

**AB Bank Limited & its Subsidiaries**  
**Consolidated Balance Sheet (Un-Audited)**  
**As at 30 September 2011**

	Notes	30.09.2011 Taka	31.12.2010 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3(a)	<b>7,830,834,331</b>	<b>6,615,712,836</b>
In hand (including foreign currencies)	3.1(a)	844,460,739	793,890,193
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	6,986,348,592	5,821,822,643
<b>Balance with other banks and financial institutions</b>		<b>6,699,285,139</b>	<b>4,839,242,273</b>
In Bangladesh	4(a)	5,663,996,651	3,883,196,976
Outside Bangladesh	4(b)	1,035,288,488	956,045,298
<b>Money at call and on short notice</b>	5(a)	<b>199,927,577</b>	<b>377,261,000</b>
<b>Investments</b>		<b>20,521,087,963</b>	<b>15,042,825,990</b>
Government	6.1(a)	14,726,101,907	10,925,594,003
Others	6.2(a)	5,794,986,056	4,117,231,986
<b>Loans and advances</b>		<b>100,695,209,301</b>	<b>96,503,954,179</b>
Loans, cash credits, overdrafts, etc	7(a)	97,624,900,178	92,418,365,980
Bills purchased and discounted	8(a)	3,070,309,123	4,085,588,199
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	<b>4,185,334,830</b>	<b>4,087,040,829</b>
<b>Other assets</b>	10(a)	<b>8,039,033,636</b>	<b>6,278,573,841</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b><u>148,170,712,778</u></b>	<b><u>133,744,610,948</u></b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11(a)	<b>6,807,512,872</b>	<b>14,285,665,767</b>
<b>Deposits and other accounts</b>	12(a)	<b>114,381,715,145</b>	<b>94,762,299,803</b>
Current deposits		8,135,805,620	8,471,709,286
Demand deposits		4,334,380,991	3,720,238,567
Bills payable		1,573,511,133	1,340,863,080
Savings bank deposits		13,199,418,836	13,061,508,822
Special notice deposits		12,758,818,932	8,820,711,007
Fixed deposits		67,196,980,474	53,385,035,213
Bearer certificates of deposit		130,325,000	130,325,000
Other deposits		7,052,474,159	5,831,908,828
<b>Other liabilities</b>	13(a)	<b>11,990,425,711</b>	<b>10,568,330,197</b>
<b>Minority Interest</b>	13(b)	(50,325,157)	3,747,308
<b>Total Liabilities</b>		<b><u>133,129,328,571</u></b>	<b><u>119,620,043,075</u></b>
<b>Capital/Shareholders' Equity</b>			
<b>Total Shareholders' Equity</b>		<b>15,041,384,207</b>	<b>14,124,567,872</b>
Paid-up capital	14	3,686,113,900	3,205,316,500
Statutory reserve		4,388,944,006	4,395,776,234
Other reserve	16(a)	1,562,942,215	1,545,095,304
Retained earnings	17(a)	5,403,384,087	4,978,379,834
<b>Total Liabilities and Shareholders' Equity</b>		<b><u>148,170,712,778</u></b>	<b><u>133,744,610,948</u></b>

	<b>Notes</b>	<b>30.09.2011 Taka</b>	<b>31.12.2010 Taka</b>
<b>Off-Balance Sheet Items</b>			
<b>Contingent liabilities</b>			
	18	<b>51,229,467,959</b>	<b>44,484,883,051</b>
Acceptances and endorsements		15,355,862,320	12,254,568,825
Letters of guarantee		10,695,082,004	8,210,194,977
Irrevocable letters of credit		15,536,107,777	17,349,666,037
Bills for collection		9,642,415,858	6,670,453,212
Other contingent liabilities		-	-
<b>Other commitments</b>			
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		-	-
<b>Total</b>		<b>51,229,467,959</b>	<b>44,484,883,051</b>
<b>Other memorandum items</b>			
		<b>3,455,661,106</b>	<b>2,703,462,252</b>
Value of traveller's cheques		-	-
Value of savings certificates (Sanchaya Patra)		3,455,661,106	2,703,462,252

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**Mahadev Sarker Sumon ACA**  
CFO (Current Charge)

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**Kaiser A. Chowdhury**  
President & Managing Director

Dated : October 27, 2011  
Dhaka,

**AB Bank Limited & its Subsidiaries**  
**Consolidated Profit and Loss Account (Un-Audited)**

For the period ended 01 January to 30 September 2011

Notes	Jan.- Sept. '11 Taka	Jan.- Sept. '10 Taka	July to Sept. '11 Taka	July to Sept. '10 Taka
<b>OPERATING INCOME</b>				
Interest income	20(a) 10,048,491,116	7,886,330,843	3,613,424,094	2,791,724,781
Interest paid on deposits and borrowings, etc.	21(a) (7,519,035,541)	(4,661,711,215)	(2,758,769,103)	(1,663,405,664)
<b>Net interest income</b>	<b>2,529,455,576</b>	<b>3,224,619,628</b>	<b>854,654,991</b>	<b>1,128,319,117</b>
Investment income	22(a) 1,496,488,718	3,365,595,267	507,254,558	747,539,779
Commission, exchange and brokerage	23(a) 1,961,424,244	2,052,835,509	609,989,105	747,666,967
Other operating income	24(a) 222,168,002	241,628,442	73,321,736	127,874,781
	<b>3,680,080,964</b>	<b>5,660,059,217</b>	<b>1,190,565,399</b>	<b>1,623,081,528</b>
<b>Total operating income (a)</b>	<b>6,209,536,540</b>	<b>8,884,678,845</b>	<b>2,045,220,390</b>	<b>2,751,400,645</b>
<b>OPERATING EXPENSES</b>				
Salary and allowances	25(a) 1,258,569,964	1,133,986,195	488,167,850	461,228,302
Rent, taxes, insurance, electricity, etc.	26(a) 251,430,912	206,362,465	92,303,258	69,824,529
Legal expenses	27(a) 4,142,378	10,059,543	1,683,807	7,517,391
Postage, stamps, telecommunication, etc.	28(a) 83,965,297	77,568,861	28,764,133	25,959,720
Stationery, printing, advertisement, etc.	29(a) 102,799,212	104,970,559	37,110,728	28,376,871
Chief executive's salary and fees	7,174,576	7,145,779	2,611,942	2,611,942
Directors' fees	30(a) 1,668,657	1,636,055	686,438	350,750
Auditors' fees	31(a) 1,136,438	611,140	-	-
Charges on loan losses	-	-	-	-
Depreciation and repairs of Bank's assets	32(a) 272,965,797	173,603,062	93,252,124	62,677,928
Other expenses	33(a) 716,762,144	643,969,121	265,905,729	248,454,968
	<b>2,700,615,375</b>	<b>2,359,912,781</b>	<b>1,010,486,009</b>	<b>907,002,401</b>
<b>Profit before provision (c = a-b)</b>	<b>3,508,921,165</b>	<b>6,524,766,065</b>	<b>1,034,734,381</b>	<b>1,844,398,243</b>
Provision against loans and advances	34(a) 403,062,019	854,576,403	177,994,532	146,555,308
Provision for diminution in value of investments	35(a) 102,903,964	60,000,000	-	-
Other provisions	36(a) 60,000,000	130,000,000	-	-
	<b>565,965,983</b>	<b>1,044,576,403</b>	<b>177,994,532</b>	<b>146,555,308</b>
<b>Profit before taxation (c-d)</b>	<b>2,942,955,182</b>	<b>5,480,189,662</b>	<b>856,739,849</b>	<b>1,697,842,935</b>
Provision for taxation	1,576,069,687	2,140,279,778	421,932,351	614,127,566
<b>Net profit after taxation</b>	<b>1,366,885,495</b>	<b>3,339,909,884</b>	<b>434,807,498</b>	<b>1,083,715,369</b>
<b>Appropriations</b>				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividends, etc	-	-	-	-
	<b>1,366,885,495</b>	<b>3,339,909,884</b>	<b>434,807,498</b>	<b>1,083,715,369</b>
<b>Retained surplus</b>	<b>1,366,885,495</b>	<b>3,339,909,884</b>	<b>434,807,498</b>	<b>1,083,715,369</b>
<b>Minority Interest</b>	<b>(10,957,469)</b>	<b>1,070,896</b>	<b>200,900</b>	<b>1,045,054</b>
<b>Net Profit attributable to the shareholders of Parent Company</b>	<b>1,377,842,964</b>	<b>3,338,838,988</b>	<b>434,606,598</b>	<b>1,082,670,315</b>
<b>Consolidated Earnings Per Share (EPS)</b>	37(a) <b>37.38</b>	<b>90.58</b>	<b>11.79</b>	<b>29.37</b>

