion, Sadar Road, Barisal, Bangladesh	103
Total of Branch Number: 103			

Celebrating 30 YEARS OF SUCCESSFUL PARTNERSHIP

AB Bank Limited

Head office Address: BCIC Bhaban, 30-31, Dilkusha C/A, Motijheel, Dhaka-1000.

ATM Network

Sl. No.	ATM Location	Address	Attached Branch	Live Date
1	Bashundhara	Green Coronet Plot No-07, Block-A, Basundhara Main Road.	Basundhara	18-Nov-14
2	Rangpur	Shop No:01 Muktijodda Complex Bhaban, Station Road, Rangpur.	Rangpur	6-Nov-14
3	Kalurghat	Global Shirts 49 (NP) Kalurghat Heavy Industrial Area, Chittagong.	Bahaddarhat	2-Sep-14
4	Mirpur-1	5-B Darus Slam Road, Section 01, Mirpur Dhaka.	Mirpur	6-Jul-14
5	Gulshan	155 GULSHAN AVENUE Road No 54 Dhaka	Gulshan	16-Mar-14
6	Siddesshari Road ATM	Total Camelia, 49, Siddesshari Road, Dhaka.	Malibag	27-Jan-14
7	New Senpara Road ATM	House no- 5543, Road No-1, New Senpara Road, Grand Hotel Mor, Rangpur.	Rangpur	15-Jan-14
8	Gulshan-1 ATM	Shop No.15,50, South Gulshan, Dhaka	Gulshan	1-Dec-13
9	Pran RFL ATM	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayangonj.	Madhabdi	8-Oct-13
10	Mohakhali	G-37, Wireless Gate, Dhaka	Mohakhali	6-Mar-13
11	East Dargahgate	5222, East Dargahgate, Sylhet	Dargahgate	28-Jan-13
12	Rayer Bazar	15, Sultangonj. Rayer Bazar , Dhaka	Dhanmondi	26-Jan-13
13	Middle Badda	Gha-131/1, Middle Badda, Dhaka	Progoti Sharani	24-Jan-13
14	Hobigonj Branch ATM	Sayestagonj Main Road Hobigonj	Hobigonj	29-Dec-12
15	Bonosree Main Road	B/4,Block#B,Main Road,Bonosree,Dhaka	Malibag	20-Dec-12
16	Mirpur, BRTA	Plot-30, Main Road-01, Section-10, Mirpur, Dhaka	Rokeya Sharani	12-Dec-12
17	Cox's Bazar	Digonta Complex (New Market), Bazar Ghata, Cox's Bazar	Cox's Bazar	6-Dec-12
18	Asad Avenue	Mohammadpur Housing Estate Plot No. 71/C, Block No. D, Mohammadpur, Dhaka.	Shyamoli	19-Nov-12
19	West Panthapath	89/2, West Panthapath, Dhaka 1215	Karwan Bazar	28-Dec-10
20	Satmosjid Road	Block-E, Plot No. Gha/13, Mohammadpur Housing Estate, Mohammadpur, Dhaka	Dhanmondi	30-Sep-12
21	Malibagh Chowdhury Para	577, Malibagh Chowdhury Para, Dhaka	Malibag	6-Sep-12
22	Training Academy	85/A (New) M R Akhter Mukul Sarak, 719 (old) Satmasjid Road, Dhanmondi R/A, Dhaka.	New Elephant Road	30-Jul-12
23	Comilla	333, Jhawtala, Comilla	Comilla	30-Jul-12
24	Naz Garden	Plot No. 1668, Hotel Naz Garden, Selimpur, Bogra	Bogra	15-Jul-12
25	Narinda	98/1, Bhagabath Shah Sanka Nidhi Lane, Narinda Road, Gandaria, Dhaka	North South Road	9-Jul-12
26	PC Culture Housing Society	H - 23, Road - 10, Block – Kha, PC Culture Housing Society, Mohammadpur, Dhaka	Shyamoli	13-Jun-12
27	NICVD	NICVD, Sher-e-Bangla Nagar, Dhaka	Shyamoli	2-Jun-12
28	Medda Bazar	Municipal Holding No. 345/338, Medda Bazar, Brahmanbaria	Brahmanbaria	30-May-12
29	Sadar Road	45, Sadar Road, Barisal	Barisal	29-May-12
30	Doylar More	Muncipal Holding No. 1952, Chawk Enayet, Naogaon	Naogaon	27-May-12
31	Lucas More	115 West Nakhalpara, Tejgaon, Dhaka	Karwan Bazar	23-May-12
32	Lake Drive Road	Plot No.19, Lake Drive Road, Sector -0 7 Uttara, Dhaka	Uttara	14-May-12
33	Shahjahanpur	714/1, Uttar Shahjahanpur, Dhaka.	Motijheel	9-May-12
34	South Basabo	445,SABUJBAGH South Bashbo, Sabujbagh, Dhaka	Motijheel	3-May-12
35	Sony Cinema	Crescent Homes, 150/1 Shah Ali bag Mirpur-1, Dhaka	Mirpur	25-Apr-12
36	Bashundhara city	Bashundhara city, Panthapath, Level-7, Dhaka.	Karwan Bazar	21-Mar-12
37	Tejture bazar	37 East Tejture bazar, Farmgate, Dhaka 1215	Karwan Bazar	23-Feb-12
38	Nazim Uddin Road	1/2 Nazim Uddin Road, Dhaka	Imamganj	23-Feb-12
39	Gopibagh	1/A Gopibagh, 1st Lane, Dhaka - 1203	Principal	19-Feb-12
40	Nikunja-2	Plot No.06, Road No.01, Nikunja-02, Dhaka.	Progoti Sharani	16-Feb-12
41	Simanta Square	Simanta Square Market Premises, Pilkhana, Dhaka.	New Elephant Road	16-Feb-12
42	Banani	House#50, Road#11, Block-C, Banani, Dhaka	Banani	12-Feb-12
43	Adabar Bazar	H-32/1/A North Adabar, Mohammadpur, Dhaka	Shyamoli	27-Jan-12
44	Darus Salam Station	59/D, Darus Salam, Mirpur Road, Dhaka	Shyamoli	27-Jan-12
45	Ring Road	KPBL Chayapath, House No.16/A/6, Ring Road, Near By Japan Garden City, Mohammadpur, Dhaka	Shyamoli	21-Jan-12
46	New Elephant Road	H -234/1, New Elephant Road, Dhaka	New Elephant Road	18-Jan-12
47	Sutrapur	29/5 K.M Das Lane, Sutrapur, Dhaka.	Principal	27-Dec-11

