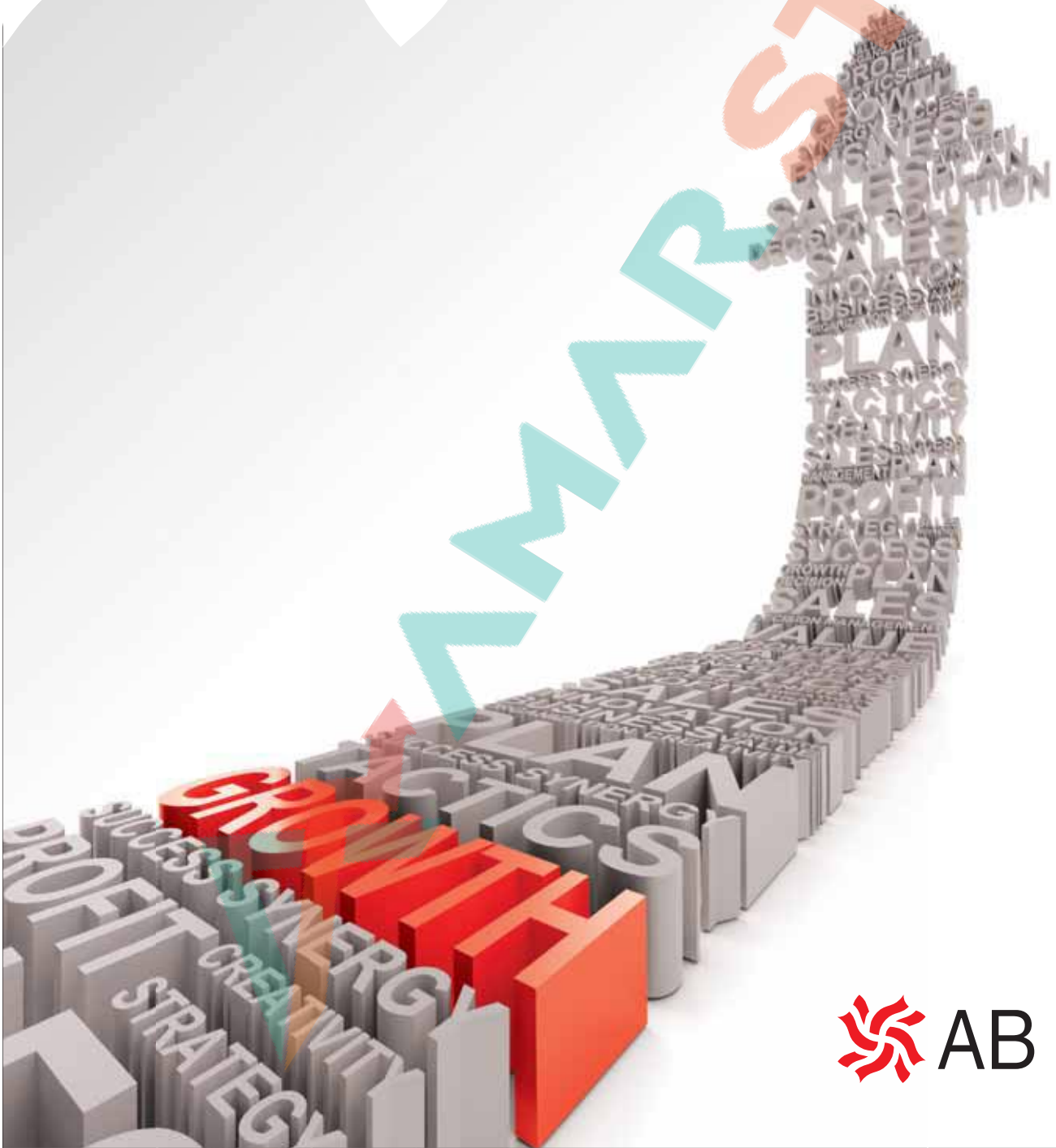
Celebrating

36 YEARS OF SUCCESSFUL PARTNERSHIP

ANNUAL REPORT 2017



AMARSTOCK

AB Bank

AB Bank Limited

AB Direct

AB Bank's new and smart Internet Banking to do banking from anywhere anytime



DEBIT CARD

CREDIT CARD



BRANCH POS

INTERNET BANKING

MOBILE APP

SMS BANKING



ANDROID APP ON Google play

Download on the App Store

Windows Phone

24x7 16207

www.abbl.com

AB Bank



AB Bank withstood a lot of challenges and difficulties in 2017 which is likely to continue in 2018 as well. However, the Bank is confident of repositioning itself back on track.

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

With the motto of "turning it around", this year, we will build an even stronger partnership with our loyal customers, shareholders and employees. AB possesses an efficient work force providing excellence in all spheres of banking e.g. Corporate, SME and Retail. The Bank has over 36 years of experience; with its efficient employees and technological advancement, our march is towards achieving our goals with a vision for future sustainability and the economic and overall development of the country.

LETTER OF TRANSMITTAL

Date: June 05, 2018

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 2017

We are pleased to enclose the Annual Report along with the audited financial statements including consolidated and separate balance sheet as on 31 December 2017, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement and a summary of significant accounting policies and other explanatory notes thereto of AB Bank Limited (the Bank) and its subsidiaries for your kind information and record.

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

Thank you.

Yours Sincerely,

Manzurul Ahsan FCS
Company Secretary (CC)

AMAR STOCK

HIGHLIGHTS 2017

Loans & Advances
2017 BDT 229,647 Million
2016 BDT 218,769 Million

Total Assets
2017 BDT 314,565 Million
2016 BDT 314,836 Million

Cost of Fund
2017 7.52%
2016 8.06%

Capital to Risk Weighted Assets Ratio
2017 10.80%
2016 10.79%

Net Asset Value per share
2017 BDT 30.04
2016 BDT 30.49

EPS
2017 BDT 0.04
2016 BDT 1.72

Total Capital
2017 BDT 31,286 Million
2016 BDT 30,640 Million



105
Branches

2,354
Employess

276
ATMs

11
SME Centres

5
Agent Banking Branch

CONTENTS

Vision, Mission & Core Values 01
Strategic Priorities 02
Chronicles 03
Products & Services 04
Message From The Chairman 05
Message From The President & Managing Director 09
Board Of Directors 11
Composition of the Board and Committees 12
Core management Committee 23

Investor Relations
Forward Looking Statement 26
Shareholder's Information 27
Last 10 years performance 28
Graphical Presentation 30
Shareholder's Pattern 33
Financial Calendar 34
Price Trend of AB Bank Share 35
Notice 36
Glimpses of EGM and 35th AGM 37

Events 40

Corporate Governance
AB Structure 44
Corporate Governance 45
Directors' Statement of Responsibilities 56
Report of the Executive Committee 57
Report of the Audit Committee 58
Report of the Risk Management Committee 59
Report of Shariah Supervisory Committee 60

Economic Impact Report 61

Risk Management Report 67

Directors' Report 74

President & Managing Director and CFO's Statement 96

Financial/Business Reports
Independent Auditors' Report to the Shareholders 98
Financial Statements 100

Citizen Charter
Corporate Social Responsibility 234
Green Banking 236

Network
Branch Network 238
Agent Banking Branch Network 240
ATM Network 241
Proxy Form 247

AMARSTOCK

VISION, MISSION & CORE VALUES

VISION STATEMENT

To be the trendsetter for innovative banking with excellence and perfection

MISSION STATEMENT

To be the best performing bank in the country

CORE VALUES

Our Compliance

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

Our Customers

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

Our Shareholders

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

Our Team Members

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



AMARSTOCK

STRATEGIC PRIORITIES

Enhanced emphasis on asset quality

Strong focus on SME and Retail business

Service enhancement through digital platform

Consolidation of Balance Sheet

Strict adherence to rules and regulations



AMAR STOCK

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 AB International Finance Limited (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
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
Launching of Mobile Apps "AB Direct"	August 31, 2017
Lunching of Agent Banking	December 24, 2017

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
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
First SME Center opened (at Principal Branch)	March 29, 2009
First Cash Deposit Machine Service at Baridhara DOHS	October 15, 2017
First Agent Banking Branch (Dohar, Joypara, Dhaka)	December 24, 2017



AMARSTOCK

PRODUCTS & SERVICES

CORPORATE & STRUCTURED FINANCE

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

SMALL & MEDIUM ENTERPRISE (SME)

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

TREASURY AND FOREIGN EXCHANGE PRODUCTS

Money Market

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

Fixed Income Market

- Treasury Bill
- Treasury Bond
- Custodian Service

FX Market

- Spot
- Forward
- Corporate

RETAIL PRODUCTS

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



DEPOSIT ACCOUNTS

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

SERVICE PRODUCTS

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

ISLAMI BANKING

Deposit Products

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

Investment Products

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

AMARSTOCK



MESSAGE FROM **THE CHAIRMAN**

Assalamualaikum

Honorable Shareholders,

It is an honor and a privilege for me to present the Annual Report for the year 2017. It was a challenging year for the Bank. I at a personal level and on behalf of the Board of AB Bank, take this opportunity to express our heartfelt thanks and gratitude to our honorable shareholders for your cooperation and thoughtful understanding about the challenging business position of the Bank.

In global perspective, overall economic activity is strengthening. Global growth, which in 2016 was the weakest since the global financial crisis at 3.2 percent, was projected to rise to 3.6 percent in 2017 and to 3.7 percent in 2018. China's growth is likely to ease moderately as it continues to rebalance towards consumption from investment. It is expected that growth in the US and euro area to exceed 10-year averages, although this is not a particularly high bar. It is a distant probability that global

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সম্মানিত শেয়ারহোল্ডারবৃন্দ,

Avcbv‡`i mvg‡b 2017 mv‡ji ewIK cwZ‡e`b Dc¯vcb Kivi সুযোগ পেয়ে আমি সম্মানিত বোধ করছি। আপনারা জানেন, ব্যাংকের জন্য বছরটি ছিল চ্যালেঞ্জের। আমি ব্যক্তিগতভাবে এবং এবি ব্যাংকের পরিচালনা পর্ষদ সদস্যদের পক্ষ থেকে সম্মানিত শেয়ারহোল্ডারবৃন্দকে জানাচ্ছি বিশেষ কৃতজ্ঞতা। ব্যাংকের উদ্ভূত পরিস্থিতিতে আপনাদের সহযোগিতা ও সহনশীলতার জন্য আন্তরিক ধন্যবাদ জ্ঞাপন করছি।

বিশ্বব্যাপী আর্থিক সংকটের কারণে বিশ্ব অর্থনৈতিক প্রবৃদ্ধি ২০১৬ সালে কমে দাঁড়িয়েছিল ৩ দশমিক ২ শতাংশে। সেখান থেকে বেরিয়ে ২০১৭ সালে ৩ দশমিক ৬ ও ২০১৮ সালে প্রবৃদ্ধির লক্ষ্য ধরা হয়েছে ৩ দশমিক ৭ শতাংশে। জীবনযাত্রার ব্যায় ও বিনিয়োগের পুণঃভারসাম্য প্রতিষ্ঠার কারণে চীনের প্রবৃদ্ধিও তুলনামূলক ইতিবাচক ধারায় রয়েছে। একই ভাবে যুক্তরাষ্ট্র এবং ইউরো অঞ্চলের প্রবৃদ্ধিও গত দশ বছরের গড় হিসাব করলে তার চেয়ে বেশি হবে বলে প্রত্যাশা করা হচ্ছে।

growth will recover to the 4.2% pre-global financial crisis average. Fiscal policy has turned mildly supportive of world growth, while monetary policy in general is likely to shift from ultra-accommodative to more neutral as inflation rises but remains well below longer-term averages.

Despite a strong near term view on global growth, long-term structural issues will continue to weigh: Ageing populations, weak productivity (despite rapid technological advances), soft wage growth, and prior leverage excesses.

On the commodities front, the supply-demand balance for oil in 2018 appears supportive of higher prices. We expect global oil demand to increase, with H2-2018 demand exceeding 100 million barrel per day. Consequently, it is expected oil prices to start a consolidation above USD 60/per barrel for Brent in 2018.

That trend — a consequence of rapid globalization - is under siege from political forces in the developed countries who ironically were the champions of free trade and globalization. Rising income inequality and skills mismatch in a period of digital transformation and open trade have led to significant joblessness in those countries giving rise to forces of protectionism and a new wave of economic nationalism.

For Bangladesh perspective, 2017 was a year of achievements and challenges as well. It was milestone of breaking six percent GDP cycle, where recorded growth was 7.28 percent. Though macro indicators are reflecting positive strengths, overall strength of the economy is weakening as number of mega developing projects like the Padma Bridge, Rooppur Nuclear Power project, Paira Sea Port, the coal fired large power projects of Matarbari and Rampal, Metro Rail and LNG terminal is going on. Average inflation has been around 5.5 percent where food inflation is showing an increasing rate because of agricultural loss due to two rounds of devastating flood. According to World Bank, Bangladesh continues to be one of the more attractive nations in the South-east Asia region in which to do business. However, poor infrastructure, inadequate energy supply, and inefficient financial intermediation combined with high cost of doing business remain the main obstacles hindering the realization of Bangladesh's vast economic potential.

Exports of Bangladesh grew marginally in FY2017, by 1.7%, down from 8.9% a year earlier. Garment exports grew by a scant 0.2%, down from 10.2% in FY2016. The slump reflected much weaker demand in major markets in the euro

ফলে বিশ্ব প্রবৃদ্ধি দীর্ঘমেয়াদে আর্থিক মন্দার পূর্বাবস্থায় ফিরে গিয়ে ৪ দশমিক ২ শতাংশে যাওয়ার সম্ভাবনা দেখা দিয়েছে। আর্থিক নীতি কিছুটা প্রবৃদ্ধি সহায়ক হলেও সার্বিকভাবে এখন মূল্যস্ফীতি রোধে মুদ্রানীতির প্রভাব ক্রমান্বয়ে কমছে।

স্বল্প মেয়াদে বিশ্বপ্রবৃদ্ধির এই ইতিবাচক চিত্রসত্ত্বেও দীর্ঘমেয়াদি কিছু ইস্যু অব্যাহতভাবে সামনে চলে এসেছে, যেমন–জনসংখ্যার বার্ধক্য, দুর্বল উৎপাদনশীলতা (প্রযুক্তির ক্রমঅগ্রসরতার মধ্যেও), মজুরি বৃদ্ধি ও পূর্বেকার প্রভাব বলয়।

পণ্যবাজারের কথা চিন্তা করলে ২০১৮ সালে তেলের বাজারে সরবরাহ ও চাহিদার যে ভারসাম্যপূর্ণ অবস্থা তা উচ্চমূল্যের নির্দেশক। আমরা আশা করতে পারি যে, বিশ্বে জ্বালানি তেলের চাহিদা বাড়বে যা দৈনিক একশ' মিলিয়ন ব্যারেল ছাড়াবে। যুক্তিসঙ্গতভাবেই আলোচ্য বছরে ব্রেন্ট অয়েলের দাম ব্যারেল প্রতি ৬০ ডলার ছাড়িয়ে গেছে।

এই প্রবণতাটি দ্রুত বিশ্বায়নের পরিণতি– যা উন্নত দেশগুলোর রাজনৈতিক শক্তিগুলোর মাধ্যমেই উদ্ভব হয়। অথচ ঐসব দেশগুলোই মুক্তবাণিজ্য এবং বিশ্বায়নের বেশি সুবিধাভোগী। প্রযুক্তিগত রূপান্তরের এই কালে আয়- বৈষম্য বৃদ্ধি, দক্ষতার অসামঞ্জস্যতা এবং মুক্ত বাণিজ্য ঐ দেশগুলোতে উল্লেখযোগ্য পরিমানে বেকারত্ব সৃষ্টি করছে, যা সংরক্ষণবাদী এবং অর্থনৈতিক জাতীয়তাবাদের নতুন জাগরণের উদ্ভব ঘটাচ্ছে।

বাংলাদেশ প্রেক্ষাপটে ২০১৭ সাল ছিল অর্জনের এবং একই সাথে কোন কোন ক্ষেত্রে চ্যালেঞ্জেরও। প্রবৃদ্ধি অর্জনে ৬ শতাংশের বৃত্ত ভেঙে রেকর্ড ৭ দশমিক ২৮ শতাংশ অর্জনের বছর ছিল ২০১৭। সমষ্টিক অর্থনৈতিক সূচকগুলোর ইতিবাচক প্রতিফলন দেখা গেলেও অর্থনৈতিক শক্তি কিছুটা দুর্বল হয়েছে চলমান বড় বড় অবকাঠামো প্রকল্প ব্যয়ের কারণে, যেমন- পদ্মা সেতু, রূপপুর পারমানবিক বিদ্যুৎ কেন্দ্র, পায়রা সমুদ্র বন্দর, রামপাল ও মাতারবাড়ি কয়লাভিত্তিক বিদ্যুৎ কেন্দ্র, মেট্রো রেল ও এলএনজি টার্মিনাল প্রকল্প। পরপর দুটি বন্যায় ব্যাপক ফসলহানি ও কৃষিতে ক্ষয়ক্ষতি সাধিত হওয়ায় গড় মূল্যস্ফীতি ৫.৫ শতাংশের মধ্যে থাকলেও খাদ্যজনিত মুল্যস্ফীতি ছিল উর্ধ্বগতির দিকে। বিশ্বব্যাংকের মতে, দক্ষিণ পূর্ব এশিয়ায় বাংলাদেশ ব্যবসা ক্ষেত্রে ক্রমেই আকর্ষণীয় কেন্দ্রে পরিণত হলেও, দুর্বল অবকাঠামো, জ্বালানি সরবরাহে সংকট, ব্যবসা করার খরচ বেশি হওয়ার কারণে বাংলাদেশ তা পুরোপুরি অর্জন করতে পারছে না।

২০১৭ সালে বাংলাদেশের রফতানি মাত্র ১.৭ শতাংশ হারে বেড়েছে যা আগের বছরের তুলনায় ৮.৯ শতাংশ কম। গার্মেন্টস রফতানিও কমেছে। ২০১৬ সালের ১০.২ শতাংশ প্রবৃদ্ধির তুলনায় এখাতে ২০১৭ সালে রফতানি প্রবৃদ্ধি হয়েছে মাত্র ০.২ শতাংশ। যুক্তরাষ্ট্র ও ইউরোজোনে চাহিদা কমে যাওয়া

area and the US, as well as an infrastructure deficit that kept exporters from filling some orders. Other exports grew rapidly at 8.5%. With stepped-up domestic demand, growth in import payments accelerated to 9.0% from 5.9%, reflecting solid increases in most categories: food, investment and consumer goods, and crude oil and petroleum products. Growth in intermediates for the garment industry, however, were modest.

Despite expanded employment overseas, worker remittances fell by 14.5% in FY2017. The decline mostly reflected economic adjustment to low oil prices in the Gulf, which hosts most Bangladeshi migrant workers that depressed employment and wages.

The current account fell into deficit in FY2017 by $1.5 billion, equal to 0.6% of GDP, which reversed a surplus of $4.3 billion in FY2016. The downturn reflected a $3.0 billion widening of the trade deficit and a $2.1 billion fall in remittances, as well as continued small deficits in the service and primary income accounts. The surplus in the combined capital and financial accounts nevertheless rose to $4.5 billion, which lifted gross foreign exchange reserves in the central bank by $3.2 billion to $33.4 billion at the end of June 2017, providing nearly eight months of import cover.

The Bangladesh taka depreciated against the US dollar by 2.7% in nominal terms in the year to the end of June 2017. Taking into account differences in inflation, the taka appreciated by 2.4% in real effective terms, eroding competitiveness.

In this backdrop, in 2017, the banking sector exposed further weaknesses through major indicators such as rise of non-performing loans, lower capital adequacy and the overall instable scenario in the sector. The scenario of AB was no different. In most parameters Bank did not perform well, particularly in respect to asset quality, which forced the bank to make further provisions. Management and the Board are very conscious about the situation. Already Bank has procured BDT 400 crore Subordinated Bonds which has enhanced the capital base of the Bank in accordance with approval of Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC). Rights issue approval is pending at BSEC's end.

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

এবং এর পাশাপাশি অবকাঠামোগত দুর্বলতার কারণে রফতানি আদেশ পরিপালনেও ব্যর্থ হয়েছেন রফতানিকারকরা। যদিও অন্যান্য খাতের রফতানি সাড়ে ৮ শতাংশ হারে বেড়েছে।

অভ্যন্তরীণ চাহিদা বৃদ্ধি পাওয়ায় আমদানি ব্যয়ের প্রবৃদ্ধি বেড়েছে ৯ শতাংশ, যা আগের বছর ছিল ৫.৯ শতাংশ। আলোচ্য সময়ে খাদ্য ও ভোগ্যপণ্য এবং জ্বালানি তেলের আমদানি বেড়েছে। পোশাক শিল্প সহায়ক পণ্য আমদানিতেও গতি ছিল।

অন্যদিকে বৈদেশিক কর্মসংস্থান বাড়লেও ২০১৬-১৭ অর্থবছরে প্রবাসীদের রেমিটেন্সের পরিমান কমেছে সাড়ে ১৪ শতাংশ। তেলের দাম কমে যাওয়ায় মধ্যপ্রাচ্যের দেশগুলোতে কর্মরত বাংলাদেশিদের সংখ্যা ও কাজের মজুরি কমে যাওয়াই এর অন্যতম কারণ।

চলতি হিসাবে ২০১৬ সালে ৪.৩ বিলিয়ন ডলার উদ্বৃত্ত নিয়ে বছর শুরু করলেও ২০১৭ সালে ঘাটতি দেখা দেয় দেড় বিলিয়ন ডলার, যা জিডিপির ০.৬ শতাংশ। যার ফলশ্রুতিতে দেশের বাণিজ্য ঘাটতি দাড়ায় ৩ বিলিয়ন ডলারে। একই সঙ্গে রেমিটেন্স কমেছে ২.১ বিলিয়ন ডলার। সেবা ও প্রাথমিক আয়ের হিসাবেও কিছুটা ঘাটতির সৃষ্টি হয়েছে। তবে বৈদেশিক মুদ্রার রিজার্ভ ছিল উদ্বৃত্ত, যা জুন ২০১৭ শেষে ৩৩.৪ বিলিয়ন ডলারে দাঁড়ায়, যা আট মাসের আমদানি ব্যয় মেটাতে সক্ষম।

জুন ২০১৭ অর্থবছর শেষে ডলারের বিপরীতে বাংলাদেশি টাকার মান কমে যায় ২.৭ শতাংশ। মূল্যস্ফীতির হার বাদ দিয়ে হিসাব করলে টাকার মান প্রকৃত বিনিময় হারে ২.৪ শতাংশ বেড়েছে।

২০১৭ সালের এই পরিস্থিতিতে, ব্যাংক খাতও দুর্বল হয়ে ওঠে এবং সার্বিক ভাবে ব্যাংকিং খাতে অস্থিরতা বিরাজ করে। এসময় বেড়ে যায় নন–পারফর্মিং লোন (এনপিএল), এবং পর্যাপ্ত পুঁজির প্রবাহে ভাটা দেখা দেয়। এবি ব্যাংকের ক্ষেত্রেও তার ব্যতিক্রম ছিল না। বিশেষত: এসেট কোয়ালিটি বা সম্পদের মান ধরে রাখা সম্ভব না হওয়ায় ব্যাংককে পুনরায় প্রভিশন বা সঞ্চিতি নিশ্চিত করতে হয়েছে। ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ এবং পরিচালনা পর্ষদ এ ব্যাপারে সচেতন আছে। ইতিমধ্যে ব্যাংক কেন্দ্রীয় ব্যাংক ও বাংলাদেশ সিকিউরিটিজ ও এক্সচেঞ্জ কমিশনের (বিএসইসি) অনুমতি নিয়ে ৪শ' কোটি টাকার সাব–অর্ডিনেটেড বন্ড ইস্যু করেছে, যা ব্যাংকের মূলধন বৃদ্ধিতে সহায়ক। রাইটস ইস্যুর বিষয়টি বিএসইসির অনুমোদনের অপেক্ষায় রয়েছে।

পরিশেষে আমি পরিচালনা পর্ষদের সম্মানিত সদস্যদের ধন্যবাদ জানাতে চাই, তাদের গুরুত্বপূর্ণ দিকনির্দেশনা, সহযোগিতা ও আস্থা প্রদর্শনের জন্য। আমি একই সঙ্গে ধন্যবাদ জানাতে চাই ঊর্ধ্বতন ব্যবস্থাপনা কর্তৃপক্ষকে, তাদের নিরলস প্রচেষ্টা ও পরিস্থিতি মোকাবেলায় দৃঢ়তার জন্য।

Message from the Chairman

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 honorable 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, high cost of funds and constraints of the bank in undertaking large loan disbursement.

Let's all hope for a better 2018.

Thank you all.

Assalamualaikum

M. A. Awal
Chairman

সকল নিয়ন্ত্রক সংস্থা, বিশেষতঃ বাংলাদেশ ব্যাংকের প্রতি আমার কৃতজ্ঞতা থাকলো, তাদের সহযোগিতা ও প্রয়োজনীয় নির্দেশনার জন্য।

আমি ব্যাংকের সম্মানিত শেয়ারহোল্ডারবৃন্দকেও ধন্যবাদ জানাতে চাই তাদের সহযোগিতা ও আস্থার জন্য। আমি এই বলে শেষ করতে চাই যে, ব্যবসায় অনিশ্চয়তা, উচ্চ তহবিল ব্যয় ও বৃহদাংকের ঋণ বিতরণে বাধা কারণে আগামী বছরটিও হবে এবি ব্যাংকের জন্য চ্যালেঞ্জিং। সেদিকে আমাদের সচেতন হতে হবে।

২০১৮ হোক অগ্রগতির, সেই প্রত্যাশা রেখে সবাইকে আবারও ধন্যবাদ ও কৃতজ্ঞতা।

আস্সালামু আলাইকুম।

AMAR STOCK



MESSAGE FROM **THE PRESIDENT & MANAGING DIRECTOR**

Dear Shareholders,

Assalamualaikum

Being the first private sector bank in this country, AB Bank is now a household name, epitomizing the banking industry benchmark offering tailor-made services to its customers. In today's world, economic development of a country is not possible without the involvement of banks. Banks play a key role in the economy and the society as a whole. Initiatives taken by Banks and/or its partnership with entrepreneurs, contribute towards the economy, business environment, creation of job opportunities, technological innovations etc.

Bangladesh achieved one of the highest GDP growth rate in the South Asian region in 2017, which was 7.28% for FY2017, surpassing the target of 7.20%. The average growth rate for the past 10 years now stands at 6.26%.

The year 2017 was very critical for the Bank. We maintained an asset size of BDT 31,456 crore. Total export was BDT 7,511 crore and total import was BDT 10,492 crore. 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 BDT 1,640.88 crore as against last year's BDT 1,136 crore. Bank maintained required provisions as per requirement of Bangladesh Bank. Besides asset quality we faced various other challenges that slowed down our momentum. However, we have taken some measures to alleviate those challenges. We firmly believe that we will overcome these adversities and be back on track within a short time.

A culture has been set in AB to foster value-driven business rather than to run for profit only. AB's visionary policy has always been concentrated on expanding business horizon by making portfolio diversification. The ongoing construction of the much talked about Padma

Message from the President & Managing Director

Bridge, mega projects on power and energy, textile & RMG and pharmaceuticals and key backward linkages of the construction and real estate sectors epitomize Bangladesh's strong commitment to build a happy, prosperous and safe country. We also diversified our portfolio in large scale industries like power, food manufacturing, pharmaceuticals, ship breaking, printing, transports and many more.

AB believes in compliance and control and serious emphasis has been given on adherence and implementation of national and regulatory policies and guidelines. With this end in view our Core Banking System is being upgraded to reduce the possibility of human errors as well as to enhance systems driven controls.

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. We are taking strides in providing tech-savvy services to our clientele, without losing sight of the human aspect of traditional banking. We expanded our alternative delivery channels by increasing the number of ATM Booths to 276, 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. Besides we have also obtained license from Bangladesh Bank to open Agent Banking outlets throughout the country in order to increase our retail customer base. We will continue to explore and expand our networks and business at home and abroad.

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. We have and will continue to 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 and success. 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 2017 was not only to develop its experienced officers but also the Management Trainee Officers aiming to make them mission-critical for our institution. AB believes in diversity and therefore, we consciously employ talented, self-motivated and pro-active candidates from diverse backgrounds for ensuring creativity, innovation and value-addition in the banking industry.

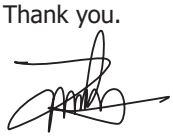
In 2018, we have prioritized our focus on selective investments rather than wholesale growth. I believe we have taken up the right strategy and have the right people to identify, grasp and benefit from opportunities and cope with the adversity, created due to some unavoidable factors.

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.

This April, AB Bank completed 36 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 mission-critical 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 towards a virtuous business growth.

Thank you.



Moshiur Rahman Chowdhury
President & Managing Director

BOARD OF DIRECTORS



Sitting from left: Shishir Ranjan Bose, FCA, Feroz Ahmed, M. A. Awal and Shireen Scheik Mainuddin
Standing from left: Moshtaque Ahmed Chowdhury, Asish Baran Sarkar, Prof. Dr. M. Imtiaz Hossain, Shajir Ahmed, Moshiur Rahman Chowdhury, Syed Golam Kibria, Syed Afzal Hasan Uddin and Md. Mesbahul Haque

COMPOSITION OF THE BOARD AND COMMITTEES

BOARD OF DIRECTORS

Chairman
Mr. M. A. Awal

Vice Chairman
Mr. Feroz Ahmed

Directors
Mr. Syed Afzal Hasan Uddin
Mr. Md. Mesbahul Haque
Mr. Syed Golam Kibria
Mr. Asish Baran Sarkar
Mrs. Shireen Scheik Mainuddin
Mr. Moshtaque Ahmed Chowdhury
Mr. Shajir Ahmed

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

President & Managing Director
Mr. Moshiur Rahman Chowdhury

AUDIT COMMITTEE

Chairman
Mr. Shishir Ranjan Bose, FCA

Members
Mr. M. A. Awal
Prof. Dr. M. Imtiaz Hossain

EXECUTIVE COMMITTEE

Chairman
Mr. Feroz Ahmed

Members
Mr. Md. Mesbahul Haque
Mr. Syed Afzal Hasan Uddin
Mrs. Shireen Scheik Mainuddin
Mr. Asish Baran Sarkar

RISK MANAGEMENT COMMITTEE

Chairman
Mrs. Shireen Scheik Mainuddin

Members
Mr. M. A. Awal
Mr. Shishir Ranjan Bose, FCA
Mr. Syed Afzal Hasan Uddin
Mr. Shajir Ahmed

SHARIAH SUPERVISORY COMMITTEE

Chairman
Jb. M. Azizul Huq

Vice Chairman
Jb. Md. Shouquat Ali

Members
Jb. M. A. Awal, Chairman, BOD, ABBL
Jb. Moshiur Rahman Chowdhury, President & Managing Director, ABBL
Jb. Mawlana Muhammad Musa
Jb. Prof. Dr. Md. Mahfuzur Rahman

Member Secretary
Jb. Dr. Mohd. Haroon Rashid

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

AMAR STOCK

EXECUTIVE COMMITTEE



Sitting from left: Feroz Ahmed, Md. Mesbahul Haque
Standing from left: Asish Baran Sarkar, Shireen Scheik Mainuddin and Syed Afzal Hasan Uddin

AUDIT COMMITTEE



Sitting from left: M. A. Awal, Shishir Ranjan Bose, FCA and Prof. Dr. M. Imtiaz Hossain

RISK MANAGEMENT COMMITTEE



Sitting from left: Shireen Scheik Mainuddin and M. A. Awal
Standing from left: Shishir Ranjan Bose, FCA; Shajir Ahmed and Syed Afzal Hasan Uddin

AB Bank Limited
Directors' Profile



M. A. Awal
Chairman

Mr. M. A. Awal began his banking career with National and Grindlays Bank Limited and has worked in Uttara Bank Limited and subsequently in AB Bank Limited. During his long career of over 40 years, he has worked in several key responsible positions and proved himself as a successful banking front-runner in the country.

Mr. Awal joined AB Bank since its inception in 1982 and gradually rose to the senior most position of the institution. Prior to his Directorship, Mr. Awal served as the Advisor in 2002 and subsequently as the Chief Consultant of the Bank.

Mr. Awal became the Chairman of the Board of Directors in January 2018. He also holds the position of Chairman of the Board of AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited and a director of AB International Finance Limited, Hong Kong.

AB Bank Limited

Directors' Profile



Feroz Ahmed

Vice Chairman

Mr. Feroz Ahmed is Vice Chairman of the Bank. He is also the Chairman of AB International Finance Limited, Hong Kong, and Director of AB Investment Limited, AB Securities Limited, and Cashlink Bangladesh Limited.

Mr. Ahmed is also the Chairman of Elite Paint Group and the Managing Director of Elite International Limited, Hexagon Chemical Complex Limited and Ahmed Securities Services Limited among others. Apart from business activities, Mr. Ahmed 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 is also a life member of Red Crescent Society, Chittagong, and Maa O Shishu Haspatal, Chittagong.

AB Bank Limited

Directors' Profile



Syed Afzal Hasan Uddin

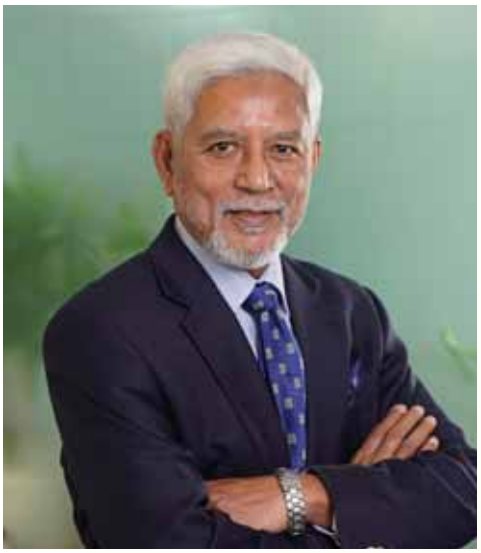
Director

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

Md. Mesbahul Haque

Director

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



AMAR STOCK

AB Bank Limited

Directors' Profile

Shishir Ranjan Bose, FCA

Independent Director



A fellow of the 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 36 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 in the Board. He is also the Independent Director of AB Securities Limited, Cashlink Bangladesh Limited and AB International Finance Limited, Hong Kong.



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.

AB Bank Limited

Directors' Profile



Syed Golam Kibria

Director

Mr. Syed Golam Kibria was born on 12th August 1946 in Habigonj. He graduated from Dhaka University in 1965. He had a long and distinguished service career with the Government of Bangladesh and retired as an Additional Secretary and Secretary in charge of Economic Relations Divisions, Ministry of Finance of 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, completed his Post Graduate Diploma on Development Administration from Manchester University, UK in 1985, and participated in various local training courses and foreign seminars, workshops and training courses.

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).

After retirement from Government service, Mr. Kibria joined HEED Bangladesh, a leading International NGO in May 2004 as Associate Executive Director, Admin and Support Program, and served till 2014.

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

Asish Baran Sarker

Director



Mr. Asish Baran Sarker was born on 2nd February 1948 in Chittagong. He graduated from Sir Ashutosh College, Chittagong in 1969. He has been serving Pacific Group for the last 47 years in different capacities. He is also a Director of Cashlink Bangladesh Limited.

AMAR STOCK

AB Bank Limited

Directors' Profile

Moshtaque Ahmed Chowdhury

Director



Mr. Moshtaque Ahmed Chowdhury has come from a respected Muslim family in Cox's Bazar. He joined as a Director of AB Bank Limited on January 4, 2018. Mr. Chowdhury is a renowned businessman engaged with trading business of Bagda shrimp in Cox's Bazar since long.

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

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

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

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



Shireen Scheik Mainuddin

Director

Ms. Shireen Scheik Mainuddin joined as a Director of AB Bank Limited on January 4, 2018. She comes from a prominent Muslim family of Dhaka.

She has over two decades of experience in Banking Industry having served in responsible positions at American Express Bank Limited, Bank of Boston and Mashreq Bank U.A.E as Consultant. She is familiar with all aspects of commercial Banking and trained extensively at home and abroad on Banking techniques for over 20 years. She has several Technical and professional qualifications to her credit such as the Margerison Mcmann Team Management systems (U.K), she is an accredited Mediation (CEDR U.K) with the Bangladesh International Arbitration Centre for Dispute Resolution and has completed the IFC training of Trainers on Corporate Governance and Corporate Governance for Banks.

She has attended several International workshops, the most recent being "Mediating between the Community and the Company" for Asian Mediators, and organized jointly by three multilateral International Financial Institutions.

Mrs. Mainuddin is the Principal Consultant at ASAAN, her own company. She has been and continues to be on the Boards of Several NGO's including the NGO Forum for Public Health. She has been a founder Member of "Shakti Foundation for Disadvantaged Women", an urban micro Finance Institution.

AB Bank Limited

Directors' Profile



Shajir Ahmed

Director

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

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

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

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 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 B. Com (Hons) and M. Com (Accounting) in 1984 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 34 years of service in the banking industry, he has served in different important 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, AB Bank. 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.

VEMAT STOCK



CORE MANAGEMENT COMMITTEE

Sitting from left: Shamshia I. Mutasim, Moshiur Rahman Chowdhury and Sajjad Hussain
Standing from left: M N Azim, Mahadev Sarker Sumon, Shamima Hedayet, Mohammad Mahfuz-ul-Islam, Manzurul Ahsan and Reazul Islam

AB Bank Limited
Management Committees

A. Approved Core Management Committee by Position (CMC)

SL	Position	Present Incumbent	Status in CMC
01	President & Managing Director	Mr. Moshiur Rahman Chowdhury	Chairman
02	Deputy Managing Director	Mr. Sajjad Hussain	Member Secretary
03	Head of Human Resource Management & Development (HRMD)	Ms. Shamshia I. Mutasim	Member
04	Head of Information Technology & eBiz (IT & eBiz)	Mr. Reazul Islam	Member
05	Chief Financial Officer (CFO)	Mr. Mahadev Sarker Sumon	Member
06	Company Secretary	Mr. Manzurul Ahsan	Member
07	Head of Financial Institution (FI)	Mr. M N Azim	Member
08	One Representative from Department of Business	Ms. Shamima Hedayet	Member
09	Head of Treasury	Mr. Mohammad Mahfuz-ul-Islam	Member

B. Approved Extended Management Committee by Position (Extended MANCOM)

SL	Position	Present Incumbent	Status in Extended MANCOM
01	President & Managing Director	Mr. Moshiur Rahman Chowdhury	Chairman
02	Deputy Managing Director & Head of Operations	Mr. Sajjad Hussain	Member Secretary
03	Head of Human Resources Management & Development	Ms. Shamshia I. Mutasim	Member
04	Head of Information Technology & eBiz	Mr. Reazul Islam	Member
05	Head of Corporate Business Division	Ms. Shamima Hedayet	Member
06	Head of General Services, Security & Procurement	Mr. Golam Mahmud Rizvi	Member
07	Head of Credit Risk Management	Ms. Wasika Afrosi	Member
08	Chief Financial Officer	Mr. Mahadev Sarker Sumon	Member
09	Head of Internal Control & Compliance	Mr. Anupam Kanti Debnath	Member
10	Head of Financial Institution	Mr. M N Azim	Member
11	Head of Retail Banking Division	Mr. Syed Mizanur Rahman	Member
12	Deputy Chief Risk Officer	Mr. Md. Jahangir Alam	Member
13	Head of Small & Medium Enterprise Division	Mr. Iftekhar Enam Awal	Member
14	Head of Credit Administration and Management	Mr. Md. Saiful Islam Khan	Member
15	Head of Islamic Banking	Mr. Md. Anisur Rahman	Member
16	Head of Treasury	Mr. Mohammad Mahfuz-ul-Islam	Member
17	Company Secretary	Mr. Manzurul Ahsan	Member

C. Asset Liability Committee (ALCO Members)

SL	Position	Present Incumbent	Status in ALCO
01	President & Managing Director	Mr. Moshiur Rahman Chowdhury	Chairman
02	EVP & CFO	Mr. Mahadev Sarker	Member
03	EVP & Head of Corporate	Mr. Md. Altaf Hossain	Member
04	EVP & Head of Corporate	Ms. Shamima Hedayet	Member
05	EVP & Head of Retail	Mr. Syed Mizanur Rahman	Member
06	EVP & Head of SME	Mr. Iftekhar Enam Awal	Member
07	EVP & Head of Risk Management Division	Mr. Md. Jahangir Alam	Member
08	SVP & Manager of Islami Banking Branch	Mr. Md. Anisur Rahman	Member
09	SVP & Head of Treasury Back Office	Mr. Sheikh Md. Reajul Islam	Member
10	VP & Head of Treasury	Mr. Md. Mahfuz-ul-Islam	Member Secretary

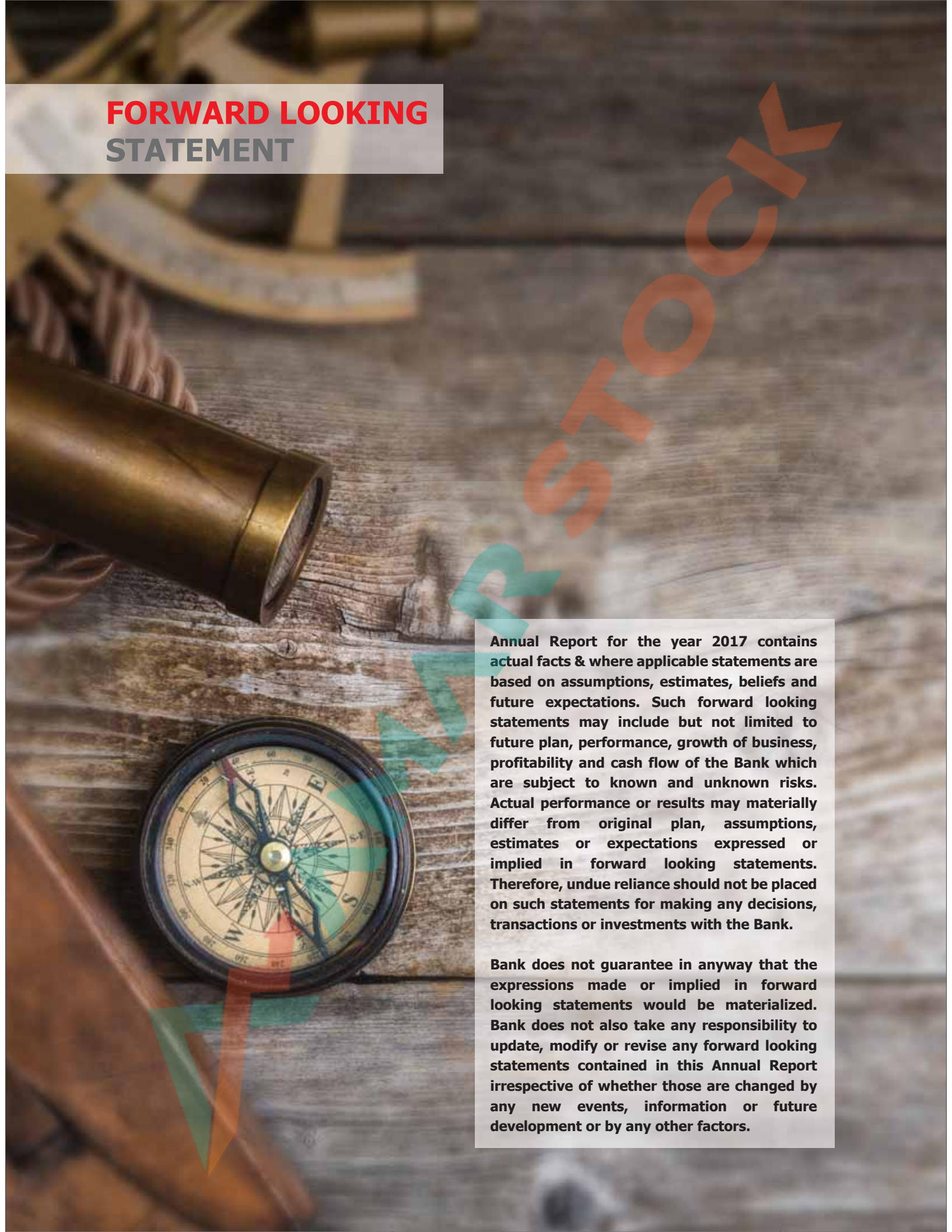
AMAR STOCK

INVESTOR RELATIONS



AMAR STOCK

FORWARD LOOKING STATEMENT



Annual Report for the year 2017 contains actual facts & where applicable statements are based on assumptions, estimates, beliefs and future expectations. Such forward looking statements may include but not limited to future plan, performance, growth of business, profitability and cash flow of the Bank which are subject to known and unknown risks. Actual performance or results may materially differ from original plan, assumptions, estimates or expectations expressed or implied in forward looking statements. Therefore, undue reliance should not be placed on such statements for making any decisions, transactions or investments with the Bank.

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

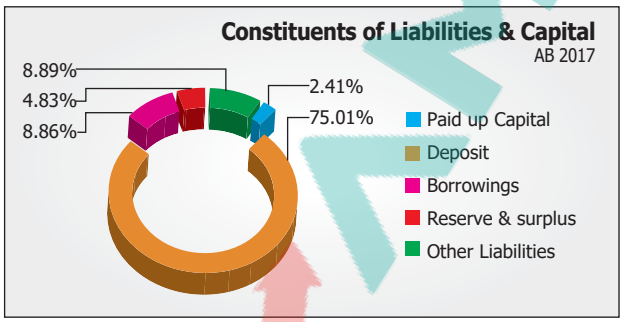
AB Bank Limited

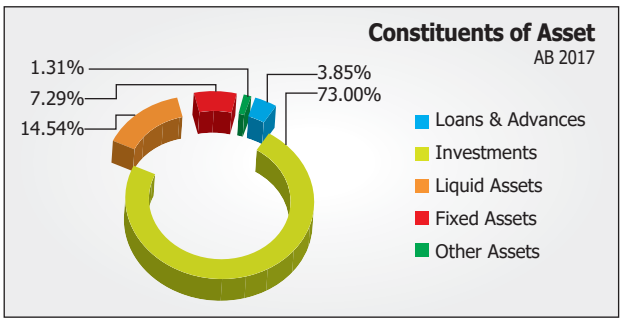
Shareholder's Information

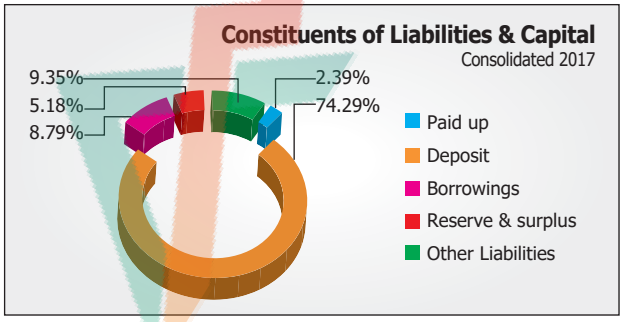
Financial Highlights - AB & Consolidated

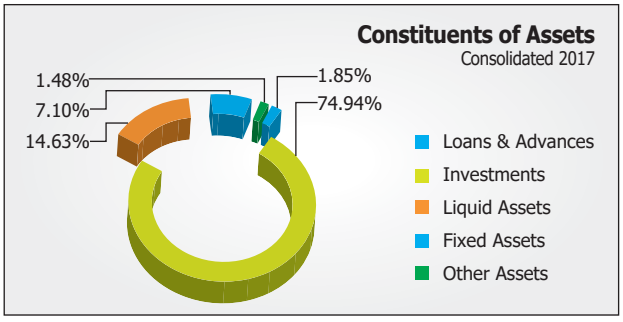
In Crore Taka

Particulars	AB Bank Limited			Consolidated		
	2017	2016	% Growth	2017	2016	% Growth
At the end year						
Equity	2,277	2,311	-1%	2,399	2,432	-1%
Total Deposits	23,595	24,564	-4%	23,556	24,539	-4%
Loans & advances	22,965	21,877	5%	23,763	22,655	5%
Investments	4,575	4,819	-5%	4,638	4,908	-6%
Fixed assets	411	408	1%	470	468	0.4%
Total assets	31,456	31,484	-0.1%	31,710	31,717	-0.02%
Performance during the year						
Interest Income	1,757	1,891	-7%	1,810	1,945	-7%
Operating Profit	448	502	-11%	504	542	-7%
Provision for loans and others	463	302	54%	496	302	64%
Profit before tax	(16)	200	-108%	7	240	-97%
Provision for tax	(19)	70	-127%	3	89	-96%
Profit after tax	3	130	-98%	4	151	-97%
Statutory Ratios						
Liquid Assets	24.23%	23.83%		24.23%	23.83%	
Capital adequacy ratio	10.80%	10.79%		11.25%	11.10%	
Share information						
Earnings per share (Taka)	0.04	1.72	-98%	0.05	2.00	-97%
Dividend - %	-	12.50		-	12.50	
Net Asset Value per share (Taka)	30.0	30.49	-1%	31.65	32.08	-1%
Ratios						
Classified Loan	7.15%	5.19%		6.91%	5.02%	
Return on Assets (ROA)	0.01%	0.44%		0.01%	0.50%	
Return on Equity (ROE)	0.13%	5.68%		0.17%	6.30%	









AB Bank Limited
Last 10 years performance

In Million Taka

Financial Position	2017	2016	2015	2014	2013
Cash & bank balances	21,768	24,265	21,744	20,436	17,338
Investments	45,749	48,187	32,559	30,779	28,676
Money at call and short notice	1,170	6,806	5,284	3,863	2,251
Loans & advances	229,647	218,769	209,725	177,571	140,121
Fixed assets	4,113	4,080	4,201	4,405	4,173
Other assets	12,117	12,728	11,496	9,277	15,446
Total assets	**314,565**	**314,836**	**285,010**	**246,331**	**208,006**
Borrowings	21,871	15,454	23,693	10,977	9,987
Subordinated Bond	6,000	6,500	6,500	2,500	-
Total deposits	235,954	245,641	213,819	198,189	161,846
Other liabilities	27,968	24,126	18,206	15,351	19,232
Equity	22,771	23,114	22,792	19,314	16,940
Total liability & SH's equity	**314,565**	**314,836**	**285,010**	**246,331**	**208,006**
Total contingent liabilities & commitments	65,451	73,479	68,649	77,069	83,217
Loan Deposit Ratio*	86.24%	83.67%	96.80%	89.60%	86.58%
Interest earning assets	270,093	272,625	249,985	215,691	175,978
Non-Interest earning assets	44,472	42,211	35,026	30,640	32,028
Profitability					
Net interest margin	2,670	2,837	4,279	6,079	3,780
Operating income	10,347	11,018	10,582	12,155	9,755
Operating expenses	5,871	5,999	5,628	5,230	4,465
Operating profit	4,476	5,019	4,954	6,925	5,290
Provision for loans and others	4,634	3,017	2,195	2,946	2,305
Profit before tax	(158)	2,002	2,759	3,979	2,985
Provision for tax	(188)	697	1,489	2,719	1,974
Profit after tax	30	1,305	1,270	1,260	1,011
Cost income ratio	56.74%	54.44%	52.86%	43.03%	45.78%
Return on investment (ROI)	10.18%	13.50%	10.49%	9.68%	10.37%
Return on assets (ROA)	0.01%	0.44%	0.48%	0.54%	0.53%
Return on equity (ROE)	0.13%	5.68%	6.03%	6.95%	6.13%
Assets Utilization Ratio	85.86%	86.59%	87.71%	87.56%	84.60%
Cost of fund	7.52%	8.06%	9.75%	10.63%	11.82%
Earnings Per Share	0.04	1.72	1.68	1.66	1.33
Net income per share	0.04	1.72	1.68	1.66	1.33
Other business					
Import	104,916	115,794	111,245	112,220	125,383
Export	75,109	76,052	72,982	77,252	72,571
Remittance (Million USD)	300	254	280	299	237
Equity measures					
Authorized capital	15,000	15,000	6,000	6,000	6,000
Paid-up capital	7,581	6,739	5,990	5,325	4,976
Capital - Core (Tier I)	19,731	18,703	18,339	16,561	15,570
Capital - Supplementary (Tier II)	1,156	11,938	9,994	6,238	3,203
Total capital	31,286	30,640	28,333	22,799	18,772
Capital surplus/ (deficit)	(1,310)	462	2,780	712	1,385
Statutory reserve	6,549	6,496	6,111	5,582	5,565
Retained earnings	6,012	6,810	6,831	6,768	4,986
Capital to Risk Weighted Assets Ratio	10.80%	10.79%	11.09%	10.32%	10.80%
Asset quality					
Total loans & advances	229,647	218,769	209,725	177,571	140,121
Classified loans (CL)	16,409	11,365	6,619	6,856	4,720
% CL to total loans & advances	7.15%	5.19%	3.16%	3.86%	3.37%
Provision for unclassified loan	4,871	4,099	2,119	1,930	1,707
Provision for classified loan	3,862	2,506	2,596	2,924	2,273
Share information					
Market Price per share (DSE)	22.10	22.30	20.90	29.90	26.20
Dividend - %	-	12.5	12.5	12.5	12.0
Bonus - %	-	12.5	12.5	12.5	7.0
Cash - %	-	-	-	-	5.0
Price earning ratio (times)	566.02	12.96	12.47	17.99	19.65
Net Asset Value per share (Taka)	30.04	30.49	30.06	25.48	22.34
Distribution network					
Number of branches	105	104	101	93	89
Number of SME service center	11	11	11	11	11
Employee number	2,354	2,423	2,276	2,220	2,179

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

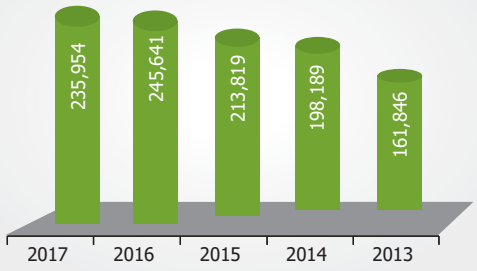
AB Bank Limited
Last 10 years performance

In Million Taka

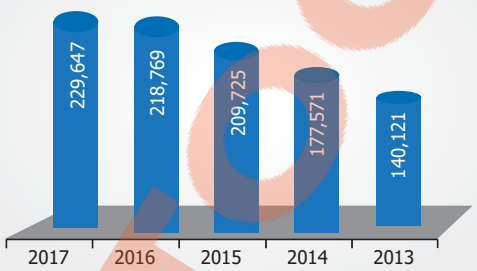
Financial Position	2012	2011	2010	2009	2008
Cash & bank balances	18,499	17,524	12,914	8,849	6,396
Investments	26,115	21,556	14,563	16,369	11,396
Money at call and short notice	3,672	666	380	600	1,191
Loans & advances	106,066	94,638	88,002	70,880	56,709
Fixed assets	4,230	3,854	3,926	2,441	2,445
Other assets	15,261	14,725	12,906	7,773	5,918
Total assets	**173,842**	**152,963**	**132,691**	**106,912**	**84,054**
Borrowings	3,649	10,248	14,200	6,125	3,193
Subordinated Bond	-	-	-	-	-
Total deposits	140,026	116,152	95,702	83,087	68,560
Other liabilities	14,133	11,710	8,922	7,542	5,577
Equity	16,034	14,853	13,867	10,158	6,723
Total liability & SH's equity	**173,842**	**152,963**	**132,691**	**106,912**	**84,054**
Total contingent liabilities & commitments	59,590	52,595	44,485	28,996	26,074
Loan Deposit Ratio*	75.75%	81.48%	91.95%	85.31%	82.71%
Interest earning assets	144,167	125,049	110,453	86,768	68,580
Non-Interest earning assets	29,676	27,914	22,535	20,144	15,473
Profitability					
Net interest margin	3,123	2,394	3,481	2,908	2,034
Operating income	8,435	7,743	10,898	8,269	6,153
Operating expenses	4,072	3,431	3,489	2,466	1,854
Operating profit	4,363	4,312	7,409	5,802	4,298
Provision for loans and others	1,173	1,355	1,052	598	698
Profit before tax	3,190	2,957	6,357	5,205	3,601
Provision for tax	1,752	1,629	2,661	1,842	1,300
Profit after tax	1,439	1,328	3,696	3,363	2,301
Cost income ratio	48.27%	44.31%	32.01%	29.83%	30.14%
Return on investment (ROI)	11.39%	14.62%	32.72%	21.06%	23.89%
Return on assets (ROA)	0.88%	0.93%	3.08%	3.52%	3.12%
Return on equity (ROE)	9.31%	9.25%	30.77%	39.84%	40.96%
Assets Utilization Ratio	82.93%	81.75%	83.24%	81.16%	81.59%
Cost of fund	12.07%	11.19%	9.89%	10.31%	11.09%
Earnings Per Share	1.90	1.75	4.88	4.44	3.03
Net income per share	1.90	1.75	4.88	4.44	3.03
Other business					
Import	100,373	79,463	90,751	65,956	70,041
Export	65,782	57,592	41,686	30,640	28,937
Remittance (Million USD)	217	250	210	182	164
Equity measures					
Authorized capital	6,000	6,000	6,000	6,000	3,000
Paid-up capital	4,423	3,686	3,205	2,564	2,230
Capital - Core (Tier I)	14,630	13,410	12,411	9,250	6,128
Capital - Supplementary (Tier II)	2,552	2,534	2,249	1,668	1,312
Total capital	17,181	15,943	14,660	10,918	7,440
Capital surplus/ (deficit)	2,532	1,920	1,345	1,072	1,644
Statutory reserve	5,005	4,390	4,396	3,101	2,066
Retained earnings	5,159	5,291	4,768	3,542	1,790
Capital to Risk Weighted Assets Ratio	11.73%	11.37%	9.91%	11.09%	12.84%
Asset quality					
Total loans & advances	106,066	94,638	88,002	70,880	56,709
Classified loans (CL)	3,522	2,672	1,852	1,949	1,695
% CL to total loans & advances	3.32%	2.82%	2.11%	2.75%	2.99%
Provision for unclassified loan	1,270	1,317	1,041	826	691
Provision for classified loan	1,049	1,031	921	427	658
Share information					
Market Price per share (DSE)	33.70	68.30	158.05	117.65	82.23
Dividend - %	12.5	25.0	25.0	45.0	30.0
Bonus - %	12.5	20.0	15.0	25.0	15.0
Cash - %	-	5.0	10.0	20.0	15.0
Price earning ratio (times)	17.76	38.99	32.42	26.53	27.10
Net Asset Value per share (Taka)	21.15	19.59	18.29	13.40	8.87
Distribution network					
Number of branches	87	86	82	78	73
Number of SME service center	11	11	11	10	-
Employee number	2,070	2,096	2,008	1,952	1,804