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**Mahadev Sarker Sumon ACA**  
CFO (Current Charge)

-Sd-

**Kaiser A. Chowdhury**  
President & Managing Director

Dated : October 27, 2011  
Dhaka,

**AB Bank Limited & its Subsidiaries**  
**Consolidated Cash Flow Statement (Un-Audited)**  
**For the period ended 01 January to 30 September 2011**

	Jan.- Sept. '11 Taka	Jan.- Sept. '10 Taka
<b>Cash Flows from Operating Activities</b>		
Interest receipts	10,048,491,116	7,881,061,506
Interest payments	(7,519,035,541)	(4,660,943,478)
Dividend receipts	40,347,759	97,063,958
Fee and commission receipts	1,401,806,535	1,547,357,495
Recoveries on loans previously written off	67,909,693	39,020,528
Payments to employees	(1,265,744,540)	(1,139,237,494)
Payments to suppliers	(103,935,650)	(105,322,110)
Income taxes paid	(1,952,017,807)	(1,674,245,569)
Receipts from other operating activities	2,170,016,978	3,817,117,707
Payments for other operating activities	(1,098,450,387)	(967,102,667)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>1,789,388,155</b>	<b>4,834,769,877</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Loans and advances to customers	(4,191,255,122)	(14,601,462,912)
Other assets	191,558,012	(1,571,714,248)
Deposits from other banks	819,194,000	672,221,459
Deposits from customers	18,800,221,342	1,618,427,759
Trading liabilities (short-term borrowings)	(7,133,655,019)	9,582,899,010
Other liabilities	(909,203,447)	921,176,741
	<b>7,576,859,766</b>	<b>(3,378,452,192)</b>
<b>Net cash flow from operating activities (a)</b>	<b>9,366,247,922</b>	<b>1,456,317,686</b>
<b>Cash Flows from Investing Activities</b>		
(Purchase)/ sale of government securities	(3,800,496,604)	(372,692,994)
(Purchase)/ sale of trading securities, shares, bonds, etc.	(1,677,754,070)	2,302,951,460
(Purchase)/ sale of property, plant and equipment	(331,101,692)	(599,795,425)
<b>Net cash used in investing activities (b)</b>	<b>(5,809,352,365)</b>	<b>1,330,463,041</b>
<b>Cash Flows from Financing Activities</b>		
Increase/(decrease) of long-term borrowings	(344,497,876)	9,050,000
Dividend paid	(314,580,442)	(458,483,922)
<b>Net cash (used in)/flow from financing activities (c)</b>	<b>(659,078,318)</b>	<b>(449,433,922)</b>
Net increase in cash (a+b+c)	2,897,817,239	2,337,346,805
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	11,834,763,309	8,451,964,119
<b>Cash and cash equivalents at end of the period (*)</b>	<b>14,732,580,548</b>	<b>10,789,310,924</b>
(*) Cash and cash equivalents:		
Cash	844,460,739	595,838,278
Prize bonds	2,558,500	2,016,000
Money at call and on short notice	199,927,577	348,550,000
Balance with Bangladesh Bank and its agent bank(s)	6,986,348,592	5,070,288,822
Balance with other banks and financial institutions	6,699,285,139	4,772,617,824
	<b>14,732,580,548</b>	<b>10,789,310,924</b>

Net operating cash flow per share

254.10

39.51

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**Mahadev Sarker Sumon ACA**  
CFO (Current Charge)

-Sd-

**Kaiser A. Chowdhury**  
President & Managing Director

Dated : October 27, 2011  
Dhaka,

**AB Bank Limited & its Subsidiaries**  
**Consolidated Statement of Changes in Equity (Un-Audited)**  
**For the period ended 01 January to 30 September 2011**

**Amount in Taka**

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign Exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Retained earnings	Total
Balance at 01 January 2011	3,205,316,500	4,395,603,868	110,939,676	1,338,065,823	103,291,453	13,833,508	4,979,826,528	14,146,877,356
Adjustment	-	(5,804,073)	4,252,851	-	(10,972,848)	(285,687)	(1,446,694)	(14,256,451)
Bonus for 2010:								
10 % Cash Dividend	-	-	-	-	-	-	(320,531,650)	(320,531,650)
15% Stock Dividend	480,797,400	-	-	-	-	-	(480,797,400)	-
<b>Restated Opening Balance</b>	<b>3,686,113,900</b>	<b>4,389,799,795</b>	<b>115,192,527</b>	<b>1,338,065,823</b>	<b>92,318,605</b>	<b>13,547,821</b>	<b>4,177,050,784</b>	<b>13,812,089,255</b>
Net profit after taxation for the period	-	-	-	-	-	-	1,377,842,964	1,377,842,964
Addition/ (Adjustment) made during the period	-	-	-	(2,670,517)	-	6,487,955	-	3,817,438
Addition/Adjustment for Mumbai Branch	-	(855,789)	-	-	-	-	(19,837,729)	(20,693,518)
Foreign Exchange Fluctuation	-	-	-	-	-	-	(4,024,003)	(4,024,003)
Minority Interest	-	-	-	-	-	-	(127,647,929)	(127,647,929)
<b>Balance at 30 September 2011</b>	<b>3,686,113,900</b>	<b>4,388,944,006</b>	<b>115,192,527</b>	<b>1,335,395,306</b>	<b>92,318,605</b>	<b>20,035,776</b>	<b>5,403,384,087</b>	<b>15,041,384,207</b>
<b>Balance at 30 September 2010</b>	<b>3,205,316,500</b>	<b>3,129,288,546</b>	<b>95,958,931</b>	<b>568,125,753</b>	<b>106,040,780</b>	<b>267,711,062</b>	<b>5,672,386,320</b>	<b>13,044,827,893</b>