SHARESTOCK

AB Bank Limited

Head office Address: BCIC Bhaban, 30-31, Dilkusha C/A, Motijheel, Dhaka-1000.

ATM Network

Sl. No.	ATM Location	Address	Attached Branch	Live Date
48	Gulshan	Block B, H-50, Road -3 Avenue Road – 1, Niketan , Gulshan - 1	Mohakhali	27-Dec-11
49	Comilla	SA Plot No. 634, Shashangacha, Badsha Miar Bazar, Kowtali, Comilla	Comilla	27-Dec-11
50	Sandwip	Sandwip City Centre, Haramia, Sandwip, District - Chittagong.	Sandwip	27-Dec-11
51	Jatrabari	Holding No. 102/1, Sahid Faruk Road, South Jatrabari, Dhaka.	Principal	26-Dec-11
52	Lalmatia	House# B/20, Block- E, Zakir Hossain Road, Lalmatia, Dhaka	Dhanmondi	26-Dec-11
53	Rupnagar	House#57, Road#22, Rupnagar R/A, Mirpur, Dhaka	Mirpur	26-Dec-11
54	Sutrapur(RM Das)	Holding No. 108, R M Das Road, Sutrapur, Dhaka.	Nawabpur	21-Dec-11
55	Gulshan Link	TA-137/1,GULSHAN LINK ROAD, DHAKA	Gulshan	19-Dec-11
56	Dakhinkhan	House#12,Ward#4,DAKHINKHAN,DHAKA	Uttara	19-Dec-11
57	Rampura	City Corporation Holding No. 1, East Rampura, Dhaka.	Kakrail	14-Dec-11
58	Tongi	Sena Kalyan Commercial Complex, Plot No. 9/F, Tongi, Gazipur	Tongi	14-Dec-11
59	Dhanmondi	Block-C, Plot No. 251/F, Road No. 22, at present Plot No. 60/A, Road No. 12/A, Dhanmondi R/A., Dhaka.	Dhanmondi	14-Dec-11
60	Bandar ATM	RSA Complex, South Halishahar, BS Plot No. 8098, Bandar, Chittagong.	C-EPZ	12-Dec-11
61	Suttrapur	No. 95/4, Distillery Road, Suttrapur, Dhaka	Nawabpur	8-Dec-11
62	MDC Square ATM	MDC Square, chawkbazar	Chawk Bazar	30-Nov-11
63	Doymair Bazar	Osmany Shopping Center, Doyamir Bazar,Balaganj, Sylhet	Tajpur	30-Nov-11
64	Fantasy Kingdoom	SA Plot No. 193,(Near to Fantasy Kingdoom)Diakhali, Jamgora, Ashulia, Dhaka.	Savar	23-Nov-11
65	Segunbagicha	42/1Kha, Segunbagicha, Ramna, Dhaka	Kakrail	22-Nov-11
66	Kalachandpur	Ka/12, Kalachandpur, Baridhara, Gulshan, Dhaka	Progoti Sharani	22-Nov-11
67	Amirabad	Best Chowdhury Plaza, Amirabad, Lohagara, Chittagong	Lohagara	22-Nov-11
68	Chaumuhani	Feni Road, Chaumuhani, Noakhali	Chaumuhani	21-Nov-11
69	Nawabgonj	Kashimpur, Nawabganj, Bandura, (Nearer to Upazila Parisad), Dhaka	Bandura	20-Nov-11
70	Notun Bazar	25, Kali Sankar Guha Road, Notun Bazar, Mymensingh	Mymensingh	25-Oct-11