AB Bank Limited
Graphical Presentation

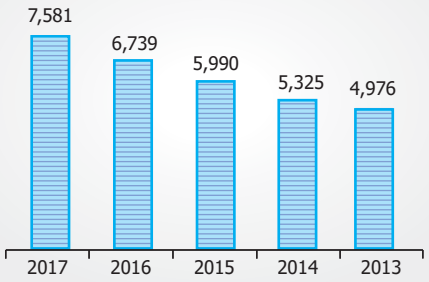
Total Deposits
In Million BDT



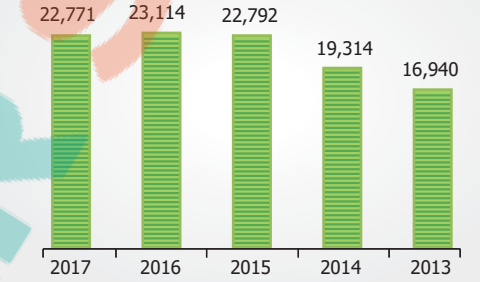
Total Loan & Advances
In Million BDT



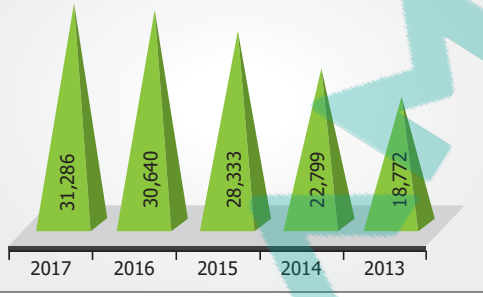
Paid-up Capital
In Million BDT



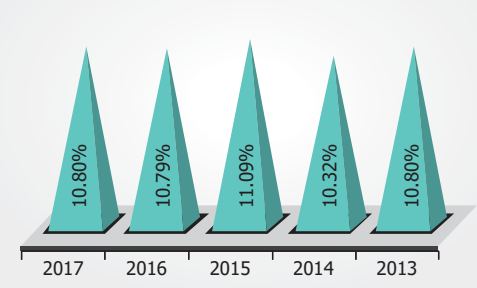
Equity
In Million BDT



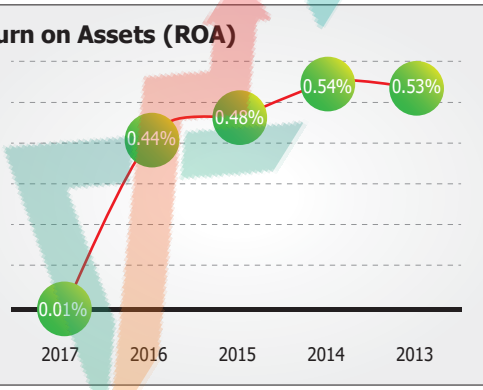
Total Capital
In Million BDT



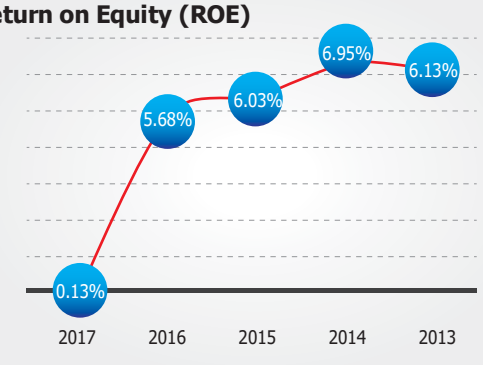
Capital To Risk weighted Assets Ratio



Return on Assets (ROA)



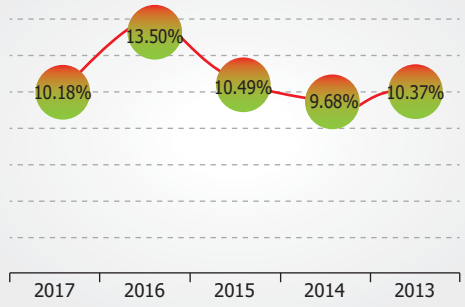
Return on Equity (ROE)



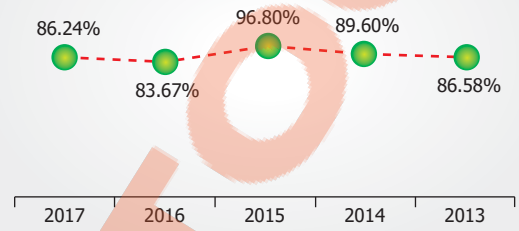
SMARTSTOCK

AB Bank Limited
Graphical Presentation

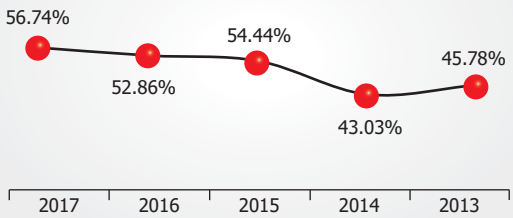
Return on Investment (ROI)



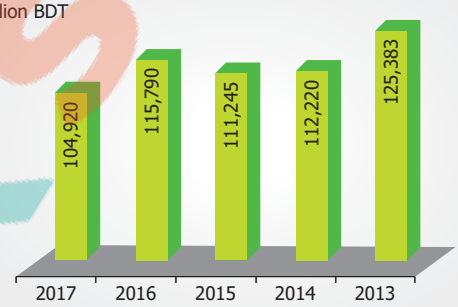
Loan Deposit (LD) Ratio



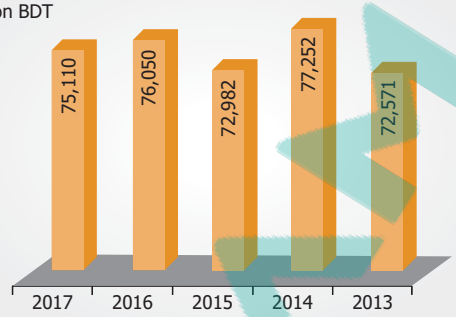
Cost Income Ratio



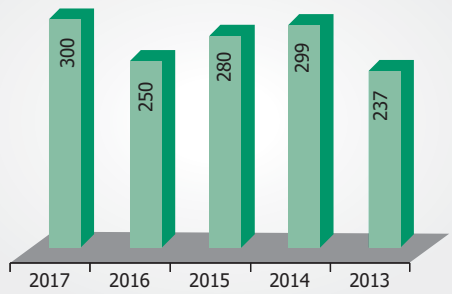
Import
In Million BDT



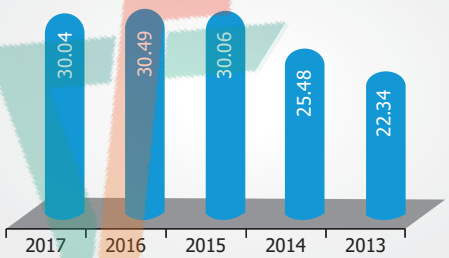
Export
In Million BDT



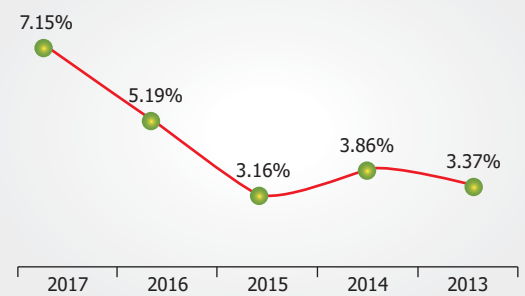
Remittance
In Million BDT



Net Asset Value Per Share

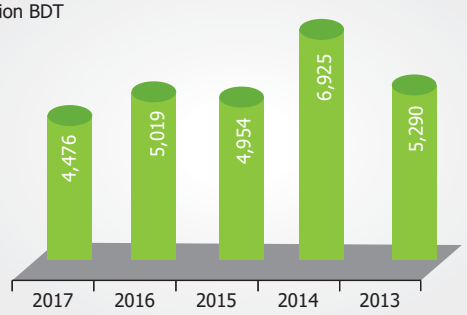


Classified Loans (CL) Ratio

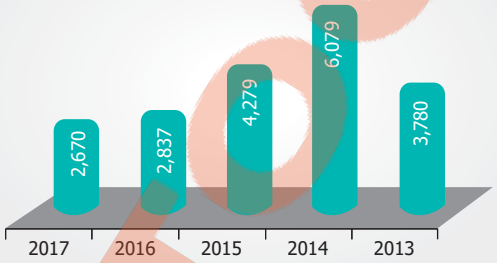


AB Bank Limited
Graphical Presentation

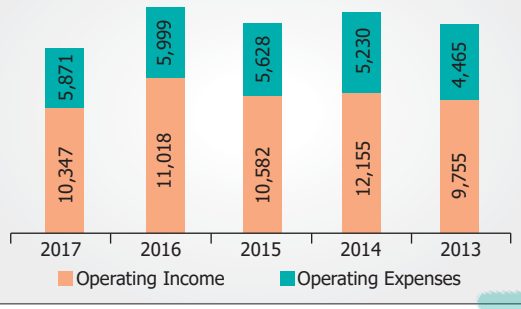
Operating Profit
In Million BDT



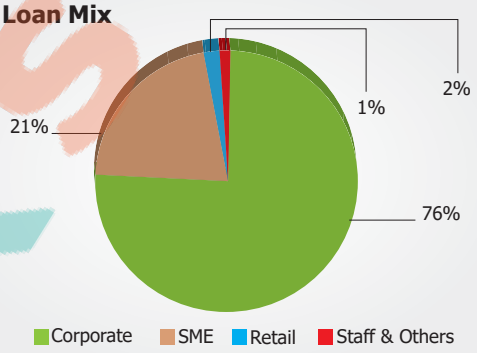
Net interest margin
In Million BDT



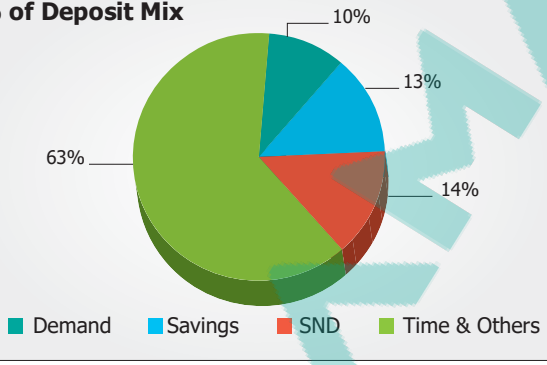
Operating Income vs. Operating Expenses
In Million BDT



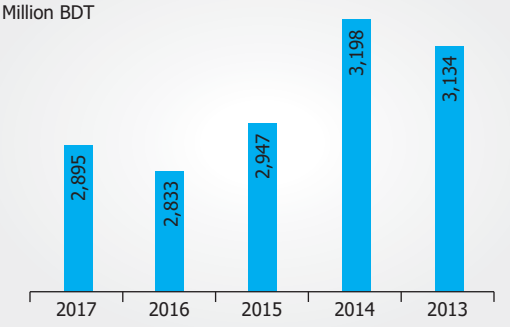
% of Loan Mix



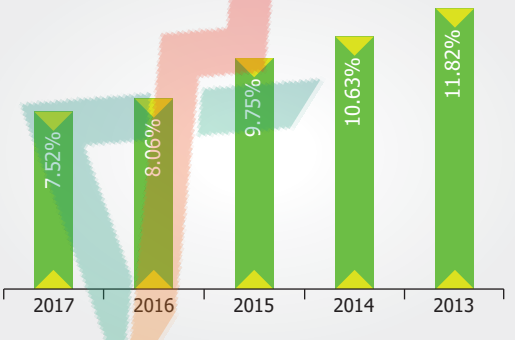
% of Deposit Mix



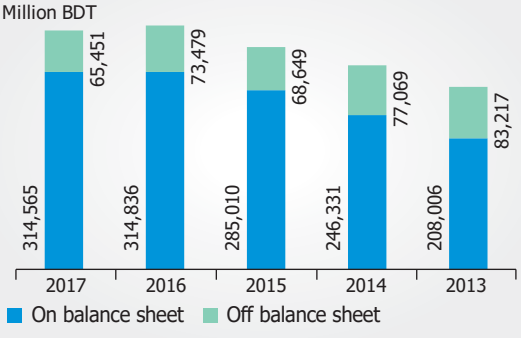
Fee Based Income
In Million BDT



Cost of fund



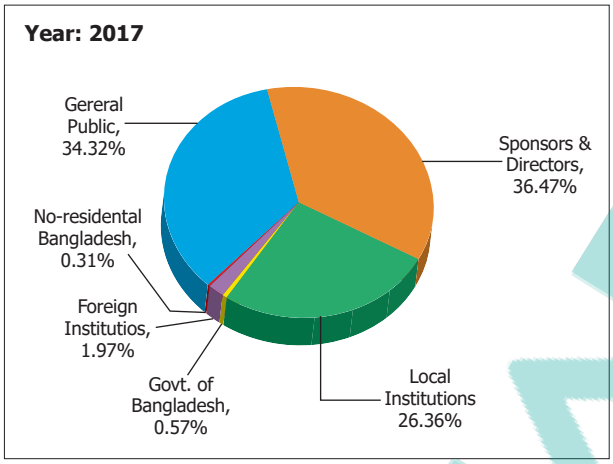
On balance sheet vs. Off balance sheet
In Million BDT

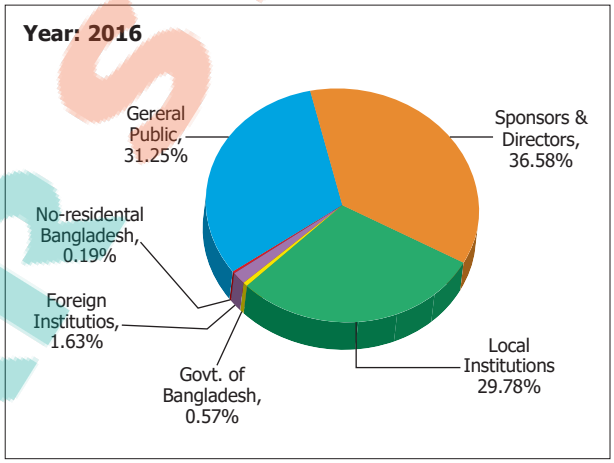


AMAR STOCK

AB Bank Limited
Shareholder's Pattern, 2017

Particulars	Number of Shares		% of Shares	
	2017	2016	2017	2016
Sponsors & Directors	276,477,274	246,481,579	36.468%	36.576%
Local Institutions	199,815,074	200,666,711	26.356%	29.777%
Govt. of Bangladesh	4,345,678	3,862,826	0.573%	0.573%
Foreign Institutions	14,937,038	10,977,958	1.970%	1.629%
Non-residential Bangladeshi	2,384,230	1,298,535	0.314%	0.193%
General Public	260,171,021	210,606,005	34.317%	31.252%
Total	**758,130,315**	**673,893,614**	**100%**	**100%**





Name of the Director	Status	No. of Shareholding	
		31.12.2017	31.12.2016
Mr. M. A. Awal	Chairman	4,749	4,222
Mr. Feroz Ahmed	Vice-Chairman	15,730,196	13,982,398
Mr. Syed Afzal Hasan Uddin	Director	3,371	2,997
Mr. Md. Mesbahul Haque	Director	3,371	2,997
Mr. Syed Golam Kibria	Director	1,125	1,000
Mr. Asish Baran Sarkar	Director	1,125	1,000
Mr. Shajir Ahmed*	Director	-	-
Mr. Moshtaque Ahmed Chowdhury*	Director	-	-
Mrs. Shireen Scheik Mainuddin*	Director	-	-
Mr. Shishir Ranjan Bose, FCA	Independent Director	-	-
Prof. Dr. M. Imtiaz Hossain	Independent Director	-	-
Mr. Moshiur Rahman Chowdhury	President & Managing Director	-	-

*Appointed in the 35th Annual General Meeting held on December 21, 2017. Bangladesh Bank concented on January 4, 2018.

AB Bank Limited
Financial Calendar

Quarterly Results Of 2017		
Unaudited results for the 1st Quarter ended 30th March 2017	Announced on	April 30, 2017
Unaudited result for the 2nd quarter and half-year ended 30th June 2017	Announced on	July 30, 2017
Unaudited results for the 3rd Quarter ended 30th September 2017	Announced on	October 31, 2017
Audited consolidated results for the year ended 31st December 2017	Announced on	April 30, 2018

35th AGM	Price Sensitive Information	April 30, 2017
Record Date		June 12, 2017
AGM		December 21, 2017
Publication of 35th AGM Notice		July 31, 2017 November 29, 2017
Annual Report-2016 Dispatch		August 1, 2017
Stock Dividend Credited	Respective BO Account	December 28, 2017
Cash Dividend Distribution	N/A	N/A

36th AGM		
Publication of Price Sensitive Information		May 1, 2018
Record Date		May 31, 2018
Publication of notice of the 36th AGM		June 4, 2018
Date of 36th AGM		June 24, 2018

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	7,581,303,150	7,581,303,150
Market lot	1	1
Total number of securities	758,130,315	758,130,315

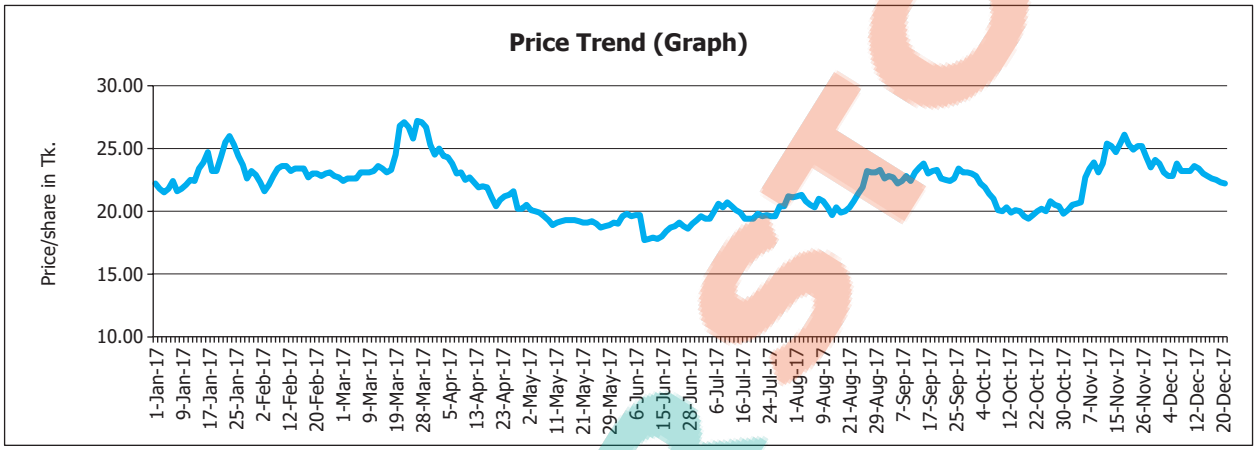
Availability of Information:
Annual Report 2017 and other information are available at www.abbl.com

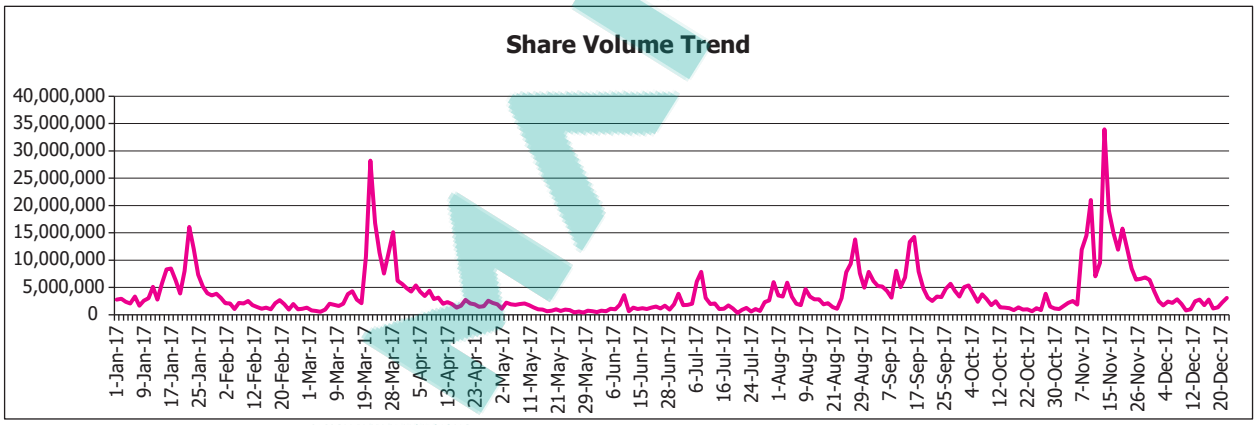
AMAR STOCK

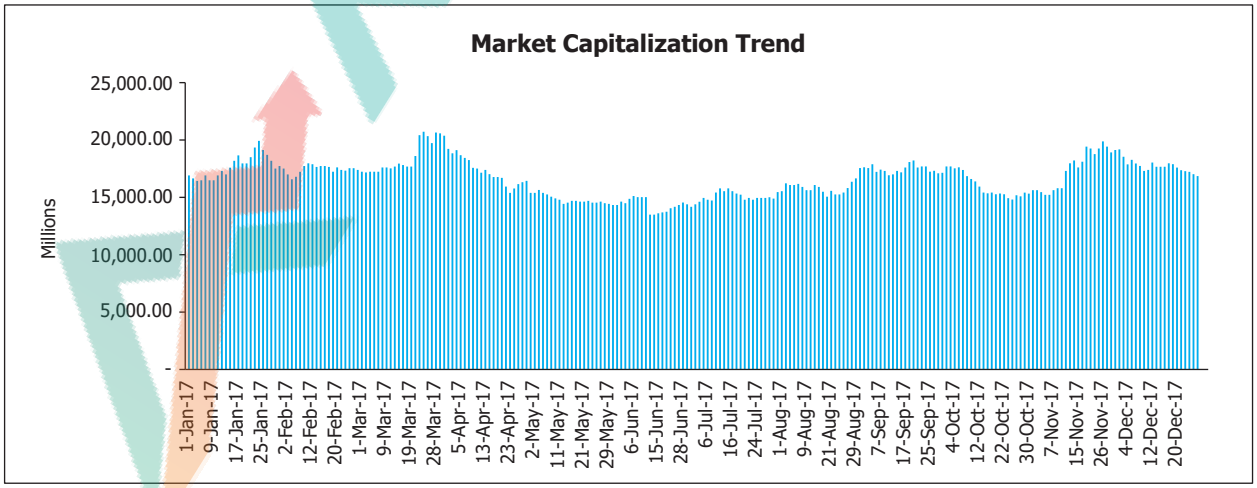
AB Bank Limited

Price Trend of AB Bank Share

Period	January to December 2017
Year End closing	Tk. 22.10
Year High	Tk. 27.80
Year Low	Tk. 17.00
Average Trade Volume (Per Day)	3,859,152 shares
Total Trade Volume	957,069,776 shares







AB BANK LIMITED

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

NOTICE OF THE 36TH (THIRTY-SIXTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 36th (thirty-sixth) Annual General Meeting (AGM) of AB Bank Limited will be held on June 24, 2018 (Sunday) at 10:30 a.m. at the Hall-1 (Gulnaksha), International Convention City Bashundhara, Kuril Biswa Road, Purbachal Express Highway, Dhaka-1219, to transact the following business:

AGENDA

1. To receive, consider and adopt Financial Statement for the year ended 31st December 2017, and the Reports of the Directors and the Auditors thereon.
2. To approve the Dividend for the year ended 31st December 2017.
3. To elect / re-elect Directors.
4. To appoint Auditor for the year 2018 and to fix their remunerations.

By order of the Board

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

Dated: Dhaka, June 03, 2018.

NOTES:

1. **'Record date': May 31, 2018 (Thursday)**

   Shareholders whose names appeared in the Register of Members the Company or in the Depository Register on the '**Record Date**' shall be eligible to attend the AGM.

2. A Member entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and on a poll to vote on his/her behalf. Proxy Form duly stamped must be deposited at the Company's Registered Office at least **forty eight hours** before the time fixed for the meeting otherwise Proxy Form will not be treated as valid.

3. Members are requested to notify change of address, if any, well ahead. **For BO Accountholders, the same to be rectified through their respective Depository Participants.**

4. Admission into the Venue of the AGM will be allowed on production of the Attendance Slip sent with the Annual Report.

5. Shareholders are requested to register their names in the counter **at the AGM Venue from 09:00 a.m.**

N.B. As per BSEC Directive No. SEC/CMRRCD/2009-193/154 dated 24.10.2013, "No benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities," in the ensuing 36th AGM of the Bank.

AB Bank

YEARSTOCK

AB Bank Limited

Glimpses of the EGM and 35th (thirty-fifth) AGM



The Board of Directors conducting the EGM



The Board of Directors conducting the 35th AGM

AB Bank Limited
Glimpses of the 35th (thirty-fifth) AGM



Honourable shareholders presence at AGM Hall



Honourable shareholders at AGM

AB Bank Limited

Glimpses of the 35th (thirty-fifth) AGM



Shareholders expressing their views



Shareholders' registration

Events



Celebrating 36th Anniversary of AB Bank Limited



"Chandraboti Shishu Shahitto Shommelon 2017" sponsored by the Bank



Introduced Cash Deposit Machine service at Baridhara DOHS



"26th President Cup Golf Tournament 2017" sponsored by the Bank



Celebrating International Women's Day



Bank participated in the rally "Oprotiroddho Ogrojatray Bangladesh"

AB Bank Limited
Events



Bank signed an agreement with Bangladesh Specialized Hospital



Bank signed an agreement with Novoair



AB Bank Limited, Mumbai Branch, India receives Elite Quality Recognition Award-2017 from JP Morgan Chase Bank, New York, USA



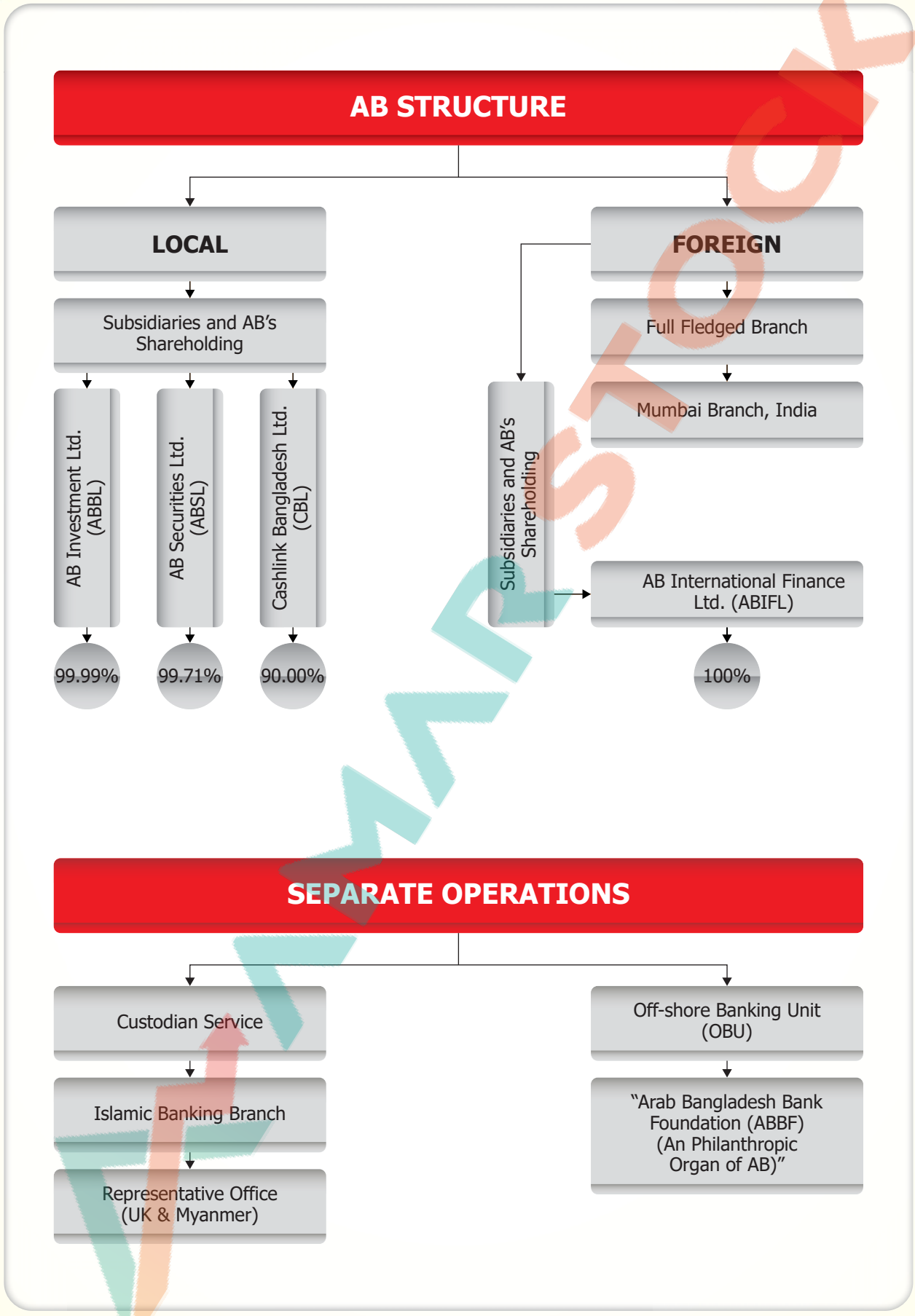
Awareness program on breast and cervical Cancer "Ruby-Our Pink Stories"



AB Bank Chairman's visit to Mumbai Branch

CORPORATE GOVERNANCE




AB STRUCTURE
LOCAL
Subsidiaries and AB's Shareholding
AB Investment Ltd. (ABBL)
AB Securities Ltd. (ABSL)
Cashlink Bangladesh Ltd. (CBL)
99.99%
99.71%
90.00%
FOREIGN
Full Fledged Branch
Mumbai Branch, India
Subsidiaries and AB's Shareholding
AB International Finance Ltd. (ABIFL)
100%
SEPARATE OPERATIONS
Custodian Service
Islamic Banking Branch
Representative Office (UK & Myanmer)
Off-shore Banking Unit (OBU)
"Arab Bangladesh Bank Foundation (ABBF) (An Philanthropic Organ of AB)"

AB Bank Limited
Corporate Governance

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

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

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

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

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

Executive Committee of the Board is formed following the guidelines of Bangladesh Bank in this respect and comprises of 5 (five) Members nominated by the Board. Mr. Feroz Ahmed, Vice Chairman of the AB Bank, is the Chairman of the Executive Committee. Executive Committee operates within the Terms of Reference (TOR) set by the Board.

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

Risk Management Committee (RMC) of the Bank has been formed in compliance with Bank Company Act, 1991 (amendment up to 2018) sec-15 Kha, and subsequent BRPD Circular # 11 Dated October 27, 2013. RMC is formed by 5 (five) Board Members. Ms. Shireen Scheik Mainuddin is 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 7 (seven) Members for overseeing and strategic guidance of the Islamic Banking business. The Council comprises of scholarly persons and operates as per the assigned responsibilities.

Regulatory Compliance Disclosure:
Bank has been following related guidelines on submission of Quarterly, Half-yearly and Yearly Financial Statements and other statutory reports. Any significant development in the business is forth-with disclosed through the adherence to proper rules/ guidelines/directives in the form of Price Sensitive Declarations.

Bank also ensures submission of returns to regulatory bodies in full-compliance with the requirements and appropriate disclosures ensuring transparency and accountability.

Board of Directors ensures adequate disclosures for the Shareholders and other stakeholders through the Annual Report or other specific disclosures if required.

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

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

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

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

President & 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 in compliance with the relevant guidelines of Bangladesh Bank. Bank also has a strong SRP Team in place.

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

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

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

Business Plan vs Achievements in 2017:
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 2017 with respect to Business Plan Target is given below:

Performance	BGT 2017	ACT 2017	Variance	
			Amount	%
Operating Profit	563	448	(115)	(20)
Provisions for loans and others	263	463	201	77
Profit before Tax	300	(16)	(316)	(105)
Provision for Tax	100	(19)	(119)	(119)
Net Profit After Tax	200	3	(197)	(99)
Loans and Advances	20,363	22,965	2,602	13
Deposits	25,895	23,595	(2,300)	(9)
Import	11,711	10,492	(1,219)	(10)
Export	7,628	7,511	(117)	(2)
Guarantee	1,422	1,347	(75)	(5)
Inward Remittance (USD)	25	30	5	20

Inspection by Bangladesh Bank:
Bangladesh Bank conducted the comprehensive inspection on Head Office and 8 (eight) selected Branches based on 31 December 2017. Tripartite meeting among Bangladesh Bank, External Auditors and Management of AB has conducted for finalization of annual Financial Statements.

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

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

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.

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

Surveillance Rating (2017)	Long Term	Short Term
	A1	ST-2
Date of Rating	June 04, 2018	
Validity Date	December 31, 2018	

Credit Rating Agency of Bangladesh Limited (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, 2017 (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.

Annexure: I

MEETINGS OF THE BOARD OF DIRECTORS OF AB BANK LIMITED (Board Meeting)

(From 01st January, 2017 to 31st December, 2017)

Name of Directors	Designation	Date of Original Appointment/ Election	Attendance in Board Meeting of the Bank		Leave of absence granted
			No. of Meetings held since 01.01.2017 to 31.12.2017	No. of meeting attended since 01.01.2017 to 31.12.2017	
Mr. M. Wahidul Haque (upto 21.12.2017)	Chairman	12.12.2007	24	20	03
Mr. Salim Ahmed (upto 21.12.2017)	Vice Chairman	09.07.2008	24	03	20
Mr. Feroz Ahmed	Director	19.10.2008	24	09	15
Mr. M.A. Awal	Director	16.07.2008	24	19	05
Mr. Shishir Ranjan Bose, FCA	Independent Director	16.07.2008	24	21	03
Mr. Faheemul Huq (upto 21.12.2017)	Director	06.09.2007	24	18	05
Mr. Syed Afzal Hasan Uddin	Director	06.09.2007	24	13	11
Mr. Md. Mesbahul Hoque	Director	16.07.2008	24	09	15
Prof. Dr. M. Imtiaz Hossain	Independent Director	03.12.2008	24	24	Nil
Mr. Syed Golam Kibria	Director	16.06.2016	24	21	03
Mr. Asish Baran Sarkar	Director	28.07.2016	24	24	Nil
Mr. Shamim Ahmed Chaudhury (upto 23.02.2017)	President & Managing Director	23.02.2014	24	03	01
Mr. Moshiur Rahman Chowdhury, President & Managing Director (C.C.) w.e.f. 23.02.2017 and w.e.f. 09.05.2017 on Regular basis.	President & Managing Director	09.05.2017	24	19	01
Total number of Board Meeting held = 24 (twenty four)					

Executive Committee Meeting

(From 01st January, 2017 to 31st December, 2017)

Name of Directors	Status	No. of Meetings held since 01.01.2017 to 31.12.2017	No. of Meetings attended since 01.01.2017 to 31.12.2017	Leave of absence granted
Mr. Feroz Ahmed Director, ABBL	Chairman	01	01	Nil
Mr. Md. Mesbahul Hoque Director, ABBL	Member	01	Nil	01
Mr. Faheemul Huq Director, ABBL (upto 21.12.2017)	Member	01	01	Nil
Mr. Syed Afzal Hasan Uddin Director, ABBL	Member	01	01	Nil

Annexure: I

Executive Committee Meeting

(From 01st January, 2017 to 31st December, 2017)

Name of Directors	Status	No. of Meetings held since 01.01.2017 to 31.12.2017	No. of Meetings attended since 01.01.2017 to 31.12.2017	Leave of absence granted
Mr. Shishir Ranjan Bose, FCA Independent Director, ABBL	Chairman	09	08	01
Mr. M. Wahidul Haque Chairman, ABBL (upto 21.12.2017)	Member	09	08	Nil
Mr. Salim Ahmed Vice Chairman, ABBL (upto 21.12.2017)	Member	09	01	07
Mr. M.A. Awal Director, ABBL	Member	09	07	02
Prof. Dr. M. Imtiaz Hossain Independent Director, ABBL	Member	09	09	Nil

Risk Management Committee Meeting

(From 01st January, 2017 to 31st December, 2017)

Name of Directors	Status	No. of Meetings held since 01.01.2017 to 31.12.2017	No. of Meetings attended since 01.01.2017 to 31.12.2017	Leave of absence granted
Mr. M. Wahidul Haque Chairman, ABBL (upto 21.12.2017)	Chairman	10	09	Nil
Mr. Feroz Ahmed Director, ABBL	Member	10	03	07
Mr. Shishir Ranjan Bose, FCA Independent Director, ABBL	Member	10	09	01
Mr. Faheemul Huq Director, ABBL (upto 21.12.2017)	Member	10	09	Nil
Mr. Syed Afzal Hasan Uddin Director, ABBL	Member	10	06	04

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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, 2017

i) Shares held by Directors and their spouses

Name of Directors	Status	No. of Shares	%	Name of the Spouses	No. of Shares	%
Mr. M. A. Awal	Chairman	4,749	0.0006%	Mrs. Hosne Ara Awal	-	-
Mr. Feroz Ahmed	Vice Chairman	15,730,196	2.0749%	Mrs. Salvana Ahmed	310,497	0.0410%
Mr. Md. Mesbahul Hoque	Director	3,371	0.0004%	Mrs. Mahfuza Khanam	-	-
Mr. Syed Afzal Hasan Uddin Barrister-at-law	Director	3,371	0.0004%	Mrs. Razia Akhter Choudhury	-	-
Mr. Syed Golam Kibria	Director	1,125	0.0001%	Mrs. Hazera Faizun Nahar	-	-
Mr. Asish Baran Sarkar	Director	1,125	0.0001%	Mrs. Shova Sarkar	-	-
Mr. Moshtaque Ahmed Chowdhury*	Director	-	-	Mrs. Kaniz Fatema Ahmed	-	-
Mrs. Shireen Scheik Mainuddin*	Director	-	-	Late A.N. Mainuddin	-	-
Mr. Shajir Ahmed*	Director	-	-	Mrs. Fahmida Islam	-	-
Mr. Shishir Ranjan Bose FCA	Independent Director	-	-	Mrs. Buli Bose	-	-
Prof. Dr. M. Imtiaz Hossain	Independent Director	-	-	Mrs. Shirin Jahan	-	-
Mr. Moshiur Rahman Chowdhury	President & Managing Director	-	-	Mrs. Farzana Chowdhury	-	-

* Appointed in the 35th Annual General Meeting held on December 21, 2017. Bangladesh Bank consented on January 4, 2018.

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

Name	Status	No. of Shares
Mr. Moshiur Rahman Chowdhury	President & Managing Director	-
Mr. Mahadev Sarker Sumon FCA	Company Secretary & Chief Financial Officer	-
Mr. Anupam Kanti Debnath	Head of Internal Control and Compliance Division	-

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	Mr. Sajjad Hussain	DMD & Head of Operations	-
2	Ms. Shamshia I Mutasim	DMD & Head of HRMD	-
3	Mr. Reazul Islam	SEVP & Head of IT & eBiz	-
4	Mr. Abu Hena Mustafa Kamal	SEVP & MD's Secretariat	-
5	Mr. Syed Mizanur Rahman	EVP & Head of Retail Banking	-

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

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Facsimile: +88 02 8144353
Email: acnabin@bangla.net
Website: www.acnabin.com

Certificate on Compliance with 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 2017. These conditions of Corporate Governance were issued by Bangladesh Securities & Exchange 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 is the responsibility of the management 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 of the status of the compliance on the attached statement on the basis of evidence gathered and representation 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.

Dhaka,
09 May 2018

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

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AB Bank Limited
Corporate Governance

Annexure: A

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 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 size [number of Board members-minimum 5 (five) and Maximum 20 (twenty)]	√		
1.2	**Independent Directors**			
1.2 (i)	At least one fifth (l/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 3 (three) years of the company's statutory audit firm	√		
1.2 (ii) (g)	who shall not be an independent director in more than 3 (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 BoD 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 3 (three) years, which may be extended for 1 (one) term only	√		
1.3	**Qualification of Independent Director**			
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	√		
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	√		

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(iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission	-	-	Not Applicable
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 Director's Report 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	-	-	Not Applicable
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	-	-	Not Applicable
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	-	-	Not Applicable
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO),Repeat Public Offering (RPO), Right Offer, Direct Listing,etc.	-	-	Not Applicable
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance	-	-	Not Applicable
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)	Going Concern (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 5(five) years shall be summarized	√		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director is disclosed	√		
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	√		
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	-	-	Not Applicable

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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 (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	√		
2.0	**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	√		
3.0	**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 3 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 1 (one) Independent Director	√		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (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 3 (three) and fill up the vacancy (ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	-	-	Not Applicable
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 1(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	√		
3.3(v)	Review the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		

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(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	-	-	Not Applicable
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)(a)	Reporting to BoD on conflicts of interests	-	-	Not Applicable
3.4.1(ii)(b)	Reporting to BoD on any fraud or irregularity or material defect in the internal control system	-	-	Not Applicable
3.4.1(ii)(c)	Reporting to BoD on suspected infringement of laws	-	-	Not Applicable
3.4.1(ii)(d)	Reporting to BoD on any other matter	-	-	Not Applicable
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	√		
4.00	**External / Statutory Auditors**			
4.0 (i)	Non-engagement in appraisal or valuation services or fairness opinions	√		
4.0 (ii)	Non-engagement in designing and implementation of Financial Information System	√		
4.0 (iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	√		
4.0 (iv)	Non-engagement in Broker-dealer services	√		
4.0 (v)	Non-engagement in actuarial services	√		
4.0 (vi)	Non-engagement in internal audit services	√		
4.0 (vii)	Non-engagement in any other services that the Audit Committee determines	√		
4.0 (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**			

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AB Bank Limited
Corporate Governance

Annexure: A

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(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 1(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	√		

AB Bank Limited
Directors' Statement of Responsibilities

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders,

The Directors are required to present the Annual Report together with Directors' Report and the Financial Statements in accordance with the Companies Act, 1994, Rules and Regulations of 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 Regulations 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 Companies Act, 1994 and Bank Companies Act, 1991 (amendment up to 2018).

The Directors' report of AB Bank Limited confirm that Directors' Report together with the Financial Statements in the Annual Report for the year 2017 have been prepared in compliance with laws, rules and regulatory guidelines as per the Companies Act, 1994; The Bank Companies Act, 1991 (amendment up to 2018), guidelines issued by Bangladesh Bank and also in compliance with BSEC Notification No. SEC/CMRRCD/2006-158/ Admin/44 dated 07th 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 2017, twenty-four (24) meetings of the Board of Directors took place.

This report should be read in conjunction with Auditors' Report to the Shareholders of AB Bank Limited. Other compliances as per BSEC Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 07th 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 guarantee of future performance. Therefore, future results and trends may differ materially from what is in our forward-looking statements.

On behalf of the Board,

M. A. Awal
Chairman

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AB Bank Limited

Report of the Executive Committee 2017



Executive Committee of the Board has been formed following the guidelines of Bangladesh Bank and comprises of 5 (five) Members nominated by the Board. Mr. Feroz Ahmed, Director, ABBL, is the Chairman of the Executive Committee. The committee reconstituted in the 643rd Board Meeting held on January 22, 2018.

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	-	Chairman
Mr. Md. Mesbahul Haque	-	Member
Mr. Syed Afzal Hasan Uddin	-	Member
Mrs. Shireen Scheik Mainuddin	-	Member
Mr. Asish Baran Sarkar	-	Member

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

Feroz Ahmed
Chairman, Executive Committee

AB Bank Limited
Report of the Audit Committee 2017



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 process 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,
- Recommendation for appointment of external 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. A. Awal, Chairman, ABBL	-	Member
3.	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 09 (Nine) Meeting during the year 2017.

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

- Reviewed Internal Audit Plan for the year 2017.
- Reviewed Draft Financial Statements and after discussing with the External Auditor recommended it to the Board for their consideration.
- Reviewed the Management Letter issued by the External Auditor, Management responses thereto and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.
- Reviewed Quarterly Financial Statements of the Bank and recommended its submission to the shareholders as a statutory requirement.
- Reviewed significant Internal Audit findings including OBU and advised corrective actions.
- Reviewed comprehensive inspection report of Bangladesh Bank including status of compliance thereof.
- Reviewed Branch Inspection Reports and Head Office functions conducted by the Department of Internal Control & Compliance (ICC).

Recommendation of Financial Statements

The Audit Committee reviewed and examined the Annual Financial Statements for the year 2017 prepared by the Management and audited by the External Auditor S.F. Ahmed & Co., Chartered Accountants, and recommended those 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 2017



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

Functions of the Risk Management Committee

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

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

Members of the Risk Management Committee

The Risk Management Committee was most recently reconstituted on January 22, 2018 and the members are as follows:

Mrs. Shireen Scheik Mainuddin	-	Chairman
Mr. M. A. Awal	-	Member
Mr. Shishir Ranjan Bose FCA	-	Member
Mr. Syed Afzal Hasan Uddin	-	Member
Mr. Shajir Ahmed	-	Member

Meeting of the Risk Management Committee

To comply with the clauses of BRPD Circular No.11 dated 27 October 2013 the Risk Management Committee formed in the 541st Board Meeting of the Bank on 26 December 2013 and reconstituted in the 643rd Board Meeting held on January 22, 2018. The Risk Management Committee has held 10 (ten) Meetings during the year 2017.

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.

Shireen Scheik Mainuddin
Chairman, Risk Management Committee

AB Bank Limited

Report of AB Bank Shariah Supervisory Committee for the year 2017



In the name of Allah, the Beneficent, the Merciful

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

During the Year 2017, AB Bank Shariah Supervisory Committee met in 04 (Four) meetings and reviewed different operational issues including those referred to it by the Management of the Bank and gave opinion and decisions related to Islamic Shariah.

The important issues attended by the AB Bank Shariah Supervisory Committee during the year 2017 were :

1. Reviewing the Yearly Shariah Audit Report 2016 of Islami Banking Branch.
2. Approving the Final Account, 2016 of Islami Banking Branch.
3. Reviewing the Half-yearly Shariah Audit Report (January-June, 2017) of Islami Banking Branch.
4. Formulated Compensation Fund Policy of the IBO.

The Supervisory Committee, after reviewing the Shariah Inspection Reports, Balance Sheet (as on the 31st December, 2017) and Profit & Loss Account of Islamic Banking Operation of the Bank for the Year 2017, gave the following opinion:

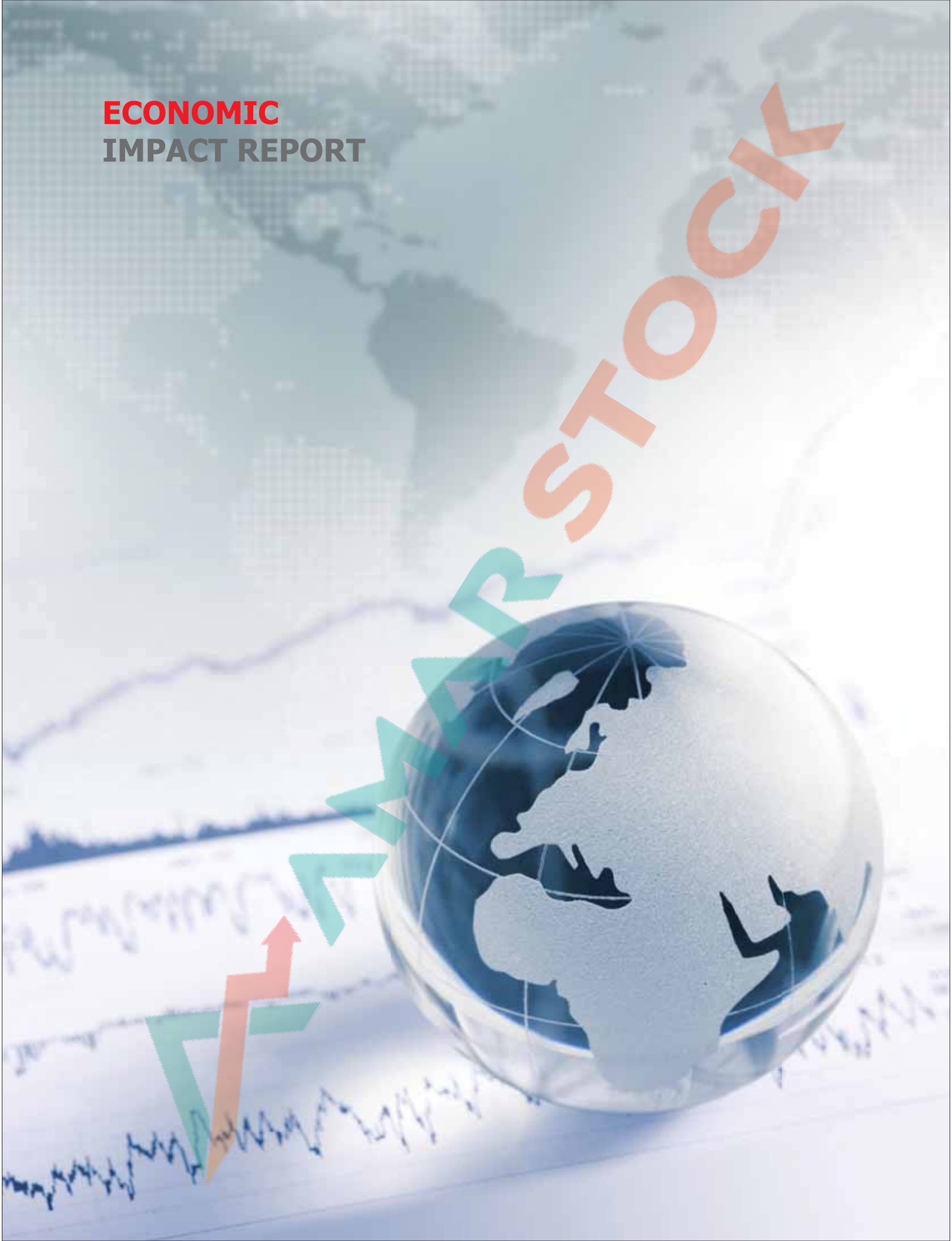
1. In Bai Murabaha /Muajjal mode, buying and selling are being done by ensuring physical / constructive possession of the goods.
2. The agreements for investment and transactions entered into by Islami Banking Branch during the period concerned have been made in accordance with the Principles of Islamic Shariah.
3. Compensation amounts have been kept 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 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 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



AMAR STOCK

AB Bank Limited
Economic Impact Report

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

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

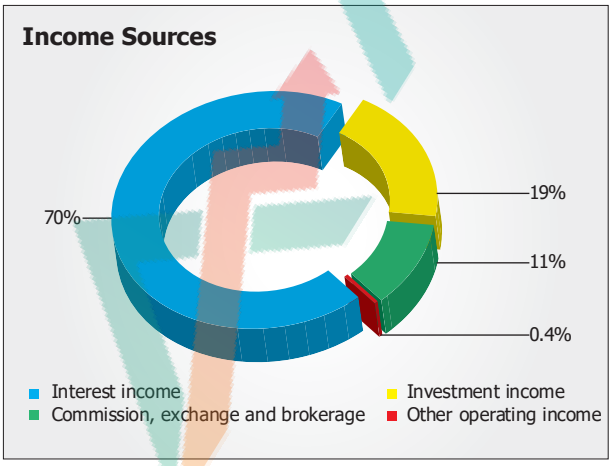
Economic impact related to a bank as an institution and ordained activities of a bank extends beyond the boundaries of any single organization and is linked to both environmental and social development. By analyzing economic impact we seek to understand how a company adds value to society. Bank's direct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

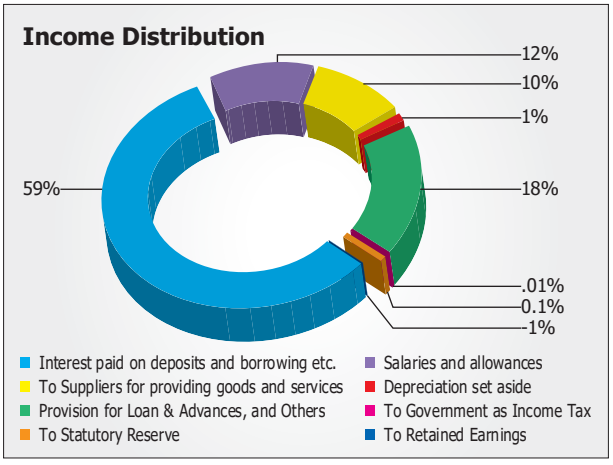
Bank as an institution is woven in to the socio- economic fabric involving numerous sector of the society which together are identified as stakeholders of a bank. Shareholders provide much needed capital depositors and investors invest money, borrowers obtain credit facility, employees put their effort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

(Amount in crore Taka)

Source of Income	2017	%	2016	%
Interest income	1,757	70%	1,891	70%
Investment income	478	19%	535	20%
Commission, exchange and brokerage	278	11%	272	10%
Other operating income	11	0.4%	12	0.4%
	2,524	**100%**	**2,710**	**100%**

Distribution of Income	2017	%	2016	%
Interest paid on deposits and borrowing etc.	1,490	59%	1,608	59%
Salaries and allowances	292	12%	295	11%
To Suppliers for providing goods and services	265	10%	271	10%
Depreciation set aside	30	1%	34	1%
Provision for Loan & Advances, and Others	463	18%	302	11%
To Government as Income Tax	-19	-1%	70	3%
To Statutory Reserve	3	0.1%	39	1%
To Retained Earnings	0.35	0.01%	92	3%
	2,524	**100%**	**2,710**	**100%**





AVAILABLE STOCK

AB Bank Limited
Economic Impact Report

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

A. Maintaining adequate capital

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

At the end of 2017, Bank's total capital reached at BDT 3,129 Crore as against BDT 3,064 Crore on 31 December 2016.

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

Taka in Crore

	2017	2016
Common Equity Tier-I Capital	1,973	1,870
Tier-2 Capital	1,156	1,194
Total Capital	**3,129**	**3,064**
Risk weighted assets	**28,974**	**28,403**
CRAR against		
Common Equity Tier-I Capital	6.81%	6.58%
Tier-2 Capital	3.99%	4.20%
Total Capital	10.80%	10.79%

B. Risk Management

Risk management covering credit risks, market risks and operational risks is at the heart of all business operations and transactions of AB. Risk management system has been designed and implemented to ensure quality and value of assets and smooth banking operations and services in a sustainable way to protect interest of shareholders, depositors and all the stakeholders. Risk management systems also comply with Bangladesh Bank's core risk management guidelines.