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**Mahadev Sarker Sumon ACA**  
CFO (Current Charge)

-Sd-  
**Kaiser A. Chowdhury**  
President & Managing Director

Dated : October 27, 2011  
Dhaka,

**AB Bank Limited**  
**Balance Sheet (Un-Audited)**  
**As at 30 September 2011**

	Notes	30.09.2011 Taka	31.12.2010 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	<b>7,830,746,080</b>	<b>6,615,045,118</b>
In hand (including foreign currencies)	3.1	844,397,488	793,222,475
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	6,986,348,592	5,821,822,643
<b>Balance with other banks and financial institutions</b>	4	<b>7,851,150,475</b>	<b>6,283,104,877</b>
In Bangladesh		5,654,666,294	3,883,196,975
Outside Bangladesh		2,196,484,181	2,399,907,902
<b>Money at call and on short notice</b>	5	<b>199,927,577</b>	<b>377,261,000</b>
<b>Investments</b>	6	<b>19,578,292,060</b>	<b>14,556,958,036</b>
Government	6.1	14,726,101,907	10,925,594,003
Others	6.2	4,852,190,152	3,631,364,032
<b>Loans and advances</b>		<b>92,916,381,935</b>	<b>88,072,485,066</b>
Loans, cash credits, overdrafts, etc	7	91,406,039,931	85,620,539,738
Bills purchased and discounted	8	1,510,342,005	2,451,945,329
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>3,998,096,859</b>	<b>3,925,416,876</b>
<b>Other assets</b>	10	<b>13,718,447,297</b>	<b>12,898,720,252</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>146,093,042,284</b>	<b>132,728,991,225</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agent:</b>	11	<b>6,803,758,196</b>	<b>14,285,665,767</b>
<b>Deposits and other accounts</b>	12	<b>114,712,023,394</b>	<b>95,683,993,721</b>
Current deposits		8,135,805,620	8,471,709,286
Demand deposits		4,354,210,618	3,828,977,628
Bills payable		1,573,511,133	1,340,863,079
Savings bank deposits		13,199,418,836	13,061,508,821
Special notice deposits		12,763,725,039	9,390,226,037
Fixed deposits		67,502,552,989	53,628,475,042
Bearer certificates of deposit		130,325,000	130,325,000
Other deposits		7,052,474,160	5,831,908,828
<b>Other liabilities</b>	13	<b>10,376,405,902</b>	<b>8,915,133,006</b>
<b>Total Liabilities</b>		<b>131,892,187,492</b>	<b>118,884,792,494</b>
<b>Capital/Shareholders' Equity</b>			
<b>Total Shareholders' Equity</b>		<b>14,200,854,792</b>	<b>13,844,198,731</b>
Paid-up capital	14	3,686,113,900	3,205,316,500
Statutory reserve	15	4,388,944,006	4,389,799,795
Other reserve	16	1,485,500,133	1,481,682,694
Retained earnings	17	4,640,296,754	4,767,399,742
<b>Total Liabilities and Shareholders' Equity</b>		<b>146,093,042,284</b>	<b>132,728,991,225</b>

	Notes	30.09.2011 Taka	31.12.2010 Taka
<b>Off-Balance Sheet Items</b>			
<b>Contingent liabilities</b>			
	18	<b>51,229,467,959</b>	<b>44,484,883,051</b>
Acceptances and endorsements		15,355,862,320	12,254,568,825
Letters of guarantee	18.1	10,695,082,004	8,210,194,977
Irrevocable letters of credit		15,536,107,777	17,349,666,037
Bills for collection		9,642,415,858	6,670,453,212
Other contingent liabilities		-	-
<b>Other commitments</b>			
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		-	-
<b>Total</b>		<b>51,229,467,959</b>	<b>44,484,883,051</b>
<b>Other memorandum items</b>			
		<b>3,455,661,106</b>	<b>2,703,462,252</b>
Value of traveller's cheques		-	-
Value of savings certificates (Sanchaya Patra)		3,455,661,106	2,703,462,252

The annexed notes form an integral part of the Balance Sheet.

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**Mahadev Sarker Sumon ACA**  
CFO (Current Charge)

-Sd-

**Kaiser A. Chowdhury**  
President & Managing Director

Dated : October 27, 2011  
Dhaka,

**AB Bank Limited**  
**Profit and Loss Account (Un-Audited)**  
**For the period ended 01 January to 30 September 2011**

Notes	Jan.- Sept. '11 Taka	Jan.- Sept. '10 Taka	July to Sept. '11 Taka	July to Sept. '10 Taka
<b>OPERATING INCOME</b>				
Interest income	20 9,281,870,513	7,206,311,690	3,329,998,737	2,484,040,552
Interest paid on deposits and borrowings, etc.	21 (7,496,766,923)	(4,430,138,659)	(2,687,141,741)	(1,574,270,704)
<b>Net interest income</b>	<b>1,785,103,590</b>	<b>2,776,173,031</b>	<b>642,035,749</b>	<b>909,769,847</b>
Investment income	22 1,442,541,393	3,218,970,407	502,215,036	600,914,919
Commission, exchange and brokerage	23 1,562,602,110	1,524,158,198	494,800,761	484,188,208
Other operating income	24 138,955,889	186,051,083	33,618,849	81,551,832
	<b>3,144,099,393</b>	<b>4,929,179,688</b>	<b>1,030,634,646</b>	<b>1,166,654,960</b>
<b>Total operating income (a)</b>	<b>4,929,202,983</b>	<b>7,705,352,719</b>	<b>1,672,670,396</b>	<b>2,076,424,807</b>
<b>OPERATING EXPENSES</b>				
Salary and allowances	25 1,189,067,456	1,106,084,391	469,683,873	447,216,699
Rent, taxes, insurance, electricity, etc.	26 230,005,238	201,023,055	86,404,339	67,553,955
Legal expenses	27 3,270,286	9,396,292	1,381,372	7,216,495
Postage, stamps, telecommunication, etc.	28 78,178,414	72,981,174	26,740,140	24,374,221
Stationery, printing, advertisement, etc.	29 99,714,978	103,489,769	36,769,872	27,902,281
Chief executive's salary and fees	7,174,576	7,145,779	2,611,942	2,611,942
Directors' fees	30 1,477,657	1,521,055	610,438	316,250
Auditors' fees	31 756,261	611,140	-	-
Charges on loan losses	-	-	-	-
Depreciation and repairs of Bank's assets	32 220,936,429	171,397,340	76,585,184	61,184,069
Other expenses	33 630,070,290	595,801,016	247,787,760	223,146,962
<b>Total operating expenses (b)</b>	<b>2,460,651,586</b>	<b>2,269,451,011</b>	<b>948,574,919</b>	<b>861,522,874</b>
<b>Profit before provision (c = a-b)</b>	<b>2,468,551,396</b>	<b>5,435,901,708</b>	<b>724,095,477</b>	<b>1,214,901,933</b>
Provision against loans and advances	34 403,062,019	788,535,356	177,994,532	80,514,261
Provision for diminution in value of investments	35 102,903,964	60,000,000	-	-
Other provisions	36 60,000,000	130,000,000	-	-
<b>Total provision (d)</b>	<b>565,965,983</b>	<b>978,535,356</b>	<b>177,994,532</b>	<b>80,514,261</b>
<b>Profit before taxation (c-d)</b>	<b>1,902,585,414</b>	<b>4,457,366,352</b>	<b>546,100,945</b>	<b>1,134,387,672</b>
Provision for taxation	1,202,400,000	1,815,086,125	319,900,000	455,086,125
<b>Net profit after taxation</b>	<b>700,185,414</b>	<b>2,642,280,226</b>	<b>226,200,945</b>	<b>679,301,547</b>
<b>Appropriations</b>				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividends, etc	-	-	-	-
	-	-	-	-
<b>Retained surplus</b>	<b>700,185,414</b>	<b>2,642,280,226</b>	<b>226,200,945</b>	<b>679,301,547</b>
<b>Earnings Per Share (EPS)</b>	37 <b>19.00</b>	<b>71.68</b>	<b>6.14</b>	<b>18.43</b>