71	Uttara	Plot No. 05, Rana Bhola Road, Sector-10, Uttara, Dhaka	Uttara	24-Oct-11
72	Mirpur- 10	1247, Monipur, Mirpur, Dhaka	Rokeya Sharani	18-Oct-11
73	Brac Shoping	Shop No-111, Brac Shopping Centre, Faidabad, Azampur, Uttara, Dhaka	Uttara	11-Oct-11
74	Navaron ATM	Navaron Bazar, Sharsha , District - Jessore.	Benapole	2-Oct-11
75	Kadirganj ATM	97,Kadirganj, Dorikhorbona, Greater Road, Rajshahi	Rajshahi	2-Oct-11
76	Uttara#7	Plot-89, Road-28, Sector # 07, Uttara, Dhaka	Uttara	27-Sep-11
77	Mirpur #12	Plot No. 17, Road No. 02, Block No. E, Section No. 12, Rupnagar R/A., Mirpur Housing Estate, Mirpur, Dhaka.	Mirpur	20-Sep-11
78	Indira Road	26, Indira Road, Farmgate, Dhaka	Karwan Bazar	18-Sep-11
79	Jublee Road	175, Jubilee Road, Enayet Bazar, Chittagong	Jublee Road	7-Sep-11
80	Mukda Para	111/C, North Mukda Para, Sabujbagh, Dhaka	Malibag	25-Aug-11
81	Khilkhet	Concord Lake city, Holding No. Kha-94/3, Khilkhet, Dhaka	Progoti Sharani	25-Aug-11
82	Ashkuna	Hazi Supper Market, Holding No. 2522, Ashkuna, Uttara, Dhaka.	Uttara	25-Aug-11
83	Kochukhet	234/6,Kochukhet,Mirpur	Rokeya Sharani	25-Aug-11
84	Uttara-14	House:20,Road:12,Sector:14,Uttara	Uttara	23-Aug-11
85	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, Chittagong	PCR	17-Aug-11
86	Polton Tower	Shop No-11,Box Kalbart Road, 87 Purna Polton Road, Polton Tower, Polton, Dhaka	Motijheel	3-Aug-11
87	Boro Moghbazar	625 Boro-Moghbazar (Nayatola)(Opposite Red Cr. Society)	Malibag	31-Jul-11
88	Kaderabad Housing Society	41/A, Kaderabad Housing Society, Katasur, Mohammadpur, Dhaka	Dhanmondi	31-Jul-11
89	Lalbag	15, Lalbag Road, Lalbag Kella, Dhaka	New Elephant Road	31-Jul-11
90	BRRI	Krishi Gobesona Institute, 58/1 58/2 Laksmipura, Chandra , Gazipur.	Board Bazar	31-Jul-11
91	Baipail	Other Side of Ashulia Thana (Baipail Police Station, Near Baipail Mosque), RS Plot No: 181, Dhamsona, Ashulia, Savar, Dhaka	Savar	31-Jul-11
92	Kaliakair Super Market	Kaliakair Super Market, Kaliakair Bazar Bus Stand, P.O: Kaliakair Bazar, P.S: Kaliakoir Dist: Gazipur	Chandra	31-Jul-11
93	Konabari Bus Stand	Konabari Bus Stand, Gazipur, Plot No A-146 & A-147(p) Block Chemical , BSCIC , Konabari ,Gazipur.	Chandra	31-Jul-11
94	Al-Hasan Hotel	144, Sir Iqbal Raod, Khulna	Khulna	27-Jul-11