C. Maintenance of Liquidity

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

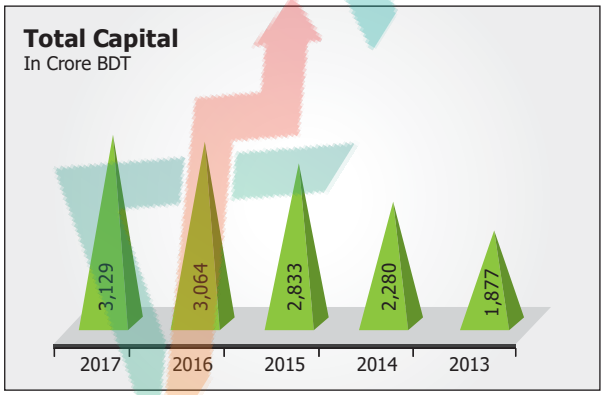
AB maintains positive mismatch in interest earning assets and interest bearing liabilities. Bank has detailed laid down plan for business inflow- outflow to manage liquidity profile and also ensure generation of profitability.

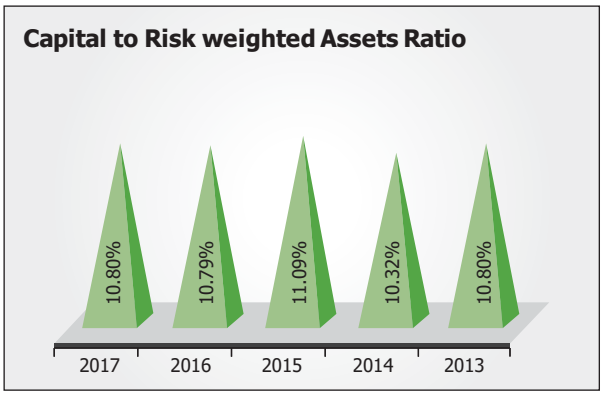
D. Utilization of resources

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

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

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

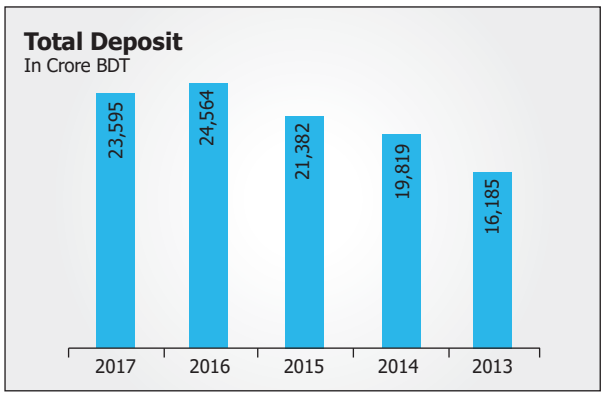


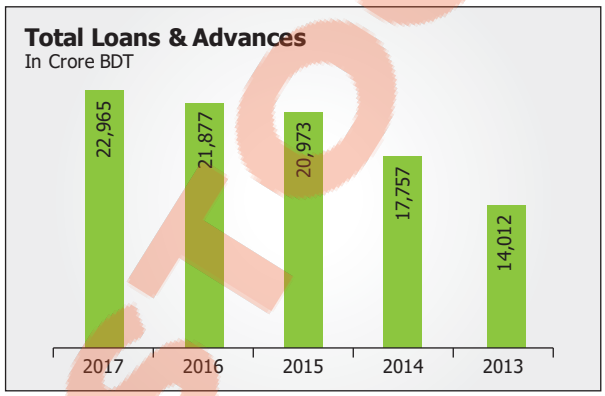


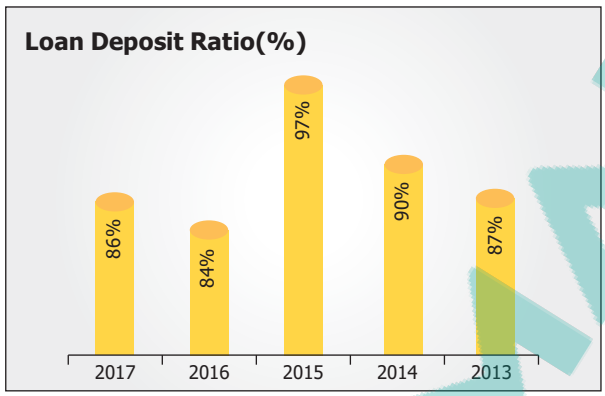
Shareholders' equity of the Bank stood of Taka 2,277 crore on 31 December 2017 being resultant cumulative of prudent dividend, tax and capital expenditure planning.

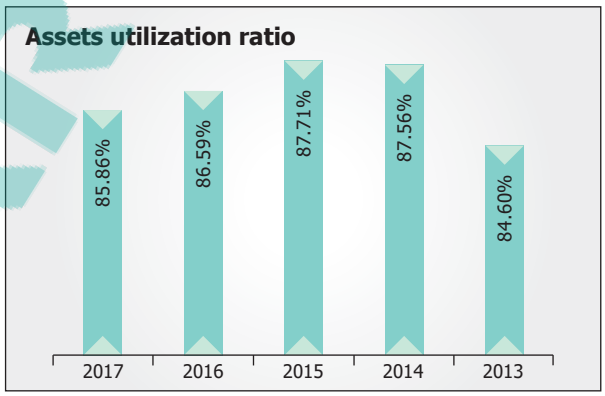
E. Contribution to the National Exchequer

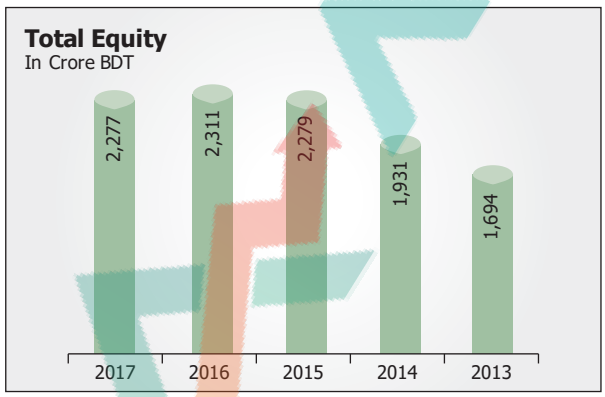
AB Bank contributed Taka 320.16 crore into the national exchequer in the form of VAT, Income Tax and Excise Duty.

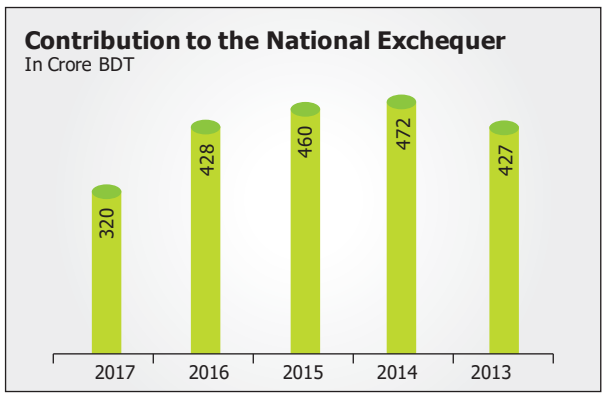












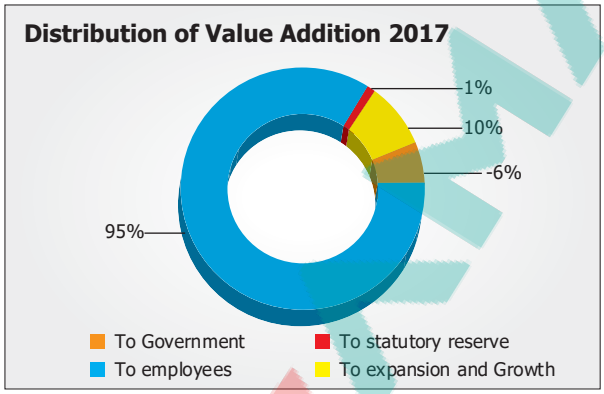
HAMIDSTOCK

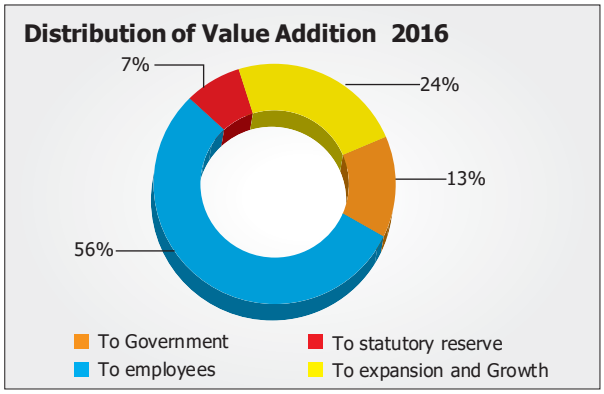
AB Bank Limited
Economic Impact Report

F. VALUE ADDED STATEMENT
Value Added Statement (VAS) for the year ended 31 December 2017

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

	2017 Crore Taka		2016 Crore Taka	
Income from Banking Services/Total Income	2,524.39		2,709.51	
Less: Cost of services & supplies:				
Interest paid on deposits and borrowings, etc	1,489.68		1,607.70	
Total operating expenses excluding salary and allowances and depreciation & amortization	264.64		271.40	
	1,754.33		1,879.10	
Less: Loan loss provision and other provisions	463.41		301.73	
Total value added	**306.65**		**528.67**	
Distribution of added value				
To Government	-18.75	-6%	69.74	13%
To employees	292.40	95%	294.70	56%
To statutory reserve	2.61	1%	38.87	7%
To expansion and Growth	30.39	10%	125.35	24%
Retained earning	0.35		91.60	
Depreciation & amortization	30.04		33.76	
	306.65		**528.67**	





G. ECONOMIC VALUE ADDED STATEMENT

EVA Statement for the year ended 31 December 2017

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

AB Bank Limited
Economic Impact Report

In Crore BDT

	2017	2016	2015
Shareholder's equity	2,277	2,311	2,279
Add: Cumulative provisions	1,140	925	821
Total Invested fund by shareholders	**3,418**	**3,237**	**3,101**
Average Shareholder's equity [A]	**3,327**	**3,169**	**2,940**
Earnings for the year			
Profit after taxation	3	130	127
Add: Total provisions excluding taxation	463	302	219
Earning for the year [B]	**466**	**432**	**347**
Average Cost of Equity (based on highest rate of Shanchay Patra issued by the Government of Bangladesh) plus 2% risk premium [C]	13.76%	13.52%	14.76%
Cost of average equity [D=A X C]	458	428	434
Economic Value Added [B-D]	**8.6**	**3.8**	**-87.4**
Growth over last year	**126%**	**104%**	**-528%**

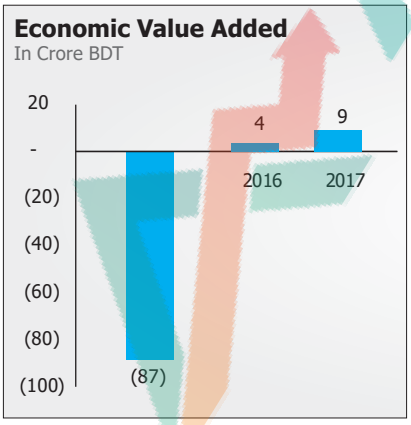
H. MARKET VALUE ADDED (MVA)
Market Value Added (MVA) Statement for the year ended 31 December 2017

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.

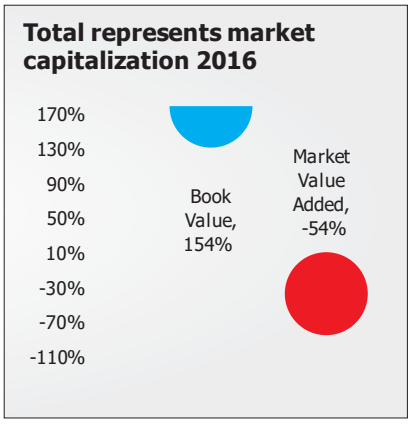
The share market value of AB stood at Taka 1,675 crore whereas the book value of the Shareholder's Equity stood at Taka 2,277 crore, resulting in a negative Market Value of Taka 602 crore as on 31 December 2017. The calculation of Market Value is given below:

In Crore BDT

	2017	2016
Total market value of the equity	1,675	1,503
Less: Total book value of the equity	2,277	2,311
Market Value Added	-602	-809







RISK MANAGEMENT
REPORT

AMAR STOCK



AB Bank Limited

Risk Management Report 2017

1. Introduction

In general, risk refers the possibility of occurring unexpected situation or deviation from the expected outcomes. 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. Risk management is the deliberate acceptance of risk for profit-making. It requires informed decisions on the tradeoff between risk and reward, and uses various financial and other tools to maximize risk-adjusted returns within pre-established limits.

In banking industry, risk factors are generally exposed to its lending business, 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 Industry

Risks in Banking Sector

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

3. Risk Culture in AB Bank

- 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. Management Strategies of the Bank

Objective

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

- To identify the Bank's material risks.
- 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 formulate the Bank's Risk Appetite and ensure that business profile and plans are consistent with it.
- To ensure that business growth plans are properly supported by effective risk infrastructure.
- To help executives in control and co-ordination of risk taking across the business.
- To manage risk profile to ensure that, specific financial deliverables remain possible under a range of adverse business conditions.

EMAR STOCK

a. Risk Appetite Framework

The financial institutions need to have a comprehensive risk appetite framework in place which may help them better understanding and managing 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, risk mitigation and capital allocation. 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-2017 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 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 down 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 Committees (MANCOM), Assets Liability Committees (ALCO), Risk Management Division (RMD), Credit Committee and Internal Control & Compliance Division (ICCD) as detailed below:

Board of Directors

The Board is 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 systems. It has responsibility for reviewing the findings of internal and external auditors and monitoring the implementation of appropriate actions to resolve the identified lacking / 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 2018) 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. Function of the RMC is to minimize risk regarding strategic planning and 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, reviews and approves Risk Management Guidelines, Information Storage and 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 and 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 of 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 guidance of the Board of Directors:

- To establish credit policy of the bank in terms of 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 and 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 on 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 a well-designed and exhaustive Credit Proposals structure/format 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 Division when it is approved / declined by the competent authority. Credit approval authority has been delegated to the Board.

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 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 Management

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 policies have been implemented 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 Management

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 terrorism 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 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 Transaction 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, 2017 has been approved by the Board of the Bank and accordingly submitted to Bangladesh Bank.

AMARSTOCK

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

Supervisory Review Process (SRP) give 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 ensure compliance with economic Capital Adequacy Ratio (CAR). Mentionable that, under this process, Bank has to maintain "adequate capital" in addition to Minimum Capital Requirement (MCR) under Section 13 of Bank Company (Amendment up to 2018) Act, 1991.

Mentionable that SRP – SREP Dialogue on ICAAP based on December 2016 was duly held by the Bangladesh bank. The document for ICAAP-2017 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 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

AB Bank has established Risk Management Division (RMD) in accordance with Bangladesh Bank guidelines. The Division follows Bangladesh Bank's risk related directives and works closely with core risks dealing divisions to mitigate the risks. RMD has a continuous focus on the core risk areas. When risk are high and correlating mitigating factors are not substantial as suggested by Bangladesh Bank, RMD provides its suggestions to undertake required initiatives. Mentionable that, the Board's Risk Management Committee has authorized the Management to implement all the directives of the central bank timely and properly. RMD is working in line with the directives.

11. Conclusion

AB Bank Limited who emerged as the first private commercial bank in the country and has been upholding its position as one of the largest banks in Bangladesh. In its successful operation of long 36 years, the bank has proved itself as "First of Many Firsts". With the ongoing phenomenon of worldwide understanding on importance of risk management, the Management and Board of the Bank feel and believe that, with the growth of its business, strengthening its oversight and building a strong risk management structure is a 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

DIRECTORS' REPORT



AB Bank Limited
Directors' Report 2017

Bismillahir Rahmanir Rahim

Honorable Shareholders

Assalamualaikum.

It is a pleasure for the Board of Directors of AB Bank Limited to present the Directors' Report 2017. This report outlines the performance of the Bank for the year ended December 31, 2017. 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 2017. 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 2017 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 2017 along with the Auditor's Report. Financial Statements of the Bank have been prepared with a view to provide maximum possible coverage in terms of compliance with applicable regulatory requirements and financial standards and to give a true and 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.

Starting in 1982, today after 36 years, we are a compliant and a robust banking institution facing the challenges of the 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 36th year mnemonic to read - "36 Years of Successful Partnership".

Dear Shareholders,

Global Economy

The global growth is expected at 3.9% in 2018, similar to 2017. China's growth is likely to ease moderately as it continues to rebalance towards consumption from investment. It is expected that the US and euro area growth will exceed 10-year averages, although this is not a particularly high bar. There is a slim possibility that global growth will recover to the 4.2% pre global financial crisis average. Fiscal policy has turned mildly supportive of world growth, while monetary policy in general is likely to shift from ultra-accommodative to more neutral as inflation rises but remains well below longer-term averages.

While the market is unwilling to price risk premium for now, this does not mean risks can be ignored. In addition to geopolitical and political risks (including many elections), we are watching three other key risk themes for 2018:

Global trade may not perform as strongly, as temporary factors that propped up 2017 exports are likely to fade. Asia, the region most open to trade, cannot count on the same degree of external support that it received in 2017. Two of the drivers of stronger exports in 2017 were temporary: the recovery in prices of exported goods (which followed commodity prices with a lag) and China's inventory restocking cycle. Stretched leverage cannot be ignored. High household leverage may weigh on growth in Malaysia, South Korea and Thailand. On the external debt front, the most vulnerable economies are Venezuela, Jordan, Argentina, Turkey and Greece.

Multiple political event risks could knock the markets, and global growth, off track. Today's political risks (US, Middle East, North Korea, UK and Europe) leave us almost as uncomfortable about the outlook as we were a year ago. In the markets, however, a positive see of change in risk sentiment is visible compared to one year ago.

Despite a strong near term view on global growth, long-term structural issues will continue to weigh: ageing populations, weak productivity (despite rapid technological advances), soft wage growth, and prior leverage excesses.

On the commodities front, the supply-demand balance for oil in 2018 appears supportive of higher prices. We expect global oil demand to increase in the 2nd half of 2018 exceeding 100mb/d resulting in increae of oil price from USD 60/bbl.

The medium-term growth outlook appears tentative and will depend in part on the new economic relationship within the EU (e.g. how Brexit plays out) and the extent of the barriers to trade, migration, and cross-border financial activity. IMF's October 2017 report on the global economy and outlook paints a modestly improved picture of the world economy in the current year and the next. Though global growth is not projected to reach pre-financial crisis levels the good news is that trade growth has finally started to exceed output growth. This phenomenon of trade growth exceeding income growth was the standard feature of the post-war global economy until the financial crisis of 2007-08 broke the trend. It was the signal that trade was the driving force behind post-war prosperity.

That trend — a consequence of rapid globalization - is under siege from political forces in the developed countries who ironically were the champions of free trade and globalization. Rising income inequality and skills mismatch in a period of digital transformation and open trade have led to unemployment in those countries giving rise to forces of protectionism and a new wave of economic nationalism.

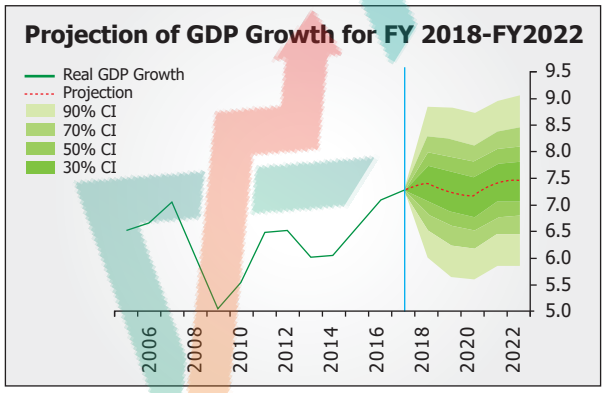
Bangladesh Economy

GDP grew by 7.3% in fiscal year 2017 (FY2017, ended 30 June 2017), edging up from 7.1% a year earlier. This growth despite falling remittances was due to acceleration in private consumption expenditure, and continued growth in public infrastructure investment. Private investment rose marginally. With faster expansion in import volume while exports stagnated, net exports subtracted from growth at $1.7 billion, foreign direct investment equaled less than 1.0% of GDP.

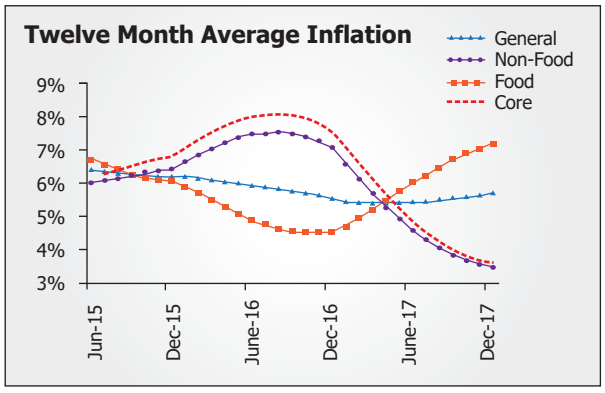
On the supply side, agriculture grew by 3.0%, up from 2.8% the year before. Despite staple crop losses to heavy rain and prolonged flooding, good performance in other subsectors—horticulture, animal farming, forestry, and fishing—buoyed agricultural output overall. Industry growth slowed to 10.2% from 11.1% largely on weaker growth in medium and large-scale manufacturing as garment production stagnated. Services growth accelerated to 6.7% from 6.3%, mainly on higher growth in wholesale and retail trade and in transport services.

Despite food inflation trending higher during the year as weather induced rice shortages, average inflation decelerated to 5.4% from 5.9% as non-food inflation slowed. This reflected the conservative monetary policy of Bangladesh Bank, the central bank, and a stable exchange rate. Inflation rose to 5.9% year on year in June 2017, from 5.5% a year earlier, as food inflation accelerated to 7.5% from 4.2% and non-food inflation decelerated to 3.7% from 7.5%. Growth in broad money slowed in FY2017 to 10.9%, well below the monetary program target of 15.5% . The slowdown came mainly from a sharp decline in net credit to the government as it turned to borrowing more through the sale of national savings certificates. Private credit growth was close to its target of 16.5% as private investment picked up. Expansion in net foreign assets slowed on a smaller increase in central bank foreign exchange reserves.

The central bank kept its repo and reverse repo policy rates unchanged in FY2017, but ample liquidity in the banking system meant that interest rates continued to decline. The call money rate remained stable under easing liquidity pressure. The weighted average yield on 91-day Treasury bills declined to 3.7% in June 2017 from 4.0% a year earlier.



Source: Bangladesh Bank Projection



Source: Bangladesh Bureau of Statistics

Banks' weighted average lending rate eased to 9.6% from 10.3% in the same period, while the weighted average deposit rate declined to 4.8% from 5.4%, narrowing banks' interest rate spread by 0.2 percentage points to 4.7 points. Nonperforming loans in state-owned commercial banks continued to be a major issue as, despite remedial policies.

Budget revenue as a share of GDP remained very low at 10.2%, continuing to constrain a more rapid pace of development even as it rose slightly from 10.0% in the previous year. Tax collection by the National Board of Revenue grew by 19.0% in FY2017 but still fell short of the high budget target. Non-tax revenue collection was below target.

Expenditure was lower than the budget and declined to 13.2% of GDP from 13.8% a year earlier. Strengthened monitoring of public spending through a new integrated budget and accounting system helped moderate current spending, curb public spending as a share of GDP and make it more effective. The budget deficit declined to the equivalent of 3.0% of GDP in FY2017 from 3.8% in FY2016, well below the 5.0% budget target.

Exports grew marginally in FY2017, by 1.7%, down from 8.9% a year earlier. Garment exports grew by a scant 0.2%. The slump reflected much weaker demand in major markets in the euro area and the US, as well as an infrastructure deficit that kept exporters from filling some orders. Other exports grew rapidly at 8.5%.

With stepped-up domestic demand, growth in import payments accelerated to 9.0% from 5.9%, reflecting solid increases in most categories: food, investment and consumer goods, and crude oil and petroleum products. Growth in intermediates for the garment industry, however, were modest.

Despite expanded employment overseas, worker remittances fell by 14.5% in FY2017. The decline mostly reflected economic adjustment to low oil prices in the Gulf, which hosts most Bangladeshi migrant workers, that depressed wages and employment as well as remittances through reportedly unofficial channels.

The current account fell into deficit in FY2017 by $1.5 billion, equal to 0.6% of GDP, which reversed a surplus of $4.3 billion in FY2016. The downturn reflected a $3.0 billion widening of the trade deficit and a $2.1 billion fall in remittances, as well as continued small deficits in the service and primary income accounts. The surplus in the combined capital and financial accounts nevertheless rose to $4.5 billion, which lifted gross foreign exchange reserves in the central bank by $3.2 billion to $33.4 billion at the end of June 2017, providing nearly 8 months of import cover.

The Bangladesh Taka depreciated against the US dollar by 2.7% in nominal terms in the year to the end of June 2017. Taking into account differences in inflation, the Taka appreciated by 2.4% in real effective terms, eroding competitiveness.

The country's capital market passed 2017 registering some records, including seven-year high turnover value, amid fluctuation observed in broad index and turnover value during the year.

The Dhaka Stock Exchange (DSE) registered the highest turnover in 2017 since the stock market debacle in 2010-11, riding on increased trade participation by the investors. The DSE featured a daily average turnover of more than Tk 8.75 billion, whereas the turnover during 2011-16 was between Tk 4.23 billion and Tk 6.64 billion.

The benchmark index of the Dhaka Stock Exchange DSEX posted 24 percent growth to more than 6,200 points in 2017. On November 26, the DSEX closed at 6,336 points, the highest ever mark since the introduction of new benchmark index.

The DSE also registered the highest ever market capitalization worth above Tk 4.26 trillion on November 23, 2017. However, the bench mark index of DSE has fallen at 5,406 on May 21, 2018, a down ward trend since the beginning May 2018.

Worker remittances rebounded to expand by 16.6% in the first 8 months of FY2018, reflected reduced bank fees and charges and a record number, in about a decade, of about 1 million workers that went abroad in 2017.

The Taka depreciated by 4.3% against the US dollar in late-2017 from the same period last year, and is expected to depreciate further in response to the large current account deficit. To avoid excessive volatility in the foreign exchange market, the central bank sold $1.1 billion to meet demand for foreign currency in this period. By December 2017, the Taka had depreciated by 6.8% in real effective terms from a year earlier, indicating a gain in competitiveness.

The FY2018 budget, announced in June 2017, projected that revenue growth at 31.8% would outpace spending growth at 26.2%. Annual development spending was slated to grow by 38.5% to accelerate the implementation of some large infrastructure projects including the Padma Bridge, Dhaka Metro Rail, Rooppur Nuclear Power Plant, Payra Port, and coal-fired power plants at Rampal and Matarbari. Revenue was projected to rise to equal 13.0% of GDP, and public spending 18.0%, both significant increases from the previous year.

The ratio of government debt to GDP has declined slightly over time and is quite low for developing Asia. External debt amounted to 11.4% of GDP in FY2017, reflecting the government's continued preference for concessional external borrowing. Domestic debt amounted to 15.7% of GDP.

Meanwhile, the influx of some one million Rohingya ethnic minority of Myanmar fleeing pogrom perpetrated on them by the Myanmar military junta put a sudden pressure on Bangladesh economy in the late 2017. None other than the UN and many more governments have recognized the incident as a case of "ethnic cleansing", and the international community have been raising their voice to hold the Myanmar government to account for this humanitarian crisis. Bangladeshis have once again shown their kinder gentler side by offering these refugees safety and temporary habitat. They are the responsibility of the UN High Commission for Refugees (UNHCR) which has been actively seeking pledges of aid that is expected to come in drips. Our optimistic assumption is that much of the annual cost of about $600 million will become available and the refugees will be repatriated within a year. A plausible long-tern solution to the Rohingyas of Rakhine State in Myanmar is the Kofi Anan Commission Report that is on the table with wide international endorsement. In the unlikely event that this becomes a longer-lasting festering problem there could be unpalatable economic and social consequences for Bangladesh to endure.

"Bangladesh has made remarkable progress in achieving inclusive growth, which led to a substantial decline in poverty. The extent of financial inclusion in society is commendable, and the authorities should continue to strengthen the legal and regulatory framework of the banking sector and implement the upcoming financial inclusion strategy. Finally, higher expenditure on education and improvements in rural infrastructure should continue to boost the current low female labour force participation rates by enhancing job prospects, reducing the time spent on domestic tasks, and increasing safety," - a statement of International Monetary Fund (IMF) on the trends of Bangladesh economy in 2017.

BUSINESS OVERVIEW 2017:

Corporate Banking

Based on experience and practical knowledge, AB Bank provides Corporate Banking solutions to the growing Corporate Sectors of the country. To meet the diverse financial needs of the corporates, the Bank provides a broad spectrum of products and services. With expertise, innovation and customization, the Bank simplifies the complexities of the financial world for the clients and helps them attaining their desired objectives. The prime focus is on building and maintaining long-term mutually beneficial relationship with the clients, and being a part of their journey towards development and growth.

The Corporate Products and Services of AB Bank Limited are extended to the Corporate Clients of its various Branches through Head Office Corporate Finance Division. AB Bank has always been supporting the Corporates through a wide range of conventional Corporate and Islamic Banking Products and Services along with cutting edge solutions through a focused approach. On many occasions, AB's innovative and insightful support has transformed corporate customers into market leaders.

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

Financial Highlights – as on December 31, 2017

- Total outstanding of corporate loan: Tk 17,474.00 Crore
- Proportion of Corporate Loans was 76.09% against the total loan portfolio
- Corporate Loan growth was 7.18% in comparison with the year 2016
- Dominant sectors in the Bank's exposure to corporate clients include Readymade Garments, Textiles, Construction, Power, Food, Manufacturing and Trading Sectors.

Business Highlight in 2017:

1) **Textile and RMG:** RMG accounts for the largest export revenue generating sector of the country. In continuation of its financial support to this most important economic sector, the Bank provided credit facilities to a number of clients in this sector which is going to further consolidate Bangladesh's capabilities in Textiles.

2) **Steel manufacturing industry:** Steel manufacturing industry is growing as one of the dominant economic sectors of the country. In 2017, AB Bank strengthened its footprint in this sector by extending credit facilities to a number of clients.

3) **Medical Education and Health Service:** The Bank has extended financing to the capacity building of the Health sector.

4) **Home Appliances:** In recent times, home appliances manufacturing has become one of the most important sector in the economy of Bangladesh. As part of the investment of the Bank, AB Bank Limited extended credit facility to various home appliances company of the country.

5) **Fast Moving Consumer Goods (FMCG):** AB Bank Limited contributed to the FMCG sector of the country by extending various sort of credit facilities to its FMCG clients to support their business.

Retail Banking Division

Being the first private sector commercial bank of Bangladesh, starting its operation in 1982, AB Bank Limited always emphasizes on developing flexible and customized retail products on sophisticated technology platform for its diversified products and services. The Bank with its expanded branch network, efficient workforce, Direct Sales Executives and Alternative Delivery Channels (ADCs) is facilitating the banking services at the doorstep of the customer.

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

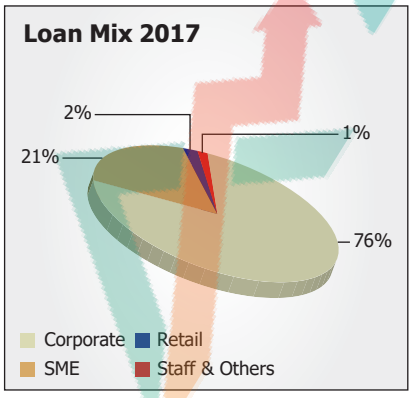
Liability Products

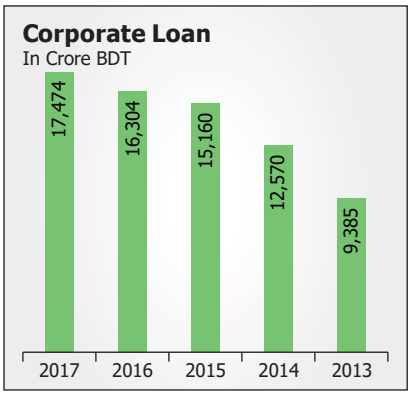
The bank has wide variety of deposit products in its product line to satisfy the consumers of different segments. Last year, the bank has introduced payroll management account to support the large corporates to manage their employees' salary account.

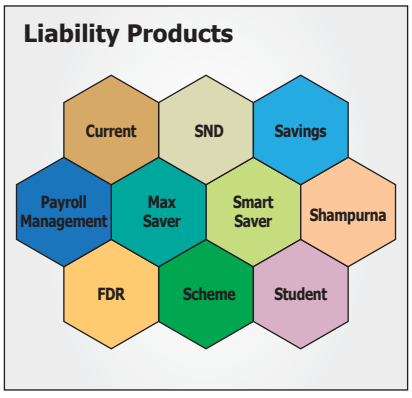
Business Overview of Retail Banking Division in 2017

Deposit Mix

2017 has been a very challenging year in the banking arena. Due to some irregularities in the financial sector, people seemed to have lost confidence in the private sector banking and on the other hand with high yielding







Government savings certificate, people were more inclined towards diverting their deposit in government savings certificate. Among all these challenges, the bank was able to significantly grow the savings with specific segmented focus. During this year, the bank emphasized on booking payroll accounts and as a result, number of saving account increased by 13% from 326,040 nos. to 368,396 nos. which also contributed to the growth of the saving deposit of the bank. Ssvings deposit increased from Tk.2,790.73 crore to Tk.2,973.54 crore in 2017, which is 6.55% increase over 2016.

Agent Baking:

The bank started its Agent Banking Operation (pilot project) on December 24, 2017 which is aimed towards the achievement of long term sustainable goal by reaching the unbanked, unserved and poor people of the country and bringing them under the banking net.

School Banking:

Bank organized a school banking conference in Kushtia on August 12, 2017 as the lead bank as per directive of Bangladesh Bank. The bank also participated in school baking conference organized by other bank in different regions to impart financial literacy among the students and parents, to build awareness and to encourage the habit of saving for future.

SME Business:

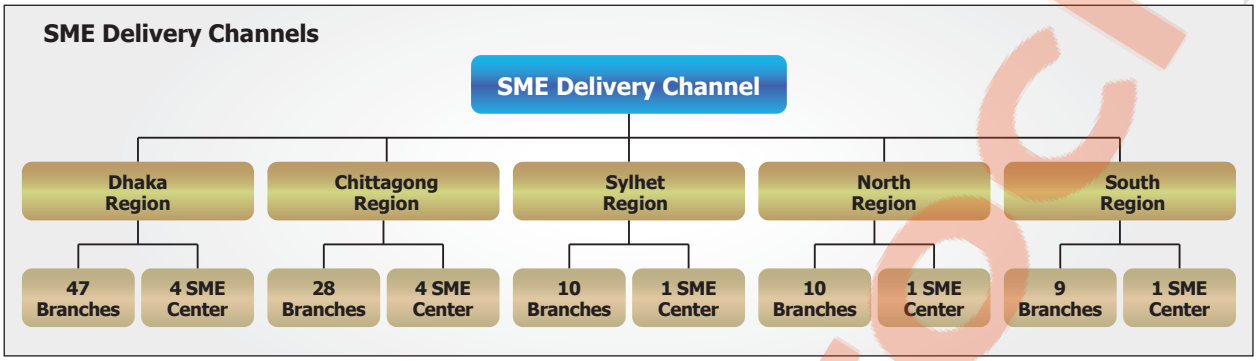
SME is one of the most significant contributors in attaining graduation of our country from Least-Developed Country to Developing country. SME financing uplifts our economy in a sustainable form through diversified portfolio, financial inclusion and employment generation. AB has strengthened its SME segment in parallel to accommodate the financial need of this thrust sector.

We are giving special emphasise in manufacturing industries, women-led units and service oriented business initiatives. The bank has disbursed Loans to a a large number of SME clients of various sectors/segments. AB is strengthening its business focus especially on SME Businesses which will further enrich the SME portfolio of the Bank.

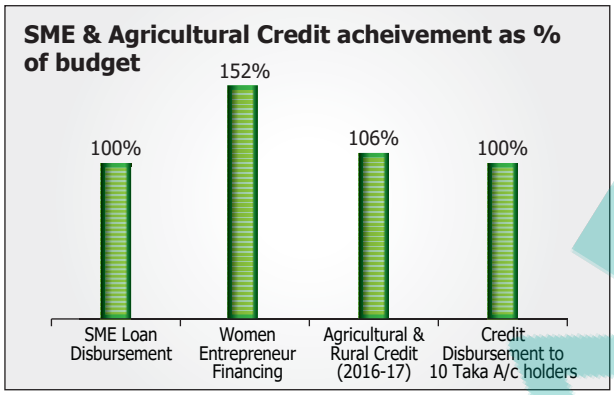
In addition to the regular Deposit and Loan Products, AB has introduced tailor-made products to cater to the need of SME Clients and widen its distribution network throughout the country.



Bank's participation in School Banking Fair 2017, Chittagong

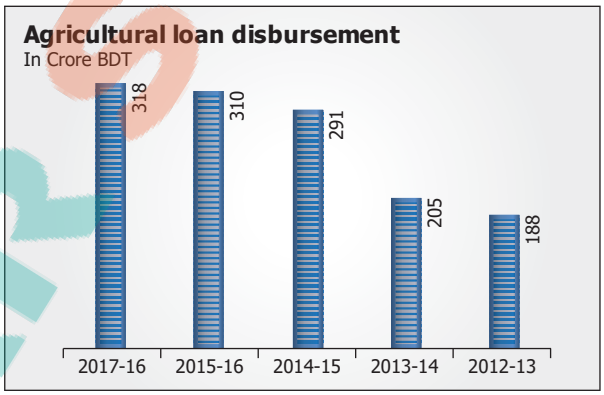


AB's SME Financing/Agricultural Credit Performance in 2017



Agricultural & Rural Credit

AB's Agricultural Loan disbursement has been successfully achieved the targets assigned by Bangladesh Bank.



SME Events & Training Programs:

AB participated in several SME Events as organized at the national level and also arranged Training Programs on its own initiatives for creating awareness among the SME Clients.



Bank disbursed SME Loan to women entrepreneuer

Alternate Delivery Channel

AB has established a wide network of ATMs across the country covering both urban and rural areas. . The Bank's Electronic Business (eBiz) Division has so far introduced 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 276 ATMs located across the country. The increase of ATMs is changing the conventional banking trend and ATMs are becoming the banking channel of choice for customers. We have already implemented Online Bills Collection of DESCO and Mobile Top-up using AB Bank Visa debit cards in ATM.

Any Visa or MasterCard cardholder around the globe can enjoy the AB Bank ATM facilities AB has also joined the National Payment Switch of Bangladesh (NPSB). Through this arrangement, any member bank's cardholder can withdraw money from AB Bank's ATMs as well as AB Bank's cardholders can withdraw money from other NPSB member banks' ATMs. Nearly 3.60 million transactions were executed via AB Bank ATMs last year.

Credit Cards

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

SMS Banking

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

Internet Banking & Mobile App

To facilitate modern banking services, AB Bank revamped Internet Banking and introduced Mobile App under the umbrella of AB Direct. Internet Banking is browser and device independent and the Mobile App is available in major three platforms: Android, iOS, Windows.

'Banking is not somewhere you go, but something you do' – believing in this mantra, AB Bank brings its new Internet Banking.

Branch POS (Chequeless Transaction)

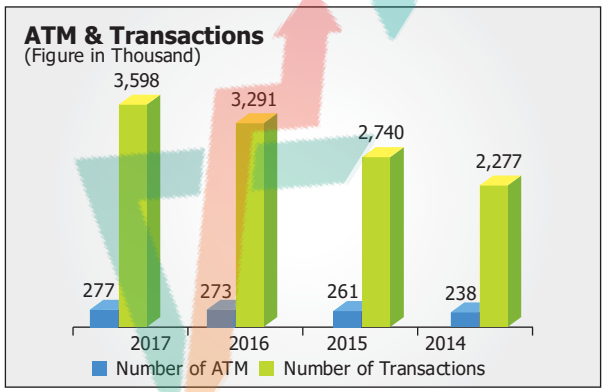
AB Bank introduced Branch POS (Point of Sale) Services to consolidate its position in the market in terms of technology based retail banking product offers. This service was introduced to facilitate AB Bank Debit cardholders for the higher cash withdrawal facility through POS terminals in selected AB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

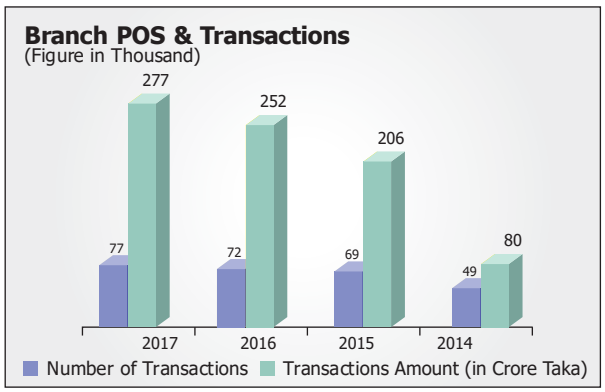
Utility Payments

AB Bank facilitating following utility bills via Branch, 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
- Chittagong Water and Swerage Authority

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





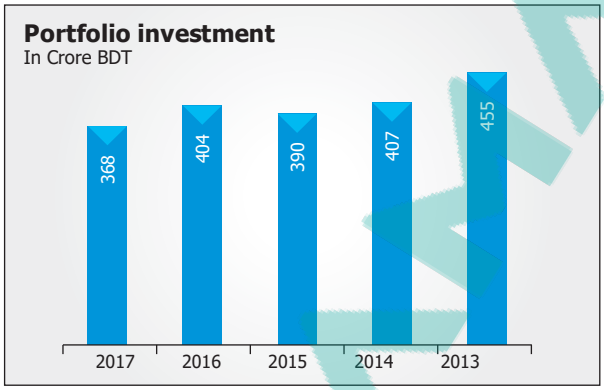
Information Technology

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

Investment Banking Department (IBD)

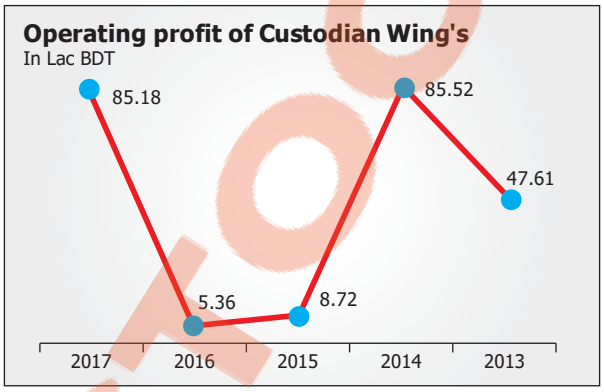
Investment Banking Department (IBD) was established in 2006 to manage the Bank's investments in the capital market. There is also a Custodian Unit which operates under IBD which provides one-stop services to NRB's and Foreign Investors interested to invest in Capital Market in Bangladesh. Besides IBD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

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



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

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



1st Mutual Fund

At the end of 2017, the "AB Bank 1st Mutual Fund" has reported Net Asset Value (NAV) of Tk. 12.88 per unit on the basis of current market price and Tk. 11.36 per unit on the basis of cost price against face value of Tk. 10.00. The total Net Assets of the Fund stood at Tk. 2,886.68 million on the basis of market price and Tk. 2,546.42 million on the basis of cost price after considering all assets and liabilities of the Fund.

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

Money Laundering and Financing of terrorism have become a serious threat across the globe, consequently there is a growing awareness in the financial community to combat these threats.

AB is obligated to ensure that the institution is not used as a vehicle by the money launderers , terrorists, militants, etc. for unlawful activities and the Board and Management of the Bank are committed to this end.

According to Financial Action Task Force (FATF) recommendations, the bank has formulated policies, control and procedures that enable to manage and mitigate effectively the risk that have been identified on money laundering and terrorist financing. Risk Management Guidelines is an integral part of our AML & CFT Policy. We are committed to full-fledged implementation of Risk Management Guideline to assess the level of risk exposure considering the Bank's customers, product, services, geographic locations, delivery channel and regulatory risk on money laundering and terrorist financing.

Awareness of officials of AB is essential to combat money laundering & terrorist financial threats. Training to all employees on these area is mandatory as per AML and CFT Policy as well as BFIU instructions. These training will also recap employees' responsibilities in prevention of money laundering and combating terrorist financing. Last year (in 2017) we imparted training to 975 employees of the Bank. Our plan is there to arrange fresh and refresher job specific trainings for 710 officials in 2018.

We do exercise customer due diligence (CDD) and take appropriate steps to determine the identity of all customers. Enhanced Due Diligence (EDD) is exercised in case of high risk customers and/ or as and where applicable. Special safeguards are taken for business relationship with Politically Exposed Persons (PEPs)/ Influential Persons (IPs)/ Senior Officials of International Organizations (IOs) deemed to be High Risk. We have adopted Customer Acceptance Policy (CAP) in our AML/CFT policy in accordance with BFIU guidelines.

We have given sufficient emphasis on prevention of Trade Based Money Laundering (TBML). As a result of that we have appended a separate chapter on Trade Based Money Laundering in our revised AML/CFT policy in 2018. Training on the same has been provided to officials of AD Branches and other concerned officials.

We do monitor customers' transaction with high importance in line with declared Transaction Profile (TP). Source of funds, its origin and purpose of transactions are meticulously reviewed in order to detect suspicious transaction and activity. When such transaction/activity is detected, those are proactively reported.

Effective monitoring of suspicious movement in customers' accounts is a principal mechanism in the fight against money laundering. As such a well-designed and effective transaction monitoring system has been introduced. The Bank performs transaction monitoring through a specialized software to identify suspicious /unusual transaction.

It is the responsibility of all employees of AB to adhere to its AML & CFT Policy. Any employee, who violates or do not comply with laws relating to AML & CFT, Circulars and instructions of BFIU, AML & CFT Policy and instructions and circulars issued from time to time which may jeopardize reputation of the Bank will be subject to severe disciplinary action even termination of employment or charged for assisting in criminal offence.

We always meticulously comply with the instructions of regulatory authority and keep all our employees aware of any changes or development in this area. AB acknowledges and supports the increasing need for partnership between the government, BFIU, Bangladesh Bank, Law enforcement agencies and financial institutions to work together to combat money laundering and terrorist financing. AB is determined to play an appropriate role in this partnership.



Employees participating in a training program on Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT)

Offshore Banking Unit (OBU)

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

Last year in 2017, OBU discounted USD 65.00 Million Import and Export Bills besides foreign currency term loan USD58.00 Million.

Department of Internal Control & Compliance (DICC)

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

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

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

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

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

The DICC conducted the following audit and inspections during 2017:

Risk Based Audit of Branches	:	103 Branches
Annual Comprehensive Audit of Branches	:	103 Branches
Annual Comprehensive Audit of Divisions	:	10 Divisions
Special Investigation	:	10 Numbers
Surprise Visits	:	26 Branches

Regarding the effectiveness of internal control, the external auditors of the bank opined in the Management Report that the banks' Internal Control System appears to be effective as evidenced from the functions of its Internal Control and Compliance Department on its variouse operational areas.

Operations Department

General Banking Operations is entrusted with overall back-office operations management of the Bank. It ensures service standards, operational controls, improves process flows through re-engineering, simplifies and standardizes processes, continuously monitors branch activities to mitigate risks, ensure regulatory compliance, support business and other functions, internal and external compliance and quality improvement etc.

The primary objective of operations is to ensure to maintain a certain standard in delivery of products and services within a controlled culture. Like previous years the department undertook different initiatives in 2017. In addition to the routine functions the department was also entrusted to hold different events, which were successfully arranaged, supervised and monitored.

In 2017, Head Office Operations implemented the following:

- Established "Help Desk for NRBs" at all branches with a dedicated official for delivering prompt customer service to encourage NRBs and their beneficiaries.
- Arranged "Customer Awareness Program" at 31 branches to familiarize our customers with AB products and services as well as banking norms and practices. It is an effort to mitigate the information and communication gap between customers and bankers.
- Introduced Cash Deposit Machine (CDM) services at our Baridhara DOHS Booth.
- Introduced Bangla version of upgraded website of AB Bank.
- Implemented redesigned Account Opening Forms (AOFs) for individuals, Non-individuals and FDR Application as per BFIU guidelines for Conventional as well as Islamic Banking and guidelines to fill up the AOFs and imparted training on "Redesigned Account Opening Forms (AOFs)".

- Arranged training on major operational process like "Account Opening & Customer Service Excellence", "Effective Cash Management & Customer Service Excellence" and "Product Knowledge of AB Bank".
- Data Cleansing & Sanitization Project as part of Core Banking System (CBS) Transformation from Equation Banking System (EBS) to Fusion Banking Equation (FBEQ).
- Preventive measures have been advised to all of branches as precaution against fraud risk related to banking operations.
- To create awareness of fake notes among general public, displayed actual bank notes and their special security features through videos in front of the important public places/ intersection of the roads.
- Installation of Fake Note Detection Booths at cattle markets in Dhaka and different parts of the country during Eid-ul-Azha.

Department of Human Resource Management & Development

HR initiatives – 2017

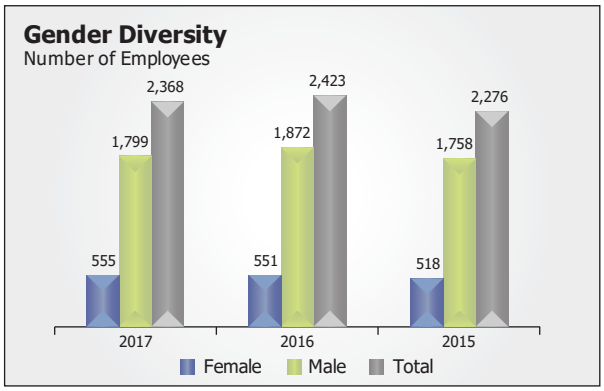
1) Learning & Development: to be market competitive Bank always concentrate on learning culture through different initiatives on a continuous basis. Competent human resource with right skills is the main driving force which led us to ensure sustainable growth in a compliant way. In 2017 total 4,963 no of participants participated in 279 internal and external training programs of the Bank.
2) Implementation of National Integrity Strategy (NIS) - As per directive from Bangladesh Bank, Board of Director's as well as Management Committee of the Bank committed to be compliant in execution of NIS and accordingly AB Bank graded as "A" in 2017
3) Policy Updates- To be market competitive and to serve the business needs in an effective manner AB Bank leave policy and Local TA/DA policy updated in 2017.
4) Business portfolio restructuring: - To ensure smooth business function, to give efficient service to the customer, the whole business segregated in front office, like; a. Corporate Banking Division, b. Small and Medium Enterprise (SME) Division, c. Retail banking Division and back office, like; a. CRM (Corporate) Division, b. CRM (SME) Division, c. CRM (Retail) Division. Each division led by one Business Head with specific Job Description in managing business affairs and to deliver results.
5) Career Path: Performance Appraisal System has been simplified with specific promotion criteria and this year AB Bank management re-introduced Promotion Interview to identify the right candidate.

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



Employees participating in a training program organized by AB Bank Training Academy

Gender Diversity: (Year to Year comparison from 2015 - 2017)



Treasury Functions

Strategic functions of Treasury are risk management e.g. - Liquidity Risk, Interest Rate Risk and Foreign Exchange Risk. Being an integrated unit, AB Bank Treasury is engaged in managing these risks within the laid down 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 fund 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 banks risk appetite. As a primary dealer AB Bank performs its responsibility as an underwriter of the Govt. securities. AB Bank treasury is capable of providing all possible treasury solutions through an array of treasury products at better prices and superior services with a dynamic and innovative work force. It has been performing consistently well over the last couple of years with respect to contribution to bank's profitability. Prudent Money Market, Foreign Exchange and PD operations contribute significantly in interest, exchange and investment earnings.

Highlights of 2017:

- Interest income on Money Market Product stood BDT 276.33 million in 2017 compared to BDT 404.82 million in 2016.
- Investment income decreased to BDT 4,435.59 million in 2017 from BDT 5,110.69 million in 2016.
- Income from Foreign exchange increased to BDT 800.7 million in 2017 compared to BDT 648.3 million in 2016.
- During 2017 net realized gain on sale of securities stood BDT 478.0 million compared to BDT 1086.5 million in 2016.

Financial Institutions (FI) Unit

FI marketing team facilitates trade business for the entire bank including AB Bank Mumbai branch and AB International Finance Limited (ABIFL), Hong Kong. It is also engaged in Reimbursement Authorities / Payment Instructions and scouting of LC advising from different commercial Banks.

International Trade

In 2017, Import and export business of AB Bank has experienced negative growth compared to previous year. Import Business decreased by 9.39% to Taka 10,492 crore in 2017 which was Taka 11,579 crore in 2016. Import bucket of AB covers areas like scrap vessels, food items, chemicals, medicines, textiles, capital machineries etc.

Total Export experienced a negative growth 1.23% percent in the year 2017 compared to the previous year. Total Export stood Taka 7,511 crore at the end of the year 2017 which was Taka 7,605 crore in 2016. Export business was concentrated in frozen fish, readymade garments, knitwear and other indigenous products.

AB's Foreign correspondent relationship covers most of the important financial centers and financial institutions in the world. About 413 correspondents comprises correspondent banking platform of the Bank facilitating its expanding international trade business and customer service.

Remittance Initiative

AB strengthened the existing remittance relationship with various exchange houses in 2017. Dedicated "Remittance Hub" centrally located at Head Office backed by advanced technology platform helped to expand the Bank's service to the doorsteps of 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 2017 stood at USD 300 million against 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.

At present our Mumbai Branch is maintaining VOSTRO Accounts of 43 Bangladeshi Banks. Branch's Operating Profit at the year-end 2017 was INR 156.24 million.

Highlights of the Mumbai Branch Business

INR in Million	2017	2016	2015	2014	2013
Total Assets	2,346.11	2,564.18	2,767.26	2,196.75	1,759.93
Total Loans and Advances	593.14	405.31	673.91	729.84	561.35
Total Deposits	1,189.18	1,367.94	1,609.58	1,073.10	798.63
CRAR – Overall	36.52%	32.24%	34.87%	30.50%	33.87%
CRAR – Tier I	36.22%	31.97%	34.56%	30.22%	33.59%
CRAR – Tier II	0.30%	0.27%	0.31%	0.28%	0.28%
Fee based income to Total income	81.54%	81.87%	79.92%	78.15%	78.46%
Return on Total Assets	3.34%	2.39%	4.75%	4.77%	4.68%

Operating results of Mumbai in 2017

INR in Million	2017	2016	2015	2014	2013
Operating Profit	156.24	188.54	194.34	158.85	141.74
Profit after Tax (PAT)	78.33	63.68	114.24	94.44	81.37
Return on Assets (%)	3.34	2.39	4.75	4.77	4.68
Return on Equity (%)	8.94	6.53	12.38	11.04	10.60

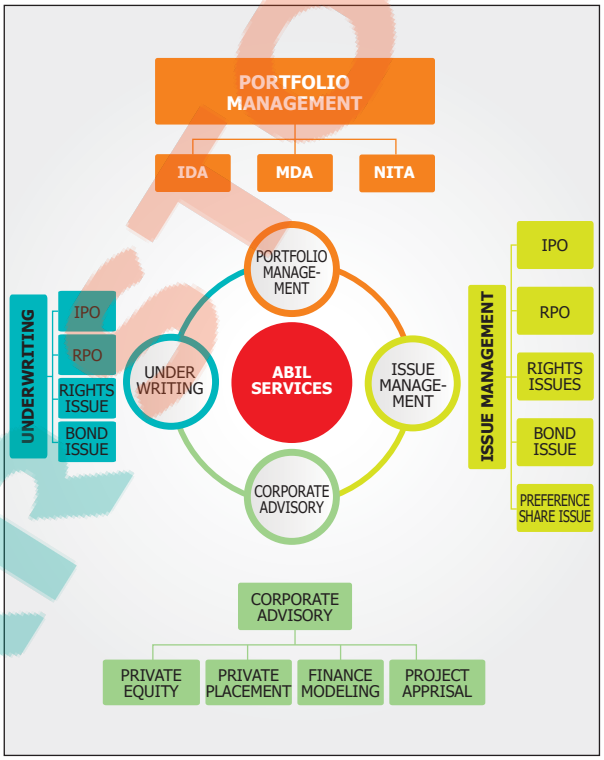
AB Subsidiaries

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 2017 is presented below:

Particulars	2017	2016	2015	2014	2013
Profit after tax (PAT)-HKD Million	7.803	7.78	7.41	8.74	11.48
Return on assets (%)	8.89	8.49	5.76	5.5	7.19
Return on equity (%)	46.13	46.52	43.06	45.42	58.98
Earnings per share-HKD	78.03	77.77	74.06	87.38	114.85

AB Investment Limited

AB Investment Limited (ABIL), a wholly owned subsidiary company of AB Bank was incorporated in December 2009 and went into operation in 2010. ABIL offers the following range of services:



The number of clients of AB Investment Limited is about 2,425. The clientele include Local Individual, 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.8.62 billion in 2017 which is 0.20% of the total market capitalization. Currently, ABIL operates from its Head Office in Dhaka and two branch offices in Chittagong and Sylhet.