The annexed notes form an integral part of the Profit and Loss Account.

-Sd-  
**Mahadev Sarker Sumon ACA**  
CFO (Current Charge)

-Sd-  
**Kaiser A. Chowdhury**  
President & Managing Director

Dated : October 27, 2011  
Dhaka,



**AB Bank Limited**  
**Cash Flow Statement (Un-Audited)**  
**For the period ended 01 January to 30 September 2011**

Notes	Jan.- Sept. '11 Taka	Jan.- Sept. '10 Taka
<b>Cash Flows from Operating Activities</b>		
Interest receipts	9,281,870,513	7,204,195,773
Interest payments	(7,496,766,923)	(4,429,739,658)
Dividend receipts	40,347,759	97,063,958
Fee and commission receipts	1,003,207,221	1,074,706,772
Recoveries on loans previously written off	67,909,693	39,020,528
Payments to employees	(1,196,242,032)	(1,112,357,168)
Payments to suppliers	(100,471,239)	(103,857,110)
Income taxes paid	(1,432,050,701)	(1,674,245,569)
Receipts from other operating activities	2,032,634,719	3,707,078,301
Payments for other operating activities	(978,276,697)	(906,591,467)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>1,222,162,313</b>	<b>3,895,274,361</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Loans and advances to customers	(4,843,896,869)	(8,502,340,269)
Other assets	612,323,656	(355,323,384)
Deposits from other banks	819,194,000	672,221,459
Deposits from customers	18,208,835,674	1,924,336,849
Trading liabilities (short-term borrowings)	(7,137,409,695)	9,591,839,414
Other liabilities	(336,527,942)	(252,771,971)
	<b>7,322,518,825</b>	<b>3,077,962,099</b>
<b>Net cash flow from operating activities (a)</b>	<b>8,544,681,137</b>	<b>6,973,236,460</b>
<b>Cash Flows from Investing Activities</b>		
(Purchase)/ sale of government securities	(3,800,496,604)	(372,692,994)
(Purchase)/ sale of trading securities, shares, bonds, etc.	(1,220,826,120)	(3,279,169,453)
(Purchase)/ sale of property, plant and equipment	(257,855,659)	(559,773,338)
<b>Net cash used in investing activities (b)</b>	<b>(5,279,178,383)</b>	<b>(4,211,635,785)</b>
<b>Cash Flows from Financing Activities</b>		
Increase/(decrease) of long-term borrowings	(344,497,876)	9,050,000
Dividend paid	(314,580,442)	(458,483,922)
<b>Net cash (used in)/flow from financing activities (c)</b>	<b>(659,078,318)</b>	<b>(449,433,922)</b>
Net increase in cash (a+b+c)	2,606,424,437	2,312,166,753
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	13,277,958,195	9,451,710,422
<b>Cash and cash equivalents at end of the Period (*)</b>	<b>15,884,382,632</b>	<b>11,763,877,175</b>
(*) Cash and cash equivalents:		
Cash	844,397,488	595,809,782
Prize bonds	2,558,500	2,016,000
Money at call and on short notice	199,927,577	348,550,000
Balance with Bangladesh Bank and its agent bank(s)	6,986,348,592	5,070,288,822
Balance with other banks and financial institutions	7,851,150,475	5,747,212,571
	<b>15,884,382,632</b>	<b>11,763,877,175</b>

Net operating cash flow per share

231.81

189.18

-Sd-  
**Mahadev Sarker Sumon ACA**  
CFO (Current Charge)

-Sd-  
**Kaiser A. Chowdhury**  
President & Managing Director

Dated : October 27, 2011  
Dhaka,

**AB Bank Limited**  
**Statement of Changes in Equity (Un-Audited)**  
**For the period ended 01 January to 30 September 2011**

**Amount in Taka**

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign Exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Retained earnings	Total
Balance at 01 January 2011	3,205,316,500	4,395,603,868	42,199,200	1,338,065,823	103,291,453	13,833,508	4,768,197,863	13,866,508,215
Adjustment	-	(5,804,073)	-	-	(15,421,603)	(285,687)	(798,121)	(22,309,485)
Bonus for 2010:								
10 % Cash Dividend	-	-	-	-	-	-	(320,531,650)	(320,531,650)
15% Stock Dividend	480,797,400	-	-	-	-	-	(480,797,400)	-
Mumbai retained earnings	-	-	-	-	-	-	-	-
<b>Restated Opening Balance</b>	<b>3,686,113,900</b>	<b>4,389,799,795</b>	<b>42,199,200</b>	<b>1,338,065,823</b>	<b>87,869,850</b>	<b>13,547,821</b>	<b>3,966,070,692</b>	<b>13,523,667,081</b>
Net profit after taxation for the period	-	-	-	-	-	-	700,185,414	700,185,414
Addition/Adjustment. made during the period	-	-	-	(2,670,517)	-	6,487,955	-	3,817,438
Addition/(Adjustment) against Mumbai Branch	-	(855,789)	-	-	-	-	(19,837,729)	(20,693,518)
Foreign Exchange Fluctuation	-	-	-	-	0	-	(6,121,622)	(6,121,622)
<b>Balance at 30 September 2011</b>	<b>3,686,113,900</b>	<b>4,388,944,006</b>	<b>42,199,200</b>	<b>1,335,395,306</b>	<b>87,869,850</b>	<b>20,035,776</b>	<b>4,640,296,754</b>	<b>14,200,854,792</b>
<b>Balance at 30 September 2010</b>	<b>3,205,316,500</b>	<b>3,129,288,546</b>	<b>42,199,200</b>	<b>568,125,753</b>	<b>105,918,981</b>	<b>267,711,062</b>	<b>4,971,194,836</b>	<b>12,289,754,878</b>

-Sd-

**Mahadev Sarker Sumon ACA**  
CFO (Current Charge)

-Sd-

**Kaiser A. Chowdhury**  
President & Managing Director

Dated : October 27, 2011  
Dhaka,

## AB Bank Limited

### Selective Notes to the Financial Statements as on September 30, 2011

#### 1. Accounting Policies:

##### General policies

- (a) Accounting policies have been followed in preparing these financial statements are same as applied in financial statements of the Bank of preceding calendar year.
- (b) Figures relating to the previous year/ period have been rearranged, wherever considered necessary as required by Bangladesh Accounting Standards (BAS), to make them comparable with those of the current year/ period.
- (c) Figure in these notes and in the annexed financial statements have been rounded off to the nearest Taka.