AB Bank Limited

Head office Address: BCIC Bhaban, 30-31, Dilkusha C/A, Motijheel, Dhaka-1000.

ATM Network

Sl. No.	ATM Location	Address	Attached Branch	Live Date
95	United Tower	4 KDA, Khulna	Khulna	27-Jul-11
96	VIP Tower	VIP TOWER, KAZIR DEWRI, Chittagong	Jublee Road	24-Jul-11
97	Dostagir Center	Dostagir Center 31, D.T Road, Chittagong	Dewan Hat	24-Jul-11
98	Tajpur ATM	Kazi Mansion, Dhaka-Sylhet High Way, Kadamtola, Po-Tajpur, Ps-Osmaninagar, Sylhet.	Tajpur	24-Jul-11
99	Grand Huq Tower	457-458, Grand Huq Tower, Mizan Road, Feni	Feni	21-Jul-11
100	Nathullabad ATM	Nathullabad Bus Stand, Barisal	Barisal	5-Jul-11
101	Launch Ghat ATM	Barishal Launch Ghat, Barisal	Barisal	5-Jul-11
102	Bar House ATM	District Judge Court Bar Associatio (Bhaban No-1), Near Jessore Municipal Eid Ghah Moidan), Mudjib Sarak, Jessore	Jessore	29-Jun-11
103	Shib Bari ATM	B7, Mojit Sharani, Shib Bari, Khulna	Khulna	28-Jun-11
104	Ashuganj ATM	SA Plot# 10&12, Main Road, Ashuganj City	Ashuganj	19-Jun-11
105	Chalkbazar ATM	18/1 Water Works Road, Dal Potti,Chalkbazar, Dhaka	Imamganj	6-Jun-11
106	Monipuripara ATM-2	Lion's Shopping, Old Airport Road, Monipuripara, Dhaka	Karwan Bazar	2-Jun-11
107	Gabtoli ATM	86, 1st Colony, Mazar Road, Near of Cement House. Gabtoli, Mirpur, Dhaka	Shyamoli	2-Jun-11
108	Mojumdar Merket ATM	Mojumdar Merket, Sadar Hospital Road, Feni	Feni	2-Jun-11
109	Khanpur Puro Market ATM	8 No, Khanpur Puro Market, Hospital Market, Narayanganj	Narayanganj	1-Jun-11
110	Pabna ATM	AR.Plaza, (Ground Fl.) Abdul Hamid Road, Pabna	Pabna	23-May-11
111	Zigatola ATM	House-43/3/2, Zigatola, Dhanmondi, Dhaka	New Elephant Road	18-May-11
112	Bokshi Bazar ATM	Bokshi Bazar, City Corpration Market, Dhaka Medical College , Dhaka	North South Road	18-May-11
113	Pilkhana ATM	57 Azimpur Pilkhana Road,Opp-Thana Education Office, Dhaka	New Elephant Road	12-May-11
114	Pall Bari ATM	Pallbari Circle, Beside Royal Community Center, Jessore	Jessore	9-May-11
115	Subid Bazar ATM	Indiana Height, Subid Bazar, Sylhet	Dargahgate	8-May-11
116	Baridhara ATM-1	Baridhara Parishad Office, Baridhara DOHS, Road#5, Opposite to CSD, Dhaka	Gulshan	7-May-11
117	Baridhara ATM-2	Baridhara Parishad Office, Baridhara DOHS, Road#5, Opposite to CSD Dhaka	Gulshan	7-May-11
118	Gowsul Azam ATM	Gowsul Azam Avenue, House#57, Sec#14, Uttara, Dhaka 1230	Uttara	27-Apr-11
119	Jhikargacha Branch ATM	Hanif Super Market, Jhikargacha	Jhikargacha	27-Apr-11
120	Foy's Lake ATM	Concord Amusement World, Foy's Lake, Khulshi, Chittagong	Khulshi	11-Apr-11
121	Lama Bazar ATM	VIP Road, Lama Bazar, Sylhet	VIP Road	11-Apr-11
122	Rina Monjil ATM	69, Central Jail Road, Jessore	Jessore	11-Apr-11
123	Sitakunda ATM	Aziz Shopping Complex, Sitakunda, Chittagong	Sitakunda	10-Apr-11
124	Pagla Branch ATM	DN Road Pagla, Fatullah, Narayangonj	Pagla	5-Apr-11
125	Concord Arcadia ATM	Dhanmondi(Concord Arcadia),Plot#122,Road#4,Dhanmondi, Dhaka.	New Elephant Road	6-Mar-11
126	AK Plaza ATM	A.K Plaza, Plot: 1, Road: 1/B, Sector: 9, Uttara, Dhaka- 1230	Uttara	23-Feb-11
127	Khilgoan ATM	425/C, Khilgaon, Dhaka	Malibag	8-Feb-11
128	Bijoy Sharoni ATM	Bijoy Sharani Link Road, Tejgaon, Dhaka	Karwan Bazar	6-Feb-11
129	Prince Plaza ATM	4/2, Prince Plaza, Sobhanbag, Mirpur Road, Dhaka	Dhanmondi	5-Feb-11
130	Monipuripara ATM	20/1, Monipuripara (Sangshad Avenue) Dhaka	Rokeya Sharani	5-Feb-11
131	Jhinaidah ATM	Jhinaidah Road , M. A Razzaq Kushtia	Kushtia	25-Jan-11
132	Saidabad ATM	17/A,North Saidabad Jatrabari Dhaka	Principal	20-Jan-11
133	Patuatoli ATM	28, Patuatuli, Hazi Nur Mohammad Road. - Old Town Dhaka	Islampur	19-Jan-11
134	Zinda Bazar ATM	Blue Water Shopping Complex, Zinda Bazaar, Sylhet	VIP Road	19-Jan-11
135	Shi'ah Mosque ATM	Shi'ah Mosque - House: 16, Road: 1, Mohammadpur, Dhaka-1207	Shyamoli	18-Jan-11
136	Shewrapara ATM	820,West Shewrapara, Rokeya Sharani Road, Dhaka	Rokeya Sharani	17-Jan-11
137	Uttara-3 ATM	House: 37, Road: 7, Sector: 3, Uttara, Dhaka-1230	Uttara	16-Jan-11
138	Farmgate ATM	71-75, Kazi Nazrul Islam Avenue, Farmgate, Dhaka 1215	Karwan Bazar	16-Jan-11
139	Dewanbazar ATM	82,Nawab Sirajuddowla Road, Chawkbazar, Chittagong	Chawk Bazar	13-Jan-11
140	Patrail ATM	Patrail, Deldura, Tangail	Tangail	3-Jan-11
141	Madhabpur Branch ATM	Munshi Tower (1st Floor), Ward 7, Madhabpur, Habiganj	Madhabpur	3-Jan-11

AMAR STOCK

AB Bank Limited

Head office Address: BCIC Bhaban, 30-31, Dilkusha C/A, Motijheel, Dhaka-1000.