Performances of ABIL:

In Million Taka

Particulars	2017	2016	2015	2014
Number of Clients (in number)	2,425	2,509	2,567	2,553
Margin Loan provided to Clients	6,670	7,152	6,991	7,017
Operating Income	509	473	438	623
Operating Profit	442	391	253	330
Net Profit	3	244	114	169
Earnings Per Share (Tk.)	0.004	*0.37	*0.36	*5.87
Face Value (Tk)	10	10	10	10

*Restated

AB Securities Limited

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

The number of clients of ABSL is around 3,250 and it comprises of local individual & institutional along with NRBs and foreign individuals. ABSL also acts as agent broker of AB Investment Limited.

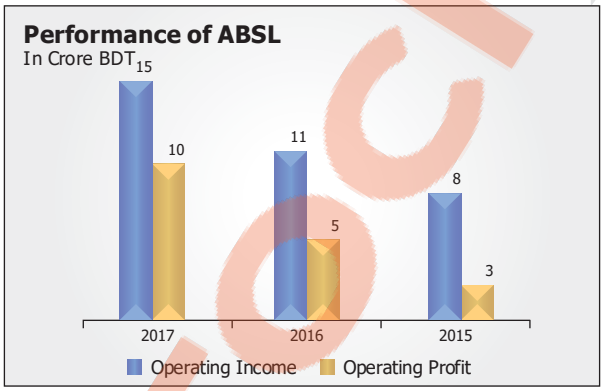
Currently, ABSL is operated from its Head Office in Dhaka and two branch offices in Chittagong & Sylhet. In the year 2017, total turnover of ABSL was around Tk.38.86 billion.

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.

Particulars	Year 2017	Year 2016	Year 2015
Number of Clients	3,250	3,166	3,051
Margin Loan Disbursed (Million Tk.)	926	958	990
Operating Income (Million Tk.)	147	106	81
Operating Profit (Million Tk.)	98	53	25
Earnings Per Share (Tk.)	0.25	1.04	0.32
Total Turnover –Trade (Billion Tk.)	38.86	20.68	22.49



Cashlink Bangladesh Limited (CBL)

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

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

Arab Bangladesh Bank Foundation (ABBF)

Arab Bangladesh Bank Foundation (ABBF) is a platform for philanthropic activities of the Bank. ABBF has donated Taka 7.5 million in 2017 under CSR activities.

Credit Risk Management (CRM)

CRM Division manages the credit risks of the Bank as per the CRM Policy formulated in accordance with guidelines, manuals and other related circulars issued by Bangladesh Bank from time to time. The Division implements specific risk mitigating tools that include understanding customers [KYC], their past track record, financial soundness, management ability, outlook of business

and industry, collateral arrangement etc. AB has diversified its credit portfolio into Corporate, SME and Retail. There are separate policies for each such sector with clearly defines tools for risk management in line with exposure, purpose, types, industry etc. A uniform Credit processing matrix is in place which is disseminated to the Branch level also. Clear segregation of Credit Relationship and Credit Administration streams across the Bank has been established to ensure effective credit risk management. This setup has also ensured sound practices in overall credit management viz. credit processing/appraisal, approval, documentation, disbursement, monitoring and control. The Division regulary reviews and updates Credit Risk Management Policy and Lending Guidelines in line with the regulatory guidelines.

Credit Administration Management (CAM)

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

Department of Accounts & Finance (A&F)

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

Risk Management Division (RMD)

Risk management acts as one of the main operational activities in every sphere of operations for any bank. It also serves as essential auxiliary tools to Board's strategic plans towards achieving bank's overall objectives. As per Bangladesh Bank guidelines, AB Bank has established Risk Management Division (RMD) headed by an Executive Vice President who is working under direct supervision of a DMD and CRO. The Division has also been equipped with adequate resources and infrastructure. The underlying objective of this Division is to protect the organization from unexpected losses caused by unfavorable downgrade in financial areas and reputational issues through early flag raising, and there-by to ensure sustainability in growth. The RMD is constantly contemplating and exerting efforts to develop organization wide risk management structure and processes to rip out its outcomes in all areas of the Bank in compliance with Bangladesh Bank's risk related directives and procedures. The Division keeps its continuous focus on the Bank's core risk areas i.e. lending business, asset-liability management, trade-service business and other operational activities. Where the risk factors appear high and mitigating factors are not up to the mark as prescribed by Bangladesh Bank, RMD provides its suggestions for required and possible initiatives through the Board's Risk Management Committee.

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

Corporate Social 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 in 2017

As one of the most highly regulated industries in the world, investors get high level of assurance in the soundness of the banking system. For AB, 2017 was a challenging year as the bank required to perform within a lot of constrains. As a result, Management's policy was to consolidated the books for safeguarding the interest of the depositor and to maintain the asset quality of the Bank. 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 2017, AB registered following financials:

Total Assets of the Bank stood at Taka 31,456 crore while total capital reached the level of Taka 3,129 crore at the year end.

Business Results:

Particulars	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Deposits	23,595.43	24,564.08	285.31	297.03	-3.94%
Loans and Advances	22,964.73	21,876.95	277.69	264.53	4.97%
Investments	4,574.94	4,818.72	55.32	58.27	-5.06%
Import Business	10,492.00	11,579.00	126.87	140.01	-9.39%
Export Business	7,511.00	7,605.00	90.82	91.96	-1.24%
Guarantee Business	1,347.00	1,667.00	16.29	20.16	-19.20%
Remittance	2,481.00	2,067.50	30.00	25.00	20.00%
Operating Profit	447.61	501.94	5.53	6.20	-10.82%
Profit before taxation	-15.79	200.21	-0.19	2.47	-107.89%
Profit after Tax	2.96	130.47	0.04	1.61	-97.73%
Earnings Per Share (TK)	0.04	1.72	0.0005	0.02	-97.73%
Return on Equity (%)	0.13%	5.68%	0.13%	5.68%	-97.73%
Return on Assets (%)	0.01%	0.44%	0.01%	0.44%	-97.84%
Asset Utilization Ratio (%)	85.86%	86.59%	85.86%	86.59%	-0.84%

At the end of the year, Bank achieved Taka 448 crore as Operating Profit. Commission, exchange & brokerage income growth was 2 percent, where other income experienced a negative growth. After providing required level of Tax and Provisions as per Income Tax Ordinance, 1984, related Finance Act and Bangladesh Bank guidelines; Profit after Tax (PAT) stood at Taka 2.96 crore for the year.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Interest income	1,756.69	1,891.40	21.69	23.35	-7.12%
Interest expenses	1,489.68	1,607.70	18.39	19.85	-7.34%
Net interest income	267.01	283.70	3.30	3.50	-5.88%
Investment income	478.19	534.82	5.90	6.60	-10.59%
Comm.exchange & brokerage	278.47	271.71	3.44	3.35	2.49%
Other income	11.04	11.58	0.14	0.14	-4.71%
Operating Revenue	1,034.70	1,101.81	12.77	13.60	-6.09%
Operating expenses	587.09	599.86	7.25	7.41	-2.13%
Profit before Provision & Tax	447.61	501.94	5.53	6.20	-10.82%
Provision & Tax	444.65	371.48	5.49	4.59	19.70%
Profit after Tax	2.96	130.47	0.04	1.61	-97.73%

During 2017, Net Interest Income registered Tk.267 crore where Investment Income registered 11% negative growth. Investment, Commission and Other income at Taka 768 crore at the end of the year where last year's position was Tk. 818 crore.

Operating expenses during the year reduced by Taka 13 crore i.e. 2% below last year. Bank had to sustain the growth momentum through investment in infrastructure and human capital. Salary and allowances which is 50 percent of Operating expenses, decreased by 1 percent. Besides, rent, taxes, insurance, electricity also increased due to multiple reasons like imposition of VAT, expansion of new branch, etc. Communication and other expenses increased keeping pace with the increasing business volume.

In 2017, Total Assets per employee stood at Tk.13.36 crore where profit per employee registered 0.19 crore.

Taka in Crore	2017	2016	Change %
Operating profit per employee	0.19	0.21	-8.21%
Total Asset per employee	13.36	12.99	2.84%

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 required provisions against Loans and Advances, Off Balance Sheet items, Investments and others.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Net Profit after Tax	2.96	130.47	0.04	1.61	-97.73%
Total Income	2,524.39	2,709.51	31.17	33.45	-6.83%
Interest Income	1,756.69	1,891.40	21.69	23.35	-7.12%
Classified Loans	1,640.88	1,136.48	19.84	13.74	44.38%
CL Ratio	7.15%	5.19%	7.15%	5.19%	1.95%
CL Provisions	386.24	250.63	4.67	3.03	54.11%

Total Assets of the Bank stood at Taka 31,456.50 crore in 2017 against Taka 31,483.59 crore in 2016. Bank reduced its investment, balace with other banks, money at call and on short notice position in 2017.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Cash	1,778.08	1,970.77	21.50	23.83	-9.78%
Balance with other banks and FI	398.72	455.74	4.82	5.51	-12.51%
Money at call and short notice	117.04	680.56	1.42	8.23	-82.80%
Investments	4,574.94	4,818.72	55.32	58.27	-5.06%
Loans and Advances	22,964.73	21,876.95	277.69	264.53	4.97%
Fixed Assets	411.33	408.04	4.97	4.93	0.81%
Other Assets	1,211.66	1,272.82	14.65	15.39	-4.81%
Total Assets	**31,456.50**	**31,483.59**	**380.37**	**380.70**	**-0.09%**

At the end of December 2017, total Deposit of the Bank registered a negative growth of 4%. Shareholders Equity stood at Taka 2,277 crore. Paid-up Capital of the Bank went up by 12.5 percent to Taka 758.13 crore representing the effect of Stock Dividend for the year 2016. Statutory Reserve stood at Taka 654.92 crore – during the year. Retained earnings for the year ended was Taka 601 crore from the last year of Taka 681 crore.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Borrowings from other banks, FI & Agents	2,187.14	1,545.44	26.45	18.69	41.52%
AB Bank Subordinated Bond	600.00	650.00	7.26	7.86	-7.69%
Deposits and other accounts	23,595.43	24,564.08	285.31	297.03	-3.94%
Other liabilities	2,796.80	2,412.62	33.82	29.17	15.92%
Capital/Shareholders' Equity	2,277.12	2,311.45	27.53	27.95	-1.48%
Total Liabilities & Shareholders' Equity	**31,456.50**	**31,483.59**	**380.37**	**380.70**	**-0.09%**

Earnings Per Share stood at Taka 0.04 in 2017 compared to Taka 1.72 last year. Return on Assets (ROA) for the year was 0.01 percent while Return on Equity (ROE) was 0.13 percent.

Cash flow statement

During the year 2017, Bank had a net cash outflow of Taka 813 crore as given below:

Taka in Crore	2017	2016
Net cash flow from operating activities	-918.36	2,045.86
Net cash flow from investment activities	166.69	(1,511.23)
Net cash flow from financing activities	-61.61	21.68
Net increase and (decrease) in cash	**(813.28)**	**556.31**

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 CRAR at the end of the year was 10.80 percent. In 2017 the Bank's Common Equity Tier-I Capital and Total Capital were 6.81 percent and 10.80 percent respectively.

Particulars	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Paid-up Capital	758.13	673.89	9.17	8.15	12.50%
Statutory Reserve	654.92	649.56	7.92	7.85	0.83%
General Reserve	122.22	122.22	1.48	1.48	0.00%
Retained earnings	601.20	680.97	7.27	8.23	-11.71%
a. Common Equity Tier-I Capital	**2,136.47**	**2,126.64**	**25.83**	**25.72**	**0.46%**
Less: Regulatory Adjustment	163.39	256.36	1.98	3.10	-36.27%
Total Common Equity Tier-I Capital	**1,973.08**	**1,870.28**	**23.86**	**22.62**	**5.50%**

Particulars	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Tier-2 Capital:					
General Provision	573.12	495.87	6.93	6.00	15.58%
Revaluation Reserves (50% of Fixed Assets & Securities & 10% of Equities)	79.80	79.80	0.96	0.96	0.00%
Subordinated Debt	560.00	650.00	6.77	7.86	-13.85%
b. Total Eligible Tier-II Capital	**1,212.92**	**1,225.68**	**14.67**	**14.82**	**-1.04%**
Less: Regulatory Adjustment	57.36	31.92	0.69	0.39	79.69%
Total Tier-2 Capital Available	1,155.56	1,193.76	13.97	14.43	-3.20%
c. Total Eligible Capital (a+b)	**3,128.65**	**3,064.04**	**37.83**	**37.05**	**2.11%**
Total assets including off-Balance Sheet items	38,001.56	38,831.48	459.51	469.55	-2.14%
Total risk-weighted assets (RWA)	28,974.23	28,402.85	350.35	343.44	2.01%
Total required capital (11.25% of Total RWA)	**3,259.60**	**3,017.80**	**39.41**	**36.49**	**8.01%**
Capital Surplus/(Shortfall)	**(130.95)**	**46.24**	**(1.58)**	**0.56**	**-383.23%**
CRAR	**10.80%**	**10.79%**	**10.80%**	**10.79%**	**0.10%**

Quarterly CRAR Position under BASEL III

Capital to Risk Weighted Assets Ratio (Under BASEL III)

Particulars	2017			
	QTR I	QTR II	QTR III	QTR IV
Total Risk Weighted Assets (RWA)	28,976	29,220	28,703	28,974
Total Capital requirement	3,260	3,287	3,229	3,260
CRAR-Requirement	11.25%	11.25%	11.25%	11.25%
Maintained	**10.41%**	**10.30%**	**10.06%**	**10.80%**
Total Capital maintained	**3,015**	**3,010**	**2,888**	**3,129**

Key Ratio:

Particulars	2017	2016	2015	2014	2013
LD Ratio (%)	86.24	83.67	96.80	89.60	86.58
CL (%)	7.15	5.19	3.16	3.86	3.37
Capital to Risk Weighted Assets Ratio (%)	10.80	10.79	11.09	10.32	10.80
Cost Income Ratio (%)	56.74	54.44	52.86	43.03	45.78
Earnings Per Share (Taka)-Diluted	0.04	1.72	1.68	1.66	1.33
Return on Equity (%)	0.13	5.68	6.03	6.95	6.13
Return on Assets (%)	0.01	0.44	0.48	0.54	0.53
Asset Utilization Ratio (%)	85.86	86.59	87.71	87.56	84.60

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 compliance with the Standards, 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
- Cash Link Bangladesh Limited
- AB International Finance Limited

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

Consolidated Balance Sheet

Property and Assets	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Cash	1,778.09	1,970.77	21.50	23.83	-9.78%
Balance with other banks and FI	424.13	465.50	5.13	5.63	-8.89%
Money at call and on short notice	49.64	611.29	0.60	7.39	-91.88%
Investments	4,638.21	4,908.18	56.08	59.35	-5.50%
Loans and advances	23,763.45	22,654.65	287.35	273.94	4.89%
Fixed assets	469.92	468.10	5.68	5.66	0.39%
Other assets	586.39	638.39	7.09	7.72	-8.15%
Total Assets	**31,709.84**	**31,716.88**	**383.43**	**383.52**	**-0.02%**

Liabilities and Capital	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Liabilities					
Borrowings from other banks, financial institutions and agents	2,187.25	1,575.78	26.45	19.05	38.80%
AB Bank Subordinated Bond	600.00	650.00	7.26	7.86	(0.08)
Deposits and other accounts	23,556.21	24,539.44	284.84	296.73	-4.01%
Other liabilities	2,966.01	2,518.25	35.86	30.45	17.78%
Liabilities	**29,309.47**	**29,283.47**	**354.41**	**354.09**	**0.09%**
Equity attributable to equity holders of the parent company	2,399.36	2,432.42	29.01	29.41	-1.36%
Minority interest	1.01	0.99	0.01	0.01	1.96%
Total Equity	2,400.37	2,433.41	29.03	29.42	-1.36%
Total Liabilities and Shareholders' Equity	**31,709.84**	**31,716.88**	**383.43**	**383.52**	**-0.02%**

Consolidated Profit & Loss Account

Particulars	Amount in Crore Taka		Amount in Crore USD		Change %
	2017	2016	2017	2016	
Operating Income					
Interest income	1,809.54	1,945.00	22.34	24.01	-6.96%
Interest paid on deposits and borrowings, etc.	(1,493.74)	(1,613.92)	(18.44)	(19.93)	7.45%
Net interest income	**315.80**	**331.08**	**3.90**	**4.09**	**-4.62%**
Investment income	472.61	510.59	5.83	6.30	-7.44%
Commission, exchange and brokerage	299.42	285.58	3.70	3.53	4.85%
Other operating income	17.84	16.89	0.22	0.21	5.62%
	789.88	**813.06**	**9.75**	**10.04**	**-2.85%**
Total Operating Income	**1,105.68**	**1,144.14**	**13.65**	**14.13**	**-3.36%**
Total operating expenses	602.09	602.11	7.43	7.43	0.00%
Profit before provision	**503.58**	**542.03**	**6.22**	**6.69**	**-7.09%**
Total provision	496.24	302.05	6.13	3.73	64.29%
Loss on disposal of AB Exchange (UK) Limited	-	0.44	-	-	100.00%
Profit before taxation	**7.35**	**239.54**	**0.09**	**3.07**	**-96.93%**
Provision for taxation	3.27	88.66	0.04	1.09	-96.32%
Net profit after taxation	**4.08**	**150.88**	**0.05**	**1.94**	**-97.29%**

Dividend

Board of Directors of the Bank could not recommended any dividend for the year 2017 in compliance with Bangladesh Bank directives.

Election of Directors

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

AB Board comprises of 12 (twelve) Members including the President & Managing Director. Mr. Shishir Ranjan Bose, FCA and Prof. Dr. M. Imtiaz Hossain was included in the Board 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 (2017)	Long Term	Short Term
	A_1	ST-2
Date of Rating:	June 04, 2018	
Validity Date:	December 31, 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.

36th Annual General Meeting

The 36th Annual General Meeting will be held on June 24, 2018 (Sunday) at the Hall-1 (Gulnaksha), International Convention City Bashundhara, Kuril Biswa Road, Purbachal Express Highway, Dhaka-1219 at 10:30 am.

Country Outlook

GDP growth is expected to moderate to 7.0% in FY2018 as consumption demand slackens despite a rebound in worker remittances. Remittance beneficiaries are likely to adopt a cautious approach to spending, repaying debt incurred in recent years of remittance declines. Private investment is nevertheless expected to edge up with support from an accommodative credit policy, and public investment will expand as the authorities seek to speed the implementation of infrastructure projects. Export performance is expected to strengthen on projected higher growth in the euro area and the US. However, net exports will not add to growth, as imports are expected to expand strongly with substantial restocking of food grains, rising fuel requirements, and a steady increase in imports of capital goods.

Broadly favorable global growth and trade prospects are expected to continue in FY2019. With a further strengthening of exports and remittances, GDP growth that year is expected to firm to 7.2%. A marked stepping up of budget revenue mobilization could fuel a somewhat stronger advance in investment and therefore growth, but FY2019 budget policies will become known only when announced later.

On the supply side, agriculture growth is expected to moderate to 2.3% in FY2018 from 3.0% last year because it is from a higher base and prolonged flooding again hindered the planting of the wet monsoon rice crop. Industry growth is forecast to pick up slightly to 10.4%, underpinned by higher exports. Expansion in services is likely to slow to 6.4% from 6.7% in the previous year as consumer spending moderates and growth in agriculture income slows.

Inflation is expected to accelerate to average 6.1% in FY2018. Food inflation averaged just over 7% year on year in the first half because of crop losses from the flooding, but it eased from a peak of 7.9% in September 2017 to 7.1% in December with imports of food grains and the arrival in markets of a newly harvested crop. Rice prices will nevertheless remain higher than last year. Nonfood inflation has remained broadly stable, averaging 3.5% in the first half of the year, but is expected to be higher in the second half because of anticipated upward adjustments to natural gas and electricity prices, higher global oil prices, and taka depreciation.

Inflation is projected to edge up to 6.3% in FY2019 because of further increases in natural gas and electricity prices and continued taka depreciation. However, normal weather and projected stability in global oil prices should temper price pressures compared with this year.

The monetary policy statement for the second half of FY2018 (January–June 2018) focuses on monetary and prudential policies to moderate high import growth in the first half toward a sustainable trend and to contain a possible rise in inflationary expectations reflecting higher food and energy prices. The central bank kept the main policy repo rate unchanged at 6.75% and decided to intensively supervise credit flows to ensure their quality and composition appropriate for productive use, rather than resort to broader restrictions on credit. The declining trend in government borrowing from banks allowed the central bank to adjust earlier monetary targets to accommodate slightly higher growth in credit to the private sector, at 16.8% in the second half of FY2018 after overshooting its target in the first half. A likely decline in net foreign assets will keep broad money growth a bit lower than originally projected.

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, BSEC, DSE, CSE, Registrar of Joint Stock Companies and Firms and other related entities for their continued guidance and support throughout this bracing journey of the bank.

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

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

M. A. Awal
Chairman

AB Bank Limited

President & Managing Director and CFO's Statement

April 26, 2018

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/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012; we declare the following for the financial year ended December 31, 2017:

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

AMARSTOCK

AUDITOR'S REPORT AND AUDITED CONSOLIDATED & SEPARATE

FINANCIAL STATEMENTS



Independent Auditors' 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 and the separate balance sheets as at 31 December 2017, 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 the relevant 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. 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.

Auditors' 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 the separate financial statements of the Bank are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and the separate financial statements of the Bank. The procedures selected depend on the auditors' 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 auditors consider 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, referred to above both of which have been prepared in the format prescribed by Bangladesh Bank vide circular no. 14 dated 25 June 2003, give a true and fair view of the consolidated financial position of the Group and separate financial position of the Bank as at 31 December 2017, 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.

Independent Auditors' Report
to the Shareholders of AB Bank Limited

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, Bangladesh 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 explanations 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 'auditors' responsibility' section in forming the above opinion on 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 section 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 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;

(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 account as required by law have been kept by 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 expenditures incurred during the year were for the purposes of the Bank's business;

(g) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 1.12 as well as with related guidances issued by Bangladesh Bank;

(h) adequate provisions 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 explanations required by us have been received and found to be satisfactory; and

(k) we have reviewed 82% of the risk weighted assets of the Bank and we have spent around 6,990 person hours for the audit of the books and accounts of the Bank.

Dhaka, Bangladesh
Dated, 30 April 2018

S. F. AHMED & CO
Chartered Accountants

AB Bank Limited & its Subsidiary
Consolidated Balance Sheet
As at 31 December 2017

	Notes	2017 BDT	2016 BDT
PROPERTY AND ASSETS			
Cash	3(a)	**17,780,902,708**	**19,707,725,976**
In hand (including foreign currencies)	3.1(a)	1,572,393,188	1,536,407,693
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	16,208,509,520	18,171,318,283
Balance with other banks and financial institutions	4(a)	**4,241,335,582**	**4,655,002,507**
In Bangladesh	4.1(a)	2,490,976,583	2,624,288,364
Outside Bangladesh	4.2(a)	1,750,358,999	2,030,714,143
Money at call and on short notice	5(a)	**496,384,436**	**6,112,905,779**
Investments	6(a)	**46,382,136,275**	**49,081,759,542**
Government	6.1(a)	39,732,017,188	41,903,780,261
Others	6.2(a)	6,650,119,087	7,177,979,281
Loans, advances and lease/investments		**237,634,491,780**	**226,546,501,234**
Loans, cash credits, overdrafts, etc./Investments	7(a)	235,801,195,989	225,023,967,197
Bills purchased and discounted	8(a)	1,833,295,791	1,522,534,037
Fixed assets including premises, furniture and fixtures	9(a)	**4,699,245,091**	**4,680,967,000**
Other assets	10(a)	**5,863,914,006**	**6,383,908,169**
Non-banking assets		**-**	**-**
Total Assets		**317,098,409,881**	**317,168,770,207**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	**21,872,486,519**	**15,757,755,476**
AB Bank subordinated bonds	12	**6,000,000,000**	**6,500,000,000**
Deposits and other accounts	13(a)	**235,562,075,504**	**245,394,404,421**
Current account and other accounts		21,821,895,346	22,296,581,953
Bills payable		2,251,301,559	4,865,582,322
Savings bank deposits		29,869,956,989	28,024,691,434
Fixed deposits		129,606,179,136	122,034,379,371
Other deposits		52,012,742,474	68,173,169,341
Other liabilities	14(a)	**29,660,121,941**	**25,182,491,365**
Total Liabilities		**293,094,683,964**	**292,834,651,262**
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		**23,993,619,305**	**24,324,206,960**
Paid-up capital	15	7,581,303,150	6,738,936,140
Statutory reserve	16	6,549,242,999	6,495,637,440
Other reserve	17(a)	2,811,305,460	3,253,395,264
Retained earnings	18(a)	7,051,767,695	7,836,238,115
Non- Controlling Interest	18(b)	10,106,613	9,911,986
Total Equity		**24,003,725,917**	**24,334,118,946**
Total Liabilities and Shareholders' Equity		**317,098,409,881**	**317,168,770,207**

AB Bank Limited & its Subsidiary
Consolidated Balance Sheet
As at 31 December 2017

	Notes	2017 BDT	2016 BDT
Off-Balance Sheet Items			
Contingent liabilities	19	**65,450,616,147**	**73,478,914,136**
Acceptances and endorsements		24,089,423,485	29,034,996,366
Letters of guarantee	19.1	13,525,351,128	13,920,306,922
Irrevocable letters of credit		15,836,913,326	22,005,679,984
Bills for collection		9,392,397,842	8,517,930,863
Other contingent liabilities		2,606,530,367	-
Other commitments		**-**	**-**
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**65,450,616,147**	**73,478,914,136**

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

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

Moshiur Rahman Chowdhury	**Syed Golam Kibria**	**Prof. Dr. M. Imtiaz Hossain**	**M. A. Awal**
President & Managing Director	Director	Director	Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2018

S. F. Ahmed & Co
Chartered Accountants

AB Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
OPERATING INCOME			
Interest income/profit on investments	21(a)	18,095,388,527	19,450,005,916
Interest/profit paid on deposits and borrowings, etc.	22(a)	(14,937,382,065)	(16,139,157,478)
Net interest income		**3,158,006,462**	**3,310,848,438**
Investment income	23(a)	4,726,135,143	5,105,865,296
Commission, exchange and brokerage	24(a)	2,994,211,871	2,855,788,192
Other operating income	25(a)	178,404,749	168,909,279
		7,898,751,763	**8,130,562,767**
Total operating income (a)		**11,056,758,225**	**11,441,411,205**
OPERATING EXPENSES			
Salary and allowances	26(a)	2,990,025,060	3,010,471,065
Rent, taxes, insurance, electricity, etc.	27(a)	747,204,508	711,166,604
Legal expenses	28(a)	8,406,763	18,571,996
Postage, stamps, telecommunication, etc.	29(a)	136,794,287	143,774,685
Stationery, printing, advertisement, etc.	30(a)	199,948,266	197,362,277
Chief executive's salary and fees	26.1	9,940,551	13,510,481
Directors' fees	31(a)	8,653,653	10,699,895
Auditors' fees	32(a)	3,781,823	5,762,139
Depreciation and repairs of Bank's assets	33(a)	537,590,602	585,870,806
Other expenses	34(a)	1,378,563,037	1,323,937,179
Total operating expenses (b)		**6,020,908,551**	**6,021,127,128**
Profit before provision (c = (a-b))		**5,035,849,674**	**5,420,284,078**
Provision against loans and advances	35(a)	4,950,134,798	2,938,984,936
Provision for diminution in value of investments	36(a)	12,050,000	21,980,479
Other provisions	37(a)	171,752	59,558,484
Total provision (d)		**4,962,356,549**	**3,020,523,899**
Loss on disposal of AB Exchange (UK) Limited		**-**	**4,381,780**
Profit before tax (c-d)		**73,493,124**	**2,395,378,399**
Provision for taxation		**32,658,543**	**886,586,150**
Current tax		1,594,023,822	1,774,806,624
Deferred tax		(1,561,365,279)	(888,220,474)
Net profit after tax		**40,834,581**	**1,508,792,249**
Appropriations			
Statutory reserve		26,124,722	388,712,367
General reserve		-	-
Dividends, etc.		-	-
		26,124,722	**388,712,367**
Retained surplus		**14,709,859**	**1,120,079,882**
Non- Controlling Interest		**190,013**	**(5,944,179)**
Net profit attributable to the shareholders of parent company		**14,519,847**	**1,126,024,060**
Consolidated Earnings Per Share (EPS)	39(a)	**0.05**	**2.00**

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

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

Moshiur Rahman Chowdhury	**Syed Golam Kibria**	**Prof. Dr. M. Imtiaz Hossain**	**M. A. Awal**
President & Managing Director	Director	Director	Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2018

S. F. Ahmed & Co
Chartered Accountants

AB Bank Limited & its Subsidiary

Consolidated Cash Flow Statement

For the year ended 31 December 2017

	2017 BDT	2016 BDT
Cash flows from operating activities		
Interest receipts	15,019,781,262	18,320,297,829
Interest payments	(15,277,464,801)	(16,125,576,572)
Dividend receipts	128,909,211	133,087,213
Fee and commission receipts	1,895,002,924	2,007,736,220
Recoveries on loans previously written off	6,286,093	23,385,264
Payments to employees	(2,999,965,611)	(3,023,981,546)
Payments to suppliers	(199,948,266)	(197,362,277)
Income taxes paid	(797,656,950)	(1,531,193,578)
Receipts from other operating activities	5,868,553,536	6,170,669,593
Payments for other operating activities	(2,501,464,992)	(2,443,034,619)
Operating profit before changes in operating assets & liabilities	**1,142,032,405**	**3,334,027,525**
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(11,290,321,149)	(12,091,885,321)
Other assets	(362,260,459)	285,323,789
Deposits from other banks	(2,356,427,434)	963,238,791
Deposits from customers	(7,135,818,746)	30,745,860,885
Trading liabilities (short-term borrowings)	6,230,544,019	(8,557,748,994)
Other liabilities	4,505,177,704	5,875,153,318
	(10,409,106,066)	**17,219,942,470**
Net cash (used in)/ flow from operating activities (a)	**(9,267,073,662)**	**20,553,969,995**
Cash flows from investing activities		
Purchase of government securities	1,732,969,841	(14,790,747,653)
(Purchase)/Sale of trading securities, shares, bonds, etc.	527,860,194	(120,065,079)
Purchase of property, plant and equipment	(335,210,688)	(217,381,698)
Net cash flow from/ (used in) investing activities (b)	**1,925,619,347**	**(15,128,194,430)**
Cash flows from financing activities		
Increase/(decrease) of long-term borrowings	(615,812,976)	216,905,686
Dividend paid	(302,045)	(120,780)
Net cash (used in)/ flow from financing activities (c)	**(616,115,021)**	**216,784,906**
Net (decrease)/increase in cash (a+b+c)	(7,957,569,335)	5,642,560,471
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	30,479,385,462	24,836,824,990
Cash and cash equivalents at end of the period (*)	**22,521,816,127**	**30,479,385,462**
(*) Cash and cash equivalents:		
Cash	1,572,393,188	1,536,407,693
Prize bonds	3,193,400	3,751,200
Money at call and on short notice	496,384,436	6,112,905,779
Balance with Bangladesh Bank and its agent bank(s)	16,208,509,520	18,171,318,283
Balance with other banks and financial institutions	4,241,335,582	4,655,002,507
	22,521,816,127	**30,479,385,462**
Net Operating Cash Flow Per Share (NOCFPS)	**(12.22)**	**27.11**

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

Moshiur Rahman Chowdhury President & Managing Director	**Syed Golam Kibria** Director	**Prof. Dr. M. Imtiaz Hossain** Director	**M. A. Awal** Chairman

Dhaka, Bangladesh
Dated, 30 April 2018

AB Bank Limited & its Subsidiary

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Non-Controlling interest	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 01 January 2017	**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**
Adjustment:									
Bonus for 2016:									
12.50% stock dividend	842,367,010	-	-	-	-	-	-	(842,367,010)	-
Restated balance at 01 January 2017	**7,581,303,150**	**6,495,637,440**	**1,298,909,941**	**1,303,760,780**	**4,526,759**	**646,197,784**	**9,911,986**	**6,993,871,105**	**24,334,118,946**
Net profit after taxation for the year	-	-	-	-	-	-	190,013	40,644,569	40,834,581
Addition/(adjustment) made during the year	-	26,124,722	-	(3,280,464)	-	(438,236,254)	4,614	(40,700,594)	(456,087,976)
Foreign exchange rate fluctuation	-	27,480,837	3,349,947	-	(3,923,033)	-	-	57,952,615	84,860,366
Balance at 31 December 2017	**7,581,303,150**	**6,549,242,999**	**1,302,259,888**	**1,300,480,316**	**603,726**	**207,961,529**	**10,106,613**	**7,051,767,695**	**24,003,725,917**
Balance at 31 December 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**

Moshiur Rahman Chowdhury
President & Managing Director

Syed Golam Kibria
Director

Prof. Dr. M. Imtiaz Hossain
Director

M. A. Awal
Chairman

Dhaka, Bangladesh
Dated, 30 April 2018

FAIR STOCK

AB Bank Limited
Balance Sheet
As at 31 December 2017

	Notes	2017 BDT	2016 BDT
PROPERTY AND ASSETS			
Cash	3	**17,780,769,152**	**19,707,650,776**
In hand (including foreign currencies)	3.1	1,572,259,632	1,536,332,492
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	16,208,509,520	18,171,318,283
Balance with other banks and financial institutions	4	**3,987,238,222**	**4,557,434,958**
In Bangladesh		2,295,067,692	2,531,704,237
Outside Bangladesh		1,692,170,531	2,025,730,721
Money at call and on short notice	5	**1,170,389,436**	**6,805,563,459**
Investments	6	**45,749,363,948**	**48,187,206,862**
Government	6.1	39,732,017,188	41,903,780,261
Others	6.2	6,017,346,761	6,283,426,601
Loans, advances and lease/investments	7	**229,647,286,231**	**218,769,451,248**
Loans, cash credits, overdrafts, etc./Investments		228,624,340,946	218,136,406,416
Bills purchased and discounted	8	1,022,945,284	633,044,832
Fixed assets including premises, furniture and fixtures	9	**4,113,341,268**	**4,080,377,435**
Other assets	10	**12,116,611,208**	**12,728,206,273**
Non-banking assets		**-**	**-**
Total Assets		**314,564,999,466**	**314,835,891,011**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**21,871,443,363**	**15,454,422,143**
AB Bank subordinated bonds	12	**6,000,000,000**	**6,500,000,000**
Deposits and other accounts	13	**235,954,308,453**	**245,640,782,909**
Current accounts and other accounts		21,822,803,753	22,298,120,917
Bills payable		2,251,301,559	4,865,582,322
Savings bank deposits		29,869,956,989	28,024,691,434
Fixed deposits		129,606,179,136	122,034,379,371
Other deposits		52,404,067,016	68,418,008,865
Other liabilities	14	**27,968,002,561**	**24,126,225,778**
Total Liabilities		**291,793,754,377**	**291,721,430,830**
Capital/Shareholders' Equity			
Total Shareholders' Equity		**22,771,245,089**	**23,114,460,183**
Paid-up capital	15	7,581,303,150	6,738,936,140
Statutory reserve	16	6,549,242,999	6,495,637,440
Other reserve	17	2,628,706,941	3,070,222,838
Retained earnings	18	6,011,991,999	6,809,663,765
Total Liabilities and Shareholders' Equity		**314,564,999,466**	**314,835,891,011**

AB Bank Limited

Balance Sheet

As at 31 December 2017

	Notes	2017 BDT	2016 BDT
Off-Balance Sheet Items			
Contingent liabilities	19	**65,450,616,147**	**73,478,914,136**
Acceptances and endorsements		24,089,423,485	29,034,996,366
Letters of guarantee	19.1	13,525,351,128	13,920,306,922
Irrevocable letters of credit		15,836,913,326	22,005,679,984
Bills for collection		9,392,397,842	8,517,930,863
Other contingent liabilities		2,606,530,367	-
Other commitments		**-**	**-**
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		**65,450,616,147**	**73,478,914,136**

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

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

Moshiur Rahman Chowdhury	**Syed Golam Kibria**	**Prof. Dr. M. Imtiaz Hossain**	**M. A. Awal**
President & Managing Director	Director	Director	Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2018

S. F. Ahmed & Co
Chartered Accountants

AB Bank Limited

Profit and Loss Account

For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
OPERATING INCOME			
Interest income/profit on investments	21	17,566,941,274	18,914,027,627
Interest paid/profit on deposits and borrowings, etc.	22	(14,896,849,195)	(16,077,046,356)
Net interest income		**2,670,092,078**	**2,836,981,270**
Investment income	23	4,781,859,929	5,348,168,994
Commission, exchange and brokerage	24	2,784,725,871	2,717,093,896
Other operating income	25	110,356,902	115,809,979
		7,676,942,702	**8,181,072,869**
Total operating income (a)		**10,347,034,780**	**11,018,054,139**
OPERATING EXPENSES			
Salary and allowances	26	2,914,079,909	2,933,522,905
Rent, taxes, insurance, electricity, etc.	27	734,026,531	697,882,398
Legal expenses	28	7,587,144	18,146,709
Postage, stamps, telecommunication, etc.	29	125,681,567	135,901,070
Stationery, printing, advertisement, etc.	30	198,728,972	196,167,659
Chief executive's salary and fees	26.1	9,940,551	13,510,481
Directors' fees	31	7,984,642	9,586,543
Auditors' fees	32	3,164,822	5,012,790
Depreciation and repairs of Bank's assets	33	516,842,435	564,494,152
Other expenses	34	1,352,875,569	1,424,393,841
Total operating expenses (b)		**5,870,912,144**	**5,998,618,547**
Profit before provision (c = (a-b))		**4,476,122,637**	**5,019,435,593**
Provision against loans and advances	35	4,623,884,798	2,932,772,661
Provision for diminution in value of investments	36	10,000,000	25,000,000
Other provisions	37	171,752	59,558,484
Total provision (d)		**4,634,056,549**	**3,017,331,145**
Profit before taxation (c-d)		**(157,933,912)**	**2,002,104,448**
Provision for taxation		(187,534,877)	697,434,025
Current tax		1,377,814,079	1,581,104,434
Deferred tax		(1,565,348,957)	(883,670,410)
Net profit after taxation		**29,600,965**	**1,304,670,423**
Appropriations			
Statutory reserve		26,124,722	388,712,367
General reserve		-	-
Dividends, etc.		-	-
		26,124,722	**388,712,367**
Retained surplus		**3,476,243**	**915,958,056**
Earnings Per Share (EPS)	39	**0.04**	**1.72**

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

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

Moshiur Rahman Chowdhury	**Syed Golam Kibria**	**Prof. Dr. M. Imtiaz Hossain**	**M. A. Awal**
President & Managing Director	Director	Director	Chairman

See annexed report of the date

Dhaka, Bangladesh
Dated, 30 April 2018

S. F. Ahmed & Co
Chartered Accountants

AB Bank Limited
Cash Flow Statement
For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
Cash flows from operating activities			
Interest receipts		14,491,334,008	17,784,319,539
Interest payments		(15,236,931,931)	(16,063,465,450)
Dividend receipts		187,773,760	192,687,562
Fees and commission receipts		1,690,166,432	1,872,192,713
Recoveries on loans previously written off		6,286,093	23,385,264
Payments to employees		(2,924,020,460)	(2,947,033,386)
Payments to suppliers		(198,728,972)	(196,167,659)
Income taxes paid		(587,953,908)	(1,426,153,910)
Receipts from other operating activities	40	5,779,382,812	6,167,893,301
Payments for other operating activities	41	(2,447,719,622)	(2,517,832,213)
Operating profit before changes in operating assets & liabilities		**759,588,210**	**2,889,825,760**
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(11,080,165,586)	(10,954,512,194)
Other assets		(270,659,557)	(575,458,450)
Deposits from other banks		(2,356,427,434)	963,238,791
Deposits from customers		(6,989,964,285)	30,845,057,712
Trading liabilities (short-term borrowings)		6,532,834,196	(8,455,827,852)
Other liabilities		4,221,168,415	5,746,275,074
		(9,943,214,250)	**17,568,773,082**
Net cash (used in)/ flow from operating activities (a)		**(9,183,626,040)**	**20,458,598,843**
Cash Flows from Investing Activities			
Sale/(Purchase) of government securities		1,732,969,841	(14,790,747,653)
(Purchase)/Sale of trading securities, shares, bonds, etc.		266,079,840	(104,188,380)
Purchase of property, plant and equipment		(332,118,804)	(217,381,698)
Net cash flow from/ (used in) investing activities (b)		**1,666,930,877**	**(15,112,317,731)**
Cash flows from financing activities			
Increase/(decrease) of long-term borrowings		(615,812,976)	216,905,686
Dividend paid		(302,045)	(120,780)
Net cash (used in)/ flow from financing activities (c)		**(616,115,021)**	**216,784,906**
Net Increase/(decrease) in cash (a+b+c)		**(8,132,810,183)**	**5,563,066,018**
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		31,074,400,393	25,511,334,373
Cash and cash equivalents at end of the period (*)		**22,941,590,211**	**31,074,400,393**
(*) Cash and cash equivalents:			
Cash		1,572,259,632	1,536,332,492
Prize bonds		3,193,400	3,751,200
Money at call and on short notice		1,170,389,436	6,805,563,459
Balance with Bangladesh Bank and its agent bank(s)		16,208,509,520	18,171,318,283
Balance with other banks and financial institutions		3,987,238,222	4,557,434,958
		22,941,590,211	**31,074,400,393**
Net Operating Cash Flow Per Share (NOCFPS)		**(12.11)**	**26.99**

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

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

Moshiur Rahman Chowdhury	**Syed Golam Kibria**	**Prof. Dr. M. Imtiaz Hossain**	**M. A. Awal**
President & Managing Director	Director	Director	Chairman

Dhaka, Bangladesh
Dated, 30 April 2018

AB Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2017

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 01 January 2017	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
Adjustment:							
Bonus for 2016:							
12.50% stock dividend	842,367,010	-	-	-	-	(842,367,010)	-
Balance at 01 January 2017	**7,581,303,150**	**6,495,637,440**	**1,222,199,200**	**1,303,760,781**	**544,262,857**	**5,967,296,755**	**23,114,460,183**
Net profit after taxation for the year	-	-	-	-	-	29,600,965	29,600,965
Transfer during the year	-	-	-	-	-	-	-
Addition/(adjustment) made during the year	-	26,124,722	-	(3,280,464)	(438,235,432)	(40,696,807)	(456,087,981)
Foreign exchange rate fluctuation	-	27,480,837	-	-	-	55,791,085	83,271,922
Balance at 31 December 2017	**7,581,303,150**	**6,549,242,999**	**1,222,199,200**	**1,300,480,317**	**106,027,424**	**6,011,991,999**	**22,771,245,089**
Balance at 31 December 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**

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

Moshiur Rahman Chowdhury
President & Managing Director

Syed Golam Kibria
Director

Prof. Dr. M. Imtiaz Hossain
Director

M. A. Awal
Chairman

Dhaka, Bangladesh
Dated, 30 April 2018

FINANCIAL STOCK

AB Bank Limited
Liquidity Statement
Analysis of Maturity of Assets and Liabilities
As at 31 December 2017

Particulars	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More Than 5 years' maturity	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets						
Cash in hand and with banks	1,959,324,854	-	-	-	15,821,444,299	17,780,769,152
Balance with other banks and financial institutions	2,057,238,222	980,000,000	950,000,000	-	-	3,987,238,222
Money at call and on short notice	426,185,831	717,728,614	26,474,990	-	-	1,170,389,436
Investments	324,481,526	3,909,533,003	3,835,507,059	18,901,620,407	18,778,221,955	45,749,363,949
Loans, advances and lease/investments	33,618,889,915	64,624,154,225	97,214,979,369	28,334,652,024	5,854,610,697	229,647,286,231
Fixed assets including premises, furniture and fixtures	-	-	-	-	4,113,341,268	4,113,341,268
Other assets	383,629,066	2,651,164,050	2,574,534,978	1,278,756,200	5,228,526,913	12,116,611,207
Non-banking assets	-	-	-	-	-	-
Total Assets	**38,769,749,413**	**72,882,579,892**	**104,601,496,397**	**48,515,028,631**	**49,796,145,132**	**314,564,999,466**
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	11,824,698,976	6,535,418,536	3,316,040,278	5,098,941,363	1,096,344,210	27,871,443,363
Deposit and other accounts	25,984,878,117	65,613,559,826	92,961,101,931	49,922,109,310	1,472,659,270	235,954,308,453
Provision and other liabilities	685,709,579	701,174,457	6,419,178,187	20,159,166,208	2,774,129	27,968,002,561
Total Liabilities	**38,495,286,672**	**72,850,152,819**	**102,696,320,396**	**75,180,216,881**	**2,571,777,609**	**291,793,754,377**
Net Liquidity Excess/(shortage)	**274,462,741**	**32,427,073**	**1,905,176,001**	**(26,665,188,250)**	**47,224,367,523**	**22,771,245,089**

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

Moshiur Rahman Chowdhury
President & Managing Director

Syed Golam Kibria
Director

Prof. Dr. M. Imtiaz Hossain
Director

M. A. Awal
Chairman

Dhaka, Bangladesh
Dated, 30 April 2018

ANNUAL REPORT BOOK

1.1 The Bank and its activities

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

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

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

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) Limited and Chittagong Stock Exchange (CSE) Limited 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 for the year ended 31 December 2017 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 2018); BRPD circular no. 14 dated 25 June 2003, the Companies Act, 1994; the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other laws and rules applicable for the Bank.

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 31 December 2017.

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 2017 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 05 February 2009 and the registered office of the Bank is located at No. 480, Galle Road, Colombo 3. The Bank commenced commercial banking operations on 01 August 2011. Amana Bank is also a listed company under the Colombo Stock Exchange.

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 7.22% 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 7.22% 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.**

Arab Bangladesh Bank Foundation (ABBF)

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

Use of estimates and judgments

The preparation of consolidated financial statements and financial statements of the Bank required management to make judgments, estimates and assumptions that affected the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions have been reviewed considering business realities. Revisions of accounting estimates have been recognised in the period in which the estimates have been revised and in the future periods affected, if applicable.

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

Materiality, aggregation and offsetting

The Bank aggregates each material class of similar items and separately which are dissimilar in nature or function unless those are immaterial. The Bank did not offset assets and liabilities or income and expense, unless required or permitted by 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 2017 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 31 December 2017.

ii. Interest/profit is calculated on a daily basis but charged and accounted on accrual basis. Interest/profit on classified loans and advances/ investment is kept in suspense account as per Bangladesh Bank instructions and such interest/ profit is not accounted for income until realized from borrowers. Interest/profit is not charged on bad and loss loans/ investments as per guideline of Bangladesh Bank.

iii. Commission on bills purchased and discounting are recognised at the time of realisation.

iv. Provision for loans and advances is made on the basis of quarter-end review by the management and as per instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 04 dated 29 January 2015, BRPD Circular No. 08 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017 and BRPD Circular No. 15 dated 27 September 2017. 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	1%	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%	

Investment

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

The valuation methods of investment used are:

Government securities

Held to Maturity (HTM)

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

Held for Trading (HFT)

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

Value of investments has been enumerated as follows:

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

Investment in listed securities

These securities are brought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. Unrealised gains are not recognised in the Profit and Loss Account 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 2018), 20% of current year's profit of the Bank is required to be transferred to Statutory Reserve until such reserve together with share premium account equals to its paid up capital.

Revaluation reserve

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

AMAR STOCK

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.

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 10.1).

Retirement benefits to the employees

The retirement benefits accrued for the employees of the Bank as on the reporting date have been accounted for in accordance with the provision of 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 required to be maintained as per circular letter no. FEPD(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

Non- controlling Interest

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

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

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

1.5 Revenue recognition

Interest income

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:

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 31 December 2017.

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 31 December 2017. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.

1.9 Memorandum items

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

1.10 Segment Reporting

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

By geographical location and segment business

BDT in Crore

Particulars	AB Bank Limited							Subsidiaries				Adjustment	AB Bank and 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 Limited	Cash Link Bangladesh Ltd. (CBL)			
Profit and loss account													
Interest income	1,711.71	53.73	-	45.14	5.39	(59.27)	1,756.69	41.47	7.54	0.32	3.98	(0.45)	1,809.54
Int. paid on deposits & borrowings, etc.	1,426.21	38.37	31.58	48.89	2.28	(57.64)	1,489.68	1.60	2.69	-	0.49	(0.72)	1,493.74
Net interest income	**285.50**	**15.37**	**(31.58)**	**(3.74)**	**3.10**	**(1.63)**	**267.01**	**39.87**	**4.85**	**0.32**	**3.49**	**0.27**	**315.80**
Investment income	450.25	0.20	24.63	-	3.11	-	478.19	1.34	1.11	0.02	-	(8.04)	472.61
Commission, exchange and brokerage	235.88	3.14	-	0.27	34.22	4.96	278.47	6.89	8.49	-	5.57	-	299.42
Other operating income	10.63	0.06	-	0.00	0.34	-	11.04	1.26	0.29	-	6.07	(0.82)	17.84
Total operating income	**982.27**	**18.77**	**(6.96)**	**(3.47)**	**40.77**	**3.33**	**1,034.70**	**49.36**	**14.74**	**0.33**	**15.13**	**(8.59)**	**1,105.68**
Operating Expenses													
Salary and allowances	286.39	3.65	-	0.64	1.73	-	292.40	1.66	2.59	0.03	3.32	-	300.00
Rent, taxes, insurance, electricity, etc.	71.08	0.14	0.00	0.00	2.18	-	73.40	0.23	0.83	-	0.81	(0.55)	74.72
Legal expenses	0.74	0.00	-	-	0.02	-	0.76	0.02	-	0.01	0.05	-	0.84
Postage, stamps, telecom., etc.	11.50	0.05	-	0.02	0.99	-	12.57	0.09	0.15	-	0.87	-	13.68
Stationery, printing, advertisement, etc.	19.51	0.05	-	0.02	0.29	-	19.87	0.03	0.06	-	0.03	-	19.99
Directors' fees	0.79	0.01	-	-	-	-	0.80	0.02	0.04	0.01	-	-	0.87
Auditors' fees	0.23	-	-	-	0.08	-	0.32	0.01	0.01	0.00	0.04	-	0.38
Charges on loan losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & repairs of Bank's assets	50.77	0.22	-	0.10	0.60	-	51.68	1.84	0.18	0.01	0.04	-	53.76
Other expenses	117.72	0.76	0.72	0.58	15.51	-	135.29	1.21	1.02	0.00	0.34	-	137.86
Total operating expenses	**558.73**	**4.88**	**0.72**	**1.37**	**21.39**	**-**	**587.09**	**5.11**	**4.89**	**0.05**	**5.49**	**(0.55)**	**602.09**
Profit before provision	**423.53**	**13.89**	**(7.68)**	**(4.84)**	**19.38**	**3.33**	**447.61**	**44.25**	**9.85**	**0.28**	**9.64**	**(8.04)**	**503.58**
Provision against loans and advances							462.39						495.01
Provision for diminution in value of investments							1.00						1.21
Other provisions							0.02						0.02
Total provision							**463.41**						**496.24**
Profit before taxation							**(15.79)**						**7.35**
Provision for taxation							(18.75)						3.27
Net profit after taxation							**2.96**						**4.08**

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2017

By geographical location and segment business (cont.)

Balance Sheet

BDT in Crore

Particulars	AB Bank Limited							Subsidiaries				Adjustment	AB Bank and 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 Limited	Cash Link Bangladesh Ltd. (CBL)			
PROPERTY AND ASSETS													
Cash	1,744.29	33.40	-	-	0.39	-	1,778.08	0.00	0.00	0.00	0.01	-	1,778.09
Balance with other banks & fin.institution	248.46	222.08	-	0.59	93.49	(165.90)	398.72	0.02	54.98	3.73	5.90	(39.22)	424.13
Money at call and on short notice	774.24	-	-	227.14	37.64	(921.97)	117.04	-	-	-	-	(67.40)	49.64
Investments	3,946.20	28.00	391.43	-	49.57	159.74	4,574.94	45.61	17.60	0.07	-	-	4,638.21
Loans and advances	21,363.31	461.32	-	1,066.02	76.58	(2.50)	22,964.73	680.90	92.65	-	81.04	(55.86)	23,763.45
Fixed assets	408.80	1.13	-	0.26	1.14	-	411.33	58.36	0.22	0.00	0.02	-	469.92
Other assets	3,072.26	4.00	2.88	0.16	44.10	(1,911.73)	1,211.66	10.17	6.98	3.02	2.98	(648.43)	586.39
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	**31,557.55**	**749.92**	**394.31**	**1,294.17**	**302.92**	**(2,842.37)**	**31,456.50**	**795.06**	**172.42**	**6.83**	**89.94**	**(810.91)**	**31,709.84**
LIABILITIES AND CAPITAL													
Liabilities													
Borrowings from other banks, financial institutions and agents	2,520.92	210.37	-	1,279.26	-	(1,223.40)	2,787.14	33.36	22.60	-	66.92	(122.78)	2,787.25
Deposits and other accounts	22,923.01	524.08	0.00004	1.42	153.54	(6.62)	23,595.43	-	-	-	-	(39.22)	23,556.21
Other liabilities	3,750.19	15.47	395.52	18.43	36.20	(1,419.01)	2,796.80	82.98	97.64	0.98	5.10	(17.48)	2,966.01
Total Liabilities	**29,194.12**	**749.92**	**395.52**	**1,299.11**	**189.75**	**(2,649.04)**	**29,179.38**	**116.34**	**120.25**	**0.98**	**72.02**	**(179.49)**	**29,309.47**
Total Shareholders' Equity	2,363.44	-	(1.21)	(4.94)	113.18	(193.34)	2,277.12	678.72	52.18	5.85	17.92	(632.44)	2,399.36
Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	1.01	1.01
Total Liabilities & Shareholders' Equity	**31,557.55**	**749.92**	**394.31**	**1,294.17**	**302.92**	**(2,842.37)**	**31,456.50**	**795.06**	**172.42**	**6.83**	**89.94**	**(810.91)**	**31,709.84**

TRANSTOCK

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 no.	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 no.	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	Financial Instruments	9	N/A
10	Consolidated Financial statements	10	Complied
11	Joint Arrangements	11	N/A
12	Disclosure of interests in other Entities	12	Complied
13	Fair Value Measurement	13	N/A
14	Regulatory Deferral Accounts	14	N/A
15	Revenue from Contracts with Customers	15	N/A

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

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 equivalents**	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.

1.12 Compliance of Bangladesh Bank regulations over BAS/BFRS (cont.)

Sl No.	Issues	BAS/BFRS	Bangladesh Bank
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.
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.

1.12 Compliance of Bangladesh Bank regulations over BAS/BFRS (cont.)

Sl No.	Issues	BAS/BFRS	Bangladesh Bank
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 2018)
ii. The Companies Act, 1994
iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
iv. The Securities and Exchange Rules, 1987
v. The Securities and Exchange Ordinance, 1969
vi. The Securities and Exchange Commission Act, 1993
vii. The Securities and Exchange Commission (Public Issues) Rules, 2015
viii. The Income Tax Ordinance and Rules, 1984
ix. The Value Added Tax (VAT) Act and Rules, 1991
x. Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) Listing Regulations, 2015
xi. Central Depository Bangladesh Limited (CDBL) rules and regulations.

1.14 Reporting period

Sl no.	Name of the entity/segment	Reporting period
1	AB Bank Limited	01 January 2017 to 31 December 2017
2	Off Shore Banking Unit	01 January 2017 to 31 December 2017
3	Mumbai Branch, India	01 January 2017 to 31 December 2017
4	AB Investment Limited	01 January 2017 to 31 December 2017
5	AB Securities Limited	01 January 2017 to 31 December 2017
6	Cashlink Bangladesh Limited	01 January 2017 to 31 December 2017
7	AB International Finance Limited	01 January 2017 to 31 December 2017
8	Arab Bangladesh Bank Foundation	01 January 2017 to 31 December 2017

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 January 2011 and BRPD Circular no.02 dated 27 February 2011 respectively. Bank accordingly introduced the Guideline on Environment Risk Management on 15 June 2011. These ERM guidelines are an attempt to incorporate the environmental impact of a business into the lending process, so that the environment gets due consideration in the appraisal process.