##### Effects of Changes in Foreign Exchange Rates

The results of financial statements of the Bank whose functional currency is not reporting currency are translated into Bangladesh Taka as per Bangladesh Accounting Standard (BAS) 21 ' The Effects of Changes in Foreign Exchange Rates' as follows:

- (a) assets and liabilities for each statement of Balance Sheet presented (ie including comparatives) have been translated at the closing rate at the date of Balance Sheet;
- (b) income and expenses for Profit and Loss Account presented (ie including comparatives) have been translated at an monthly average rate for the period.
- (c) all resulting exchange differences have been recognized as a separate components of equity.

#### 2. Provisions:

##### a) Loans & Advances:

Provisions for loans and advances have been made as per directives of Bangladesh Bank issued from time to time.

##### b) Taxation:

Provision for income tax has been made on taxable income after necessary add back in accordance with the provisions of Finance Act 2011, the Income Tax Ordinance 1984 and other relevant legislation as applicable.

-Sd-

**Mahadev Sarker Sumon ACA**  
CFO (Current Charge)

Dated: October 27, 2011  
Dhaka

-Sd-

**Kaiser A. Chowdhury**  
President & Managing Director

	<b>30.09.2011</b>	<b>31.12.2010</b>
	<b>Taka</b>	<b>Taka</b>
<b>3. Cash</b>		
Cash in hand (Note: 3.1)	844,397,488	793,222,475
Balance with Bangladesh Bank and its agent bank(s) (Note: 3.2)	6,986,348,592	5,821,822,643
	<b>7,830,746,080</b>	<b>6,615,045,118</b>
<b>3(a) Consolidated Cash</b>		
AB Bank Limited	7,830,746,080	6,615,045,118
AB Investments Limited	25,000	-
AB International Finance Limited	-	-
AB Securities Limited	35,000	13,513
Cash Link Bangladesh Limited (CBL)	28,251	654,205
AB Exchange (UK) Ltd.	-	-
	<b>7,830,834,331</b>	<b>6,615,712,836</b>
<b>3.1 Cash in hand</b>		
In local currency	822,844,798	769,435,241
In foreign currency	21,552,690	23,787,234
	<b>844,397,488</b>	<b>793,222,475</b>
<b>3.1(a) Consolidated Cash in hand</b>		
AB Bank Limited	844,397,488	793,222,475
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	35,000	13,513
Cash Link Bangladesh Limited (CBL)	28,251	654,205
AB Exchange (UK) Ltd.	-	-
	<b>844,460,739</b>	<b>793,890,193</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>		
Balance with Bangladesh Bank		
In local currency	6,601,786,998	5,238,293,054
In foreign currency	141,334,945	166,633,259
	6,743,121,943	5,404,926,313
Sonali Bank Limited (as an agent bank of Bangladesh Bank) - local currency	243,226,649	416,896,330
	<b>6,986,348,592</b>	<b>5,821,822,643</b>
<b>3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)</b>		
AB Bank Limited	6,986,348,592	5,821,822,643
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>6,986,348,592</b>	<b>5,821,822,643</b>
<b>4. Balance with other banks and financial institutions</b>		
In Bangladesh	5,654,666,294	3,883,196,975
Outside Bangladesh	2,196,484,181	2,399,907,902
	<b>7,851,150,475</b>	<b>6,283,104,877</b>
<b>4(a) Consolidated In Bangladesh</b>		
AB Bank Limited	5,654,666,294	3,883,196,976
AB Investments Limited	480,534	95,961,044
AB International Finance Limited	-	-
AB Securities Limited	7,405,831	569,515,031
Cash Link Bangladesh Limited (CBL)	312,238,729	252,017,682
AB Exchange (UK) Ltd.	-	-
	<b>5,974,791,388</b>	<b>4,800,690,732</b>
<b>Less: Inter company transaction</b>	<b>310,794,737</b>	<b>917,493,756</b>
	<b>5,663,996,651</b>	<b>3,883,196,976</b>

**4(b) Consolidated Outside Bangladesh (Nostro Accounts)**

AB Bank Limited  
AB Investments Limited  
AB International Finance Limited  
AB Securities Limited  
Cash Link Bangladesh Limited (CBL)  
AB Exchange (UK) Ltd.

Less: Inter company transactions

	<b>30.09.2011</b> <b>Taka</b>	<b>31.12.2010</b> <b>Taka</b>
	2,196,484,181	2,399,907,902
	-	-
	1,236,183	4,206,723
	-	-
	-	-
	2,443,224	-
	2,200,163,588	2,404,114,626
	1,164,875,100	1,448,069,328
	<b>1,035,288,488</b>	<b>956,045,298</b>

	<b>30.09.2011</b> <b>Taka</b>	<b>31.12.2010</b> <b>Taka</b>
<b>5. Money at call and on short notice</b>		
In side Bangladesh	-	270,000,000
Out side Bangladesh	199,927,577	107,261,000
	<b>199,927,577</b>	<b>377,261,000</b>
<b>5(a) Consolidated Money at call and on short notice</b>		
AB Bank Limited	199,927,577	377,261,000
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>199,927,577</b>	<b>377,261,000</b>
<b>6. Investments</b>		
Government securities	(Note: 6.1) 14,726,101,907	10,925,594,003
Other investments	(Note: 6.2) 4,852,190,152	3,631,364,032
	<b>19,578,292,060</b>	<b>14,556,958,036</b>
<b>6.1 Government securities</b>		
Treasury bills	778,226,421	1,301,107,246
Treasury bonds	13,839,616,986	9,555,939,557
Debentures - Bangladesh House Building Finance Corporation (Maturity date: 14 March 2015, interest rate: 5.50%)	20,000,000	25,000,000
Bangladesh Bank Islami Investment Bond	85,700,000	41,000,000
Prize bonds	2,558,500	2,547,200
<b>Total Government securities</b>	<b>14,726,101,907</b>	<b>10,925,594,003</b>
<b>6.1(a) Consolidated Government securities</b>		
AB Bank Limited	14,726,101,907	10,925,594,003
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>14,726,101,907</b>	<b>10,925,594,003</b>
<b>6.2 Other investments</b>		
Shares	4,445,686,815	3,416,977,560
Bond	140,534,288	4,436,472
	<b>4,586,221,103</b>	<b>3,421,414,032</b>
<b>Investments -ABBL, Mumbai branch</b>		
Treasury bills	216,628,989	158,771,180
Debentures and bonds	49,340,060	51,178,820
	<b>265,969,049</b>	<b>209,950,000</b>
<b>Total Other investments</b>	<b>4,852,190,152</b>	<b>3,631,364,032</b>
<b>6.2 (a) Consolidated other investments</b>		
AB Bank Limited	4,852,190,152	3,631,364,032
AB Investment Limited	734,784,548	241,876,552
AB International Finance Limited	-	-
AB Securities Limited	175,208,126	72,211,459
Cash Link Bangladesh Limited (CBL)	32,803,229	181,941,700
AB Exchange (UK) Ltd.	-	-
	5,794,986,056	4,127,393,743
Less: Inter- group transactions	-	10,161,757
	<b>5,794,986,056</b>	<b>4,117,231,986</b>