ATM Network

Sl. No.	ATM Location	Address	Attached Branch	Live Date
142	Puradah ATM	Khan Super Market Puradah , Kushtia	Kushtia	30-Dec-10
143	Islampur ATM (Gandaria)	56 Haricharan Roy Road, Faridabad - Old Town Dhaka	Islampur	29-Dec-10
144	Chakaria Branch ATM	Chakaria Branch Chakaria	Chakaria	29-Dec-10
145	Branch ATM (Old Satkhira)	Old AB Bank Branch, Satkhira	Sathkhira	29-Dec-10
146	Chapai Nawabganj ATM	Chapai Nawabganj Branch Chapai Nawabganj	Chapai Nawabganj	29-Dec-10
147	New Eskaton ATM	94,New Eskaton Road, Romna, Dhaka-1000	Karwan Bazar	28-Dec-10
148	Feni Branch ATM	Haque Plaza(1st Floor), 193 SSK Road, Feni	Feni	28-Dec-10
149	Royal More ATM	Royal More, Khulna	Khulna	28-Dec-10
150	Rajshahi Medical College ATM	Rajshahi Medical College, Rajshahi	Rajshahi	28-Dec-10
151	Malibag Branch ATM	Advanced Melinda (Level-1), 72 Malibag, Dhaka 1219	Malibag	27-Dec-10
152	Shyamoli Branch ATM	Shymoli Square, 23/8 - B & C, Block: B Khilji Road, Dhaka-1207	Shyamoli	27-Dec-10
153	Naya Bazar ATM	Nawab Yousuf Super Market , Naya Bazar - Old Town Dhaka	Islampur	23-Dec-10
154	Dream Plaza ATM	Dream Plaza, Jessore	Jessore	23-Dec-10
155	Chowhatta ATM	Firoj Tower, Chawhatta Sylhet	Dargahgate	22-Dec-10
156	Amtola ATM	Amtola, Satkhira	Sathkhira	22-Dec-10
157	Station Road ATM	Kutum Bari, Station Road, Sreemongol	Sreemongol	21-Dec-10
158	Nawabpur ATM	Bakultala Complex, Folder Street, Nawabpur,Dhaka	Nawabpur	13-Dec-10
159	Wari ATM	216,Nawab Street, Wari Dhaka	Nawabpur	13-Dec-10
160	Sabujbagh ATM	78(O),25(N),Sabujbagh, Biswa Road Dhaka	Principal	12-Dec-10
161	Keranigonj ATM	Chowrasta, Bishwa Road, Keranigonj, Dhaka	Jinjira	8-Dec-10
162	Mirpur # 1 ATM	House. 2, Road. 6, Block. F, Muktijoddah market- Mirpur, Dhaka	Mirpur	7-Dec-10
163	Proshika More ATM	Plot. 33, Lane. 1, Block. B, Section-6, Mirpur Dhaka	Mirpur	7-Dec-10
164	Kushtia Branch ATM	Serajuddowla Road , Al Amin Super Market, Kushtia	Kushtia	2-Dec-10
165	Bonosree ATM	House. 35, Road. 2, Block. C, Bonosree - Rampura Dhaka	Progoti Sharani	1-Dec-10
166	Dinajpur Branch ATM	189 Zabed Super Market, Bahadur Bazar, Dinajpur	Dinajpur	29-Nov-10
167	Mordern More ATM	Modern More, Ganeshtala , Dinajpur	Dinajpur	29-Nov-10
168	Kamlapur ATM	14,15 North Kamlapur Dhaka	Principal	28-Nov-10
169	Arakan Road ATM	957/1553,Arakan Road, Bahadarhaat	Bahaddarhat	11-Nov-10
170	Rangpur ATM	91-92, Central Road, Kotowali, Rangpur (Opposite of Rangpur Bangladesh Bank)	Rangpur	11-Nov-10
171	Malibag ATM	480,D.I.T Road, Malibag Dhaka	Kakrail	10-Nov-10
172	Tajmahal Rd. ATM	3/4,Block - C, Taj Mahal Road, Mohammadpur Dhaka 1207	Dhanmondi	7-Nov-10
173	Fakirapool ATM	1/A Fokirapool D.I.T Ext. Road Dhaka	Motijheel	4-Nov-10
174	Shantinagar ATM	Eastern Point, 8-9 Shantinagar Dhaka	Kakrail	4-Nov-10
175	Momin Road ATM	100, Momin Road Chittagong	Momin Road	31-Oct-10
176	Boalkhali Branch ATM	TCCA Complex, Gomdandi (East), Boalkhali, Chittagong 4366	Boalkhali	27-Sep-10
177	Khulshi ATM	Khulshi House, Bungalow No. 2, B-2, Road 1, P.S.: Khulshi, Chittagong 4000	Khulshi	26-Sep-10
178	Boroikandi ATM	Rongdhonu Biponi Bitan, 1st Floor, Central Bus Terminal Road, Verthokhola, Sylhet 3100	Boroikandi	26-Sep-10
179	Dhanmondi Branch ATM	Plot: 45 (new) 286/B (old), Road: 16 (new) 27 (old) Dhanmondi R/A, Dhaka 1209"	Dhanmondi	22-Sep-10
180	Imamgonj ATM	40, Imamganj, Dhaka 1211	Imamganj	21-Sep-10
181	Bandura Branch ATM	Bandura Government Super Market, Nawabgonj, Dhaka	Bandura	15-Sep-10
182	Teknaf Branch ATM	Teknaf Main Road, Teknaf, Cox's Bazar 4760	Teknaf	15-Sep-10
183	Sreemongol ATM	Aziz Super Market , Moulvibazar Road, Sreemongol, Moulvibazar 3210	Sreemongol	15-Sep-10
184	Lohagora Branch ATM	Sicho Shopping Complex, Padua, Lohagara, Chittagong 4397	Lohagara	3-Aug-10
185	Comilla ATM	Mogholtooly Super Market, Mogholtooly Road, Comilla 3500	Comilla	29-Jul-10
186	Narayanganj Branch ATM	109,B.B Road Narayangonj	Narayanganj	27-Jul-10
187	Mymensingh Branch ATM	52 Dr. Bipin Sen Road, Choto Bazar, Kotowali, Mymensingh - 2201	Mymensingh	27-Jul-10
188	Pahartoli ATM	825,Zakir Hossain Road, Amader Bari, Chittagong	Pahartoli	26-Jul-10