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

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

1.17 Credit Rating of the Bank

Credit rating of the Bank:

Year	Date of Rating	Long term	Short term
Jan to Dec 2016	May 28, 2017	A_1	ST-2
Jan to Dec 2015	May 19, 2016	AA_3	ST-2
Jan to Dec 2014	April 30, 2015	AA_3	ST-2
Jan to Dec 2013	March 27, 2014	AA_3	ST-2

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.	Feroz Ahmed	Common Director

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in BDT
Elite International Ltd.	Common Director	Office Rent	1,656,000

AMAR STOCK

c) Loans/placement given to subsidiary of the Bank

Sl. No.	Name of Party	Connection with party	Nature of transaction	Amount in BDT
1	AB Investment Limited	99.99% owned Subsidiary	Loans and advances	332,558,001
2	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	226,047,986
3	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	674,005,000
Total loans/placement to subsidiary				**1,232,610,987**

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 the Committee	Duration	Educational/professional qualification
1	Mr. Shishir Ranjan Bose, FCA	Independent Director	Chairman	With effect from 16 July 2008	Chartered Accountant
2	Mr. 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.

* Retired in the 35th AGM held on 21 December 2017.

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

ii) Meeting held with Audit Committee

During the year 2017, the Audit Committee conducted 9 (nine) 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 2017;
- 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. Mawlana Muhammad Musa	Member	Prominent author and research Scholar of Quran & Hadith. Kamil, Madrasah Edu. Board, B.Com (Hons) M.Com, Dhaka University
4	Jb. Prof. Dr. Md. Mahfuzur Rahman	Member	B.A (Hon's) M.A, PhD. Prominent author and Islamic research scholar, Prof. of Arabic Language & Literature, Islamic University, Kustia. Bangladesh
5	Jb. M. A. Awal, Chairman, BOD, ABBL	Member	B.Com from Dhaka University
6	Jb. Moshiur Rahman Chowdhury, President & Managing Director, ABBL	Member	M.Com (Accounting), Dhaka University
7	Jb. Dr. Mohd. Haroon Rashid	Member-Secretary	M.A, M. Phil PhD Aligor University, (1st Class) Darul Ulum Dewband, India

During 2017, AB Bank Shariah Supervisory Committee met in 04 (Four) meetings (Full Committee 02+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 attending by the Shariah Supervisory Committee during the year 2017 are :

- Reviewing the Half-Yearly Shariah Audit Report (July-December,2016) of Islami Banking Branch and its observations.
- Approving the Final Account, 2016 of Islami Banking Branch.
- Approving the Annual Report of Shariah Supervisory Committee for the year 2016 on Islamic banking operation of the Bank.
- Reviewing the Half-Yearly Shariah Audit Report (January-June,2017) of Islami Banking Branch and its observations.
- Formulated Compensation Fund Policy 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.

			31.12.2017 BDT	31.12.2016 BDT
3.	**Cash**			
	Cash in hand	(note 3.1)	1,572,259,632	1,536,332,492
	Balance with Bangladesh Bank and its agent bank(s)	(note 3.2)	16,208,509,520	18,171,318,283
			17,780,769,152	**19,707,650,776**
3(a)	**Consolidated Cash**			
	AB Bank Limited		17,780,769,152	19,707,650,776
	AB Investments Limited		25,000	25,000
	AB International Finance Limited		54,421	10,117
	AB Securities Limited		17,235	2,245
	Cashlink Bangladesh Limited (CBL)		36,900	37,839
			17,780,902,708	**19,707,725,976**
3.1	**Cash in hand**			
	In local currency		1,535,640,422	1,505,667,616
	In foreign currency		36,619,210	30,664,876
			1,572,259,632	**1,536,332,492**
3.1(a)	**Consolidated cash in hand**			
	AB Bank Limited		1,572,259,632	1,536,332,492
	AB Investments Limited		25,000	25,000
	AB International Finance Limited		54,421	10,117
	AB Securities Limited		17,235	2,245
	Cashlink Bangladesh Limited (CBL)		36,900	37,839
			1,572,393,188	**1,536,407,693**
3.2	**Balance with Bangladesh Bank and its agent bank(s)**			
	Balance with Bangladesh Bank			
	In local currency		15,817,138,378	17,465,080,869
	In foreign currency		46,019,236	298,117,635
			15,863,157,613	17,763,198,503
	Sonali Bank Limited		345,351,907	408,119,780
	(as an agent bank of Bangladesh Bank) - local currency		**16,208,509,520**	**18,171,318,283**
3.2.1	**Balance with Bangladesh Bank- local currency**			
	Balance as per Bank ledger		**15,817,138,378**	**17,465,080,869**
	Unresponded debit entries:		72,033,679	416,427,442
	Bangladesh Bank statement		72,033,679	407,941,845
	AB Bank's ledger		-	8,485,597
	Unresponded credit entries:		87,858,834	82,152,179
	Bangladesh Bank statement		87,668,834	81,962,179
	AB Bank's ledger		190,000	190,000
			15,832,963,533	**17,130,805,606**

Bangladesh Bank Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as of 31 December 2017 is given below:

Year of unreconciliation	Number of unresponded entry		Unresponded amount	
	Debit	Credit	Debit	Credit
Less than 3 months	16	16	71,533,679	87,668,834
3 months to less than 6 months	-	-		-
6 months to less than 12 months	-	-	-	-
12 months and more	1	1	500,000	190,000
Total	**17**	**17**	**72,033,679**	**87,858,834**

3.2.2 Balance with Bangladesh Bank-foreign currency

	31.12.2017 BDT	31.12.2016 BDT
Balance as per Bank ledger	**46,019,236**	**298,117,635**
Unresponded debit entries:	42,771,544	118,316,794
Bangladesh Bank statement	42,152,169	250,144
AB Bank's ledger	619,375	118,066,650
Unresponded credit entries:	407,436,105	518,246,575
Bangladesh Bank statement	119,873,698	223,842,629
AB Bank's ledger	287,562,407	294,403,946
Balance as per Bangladesh Bank statement	**410,683,797**	**698,047,416**

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 Decemebr 2017 is given below:

Period of unreconciliation	Number of unresponded entry		Unresponded amount	
	Debit	Credit	Debit	Credit
Less than 3 months	7	362	42,771,544	407,426,640
3 months to less than 6 months	-	-	-	-
6 months to less than 12 months	-	1	-	9,465
12 months and more	-	-	-	-
Total	**7**	**363**	**42,771,544**	**407,436,105**

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

	31.12.2017 BDT	31.12.2016 BDT
AB Bank Limited	16,208,509,520	18,171,318,283
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	16,208,509,520	**18,171,318,283**

3.3 Statutory deposits

Conventional Banking (Inside Bangladesh)
Cash Reserve Requirement and Statutory Liquidity Ratio

Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with section 33 of the Banking Companies Act 1991 (amendment up to 2018), Bangladesh Bank's 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 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.

i. Daily position as on the reporting date	**31.12.2017** BDT	**31.12.2016** BDT
Required reserve	15,303,518,084	16,524,589,436
Actual reserve maintained	15,491,428,205	16,840,182,357
Surplus	**187,910,122**	**315,592,920**

As per Bank ledger, balance with Bangladesh Bank (local currency) is BDT 15,486,603,050 while as per Bangladesh Bank Statements balance is BDT 15,502,428,205 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 and demand liabilities)	260,159,807,423	280,918,020,418
Actual reserve maintained	262,922,547,239	283,448,606,792
Surplus	**2,762,739,816**	**2,530,586,374**

(b) Statutory Liquidity Ratio (SLR)

Required reserve (13% of total time and demand liabilities)	30,607,036,167	33,049,178,873
Actual reserve maintained	41,546,971,700	43,898,597,690
Total surplus	**10,939,935,533**	**10,849,418,817**

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 @ 6.57% and @ 17.65% respectively at the year end.

		31.12.2017 BDT	31.12.2016 BDT
(c)	**Components of Statutory Liquidity Ratio (SLR)**		
	Cash in hand	1,564,885,884	1,523,355,928
	Balance with Sonali Bank	345,351,907	408,119,780
	HTM Securities	35,703,878,392	26,772,534,816
	HFT Securities	3,744,945,396	14,878,994,246
	Excess reserve of CRR	187,910,122	315,592,920
		41,546,971,700	**43,898,597,690**

Islamic Banking

Cash Reserve Requirement and Statutory Liquidity Ratio

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

The Statutory Cash Reserve is required on the Bank's time and demand liabilities at the rate of 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:

(a)	**Cash Reserve Requirement (CRR)**		
	Required reserve	330,016,093	278,995,186
	Actual reserve maintained	330,535,328	279,623,249
	Surplus	**519,235**	**628,063**
(b)	**Statutory Liquidity Ratio (SLR)**		
	Total required reserve	279,244,386	236,072,850
	Total actual reserve held	283,968,455	253,428,446
	Total surplus	**4,724,069**	**17,355,596**

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 31.12.2016 and for 31.12.2017 and has been calculated and maintained with RBI in current account while statutory liquidity ratio of 20.75% for 31.12.2016 and 19.5% for 31.12.2017 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:

			31.12.2017 BDT	31.12.2016 BDT
(a)	**Cash Reserve Ratio (CRR)**			
	Required reserve		14,086,760	11,715,608
	Actual reserve maintained		31,560,412	25,831,749
	Surplus		**17,473,651**	**14,116,141**
(b)	**Statutory Liquidity Ratio (SLR)**			
	Required reserve		248,186,509	297,935,158
	Actual reserve maintained		495,667,389	422,292,782
	Surplus		**247,480,880**	**124,357,623**
	Total required reserve		262,273,269	309,650,766
	Total actual reserve held		527,227,800	448,124,531
	Total surplus		**264,954,531**	**138,473,765**
4.	**Balance with other banks and financial institutions**			
	In Bangladesh	(note 4.1)	2,295,067,692	2,531,704,237
	Outside Bangladesh	(note 4.2)	1,692,170,531	2,025,730,721
			3,987,238,222	**4,557,434,958**
4(a)	**Consolidated balance with other banks and financial institutions**			
	In Bangladesh	(note 4.1.a)	2,490,976,583	2,624,288,364
	Outside Bangladesh (Nostro Accounts)	(note 4.2.a)	1,750,358,999	2,030,714,143
			4,241,335,582	**4,655,002,507**
4.1	**In Bangladesh**			
	Current Deposits			
	Standard Chartered Bank, Dhaka City Centre Branch		3,389,364	2,913,073
	Agrani Bank Ltd., VIP Road Branch, Sylhet		5,018,965	7,010
	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		24,500,534	7,000,534
	Janata Bank Ltd., Jessore Branch		23,125	60,463
	Agrani Bank Ltd., Mymensingh Branch		34,200	47,350
	Trust Bank Ltd., Mymensingh Branch		73,754	87,774
	Janata Bank Ltd., Corporate Branch, Bogra		18,730	38,685
	Rupali Bank Ltd., Bogra Branch		9,600	10,175
	Agrani Bank Ltd., Thana Road Branch, Bogra		14,017,621	41,322,566
	RAKUB, Bogra Branch		16,586	11,33
	Agrani Bank Ltd., Shaheb Bazar Branch, Rajshahi		5,000	5,000
	Janata Bank Ltd., Rajshahi Branch		5,000	5,000
	Rupali Bank Ltd., Rajshahi Branch		10,000	7,925
	Janata Bank Ltd., Rangpur Branch		5,630,865	17,305,223
	RAKUB, Rangpur Branch		107,943	109,593
	Rupali Bank Ltd., Rangpur Branch		203,317	691,095
	Janata Bank Ltd., Chapai Nawabganj Branch		1,027,330	13,919
	Janata Bank Ltd., Sirajgonj Branch		1,312	-
	Agrani Bank Ltd., Brahmanbaria Branch		155	270
			54,135,562	**69,679,155**

	31.12.2017 BDT	31.12.2016 BDT
Special Notice Deposits		
Agrani Bank Ltd., Rangpur Branch	9,282,234	22,587,987
Agrani Bank Ltd., Saidpur Branch	2,742	3,892
Agrani Bank Ltd., VIP Road Branch, Sylhet	2,936	23,939
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	33,825,293	23,059,512
Agrani Bank Ltd., Sirajgonj Branch	41,588	18,858,257
RAKUB, Sirajgonj Branch	5,595	1,425
Agrani Bank Ltd., Sir Iqbal Road Branch, Khulna	31,238	45,595
Agrani Bank Ltd., Naogaon Branch	11,675,861	15,571,462
Agrani Bank Ltd., Jessore Branch	17,494	5,031,193
Agrani Bank Ltd., Moulvi Bazar Branch	2,256,379	2,540,180
Agrani Bank Ltd., Satkhira Branch	8,293	9,443
Southeast Bank Ltd., Principal Branch	48,120	48,120
Agrani Bank Ltd., Principal Branch, Dhaka	45,476	668
Agrani Bank Ltd., Barisal Branch	30,227	31,542
Bangladesh Krishi Bank, Barisal Branch	11,019	42,691
Janata Bank Ltd., Barisal Branch	9,890	5,142
Standard Chartered Bank, Dhaka City Centre Branch	1,038,033	1,039,533
Islami Bank Bangladesh Ltd., Head Office Complex Corp. Br.	538,525	527,037
Bank Asia Ltd., Islami Banking Window, Shantinagar Branch	40,010	40,222
First Security Islami Bank Ltd, Dilkusha Br.	160,655	158,321
Al-Arafah Islami Bank Ltd, Dilkusha Branch	4,064,410	333,306,075
Shahjalal Islami Bank Ltd, Dhaka Main Branch	425,723	165,961
The City Bank Ltd, Islamic Banking Br, Paltan, Dhaka	337,993	89,319
Bank Alfalah Ltd, Main Branch, Dhaka	2,606,689	250,000,000
Southeast Bank Ltd., Motijheel Branch (Islami Banking)	2,542,053	2,473,793
ICB Islamic Bank Ltd., Principal Br, Motijheel	134,778	139,688
Agrani Bank Ltd., Islami Banking Window, Amin Court Corp. Br.	4,275,989	3,878,505
Jamuna Bank Ltd. Nayabazar Islami Banking Br.	364,635	14,665
Union Bank Ltd., Dilkusha Branch	5,804	6,758
	73,839,212	**679,710,453**
Savings Deposits		
Social Islamic Bank Ltd. Principal Branch	2,688,789	2,008,758
EXIM Bank Ltd, Motijheel Branch	4,404,129	305,873
	7,092,918	**2,314,630**
Fixed Deposits		
Hajj Finance Company Ltd.	230,000,000	230,000,000
Social Islami Bank Ltd.	350,000,000	700,000,000
Phoenix Finance and Investment Ltd.	-	200,000,000
Islamic Finance & Investment Ltd.	230,000,000	100,000,000
Union Capital Ltd.	150,000,000	150,000,000
IDLC Finance Ltd.	200,000,000	150,000,000
IIDFC	-	150,000,000

		31.12.2017 BDT	31.12.2016 BDT
	EXIM Bank Ltd.	200,000,000	-
	Shahjalal Islami Bank Ltd.	400,000,000	-
	Peoples Leasing	-	100,000,000
	IPDC Finance Ltd.	200,000,000	-
	Premier Bank Ltd.	200,000,000	-
		2,160,000,000	**1,780,000,000**
		2,295,067,692	**2,531,704,237**
4.1.a	**Consolidated In Bangladesh**		
	AB Bank Limited	2,295,067,692	2,531,704,237
	AB Investment Limited	165,858	589,394
	AB International Finance Limited	-	-
	AB Securities Limited	549,802,993	301,781,150
	Cashlink Bangladesh Limited (CBL)	37,340,142	35,129,817
		2,882,376,685	**2,869,204,598**
	Less: Intercompany transaction	391,400,102	244,916,234
		2,490,976,583	**2,624,288,364**
4.2	**Outside Bangladesh**		
	Current Deposits		
	The Bank of Tokyo Mitsubishi Limited	3,041,177	1,517,399
	MFT,Yangon	82,700	-
	JP Morgan Chase Bank	220,714,707	66,606,161
	Sonali Bank (Kolkata)	7,932,736	4,419,042
	Sonali Bank (UK) Limited USD	-	34,651,846
	Sonali Bank (UK) Limited GBP	-	14,327
	Myanmar Economic Bank	33,907	32,272
	Citibank NA	5,760,273	15,969,528
	Hatton National Bank Limited	2,945,111	3,582,419
	Commerz Bank AG	170,870,132	27,564,966
	NIB Bank Limited	4,124,935	7,467,975
	Mashreq Bank Psc	21,194,535	56,562,687
	Nepal Bangladesh Bank Limited	1,437,099	1,417,764
	Bank of Bhutan	2,794,032	7,409,209
	Habib Zuric	-	1,012,020
	Wachovia Bank/Wells Fargo N.A	22,702,648	232,728,906
	Habib America Bank	28,656,850	34,895,134
	Commerz Bank AG	19,134,580	11,002,073
	Hypovereins Bank	2,438,145	16,085,422
	Habib Metro Bank	18,724,066	29,493,069
	Habib Bank AG(AED)	272,922	295,963
	Commerz BK CAD	1,393,371	3,614,893
	Commerz BK CHF	2,158,142	4,198,199
	JPMC NY	65,683,512	102,727,497
	Commerz Bank ®	1,729	19,479

			31.12.2017 BDT	31.12.2016 BDT
	Reserve Bank of India		31,560,411	25,831,749
	HDFC Bank CSGL		451,862	264,968
	HDFC Bank Limited		97,020,543	40,875,802
	Kotak Mahindra Bank		50,882,238	61,554,263
	Habib American Bank Limited		5,783,907	3,303,805
	Habib Bank		-	2,963,103
	Habib Bank ACU		-	1,744,326
	JP CHASE ACU		685,571,611	1,087,748,226
	Habib Sons Bank		-	1,593,766
	Standard Chartered Bank, NY, USA		210,866,129	37,347,945
	Standard Chartered Bank, Singapore		1,588,669	1,721,935
	Standard Chartered Bank, UK, GBP		617,015	4,491,311
	Habib UK, GBP		-	1,532,647
	Habib UK, USD		-	45,922,344
	JP Morgan Chase Bank		5,730,838	45,546,283
	(Details are given in **Annexure - A**)		**1,692,170,531**	**2,025,730,721**
4.2.a	**Consolidated Outside Bangladesh (Nostro Accounts)**			
	AB Bank Limited		1,692,170,531	2,025,730,721
	AB Investment Limited		-	-
	AB International Finance Limited		59,014,786	6,443,952
	AB Securities Limited		-	-
	Cashlink Bangladesh Limited (CBL)		-	-
			1,751,185,317	2,032,174,673
	Less: Intercompany transactions		826,318	1,460,530
			1,750,358,999	**2,030,714,143**
4.3	**Account-wise/grouping of balance with other Banks and Financial Institutions**			
	Current deposits		1,746,306,093	2,095,409,877
	Savings deposits		7,092,918	2,314,630
	Short-Notice Deposits		73,839,212	679,710,453
	Fixed deposits		2,160,000,000	1,780,000,000
			3,987,238,223	**4,557,434,958**
4.4	**Maturity grouping of balance with other banks**			
	Repayable – on demand		1,746,306,093	2,095,409,877
	– up to 3 months		1,290,932,130	2,132,025,082
	– over 3 months but below 1 year		950,000,000	330,000,000
	– over 1 year but below 5 years		-	-
	– over 5 years		-	-
			3,987,238,223	**4,557,434,958**
5.	**Money at call and on short notice**			
	In Bangladesh	(note 5.1)	120,000,000	5,636,133,300
	Outside Bangladesh	(note 5.2)	1,050,389,436	1,169,430,159
			1,170,389,436	**6,805,563,459**

AMARSTOCK

		31.12.2017 BDT	31.12.2016 BDT
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
		-	**236,133,300**
	With non-banking financial institutions		
	Prime Finance & Investment Ltd.	-	150,000,000
	Bay Leasing and Investment Limited	-	100,000,000
	GSP Finance Limited	-	100,000,000
	Lanka Bangla Finance Limited	-	200,000,000
	Delta Brac Housing Limited	-	250,000,000
	Union Capital Limited	-	150,000,000
	International Leasing & Financial Services Ltd.	120,000,000	450,000,000
		120,000,000	**1,400,000,000**
		120,000,000	**5,636,133,300**
	At short notice	-	-
	On calls and placements		
	Eastern Bank Limited	-	236,133,300
	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 Limited	-	100,000,000
	Lanka Bangla Finance Limited	-	200,000,000
	Delta Brac Housing Limited	-	250,000,000
	Union Capital Limited	-	150,000,000
	Prime Finance & Investment Limited	-	150,000,000
	Bay Leasing & Investment Limited	-	100,000,000
	International Leasing & Financial Services Limited	120,000,000	450,000,000
		120,000,000	**5,636,133,300**

			31.12.2017 BDT	31.12.2016 BDT
5.2	**Outside Bangladesh**			
	AB International Finance Limited		674,005,000	692,657,680
	Kotak Mahindra Bank		34,861,827	93,789,706
	Abu Dhabi Commercial Bank		64,558,938	34,736,928
	HDFC Bank Limited		276,963,671	348,245,845
			1,050,389,436	**1,169,430,159**
5(a)	**Consolidated money at call and on short notice**			
	AB Bank Limited		1,170,389,436	6,805,563,459
	AB Investment Limited		-	-
	AB International Finance Limited		-	-
	AB Securities Limited		-	-
	Cashlink Bangladesh Limited (CBL)		-	-
			1,170,389,436	**6,805,563,459**
	Less: Intercompany transaction		(674,005,000)	(692,657,680)
			496,384,436	**6,112,905,779**
6.	**Investments**		**45,749,363,948**	**48,187,206,862**
	Nature wise (Bangladesh operation):			
	Held for Trading		3,744,945,396	14,878,994,246
	Held to Maturity		35,703,878,392	26,772,534,816
	Others		5,804,872,772	6,113,385,019
			45,253,696,560	**47,764,914,081**
	Nature wise (Mumbai Branch):			
	Held for Trading/Available for Sale		248,827,063	168,382,569
	Held to Maturity		246,840,326	253,910,212
	Others		-	-
			495,667,389	**422,292,782**
	Claim wise:			
	Government securities	(note 6.1)	39,732,017,188	41,903,780,261
	Other investments	(note 6.2)	6,017,346,761	6,283,426,601
			45,749,363,948	**48,187,206,862**
6 (a)	**Consolidated investments**			
	AB Bank Limited		45,749,363,948	48,187,206,862
	AB International Finance Limited		-	-
	AB Investment Limited		456,075,615	721,255,054
	AB Securities Limited		176,002,092	172,865,988
	Cashlink Bangladesh Limited (CBL)		694,619	431,639
			46,382,136,275	**49,081,759,543**
6.1	**Government securities**			
	Treasury bills		-	3,099,601,719
	Treasury bonds		39,448,823,788	38,551,927,342
	Bangladesh Bank Islami Investment bonds		280,000,000	248,500,000
	Prize bonds		3,193,400	3,751,200
			39,732,017,188	**41,903,780,261**

FAMAR STOCK

			31.12.2017 BDT	31.12.2016 BDT
6.1.1	**Maturity wise Treasury Bills and 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**
(c)	**Treasury Bond**			
(i)	02 Years Treasury Bond		2,407,647,942	2,754,212,762
(ii)	05 Years Treasury Bond		7,848,757,096	4,244,212,683
(iii)	10 Years Treasury Bond		18,280,620,598	19,015,316,652
(iv)	15 Years Treasury Bond		5,935,703,813	6,914,912,645
(v)	20 Years Treasury Bond		4,976,094,339	5,623,272,600
	Total Treasury Bond		**39,448,823,788**	**38,551,927,343**
	Total (a)+(b)+(c)		**39,448,823,788**	**41,651,529,062**
6.1(a)	**Consolidated Government securities**			
	AB Bank Limited		39,732,017,188	41,903,780,261
	AB Investment Limited		-	-
	AB International Finance Limited		-	-
	AB Securities Limited		-	-
	Cashlink Bangladesh Limited (CBL)		-	-
			39,732,017,188	**41,903,780,261**
6.2	**Other investments**			
	Shares	(note 6.2.1)	3,914,325,564	4,275,825,774
	Bond	(note 6.2.2)	10,000,000	65,000,000
	Pinnacle Global Fund Pte Limited	(note 6.2.3)	1,597,353,808	1,520,308,045
			5,521,679,372	**5,861,133,819**
	Investments -ABBL, Mumbai Branch			
	Treasury bills		495,667,389	422,292,782
	Debentures and Bonds		-	-
			495,667,389	**422,292,782**
	Total other investments		**6,017,346,761**	**6,283,426,601**
6.2 (a)	**Consolidated other investments**			
	AB Bank Limited		6,017,346,761	6,283,426,601
	AB Investment Limited		456,075,615	721,255,054
	AB International Finance Limited		-	-
	AB Securities Limited		176,002,092	172,865,988
	Cashlink Bangladesh Limited (CBL)		694,619	431,639
			6,650,119,087	**7,177,979,281**

		31.12.2017 BDT	31.12.2016 BDT
6.2.1	**Investments in shares**		
	Quoted (publicly traded)	3,683,054,634	4,044,554,844
	Unquoted	231,270,930	231,270,930
		3,914,325,564	**4,275,825,774**
	Details are given in **Annexure-B**		
6.2.2	**Investment in subordinated bonds**		
	Prime Bank Limited	-	45,000,000
	Trust Bank Limited	10,000,000	20,000,000
		10,000,000	**65,000,000**

6.2.3 Pinnacle Global Fund Pte Limited

Provision for the above has been maintained as per Bangladesh Bank Letter no. DBI-1/101/2018-1316 dated April 26, 2018.

6.3	**Maturity grouping**		
	Repayable – on demand	-	-
	– upto 3 months	4,234,014,528	5,564,780,980
	– over 3 months but below 1 year	3,835,507,059	4,450,983,640
	– over 1 year but below 5 years	18,901,620,407	13,545,313,989
	– over 5 years	18,778,221,955	24,626,128,253
		45,749,363,948	**48,187,206,862**

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

a. (i) Disclosure regarding outstanding Repo as on 31 December 2017:

Counter party name	Agreement date	Reversal date	BDT (1st leg cash consideration)
Janata Bank Ltd.	27.12.2017	02.01.2018	2,516,782,578
Agrani Bank Ltd.	28.12.2017	03.01.2018	2,308,408,476
Total			**4,825,191,054**

(ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2017:

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

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

	Minimum outstanding during the year/period	Maximum outstanding during the year/period	Daily average outstanding during the year/period
Securities sold under repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIS	-	8,694,300,000	3,257,878,575
Securities purchased under reverse repo:			
i) from Bangladesh Bank	-	-	-
ii) from other banks & FIS	-	999,347,000	15,896,289

		31.12.2017 BDT	31.12.2016 BDT
7.	**Loans, advances and lease/investments**	**229,647,286,231**	**218,769,451,248**
7.1	**Maturity grouping**		
	Repayable – on demand	11,027,431,162	7,483,816,192
	– upto 3 months	87,214,391,125	76,286,162,255
	– over 3 months but below 1 year	97,214,979,369	95,569,461,888
	– over 1 year but below 5 years	28,335,873,877	34,298,354,326
	– over 5 years	5,854,610,697	5,131,656,587
		229,647,286,231	**218,769,451,248**
7.2	**Broad category-wise breakup (excluding bills purchased & discounted)**		
	In Bangladesh		
	Loans	207,877,392,872	196,098,211,776
	Overdrafts	20,554,992,156	21,894,121,995
	Cash credits	-	-
		228,432,385,028	**217,992,333,771**
	Outside Bangladesh: ABBL, Mumbai branch		
	Loans	159,418,220	127,607,382
	Overdrafts	903,730	2,657,760
	Cash credits	31,633,969	13,807,503
		191,955,919	**144,072,646**
		228,624,340,946	**218,136,406,416**
7.3	**Product wise loans and advances**		
	Overdraft	20,555,895,885	21,896,779,755
	Cash credit	31,633,969	13,807,503
	Time loan	54,036,738,437	49,910,880,314
	Term loan	120,930,057,739	119,784,568,62
	Forced loan	14,302,328,224	7,905,900,729
	Bills under LC	191,964,472	207,109,508
	Trust receipt	8,596,126,094	9,162,163,925
	Packing credit	271,923,598	212,208,534
	Loan against accepted bills	3,517,530,162	2,930,851,022
	Loan-EDF	3,032,580,962	3,205,905,915
	Consumer loan	1,593,196,897	1,402,328,120
	Staff loan	1,564,364,507	1,503,902,463
	Bills purchased and discounted	1,022,945,284	633,044,832
		229,647,286,231	**218,769,451,248**
7.4	**Net loans, advances and lease/investments**		
	Gross loans and advances	229,647,286,231	218,769,451,248
	Less:		
	Interest suspense	13,345,309,883	10,459,867,308
	Provision for loans and advances	8,733,640,130	6,605,083,960
		22,078,950,013	17,064,951,268
		207,568,336,218	**201,704,499,980**

		31.12.2017 BDT	31.12.2016 BDT
7.5	**Significant concentration**		
	Advances to industries	119,438,821,853	103,892,254,569
	Advances to customer groups	110,208,442,108	114,877,038,550
	Advances to allied concerns of Directors	-	-
	Advances to Chief Executive	22,270	158,129
		229,647,286,231	**218,769,451,248**
7.6	**Advances to customers for more than 10% of Bank's total capital**		
	Total capital of the Bank	**31,286,475,023**	**30,640,391,090**
	Number of clients	29	29
	Amount of outstanding advances	95,849,000,000	81,708,700,000
	Amount of classified advances	-	-
	Measures taken for recovery	Not applicable	Not applicable
7.7	**Industry-wise loans, advances and lease/investments**		
	Agriculture	3,040,772,761	3,116,265,264
	Large and medium scale industry	65,407,500,000	64,053,600,000
	Working capital	52,057,000,000	38,301,100,000
	Export	3,752,300,000	3,722,200,000
	Commercial lending	56,026,547,200	52,550,500,000
	Small and cottage industry	1,973,100,000	1,537,400,000
	Others	47,390,066,270	55,488,385,984
		229,647,286,231	**218,769,451,248**
7.8	**Geographical location-wise (division) distribution**		
	In Bangladesh		
	Urban branches		
	Dhaka	164,547,995,621	154,911,059,292
	Chittagong	47,471,677,254	45,824,548,751
	Khulna	4,093,418,574	4,787,526,569
	Sylhet	1,909,214,061	2,083,030,726
	Barisal	243,634,815	247,632,983
	Rajshahi	3,749,730,933	3,637,345,158
	Rangpur	4,012,776,878	3,903,431,024
	Mymensingh	747,434,891	947,782,315
		226,775,883,026	**216,342,356,818**
	Rural branches		
	Dhaka	1,514,835,643	1,405,596,596
	Chittagong	538,937,833	504,644,774
	Khulna	-	-
	Sylhet	51,782,529	47,546,256
	Barisal	-	-
	Rajshahi	-	-
	Rangpur	-	-
	Mymensingh	-	-
		2,105,556,005	**1,957,787,626**
	Outside Bangladesh		
	ABBL, Mumbai Branch	765,847,200	469,306,804
		229,647,286,231	**218,769,451,248**

		31.12.2017 BDT	31.12.2016 BDT
7.9	**Classification of loans, advances and lease/investments**		
	In Bangladesh		
	Unclassified		
	Standard	185,848,238,016	191,153,443,332
	Special Mention Account	26,774,600,307	15,903,500,316
		212,622,838,323	**207,056,943,648**
	Classified		
	Sub-Standard	432,900,000	1,236,200,000
	Doubtful	720,600,000	1,175,345,000
	Bad/Loss	15,105,100,708	8,831,655,796
		16,258,600,708	**11,243,200,796**
		228,881,439,031	**218,300,144,444**
	Outside Bangladesh-Mumbai Branch		
	Unclassified loan	615,656,886	347,689,566
	Classified loan	150,190,314	121,617,238
		765,847,200	469,306,804
		229,647,286,231	**218,769,451,248**

Classification of Loans has been made in accordance with Bangladesh Bank Letter no. DBI-1/101/2018-1316 dated 26 April 2018.

7.10	**Particulars of loans, advances and lease/investments**		
(i)	Loans considered good in respect of which the Bank is fully secured	212,631,440,170	204,625,033,550
(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	17,015,846,061	14,144,417,698
(iv)	Loans adversely classified but provision not maintained there against	-	-
		229,647,286,231	**218,769,451,248**
(v)	Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,564,364,507	1,503,902,463
(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	-	-

		31.12.2017 BDT	31.12.2016 BDT
(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)]	1,613,436,443	1,503,902,463
(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)	3,940,700,374	1,947,800,261
	(b) Amount of loan written off	3,277,937,869	3,039,972,301
	(c) Amount realised against loan previously written off	10,374,551	23,892,175
	(d) Provision kept against loans classified as bad /loss on the date of preparing the balance sheet	3,542,367,423	2,108,653,374
	(e) Interest creditable to interest suspense account	3,675,066,572	5,184,751,472
(xi)	Written off loan:		
	Openning written off loan	12,059,630,730	9,019,658,429
	Add: Written off during the year	3,277,937,869	3,039,972,301
	Cummulative Written off loans	15,337,568,598	12,059,630,730
	Less: adj./ recoveries/ settlement up to the period	3,079,704,079	3,062,264,760
	Closing Balance of Written off loan	**12,257,864,520**	**8,997,365,970**
	The amount of written off loans for which lawsuits have been filed for its recovery	12,248,970,863	8,989,538,956

7.10(a) The amount represents loans BDT 1,613,436,443 due by the employees of the Bank.

7.11 Securities wise loans, advances and lease/investments

Nature of security		
Collateral of movable/immovable assets	196,391,824,578	178,714,611,427
Cash collateral	3,997,954,353	4,374,830,636
Banks and financial institutions guarantee	-	632,913,831
Personal guarantee	11,291,823,248	10,167,850,166
Corporate guarantee	5,724,022,813	3,976,567,532
Other securities	12,241,661,239	20,902,677,657
	229,647,286,231	**218,769,451,249**

FINAR STOCK

7.12 Large Loan Restructuring

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

Name of the client	Loan type	Expiry date	BDT
Abdul Monem Sugar	Term Loan	22-Dec-21	449,031,902
Beximco Ltd.	Term Loan	26-Jun-28	1,043,771,711
Beximco Ltd.	Term Loan	29-Jun-22	140,213,297
BEL Construction SDN BHD Ltd.	Term Loan	30-Sep-27	3,616,987,943
BEL Construction SDN BHD Ltd.	Term loan	30-Sep-21	470,733,530
R & R Aviation Limited	Term loan	23-Dec-27	87,522,764
International Knitwear & Apparels Ltd.	Term loan	29-Jun-28	766,332,436
Bangladesh Export Import Co. Ltd.	Term loan	29-Jun-22	574,780,667
New Dacca Industries Ltd.	Term loan	29-Jun-22	2,833,911,940
New Dacca Industries Ltd.	Term loan	29-Jun-28	811,483,467
R & R Holdings	Term loan	23-Dec-27	2,643,154,541
			13,437,924,199

		31.12.2017 BDT	31.12.2016 BDT
7(a)	**Consolidated loans, advances and lease/investments**		
	AB Bank Limited	228,624,340,946	218,136,406,416
	AB Investment Limited	6,809,008,852	7,229,768,195
	AB International Finance Limited	-	-
	AB Securities Limited	926,452,178	957,742,708
	Cashlink Bangladesh Limited (CBL)	-	-
		236,359,801,976	**226,323,917,319**
	Less: Intercompany transaction	558,605,987	1,299,950,122
		235,801,195,989	**225,023,967,197**
8	**Bills purchased and discounted**		
	In Bangladesh	449,054,003	307,810,673
	Outside Bangladesh - ABBL, Mumbai Branch	573,891,281	325,234,158
		1,022,945,284	**633,044,832**
8 (a)	**Consolidated bills purchased and discounted**	-	-
	AB Bank Limited	1,022,945,284	633,044,832
	AB Investment Limited	-	-
	AB International Finance Limited	810,350,507	889,489,205
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
		1,833,295,791	**1,522,534,037**
8.1	**Maturity grouping**		
	Repayable – within 1 month	412,112,663	273,275,308
	– over 1 month but within 3 months	289,320,851	173,851,736
	– over 3 months but within 6 months	237,210,422	138,487,586
	– over 6 months	84,301,348	47,430,201
		1,022,945,284	**633,044,831**

		31.12.2017 BDT	31.12.2016 BDT
9.	**Fixed assets including premises, furniture and fixtures**		
	Cost:		
	Land and Building	3,334,695,982	3,341,682,082
	Furniture and fixtures	251,645,602	244,966,861
	Office appliances	63,934,080	60,825,847
	Electrical appliances	1,686,952,850	1,558,912,484
	Motor vehicles	839,192,792	680,140,745
	Intangible assets	625,401,300	594,165,723
		6,801,822,607	6,480,693,743
	Less: Accumulated depreciation and amortization	2,688,481,339	2,400,316,308
		4,113,341,268	**4,080,377,435**
	A schedule of fixed assets is given in **Annexure-C**		
9(a)	**Consolidated fixed assets including premises, furniture and fixtures**		
	Cost:		
	AB Bank Limited	6,801,822,607	6,480,693,743
	AB Investments Limited	687,932,186	683,616,541
	AB International Finance Limited	6,665,421	7,889,183
	AB Securities Limited	30,284,145	30,284,145
	Cashlink Bangladesh Limited (CBL)	81,471,358	81,471,360
		7,608,175,717	**7,283,954,972**
	Accumulated depreciation:		
	AB Bank Limited	2,688,481,339	2,400,316,308
	AB Investments Limited	104,376,007	86,449,029
	AB International Finance Limited	6,513,299	7,728,873
	AB Securities Limited	28,120,447	27,126,913
	Cashlink Bangladesh Limited (CBL)	81,439,535	81,366,850
		2,908,930,626	**2,602,987,972**
		4,699,245,091	**4,680,967,000**
10	**Other assets**		
	Income generating-equity investment		
	In Bangladesh:		
	AB Investment Limited (99.99% owned subsidiary company of ABBL)	5,811,431,750	5,811,431,750
	AB Securities Limited (99.91% owned subsidiary company of ABBL)	199,898,000	199,898,000
	Cashlink Bangladesh Limited (CBL) (90% owned subsidiary company of ABBL)	212,581,228	212,581,228
		6,223,910,978	**6,223,910,978**

		31.12.2017 BDT	31.12.2016 BDT
Outside Bangladesh:			
AB International Finance Ltd., Hong Kong		5,203,944	5,203,944
(wholly owned subsidiary company of ABBL)			
Investment in Amana Bank Limited as Associates		441,450,222	439,683,073
		446,654,166	**444,887,018**
		6,670,565,144	**6,668,797,996**
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		-	-
Deferred Tax	(note 10.1)	1,428,042,515	2,312,064,286
Accounts receivable		1,156,026,660	889,650,552
Preliminary, formation, organisational, renovation, development, prepaid expenses and others		875,183,299	805,559,950
Exchange for clearing		492,291,351	570,641,969
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables		968,925,438	1,026,651,535
Security deposits		177,077,324	159,266,370
Advance rent and advertisement		262,872,811	246,555,630
Stationery, stamps, printing materials, etc.		65,706,665	28,476,396
Inter-branch adjustment		-	621,590
		5,446,046,063	**6,059,408,278**
		12,116,611,208	**12,728,206,273**

10(a) Consolidated other assets

AB Bank Limited	12,116,611,208	12,728,206,273
AB Investment Limited	101,742,474	56,699,559
AB International Finance Limited	29,837,793	23,437,029
AB Securities Limited	69,807,179	32,836,258
Cashlink Bangladesh Limited (CBL)	30,209,100	30,917,320
	12,348,207,754	**12,872,096,439**
Less: Intercompany transaction	6,484,293,747	6,488,188,273
	5,863,914,006	**6,383,908,169**

10.1 Deferred tax assets

a) Deferred tax assets for specific provisions of loans and advances

Opening Deferred tax (assets)/liabilities	2,433,514,889	1,561,348,994
Add: Deferred tax income during the year (Tax @ 40% on Specific provision made during the year BDT 3,809,613,907)	1,523,845,563	872,165,895
Less: Write-off adjustment	2,448,533,482	-
Closing deferred tax assets	**1,508,826,970**	**2,433,514,889**

			31.12.2017 BDT	31.12.2016 BDT
	b)	**Deferred tax liabilities against property, plant and equipment**		
		Balance at 01 January	121,450,602	133,096,262
		Add/(less): Provision made during the year	(41,503,394)	(11,504,515)
		Add/(Less): Adjustment for rate fluctuation during the year	837,246	(141,145)
		Closing deferred tax liabilities	**80,784,454**	**121,450,602**
		Net Deferred Tax Assets (a-b)	**1,428,042,515**	**2,312,064,287**
		Net Deferred Tax Income during the year	**1,565,348,957**	**883,670,410**
11.		**Borrowings from other banks, financial institutions and agents**		
		In Bangladesh (note 11.1)	20,599,348,916	9,941,690,524
		Outside Bangladesh (note 11.2)	1,272,094,447	5,512,731,619
			21,871,443,363	**15,454,422,143**
11.1		**In Bangladesh:**		
11.1.1		**Bangladesh Bank**		
		ADB loan	-	890,625
		Export Development Fund	2,958,975,925	2,961,842,309
		Islamic Investment Bond	2,103,666,667	-
		Refinance against IPFF	351,221,098	372,713,265
		Refinance against Women Entrepreneur, Small Enterprise, ETP and Others	228,229,210	321,659,394
			5,642,092,900	**3,657,105,593**
11.1.2		**Call and term borrowing from**		
		Mutual Trust Bank Limited	600,000,000	-
		Dutch Bangla Bank Limited	-	792,450,236
		CITI Bank NA	-	220,000,000
		Agrani Bank Limited	2,444,600,542	393,555,500
		Prime Bank Limited	-	800,000,000
		Sonali Bank Limited	2,950,000,000	-
		IFIC Bank Limited	500,000,000	-
		Janata Bank Limited	700,000,000	-
		National Bank Limited	-	900,000,000
		BASIC Bank Limited	1,000,000,000	-
		Uttara Bank Limited	1,000,000,000	-
		Bank Asia Limited	3,332,330,704	-
		Habib Bank Limited	-	79,236,934
		Southeast Bank Limited	-	712,722,451
		Bank Al Falah	-	196,777,750
		Dhaka Bank Limited	-	1,187,290,259
		Rupali Bank Limited	2,000,000,000	-
		Krishi Bank Limited	82,700,000	-
		Modhumoti Bank Limited	41,350,000	-
		Bank Alfalah	207,554,028	-
		Trust Bank Limited	-	1,000,000,000
		Accrued interest	96,030,907	1,447,372
		Accrued interest repo other Bank	2,689,835	1,104,429
			14,957,256,016	**6,284,584,931**
			20,599,348,916	**9,941,690,524**

AMAR STOCK

			31.12.2017 BDT	31.12.2016 BDT
11.2	**Outside Bangladesh**			
	Sonali Bank UK		-	495,452,954
	ICICI Bank		1,272,094,447	-
	Banca UBAE, Italy		-	395,436,258
	Al-Noor Bank Limited		-	3,940,519,398
	RAK BANK		-	681,323,009
			1,272,094,447	**5,512,731,619**
	Schedule of borrowings from other Banks, Financial Institutions and Agents outside Bangladesh is given in **Annexure - D**.			
11.3	**Analysis by security**			
	Secured (assets pledge as security for liabilities)		-	-
	Unsecured		21,871,443,363	15,454,422,143
			21,871,443,363	**15,454,422,143**
11.4	**Repayment pattern**			
	Repayable on demand		3,250,000,000	1,120,000,000
	Repayable on maturity	(note 11.4.1)	18,621,443,363	14,334,422,143
			21,871,443,363	**15,454,422,143**
11.4.1	**Repayable on maturity**			
	Bangladesh Bank:			
	ADB loan		-	890,625
	Export Development Fund		2,958,975,925	2,961,842,309
	Islamic investment bond		2,103,666,667	-
	Refinance against IPFF		351,221,098	372,713,265
	Refinance against Women Entrepreneur., Small Enterprise, ETP and Others		228,229,210	321,659,394
			5,642,092,900	**3,657,105,593**
	Term borrowings:			
	BASIC Bank Limited		1,000,000,000	-
	Trust Bank Limited		-	1,000,000,000
	Agrani Bank Limited		2,444,600,542	393,555,500
	South East Bank Limited		-	712,722,451
	Uttara Bank Limited		1,000,000,000	-
	Bank Asia Limited		3,332,330,704	-
	Rupali Bank Limited		2,000,000,000	-
	Bank Al Falah		207,554,028	196,777,750
	Sonali Bank Limited		1,500,000,000	
	Dhaka Bank Limited		-	1,187,290,259
	Krishi Bank Limited		82,700,000	-
	Prime Bank Limited		-	800,000,000
	Modhumoti Bank Limited		41,350,000	-
	Habib Bank Limited		-	79,236,934
	Dutch Bangla Bank Ltd		-	792,450,236
	BANCA UBAE SPA		-	395,436,258
	RAK Bank		-	681,323,009
	Sonali Bank UK		-	495,452,954
	ICICI BK LTD,HK		1,272,094,447	-
	Al-Noor Bank Limited		-	3,940,519,398
	Accrued interest		98,720,742	2,551,802
			12,979,350,463	**10,677,316,550**
			18,621,443,363	**14,334,422,143**

		31.12.2017 BDT	31.12.2016 BDT
11(a)	**Consolidated borrowings from other Banks, Financial Institutions and Agents**		
	AB Bank Limited	21,871,443,363	15,454,422,143
	AB Investment Limited	333,601,157	1,207,273,365
	AB International Finance Limited	669,218,846	692,242,365
	AB Securities Limited	226,047,986	253,621,766
	Cashlink Bangladesh Limited (CBL)	-	-
		23,100,311,353	17,607,559,639
	Less: Intercompany transactions	1,227,824,834	1,849,804,163
		21,872,486,519	**15,757,755,476**
12.	**AB Bank subordinated bonds**		
	AB Bank subordinated bond-I	2,000,000,000	2,500,000,000
	AB Bank subordinated bond-II	4,000,000,000	4,000,000,000
		6,000,000,000	**6,500,000,000**

AB Bank subordinated bonds

Bank has issued 7 years subordinated 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	800,000,000	1,000,000,000
Sonali Bank Limited	1,400,000,000	1,500,000,000
Agrani Bank Limited	900,000,000	1,000,000,000
Midland Bank Limited	160,000,000	200,000,000
BRAC Bank Limited	380,000,000	400,000,000
NRB Commercial Bank Limited	380,000,000	400,000,000
Mutual Trust Bank Limited	64,000,000	80,000,000
Grameen Capital Management Limited	16,000,000	20,000,000
Rupali Bank Limited	1,000,000,000	1,000,000,000
Janata Bank Limited	500,000,000	500,000,000
Uttara Bank Limited	300,000,000	300,000,000
National Life Insurance Co. Limited	100,000,000	100,000,000
	6,000,000,000	**6,500,000,000**

13.	**Deposit and other accounts**		
	Inter-bank deposits	2,325,377,844	4,681,805,278
	Other deposits	233,628,930,609	240,958,977,631
		235,954,308,453	**245,640,782,909**
13(a)	**Consolidated deposit and other accounts**		
	AB Bank Limited	235,954,308,453	245,640,782,909
	AB Investment Limited	-	-
	AB International Finance Limited	-	-
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
		235,954,308,453	245,640,782,909
	Less: Intercompany transaction	392,232,950	246,378,489
		235,562,075,504	**245,394,404,421**

		31.12.2017 BDT	31.12.2016 BDT
13.1	**Maturity analysis of inter-bank deposits**		
	Repayable – on demand	1,142,095,233	1,323,228,968
	– within 1 month	353,183,027	3,338,175,477
	– over 1 month but within 3 months	-	-
	– over 3 months but within 1 year	830,099,583	20,400,833
	– over 1 period but within 5 years	-	-
	– over 5 periods but within 10 years	-	-
	– over 10 years	-	-
		2,325,377,844	**4,681,805,278**
13.2	**Maturity analysis of other deposits**		
	Repayable – on demand	5,338,163,161	3,408,558,336
	– within 1 month	19,151,436,695	23,157,287,099
	– over 1 month but within 3 months	64,344,086,654	60,103,828,484
	– over 3 months but within 1 year	95,939,421,864	89,682,914,421
	– over 1 period but within 5 years	47,383,162,966	62,520,054,989
	– over 5 years	1,472,659,270	2,086,334,302
		233,628,930,609	**240,958,977,631**
13.3	**Demand and time deposits**		
	a) Demand deposits	**26,762,401,441**	**29,685,925,468**
	Current accounts and other accounts	21,822,803,753	22,298,120,917
	Savings deposits (9%)	2,688,296,129	2,522,222,229
	Bills payable	2,251,301,559	4,865,582,322
	b) Time Deposits	**209,191,907,013**	**215,954,857,441**
	Savings deposits (91%)	27,181,660,860	25,502,469,205
	Short notice deposits	32,995,346,150	49,236,728,682
	Fixed deposits	129,606,179,136	122,034,379,371
	Other deposits	19,408,720,866	19,181,280,183
	Total demand and time deposits	**235,954,308,453**	**245,640,782,909**
13.4	**Sector-wise break up of deposits and other accounts**		
	Government	2,409,574,719	1,753,988,460
	Deposit money Banks	2,325,377,844	4,681,805,278
	Autonomous and Semi-Autonomous Bodies	4,227,465,204	4,667,196,517
	Public non-financial organisation	49,037,812,443	61,334,737,839
	Other public	3,414,634,389	3,394,084,791
	Foreign currency	7,348,050,954	6,805,419,728
	Private	167,191,392,900	163,003,550,296
		235,954,308,453	**245,640,782,909**

			31.12.2017 BDT	31.12.2016 BDT
14.	**Other liabilities**			
	Accumulated provision against loans and advances	(note 14.1)	8,733,640,130	6,605,083,960
	Inter-branch adjustment		5,405,965	-
	Provision for current tax (net of advance tax)	(note 14.2)	889,411,024	2,561,589,337
	Interest suspense account	(note 14.3)	13,345,309,883	10,459,867,308
	Provision against other assets	(note 14.4)	250,198,969	237,198,969
	Accounts payable - Bangladesh Bank		1,439,084,087	802,485,542
	Accrued expenses		218,789,290	360,305,082
	Provision for off balance sheet items	(note 14.5)	860,000,000	860,000,000
	Provision against investments	(note 14.6)	1,560,053,000	1,550,053,000
	Others (*)		666,110,214	689,642,580
			27,968,002,561	**24,126,225,778**

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

14.1	**Accumulated provision against loans and advances**			
	The movement in specific provision for bad and doubtful debts			
	Balance at 01 January		2,463,153,374	2,564,529,261
	Fully provided debts written off during the year	(-)	(2,506,985,952)	(2,305,175,887)
	Recovery of amounts previously written off	(+)	6,286,093	23,385,264
	Specific provision made during the year	(+)	3,809,613,907	2,180,414,736
			1,308,914,048	(101,375,887)
	Balance at the year ended		**3,772,067,423**	**2,463,153,374**
	Provision made by ABBL, Mumbai Branch		90,382,514	43,189,581
	Total provision on classified loans and advances		**3,862,449,936**	**2,506,342,955**
	On unclassified loans			
	Balance at 01 January		4,095,267,313	2,115,067,313
	Transferred from other assets provisions	(+)	-	100,000,000
	Transferred from investment provisions	(+)	-	350,000,000
	Transferred from other assets	(+)	-	440,000,000
	Transferred from provision for current tax	(+)	-	350,000,000
	General provision made during the year	(+)	772,049,345	740,200,000
			772,049,345	1,980,200,000
	Balance at the year ended		4,867,316,658	4,095,267,313
	Provision made by ABBL, Mumbai Branch		3,873,536	3,473,693
	Total provision on un-classified loans and advances		**4,871,190,194**	**4,098,741,006**
	Total provision on loans and advances		**8,733,640,130**	**6,605,083,960**

Amounts in BDT

Provision for 2017:	**Required**	**Maintained**	**Excess**
Un-classified loans and advances	4,870,173,536	4,871,190,194	1,016,658
Classified loans and advances	3,861,582,514	3,862,449,936	867,422
	8,731,756,050	**8,733,640,130**	**1,884,080**

Provision for Loans and advances has been maintained as per Bangladesh Bank Letter no. DBI-1/101/2018-1316 dated 26 April 2018.

Amounts in BDT

		Required	Maintained
14.1.1	**Details of provision for loans and advances**		
	General provision	**4,870,173,536**	**4,871,190,194**
	Standard	4,405,573,536	4,406,590,194
	Special Mention Account	464,600,000	464,600,000
	Specific provision	**3,861,582,514**	**3,862,449,936**
	Substandard	48,100,000	48,100,000
	Doubtful	271,982,514	271,982,514
	Bad/Loss	3,541,500,000	3,542,367,423
	Excess provision maintained at 31 December 2017		**1,884,080**
14.2	**Provision for current tax (net of advance tax)**		
	Current tax (note 14.2.1)	14,075,970,095	15,150,207,047
	Advance income tax (note 14.2.2)	13,186,559,071	12,588,617,710
	Provision for current tax (net of advance tax)	**889,411,024**	**2,561,589,337**

		31.12.2017 BDT	31.12.2016 BDT
14.2.1	**Provision for current tax**		
	Balance at 01 January	15,080,733,191	13,935,338,386
	Add: Provision made during the year	1,285,351,909	1,495,394,805
	Less: Write-off adjustment	2,448,533,482	-
	Less: Adjustment during the year	-	350,000,000
	Balance at the year ended	13,917,551,618	15,080,733,191
	Provision held by ABBL, Mumbai Branch	158,418,477	69,473,856
		14,075,970,095	**15,150,207,047**

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 and 2016 submitted under section 82BB corresponding to assessment years 2015-16, 2016-17 & 2017-18. 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 2017	12,514,607,418	11,180,990,162
	Add: Paid during the year	445,715,627	1,241,741,245
	Tax withheld during the year	48,587,319	91,876,011
	Paid during the year	494,302,946	1,333,617,256
	Less: Transfer/adjustment during the year	-	-
	Balance at 31 December	13,008,910,364	12,514,607,418
	Advance tax of ABBL, Mumbai Branch	177,648,707	74,010,292
		13,186,559,071	**12,588,617,710**

14.3	**Interest suspense account**		
	Balance at 01 January	10,414,337,836	6,038,040,779
	Add: Transfer during the year (+)	3,675,066,572	5,184,751,472
	Less: Recovery during the year (-)	27,486,040	34,455,000
	Less: Waiver during the year (-)	9,968,000	39,203,000
	Less: Write off during the year (-)	770,951,917	734,796,414
	Balance at December 31	13,280,998,451	10,414,337,836
	Mumbai Branch	64,311,431	45,529,471
		13,345,309,883	**10,459,867,307**

		31.12.2017 BDT	31.12.2016 BDT
14.4	**Provision against other assets**		
	Provision for		
	Prepaid legal expenses	95,030,000	85,030,000
	Protested bills	26,065,610	26,065,610
	Others	129,103,359	126,103,359
		250,198,969	**237,198,969**

Provision against other assets was made as per BRPD Circular no. 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	94,106,966	94,106,966	50% & 100%	47,053,483	95,030,000
Protested bills	25,284,034	25,284,034	100%	25,284,034	26,065,610
Others	93,521,478	93,521,478	100%	93,521,478	129,103,359
Required provision for other assets				**165,858,995**	**250,198,969**
Total provision requirement					165,858,995
Total provision maintained					250,198,969
Excess provision maintained at 31 December 2017					**84,339,973**

14.5	**Provision for off balance sheet items**		
	Balance at 01 January	860,000,000	860,000,000
	Less: Transfer to general reserve	-	-
	Add: Provision made during the year	-	-
	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 (%)	31.12.2017	31.12.2016
Acceptances and endorsements	23,879,322,558	1%	238,793,226	289,666,378
Letters of guarantee	13,525,351,128	1%	135,253,511	139,203,069
Irrevocable letters of credit	15,836,913,326	1%	158,369,133	220,056,800
Bills for collection	6,402,389,259	1%	64,023,893	60,313,969
Others	2,606,530,367	1%	26,065,304	-
Total off balance sheet items and required provision	62,250,506,638		622,505,066	709,240,216
Total provision maintained			860,000,000	860,000,000
Excess provision at 31 December 2017			**237,494,934**	**150,759,784**

No provision has been maintained against off balance sheet items of Mumbai Branch amounting BDT 3,200,109,510 as per Reserve Bank of India (RBI) guidelines.