	<b>30.09.2011</b> <b>Taka</b>	<b>31.12.2010</b> <b>Taka</b>
<b>7. Loans and Advances</b>	<b>91,406,039,931</b>	<b>85,620,539,738</b>
<b>7.1 Broad category-wise breakup</b>		
<b>In Bangladesh</b>		
Loans	74,435,483,463	71,086,413,777
Overdrafts	16,768,429,822	14,174,434,222
Cash credits	-	-
	<u>91,203,913,284</u>	<u>85,260,847,999</u>
<b>Outside Bangladesh: ABBL, Mumbai Branch</b>		
Loans	167,548,605	302,062,798
Overdrafts	34,578,041	57,628,940
Cash credits	-	-
	<u>202,126,646</u>	<u>359,691,739</u>
	<b><u>91,406,039,931</u></b>	<b><u>85,620,539,738</u></b>
<b>7.2 Classification of Loans and Advances</b>		
<u>Unclassified</u>		
Standard	88,047,706,286	83,603,360,093
Special Mention Account	158,033,646	165,803,138
Total unclassified loans and advances	<u>88,205,739,931</u>	<u>83,769,163,230</u>
<u>Classified</u>		
Substandard	670,900,000	90,102,000
Doubtful	337,800,000	129,040,000
Bad/Loss	2,191,600,000	1,632,234,508
Total classified loans and advances	<u>3,200,300,000</u>	<u>1,851,376,508</u>
	<b><u>91,406,039,931</u></b>	<b><u>85,620,539,738</u></b>
<b>7(a) Consolidated Loans, cash credits, overdrafts, etc</b>		
AB Bank Limited	91,406,039,931	85,620,539,738
AB Investment Limited	7,090,232,136	6,098,303,586
AB International Finance Limited	-	-
AB Securities Limited	1,025,484,513	916,673,257
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<u>99,521,756,580</u>	<u>92,635,516,582</u>
Less: Inter company transaction	<u>1,896,856,402</u>	<u>217,150,601</u>
	<b><u>97,624,900,178</u></b>	<b><u>92,418,365,980</u></b>
<b>8. Bills purchased and discounted</b>		
In Bangladesh	836,388,957	2,061,016,341
Outside Bangladesh - ABBL, Mumbai Branch	673,953,048	390,928,987
	<b><u>1,510,342,005</u></b>	<b><u>2,451,945,329</u></b>

<b>8 (a) Consolidated Bills purchased and discounted</b>	<b>30.09.2011</b> <b>Taka</b>	<b>31.12.2010</b> <b>Taka</b>
AB Bank Limited	1,510,342,005	2,451,945,329
AB Investment Limited	-	-
AB International Finance Limited	1,559,967,118	1,633,642,870
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>3,070,309,123</b>	<b>4,085,588,199</b>

**9. Fixed assets including premises, furniture and fixtures**

**Cost:**

Land and Building	3,301,076,006	3,302,426,418
Furniture and fixtures	181,553,189	164,270,720
Office appliances	61,349,026	58,947,552
Electrical appliances	977,961,446	746,827,176
Motor vehicles	354,934,420	351,885,725
	4,876,874,088	4,624,357,591
Less: Accumulated depreciation	878,777,229	698,940,716
	<b>3,998,096,859</b>	<b>3,925,416,876</b>

**9(a) Consolidated Fixed assets including premises, furniture and fixtures**

**Cost:**

AB Bank Limited	4,876,874,088	4,624,357,591
AB Investments Limited	33,863,046	4,910,950
AB International Finance Limited	8,423,134	11,329,894
AB Securities Limited	26,464,086	16,935,140
Cash Link Bangladesh Limited (CBL)	268,933,229	231,261,478
AB Exchange (UK) Ltd.	14,472,510	-
	5,229,030,093	4,888,795,053

**Accumulated depreciation:**

AB Bank Limited	878,777,229	698,940,716
AB Investments Limited	6,917,203	947,500
AB International Finance Limited	7,916,119	10,821,427
AB Securities Limited	4,686,949	1,377,385
Cash Link Bangladesh Limited (CBL)	144,410,860	89,667,196
AB Exchange (UK) Ltd.	986,902	-
	1,043,695,262	801,754,224
	<b>4,185,334,830</b>	<b>4,087,040,829</b>



<b>10. Other assets</b>	<b>30.09.2011 Taka</b>	<b>31.12.2010 Taka</b>
<b>Income generating</b>		
In Bangladesh:		
AB Investment Limited (99.90% owned subsidiary company of ABBL)	99,798,000	99,798,000
AB Securities Limited (99.71% owned subsidiary company of ABBL)	34,898,000	34,898,000
Cash Link Bangladesh Limited (CBL) (70% owned subsidiary company of ABBL)	164,981,228	141,181,228
Outside Bangladesh:		
AB International Finance Ltd., Hong Kong (wholly owned subsidiary company of ABBL)	5,203,944	5,203,944
AB Exchange (UK) Ltd. (wholly owned subsidiary company of ABBL)	235	-
	<u>304,881,407</u>	<u>281,081,172</u>
<b>Non-income generating</b>		
Inter-branch adjustment	195,296,491	47,617,714
Advance corporate income tax	4,203,615,288	2,771,564,587
Arab Bangladesh Bank Foundation (99.60% owned subsidiary company of ABBL)	19,920,000	19,920,000
Share Money Deposits - AB Investment Limited	4,900,200,000	4,900,100,000
Share Money Deposits - AB Securities Limited	165,000,000	165,000,000
Accounts receivable	382,263,295	1,254,797,834
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	2,099,144,033	1,602,508,495
Exchange for clearing	601,895,137	1,206,498,387
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	517,665,991	452,086,789
Security deposits	141,150,420	65,152,742
Local drafts paid without advice	-	-
Advance rent and advertisement	138,500,328	102,915,708
Stationery, stamps, printing materials, etc	48,914,907	29,476,822
	<u>13,413,565,889</u>	<u>12,617,639,079</u>
	<b><u>13,718,447,297</u></b>	<b><u>12,898,720,252</u></b>
<b>10(a) Consolidated Other assets</b>		
AB Bank Limited	13,718,447,297	12,898,720,253
AB Investment Limited	776,582,770	345,621,356
AB International Finance Limited	6,605,574	1,598,118
AB Securities Limited	133,572,170	407,855,275
Cash Link Bangladesh Limited (CBL)	22,574,907	62,919,592
AB Exchange (UK) Ltd.	1,136,659	-
	<b><u>14,658,919,377</u></b>	<b><u>13,716,714,593</u></b>
Less: Inter-group transaction	6,619,885,740	7,438,140,752
	<b><u>8,039,033,636</u></b>	<b><u>6,278,573,841</u></b>
<b>11. Borrowings from other banks, financial institutions and agents</b>		
In Bangladesh		
Outside Bangladesh	6,728,531,496	14,264,238,837
	<u>75,226,700</u>	<u>21,426,930</u>
	<b><u>6,803,758,196</u></b>	<b><u>14,285,665,767</u></b>
<b>11(a) Consolidated Borrowings from other banks, financial institutions and agents</b>		
AB Bank Limited	6,803,758,196	14,285,665,767
AB Investment Limited	1,712,761,556	-
AB International Finance Limited	1,149,116,264	1,443,869,163
AB Securities Limited	184,094,846	-
Cash Link Bangladesh Limited (CBL)	-	217,150,601
AB Exchange (UK) Ltd.	-	-
	<u>9,849,730,862</u>	<u>15,946,685,531</u>
Less: Intercompany transactions	3,042,217,990	1,661,019,765
	<b><u>6,807,512,872</u></b>	<b><u>14,285,665,767</u></b>