WWW.PRSTOCK

AB Bank Limited

Head office Address: BCIC Bhaban, 30-31, Dilkusha C/A, Motijheel, Dhaka-1000.

ATM Network

Sl. No.	ATM Location	Address	Attached Branch	Live Date
189	Moulovi Bazar Branch ATM	Shamsher Nagar Road, Choumuhana, Moulovibazar 3200	Moulovi Bazar	26-Jul-10
190	Rajshahi Branch ATM	102-103 Shaheb Bazar, Rajshahi 6000	Rajshahi	21-Jul-10
191	Saidpur Branch ATM	24, Nur Plaza, Ward 12, Shaheed Dr. Zikrul Haque Road, Saidpur, Nilphamari 5310	Saidpur	18-Jul-10
192	Midtown Shopping Mall ATM	Plot 22, Main Road 03, Section-7, Pallabi, Mirpur, Dhaka 1216	Mirpur	17-Jul-10
193	Jessore Branch ATM	38 M. K. Road, Jessore 7400	Jessore	15-Jul-10
194	Sirajganj Branch ATM	Friends Plaza, S S Road, Ward 1, Sirajganj 6700	Sirajganj	15-Jul-10
195	C-EPZ Branch ATM	Bay Shopping Centre, P.O: EPZ, South Halishahar P.S. Bandar, Chittagong 4100	C-EPZ	14-Jul-10
196	Chandpur ATM	123/115 Kalibari Pouro New Market, Chandpur Sadar, Chandpur 3600	Chandpur	14-Jul-10
197	Satkhira Branch ATM	884/810, Abul Kashem Road, Satkhira 7431	Sathkhira	14-Jul-10
198	Naogaon ATM	Mozaffer Hossain Marketing Complex, Main Road, Naogaon 6500	Naogaon	14-Jul-10
199	Bhairab Bazar ATM	248(W) Tin Potty, Bhairab Bazar, Bhairab, Kishoregonj 2350	Bhairab Bazar	13-Jul-10
200	O.R. Nizam Road ATM	862/A, O.R. Nizam Road , Goal Pahar Circle, Chittagong 4000	CDA	13-Jul-10
201	Brahmanbaria ATM	1090/128, Court Road, Brahmanbaria 3400	Brahmanbaria	13-Jul-10
202	Benapole Branch ATM	607 Benapole, Local Bus Stand, Benapole, Jessore 7431	Benapole	13-Jul-10
203	Madhabdi Branch ATM	Parkashipur, Madhabdi Bazar, Narsingdi 1604	Madhabdi	12-Jul-10
204	Nazumeah Hat Branch ATM	Burischar, Kaptai Road, Hatazari, Chittagong 4330	Nazumeah Hat	12-Jul-10
205	Khulna ATM	Mollick Shopping Complex Limited, 99 Khan A Sabur Road, Khulna 9100	Khulna	12-Jul-10
206	Patherhat Branch ATM	Khayez Shopping Center, Patherhat, Noyapara, Chittagong	Patherhat	1-Jul-10
207	Khatunganj ATM	395, Khatunganj, Chittagong 4000	Khatunganj	1-Jul-10
208	Agrabad Branch ATM	BCIC Sadan, 26, Agrabad C/A, Chittagong 4100	Agrabad	30-Jun-10
209	Progoti Sharani Br ATM	N.R. Tower, 72 Progoti Sharani, Block: J, Baridhara Dhaka	Progoti Sharani	29-Jun-10
210	Bahaddarhat ATM	Bismillah Complex, Arakan Road, Bahaddarhat, Chittagong 4323	Bahaddarhat	29-Jun-10
211	CDA Avenue ATM	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chittagong 4000	CDA	29-Jun-10
212	Mohakhali Branch ATM	Pacific Centre, 14 Mohakhali C/A, Dhaka 1212	Mohakhali	28-Jun-10
213	Kawran Bazar ATM	BSEC Bhaban, 102 Kazi Nazrul Islam Avenue, Dhaka 1215"	Karwan Bazar	28-Jun-10
214	Kakrail Branch ATM	81, VIP Road, Kakrail, Dhaka -1000	Kakrail	24-Jun-10
215	Elephant Road ATM	Novera Square, House 05, Road 02, Dhanmondi, Dhaka 1205	New Elephant Road	24-Jun-10
216	Uttara Branch ATM	House 11, Road 14D, Sector 4, Uttara, Dhaka-1230	Uttara	23-Jun-10
217	Principal Branch ATM	BCIC Bhaban,30-31, Dilkusha C/A, Dhaka 1000	Principal	20-Jun-10
218	Tangail ATM	702 Sabur Khan Tower, Kalibari Road, Tangail Sadar, Tangail 1900	Tangail	16-Jun-10
219	Chattak Branch ATM	Madaris Mansion, Bagbari, Chattak, Sunamganj 08723	Chattak	15-Jun-10
220	Dargahgate ATM	Raj Manjil, Dargahgate, Sylhet 3100	Dargahgate	14-Jun-10
221	Garden Tower ATM	Bishwa Road, Shahjalal Uposhohor Point, Sylhet 3100	Garden Tower	14-Jun-10
222	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	14-Jun-10
223	Kakrail (Islami Br.) ATM	82, V.I.P Road, Kakrail, Dhaka -1000	Kakrail	7-Jun-10
224	Bogra Branch ATM	324, Kazi Nazrul Islam Sarak, Jhawtala, Bogra 5800	Bogra	10-May-10
225	Gulshan Branch ATM	Ventura Avenue, Plot No. CWN(C)-8, Road No. 34, Gulshan Model Town, Gulshan Dhaka	Gulshan	6-May-10
226	Joypara Branch ATM	Joypara, Dohar, Dhaka-1300	Joypara	6-Oct-09
227	Board Bazar ATM	Union: Gacha, PO: National University PS: Gazipur Sadar, Gazipur-1704	Board Bazar	1-Jul-09
228	AGB Colony ATM	Shop No-13, Baitul Aman Jame Mosjeed Market, AGB Colony, Dhaka.	Principal	15-Dec-14
229	Pirerbagh ATM	348/4, Pirerbagh, Mirpur, Dhaka	Shyamoli	22-Mar-15
230	Jaleswaritola ATM	Shahid Abdul Jabber Road, Jaleswaritola, Bogra.	Bogra	12-Apr-15
231	Sataish Road ATM	10/11, Sataish Road, Gazipura, Gazipur.	Board Bazar	15-Apr-15
232	Laila Tower ATM	Laila Tower, 8, Gulshan Avenue, Dhaka	Gulshan	25-Apr-15
233	Meril More ATM	Salgaria, Meril More, Pabna	Pabna	4-May-15
234	Agrabad Branch ATM - 2	BCIC Sadan, 26, Agrabad C/A, Chittagong 4100	Agrabad	12-May-15
235	Jamuna Future Park ATM	Shop No-5-D-14, Jamuna Future Park, Dhaka	Basundhara	19-May-15