		31.12.2017 BDT	31.12.2016 BDT
14.6	**Provision against investments**		
	Balance at 01 January	1,550,053,000	1,875,053,000
	Add: Provision made during the year	10,000,000	25,000,000
	Less: Transfer to general provision for loans and advances	-	350,000,000
	Less: Transfer to General Reserve	-	-
	Closing Balance	**1,560,053,000**	**1,550,053,000**
	Total provision maintained for investment	1,560,053,000	1,550,053,000
	Total provision requirement for investment	1,557,650,635	1,547,018,037
	Excess provision	**2,402,366**	**3,034,963**
14(a)	**Consolidated other liabilities**		
	AB Bank Limited	27,968,002,561	24,126,225,778
	AB Investment Limited	829,769,725	613,737,751
	AB International Finance Limited	50,956,308	55,835,113
	AB Securities Limited	976,422,273	699,671,854
	Cashlink Bangladesh Limited (CBL)	9,765,006	9,914,506
		29,834,915,872	25,505,385,002
	Less: Intercompany transaction	174,793,931	322,893,637
		29,660,121,941	**25,182,491,365**
15.	**Share Capital**	**7,581,303,150**	**6,738,936,140**
15.1	**Authorised Capital**		
	1,500,000,000 ordinary shares of BDT 10 each	**15,000,000,000**	**15,000,000,000**
15.2	**Issued, Subscribed and Paid-up Capital**		
	10,000,000 ordinary shares of BDT 10 each issued for cash	100,000,000	100,000,000
	5,000,000 ordinary shares of BDT 10 each issued for rights	50,000,000	50,000,000
	743,130,315 ordinary shares of BDT 10 each issued as bonus shares	7,431,303,150	6,588,936,140
		7,581,303,150	**6,738,936,140**

15.3 Percentage of shareholding

	As at 31 December 2017		As at 31 December 2016	
	No. of shares	**%**	**No. of shares**	**%**
Sponsors and public	753,784,637	99.43	670,030,788	99.43
Government	4,345,678	0.57	3,862,826	0.57
	758,130,315	**100.00**	**673,893,614**	**100.00**

15.4 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Upto 500	41,184	40,376	53.50	55.74
501 to 5,000	27,537	25,968	35.77	35.85
5,001 to 10,000	3,820	3,082	4.96	4.26
10,001 to 20,000	2,191	1,570	2.85	2.17
20,001 to 30,000	719	514	0.93	0.71
30,001 to 40,000	372	199	0.48	0.27
40,001 to 50,000	236	145	0.31	0.20
50,001 to 100,000	443	250	0.58	0.35
100,001 to 1,000,000	411	270	0.53	0.37
Over 1,000,000	64	58	0.08	0.08
	76,977	**72,432**	**100**	**100**

15.5 Names of the Directors and their shareholding as at December 31, 2017

Name of the Director	Status	No of Shareholding	
		31.12.2017	31.12.2016
Mr. M. A. Awal	Chairman	4,749	4,222
Mr. Feroz Ahmed	Vice Chairman	15,730,196	13,982,398
Mr. Syed Afzal Hasan Uddin	Director	3,371	2,997
Mr. Md. Mesbahul Hoque	Director	3,371	2,997
Mr. Syed Golam Kibria	Director	1,125	1,000
Mr. Asish Baran Sarkar	Director	1,125	1,000
Mr. Moshtaque Ahmed Chowdhury*	Director	-	-
Mrs. Shireen Scheik Mainuddin*	Director	-	-
Mr. Shajir Ahmed*	Director	-	-
Mr. Shishir Ranjan Bose FCA	Independent Director	-	-
Prof. Dr. M. Imtiaz Hossain	Independent Director	-	-
Mr. Moshiur Rahman Chowdhury	President & Managing Director	-	-

* Appointed in the 35th Annual General Meeting held on 21 December 2017. Bangladesh Bank accorded its concent on 04 January 2018.

15.6 Capital to Risk Weighted Assets Ratio (CRAR) - As per BASEL III

Consolidated - Capital Adequacy Ratio

In terms of section 13(2) of the Bank Company (amendment up to 2018) Act, 1991 and Bangladesh Bank BRPD circular no. 18 dated 21 December 2014, required capital of the Bank on Consolidated basis at the close of business on 31 December 2017 is BDT 32,983,225,256 as against available Total Common Equity Tier-I Capital of BDT 20,850,831,942 and Total Tier-2 Capital available of BDT 12,132,747,311 that is a total of BDT 32,983,579,253 thereby showing surplus capital of BDT 353,997 at that date. Details are shown below:

	31.12.2017 BDT	31.12.2016 BDT
Tier I Capital (Going-Concern Capital)		
Common Equity Tier-I Capital		
Fully Paid-up capital/Capital Deposited with BB	7,581,303,150	6,738,936,140
Statutory reserve	6,549,242,999	6,495,637,440
Non-repayable share premium account	-	-
General reserve	1,302,259,888	1,298,909,942
Retained earnings	7,051,767,695	7,836,238,115
Non-controlling Interest in subsidiaries	10,106,613	9,911,986
Non-cumulative irredeemable preferences shares	-	-
Dividend equalization account	-	-
	22,494,680,345	**22,379,633,623**
Regulatory Adjustment:		
Goodwill and all other Intangible Assets	165,644,969	238,275,824
Shortfall in provisions required against Non Performing Loans (NPLs)	-	-
Shortfall in provisions required against investment in shares	-	-
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
Deferred Tax Assets (DTA)	1,433,385,621	2,311,839,144
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	34,857,814	13,489,480
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991.	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment Other if any	9,960,000	9,960,000
	1,643,848,403	2,573,564,448
Total Common Equity Tier-I Capital	**20,850,831,942**	**19,806,069,176**
Additional Tier-I Capital	**-**	**-**
Tier-2 Capital (Gone concern capital)		
General Provision/General loan-loss reserve	6,297,628,181	5,064,140,543
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)	5,600,000,000	6,500,000,000
Non-controlling 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 and 10% of Equities)	849,638,093	849,638,093
Other (if any item approved by Bangladesh Bank)	-	-
Sub-total	**12,747,266,274**	**12,413,778,636**

	31.12.2017 BDT	31.12.2016 BDT
Regulatory adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	509,782,856	339,855,237
Investment in own T-2 Instruments/Shares	-	-
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	9,960,000	9,960,000
Other (if any)	94,776,107	-
Total Tier-2 Capital available	**12,132,747,311**	**12,063,963,398**
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)	18,534,304,513	17,605,614,890
Excess amount over maximum limit of T 2	-	-
Total admissible Tier 2 Capital	**12,132,747,311**	**12,063,963,398**
A. Total Eligible Capital	**32,983,579,253**	**31,870,032,574**
Total assets including off-Balance Sheet items	382,549,026,029	390,647,684,343
Total Risk Weighted Assets (RWA)	293,184,224,499	287,204,203,147
B. Total required capital (11.25% of Total RWA)	**32,983,225,256**	**30,515,446,584**
Capital Surplus / (Shortfall) [A-B]	**353,997**	**1,354,585,990**
Capital to Risk Weighted Assets Ratio (CRAR)	**11.25%**	**11.10%**

Solo - Capital to Risk Weighted Assets Ratio (CRAR)

In terms of section 13(2) of the Bank Company (amendment up to 2018) Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank on Solo basis at the close of business on December 31, 2017 is BDT 32,596,007,689 as against available Common Equity Tier-I capital of BDT 19,730,848,945 and Total Tier-2 Capital Available capital of BDT 11,555,626,078 that is a total of BDT 31,286,475,023 thereby showing deficit capital of BDT 1,309,532,666 at that date. Details are shown below:

Tier I Capital (going-concern capital)

Common Equity Tier-I Capital		
Fully Paid-up capital/Capital deposited with BB	7,581,303,150	6,738,936,140
Statutory reserve	6,549,243,000	6,495,637,440
Non-repayable share premium account	-	-
General reserve	1,222,199,200	1,222,199,200
Retained earnings	6,011,991,999	6,809,663,765
Non-controlling interest in subsidiaries	-	-
Non-cumulative irredeemable preferences shares	-	-
Dividend equalization account	-	-
	21,364,737,348	**21,266,436,546**

	31.12.2017 BDT	31.12.2016 BDT
Regulatory adjustment:		
Goodwill and all other intangible assets	165,644,969	238,275,824
Shortfall in provisions required against Non Performing Loans (NPLs)	-	-
Shortfall in provisions required against investment in shares	-	-
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
Deferred Tax Assets (DTA)	1,433,385,621	2,311,839,144
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	34,857,814	13,489,480
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991.	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	-	-
Other if any	-	-
	1,633,888,403	**2,563,604,448**
Total Common Equity Tier-I Capital	**19,730,848,945**	**18,702,832,098**
Additional Tier-I Capital	**-**	**-**
Tier-2 Capital (Gone concern Capital)		
General Provision/General loan-loss reserve	5,731,190,194	4,958,741,006
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)	5,600,000,000	6,500,000,000
Non-controlling 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	**12,129,220,172**	**12,256,770,984**
Regulatory adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	478,817,987	319,211,991
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)	94,776,107	-
Total Tier-2 Capital available	**11,555,626,078**	**11,937,558,993**

		31.12.2017 BDT	31.12.2016 BDT
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)		17,538,751,627	16,624,947,452
Excess amount over maximum limit of T 2		-	-
Total admissible Tier 2 capital		**11,555,626,078**	**11,937,558,993**
A. Total Eligible Capital		**31,286,475,023**	**30,640,391,090**
Total assets including off-Balance Sheet items		380,015,615,614	388,314,805,147
Total Risk Weighted Assets (RWA)		289,742,290,566	284,028,538,801
B. Total required capital (11.25% of Total RWA)		**32,596,007,689**	**30,178,032,248**
Capital Surplus / (Shortfall) [A-B]		**(1,309,532,666)**	**462,358,843**
Capital to Risk Weighted Assets Ratio (CRAR)		**10.80%**	**10.79%**
16. Statutory reserve			
In Bangladesh			
Opening balance		6,256,894,064	5,888,708,849
Add: Addition during the year		-	368,185,215
Add/less: Adjustment for Foreign Exchange Rate Fluctuation		-	-
		6,256,894,064	6,256,894,064
Outside Bangladesh - ABBL, Mumbai Branch			
Opening balance		238,743,376	222,494,695
Add: Addition during the year		26,124,722	20,527,152
Add: Transferred from Investment fluctuation reserve		-	-
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation		27,480,837	(4,278,471)
		292,348,935	238,743,376
		6,549,242,999	**6,495,637,440**
17. Other reserve			
General reserve	(note 17.1)	1,222,199,200	1,222,199,200
Assets revaluation reserve	(note 17.2)	1,300,480,317	1,303,760,781
Investment revaluation reserve	(note 17.3)	106,027,424	544,262,857
		2,628,706,941	**3,070,222,838**
17.1 General reserve			
Opening balance		1,222,199,200	1,222,199,200
Add: Transferred from general provision of loans and advances		-	-
Add: Transferred from off balance sheet provisions		-	-
Add: Transferred from investment provisions		-	-
		1,222,199,200	**1,222,199,200**
17.2 Assets revaluation reserve			
Opening balance		1,303,760,781	1,305,535,182
Less: Transferred to retained earnings		(3,280,464)	(1,774,401)
		1,300,480,317	**1,303,760,781**

			31.12.2017 BDT	31.12.2016 BDT
17.3	**Investment revaluation reserve (T.Bills and T.Bonds)**			
	In Bangladesh			
	Revaluation reserve for:			
	Held to Maturity (HTM)	(note 17.3.1)	3,483,281	2,227,349
	Held for Trading (HFT)	(note 17.3.2)	102,544,143	542,035,508
			106,027,424	**544,262,857**
	Outside Bangladesh			
	ABBL, Mumbai Branch		-	-
			106,027,424	**544,262,857**
17.3.1	**Revaluation Reserve for Held to Maturity (HTM)**			
	Opening balance		2,227,349	2,176,484
	Add: Addition during the year		1,255,932	672,032
			3,483,281	2,848,516
	Less: Adjustment during the year		-	621,167
			3,483,281	**2,227,349**
17.3.2	**Revaluation Reserve for Held for Trading (HFT)**			
	Opening balance		542,035,509	1,329,998,553
	Add: Addition during the year		425,339,665	2,261,509,415
			967,375,174	3,591,507,968
	Less: Adjustment during the year		864,831,030	3,049,472,459
			102,544,143	**542,035,509**
17(a)	**Consolidated other reserve**			
	AB Bank Limited		2,628,706,941	3,070,222,838
	AB Investment Limited		-	-
	AB International Finance Limited		80,664,415	81,237,501
	AB Securities Limited		101,934,105	101,934,926
	Cashlink Bangladesh Limited (CBL)		-	-
			2,811,305,460	**3,253,395,264**
18.	**Retained earnings**			
	Opening balance		6,809,663,765	6,830,946,921
	Add/(Less): Adjustment for investment in Amana Bank		(17,852,549)	(180,140,019)
	Add: Post-tax profit for the year		29,600,965	1,304,670,423
	Less: Transfer to statutory reserve		(26,124,722)	(388,712,367)
	Cash dividend		-	-
	Bonus shares issued		(842,367,010)	(748,770,680)
			5,952,920,449	**6,817,994,278**
	Add/(Less): Transferred from assets revaluation reserve		3,280,464	1,774,401
	Add/(Less): Foreign exchange translation gain/(loss)		55,791,085	(10,104,914)
			6,011,991,999	**6,809,663,765**

		31.12.2017 BDT	31.12.2016 BDT
18(a)	**Consolidated Retained earnings**		
	AB Bank Limited	6,011,991,999	6,809,663,765
	AB Investment Limited	330,303,286	635,065,186
	AB International Finance Limited	88,586,493	84,608,098
	AB Securities Limited	147,708,877	166,317,601
	Cashlink Bangladesh Limited (CBL)	(183,652,421)	(185,493,381)
		6,394,938,234	7,510,161,269
	Add/(Less): Adjustment made during the year	638,595,388	307,674,218
	Non-controlling interest	(18,234,073)	(18,402,628)
		7,051,767,695	**7,836,238,115**
18(b)	**Non- controlling interest**		
	AB Investment Limited	10,270	9,797
	AB Securities Limited	461,585	451,527
	Cashlink Bangladesh Limited	9,634,758	9,450,662
		10,106,613	**9,911,986**
19.	**Contingent liabilities**	**65,450,616,147**	**73,478,914,136**
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	126,395,210	126,303,800
	Others	13,398,955,918	13,794,003,122
		13,525,351,128	**13,920,306,922**

		2017 BDT	2016 BDT
20.	**Profit and loss account**		
	Income:		
	Interest, discount and similar income	21,544,112,223	22,941,335,413
	Dividend income	187,773,760	192,687,562
	Fees, commission and brokerage	1,690,166,432	1,872,192,713
	Gains less losses arising from investment securities	138,878,628	96,492,875
	Gains less losses arising from dealing in foreign currencies	1,094,559,439	844,901,183
	Other operating income	110,356,902	115,809,979
	Gains less losses arising from dealing securities	478,036,591	1,086,468,655
	Income from non-banking assets	-	-
	Loss on disposal of AB Exchange (UK) Limited	-	(54,787,885)
		25,243,883,976	**27,095,100,496**

	2017 BDT	2016 BDT
Expenses:		
Interest, fee and commission	14,896,849,195	16,077,046,356
Administrative expenses	4,217,593,486	4,236,639,417
Other operating expenses	1,352,875,569	1,424,393,841
Depreciation and amortization on banking assets	300,443,088	337,585,289
Losses on loans and advances	-	-
	20,767,761,339	22,075,664,903
	4,476,122,637	**5,019,435,593**

21. Interest income/profit on investments

Interest on loans and advances:		
Loans and advances	16,364,512,852	18,052,078,467
Bills purchased and discounted	931,362,946	361,618,093
	17,295,875,799	**18,413,696,561**
*Less. Incentive for good borrowers	16,295,110	13,655,184
	17,279,580,689	**18,400,041,377**
Interest on:		
Calls and placements	277,525,463	497,120,122
Balance with foreign banks	5,693,056	1,315,791
Reverse Repo	542,680	12,732,711
Balance with Bangladesh Bank	3,599,386	2,817,625
	287,360,585	**513,986,250**
	17,566,941,274	**18,914,027,627**

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

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

AB Bank Limited	17,566,941,274	18,914,027,627
AB International Finance Limited	39,751,793	50,392,731
AB Investment Limited	414,656,876	412,045,652
AB Securities Limited	75,431,578	77,480,793
Cashlink Bangladesh Limited (CBL)	3,153,072	1,470,187
	18,099,934,592	19,455,416,990
Less: Intercompany transactions	4,546,065	5,411,074
	18,095,388,527	**19,450,005,916**

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

Interest on deposits:		
Fixed deposits	7,487,499,642	8,442,005,899
Savings deposits	818,641,453	769,587,124
Special notice deposits	2,233,473,872	2,981,596,605
Other deposits	1,919,605,262	1,932,860,542
	12,459,220,229	14,126,050,170
Interest on borrowings:		
Local banks, financial institutions including Bangladesh Bank	1,761,916,638	1,254,092,081
Subordinated Bonds	675,712,328	696,904,106
	14,896,849,195	**16,077,046,356**

		2017 BDT	2016 BDT
22(a).	**Consolidated Interest/profit paid on deposits, borrowings, etc.**		
	AB Bank Limited	14,896,849,195	16,077,046,356
	AB Investment Limited	15,986,805	36,372,222
	AB International Finance Limited	4,878,151	5,774,974
	AB Securities Limited	26,884,815	28,053,154
	Cashlink Bangladesh Limited (CBL)	-	-
		14,944,598,966	**16,147,246,706**
	Less: Intercompany transactions	7,216,901	8,089,228
		14,937,382,065	**16,139,157,478**
23.	**Investment income**		
	Capital gain on sale of shares	138,878,628	96,492,875
	Interest on treasury bills	60,970,692	423,855,841
	Dividend on shares	187,773,760	192,687,562
	Income from Amana Bank Limited as Associates	19,619,698	3,087,178
	Loss on disposal of ABEL	-	(54,787,885)
	Interest on debentures	-	-
	Interest on treasury bonds	3,891,812,992	3,590,641,483
	Gain/(loss) on treasury bills and treasury bonds	478,036,591	1,086,468,655
	Interest on other bonds and others	4,767,568	9,723,285
		4,781,859,929	**5,348,168,994**
23(a).	**Consolidated Investment income**		
	AB Bank Limited	4,781,859,929	5,348,168,994
	AB Investment Limited	13,436,300	7,902,899
	AB International Finance Limited	-	-
	AB Securities Limited	11,058,832	10,978,747
	Cashlink Bangladesh Limited (CBL)	165,975	(182,616,310)
		4,806,521,037	5,184,434,330
	Less: Intercompany transactions (*)	80,385,894	78,569,034
		4,726,135,143	**5,105,865,296**

(*) Intercompany transactions includes dividend income from AB International Finance Limited.

24.	**Commission, exchange and brokerage**		
	Other fees, commission and service charges	956,973,402	1,039,395,834
	Commission on letters of credit	597,082,449	657,804,855
	Commission on letters of guarantee	136,110,581	174,992,024
	Exchange gains less losses arising from dealings in foreign currencies	1,094,559,439	844,901,183
		2,784,725,871	**2,717,093,896**
24(a).	**Consolidated commission, exchange and brokerage**		
	AB Bank Limited	2,784,725,871	2,717,093,896
	AB Investment Limited	68,867,462	42,541,797
	AB International Finance Limited	55,747,240	51,446,422
	AB Securities Limited	84,871,298	43,504,521
	Cashlink Bangladesh Limited (CBL)	-	123,290,014
		2,994,211,871	2,977,876,650
	Less: Intercompany transactions	-	122,088,458
		2,994,211,871	**2,855,788,192**

		2017 BDT	2016 BDT
25.	**Other income**		
	Locker rent, insurance claim and others	6,022,552	4,751,956
	Recoveries on loans previously written off	-	-
	Recoveries on telex, telephone, fax, etc.	74,958,139	84,781,759
	Recoveries on courier, postage, stamp, etc.	28,307,519	26,005,800
	Non-operating income (*)	1,068,692	270,463
		110,356,902	**115,809,979**
	(*) Non-operating income includes sale of scrap items.		
25(a).	**Consolidated other income**		
	AB Bank Limited	110,356,902	115,809,979
	AB Investment Limited	12,599,044	11,407,551
	AB International Finance Limited	60,721,521	47,838,245
	AB Securities Limited	2,914,638	2,087,087
	Cashlink Bangladesh Limited (CBL)	-	-
		186,592,105	177,142,862
	Less: Intercompany transactions	8,187,356	8,233,583
		178,404,749	**168,909,279**
26.	**Salary and allowances**		
	Basic salary, provident fund contribution and all other allowances	2,718,310,414	2,603,883,283
	Festival and incentive bonus	195,769,495	329,639,622
		2,914,079,909	**2,933,522,905**
26.1	**Chief executive's salary and fees**	**9,940,551**	**13,510,481**
	In 2017, incentive bonus paid to Chief Executive Officer BDT 610,481 which was charged against salary and allowances in 2016. Thus, Chief Executive's salary and fees for the year 2016 has been restated by BDT 610,481 with salary and allowances.		
26(a).	**Consolidated salary and allowances**		
	AB Bank Limited	2,914,079,909	2,933,522,905
	AB Investment Limited	16,587,467	15,167,897
	AB International Finance Limited	33,163,313	30,941,853
	AB Securities Limited	25,928,018	30,607,697
	Cashlink Bangladesh Limited (CBL)	266,352	230,714
		2,990,025,060	**3,010,471,065**
27.	**Rent, taxes, insurance, electricity, etc.**		
	Rent, rates and taxes	464,677,659	430,192,895
	Electricity, gas, water, etc.	98,461,761	97,314,193
	Insurance	170,887,110	170,375,310
		734,026,531	**697,882,398**
27(a).	**Consolidated rent, taxes, insurance, electricity, etc.**		
	AB Bank Limited	734,026,531	697,882,398
	AB Investment Limited	2,260,184	2,651,581
	AB International Finance Limited	8,104,112	7,766,735
	AB Securities Limited	8,330,201	8,382,409
	Cashlink Bangladesh Limited (CBL)	-	-
		752,721,028	716,683,124
	Less: Intercompany transactions	5,516,520	5,516,520
		747,204,508	**711,166,604**

		2017 BDT	2016 BDT
28.	**Legal expenses**		
	Legal expenses	**7,587,144**	**18,146,709**
28(a).	**Consolidated legal expenses**		
	AB Bank Limited	7,587,144	18,146,709
	AB Investment Limited	239,700	112,700
	AB International Finance Limited	499,420	260,838
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	80,500	51,750
		8,406,763	**18,571,996**
29.	**Postage, stamp, telecommunication, etc.**		
	Telex, fax, internet, wireless link, SWIFT, etc.	81,187,883	91,998,742
	Telephone	9,008,959	10,731,635
	Postage, stamp and shipping	35,484,725	33,170,694
		125,681,567	**135,901,070**
29(a).	**Consolidated postage, stamp, telecommunication, etc.**		
	AB Bank Limited	125,681,567	135,901,070
	AB Investment Limited	882,710	891,607
	AB International Finance Limited	8,699,829	7,466,800
	AB Securities Limited	1,530,181	1,603,253
	Cashlink Bangladesh Limited (CBL)	-	413
		136,794,287	145,863,143
	Less: Intercompany transactions	-	(2,088,458)
		136,794,287	**143,774,685**
30.	**Stationery, printing, advertisements, etc.**		
	Printing and stationery	164,633,614	152,711,368
	Publicity, advertisement, etc.	34,095,358	43,456,291
		198,728,972	**196,167,659**
30(a).	**Consolidated stationery, printing, advertisements etc.**		
	AB Bank Limited	198,728,972	196,167,659
	AB Investment Limited	265,830	362,806
	AB International Finance Limited	344,268	338,886
	AB Securities Limited	609,196	492,926
	Cashlink Bangladesh Limited (CBL)	-	-
		199,948,266	**197,362,277**
31.	**Directors' fees**		
	Directors' fees	2,171,200	2,718,600
	Meeting expenses	5,813,442	6,867,943
		7,984,642	**9,586,543**

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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		2017 BDT	2016 BDT
31(a).	**Consolidated directors' fees**		
	AB Bank Limited	7,984,642	9,586,543
	AB Investment Limited	200,010	373,352
	AB International Finance Limited	-	-
	AB Securities Limited	400,001	480,001
	Cashlink Bangladesh Limited (CBL)	69,000	260,000
		8,653,653	**10,699,895**
32.	**Auditors' fees**		
	Statutory	1,330,236	1,213,141
	Others	1,834,586	3,799,649
		3,164,822	**5,012,790**
32(a).	**Consolidated Auditors' fees**		
	AB Bank Limited	3,164,822	5,012,790
	AB Investment Limited	143,750	138,000
	AB International Finance Limited	362,251	353,849
	AB Securities Limited	88,000	85,000
	Cashlink Bangladesh Limited (CBL)	23,000	172,500
		3,781,823	**5,762,139**
33.	**Depreciation and repairs of Bank's assets**		
	Depreciation:		
	Electrical appliances	107,777,727	135,030,950
	Furniture and fixtures	13,332,628	13,762,881
	Office appliances	2,252,659	2,359,829
	Building	18,513,464	19,070,730
	Motor vehicles	56,209,382	59,394,125
		198,085,859	**229,618,514**
	Repairs:		
	Motor vehicles	47,363,725	40,955,249
	Electrical appliances	73,099,067	75,952,267
	Office premises and others	87,269,665	102,485,767
	Furniture and fixtures	2,841,023	2,769,995
	Office appliances	5,825,866	4,745,584
		216,399,346	**226,908,863**
		414,485,205	**456,527,377**
	Amortization of Intangible Assets	102,357,229	107,966,775
		516,842,435	**564,494,152**
33(a).	**Consolidated Depreciation and repairs of bank's assets**		
	AB Bank Limited	516,842,435	564,494,152
	AB Investment Limited	18,443,009	18,916,434
	AB International Finance Limited	415,076	351,140
	AB Securities Limited	1,817,399	2,036,397
	Cashlink Bangladesh Limited (CBL)	72,683	72,683
		537,590,602	**585,870,806**

		2017 BDT	2016 BDT
34.	**Other expenses**		
	Contractual service	496,815,426	582,616,075
	Petrol, oil and lubricant	75,942,084	74,903,921
	Software expenses	149,497,116	145,829,727
	Entertainment	56,111,238	49,906,193
	Travelling	33,808,109	28,945,241
	Subscription, membership and sponsorship	21,373,168	79,105,129
	Training, seminar and workshop	30,039,682	37,369,497
	Local conveyance	10,981,982	9,659,008
	Professional charges	45,794,517	55,930,874
	Books, newspapers and periodicals	1,805,834	1,611,813
	Branch opening expenses	357,175	311,994
	Bank charges	57,633,430	73,070,673
	Sundry expenses (*)	372,715,808	285,133,696
		1,352,875,569	**1,424,393,841**

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

34(a).	**Consolidated other expenses**		
	AB Bank Limited	1,352,875,569	1,424,393,841
	AB Investment Limited	12,088,409	7,294,724
	AB International Finance Limited	3,355,874	2,520,695
	AB Securities Limited	10,205,381	9,743,783
	Cashlink Bangladesh Limited (CBL)	37,805	23,045
		1,378,563,037	1,443,976,088
	Less: Intercompany transactions	-	120,038,909
		1,378,563,037	**1,323,937,179**
35.	**Provision against loans and advances**		
	On un-classified loans	760,041,382	740,200,000
	On classified loans	3,863,843,415	2,192,572,661
		4,623,884,798	**2,932,772,661**
35(a).	**Consolidated provision against loans and advances**		
	AB Bank Limited	4,623,884,798	2,932,772,661
	AB Investment Limited	270,000,000	-
	AB International Finance Limited	-	-
	AB Securities Limited	56,250,000	6,212,275
	Cashlink Bangladesh Limited (CBL)	-	-
		4,950,134,798	**2,938,984,936**
36.	**Provisions for diminution in value of investments**		
	In quoted shares	**10,000,000**	**25,000,000**
36(a).	**Consolidated provisions for diminution in value of investments**		
	AB Bank Limited	10,000,000	25,000,000
	AB Investment Limited	-	-
	AB International Finance Limited	-	-
	AB Securities Limited	2,050,000	1,287,725
	Cashlink Bangladesh Limited (CBL)	-	(4,307,246)
		12,050,000	**21,980,479**

		2017 BDT	2016 BDT
37.	**Other provision**		
	Provision for off balance sheet items	-	-
	Provision for other assets	171,752	59,558,484
		171,752	**59,558,484**

Provision for other assets included prepaid legal expenses,protested bills and others has been made as per Bangladesh Bank BRPD Circular no. 14 dated 25 June 2001.

37(a).	**Consolidated other provisions**		
	AB Bank Limited	171,752	59,558,484
	AB Investment Limited	-	-
	AB International Finance Limited	-	-
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
		171,752	**59,558,484**

38.	**Appropriations**		
	Retained earnings - brought forward	6,809,663,765	6,830,946,921
	Add/(less): Adjustment for investment in Amana Bank	(17,852,549)	(180,140,019)
	Add: Post-tax profit for the year	29,600,965	1,304,670,423
		6,821,412,181	**7,955,477,324**
	Less: Dividend		
	Cash dividend	-	-
	Bonus shares issued	842,367,010	748,770,680
		5,979,045,171	**7,206,706,644**
	Transferred to		
	Statutory reserve	26,124,722	388,712,367
	General reserve	-	-
	Proposed dividend	-	-
		26,124,722	**388,712,367**
	Retained earnings	**5,952,920,449**	**6,817,994,277**
	Add: Transferred from Assets Revaluation Reserve	3,280,464	1,774,401
	Less: Adjustment during the year	-	-
	Add: Foreign Exchange translation gain/(Loss)	55,791,085	(10,104,914)
		6,011,991,998	**6,809,663,765**

39.	**Earnings Per Share (EPS)**		
	Profit after taxation	29,600,965	1,304,670,423
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Earnings per share	**0.04**	**1.72**

39.(a)	**Consolidated earnings per share**		
	Net profit attributable to the shareholders of parent company	40,644,569	1,514,736,427
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Earnings Per Share	**0.05**	**2.00**

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of December 31, 2017 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the year ended December 31, 2016 was restated for the issues of bonus share in 2017.

		2017 BDT	2016 BDT
40.	**Receipts from other operating activities**		
	Interest on treasury bills, bonds, debenture and others	4,574,466,471	5,207,182,139
	Exchange earnings	1,094,559,439	844,901,183
	Recoveries on telex, telephone, fax, etc.	74,958,139	84,781,759
	Recoveries on courier, postage, stamp, etc.	28,307,519	26,005,800
	Non-operating income	1,068,692	270,463
	Others	6,022,552	4,751,956
		5,779,382,812	**6,167,893,301**
41.	**Payments for other operating activities**		
	Rent, taxes, insurance, electricity, etc.	734,026,531	697,882,398
	Postage, stamps, telecommunication, etc.	125,681,567	135,901,070
	Repairs of Bank's assets	216,399,346	226,908,863
	Legal expenses	7,587,144	18,146,709
	Auditor's fees	3,164,822	5,012,790
	Directors' fees	7,984,642	9,586,543
	Other expenses	1,352,875,569	1,424,393,841
		2,447,719,622	**2,517,832,213**
42.	**Decrease in other assets**		
	Investment in subsidiaries	6,229,114,922	6,229,114,922
	Advance rent and advertisement	262,872,811	246,555,630
	Stationery, stamps, printing materials, etc.	65,706,665	28,476,396
	Security deposits	177,077,324	159,266,370
	Commission and brokerage receivable on shares and debentures, and other income receivables	968,925,438	1,026,651,535
	Accounts receivable	1,156,026,660	889,650,552
	Preliminary, formation, organizational, renovation, development and prepaid expenses	875,183,299	805,559,950
	Exchange for clearing	492,291,351	570,641,969
	Arab Bangladesh Bank Foundation	19,920,000	19,920,000
	Inter-branch adjustment	-	621,590
		10,247,118,470	**9,976,458,914**
	Add. Adjustment during the year	-	50,423,392
		10,247,118,470	10,026,882,306
	Net Decrease	**270,659,557**	**575,458,450**
43.	**Increase/(decrease) in other liabilities**		
	Accumulated provision against loans and advances	8,733,640,130	6,605,083,960
	Provision for current tax	889,411,024	2,561,589,337
	Interest suspense account	13,345,309,883	10,459,867,308
	Accounts payable - Bangladesh Bank	1,439,084,087	802,485,542
	Provision against other assets	250,198,969	237,198,969
	Accrued expenses	218,789,290	360,305,082
	Provision against investments	1,560,053,000	1,550,053,000
	Provision against off balance sheet items	860,000,000	860,000,000
	Others	666,110,214	689,642,580
		27,962,596,595	**24,126,225,778**
	Less: Adjustment for provision and others	13,767,501,323	11,703,765,438
		14,195,095,272	**12,422,460,340**
	Net Increase/(Decrease)	**1,772,634,933**	**5,776,275,074**

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44. Conversion rates

Assets and liabilities as at 31 December 2017 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	110.60
European Currency	EURO	1.00	98.07
Indian Rupee	INR	1.00	1.29
Japanese Yen	JPY	1.00	0.73
US Dollar	USD	1.00	82.70
Honkong Dollar	HKD	1.00	10.59
U.A.E Dirham	DIRHAM	1.00	22.52

45. Highlights of the overall activities of the Bank

Sl no.	Particulars	2017 BDT	2016 BDT
1	Paid-up capital	7,581,303,150	6,738,936,140
2	Total capital	31,286,475,023	30,640,391,090
3	Capital surplus/ (deficit)	(1,309,532,666)	462,358,843
4	Total assets	314,564,999,466	314,835,891,011
5	Total deposits	235,954,308,453	245,640,782,909
6	Total loans and advances	229,647,286,231	218,769,451,248
7	Total contingent liabilities and commitments	65,450,616,147	73,478,914,136
8	Credit-deposit ratio*	86.24%	83.67%
9	Ratio of classified loans against total loans and advances	7.15%	5.19%
10	Profit after tax and provision	29,600,965	1,304,670,423
11	Loans classified during the year	8,321,910,856	7,785,711,884
12	Provision kept against classified loans	3,862,449,936	2,506,342,955
13	Provision surplus/ (deficit)	1,884,080	23,728,687
14	Cost of fund	7.52%	8.06%
15	Interest earning assets	270,092,805,867	272,624,556,302
16	Non-interest earning assets	44,472,193,599	42,211,334,710
17	Return on investments (ROI)	10.18%	13.50%
18	Return on assets (ROA)	0.01%	0.44%
19	Income from investments	4,781,859,929	5,348,168,994
20	Earnings per share	0.04	1.72
21	Net Income per share	0.04	1.72
22	Price-earnings ratio (Times)	566.02	12.96

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

Moshiur Rahman Chowdhury
President & Managing Director

Syed Golam Kibria
Director

Prof. Dr. M. Imtiaz Hossain
Director

M. A. Awal
Chairman

Dhaka, Bangladesh
Dated, 30 April 2018

AB Bank Limited

Currency wise balances

As at 31 December 2017

Annexure-A

Name of the bank	Location	Name of currency	Amounts in foreign currency	Conversion rate	Equivalent amounts in BDT
The Bank of Tokyo Mitsubishi Ltd.	Japan	JPY	4,164,285	0.7303	3,041,177.34
JP Morgan Chase Bank	USA	USD	2,668,860	82.7000	220,714,707.11
Sonali Bank (Kolkata)	India	ACU	95,922	82.7000	7,932,736.17
MFT,YANGON	Myanmer, Yangon	USD	1,000	82.7000	82,700.00
Myanmar Economic Bank	Myanmar	ACU	410	82.7000	33,907.00
Citibank NA	USA	USD	69,653	82.7000	5,760,272.50
Hatton National Bank Ltd.	Srilanka	ACU	35,612	82.7000	2,945,110.75
Commerz Bank AG	Germany	USD	2,066,144	82.7000	170,870,131.96
NIB Bank Ltd.	Pakistan	ACU	49,878	82.7000	4,124,934.58
Mashreq Bank Psc	USA	USD	256,282	82.7000	21,194,534.63
Nepal Bangladesh Bank Ltd.	Nepal	ACU	17,377	82.7000	1,437,098.58
Bank of Bhutan	Bhutan	ACU	33,785	82.7000	2,794,031.91
Wachovia Bank/Wells Fargo N.A	USA	USD	274,518	82.7000	22,702,647.70
Habib America Bank	USA	USD	346,516	82.7000	28,656,850.04
Commerz Bank AG	Germany	EUR	195,104	98.0739	19,134,579.78
Hypovereins Bank	Germany	EUR	24,860	98.0739	2,438,144.61
Habib Metro Bank	Pakistan	ACU	226,410	82.7000	18,724,066.48
Habib Bank AG	Dubai	AED	12,120	22.5187	272,921.92
COMMERZ BK CAD	Germany	CAD	21,381	65.1694	1,393,371.30
COMMERZ BK CHF	Germany	CHF	25,812	83.6114	2,158,141.50
Reserve Bank of India	Mumbai	INR	24,443,100	1.29	31,560,411.49
HDFC Bank Ltd.	Mumbai	INR	75,141,061	1.29	97,020,542.63
HDFC BANK CSGL	Mumbai	INR	349,961	1.29	451,861.63
JP MORGAN CHASE	New York	USD	794,238	82.70	65,683,512.37
HABIB AMERICAN	New York	USD	69,938	82.70	5,783,906.51
JP CHASE ACU	New York	USD	8,289,862	82.70	685,571,611.38
Kotak Mahindra Bank	India	INR	39,407,586	1.29	50,882,238.44
Standard Chartered Bank	New York	USD	2,549,772	82.7000	210,866,128.69
Standard Chartered Bank	Singapore	SGD	25,807	61.5602	1,588,669.31
Standard Chartered Bank,UK	UK,London	GBP	5,579	110.6030	617,015.43
JPMC NY-OBU	USA	USD	69,297	82.7000	5,730,837.92
COMMERZ BANK (R)	Germany	EUR	18	98.0739	1,729.04
Total					**1,692,170,531**

AB Bank Limited

Investment in Shares

As at 31 December 2017

Annexure-B

Particulars	Number of shares	Market price per share	Amounts in BDT		
			Total market price	Cost per Share	Total cost
Dhaka Bank Limited	809,907	22.00	17,817,954	22.89	18,536,293
National Bank Limited	1,669,800	13.00	21,707,400	27.86	46,512,853
Premier Bank Limited	1,551,488	15.70	24,358,362	15.21	23,601,267
AB Bank 1st Mutual Fund	39,456,033	6.60	260,409,818	6.69	264,040,964
LR Global Bangladesh Mutual Fund One	10,369,343	8.30	86,065,547	9.64	100,000,001
Popular Life First Mutual Fund	713,592	6.20	4,424,270	5.37	3,829,324
Pragati Insurance Limited	1,107,136	29.80	32,992,653	113.43	125,579,299
Dhaka Electric Supply Company Limited	7,023,760	45.40	318,878,704	87.73	616,189,886
Jamuna Oil Company Limited	20,444	189.70	3,878,227	211.26	4,318,986
Khulna Power Company Limited	3,868,584	58.50	226,312,164	97.34	376,579,625
Linde Bangladesh Limited	29,614	1284.70	38,045,106	1348.28	39,927,965
Padma Oil Company Limited	321,333	239.00	76,798,587	303.53	97,533,757
Powergrid Company of Bangladesh Ltd.	3,366,500	52.20	175,731,300	81.61	274,723,472
Shahjibazar Power Co. Ltd.	133,635	116.10	15,515,024	125.50	16,771,326
Summit Power Limited	1,025,000	35.90	36,797,500	41.13	42,154,517
Beacon Pharmaceuticals Limited	6,642,500	21.30	141,485,250	73.96	491,289,694
Orion Pharma Limited	1,200,000	48.70	58,440,000	83.33	100,000,001
Heidelberg Cement Bangladesh Limited	66,720	424.90	28,349,328	555.88	37,088,160
Lafarge Surma Cement Limited	125,000	69.90	8,737,500	134.50	16,812,600
Appollo Ispat Complex Ltd.	675,668	16.50	11,148,522	16.47	11,128,487
BBS Cables Limited	5,310	105.70	561,267	8.70	46,181
BSRM Steels Limited	2,231,055	78.50	175,137,818	108.15	241,287,029
GPH Ispat Limited	1,713,501	38.80	66,483,839	42.78	73,297,727
IFAD Autos Ltd.	283,914	126.00	35,773,164	112.91	32,056,787
Nahee Aluminum Composite Panel Ltd.	6,847	73.40	502,570	9.09	62,247
Oimex Electrode Ltd.	7,128	65.20	464,746	9.09	64,801
Union Capital Limited	2,213,159	20.10	44,484,496	67.34	149,037,207
Bangladesh Export Import Company Ltd.	4,246,344	27.00	114,651,288	79.38	337,094,018
Shinepukur Ceramics Limited	1,181,500	17.00	20,085,500	56.68	66,964,579
Argon Denims Limited	2,000,000	30.90	61,800,000	38.26	76,525,581
			2,107,837,901		**3,683,054,634**

Shares/Bond (unquoted)

Particulars	Number of shares	Amounts in BDT	
		Cost per share	Book value/cost
CDBL	5,000,000	2.00	10,000,002
CDBL (Placement)	711,804	8.00	5,694,428
IIDFCL	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 at 31 December 2017

Annexure-C

Particulars	Amounts in BDT						
	Land and Building	Furniture and Fixtures	Office Appliances	Electrical Appliances	Motor Vehicles	Intangible Assets	Total
Cost/ Revaluation							
Balance at 01 January 2017	3,341,682,082	244,966,861	60,825,847	1,558,912,484	680,140,745	594,165,724	6,480,693,744
Addition during the year	-	7,950,298	2,737,000	139,017,051	160,535,794	29,053,538	339,293,681
Less: Disposal/adjustment during the year	6,986,100	1,606,969	178,953	13,113,863	1,792,132	-	23,678,018
Adjustment for rate fluctuation	-	(335,412)	(550,186)	(2,137,178)	(308,385)	(2,182,038)	(5,513,199)
At 31 December 2017	**3,334,695,982**	**251,645,602**	**63,934,080**	**1,686,952,850**	**839,192,793**	**625,401,300**	**6,801,822,607**
Accumulated Depreciation							
Balance at 01 January 2017	131,346,742	126,876,325	50,856,608	1,210,378,101	524,968,634	355,889,900	2,400,316,310
Addition during the year	18,513,464	13,332,627	2,252,658	107,777,728	56,209,382	102,357,230	300,443,089
Less: Disposal/adjustment during the year	1,488,310	1,327,957	162,821	11,731,920	1,792,132	-	16,503,140
Adjustment for rate fluctuation	-	(234,305)	(501,150)	(1,735,114)	(245,309)	(1,509,202)	(4,225,080)
At 31 December 2017	**148,371,896**	**139,115,300**	**53,447,595**	**1,308,159,024**	**579,631,192**	**459,756,331**	**2,688,481,339**
Net Book Value							
At 31 December 2017	**3,186,324,086**	**112,530,302**	**10,486,485**	**378,793,827**	**259,561,600**	**165,644,969**	**4,113,341,268**
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**

LANKABANGLA STOCK

AB Bank Limited

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

As at 31 December 2017

Annexure-D

Name of the Bank	Location	Currency	At 31 December 2017			At 31 December 2016		
			Amounts in foreign currency	Conversion rate	Equivalent amount in BDT	Amounts in foreign currency	Conversion rate	Equivalent amount in BDT
Sonali Bank UK	UK	USD	-	-	-	6,294,575	78.711	495,452,954
ICICI BK LTD	HK	USD	15,382,037	82.7000	1,272,094,447	-	78.711	-
Noor Bank Limited	UAE	USD	-	-	-	50,063,071	78.711	3,940,519,398
RAK Bank	UAE	USD	-	-	-	8,655,997	78.711	681,323,009
BANCA UBAE SPA	Italy	USD	-	-	-	5,023,894	78.711	395,436,258
					1,272,094,447			**5,512,731,619**

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AB Bank Limited

Detailed of Risk Weighted Assets under Basel III

As at 31 December 2017

Annexure-E

Risk Weighted Assets (RWA) for	Amounts in BDT			
	31.12.2017		31.12.2016	
	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A. Credit risk				
On balance sheet (as shown below)	302,777,928,713	232,432,582,990	292,818,157,041	218,150,288,581
Off balance sheet (as shown below)	35,749,204,708	26,766,226,885	42,739,092,226	34,969,765,767
B. Market risk		7,897,233,749		8,767,854,108
C. Operational risk		22,646,246,941		22,140,630,345
Total RWA (A+B+C)	**338,527,133,420**	**289,742,290,566**	**335,557,249,267**	**284,028,538,801**

Credit risk - On balance sheet

Sl. no.	Exposure type	31.12.2017		31.12.2016	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
a)	Cash and cash equivalents	1,575,453,032	-	1,540,083,692	-
b)	Claims on Bangladesh Government and Bangladesh Bank	52,215,088,344	-	45,170,375,416	-
c)	Claims on other Sovereigns and Central Banks*	495,667,389	247,833,694	422,292,782	211,146,391
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
g)	Claims on Banks and Non-bank Financial Institution (NBFI)				
	i) Original maturity over 3 months	2,076,446,480	668,123,469	2,365,363,255	618,679,356
	ii) Maturity less than 3 months	7,976,940,597	1,595,388,119	14,589,166,314	2,917,833,263
h)	Claims on corporate (excluding equity exposure)	120,454,083,748	111,386,107,225	125,278,972,963	116,520,195,230
i)	Claims on SME	35,141,261,574	25,983,818,934	36,418,048,526	28,403,178,039
j)	Claims under Credit Risk Mitigation	5,482,587,046	1,237,703,022	5,504,105,664	1,074,326,375
	Fixed Risk Weight groups:				
k)	Claims categorised as retail portfolio (excluding consumer loan)	1,689,983,370	1,267,487,527	2,544,276,130	1,908,207,097
l)	Consumer loan	1,187,061,477	1,187,061,477	1,053,460,558	1,053,460,558
m)	Claims fully secured by residential property	1,253,441,297	626,720,648	1,335,088,529	667,544,264
n)	Claims fully secured by commercial real estate	6,317,522,175	6,317,522,175	6,779,256,684	6,779,256,684
o)	Past due Claims (Risk weights are to be assigned net of specific provision)	39,247,298,047	57,108,759,433	24,783,786,556	36,238,413,591
p)	Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there against is less than 20% of outstanding amount	73,649,950	73,649,950	14,256,000	14,256,000
q)	Investments in venture capital	468,976,102	703,464,154	468,976,102	703,464,154
r)	Claim on capital market exposure	1,000,056,209	1,250,070,261	1,597,244,871	1,996,556,089
s)	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	6,011,329,750	7,514,162,188
t)	Investments in premises, plant and equipment and all other fixed assets	3,947,696,299	3,947,696,299	3,842,101,611	3,842,101,611
u)	Claims on all fixed assets under operating lease	-	-	-	-
v)	All other assets	16,163,385,827	11,317,014,414	13,071,950,486	7,673,497,117
	Total	**302,777,928,713**	**232,432,582,990**	**292,818,157,041**	**218,150,288,581**

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AB Bank Limited

Detailed of Risk Weighted Assets under Basel III

As at 31 December 2017

Annexure-E

Credit risk - On balance sheet

Sl. no.	Exposure type	Amounts in BDT			
		31.12.2017		31.12.2016	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
1	2	3	4	5	6
a)	Claims on Bangladesh Government and Bangladesh Bank	-	-	-	-
b)	Claims on other Sovereigns and Central Banks*	-	-	-	-
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	-	-	-	-
d)	Claims on Multilateral Development Banks (MDBs):	-	-	-	-
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	-	-	-	-
f)	Claims on Banks:	-	-	-	-
	i) Maturity over 3 months	-	-	-	-
	ii) Maturity less than 3 months	63,197,605	12,639,521	63,151,900	12,630,380
g)	Claims on corporate (excluding equity exposure)	31,938,595,536	23,626,228,025	39,482,534,916	32,311,550,491
h)	Against retail portfolio (excluding consumer loan)	205,509,216	154,131,912	222,061,902	166,546,427
i)	Claims on SME	3,496,336,393	2,927,661,470	2,925,630,204	2,433,325,165
j)	Consumer loan	45,565,958	45,565,958	45,713,304	45,713,304
k)	Claims fully secured by residential property	-	-	-	-
l)	Claims fully secured by commercial real estate	-	-	-	-
m)	Investments in venture capital	-	-	-	-
n)	Capital market exposure	-	-	-	-
o)	All other assets	-	-	-	-
	Total	**35,749,204,708**	**26,766,226,885**	**42,739,092,226**	**34,969,765,767**

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2017

Annexure-E-1

These disclosures have been made in accordance with the Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014 as to guidelines on 'Risk Based Capital Adequacy for Banks' in line with Basel III.

1. Capital adequacy under Basel-III

To cope with the international best practices and to make the Bank's capital more risk sensitive as well as more shock resilient, 'Guidelines on Risk Based Capital Adequacy (RBCA) for Banks' (revised regulatory capital framework in line with Basel III) have been introduced from 01 January 2015. The guidelines were issued by Bangladesh Bank (BB) under section 13 and section 45 of the Bank Company Act, 1991 (amendment up to 2018).

Basel III guidelines are structured on the following aspects:

a) Minimum capital requirements to be maintained by a Bank against credit, market, and operational risks.
b) Process for assessing the overall capital adequacy aligned with risk profile of a Bank as well as capital growth plan.
c) Framework of public disclosure on the position of a Bank's risk profiles, capital adequacy, and risk management system.

2. Scope of application

Basel III guidelines apply to all scheduled banks on 'Solo' basis as well as on 'Consolidated' basis where-

- Solo Basis refers to all position of the Bank and its local and overseas branches/offices; and
- Consolidated basis refers to all position of the bank (including its local and overseas branches/offices) and its subsidiary company(ies) engaged in financial (excluding insurance) activities like Merchant banks, Brokerage Firms, Discount Houses, etc. (if any).

AB Bank followed the scope narrated above. Bank has Tier 1 capital (going concern) and Tier 2 capital (gone concern) structure at the moment.

3. Capital base

Regulatory capital has been categorised into following way:

1) Tier 1 capital (going concern capital)
   a) Common equity Tier I
   b) Additional Tier I
2) Tier 2 capital (gone concern)

1. (a) Common Equity Tier 1 Capital

For the local Banks, Common Equity Tier 1 (CET1) capital shall consist of sum of the following items:

a) Paid up capital
b) Non repayable share premium account
c) Statutory reserve
d) General reserve
e) Retained earnings
f) Dividend equalization reserve
g) Noncontrolling interest in subsidiaries

Less: Regulatory adjustments applicable on CET1

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AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2017

Annexure-E-1

1. (b) Additional Tier 1 Capital

For the local Banks, Additional Tier 1 (AT1) capital shall consist of the following items:

a) Instruments issued by the banks that meet the qualifying criteria for AT1 as specified at Annex 4.

b) Noncontrolling Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only);

Less: Regulatory adjustments applicable on AT1 Capital

2. Tier 2 Capital

Tier 2 capital, also called 'gone-concern capital', represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank. For the local banks, Tier 2 capital shall consist of the following items:

a) General provisions

b) Subordinated debt / Instruments issued by the Banks that meet the qualifying criteria for Tier 2 capital;

c) Noncontrolling Interest i.e. Tier 2 capital issued by consolidated subsidiaries to third parties as specified

Less: Regulatory adjustments applicable on Tier 2 capital;

4. Limits (Minima and Maxima)

These instructions will be adopted in a phased manner starting from the January 2015, with full implementation of capital ratios from the beginning of 2019. Banks will be required to maintain the following ratios on an ongoing basis:

a) Common equity Tier 1 of at least 4.5% of the total RWA.

b) Tier 1 capital will be at least 6.0% of the total RWA.

c) Minimum CRAR of 10% of the total RWA.

d) Additional Tier 1 capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET1, whichever is higher

e) Tier 2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher

f) In addition to minimum CRAR, Capital Conservation Buffer (CCB) of 2.5% of the total RWA is being introduced which will be maintained in the form of CET1.

Following is the phase-in arrangement for the implementation of minimum capital requirements

Phase-in arrangement of minimum capital requirements

Particulars	2015	2016	2017	2018	2019
Minimum Common Equity Tier-1 Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	-	0.625%	1.25%	1.875%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4. 50%	5.13%	5.75%	6.38%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.625%	11.25%	11.875%	12.50%

Annexure-E-1

5. Capital conservation buffer

Banks are required to maintain a capital conservation buffer of 2.5%, comprised of Common Equity Tier 1 capital, above the regulatory minimum capital requirement of 10%. Banks should not distribute capital (i.e. pay dividends or bonuses in any form) in case capital level falls within this range. However, they will be able to conduct business as normal when their capital levels fall into the conservation range as they experience losses. Therefore, the constraints imposed are related to the distributions only and are not related to the operations of banks. The distribution constraints imposed on Banks when their capital levels fall into the range increase as the Banks' capital levels approach the minimum requirements. The table below shows the minimum capital conservation ratios a Bank must meet at various levels of the Common Equity Tier 1 capital ratios.

Bank's minimum capital conservation standards

CET-1 ratio	Minimum capital conservation ratio (expressed as percentage of earnings)
4.5% - 5.125%	100%
>5.125% - 5.75%	80%
>5.75% - 6.375%	60%
>6.375% - 7.0%	40%
>7.0%	0%

6. Regulatory adjustments / deductions

In order to arrive at the eligible regulatory capital for the purpose of calculating CRAR, Banks are required to make the following deductions from CET1/capital:

Shortfall in provisions against NPLs and investments
Goodwill and all other intangible assets
Deferred tax assets (DTA)
Defined benefit pension fund assets
Gain on sale related to securitisation transactions
Investment in own shares
Investments in the capital of Banking, Financial and Insurance entities
(Reciprocal crossholdings in the Capital of Banking, Financial and Insurance entities)

Transitional arrangements for capital deductions

Currently, 10% of revaluation reserves for equity instruments and 50% of revaluation reserves for fixed assets and securities are eligible for Tier 2 capital. However, Bangladesh Bank, in the light of Basel III proposals, has harmonised deductions from capital which will mostly be applied at the level of Tier 2. The regulatory capital adjustment will start in a phased manner from January 2015 in the following manner:

Transitional Arrangements for Capital Deductions:

Phase-in of deductions from Tier 2	2015	2016	2017	2018	2019
RR for Fixed Assets	20%	40%	60%	80%	100%
RR for Securities	20%	40%	60%	80%	100%
RR for Equity Securities	20%	40%	60%	80%	100%

Bank complied with the conditions as embodied in this respect wherever applicable.

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2017

Annexure-E-1

7. Leverage Ratio

A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level

The banks will maintain leverage ratio on quarterly basis. The calculation at the end of each calendar quarter will be submitted to BB showing the average of the month end leverage ratios based on the following definition of capital and total exposure.

$$\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$$

Transitional arrangements

The parallel run period for leverage ratio will commence from January, 2015 and run until December 31, 2017. During this period, the leverage ratio and its components will be tracked to assess whether the design and calibration of the minimum Tier 1 leverage ratio of 3% is appropriate over a credit cycle and for different types of business models, including its behavior relative to the risk based requirements.

Bank level disclosure of the leverage ratio and its components will start from 01 January 2015. However, Banks should report their Tier 1 leverage ratio to the BB (Department of Off-Site Supervision) along with CRAR report from the quarter ending March, 2015. Based on the results of the parallel run period, any final adjustments to the definition and calibration of the leverage ratio will be made by BB in 2017, with a view to setting the leverage ratio requirements as a separate capital standard from 01 January 2018.

Bank complied with the conditions as embodied in this respect wherever applicable.

8. a) Credit Risk

Credit risk is the potential that a bank borrower or counterparty fails to meet its obligation in accordance with agreed term.

Bank followed the suggested methodology, process as contained in the guidelines.

b) Methodology

Bangladesh Bank adopted Standardised approach for calculating Risk Weighted Assets. The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to all their on balance sheet and off balance sheet exposures. Risk weights are based on external credit rating (solicited) which was mapped with the BB rating grade or a fixed weight that is specified by Bangladesh Bank

C) Credit risk mitigation

AB Bank uses a number of techniques to reduce its credit risk to which the Bank is exposed. For example, exposures may be collateralised by first priority claims, in whole as in part with cash or securities, a loan exposure may be guaranteed by a third party. Additionally, Bank may agree to net loans owed to them against deposits from the same counterparty.

Bank uses comprehensive approach as adopted by the Central Bank. In this approach when taking collateral, Bank will need to calculate adjusted exposure to a counterparty for capital adequacy purposes in order to take account of the effects of that collateral. Using haircut, Bank is required to adjust both the amount of the exposure to the counterparty and the value of any collateral received in support of that counterparty to take account of possible future fluctuations in the value of either, occasioned by market movements. This will produce volatility adjusted amounts for both exposure and collateral.

Annexure-E-1

9. a) Market Risk

Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions subject to this requirement are:

i) The risks pertaining to interest rate related instruments and equities in the trading book; and

ii) Foreign exchange risk and commodities risk throughout the Bank (both in the Banking and in the trading book).

b) Methodology

In Standardized Approach, the capital requirement for various market risks (interest rate risk, equity price risk, commodity price risk, and foreign exchange risk) is determined separately. The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. The methodology to calculate capital requirement under Standardized Approach for each of these market risk categories is as follows:

a) Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk.

b) Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk.

c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk

d) Capital Charge for Commodity Position Risk = Capital Charge for General Market Risk

Bank followed the suggested methodology, process as contained in the Guidelines.