	<b>30.09.2011</b> <b>Taka</b>	<b>31.12.2010</b> <b>Taka</b>
<b>12. Deposit and other accounts</b>		
Inter-bank deposits	4,401,431,000	3,582,237,000
Other deposits	110,310,592,394	92,101,756,721
	<b>114,712,023,394</b>	<b>95,683,993,721</b>

**12(a) Consolidated Deposit and other accounts**

AB Bank Limited	114,712,023,394	95,683,993,721
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	114,712,023,394	95,683,993,721
Less: Inter-group transaction	330,308,248	921,693,919
	<b>114,381,715,145</b>	<b>94,762,299,803</b>

**13. Other liabilities**

Accumulated provision against loans and advances	2,363,945,431	1,962,183,286
Accrued profit on investment - Islami banking branch	-	-
Provision for current tax	5,860,490,330	4,650,537,410
Deferred tax liabilities	88,446,565	88,446,565
Interest suspense account	471,390,654	319,588,789
Provision against other assets	382,590,097	328,535,215
Provision for outstanding debit entries in NOSTRO accounts	200,000	200,000
Accounts payable - Bangladesh Bank	24,151,131	47,400,606
Accrued expenses	60,042,604	74,885,396
Provision for off balance sheet items	510,000,000	480,000,000
Provision against investments	396,803,390	282,553,000
Others (*)	218,345,701	680,802,740
	<b>10,376,405,902</b>	<b>8,915,133,006</b>

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

**13(a) Consolidated Other liabilities**

AB Bank Limited	10,376,405,902	8,915,133,006
AB Investment Limited	1,174,236,093	1,225,243,045
AB International Finance Limited	260,653,346	74,309,153
AB Securities Limited	723,263,898	1,533,036,964
Cash Link Bangladesh Limited (CBL)	677,500,965	418,308,791
AB Exchange (UK) Ltd.	28,169,830	-
	13,240,230,034	12,166,030,960
Less: Inter-group transaction	1,249,804,332	1,597,700,762
	<b>11,990,425,711</b>	<b>10,568,330,198</b>

**13(b) Non- Controlling Interest**

AB Investment Limited	12,334	674,265
AB Securities Limited	480,375	827,043
Cash Link Bangladesh Limited	(50,817,866)	2,246,000
	<b>(50,325,157)</b>	<b>3,747,308</b>

**14. Share Capital**

<b>3,686,113,900</b>	<b>3,205,316,500</b>
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**14.1 Authorised Capital**

60,000,000 ordinary shares of Taka 100 each

<b>6,000,000,000</b>	<b>6,000,000,000</b>
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**14.2 Issued, Subscribed and Paid-up Capital**

1,500,000 ordinary shares of Taka 100 each issued for cash  
35,361,139 ordinary shares of Taka 100 each issued as bonus shares

150,000,000	150,000,000
3,536,113,900	3,055,316,500
<b>3,686,113,900</b>	<b>3,205,316,500</b>

**15. Statutory reserve**

<b>30.09.2011</b>	<b>31.12.2010</b>
<b>Taka</b>	<b>Taka</b>

**In Bangladesh**

Opening balance  
Add: Addition during the period  
Add./less Adjustment for Foreign Exchange Rate Fluctuation  
Closing balance

4,230,234,501	2,987,427,246
-	1,242,807,255
-	-
<b>4,230,234,501</b>	<b>4,230,234,501</b>

**Outside Bangladesh - ABBL, Mumbai Branch**

Opening balance  
Add: Addition during the period  
Add./.(Less) Adjustment  
Closing balance

159,565,294	114,117,706
-	43,887,535
(855,789)	1,560,053
<b>158,709,505</b>	<b>159,565,294</b>
<b>4,388,944,006</b>	<b>4,389,799,795</b>

**16. Other reserve**

General reserve  
Assets revaluation reserve  
Investment revaluation reserve  
Foreign exchange revaluation for investment in foreign operation

42,199,200	42,199,200
1,335,395,306	1,338,065,823
20,035,777	13,547,822
87,869,850	87,869,850
<b>1,485,500,133</b>	<b>1,481,682,694</b>

	<b>30.09.2011</b> <b>Taka</b>	<b>31.12.2010</b> <b>Taka</b>
<b>16(a) Consolidated Other reserve</b>		
AB Bank Limited	1,485,500,133	1,476,354,828
AB Investment Limited	-	-
AB International Finance Limited	77,442,082	68,740,476
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b><u>1,562,942,215</u></b>	<b><u>1,545,095,304</u></b>
<b>17. Retained earnings</b>		
Opening balance	4,767,399,742	3,541,969,135
Add: Post-tax profit for the period	700,185,414	3,701,174,289
Less: Transfer to statutory reserve	-	1,264,995,146
Cash dividend	320,531,650	512,850,640
Bonus shares issued	480,797,400	641,063,300
	<b><u>4,666,256,105</u></b>	<b><u>4,824,234,338</u></b>
Less: Retained earnings adjustment of Mumbai Br.	19,837,729	53,248,526
Less: Foreign Exchange Translation Loss	6,121,622	3,586,070
	<b><u>4,640,296,754</u></b>	<b><u>4,767,399,742</u></b>
<b>17(a) Consolidated Retained earnings</b>		
AB Bank Limited	4,640,296,754	4,766,751,169
AB Investment Limited	742,053,176	560,482,937
AB International Finance Limited	88,070,852	43,182,590
AB Securities Limited	256,124,033	248,789,324
Cash Link Bangladesh Limited (CBL)	(427,533,485)	(232,931,930)
AB Exchange (UK) Ltd.	(11,104,573)	-
	5,287,906,756	5,386,274,089
Less: Inter group transaction	-	500,534,215
Non- Controlling Interest	(127,647,929)	(91,875,464)
	5,415,554,685	4,977,615,338
Add: Foreign currency translation gain	(12,170,598)	764,496
	<b><u>5,403,384,087</u></b>	<b><u>4,978,379,834</u></b>
<b>18. Contingent liabilities</b>	<b><u>51,229,467,959</u></b>	<b><u>44,484,883,051</u></b>
<b>18.1 Letters of guarantee</b>		
Money for which the Bank is in contingently liable in respect of guarantees issued favoring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others	10,695,082,004	8,210,194,977
	<b><u>10,695,082,004</u></b>	<b><u>8,210,194,977</u></b>