PRIMARY STOCK

AB Bank Limited

Head office Address: BCIC Bhaban, 30-31, Dilkusha C/A, Motijheel, Dhaka-1000.

ATM Network

Sl. No.	ATM Location	Address	Attached Branch	Live Date
236	Police Plaza Concord ATM	Shop No-105, " Police Plaza Concord", Road No-2, Gulshan, Dhaka.	Gulshan	24-May-15
237	New Baily Road ATM	10/1, New Baily Road, Dhaka	Kakrail	2-Jun-15
238	Gareeb-E-Newaz ATM	Plot No-8, Gareeb-E-Newaz Avenue, Sector-13, Uttara, Dhaka.	Gareeb-E-Newaz	2-Jul-15
239	WW Tower ATM	WW Tower, 68, Motijheel Commercial Area, Dhaka .	Principal	2-Aug-15
240	Sylhet Station Club ATM	Sylhet Station Club Limited, Shahjalal Road, Sylhet.	VIP Road	27-Aug-15
241	Islamic University ATM	Islamic University of Technology (IUT) Board Bazar, Gazipur	Board Bazar	3-Sep-15
242	Ashiyan Medical College ATM	Ashiyan Medical College Hospital, Barua, Khilkhet, Dhaka.	Basundhara	9-Sep-15
243	Kalampur ATM	Kalampur Branch On-site ATM, Kalampur, Dhamrai,Dhaka.	Kalampur	9-Sep-15
244	Jurain ATM	302/1, Jurain, Dhaka.	North South Road	16-Sep-15
245	Chatterjee Lane ATM	6/3, Shashi Bhushan Chatterjee Lane, Gandaria, Dhaka.	Islampur	1-Oct-15
246	Banani	House No-34,Road-10,Block-D Banani, Dhaka	Banani	11-Oct-15
247	Eye Hospital ATM	Bangladesh Eye Hospital ATM Booth at Bangladesh Eye Hospital Ltd. 78,Sat Masjid Road Dhanmondi, Dhaka.	Dhanmondi	19-Oct-15
248	Chaturi ATM	Shop No-3, Alam Plaza, Chaturi, Anowara, Chittagong.	Chaturi	29-Oct-15
249	Paril ATM	Paril Branch ATM Booth at Paril Bazar, Singair, Manikgonj.	Paril	15-Nov-15
250	Thengamara Medical College ATM	Thengamara Medical College (TMSS) ATM, Thengamara, Bogra	Bogra	18-Nov-15
251	Kaptai Link Road ATM	Kaptai Link Road, Mohara, Chandgaon, Chittagong	Nazumeah Hat	24-Nov-15
252	Lalmonirhat ATM	5/32-S, Puran Bazar, Lalmonirhat.	Lalmonirhat	3-Dec-15
253	Faridpur ATM	Holding No-29, Faridpur AR City Center, Haji Shariatullah Bazar Road, Faridpur.	Faridpur	17-Dec-15
254	Raynagar (East Mirabazar) ATM	Raynagar, Sonapara (East Mirabazar), Sylhet.	Garden Tower	10-Jan-16
255	Board Bazar Branch - 2 ATM	Union: Gacha, PO: National University, PS: Gazipur Sadar, Gazipur-1704	Board Bazar	7-Jan-16
256	CDA Avenue ATM - 2	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chittagong 4000	CDA	11-Jan-16
257	C-EPZ Branch ATM -2	Bay Shopping Centre, P.O: EPZ, South Halishahar P.S. Bandar, Chittagong 4100	C-EPZ	12-Jan-16
258	Bhulta Branch ATM	Haji Shopping Complex, Bhulta, Rupgonj, Narayanganj.	Bhulta	13-Jan-16
259	Comilla Medicine Complex ATM	Comilla Medicine Complex, Durgapur, Comilla	Comilla	19-Jan-16
260	Station Road ATM	Equity Anitri , 32, H.S.S Road, under AB Bank Station Road Branch, Chittagong.	Station Road	25-Jan-16
261	Ramna Bhaban ATM	Shop No-13, Ramna Bhaban, Dhaka.	Motijheel	25-Jan-16
262	Mitford Road ATM	Shop No-12, Red Crescent Market, 14/20, Mitford Road, Dhaka.	Imamganj	17-Feb-16