10. a) Operational risk

Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk.

b) Measurement methodology

Banks operating in Bangladesh shall compute the capital requirements for operational risk under the Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by (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.

11. Disclosure under Pillar III

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

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2017

Annexure-E-1

A) Scope of application

Qualitative disclosure

(a) The name of the top corporate entity in the group to which this guidelines applies.	**AB Bank Limited**
(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The consolidated financial statements of the Bank include the financial statements of (a) AB Bank Limited (b) AB Investment Limited (c) AB Securities Limited (d) Cash Link Bangladesh Limited and (e) AB International Finance Limited. A brief description of these are given below: **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 Act 1991 (amendment up to 2018) . The Bank went for public issue of its shares on 28 December 1983 and its shares are listed with Dhaka Stock Exchange and Chittagong Stock Exchange respectively. AB Bank Limited has 105 Branches including 1 Islami Banking Branch, 1 Overseas Branch in Mumbai, India. The Bank has five (05) subsidiary companies, AB Investment Limited (ABIL), AB Securities Limited (ABSL), CashLink Bangladesh Limited (CBL), AB International Finance Limited (ABIFL), incorporated in Hong Kong, and Arab Bangladesh Bank Foundation (ABBF). **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.

Annexure-E-1

	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. **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. **Arab Bangladesh Bank Foundation** Bank also has a Subsidiary (99.60% owned by AB Bank) for philanthropic/ CSR activities known as Arab Bangladesh Bank Foundation (ABBF). This has not been included in the consolidation as ABBF operated only for philanthropic purpose and its profit is not distributable to the shareholders. Thus, for ensuring the fair presentation of the financial statements of the parent company (the Bank), the Financial Statements of ABBF has not been consolidated.
(C) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not Applicable
(D) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Aggregate amount of Capital: BDT. 20,000,000 **Name of subsidiary:** Arab Bangladesh Bank Foundation (ABBF)

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2017

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 Act, 1991 (amendment up to 2018), an amount equivalent to 20% of the profit before taxes for each year of the Bank has been transferred to the Statutory Reserve Fund. 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) Noncontrolling 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			
			31.12.2017		31.12.2016	
			Solo	Conso	Solo	Conso
(b)	The amount of Regulatory capital, with separate disclosure of:	> Paid up Capital	758	758	674	674
		> Non- repayable share premium account	-	-	-	-
		> Statutory reserve	655	655	650	650
		> General reserve	122	130	122	130
	CET 1 Capital	> Retained earnings	601	705	681	784
		> Non- Controlling Interest	-	1	-	1
		> Non- Cumulative irredeemable preference shares	-	-	-	-
		> Dividend equalization account	-	-	-	-
			2,136	**2,249**	**2,127**	**2,238**
	Additional Tier 1 Capital		-	-	-	-
	Total Tier 1 Capital		2,136	2,249	2,127	2,238
	Tier 2 Capital		1,156	1,213	1,194	1,206
(c)	Regulatory Adjustments/Deductions from capital		163	164	256	257
(d)	Total eligible capital		3,129	3,298	3,064	3,187

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2017

Annexure-E-1

C) Capital adequacy

Qualitative disclosure

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.	Capital adequacy is the cushion required to be maintained for covering the Credit Risk, Market Risk and Operational Risk so as to protect the depositors and general creditors interest against such losses. In line with BRPD circular no. 18 dated 21 December, 2014, the Bank has adopted standardised approach for credit risk, standardised (rule based) Approach for Market Risk and Basic Indicator Approach for Operational Risk for computing capital adequacy.

		Taka in Crore			
		31.12.2017		31.12.2016	
		Solo	Conso	Solo	Conso
(b)	Capital requirement for Credit Risk:	2,592	2,611	2,531	2,546
(c)	Capital requirement for Market Risk:	79	86	88	98
(d)	Capital requirement for Operational Risk:	226	235	221	228
(e)	Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital ratio:				
	> For the Bank alone	68.29%	-	69.41%	-
	> For the consolidated group	-	68.20%	-	70.22%
(f)	Capital Conservation Buffer	1.25%	1.25%	0.625%	0.625%
(g)	Available Capital under Pillar 2 requirement	1,156	1,213	1,194	1,206

D) Credit Risk

Qualitative disclosure

(a) The general qualitative disclosure requirement with respect to credit risk, including:	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.
> Definitions of past due and impaired (for accounting purposes)	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.

Annexure-E-1

<table>
<tr><td></td><td>> 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'.</td></tr>
<tr><td>> Definitions of past due and impaired (for accounting purposes)</td><td>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.</td></tr>
<tr><td>> Description of approaches followed for specific and general allowances and statistical methods</td><td>
<table>
<tr><th colspan="2" rowspan="2">Particulars</th><th rowspan="2">Short Term Agri Credit</th><th colspan="3">Consumer Financing</th><th rowspan="2">SMEF</th><th rowspan="2">Loans To BHs/MBs/SDs</th><th rowspan="2">All Other Credit</th><th rowspan="2">Off Balance Sheet Exposures</th></tr>
<tr><th>Other Than HF, LP</th><th>HF</th><th>LP</th></tr>
<tr><td rowspan="2">UC</td><td>Standard</td><td>2.50%</td><td>5%</td><td>2%</td><td>2%</td><td>0.25%</td><td>2%</td><td>1%</td><td rowspan="4">1%</td></tr>
<tr><td>SMA</td><td>-</td><td>5%</td><td>2%</td><td>2%</td><td>0.25%</td><td>2%</td><td>1%</td></tr>
<tr><td rowspan="3">Classified</td><td>SS</td><td>5%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td></tr>
<tr><td>DF</td><td>5%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td></tr>
<tr><td>BL</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td></tr>
</table>
</td></tr>
<tr><td>> Discussion of the Bank's credit risk management policy</td><td>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</td></tr>
</table>

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2017

Annexure-E-1

		monitoring and recovery of irregular loans. Internal control and compliance division independently assess quality of loans and compliance status at least once in a year. Adequate provision is maintained against classified loans as per Bangladesh Bank guidelines. Status of loans are regularly reported to the Board/ Board Audit Committee. Besides, credit risk management process involves focus on monitoring of top 30 loans, Sectoral exposures etc. among others limit.				
			Taka in Crore			
			31.12.2017		**31.12.2016**	
			In (%)	**BDT/Cr.**	**In (%)**	**BDT/Cr.**
(b)	Total gross credit risk exposures broken down by major types of credit exposure	Overdraft	8.95%	2,055.59	10.01%	2,189.68
		Cash credit	0.01%	3.16	0.01%	1.38
		Time loan	23.53%	5,403.67	22.81%	4,991.09
		Term loan	52.66%	12,093.01	54.75%	11,978.46
		Forced loan	6.23%	1,430.23	3.61%	790.59
		Bills under LC	0.08%	19.20	0.09%	20.71
		Trust receipt	3.74%	859.61	4.19%	916.22
		Packing credit	0.12%	27.19	0.10%	21.22
		Loan against accepted bills	1.53%	351.75	1.34%	293.09
		Loan-EDF	1.32%	303.26	1.47%	320.59
		Consumer Loan	0.69%	159.32	0.64%	140.23
		Staff loan	0.68%	156.44	0.69%	150.39
		Bills purchased and discounted	0.45%	102.29	0.29%	63.30
		Total	**100%**	**22,965**	**100%**	**21,877**
(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	**Urban branches**				
		Dhaka	72.56%	16,455	71.60%	15,491
		Chittagong	20.93%	4,747	21.18%	4,582
		Khulna	1.81%	409	2.21%	479
		Sylhet	0.84%	191	0.96%	208
		Barisal	0.11%	24	0.11%	25
		Rajshahi	1.65%	375	1.68%	364
		Rangpur	1.77%	401	1.80%	390
		Mymensingh	0.33%	75	0.44%	95
			100%	**22,678**	**100%**	**21,634**
		Rural branches				
		Dhaka	71.94%	151	71.80%	141
		Chittagong	25.60%	54	25.78%	50
		Khulna	0.00%	-	0.00%	-
		Sylhet	2.46%	5	2.43%	5
		Barisal	0.00%	-	0.00%	-
		Rajshahi	0.00%	-	0.00%	-
		Rangpur	0.00%	-	0.00%	-
			100%	211	100%	196
		Outside Bangladesh				
		ABBL, Mumbai branch	0.33%	77	0.21%	47
			100%	**22,965**	**100%**	**21,877**

AMARSTOCK

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2017

Annexure-E-1

		Taka in Crore			
		31.12.2017		31.12.2016	
		In (%)	BDT/Cr.	In (%)	BDT/Cr.
(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Agriculture	1.32%	304	1.42%	312
	Large and medium scale indus.	28.48%	6,541	29.28%	6,405
	Working capital	22.67%	5,206	17.51%	3,830
	Export	1.63%	375	1.70%	372
	Commercial lending	24.40%	5,603	24.02%	5,255
	Small and cottage industry	0.86%	197	0.70%	154
	Others	20.64%	4,739	25.36%	5,549
		100%	**22,965**	**100%**	**21,877**
(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Repayable – on demand	4.80%	1,103	3.42%	748
	– upto 3 months	37.98%	8,721	34.87%	7,629
	– over 3 months but below 1 year	42.33%	9,721	43.69%	9,557
	– over 1 year but below 5 years	12.34%	2,834	15.68%	3,430
	– over 5 years	2.55%	585	2.35%	513
		100%	**22,965**	**100%**	**21,877**
(f) By major industry or counterparty type:					
i. Amount of impaired loans and if available, past due loans, provided separately		7.15%	1,641	5.19%	1,136
ii. Specific and general provisions			873		661
iii. Charges for specific allowances and charge-offs during the period			632		451

		2017	2016
		BDT/Cr.	BDT/Cr.
(g) Gross Non Performing Assets (NPAs)	Non Performing Assets (NPAs)	1,641	1,136
	NPAs to outstnading loans and advances	7.15%	5.19%
(NPAs) to outstanding Loans & advances	**Movement of NPAs Bangladesh Operations:**		
	Opening balance	**1,124.32**	**650.83**
	Additions	1,245.38	854.51
	Reductions	743.84	381.02
	Closing balance	**1,625.86**	**1,124.32**
	Movement of specific provision for NPAs		
	Opening balance	**246.32**	**256.45**
	Provision made during the period	381.59	220.38
	Write-off	250.70	230.52
	Closing balance	**377.21**	**246.32**
	Provision held by Mumbai branch	9.04	4.32
		386.25	**250.63**

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.

Annexure-E-1

	> discussion of important policies covering the valuation and accounting of equity holdings in the Banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	Quoted shares are valued at cost. Necessary provision is maintained if market price fall below the cost price. Unquoted shares are valued at cost.
(b)	Value disclosed in the balance sheet of investment, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Not applicable
(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period (2017)	**BDT in Crore** 13.89
(d)	> Total unrealized gains (losses) > Total latent revaluation gains (losses) > Any amounts of the above included in Tier 2 capital	(157.52) Nil Nil
(e)	Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	Nil

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Annexure-E-1

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%.
(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).	

	Taka in Crore	
	31.12.2017	**31.12.2016**
Market value of assets	31,713	32,012
Market value of liability	29,552	29,296
Weighted avg. duration GAP	0.92	0.98
CRAR after different level of Shocks:		
Minor level	9.96%	9.87%
Moderate level	9.12%	8.93%
Major level	8.25%	7.96%

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	Standardised approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.

Annexure-E-1

> Market risk management system	The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.
> Policies and process for mitigating market risk	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.

	Taka in Crore	
	31.12.2017	31.12.2016
(b) The capital requirements for:		
Interest rate risk	22.11	37.53
Equity position risk	42.16	48.33
Foreign exchange risk	14.70	1.82
Commodity risk	-	-
	78.97	**87.68**

H) Operational Risk

Qualitative disclosure

(a)	> Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control and compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Borad oversees the activities of Internal Control and Compliance Division (ICCD) to protect against all operational risk.
	> Performance gap of executives and staffs	AB has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. AB's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.
	> Potential external events	No potential external events is expected to expose the Bank to significant operational risk.
	> Policies and processes for mitigating operational risk	The policy for operational risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Policy guidelines on Risk Based Internal Audit system is in operation as per RBA branches are rated according to their risk status and branches scoring more on risk status are subjected to more frequent audit by Internal Control and Compliance Division (ICCD). It is the policy of the bank to put all the branches of the bank under any form of audit at least once

Annexure-E-1

	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	
	31.12.2017	31.12.2016
(b) The capital requirements for Operational Risk	226.46	221.41

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 2017

Annexure-E-1

	> 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.

		Taka in Crore
		31.12.2017
(b)	Liquidity Coverage Ratio	125.76%
	Net Stable Funding Ratio (NSFR)	104.66%
	Stock of high quality liquid assets	5,751.88
	Total net cash outflows over the next 30 calendar days	4,573.54
	Available amount of stable funding	24,867.73
	Required amount of stable funding	23,760.51

J) Leverage Ratio

Qualitative disclosure

(a) > Views of BOD on system to reduce excessive leverage	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: • Emphasised to keep LD ratio at the optimal level/budgeted level • Stressed to keep the interest rate spread at the optimal level for ensuring the profitability of the Bank • Market competitive Cost of Fund must be maintained • Non-funded business i.e. import, export and bank guarantee to be expedited as per budget • Operational expenses must be reduced at rational level • Decentralisation of portfolio in SME and retail business • Special Mentioned Account (SMA) and classified loans are to be closely monitored for ensuring asset quality, and • Recovery cell must ensure the monitoring of risk assets frequently to maintain the asset quality.
> 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.

Annexure-E-1

> 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.
	On Balance Sheet Items 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.): **Repurchase agreements and securities financing:** 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: • 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 21 December 2014. OBS exposures calculation is given below for considering Leverage Ratio of the Bank:

Exposures Types	Taka in Crore		
	CCF	Notional amount	Exposure
Direct credit substitutes	100%	2,472	2,472
Performance related contingencies	50%	1,074	537
Short-term self-liquidating trade letters of credit	20%	1,536	307
Lending of securities or posting of securities as collateral	100%	-	-
Other commitments with certain drawdown	100%	-	-
Commitments with original maturity of one year or less	20%	1,294	259
Commitments with original maturity of over one year	50%	-	-
Other commitments that can be unconditionally cancelled by any time	10%	1,606	161
Market related Off-Balance sheet exposure	-	-	-
Total		**7,982**	**3,735**

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2017

Annexure-E-1

	Taka in Crore
	31.12.2017
(b) Leverage Ratio	5.70%
On balance sheet exposure	31,070.25
Off balance sheet exposure	3,735.45
Total deduction from On and Off-Balance Shhet Exposure	163.39
Total exposure	**34,642.31**

K) Remuneration

Qualitative disclosure

(a)	**Information relating to the bodies that oversees remuneration.**	
	> Name of the bodies that oversees remuneration	The primary body that currently oversees remuneration practices includes: In charge of remuneration & payroll, Head of HR, and Managing Director of the Bank.
	> Name, composition and mandate of the main body overseeing remuneration.	Board of Directors of the bank is the main body which approves the remuneration proposals/changes as when needed based on the recommendation of the primary body
	> External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	Periodically services of external consultants are sought in the process of remuneration update/survey in every 2/3 years to ensure competitive effectiveness of remuneration structure. Survey focuses on gross remuneration package in each job grade i.e. minimum, mid point and maximum in the given scale. Gross salary includes different elements like Basic pay and other admissible emoluments.
	> A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	Key objective of the remuneration policy is to offer competitive remuneration package to employees in each job grade commensurate with job responsibilities irrespective of any location/region. It is done through periodical remuneration survey with local comparators engaging consultant. Similarly, for foreign subsidiaries, it is done in context of specific country remuneration market status to remain competitive in the foreign market that ensures attracting and retention of the best performers.
	> A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	Divisional Heads, Departmental Heads, Senior Members of Management, Head of Branches/Business Units supported by MANCOM are the material risk takers in business.
(b)	**Information relating to the design and structure of remuneration processes.**	
	> An overview of the key features and objectives of remuneration policy.	A scale of salary structure with a minimum – mid point and maximum package for each job grade is available The package includes: Basic pay, Housing, Medical, conveyance (when car is not allowed), Utilities, Maintenance, Leave fare assistance, Personal pay (in appropriate cases) etc.

Annexure-E-1

		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 and retain good employees, 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 and 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 and compliance employees carry out their job independently as per terms of reference. In respect of remuneration, they are treated equally in line with other regular employees
(c)	**Description of the ways in which current and future risks are taken into account in the remuneration processes.**	
	> An overview of the key risks that the bank takes into account when implementing remuneration measures.	The business risks including credit/default risk, compliance and reputational risk, financial and liquidity risk are considered while implementing remuneration measures for each employee/group of employees.
	> 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 and indicators used for measuring the risks are asset quality (NPL ration), LD ratio, Net Interest Margin (NIM), provision coverage ratio, cost income ratio, cost of fund, growth of net profit as well as non-financial indicators i.e. compliance status with regulatory norms/instructions, service delivery etc. are brought to all concerned of the bank from time to time.

Annexure-E-1

	> A discussion of the ways in which these measures affect remuneration.	Individual employee's performance standards are set in term of financial and non-financial indicators (KPI) early each year which are expected to be delivered by them individually. Performance evaluation at the end of year results in variation in performance outcome (KPI fully achieved, partially achieved and not achieved) leading to variation in performance reward (annual merit pay) thus affects in remuneration.
	> A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	Based on differentiating performance outcome employees are rewarded annually. Differentiating reward i.e. good, better and best impact on competitive motivation at work as usual. No material change in remuneration package.
(d)	**Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.**	
	> An overview of main performance metrics for bank, top-level business lines and individuals.	Performance matrix in terms of broad KPI is set by the Board for the Management covering business lines/different segments of businesses each year. The Management in turn develops strategies and set performance KPI for individual employees across functions/business to activate and achieve the set targets/KPI in delivering business results. The most common KPIs are loan deposit ratio, cost of fund, cost income ratio, yield on loan, quality of asset, profit target, provision coverage ration, capital to risk weighted ratio, ROE, ROA, Liquidity position, maintenance of CRR and SLR etc. beside non-financial KPI.
	> 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	The concept of variable remuneration or for that matter deferred payment system is not in practice. A share of profit in the form of incentive bonus is allowed to employees as approved by the board when profit target is favourably met.

Annexure-E-1

	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.	
	> 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
(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 (i.e. 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)

AMAR STOCK

Annexure-E-1

	> Number and total amount of guaranteed bonuses awarded during the financial year.	Bank has disbursed 02 (two) festival bonus among the employees amounting to taka **186,742,610** during the year 2017.
	> Number and total amount of sign-on awards made during the financial year.	Not applicable
	> Number and total amount of severance payments made during the financial year	None during the financial year
	> Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Not applicable
	> Total amount of deferred remuneration paid out in the financial year.	Not applicable
(h)	**Breakdown of amount of remuneration awards for the financial year to show:**	
	Fixed and variable.	BDT 292.40 crore (Fixed including annual merit pay)
	Deferred and non-deferred.	Not applicable
	Different forms used (cash, shares and share linked instruments, other forms).	Not applicable
	Quantitative information about employees' exposure to implicit and explicit adjustments of deferred remuneration and retained remuneration:	
	> Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Not applicable
	> Total amount of reductions during the financial year due to ex post explicit adjustments.	Not applicable
	> Total amount of reductions during the financial year due to ex post implicit adjustments.	Not applicable

AB Bank Limited
Mumbai Branch

Balance Sheet

As at 31 December 2017

Annexure-F

	2017 INR	2016 INR
PROPERTY AND ASSETS		
Cash	**27,482,592**	**29,802,230**
In hand (including foreign currencies)	3,039,492	7,493,047
Balance with Reserve Bank India (including foreign currencies)	24,443,100	22,309,183
Balance with other banks and financial institutions	**699,658,623**	**1,075,082,607**
In India	114,898,608	88,690,944
Outside India	584,760,015	986,391,664
Money at call and on short notice	**291,504,512**	**411,757,031**
Investments	**383,887,500**	**364,706,500**
Government	383,887,500	364,706,500
Others	-	-
Loans and advances	**593,138,007**	**405,309,419**
Loans, cash credits, overdrafts, etc	148,667,190	124,426,068
Bills purchased and discounted	444,470,817	280,883,351
Fixed assets including premises, furniture and fixtures	**8,856,858**	**10,288,025**
Other assets	**341,579,628**	**267,229,419**
Non-banking assets	**-**	**-**
Total Assets	**2,346,107,720**	**2,564,175,231**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, FIs and agents	**-**	**-**
Deposits and other accounts	**1,189,176,007**	**1,367,943,715**
Current deposits	959,563,493	1,155,747,445
Demand deposits	124,275	586,287
Bills payable	682,575	626,723
Savings deposits	8,969,744	9,100,177
Fixed deposits	219,835,919	201,883,083
Other deposits	-	-
Other liabilities	**280,394,571**	**189,063,895**
Total Liabilities	**1,469,570,578**	**1,557,007,610**
Capital/Shareholders' Equity		
Total Shareholders' Equity	**876,537,142**	**1,007,167,621**
Paid-up capital	369,822,602	369,822,602
Statutory reserve	226,420,185	206,186,951
Other reserve	-	-
Retained earnings	280,294,355	431,158,067
Total Liabilities and Shareholders' Equity	**2,346,107,720**	**2,564,175,231**

AMAR STOCK

AB Bank Limited
Mumbai Branch

Balance Sheet

As at 31 December 2017

Annexure-F

	2017 INR	2016 INR
Off-Balance Sheet Items		
Contingent liabilities	**2,630,571,155**	**2,297,960,888**
Acceptances and endorsements	169,397,016	150,505,021
Other Items in respect of which the bank is contingently liable	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	2,461,174,139	2,147,455,867
Other contingent liabilities	-	-
Other commitments	**82,036**	**62,880**
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	82,036	62,880
Other Items (DEAFA/C)	-	-
Total	**2,630,653,191**	**2,298,023,768**

AMAR STOCK

AB Bank Limited
Mumbai Branch

Profit and Loss Account

For the year ended 31 December 2017

Annexure-F-1

	2017 INR	2016 INR
OPERATING INCOME		
Interest income	43,420,203	52,470,472
Interest paid on deposits and borrowings, etc.	(18,416,303)	(16,866,394)
Net interest income	**25,003,900**	**35,604,078**
Investment income	25,061,241	23,643,631
Commission, exchange and brokerage	275,875,139	276,706,121
Other operating income	2,723,173	2,048,641
	303,659,553	**302,398,392**
Total operating income (a)	**328,663,453**	**338,002,470**
OPERATING EXPENSES		
Salary and allowances	13,913,618	13,190,755
Rent, taxes, insurance, electricity, etc.	17,556,777	15,980,320
Legal expenses	155,232	65,687
Postage, stamps, telecommunication, etc.	7,990,141	9,100,531
Stationery, printing, advertisement, etc.	2,347,601	2,514,864
Directors' fees	-	-
Auditors' fees	658,420	573,080
Depreciation and repairs of Bank's assets	4,808,322	6,275,591
Other expenses	124,995,660	101,760,381
Total operating expenses (b)	**172,425,772**	**149,461,208**
Profit before provision (c = a-b)	**156,237,681**	**188,541,263**
Provision against loans and advances	32,700,000	10,500,000
Kolkata Provision	-	30,194,200
General Provision	(10,000,000)	10,000,000
Other provisions	64,700	15,300
Total provision (d)	**22,764,700**	**50,709,500**
Profit before taxation (c-d)	**133,472,981**	**137,831,763**
Provision for taxation	55,145,800	74,148,100
Current tax	70,313,794	74,212,703
Deferred tax	(15,167,994)	(64,603)
Net profit after taxation	**78,327,181**	**63,683,663**
Appropriations		
Statutory reserve	20,233,234	17,727,951
General reserve	-	-
Profit Remitted during the Year	-	-
	20,233,234	**17,727,951**
Retained surplus	**58,093,947**	**45,955,711**

AMAR STOCK

AB Bank Limited
Islami Banking Branch

Balance Sheet

As at 31 December 2017

Annexure-G

	2017 BDT	2016 BDT
ROPERTY AND ASSETS		
Cash in hand	**333,984,548**	**270,140,394**
Cash in Hand (Including foreign currencies)	3,449,220	4,300,384
Balance with Bangladesh Bank and its Agent Banks (Incl. FC)	330,535,328	265,840,010
Balance with Other Banks and Financial Institutions	**2,220,827,730**	**2,415,566,470**
In Bangladesh	2,220,827,730	2,415,566,470
Outside Bangladesh	-	-
Placement with other Banks & Financial Institutions	**-**	**-**
Investment in shares & other financial institutions	**280,000,000**	**248,500,000**
Government (BGIIB For SLR)	280,000,000	248,500,000
Others	-	-
Investments	**4,613,170,208**	**4,422,979,996**
General Investments etc.	4,613,170,208	4,422,979,996
Bills Purchased & Discounted	-	-
Fixed Assets	**11,264,559**	**9,251,533**
Other Assets	**39,958,785**	**26,517,395**
Non-Banking Assets	**-**	**-**
	7,499,205,830	**7,392,955,787**
LIABILITIES AND CAPITAL		
Liabilities		
Placement from Banks (BGIIB)& Other Financial Institutions	**2,103,666,667**	**-**
Deposits and Other Accounts	**5,240,822,184**	**7,311,296,055**
Mudaraba Savings Deposits	122,988,024	106,811,149
Mudaraba Term Deposits	4,022,553,327	4,081,262,744
Other Mudaraba Deposits	961,993,777	3,000,929,470
Al-Wadeeah Current and Other Deposit Accounts	126,690,801	116,562,265
Bills Payable	6,596,254	5,730,426
Other Liabilities	**154,716,980**	**81,659,732**
Total Liabilities	**7,499,205,830**	**7,392,955,787**

AMARSTOCK

AB Bank Limited
Islami Banking Branch
Balance Sheet
As at 31 December 2017

Annexure-G

	2017 BDT	2016 BDT
Contingent Liabilities		
Acceptances & Endorsements	1,376,260,269	380,418,216
Letter of Guarantee	76,293,835	130,000,000
Irrevocable Letters of Credit (including Back to Back Bills)	189,119,729	332,550,279
Inland Bills for collection	-	-
Other Contingent Liabilities	-	-
Total	**1,641,673,833**	**842,968,495**
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	**1,641,673,833**	**842,968,495**

AMARSTOCK

AB Bank Limited
Islami Banking Branch

Profit and Loss Account

For the year ended 31 December 2017

Annexure-G-1

	2017 BDT	2016 BDT
Investment Income	537,326,238	583,877,086
Profit paid on Deposits	383,669,723	385,240,147
Net Investment Income	**153,656,514**	**198,636,940**
Income from Investments in Shares/Securities	1,959,010	475,476
Commission, Exchange and Brokerage	31,418,994	34,601,038
Other Operating Income	649,276	695,741
Total Operating Income	**187,683,795**	**234,409,194**
Operating Expenses		
Salaries and Allowances	36,452,483	33,161,266
Rent, Taxes, Insurance, Electricity etc.	1,441,640	1,491,079
Legal Expenses	2,300	-
Postage, Stamps, Telecommunication etc.	482,756	556,819
Stationeries, Printing and Advertisement etc.	518,465	473,596
Shariah Supervisory Committee's Fees & Expenses	114,200	155,087
Depreciation and repair to Bank's Assets	2,164,263	2,938,660
Other Expenses	7,629,075	7,456,303
Total Operating Expenses	**48,805,182**	**46,232,809**
Operating Profit	**138,878,613**	**188,176,385**

AMAR STOCK

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 2017 final profit has been paid to the depositors as per following weightage and rates:

Types of Deposit	Weightage	Rate of Profit (%)
1. Mudaraba Savings Deposits	0.29	3.50
2. Mudaraba Special Notice Deposits		
a. General	0.21	2.50
b. Inter - Bank	0.25 - 0.29	3.00 - 3.50
3. Mudaraba Term Deposits		
a. General		
▪ 24 Months	0.50 - 0.81	6.00 - 9.75
▪ 12 Months	0.50 - 0.75	6.00 - 9.00
▪ 6 Months	0.48 - 0.65	5.75 - 7.75
▪ 3 Months	0.46 - 0.62	5.50 - 7.50
▪ 1 Month	0.33	4.00
4. Mudaraba Probable Millionaire Scheme	1.04	12.50
5. Mudaraba Hajj Deposit Scheme	0.75 - 1.11	9.00 - 13.34
6. Mudaraba Pension Deposit Scheme	0.66 - 1.04	8.00 - 12.50
7. Mudaraba Monthly Profit Payment Scheme	0.58 - 1.11	7.00 - 13.34
8. Mudaraba Cash WAQF Deposit	0.66	8.00

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 2017, Shariah Supervisory Committee met in 04 (Four) meetings (Full Committee 02+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.

AMARSTOCK

AB Bank Limited
Custodian Wing
Auditors' Report to the Shareholders

We have audited the accompanying financial statements of AB Bank Limited, Custodian Wing which comprise statement of financial position (balance sheet) as at 31 December 2017, and statement of profit or loss and other comprehensive income (profit and loss statement) for the year then ended and summary of significant accounting policies and 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, the Securities and Exchange Commosion(Securities Custodian Service) Rules 2009, Depository (User) Rules 2003 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' 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' judgement, 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 give a true and fair view of the financial position of the AB Bank Limited, Custodian Wing as at 31 December 2017 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards, the Securities and Exchange Commosion(Securities Custodian Service) Rules 2009, Depository (User) Rules 2003

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 Custodian Wing of AB Bank Limited 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 maintained by the Custodian Wing and examined by us.

Dhaka, Bangladesh
Dated, 30 April 2018

S. F. AHMED & CO
Chartered Accountants

AB Bank Limited
Custodian Wing

Balance Sheet

As at 31 December 2017

Annexure-I

	2017 BDT	2016 BDT
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	15,825	26,375
Intangible Assets	-	-
Total Non Current Assets	15,825	26,375
Current Assets		
Cash and Bank Balances	-	-
Advance, Deposit and Prepayments	-	-
Accounts Receivables	20,700,410	30,975,447
Total Current Assets	20,700,410	30,975,447
Total Assets	**20,716,235**	**31,001,822**
LIABILITIES		
Non-Current Liabilities	**-**	**-**
Current Liabilities		
Payable to AB Bank	9,287,417	13,505,085
Accounts Payable	11,402,368	17,470,287
Provision for Audit Fees	26,450	26,450
Total Current Liabilities	20,716,235	31,001,822
Total Liabilities	**20,716,235**	**31,001,822**

Profit and Loss Account

For the year ended 31 December 2017

Annexure-I-1

	2017 BDT	2016 BDT
Operating Income		
Commission, exchange and brokerage	8,744,805	937,500
Total Operating Income	**8,744,805**	**937,500**
Operating Expenses		
Rent, taxes and insurance	11,500	16,500
Auditor's fees	26,450	26,450
Depreciation and repair of bank's assets	10,550	10,550
Other expenses	178,311	347,891
Total operating expenses	**226,811**	**401,391**
Operating Profit	**8,517,994**	**536,109**

AMAR STOCK

AB Bank Limited
Off-Shore Banking Unit (OBU)
Balance Sheet
As at 31 December 2017

Annexure-J

PROPERTY AND ASSETS	2017 Taka	2017 USD	2016 Taka	2016 USD
Cash	-	-	-	-
Balance with Other Banks and FIs'	**5,897,061**	**71,307**	**103,481,273**	**1,314,697**
In Bangladesh	164,494	1,989	734,297	9,329
Outside Bangladesh	5,732,567	69,318	102,746,976	1,305,368
Money at call and on short notice (Placement)	**674,005,000**	**8,150,000**	**692,657,680**	**8,800,000**
Investment	**1,597,353,808**	**19,315,040**	**1,520,308,045**	**19,315,040**
Loans and Advances:	**10,660,157,888**	**128,901,546**	**11,361,144,011**	**144,339,795**
Loans & Advances - Regular	7,580,739,608	91,665,533	11,361,144,011	144,339,795
Loans & Advances - CL	3,079,418,280	37,236,013	-	-
Premises and Fixed Assets (WDV)	**2,645,348**	**31,987**	**1,842,866**	**23,413**
Other Assets:	**1,606,898**	**19,430**	**30,308,004**	**385,054**
Accrued Interest	516,874	6,250	416,408	5,290
Pre-paid Advances	169,387	2,048	165,957	2,108
Miscellaneous	920,637	11,132	29,725,640	377,655
Total Assets	**12,941,666,002**	**156,489,311**	**13,709,741,880**	**174,177,999**
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from Bank & FIs'	**12,792,565,600**	**154,686,404**	**13,351,236,403**	**169,623,298**
In Bangladesh	11,520,471,150	139,304,367	7,838,504,785	99,585,761
Outside Bangladesh	1,272,094,450	15,382,037	5,512,731,619	70,037,538
Deposits and Other Accounts	**14,167,846**	**171,316**	**71,688,147**	**910,776**
Demand Deposits	13,936,826	168,523	21,473,619	272,816
Demand Deposits - Others	231,021	2,793	50,214,528	637,960
Other Deposits	-	-	-	-
Other Liabilities	**184,348,951**	**2,229,129**	**101,454,560**	**1,288,949**
Total Liabilities	**12,991,082,397**	**157,086,849**	**13,524,379,110**	**171,823,023**
Capital and Shareholders' Equity				
Profit/(Loss)	(49,416,395)	(597,538)	185,362,770	2,354,976
Total Shareholders' Equity	**(49,416,395)**	**(597,538)**	**185,362,770**	**2,354,976**
Total Liabilities and Shareholders' Equity	**12,941,666,002**	**156,489,311**	**13,709,741,880**	**174,177,999**

Profit and Loss Account
For the year ended 31 December 2017

Annexure-J-1

	2017 Taka	2017 USD	2016 Taka	2016 USD
Interest income	451,417,488	5,573,284	713,013,393	9,095,495
Interest paid on deposits and borrowing etc.	488,855,214	6,035,497	511,963,149	6,530,814
Net Interest income	**(37,437,726)**	**(462,213)**	**201,050,244**	**2,564,680**
Commission, exchange and brokerage	2,665,223	32,905	2,811,089	35,859
Other operating income	24,675	305	53,727	685
Total operating income	**(34,747,827)**	**(429,003)**	**203,915,059**	**2,601,225**
Salaries and allowances	6,416,184	79,215	5,786,944	73,821
Rent, taxes, insurance, electricity etc.	21,497	265	42,927	548
Legal expenses	-	-	62,961	803
Postage, stamps, telecommunication etc.	247,301	3,053	321,596	4,102
Stationeries, printing, advertisement etc.	210,364	2,597	46,442	592
Depreciation and repair of bank's assets	992,087	12,248	757,294	9,660
Other expenses	5,766,357	71,193	12,285,761	156,722
Total operating expenses	**13,653,789**	**168,572**	**19,303,925**	**246,249**
Operating Profit/(Loss)	**(48,401,617)**	**(597,575)**	**184,611,134**	**2,354,976**

Amana Bank PLC

Statement of Financial Position

As at 31 December 2017

Annexure-K

	2017 Rs.	2016 Rs.
ASSETS		
Cash and Cash Equivalents	5,859,766,950	5,686,924,056
Balance with Central Bank of Sri Lanka	4,127,811,572	2,816,770,223
Derivative Financial Assets	127,616,662	59,483,044
Placements with Banks	5,285,796,238	4,662,466,350
Placements with Licensed Finance Companies	2,112,166,496	20,517
Financial Investments-Held for Trading	41,645,557	45,181,589
Financing and Receivables to Other Customers	42,914,143,571	38,451,662,449
Financial Investments-Available for Sale	323,264,501	394,775,149
Other Financial Assets	388,890,295	307,321,725
Other Non Financial Assets	333,169,325	227,058,761
Property, Plant and Equipment	1,795,135,517	1,247,590,879
Intangible Assets	230,675,871	269,376,298
Deferred Tax Assets	-	146,355,559
Total Assets	**63,540,082,555**	**54,314,986,599**
LIABILITIES		
Due to Banks	-	751,963,513
Derivative Financial Liabilities	29,924,292	98,341,433
Due to Other Customers	50,922,561,081	46,915,289,689
Other Financial Liabilities	680,470,646	566,565,119
Current tax liabilities	187,075,365	80,814,263
Other Non Financial Liabilities	70,765,834	31,360,761
Deferred Tax Liability	216,241,918	-
Retirement Benefit Liability	119,241,024	82,606,302
Total Liabilities	**52,226,280,160**	**48,526,941,080**
Shareholders' Funds		
Stated Capital	10,619,450,156	5,866,808,141
Statutory Reserve Fund	42,404,597	17,263,213
Other Reserves	(28,031,817)	(243,794,538)
Revaluation Reserve	820,716,783	526,908,060
Retained Earnings	(140,737,324)	(379,139,357)
Total Equity	**11,313,802,395**	**5,788,045,519**
Total Liabilities and Shareholders' Fund	**63,540,082,555**	**54,314,986,599**

AMARSTOCK

Amana Bank PLC

Statement of Profit or Loss

For the year ended 31 December 2017

Annexure-K-1

	2017 Rs.	2016 Rs.
Financing Income	5,544,237,256	4,039,624,179
Financing Expenses	(2,790,618,052)	(2,115,335,249)
Net Financing Income	**2,753,619,204**	**1,924,288,930**
Net fees and Commission Income	236,134,326	246,568,285
Net Trading Income	388,699,264	257,454,611
Net Other Operating Income	9,467,520	4,961,144
Total Operating Income	**3,387,920,314**	**2,433,272,970**
Impairment of Financial Assets	(289,782,674)	(217,177,926)
Net Operating Income	**3,098,137,640**	**2,216,095,044**
Personnel Expenses	1,095,792,424	1,025,032,323
Depreciation of Property Plant and Equipment	148,879,193	162,620,642
Amortisation of Intangible Assets	48,967,708	78,634,792
Other Operating Expenses	745,933,727	678,729,131
Total Operating Expenses	**2,039,573,052**	**1,945,016,888**
Operating Profit Before Value Added Tax on Financial Service & Nation Building Tax	1,058,564,588	271,078,156
Value Added Tax on Financial Services & Nation Building Tax	(319,245,989)	(168,266,306)
Profit Before Tax	**739,318,599**	**102,811,850**
Tax Expenses	(236,490,936)	(62,171,499)
Profit for the Year	**502,827,663**	**40,640,351**

Independent Auditor's Report
to the Shareholders of AB Investment Limited

We have audited the accompanying financial statements of AB Investment Limited which comprise the Statement of Financial Position as at 31 December 2017 and the related 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's Responsibilities for the Financial Statements

Management is responsible for the preparation of the 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, we consider internal control relevant to the entity's preparation of financial statements of the company 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 AB Investment Limited as on 31 December 2017 and of the results of its operations and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Report on Other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act, 1994, the Securities and Exchange Act, 1993, the Securities and Exchange Rules, 1987 and other applicable laws and regulations; and

(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 of the Company dealt with by the report are in agreement with the books of account maintained by the Company.

Dhaka,
09 April 2018

ACNABIN
Chartered Accountants

AMARSTOCK

AB Investment Limited
(A Subsidiary of AB Bank Limited)

Statement of Financial Position (Balance Sheet)

As at 31 December 2017

Annexure-L

	2017 BDT	2016 BDT
ASSETS		
Non-current assets		
Property, plant and equipment	583,556,178	597,167,511
Current Assets	**7,796,628,683**	**8,244,294,227**
Investment in shares	456,075,614	721,255,054
Loans to clients	6,816,006,993	7,229,768,195
Advances, deposits and prepayments	21,478,465	23,461,147
Receivable from brokers	80,264,009	33,238,412
Advance income tax	422,612,744	235,957,025
Cash and bank balances	190,858	614,394
TOTAL ASSETS	**8,380,184,861**	**8,841,461,738**
EQUITY AND LIABILITIES		
Equity	**6,787,203,101**	**6,784,493,596**
Share capital	6,456,899,810	6,149,428,410
Retained earnings	330,303,291	635,065,186
Liabilities		
Non-current liabilities	**36,956,123**	**31,475,919**
Provident fund, gratuity fund and recreation club fund	9,445,327	7,794,251
Deferred tax liability	27,510,796	23,681,668
Current liabilities	**1,556,025,637**	**2,025,492,223**
Borrowing from banks	333,601,157	1,203,940,032
Liabilities for expenses	629,900	4,264,012
Payable against sale proceeds of shares	80,264,009	33,238,412
Provision for taxation	514,359,458	348,436,278
Provision for loans and investment	608,145,182	338,145,182
Credit balance with clients' accounts	19,025,931	97,468,307
Total liabilities	**1,592,981,760**	**2,056,968,142**
TOTAL EQUITY AND LIABILITIES	**8,380,184,861**	**8,841,461,738**

Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement)

For the year ended 31 December 2017

Annexure-L-1

	2017 BDT	2016 BDT
Operating income	**509,559,685**	**473,897,899**
Interest income	414,656,876	412,045,652
Management fee	11,869,438	16,349,835
Transaction/settlement fee	56,978,027	26,191,962
Investment income	13,436,301	7,902,899
Other operating income	12,619,043	11,407,551
Operating expenses	**67,097,873**	**82,281,323**
Salary and allowances	16,473,995	15,160,710
Audit and consultancy fees	383,450	250,700
Administrative expenses	34,170,685	30,474,024
Financial expenses	16,069,743	36,395,889
Profit before provision for loans and investment	**442,461,812**	**391,616,576**
Provision for loan	270,000,000	-
Provision for investment	-	-
Net profit before tax for the year	**172,461,812**	**391,616,576**
Income tax expenses	**169,752,308**	**151,592,428**
Current tax expenses	165,923,180	146,856,216
Deferred tax expenses	3,829,128	4,736,212
Net profit after tax for the year	**2,709,505**	**240,024,148**
Other comprehensive Income	-	-
Total Comprehensive Income	**2,709,505**	**240,024,148**
Earnings per share (EPS)	**0.004**	**0.372**

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, 2017, 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 the forming of our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in Note-5.00 to the financial statements concerning the issuance of Stock Dividend.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at December 31, 2017, 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 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, Bangladesh
Date: April 26, 2018

AB Securities Limited

Statement of Financial Position

As at 31 December 2017

Annexure-M

			2017 BDT	2016 BDT
I	**Sources of Fund**			
	A)	**Shareholders' Equity**	**521,775,108**	**515,091,961**
		Share Capital	272,041,880	246,750,000
		Revaluation Reserve	102,024,360	102,024,360
		Retained Earnings	147,708,868	166,317,601
	B)	**Non-Current Liabilities**	**336,574,727**	**384,579,863**
		Liabilities for Other Finance	320,263,485	370,263,485
		Deferred Liability-Gratuity	5,591,542	5,147,975
		Provision for Provident Fund	10,719,700	9,168,403
		Total Source of Fund (A+B)	**858,349,835**	**899,671,824**
II	**Application of Fund**			
	A)	**Non Current Assets**	**4,720,166**	**5,868,249**
		Property, Plant & Equipment	2,163,698	3,157,231
		Deferred Tax Assets	2,556,468	2,711,018
	B)	**Investments**	**176,002,093**	**172,865,988**
	C)	**Current Assets**	**1,621,439,266**	**1,341,210,825**
		Cash and Cash Equivalents	549,820,229	301,783,395
		Advance, Deposit & Prepayments	7,622,820	3,301,145
		Advance Income Tax	75,360,853	48,848,463
		Accounts Receivable	62,183,186	29,535,114
		Margin Loan	926,452,178	957,742,708
	D)	**Current Liabilities and Provisions**	**943,811,690**	**620,273,237**
		Accounts Payable	497,210,126	233,669,082
		Bank Overdraft	226,047,986	253,621,766
		Liabilities for Expense	669,325	4,956,087
		Provision for Income Tax	91,974,649	58,629,199
		Other Liabilities	127,909,604	69,397,103
	E)	**Net Current Assets (C-D)**	**677,627,576**	**720,937,587**
	F)	**Total Application of Fund (A+B+E)**	**858,349,835**	**899,671,824**

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2017

Annexure-M-1

		2017 BDT	2016 BDT
A)	**Operating Income**	**147,392,990**	**105,997,994**
	Brokerage Commission	84,872,824	43,504,521
	Interest Income	48,546,763	49,427,639
	Investment Income	11,058,832	10,978,747
	Other Operating Income	2,914,571	2,087,087
B)	**Operating & Other Expense**	**48,909,844**	**53,431,466**
	Operating Expenses	47,038,673	51,327,321
	Other Financial Expenses	877,637	804,138
	Depreciation on Property, Plant & Equipment	993,534	1,300,007
C)	**Profit before Provision (A-B)**	**98,483,146**	**52,566,529**
D)	**Provision**	**58,300,000**	**7,500,000**
	For Diminution in Value of Investments	2,050,000	1,287,725
	For Diminution in Value of Loan	56,250,000	6,212,275
E)	**Profit before Taxation (C-D)**	**40,183,146**	**45,066,529**
F)	**Provision for Taxation**	**33,500,000**	**16,894,868**
	Current Tax	33,345,450	17,081,016
	Deferred Tax	154,550	(186,148)
	Net Profit After Taxation (E-F)	**6,683,146**	**28,171,661**
	Earnings Per Share (EPS)	**0.25**	**1.04**

Auditors' Report
to the Shareholders of Cashlink Bangladesh Limited

Introduction

We have audited the accompanying financial statements of CASHLINK BANGLADESH LIMITED "(The Company)" which comprise the Statement of Financial Position as at 31 December 2017, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity & 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 of these financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standard 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, we consider 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, give a true and fair view of the financial position of CASHLINK BANGLADESH LIMITED as at 31 December 2017 and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Companies Act, 1994, the Banking Companies Act 1991 (2013 Amended), the securities and Exchange Ordinance 1969, the securities and Exchange rule 1987, Bangladesh Bank guidelines and Circulars and other applicable laws and regulations.

We further report that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were found necessary for the purposes of our audit and made due verification thereof;

ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;

iii) The statement of financial position dealt with by the report in agreement with the books of accounts;

iv) The expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
26 April 2018

DHAR & CO.
Chartered Accountants

MAR STOCK

Cashlink Bangladesh Limited
Statement of Financial Position
As at 31 December 2017

Annexure-N

	2017 BDT	2016 BDT
ASSETS		
Non Current Assets		
Property, Plant and Equipment	31,825	104,508
	31,825	**104,508**
Current Assets		
Cash & Bank Balances	2,733,542	2,667,656
Investment in FDR	34,643,500	32,500,000
Investment in Shares	694,619	431,639
Advance, Deposit & Prepayment	38,174,733	37,794,461
Accounts Receivable	-	-
Other Receivable	54,282	214,030
	76,300,676	**73,607,785**
Total Assets	**76,332,500**	**73,712,293**
EQUITY AND LIABILITIES		
Equity		
Share Capital	238,000,000	238,000,000
Share Money Deposit	4,200,000	4,200,000
Retained Earnings	(183,652,421)	(185,493,383)
Total Equity	**58,547,579**	**56,706,617**
Liabilities		
Non-Current Liabilities		
Long Term Loan	9,742,006	9,742,006
Current Liabilities		
Accrued Expenses	23,000	172,500
Provision for Taxation	8,019,914	7,091,170
	8,042,914	**7,263,670**
Total Liabilities	**17,784,920**	**17,005,676**
Total Equity and Liabilities	**76,332,500**	**73,712,293**

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2017

Annexure-N-1

	2017 BDT	2016 BDT
Revenue	-	123,290,014
Less: General and Administration Expenses	548,815	613,081
Operating Profit/(Loss)	**(548,815)**	**122,676,933**
Add: Other Income	3,153,072	1,470,187
Non-Operating Income/(Loss)	165,975	(182,813,810)
	2,770,232	**(58,666,690)**
Less: Other Expenses	525	525
Profit/(Loss) Before Provision	**2,769,707**	**(58,667,215)**
Provision for Decrease in Market Value of Investment in Share	-	(4,307,246)
Profit/(Loss) Before Taxation	**2,769,707**	**(54,359,970)**
Provision for taxation	928,745	5,332,235
Net Profit/(Loss) After Tax	**1,840,962**	**(59,692,205)**
Other Comprehensive Income	-	-
Total Comprehensive Income/(Expenses)	**1,840,962**	**(59,692,205)**

Independent Auditor's Report
to the Members of AB International Finance Limited
(incorporated in Hong Kong with limited liability)

Opinion
We have audited the financial statements of AB International Finance Limited ("the Company") set out on pages 6 to 18, which comprise the statement of financial position as at 31st December, 2017, 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, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion
We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon
The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements
The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

-- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

-- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

-- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

-- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

-- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

T. O. Yip & Co. Limited
Certified Public Accountants (Practising)
Hong Kong
Samuel Ming Sum Yip
Practising Certificate Number: P05704
1st February, 2018

AB International Finance Limited

Balance Sheet

As at 31 December 2017

Annexure-O

	2017 HK$	2016 HK$
NON-CURRENT ASSETS		
Property, plant and equipment	14,368	15,803
CURRENT ASSETS		
Discounted bills receivable	76,539,908	87,683,696
Deposits, prepayments and other receivable	2,818,264	2,310,366
Cash and bank balances	5,579,254	636,227
	84,937,426	**90,630,289**
CURRENT LIABILITIES		
Accrued liabilities and other payables	3,580,081	4,134,050
Deferred interest income	757,240	818,675
Provision for long service payments	521,805	520,256
Due to ultimate holding company	63,162,500	68,200,000
Tax payable	964	70,689
	68,022,590	**73,743,670**
NET CURRENT ASSETS	**16,914,836**	**16,886,619**
	16,929,204	**16,902,422**
EQUITY		
Share capital	1,000,000	1,000,000
Retained earnings	563,904	563,904
Proposed final dividend	7,803,341	7,776,559
Capital Reserve	7,561,960	7,561,960
	16,929,204	**16,902,422**

Profit and Loss Account

For the year ended 31 December 2017

Annexure-O-1

	2017 HK$	2016 HK$
Interest income	3,653,515	4,721,731
Interest expenses	(471,318)	(571,215)
Net interest income	**3,182,197**	**4,150,516**
Other operating income	11,442,157	10,083,178
Total operating income	**14,624,354**	**14,233,694**
Staff costs	(2,658,025)	(2,538,848)
Depreciation	(9,024)	(8,853)
Provision for long service payments	(1,549)	(4,206)
Other operating expenses	(2,640,001)	(2,393,778)
Total operating expenses	**(5,308,599)**	**(4,945,685)**
Profit before taxation	9,315,755	9,288,009
Income tax	(1,512,414)	(1,511,450)
Profit for the year	**7,803,341**	**7,776,559**
Retained earnings at start of the year	563,904	563,904
Dividends	(7,803,341)	(7,776,559)
Retained earnings at the end of the year	**563,904**	**563,904**

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 2017 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 2017 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: 26 February 2018
Dhaka, Bangladesh

SHIRAZ KHAN BASAK & CO.
Chartered Accountants

AMARSTOCK

Arab Bangladesh Bank Foundation (ABBF)

Statement of Financial Position

As at 31 December 2017

Annexure-P

	2017 BDT	2016 BDT
ASSETS		
Non Current Assets	**39,814,974**	**40,488,576**
Property, Plant & Equipment	39,813,974	40,487,576
Investment at cost in equity share of ABIL	1,000	1,000
Current Assets	**585,164,083**	**565,679,203**
Loan to ABSL	300,000,000	350,000,000
Investment in FDR	87,187,619	34,541,836
Accrued income	37,669	12,725,169
Advance Tax	128,783,664	114,829,710
Cash and Cash equivalents	69,155,131	53,582,488
TOTAL ASSETS	**624,979,056**	**606,167,779**
EQUITY AND LIABILITIES		
Shareholders' Equity	**501,184,454**	**488,794,866**
Share Capital	20,000,000	20,000,000
Retained Earnings	481,184,454	468,794,866
Non-Current Liabilities		
Advance Rent	693,374	1,145,400
Current Liabilities	**123,101,227**	**116,227,510**
Provision for Income Tax	122,193,799	115,522,482
Advance Rent	452,028	452,028
Provision for expenses	455,400	253,000
TOTAL EQUITY AND LIABILITIES	**624,979,056**	**606,167,779**

Statement of Comprehensive Income

For the year ended 31 December 2017

Annexure-P-1

	2017 BDT	2016 BDT
Income		
Operating Income	**29,888,173**	**30,475,881**
Interest Income	28,984,121	29,571,829
Rental Income	904,052	904,052
Less: Operating & Other Expenses	**10,827,270**	**12,659,472**
Operating expenses	3,371,470	3,087,272
Other expenses	7,455,800	9,572,200
Profit before Tax	**19,060,904**	**17,816,409**
Less: Provision for Tax	6,671,316	5,510,325
Profit carried forward	**12,389,588**	**12,306,083**

AB Bank Limited

Name of the Directors and entities in which had interest

As at 31 December 2017

Annexure-Q

Sl. No.	Name	Status	Name of Firms / Companies in which interested as proprietor/partner/ director/managing agent/guarantor/employees etc.
1	Mr. M. A. Awal	Chairman	1. AB International Finance Ltd., Hong Kong, Director, nominated by AB Bank Ltd.
2	Mr. Feroz Ahmed	Vice Chairman	1. AB Internaltonal Finance Ltd., Hong Kong, Chairman, nomnated by AB Bank Limited 2. Hexagaon Chemical Complex Ltd., Chairman 3. Elite Paint & Chemical Ind. Ltd., Chairman 4. Elite International Ltd., Managing Director 5. FDN Energy Ltd. , Managing Director 6. Ahemd Securities Services Ltd. , Managing Director 7. Universal Shipping & Trawling Company, Managing Partner 8. Bangladesh Generel Insurance Company Ltd., Sharehodler 9. Holy Crescent Hospital, Shareholder
3	Mr. Syed Afzal Hasan Uddin, Barrister-at-Law	Director	1. Syed Ishtiaq Ahmed & Associates, Partner 2. Square Textiles Ltd, Independent Director 3. Color City Ltd, Independent Director 4. Forward Air Avation Ltd, Nominee Director 5. Managewell Media Ltd, Nominee Director 6. Managewell Holdings Ltd. 7. Managewell Investment Ltd. 8. Managewell Service Ltd.
4	Mr. Md. Mesbahul Hoque	Director	1. Therapeutics (BD) Ltd, Managing Director
5	Mr. Syed Golam Kibria	Director	1. North East University Bangladesh, Telihaor, Sheikhghat, Sylhet-3100 – Director Finance & Registrar (Acting)
6	Mr. Asish Baran Sarkar	Director	1. Pacific Bangladesh Telecom Ltd, Head of Supply Chain Management
7	Mr. Shajir Ahmed*	Director	1. Elite Paint & Chemical Industries Limited, Director 2. Super Refinery (Pvt.) Limited, Director 3. Super Shares & Securities Ltd., Director 4. Elite Super Plastic Ind. (Pvt.) Ltd., Director 5. Super Sea Fish (Pvt.) Limited, Director 6. Super Tel Limited, Director 7. Super Silica Bangladesh Ltd., Director 8. Aurora Decor Limited, Director 9. Broast Foods Ind. (Pvt.) Ltd., Director 10. Elite Foods Industries Limited, Director
8	Mrs. Shireen Scheik Mainuddin*	Director	1. DRM Limited, Director 2. ACALA Ltd, Director 3. ASSAN Advisory Ltd, Director
9	Mr. Moshtaque Ahmed Chowdhury*	Director	1. M.A CHY & CO., Proprietor
10	Mr. Shishir Ranjan Bose, FCA	Independent Director	1. AB Securities Ltd, Indepandent Director, nominated by AB Bank Limited 2. Cashlink Bangladesh Ltd, Independent Director, nominated by AB Bank Limited 3. AB International Finance Limited (ABIFL), Hong Kong, Independent Director, nominated by AB Bank Limited 4. S .R. Bose & Co., Chartered Accountants, Proprietor 5. Therapeutics (Bangladesh) Ltd, Independent Director 6. Golden Son Limited, Chairman Audit Committee & Independent Director
11	Prof. Dr. M. Imtiaz Hossain	Independent Director	1. AB Investment Ltd, Indepandant Director, nominated by AB Bank Limited 2. Professor, Bangladesh University of Engineering and Technology (BUET)
12	Mr. Moshiur Rahman Chowhdury	President & Managing Director	1. AB Investment Limited, Director 2. AB Securities Ltd, Director 3. Cashlink Bangladesh Ltd, Director, nominated by AB Bank Limited 4. Arab Bangladesh Bank Foundation, Chairman, nominated By AB Bank Limited

* Appointed in the 35th Annual General Meeting held on December 21, 2017. Bangladesh Bank accorded approval on January 4, 2018.