263	Seed Store Bazar ATM	Al- Madina Shopping Complex, Seed Store Bazar, Bhaluka, Mymensing	Bhaluka	29-Mar-16
264	Lalkhuti ATM	House No-187, Road No-01, Lalkhuti, Rangpur.	Rangpur	5-May-16
265	Austagram Branch ATM	Mustari Bhaban, Jamtoli, Austagram Sadar, Kishoreganj	Austagram Branch	30-May-16
266	Kaliganj ATM	RFL Industrial Park, Mulagaon, Kaliganj, Gazipur.	Madhabdi Branch	2-Sep-16
267	Jhenaidah ATM	Pospo Prangan, Holding No-249, Sher-e- Bangla Road, Jhenaidah.	Jhenaidha Branch	14-Nov-16
268	Pran RFL ATM - 2	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayangonj.	Madhabdi	17-Nov-16
269	Matikata ATM	134/3, Matikata, Dhaka Cantonment, Dhaka.	Bashundhara Branch	29-Nov-16
270	Moghbazar ATM	Holding No-115, Shahid Tajuddin Ahmed Sharani, Moghbazar, Dhaka.	Malibag	4-Dec-16
271	North South Road ATM	7/2, North South Road, Bangshal, Dhaka.	North South Road Branch	15-Dec-16
272	SSS Bhaban ATM	Holding No-4475, SSS Bhaban, Mymensingh-Tangail Road, Tangail.	Tangail Branch	24-Jan-17
273	Kamrangir Char ATM	Al-Madina Super Market, 1201 Rasulpur, Kamrangir Char, Dhaka.	Kamrangir Char Branch	10-Apr-17
274	Banshkhali ATM	Mohammed Meah Plaza, Ramdas Munshir Hat,Banshkhali, Chittagong	Bashkhali Branch	23-Apr-17
275	Jinjira ATM	Shop No-06, Nupur Market, Keraniganj, Jinjira, Dhaka.	Jinjira Branch	26-Apr-17

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

Tel: (+8802) 956 0312

Fax: (+8802) 956 4122-23

SWIFT: ABBLBDDH

E-mail: info@abbl.com

Web: www.abbl.com

Custodian Services
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Dhaka 1000, Bangladesh
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9571265, 7177047
Fax: (+8802) 7160592
SWIFT: ABBLBDDH005
E-mail: custodian@abbl.com

Islami Banking Branch
82, Kakrail, Ramna, Dhaka
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Fax: (+8802) 833 2236
E-mail: kibb@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

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SUBSIDIARY COMPANIES

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Fax: (+8802) 956 4122-23
E-mail: abbf@abbl.com

Authorized Capital: Tk. 1,500 Crore
Paid-up Capital: Tk. 674 Crore
Number of Shareholders: 70,020
(Record Date: **12.06.2017**)

Total Asset: Tk. 31,484 Crore
Earnings Per Share (EPS): Tk. 1.94
Net Asset Value Per Share: Tk. 34.30
Market Capitalization: Tk. 1,503 Crore

Total Manpower: 2,423
Number of Branches: 104
Number of SME Centers: 11

Auditor
Howladar Yunus & Co.
Chartered Accountants

Rating Agency
Credit Rating Agency of
Bangladesh (CRAB) Ltd.

For any Clarifications on this Report
Please Write to:
The Company Secretary
Head Office
AB Bank Limited
30-31, Dilkusha C/A, Dhaka 1000

FAIRSTOCK

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