CITIZEN CHARTER



AB Bank Limited
Corporate Social Responsibility of AB Bank

AB strongly believes that a strong CSR engagement is an essential element in fulfilling social commitment of all the business enterprises which contributes towards the improvement of quality of the lives of people.

In 2017 AB Bank continued its focus on CSR initiatives in the following field:

1. **Education:** AB Bank provided financial assistance to a number of educational Institutions to support the studies of poor students. The bank also provided computers to enhance technology-based learning.

2. **Health:** The Bank, in its commitment to contribute to the health sector, has financed in training nurses. The Bank also backed to create awareness against cancer. To ensure the education of the autistic children, AB played its part to build special school.

3. **Art & Culture preservation:** The Bank also patronized in publishing novels for the juveniles, trying to enrich their knowledge about liberation war and the history of our rich heritage.

4. **Sports Arena:** AB always supported the development of sports, be it cricket, football or golf. The President Cup Golf at Vatiary, Chittagong is a trademark event sponsored by AB for the last 27 years. The Bank has also made significant contribution in the field of Cricket and Football as well.

AB also donated substantial amount to Prime Minister's relief fund to help the people at distress.

Donation of Tk.5 crore to the Prime Minister's Relief Fund for Rohingya Refugees



AB Bank Limited donated Tk. 5 crore to the Prime Minister's Relief Fund for Rohingya Refugees. Mr. M. A. Awal, Chairman AB Bank Ltd. along with Mr. Shishir Ranjan Bose, FCA, Chairman Audit Committee, handed over the cheque to the Honorable Prime Minister.

Corporate Social Responsibility of AB Bank



Bank donated computers for the students of Jahangirnagar University.



AB Bank provides financial support for building "Autism Welfare Foundation (AWF) Complex" at Bosila, Keraniganj, Dhaka.



AB Bank Limited distributed relief materials to the flood affected people.

AB Bank Limited
Green Banking

With a slogan on Green Banking "Reduce, Reuse and Recycle"; 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.

Policy Formulation and Governance

Incorporation of ESRM in CRM

Eco friendly business activities and energy efficient industries are given preference in financing by the Bank. Environmental infrastructure such as wastewater treatment plant, bio-gas plant, bio-fertilizer plants are encouraged and financed by the Bank. Besides, projects having such installations are encouraged. Bank has incorporated Environment, Social and Climate Change Risk as part of the existing credit risk methodology and introduced 'Environmental and Social Risk Assessment (ESRA) - Generic Checklist' to assess existing as well as a prospective borrower (Credit Circular No.02/2017 on November 19, 2017).

Before introducing ESRA, Bank have has been conducting Environmental Risk Rating (EnvRR) since July 2011. Bank has done environmental risk rating in 905 projects in 2017.

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

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 240 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.

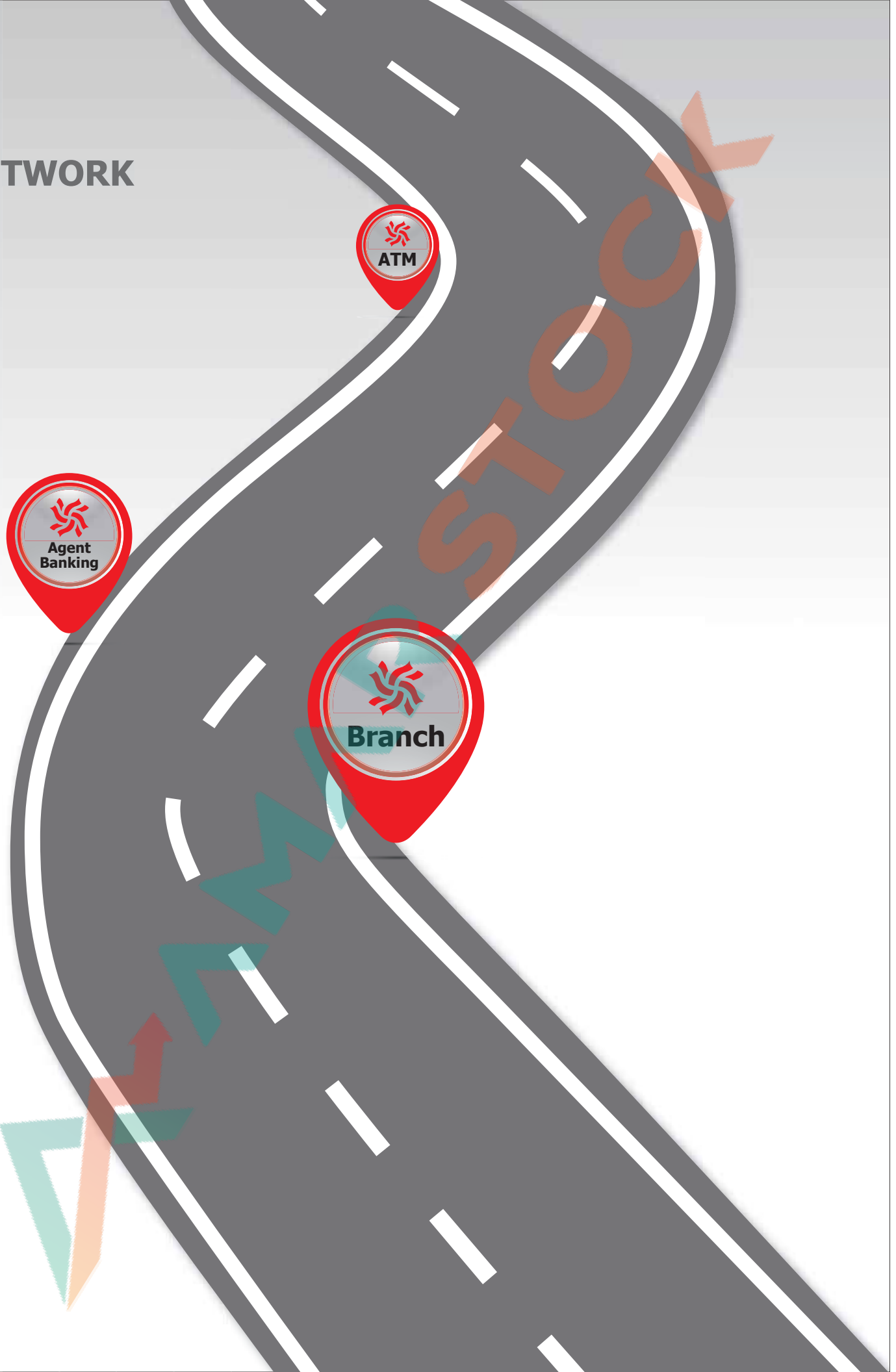
Green marketing: To promote Green marketing AB Bank is arranging Training and Capacity Building initiatives for its employees.

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
NETWORK



AB Bank Limited
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

TRAIL STOCK

AB Bank Limited

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
		Chattogram Division	
1	Agrabad	Spencers Building, 26, Agrabad C/A, Chattogram	45
2	Anderkilla	Anderkilla Branch, Universal Chamber (1st Floor), 7- Laldighi East, Kotowali, Chattogram, Bangladesh	46
3	Ashuganj	Kashem Plaza, Ashuganj Sadar, Ashuganj, Brahmanbaria	47
4	Bahaddarhat	4543,Bahaddarhat, Arakan road. Chandgaon, Chattogram	48
5	Banshkhali	Mohammed Meah Plaza, Ramdas Munshirhat, Kokdandi, Kalipur Union, Banshkhali, Chattogram	49
6	Boalkhali	TCCA Complex, Gomdandi (East), Boalkhali, Chattogram, Bangladesh	50
7	Brahmanbaria	1090/128, Court Road, Brahmanbaria, Bangladesh	51
8	CDA Avenue	BMA Bhabhan (Ground Floor), 1367, CDA Avenue, East Nasirabad, Chattogram	52
9	Chakaria	M.Rahman Complex, Holding No-625, W-4, Chakaria Pouroshova, Chakaria, Cox'sbazar	53
10	Chandpur	123/115, Poura New Market, Kali Bari Road, Chandpur	54
11	Chawk Bazar	67/68 College Road, Moti Tower,ChawkBazar, Chattogram,Bangladesh	55
12	Chaumuhani	Holding 886, Feni Road, Chaumuhani, Bedumganj, Noakhali	56
13	Chaturi	Al Amin Super Market, Mouza & Union: Chaturi, Police Station: Anowara, Chattogram	57
14	Cumilla	Moghultuli Super Market(1st Floor)Moghultoli Road,Cumilla	58
15	Cox's Bazar	Diganta Complex, New Market Bazar Ghata cox's Bazar	59
16	Dewanhat	315, Dewan Chamber, Dewanhat, Doublemuring, Chattogram	60
17	Export Processing Zone (EPZ)	EPZ Branch, P.O. South EPZ, Bay Shopping Centre, Halishahar, Chattogram	61
18	Feni	Hoque Plaza, 193, Shaheed Shahidullah Kaiser Road, Feni	62
19	Hathazari	Haji Siddique Market (1st floor), Hathazari Bus Stand, Hathazari, Chattogram	63
20	Jubilee Road	175, Jubilee Road, Chattogram, Bangladesh	64
21	Khatunganj	395 Khatungonj, Chattogram	65
22	Khulshi	Road 01, Khulshi, Chattogram	66
23	Lohagara	Mostafa City, 1st floor,Amirabad, Lohagara, Chattogram	67
24	Momin Road	Equity Central, 42-43, Momin Road, Jamal Khan, Chattogram	68
25	Nazu Meah Hat	Burischar, Kaptai Road, P.O-Nurali Bari, P.S- Hathazari, Chattogram	69
26	Patherhat	Khayez Shopping Centre, 2nd Floor, Noapara, Patherhat, P.S.-Raozan, Chattogram	70
27	Pahartoli	Abdur Rahim Tower, Holding No - 972/1043, D, T Road, Ward No 9, A,K, Khan Gate, Pahartali, Chattogram	71
28	Port Connecting Road	5,P.C Road, Block-G, Baropole, Halisahar, Chattogram	72
29	Sandwip	Sandwip City Center, Anamnahar, Plot no 22370 & 22371, Haramia, Sandwip, Chattogram	73
30	Sitakunda	Aziz Shopping Complex, (1st Floor), Mohadevpur, PO+PS-Sitakunda, Chattogram	74
31	Station Road	Equity Anitri, 32 H.S.S. Road, Kotowali, Chattogram	75
32	Teknaf	Abu Hanif Market, Bus- Station, Main road, Teknaf	76
		Khulna Division	
1	Benapole	Hotel Haque international, 607 Local Bus stand, Benapole, Jashore	77
2	Jhenaidah	Pushpoprangon, 249 Sher-E-Bangla Road, Jhenaidah Sadar, Jhenaidah	78
3	Jashore	38 M.K. Road, Jashore	79
4	Jhikargacha	Hanef Super Market, Local Bus Stand, Jhikargacha, Jashore	80
5	Khulna	99, Jashore Road	81
6	Kushtia	12-14, N.S. Road Kushtia	82
7	Satkhira	84/810 Abul Kashem Road, Satkhira	83

AB Bank Limited
Branch Network

Sl. No.	Branch Name	Address	Sl. No.
		Rajshahi Division	
1	Bogura	324 Kabi Nazrul Islam, Sarak, Jhawtola, Bogura	84
2	Chapai Nawabganj	16, Godagari Road, Chapai Nawabgonj	85
3	Naogaon	Mojaffer Hossain Marketing Complex, Main Road, Naogaon	86
4	Pabna	AR Plaza,118 Abdul Hamid Road, Pabna Sadar, Pabna	87
5	Sirajganj	Friends Plaza, 1039, S S Road, Ward 1, Sirajgonj Sadar, Sirajganj	88
6	Rajshahi	102-103, Shaheb Bazar, Ghoramara, Rajshahi	89
		Sylhet Division	
1	Boroikandi	Rongdhonu Biponi Bitan (1st Floor), Central Bus Terminal Road, Verthokhola Sylhet	90
2	Chhatak	Modaris mension, Bagbari, Chhatak, Sunamgonj	91
3	Dargahgate	Raj Monjil, Dargahgate, Sylhet	92
4	Garden Tower	Biswa Road, Shahjalal Uposhohor Point, Sylhet	93
5	Habiganj	Holding No-6286, Habiganj-Shaistaganj Main Road, Ward-8, Habiganj	94
6	Madhabpur	317, Munshi Tower, 1st Floor, Ward 07, Madhabpur Pourashava, P.O & P.S. Madhabpur, Dist. Habiganj	95
7	Moulvibazar	Shamsernagar Road, Chowmuhona, Moulvibazar, Sylhet	96
8	Sreemongal	Aziz Super Market, Moulvibazar Road, PO. & PS. Sreemongal-3210, Dist. Moulvibazar	97
9	Tajpur	Hazi Keramat Ali Super Market, Kodomtola, Tajpur, Osmanninagor, Sylhet	98
10	VIP Road	Surma Tower, V.I.P. Road, Taltala, Sylhet	99
		Rangpur Division	
1	Dinajpur	Javed Super Market, Plot.189, Bahadur Bazar, P.S. Kotwali, Dist. Dinajpur	100
2	Lalmonirhat	Kasir Uddin Kallyan Foundation Bhaban, Holding No. 5/32-S, Ward No.05, Puran Bazar, Dist. Lalmonirhat, Bangladesh	101
3	Rangpur	Baitus Syed Super Market, 91-92, Central Road, Sadar, Rangpur	102
4	Saidpur	Noor Plaza, Shaheed Dr. Zikrul Haque Road, Word No.12, Saidpur, Nilphamar	103
		Barishal Division	
1	Barishal	101, Monsur Mansion, Sadar Road, Barishal, Bangladesh	104
Total of Branch Number: 104			

AB Bank Limited
Agent Banking Branch Network

Sl. No.	Agent Point Name	Location	Owner	Opening Date
1	M/S. Shikder Enterprise	Megula Bazar, Dohar, Dhaka	Mr. Md. Tauhidur Rahman	24.12.2017
2	Mridha Traders	Kartikpur Bazar, Dohar, Dhaka	Mr. Arif Mridha	11.03.2018
3	M/S. H.R. Trade International	Central Mosque Road, Kona Bari, Gazipur	Mr. Md. Kader Reja	12.02.2018
4	M/S. A T M Enterprise	Time Bazar, Shilkup, Banshkhali, Chittagong	Mr. A T M Kamal Uddin	15.05.2018
5	M/S. Bhai Bhai Traders	Montola Station Bazar, Madhabpur, Habiganj	Mr. Md. Abdul Malek	04.06.2018

AMARSTOCK

AB Bank Limited

ATM Network

Sl.No.	ATM Location	Address	Attached Branch	Live Date
1	Bashundhara	Green Coronet Plot No-07, Block-A, Bashundhara Main Road, Dhaka	Basundhara	18-Nov-14
2	Rangpur	Shop No:01 Muktijoddha Complex Bhaban, Station Road, Rangpur	Rangpur	06-Nov-14
3	Kalurghat	Global Shirts 49 (NP) Kalurghat Heavy Industrial Area, Chattogram	Bahaddarhat	02-Sep-14
4	Mirpur-1	5-B Darus Slam Road, Section 01, Mirpur Dhaka	Mirpur	06-Jul-14
5	Gulshan	155 Gulshan Avenue Road No 54 Dhaka	Gulshan	16-Mar-14
6	Siddeswari Road	Total Camelia, 49, Siddeswari Road, Dhaka	Malibag	27-Jan-14
7	New Senpara Road	House no- 5543, Road No-1, New Senpara Road, Grand Hotel More, Rangpur	Rangpur	15-Jan-14
8	Gulshan-1	Shop No.15,50, South Gulshan, Dhaka	Gulshan	01-Dec-13
9	Pran RFL	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayangonj	Madhabdi	08-Oct-13
10	Mohakhali	G-37, Wireless Gate, Dhaka	Mohakhali	06-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	Sayestagonj Main Road, Hobigonj	Hobigonj	29-Dec-12
15	Banasree Main Road	B/4, Block B, Main Road, Banasree, Dhaka	Malibag	20-Dec-12
16	Cox's Bazar	Digonta Complex (New Market), Bazar Ghata, Cox's Bazar	Cox's Bazar	06-Dec-12
17	Asad Avenue	Mohammadpur Housing Estate Plot No. 71/C, Block No. D, Mohammadpur, Dhaka	Shyamoli	19-Nov-12
18	West Panthapath	89/2, West Panthapath, Dhaka 1215	Karwan Bazar	28-Dec-10
19	Satmasjid Road	Block-E, Plot No. Gha/13, Mohammadpur Housing Estate, Mohammadpur, Dhaka	Dhanmondi	30-Sep-12
20	Malibagh Chowdhury Para	577, Malibagh Chowdhury Para, Dhaka	Malibag	06-Sep-12
21	Training Academy	719 (old) Satmasjid Road, Dhanmondi R/A, Dhaka. 85/A (New) M R Akhter Mukul Sarak, Dhanmondi R/A, Dhaka	New Elephant Road	30-Jul-12
22	Cumilla	333, Jhawtala, Cumilla	Cumilla	30-Jul-12
23	Naz Garden	Plot No. 1668, Hotel Naz Garden, Selimpur, Bogura	Bogura	15-Jul-12
24	Narinda	98/1, Bhagabath Shah Sanka Nidhi Lane, Narinda Road, Gandaria, Dhaka	North South Road	09-Jul-12
25	PC Culture Housing Society	H - 23, Road - 10, Block – Kha, PC Culture Housing Society, Mohammadpur, Dhaka	Shyamoli	13-Jun-12
26	NICVD	NICVD, Sher-E-Bangla Nagar, Dhaka	Shyamoli	02-Jun-12
27	Medda Bazar	Municipal Holding No. 345/338, Medda Bazar, Brahmanbaria	Brahmanbaria	30-May-12
28	Sadar Road	45, Sadar Road, Barishal	Barishal	29-May-12
29	Doylar More	Muncipal Holding No. 1952, Chawk Enayet, Naogaon	Naogaon	27-May-12
30	Lucas More	115 West Nakhalpara, Tejgaon, Dhaka	Karwan Bazar	23-May-12
31	Lake Drive Road	Plot No.19, Lake Drive Road, Sector -0 7 Uttara, Dhaka	Uttara	14-May-12
32	Shahjahanpur	714/1, Uttar Shahjahanpur, Dhaka	Motijheel	09-May-12
33	South Bashabo	445, South Bashabo, Sabujbagh, Dhaka	Motijheel	03-May-12
34	Sony Cinema	Crescent Homes, 150/1 Shah Ali bag Mirpur-1, Dhaka	Mirpur	25-Apr-12
35	Tejture bazar	37 East Tejture Bazar, Farmgate, Dhaka 1215	Karwan Bazar	23-Feb-12
36	Nazim Uddin Road	1/2 Nazim Uddin Road, Dhaka	Imamganj	23-Feb-12
37	Gopibagh	1/A Gopibagh, 1st Lane, Dhaka - 1203	Principal	19-Feb-12
38	Nikunja-2	Plot No.06, Road No.01, Nikunja-02, Dhaka	Progoti Sharani	16-Feb-12
39	Simanta Square	Simanta Square Market Premises, Pilkhana, Dhaka	New Elephant Road	16-Feb-12
40	Banani	House 50, Road 11, Block-C, Banani, Dhaka	Banani	12-Feb-12
41	Adabar Bazar	H-32/1/A North Adabar, Mohammadpur, Dhaka	Shyamoli	27-Jan-12
42	Darus Salam	59/D, Darus Salam, Mirpur Road, Dhaka	Shyamoli	27-Jan-12
43	Ring Road	KPBL Chayapath, House No.16/A/6, Ring Road, Near By Japan Garden City, Mohammadpur, Dhaka	Shyamoli	21-Jan-12
44	Sutrapur	29/5 K.M Das Lane, Sutrapur, Dhaka.	Principal	27-Dec-11
45	Gulshan	Block B, H-50, Road 3 Avenue Road 1, Niketan, Gulshan 1	Mohakhali	27-Dec-11
46	Cumilla	SA Plot No. 634, Shashangacha, Badsha Miar Bazar, Kowtali, Cumilla	Cumilla	27-Dec-11

AB Bank Limited
ATM Network

Sl.No.	ATM Location	Address	Attached Branch	Live Date
47	Sandwip	Sandwip City Centre, Haramia, Sandwip, District - Chattogram	Sandwip	27-Dec-11
48	Jatrabari	Holding No. 102/1, Sahid Faruk Road, South Jatrabari, Dhaka	Principal	26-Dec-11
49	Lalmatia	House B/20, Block- E, Zakir Hossain Road, Lalmatia, Dhaka	Dhanmondi	26-Dec-11
50	Rupnagar	House 57, Road 22, Rupnagar R/A, Mirpur, Dhaka	Mirpur	26-Dec-11
51	Sutrapur(RM Das)	Holding No. 108, R M Das Road, Sutrapur, Dhaka	Nawabpur	21-Dec-11
52	Gulshan Link	TA-137/1, Gulshan Link Road, Dhaka	Gulshan	19-Dec-11
53	Dakhinkhan	House 12, Ward 4, Dakhikhan, Dhaka	Uttara	19-Dec-11
54	Rampura	City Corporation Holding No. 1, East Rampura, Dhaka	Kakrail	14-Dec-11
55	Tongi	Sena Kalyan Commercial Complex, Plot No. 9/F, Tongi, Gazipur	Tongi	14-Dec-11
56	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
57	Bandar	RSA Complex, South Halishahar, BS Plot No. 8098, Bandar, Chattogram	C-EPZ	12-Dec-11
58	Sutrapur	No. 95/4, Distillery Road, Sutrapur, Dhaka	Nawabpur	08-Dec-11
59	MDC Square	MDC Square, Chawkbazar	Chawk Bazar	30-Nov-11
60	Doymair Bazar	Osmany Shopping Center, Doyamir Bazar, Balaganj, Sylhet	Tajpur	30-Nov-11
61	Fantasy Kingdoom	SA Plot No. 193, (Near to Fantasy Kingdoom) Diakhali, Jamgora, Ashulia, Dhaka	Savar	23-Nov-11
62	Segunbagicha	42/1Kha, Segunbagicha, Ramna, Dhaka	Kakrail	22-Nov-11
63	Kalachandpur	Ka/12, Kalachandpur, Baridhara, Gulshan, Dhaka	Progoti Sharani	22-Nov-11
64	Amirabad	Best Chowdhury Plaza, Amirabad, Lohagara, Chattogram	Lohagara	22-Nov-11
65	Chaumuhani	Feni Road, Chaumuhani, Noakhali	Chaumuhani	21-Nov-11
66	Nawabgonj	Kashimpur, Nawabganj, Bandura, (Nearer to Upazila Parisad), Dhaka	Bandura	20-Nov-11
67	Notun Bazar	25, Kali Sankar Guha Road, Notun Bazar, Mymensingh	Mymensingh	25-Oct-11
68	Uttara	Plot No. 05, Rana Bhola Road, Sector-10, Uttara, Dhaka	Uttara	24-Oct-11
69	Mirpur 10	1247, Monipur, Mirpur, Dhaka	Rokeya Sharani	18-Oct-11
70	Brac Shoping	Shop No-111, Brac Shopping Centre, Faidabad, Azampur, Uttara, Dhaka	Uttara	11-Oct-11
71	Navaron	Navaron Bazar, Sharsha, District - Jashore	Benapole	02-Oct-11
72	Kadirganj	97, Kadirganj, Dorikhorbona, Greater Road, Rajshahi	Rajshahi	02-Oct-11
73	Uttara 7	Plot-89, Road-28, Sector 07, Uttara, Dhaka	Uttara	27-Sep-11
74	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
75	Indira Road	26, Indira Road, Farmgate, Dhaka	Karwan Bazar	18-Sep-11
76	Jublee Road	175, Jubilee Road, Enayet Bazar, Chattogram	Jublee Road	07-Sep-11
77	Mukda Para	111/C, North Mukda Para, Sabujbagh, Dhaka	Malibag	25-Aug-11
78	Khilkhet	Concord Lake city, Holding No. Kha-94/3, Khilkhet, Dhaka	Progoti Sharani	25-Aug-11
79	Ashkuna	Hazi Supper Market, Holding No. 2522, Ashkuna, Uttara, Dhaka	Uttara	25-Aug-11
80	Kochukhet	234/6, Kochukhet, Mirpur	Rokeya Sharani	25-Aug-11
81	Uttara-14	House:20, Road:12, Sector:14, Uttara	Uttara	23-Aug-11
82	PCR Road	Shah Amanat Shopping Complex, Plot No. 12/A, Block-G, Road No 1, Len-2, Hali Shahar Housing Estate, Holding No. 2113/A, Rampur, Chattogram	PCR	17-Aug-11
83	Palton Tower	Shop No-11,Box Kalbart Road, 87 Purna Palton Road, Palton Tower, Palton, Dhaka	Motijheel	03-Aug-11
84	Boro Moghbazar	625 Boro Moghbazar (Nayatola)(Opposite Red Cr. Society)	Malibag	31-Jul-11
85	Kaderabad Housing Society	41/A, Kaderabad Housing Society, Katasur, Mohammadpur, Dhaka	Dhanmondi	31-Jul-11
86	Lalbag	15, Lalbag Road, Lalbag Kella, Dhaka	New Elephant Road	31-Jul-11
87	BRRI	Krishi Gobesona Institute, 58/1 58/2 Laksmipura, Chandra, Gazipur	Board Bazar	31-Jul-11
88	Baipail	Opposite of Ashulia Thana (Baipail Police Station, Near Baipail Mosque), RS Plot No: 181, Dhamsona, Ashulia, Savar, Dhaka	Savar	31-Jul-11
89	Kaliakair Super Market	Kaliakair Super Market, Kaliakair Bazar Bus Stand, P.O: Kaliakair Bazar, P.S: Kaliakoir Dist: Gazipur	Chandra	31-Jul-11
90	Konabari Bus Stand	Konabari Bus Stand, Gazipur, Plot No A-146 & A-147(p) Block Chemical , BSCIC , Konabari ,Gazipur	Chandra	31-Jul-11
91	Al-Hasan Hotel	144, Sir Iqbal Raod, Khulna	Khulna	27-Jul-11
92	United Tower	4 KDA, Khulna	Khulna	27-Jul-11

TAMAR STOCK

AB Bank Limited
ATM Network

Sl.No.	ATM Location	Address	Attached Branch	Live Date
93	VIP Tower	VIP Tower, Kazir Dewri, Chattogram	Jublee Road	24-Jul-11
94	Dostagir Center	Dostagir Center 31, D.T Road, Chattogram	Dewan Hat	24-Jul-11
95	Tajpur	Kazi Mansion, Dhaka-Sylhet High Way, Kadamtola, Po-Tajpur, Ps-Osmaninagar, Sylhet	Tajpur	24-Jul-11
96	Grand Huq Tower	457-458, Grand Huq Tower, Mizan Road, Feni	Feni	21-Jul-11
97	Nathullabad	Nathullabad Bus Stand, Barishal	Barishal	05-Jul-11
98	Launch Ghat	Barishal Launch Ghat, Barishal	Barishal	05-Jul-11
99	Bar House	District Judge Court Bar Associatio (Bhaban No-1), Near Jashore Municipal Eid Ghah Moidan), Mudjib Sarak, Jashore	Jashore	29-Jun-11
100	Shib Bari	B7, Mojit Sharani, Shib Bari, Khulna	Khulna	28-Jun-11
101	Ashuganj	SA Plot 10 & 12, Main Road, Ashuganj City	Ashuganj	19-Jun-11
102	Chalkbazar	18/1 Water Works Road, Dal Potti, Chalkbazar, Dhaka	Imamganj	06-Jun-11
103	Monipuripara-2	Lion's Shopping, Old Airport Road, Monipuripara, Dhaka	Karwan Bazar	02-Jun-11
104	Gabtoli	86, 1st Colony, Mazar Road, Near of Cement House. Gabtoli, Mirpur, Dhaka	Shyamoli	02-Jun-11
105	Mojumdar Merket	Mojumdar Merket, Sadar Hospital Road, Feni	Feni	02-Jun-11
106	Khanpur Puro Market	8 No, Khanpur Puro Market, Hospital Market, Narayanganj	Narayanganj	01-Jun-11
107	Pabna	AR Plaza, (Ground Fl.) Abdul Hamid Road, Pabna	Pabna	23-May-11
108	Zigatola	House-43/3/2, Zigatola, Dhanmondi, Dhaka	New Elephant Roada	18-May-11
109	Bokshi Bazar	Bokshi Bazar, City Corpration Market, Dhaka Medical College, Dhaka	North South Road	18-May-11
110	Pilkhana	57 Azimpur Pilkhana Road,Opp-Thana Education Office, Dhaka	New Elephant Road	12-May-11
111	Pall Bari	Pallbari Circle, Beside Royal Community Center, Jashore	Jashore	09-May-11
112	Subid Bazar	Indiana Height, Subid Bazar, Sylhet	Dargahgate	08-May-11
113	Baridhara-1	Baridhara Parishad Office, Baridhara DOHS, Road 5, Opposite to CSD, Dhaka	Gulshan	07-May-11
114	Baridhara-2	Baridhara Parishad Office, Baridhara DOHS, Road 5, Opposite to CSD Dhaka	Gulshan	07-May-11
115	Gowsul Azam	Gowsul Azam Avenue, House 57, Sec 14, Uttara, Dhaka 1230	Uttara	27-Apr-11
116	Jhikargacha Branch	Hanif Super Market, Jhikargacha	Jhikargacha	27-Apr-11
117	Foy's Lake	Concord Amusement World, Foy's Lake, Khulshi, Chattogram	Khulshi	11-Apr-11
118	Lama Bazar	VIP Road, Lama Bazar, Sylhet	VIP Road	11-Apr-11
119	Rina Monjil	69, Central Jail Road, Jashore	Jashore	11-Apr-11
120	Sitakunda	Aziz Shopping Complex, Sitakunda, Chattogram	Sitakunda	10-Apr-11
121	Pagla Branch	DN Road Pagla, Fatullah, Narayangonj	Pagla	05-Apr-11
122	Concord Arcadia	Dhanmondi (Concord Arcadia), Plot 122, Road 4, Dhanmondi, Dhaka	New Elephant Road	06-Mar-11
123	Khilgoan	425/C, Khilgaon, Dhaka	Malibag	08-Feb-11
124	Bijoy Sharani	Bijoy Sharani Link Road, Tejgaon, Dhaka	Karwan Bazar	06-Feb-11
125	Prince Plaza	4/2, Prince Plaza, Sobhanbag, Mirpur Road, Dhaka	Dhanmondi	05-Feb-11
126	Monipuripara	20/1, Monipuripara (Sangshad Avenue) Dhaka	Rokeya Sharani	05-Feb-11
127	Jhinaidah	Jhinaidah Road, M. A Razzaq Kushtia	Kushtia	25-Jan-11
128	Saidabad	17/A, North Saidabad Jatrabari Dhaka	Principal	20-Jan-11
129	Patuatoli	28, Patuatuli, Hazi Nur Mohammad Road.- Old Town Dhaka	Islampur	19-Jan-11
130	Zinda Bazar	Blue Water Shopping Complex, Zinda Bazaar, Sylhet	VIP Road	19-Jan-11
131	Shi'ah Mosque	Shi'ah Mosque - House: 16, Road: 1, Mohammadpur, Dhaka-1207	Shyamoli	18-Jan-11
132	Shewrapara	820, West Shewrapara, Rokeya Sharani Road, Dhaka	Rokeya Sharani	17-Jan-11
133	Uttara-3	House: 37, Road: 7, Sector: 3, Uttara, Dhaka-1230	Uttara	16-Jan-11
134	Farmgate	71-75, Kazi Nazrul Islam Avenue, Farmgate, Dhaka 1215	Karwan Bazar	16-Jan-11
135	Dewanbazar	82, Nawab Sirajuddowla Road, Chawkbazar, Chattogram	Chawk Bazar	13-Jan-11
136	Patrail	Patrail, Delduar, Tangail	Tangail	03-Jan-11
137	Madhabpur Branch	Munshi Tower (1st Floor), Ward 7, Madhabpur, Habiganj	Madhabpur	03-Jan-11
138	Puradah	Khan Super Market Puradah, Kushtia	Kushtia	30-Dec-10

AB Bank Limited
ATM Network

Sl.No.	ATM Location	Address	Attached Branch	Live Date
139	Islampur (Gandaria)	56 Haricharan Roy Road, Faridabad - Old Town Dhaka	Islampur	29-Dec-10
140	Chakaria Branch	Chakaria Branch Chakaria	Chakaria	29-Dec-10
141	Branch (Old Satkhira)	Old Satkhira, Hatkhola, Satkhira-9400, Satkhira	Sathkhira	29-Dec-10
142	Chapai Nawabganj	16 Godagari Road Chapai Nawabganj	Chapai Nawabganj	29-Dec-10
143	New Eskaton	94, New Eskaton Road, Romna, Dhaka-1000	Karwan Bazar	28-Dec-10
144	Feni Branch	Haque Plaza (1st Floor), 193 SSK Road, Feni	Feni	28-Dec-10
145	Royal More	Royal More, Khulna	Khulna	28-Dec-10
146	Malibag Branch	Advanced Melinda (Level-1), 72 Malibag, Dhaka 1219	Malibag	27-Dec-10
147	Shyamoli Branch	Shymoli Square, 23/8 - B & C, Block: B Khilji Road, Dhaka-1207	Shyamoli	27-Dec-10
148	Naya Bazar	Nawab Yousuf Super Market , Naya Bazar - Old Town Dhaka	Islampur	23-Dec-10
149	Dream Plaza	Dream Plaza, Jashore	Jashore	23-Dec-10
150	Chowhatta	Firoj Tower, Chawhatta Sylhet	Dargahgate	22-Dec-10
151	Amtola	Amtola, Satkhira	Sathkhira	22-Dec-10
152	Station Road	Kutum Bari, Station Road, Sreemongol	Sreemongol	21-Dec-10
153	Nawabpur	Bakultala Complex, Folder Street, Nawabpur, Dhaka	Nawabpur	13-Dec-10
154	Wari	216,Nawab Street, Wari Dhaka	Nawabpur	13-Dec-10
155	Sabujbagh	78(O), 25(N), Sabujbagh, Biswa Road, Dhaka	Principal	12-Dec-10
156	Keranigonj	Chowrasta, Bishwa Road, Keranigonj, Dhaka	Jinjira	08-Dec-10
157	Mirpur 1	House. 2, Road. 6, Block. F, Muktijoddah market- Mirpur, Dhaka	Mirpur	07-Dec-10
158	Proshika More	Plot. 33, Lane. 1, Block. B, Section-6, Mirpur Dhaka	Mirpur	07-Dec-10
159	Kushtia Branch	Serajuddowla Road , Al Amin Super Market, Kushtia	Kushtia	02-Dec-10
160	Bonosree	House. 35, Road. 2, Block. C, Bonosree - Rampura Dhaka	Progoti Sharani	01-Dec-10
161	Dinajpur Branch	189 Zabed Super Market, Bahadur Bazar, Dinajpur	Dinajpur	29-Nov-10
162	Mordern More	Modern More, Ganeshtala, Dinajpur	Dinajpur	29-Nov-10
163	Kamlapur	14,15 North Kamlapur Dhaka	Principal	28-Nov-10
164	Arakan Road	957/1553, Arakan Road, Bahadarhaat	Bahaddarhat	11-Nov-10
165	Rangpur	91-92, Central Road, Kotowali, Rangpur (Opposite of Rangpur Bangladesh Bank)	Rangpur	11-Nov-10
166	Malibag	480, D.I.T Road, Malibag Dhaka	Kakrail	10-Nov-10
167	Tajmahal Rd.	3/4, Block - C, Taj Mahal Road, Mohammadpur Dhaka 1207	Dhanmondi	70-Nov-10
168	Fakirapool	1/A Fokirapool D.I.T Ext. Road Dhaka	Motijheel	04-Nov-10
169	Shantinagar	Eastern Point, 8-9 Shantinagar Dhaka	Kakrail	04-Nov-10
170	Boalkhali Branch	TCCA Complex, Gomdandi (East), Boalkhali, Chattogram 4366	Boalkhali	27-Sep-10
171	Khulshi	Khulshi House, Bungalow No. 2, B-2, Road 1, P.S.: Khulshi, Chattogram 4000	Khulshi	26-Sep-10
172	Boroikandi	Rongdhonu Biponi Bitan, 1st Floor, Central Bus Terminal Road, Verthokhola, Sylhet 3100	Boroikandi	26-Sep-10
173	Dhanmondi Branch	Plot: 45 (new) 286/B (old), Road: 16 (new) 27 (old) Dhanmondi R/A, Dhaka 1209	Dhanmondi	22-Sep-10
174	Imamgonj	40, Imamganj, Dhaka 1211	Imamganj	21-Sep-10
175	Bandura Branch	Bandura Government Super Market, Nawabgonj, Dhaka	Bandura	15-Sep-10
176	Teknaf Branch	Teknaf Main Road, Teknaf, Cox's Bazar 4760	Teknaf	15-Sep-10
177	Sreemongol	Aziz Super Market, Moulvibazar Road, Sreemongol, Moulvibazar 3210	Sreemongol	15-Sep-10
178	Lohagora Branch	Sicho Shopping Complex, Padua, Lohagara, Chattogram 4397	Lohagara	03-Aug-10
179	Cumilla	Mogholtooly Super Market, Mogholtooly Road, Cumilla 3500	Cumilla	29-Jul-10
180	Narayanganj Branch	109, B.B Road Narayangonj	Narayanganj	27-Jul-10
181	Mymensingh Branch	52 Dr. Bipin Sen Road, Choto Bazar, Kotowali, Mymensingh - 2201	Mymensingh	27-Jul-10
182	Pahartoli	825, Zakir Hossain Road, Amader Bari, Chattogram	Pahartoli	26-Jul-10
183	Moulovi Bazar Branch	Shamsher Nagar Road, Choumuhana, Moulovibazar 3200	Moulovi Bazar	26-Jul-10
184	Rajshahi Branch	102-103 Shaheb Bazar, Rajshahi 6000	Rajshahi	21-Jul-10

WAY STOCK

AB Bank Limited
ATM Network

Sl.No.	ATM Location	Address	Attached Branch	Live Date
185	Saidpur Branch	24, Nur Plaza, Ward 12, Shaheed Dr. Zikrul Haque Road, Saidpur, Nilphamari 5310	Saidpur	18-Jul-10
186	Midtown Shopping Mall	Plot 22, Main Road 03, Section-7, Pallabi, Mirpur, Dhaka 1216	Mirpur	17-Jul-10
187	Jashore Branch	38 M. K. Road, Jashore 7400	Jashore	15-Jul-10
188	Sirajganj Branch	Friends Plaza, S S Road, Ward 1, Sirajganj 6700	Sirajganj	15-Jul-10
189	C-EPZ Branch	Bay Shopping Centre, P.O: EPZ, South Halishahar P.S. Bandar, Chattogram 4100	C-EPZ	14-Jul-10
190	Chandpur	123/115 Kalibari Pouro New Market, Chandpur Sadar, Chandpur 3600	Chandpur	14-Jul-10
191	Satkhira Branch	884/810, Abul Kashem Road, Satkhira 7431	Sathkhira	14-Jul-10
192	Naogaon	Mozaffer Hossain Marketing Complex, Main Road, Naogaon 6500	Naogaon	14-Jul-10
193	Bhairab Bazar	248(W) Tin Potty, Bhairab Bazar, Bhairab, Kishoregonj 2350	Bhairab Bazar	13-Jul-10
194	O.R. Nizam Road	862/A, O.R. Nizam Road, Goal Pahar Circle, Chattogram 4000	CDA	13-Jul-10
195	Brahmanbaria	1090/128, Court Road, Brahmanbaria 3400	Brahmanbaria	13-Jul-10
196	Benapole Branch	607 Benapole, Local Bus Stand, Benapole, Jashore 7431	Benapole	13-Jul-10
197	Madhabdi Branch	Parkashipur, Madhabdi Bazar, Narsingdi 1604	Madhabdi	12-Jul-10
198	Nazumeah Hat Branch	Burischar, Kaptai Road, Hatazari, Chattogram 4330	Nazumeah Hat	12-Jul-10
199	Khulna	Mollick Shopping Complex Limited, 99 Khan A Sabur Road, Khulna 9100	Khulna	12-Jul-10
200	Patherhat Branch	Khayez Shopping Center, Patherhat, Noyapara, Chattogram	Patherhat	01-Jul-10
201	Khatunganj	395, Khatunganj, Chattogram 4000	Khatunganj	01-Jul-10
202	Agrabad Branch	BCIC Sadan, 26, Agrabad C/A, Chattogram 4100	Agrabad	30-Jun-10
203	Progoti Sharani Br	N.R. Tower, 72 Progoti Sharani, Block: J, Baridhara Dhaka	Progoti Sharani	29-Jun-10
204	Bahaddarhat	Bismillah Complex, Arakan Road, Bahaddarhat, Chattogram 4323	Bahaddarhat	29-Jun-10
205	CDA Avenue	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chattogram 4000	CDA	29-Jun-10
206	Mohakhali Branch	Pacific Centre, 14 Mohakhali C/A, Dhaka 1212	Mohakhali	28-Jun-10
207	Kawran Bazar	BSEC Bhaban, 102 Kazi Nazrul Islam Avenue, Dhaka 1215	Karwan Bazar	28-Jun-10
208	Kakrail Branch	81, VIP Road, Kakrail, Dhaka -1000	Kakrail	24-Jun-10
209	Elephant Road	Novera Square, House 05, Road 02, Dhanmondi, Dhaka 1205	New Elephant Road	24-Jun-10
210	Uttara Branch	House 11, Road 14D, Sector 4, Uttara, Dhaka-1230	Uttara	23-Jun-10
211	Principal Branch	BCIC Bhaban,30-31, Dilkusha C/A, Dhaka 1000	Principal	20-Jun-10
212	Tangail	702 Sabur Khan Tower, Kalibari Road, Tangail Sadar, Tangail 1900	Tangail	16-Jun-10
213	Chattak Branch	Madaris Mansion, Bagbari, Chattak, Sunamganj 08723	Chattak	15-Jun-10
214	Dargahgate	Raj Manjil, Dargahgate, Sylhet 3100	Dargahgate	14-Jun-10
215	Garden Tower	Bishwa Road, Shahjalal Uposhohor Point, Sylhet 3100	Garden Tower	14-Jun-10
216	V.I.P Road Branch	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
217	Kakrail (Islami Br.)	82, V.I.P Road, Kakrail, Dhaka -1000	Kakrail	07-Jun-10
218	Bogura Branch	324, Kazi Nazrul Islam Sarak, Jhawtala, Bogura 5800	Bogura	10-May-10
219	Gulshan Branch	Ventura Avenue, Plot No. CWN(C)-8, Road No. 34, Gulshan Model Town, Gulshan Dhaka	Gulshan	06-May-10
220	Joypara Branch	Joypara, Dohar, Dhaka-1300	Joypara	06-Oct-09
221	Board Bazar	Union: Gacha, PO: National University, PS: Gazipur Sadar, Gazipur-1704	Board Bazar	01-Jul-09
222	AGB Colony	Shop No-13, Baitul Aman Jame Mosjeed Market, AGB Colony, Dhaka	Principal	15-Dec-14
223	Pirerbagh	348/4, Pirerbagh, Mirpur, Dhaka	Shyamoli	22-Mar-15
224	Jaleswaritola	Shahid Abdul Jabber Road, Jaleswaritola, Bogura	Bogura	12-Apr-15
225	Sataish Road	10/11, Sataish Road, Gazipura, Gazipur	Board Bazar	15-Apr-15
226	Laila Tower	Laila Tower, 8, Gulshan Avenue, Dhaka	Gulshan	25-Apr-15
227	Meril More	Salgaria, Meril More, Pabna	Pabna	04-May-15
228	Agrabad Branch - 2	BCIC Sadan, 26, Agrabad C/A, Chattogram 4100	Agrabad	12-May-15
229	Jamuna Future Park	Shop No-5-D-14, Jamuna Future Park, Dhaka	Basundhara	19-May-15
230	Police Plaza Concord	Shop No-105, "Police Plaza Concord", Road No-2, Gulshan, Dhaka	Gulshan	24-May-15

AB Bank Limited
ATM Network

Sl.No.	ATM Location	Address	Attached Branch	Live Date
231	New Baily Road	10/1, New Baily Road, Dhaka	Kakrail	02-Jun-15
232	Gareeb-E-Newaz	Plot No-8, Gareeb-E-Newaz Avenue, Sector-13, Uttara, Dhaka	Gareeb-E-Newaz	02-Jul-15
233	WW Tower	WW Tower, 68, Motijheel Commercial Area, Dhaka	Principal	02-Aug-15
234	Sylhet Station Club	Sylhet Station Club Limited, Shahjalal Road, Sylhet	VIP Road	27-Aug-15
235	Islamic University	Islamic University of Technology (IUT) Board Bazar, Gazipur	Board Bazar	03-Sep-15
236	Ashiyan Medical College	Ashiyan Medical College Hospital, Barua, Khilkhet, Dhaka	Basundhara	09-Sep-15
237	Kalampur	Kalampur Branch On-site ATM, Kalampur, Dhamrai, Dhaka	Kalampur	09-Sep-15
238	Jurain	302/1, Jurain, Dhaka	North South Road	16-Sep-15
239	Chatterjee Lane	6/3, Shashi Bhushan Chatterjee Lane, Gandaria, Dhaka	Islampur	01-Oct-15
240	Banani	House No-34, Road-10, Block-D Banani, Dhaka	Banani	11-Oct-15
241	Eye Hospital	Bangladesh Eye Hospital ATM Booth at Bangladesh Eye Hospital Ltd. 78, Sat Masjid Road Dhanmondi, Dhaka	Dhanmondi	19-Oct-15
242	Chaturi	Shop No-3, Alam Plaza, Chaturi, Anowara, Chattogram	Chaturi	29-Oct-15
243	Paril	Paril Branch ATM Booth at Paril Bazar, Singair, Manikgonj	Paril	15-Nov-15
244	Thengamara Medical College	Thengamara Medical College (TMSS) ATM, Thengamara, Bogura	Bogura	18-Nov-15
245	Kaptai Link Road	Kaptai Link Road, Mohara, Chandgaon, Chattogram	Nazumeah Hat	24-Nov-15
246	Lalmonirhat	5/32-S, Puran Bazar, Lalmonirhat	Lalmonirhat	03-Dec-15
247	Faridpur	Holding No-29, Faridpur AR City Center, Haji Shariatullah Bazar Road, Faridpur	Faridpur	17-Dec-15
248	Raynagar (East Mirabazar)	Raynagar, Sonapara (East Mirabazar), Sylhet	Garden Tower	10-Jan-16
249	Board Bazar Branch - 2	Union: Gacha, PO: National University, PS: Gazipur Sadar, Gazipur-1704	Board Bazar	07-Jan-16
250	CDA Avenue - 2	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chattogram 4000	CDA	11-Jan-16
251	C-EPZ Branch -2	Bay Shopping Centre, P.O: EPZ, South Halishahar P.S. Bandar, Chattogram 4100	C-EPZ	12-Jan-16
252	Bhulta Branch	Haji Shopping Complex, Bhulta, Rupgonj, Narayanganj	Bhulta	13-Jan-16
253	Cumilla Medicine Complex	Cumilla Medicine Complex, Durgapur, Cumilla	Cumilla	19-Jan-16
254	Station Road	Equity Anitri, 32, H.S.S Road, under AB Bank Station Road Branch, Chattogram	Station Road	25-Jan-16
255	Ramna Bhaban	Shop No-13, Ramna Bhaban, Dhaka	Motijheel	25-Jan-16
256	Mitford Road	Shop No-12, Red Crescent Market, 14/20, Mitford Road, Dhaka	Imamganj	17-Feb-16
257	Seed Store Bazar	Al- Madina Shopping Complex, Seed Store Bazar, Bhaluka, Mymensing	Bhaluka	29-Mar-16
258	Lalkhuti	House No-187, Road No-01, Lalkhuti, Rangpur	Rangpur	05-May-16
259	Austagram Branch	Mustari Bhaban, Jamtoli, Austagram Sadar, Kishoreganj	Austagram Branch	30-May-16
260	Kaliganj	RFL Industrial Park, Mulagaon, Kaliganj, Gazipur	Madhabdi	02-Sep-16
261	Jhenaidah	Pospo Prangan, Holding No-249, Sher-e- Bangla Road, Jhenaidah	Jhenaidha Branch	14-Nov-16
262	Pran RFL - 2	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayangonj	Madhabdi	17-Nov-16
263	Matikata	134/3, Matikata, Dhaka Cantonment, Dhaka	Bashundhara Branch	29-Nov-16
264	Moghbazar	Holding No-115, Shahid Tajuddin Ahmed Sharani, Moghbazar, Dhaka	Malibag	04-Dec-16
265	North South Road	7/2, North South Road, Bangshal, Dhaka	North South Road Branch	15-Dec-16
266	SSS Bhaban	Holding No-4475, SSS Bhaban, Mymensingh-Tangail Road, Tangail	Tangail Branch	24-Jan-17
267	Kamrangir Char	Al-Madina Super Market, 1201 Rasulpur, Kamrangir Char, Dhaka	Kamrangir Char Branch	10-Apr-17
268	Banshkhali	Mohammed Meah Plaza, Ramdas Munshir Hat,Banshkhali, Chattogram	Bashkhali Branch	23-Apr-17
269	Jinjira	Shop No-06, Nupur Market, Keraniganj, Jinjira, Dhaka	Jinjira Branch	26-Apr-17
270	Signboard Bus Stand	251, Signboard Bus Stand, Board Bazar, Gazipur	Board Bazar	12-Sep-17
271	Nilphamari	Entrance of Uttara EPZ, Nilphamari, Saidpur	Saidpur Branch	19-Sep-17
272	Chaturi-2	Ittadi Shopping Complex, Bandar Community Center , Mohalkhan Bazer PO-Mohalkhan Bazer, PS-Karnafully ,Chattogram	Chatori Branch	02-Nov-17
273	World Bank Biswa Colony	Plot No.239, Block-C, Road No.01, Koibulladam Residential Area, World Bank Biswa Colony, Chattogram	Pahartoli	13-Dec-17
274	Umme Salma Tower	Umme Salma Tower, Kaliakor, Gazipur	Chandra	13-Dec-17
275	Central Road	Baitus Sayed Super Market, 91-92 Central Road, Rangpur	Rangpur	13-Dec-17
276	J.C Guha Road	15, J.C Guha Road, Nandankanon, Chattogram	Anderkilla	14-Dec-17

VARSITY STOCK

Celebrating 36 YEARS OF SUCCESSFUL PARTNERSHIP

AB Bank

Corporate Head Office, BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka-1000

PROXY FORM

I/We ..... of .....

being a Member of AB Bank Limited do hereby appoint Mr./Mrs. .....

of ..... as my/our proxy to attend and vote on my/our behalf at the 36th Annual General Meeting of the Company scheduled to be held on June 24, 2018 (Sunday) at 10:30 a.m. and at any adjournment thereof.

As witness my/our hand this ..... day of ..... 2018.

Signature of Shareholder(s)

Signature of PROXY

No. of Shares held .....

Folio No. | | | | | | | |

or

BO ID No. | | | | | | | | | | | | | | | | |

Revenue Stamp Tk. 20.00

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly stamped, must be deposited at the Corporate Head Office of the Bank at least 48 hours before the time fixed for meeting.

Signature Verified

Proxy Regn. No. .....

Authorized Signatory

AB Bank

Corporate Head Office, BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka-1000

ATTENDANCE SLIP

I/We hereby record my/our attendance at the 36th Annual General Meeting (AGM) being held today, the June 24, 2018 (Sunday) at 10:30 a.m. at Hall -1 (Gulnaksha), International Convention City Bashundhara, Kuril Biswa Road, Purbachal Express Highway, Dhaka-1219.

Name of the Shareholder(s) (in Block Letter)	
No. of Shares	
Folio No.	
BO ID No.	
Name of the Proxy (if any)	

Signature of Shareholder(s) / Proxy

Signature verified by

Note: Please present this slip at the Reception Desk. Children and non-Shareholders will not be allowed at the meeting.

MAAR STOCK

দ্বিগুণ সঞ্চয়
ইনস্টলমেন্ট স্কীম

AB RETAIL

দিচ্ছি এক
পাচ্ছি দুই
বছর তিন

সর্বনিম্ন প্রাথমিক ৫০,০০০ টাকা এবং
স্বল্প পরিমাণ মাসিক কিস্তির
মাধ্যমে গড়ে তুলুন দ্বিগুণ সঞ্চয় ৩ বছরে।

২৪X৭ ১৬২০৭
www.abbl.com

AB Bank

ডেবিট কার্ডের নতুন মাত্রা
ইচ্ছে মত বিদেশ যাত্রা

বাংলাদেশে সর্বপ্রথম ডুয়েল কারেন্সি ৳ ডেবিট কার্ড



দেশের বাইরে ভ্রমণ, হজ্জ, শপিং, মেডিকেল, শিক্ষা!
ক্রেডিট কার্ডের সেই সকল সুবিধা এখন ডেবিট কার্ডে।

বিস্তারিত জানতেঃ Help line: 16207 www.abbl.com

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www.abbl.com

AB Bank

CORPORATE INFORMATION

Name of the Company
AB Bank Limited (ABBL)

Legal Form: Public Limited Company

Date of Incorporation
31st December 1981

Commencement of Business
27th February 1982

Registered Office
BCIC Bhaban, 30-31, Dilkusha C/A
Dhaka 1000, Bangladesh.

GPO Box: 3522

Telephone: (+8802) 956 0312

Telefax: (+8802) 956 4122–23

SWIFT Code: ABBLBDDH

E-mail: info@abbl.com

Web Page: www.abbl.com

Islami Banking Branch
82, Kakrail, Ramna, Dhaka
Tel: (+8802) 833 2235, 37-38
Fax: (+8802) 833 2236
E-mail: kibb@abbl.com

Custodian Services
BCIC Bhaban (7th Floor)
30-31, Dilkusha C/A
Dhaka 1000, Bangladesh
Tel: (+8802) 9569732
9571265, 7177047
Fax: (+8802) 7160592
SWIFT: ABBLBDDH005
E-mail: custodian@abbl.com

Off-shore Banking Unit (OBU)
Bay Shopping Centre, P.O. EPZ
South Halishahar, P.S. Bandar
Chittagong
Tel: (+ 88031) 740604
Fax: (+ 88031) 741150

OVERSEAS BRANCH

Mumbai Branch
Liberty Building
41-42, Sir Vithaldas Thackersey Marg
New Marine Lines, Mumbai 400020, India
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Fax: (+91) (22) 22005391
SWIFT: ABBLINBB
E-mail: mumbai@abbl.com

SUBSIDIARY COMPANIES

AB International Finance Limited
Hong Kong
Silvercord, Tower: 01, Unit: 08, 16th Floor
30, Canton Road, Tsim Sha Tsui West
Kowloon, Hong Kong.
Tel: (+852) 28668094
SWIFT: ABFLNKHH
E-mail: abifl@abbl.com
abhk@abbl.com

AB Investment Limited (ABIL)
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68 Motijheel C/A
Dhaka 1000, Bangladesh
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9571265, 7177047
Fax: (+8802) 7160592
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AB Securities Limited (ABSL)
WW Tower (6th Floor)
68 Motijheel C/A
Dhaka 1000, Bangladesh
Tel: (+8802) 9566266, 9566238, 7124888
Fax: (+8802) 9568937
E-mail: absl@abbl.com

Cashlink Bangladesh Limited (CBL)
BCIC Bhaban (7th Floor)
30-31, Dilkusha C/A, Dhaka 1000
Tel: (+8802) 9560312
E-mail: info@cashlinkbd.com

Arab Bangladesh Bank Foundation (ABBF)
BCIC Bhaban (11th Floor)
30-31, Dilkusha C/A, Dhaka 1000
Tel: (+8802)) 9560312
Fax: (+8802) 956 4122–23
E-mail: abbf@abbl.com

Authorized Capital: Tk. 1,500 crore
Paid-up Capital: Tk. 758 crore
Number of Shareholders: 72,442
(**Record Date:** 31.05.2018)

Total Asset: Tk. 31,456 crore
Earnings per Share (EPS): Tk. 0.04
Net Asset Value per Share: Tk. 30.04
Market Capitalization: Tk. 1,675 crore

Total Manpower: 2,354
Number of Branches: 105
Number of SME Centers: 11
Number of Agent Banking Branch: 05

Auditor
S.F. Ahmed & Co.
Chartered Accountants

Rating Agency
Credit Rating Agency of Bangladesh
(CRAB)

For any Clarifications on this Report
Please Write to:
The Company Secretary
Head Office
AB Bank Limited
30-31 Dilkusha C/A, Dhaka-1000

24x7 16207

TAAR STOCK

AMAR STOCK

AB Bank Limited
BCIC Bhaban, 30-31 Dilkusha C/A, Dhaka 1000, Bangladesh
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