	Jan. - Sept. 2011 Taka	Jan. - Sept. 2010 Taka
<b>19. Profit and loss account</b>		
<b>Income:</b>		
Interest, discount and similar income	10,454,537,121	7,946,440,653
Dividend income	40,347,759	97,063,958
Fee, commission and brokerage	1,003,207,221	1,085,181,389
Gains less losses arising from investment securities	140,002,744	2,401,556,903
Gains less losses arising from dealing in foreign currencies	559,394,889	438,976,809
Other operating income	138,955,889	186,051,083
Gains less losses arising from dealing securities	89,524,282	(19,779,417)
Income from non-banking assets	-	-
Profit less losses on interest rate changes	-	-
	<u>12,425,969,905</u>	<u>12,135,491,378</u>
<b>Expenses:</b>		
Interest, fee and commission	7,496,766,923	4,430,138,659
Administrative expenses	1,644,919,679	1,532,379,880
Other operating expenses	630,070,290	595,801,016
Depreciation on banking assets	185,661,618	141,270,115
Losses on loans and advances	-	-
	<u>9,957,418,509</u>	<u>6,699,589,670</u>
	<b><u>2,468,551,396</u></b>	<b><u>5,435,901,708</u></b>
<b>20. Interest income</b>		
Interest on loans and advances:		
Loans and advances	8,750,231,077	6,899,288,309
Bills purchased and discounted	256,157,530	167,241,702
	<u>9,006,388,607</u>	<u>7,066,530,011</u>
Interest on:		
Calls and placements	263,190,903	132,807,101
Balance with foreign banks	11,714,437	6,356,991
Reverse Repo	-	-
Balance with Bangladesh Bank	576,566	617,587
	<u>275,481,906</u>	<u>139,781,679</u>
Profit/(Loss) due to change in interest rate	-	-
	<b><u>9,281,870,513</u></b>	<b><u>7,206,311,690</u></b>
<b>20(a). Consolidated Interest income</b>		
AB Bank Limited	9,180,154,828	7,206,311,690
AB International Finance Limited	71,448,135	62,736,966
AB Investment Limited	672,086,834	581,831,296
AB Securities Limited	124,801,318	35,450,891
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b><u>10,048,491,116</u></b>	<b><u>7,886,330,843</u></b>
<b>21. Interest paid on deposits, borrowings, etc</b>		
Interest on deposits:		
Fixed deposits	5,089,442,687	2,506,895,105
Savings deposits	371,473,654	380,471,304
Special notice deposits	681,284,444	654,264,575
Other deposits	488,870,517	428,346,462
	<u>6,631,071,301</u>	<u>3,969,977,446</u>
Interest on borrowings:		
Local banks, financial institutions including Bangladesh Bank	865,695,622	460,161,213
	<b><u>7,496,766,923</u></b>	<b><u>4,430,138,659</u></b>

	Jan. - Sept. 2011 Taka	Jan. - Sept. 2010 Taka
<b>21(a). Consolidated Interest paid on deposits, borrowings, etc</b>		
AB Bank Limited	7,471,847,889	4,430,138,659
AB Investment Limited	-	216,019,928
AB International Finance Limited	134,136	7,335,961
AB Securities Limited	43,386,511	8,216,667
Cash Link Bangladesh Limited (CBL)	3,667,005	-
AB Exchange (UK) Ltd.	-	-
	<b>7,519,035,541</b>	<b>4,661,711,215</b>

## 22. Investment income

Capital gain on sale of shares	140,002,744	2,401,556,903
Interest on treasury bills	61,208,993	109,145,657
Dividend on shares	40,347,759	97,063,958
Interest on debentures	2,887,500	2,887,500
Interest on treasury bonds	1,100,696,692	623,739,113
Gain on treasury bills and treasury bonds	89,524,282	(19,779,417)
Interest on other bonds & others	7,873,424	4,356,693
	<b>1,442,541,393</b>	<b>3,218,970,407</b>

## 22(a). Consolidated Investment income

AB Bank Limited	1,442,541,393	3,218,970,407
AB Investment Limited	280,320	32,309
AB International Finance Limited	-	-
AB Securities Limited	51,025,532	146,592,551
Cash Link Bangladesh Limited (CBL)	2,641,472	-
AB Exchange (UK) Ltd.	-	-
Less: Inter company transactions	1,496,488,718	3,365,595,267
	<b>1,496,488,718</b>	<b>3,365,595,267</b>

## 23. Commission, exchange and brokerage

Other fees, commission and service charges	485,296,767	583,124,321
Commission on letters of credit	407,584,294	407,356,739
Commission on letters of guarantee	110,326,160	94,700,329
Exchange gains less losses arising from dealings in foreign currencies	559,394,889	438,976,809
	<b>1,562,602,110</b>	<b>1,524,158,198</b>

## 23(a). Consolidated Commission, exchange and brokerage

AB Bank Limited	1,562,602,110	1,524,158,198
AB Investment Limited	277,587,072	455,573,154
AB International Finance Limited	21,977,435	17,981,388
AB Securities Limited	88,964,367	55,122,769
Cash Link Bangladesh Limited (CBL)	10,070,439	-
AB Exchange (UK) Ltd.	222,820	-
	<b>1,961,424,244</b>	<b>2,052,835,509</b>

## 24. Other income

Locker rent, insurance claim and others	8,444,157	8,618,747
Recoveries on loans previously written off	67,909,693	39,020,528
Recoveries on telex, telephone, fax, etc	45,455,634	47,046,448
Recoveries on courier, postage, stamp, etc	16,942,476	18,713,391
Finance charge from ABBF	-	23,943,428
Non-operating income (*)	203,928	48,708,541
	<b>138,955,889</b>	<b>186,051,083</b>

(\*) Non-operating income includes sale of vehicles, old tyres, tubes, newspapers, furniture, fixtures, etc.

## 24(a). Consolidated Other income

AB Bank Limited	138,955,889	186,051,083
AB Investment Limited	13,369,816	32,793,642
AB International Finance Limited	33,785,291	13,787,792
AB Securities Limited	6,530,168	8,995,925
Cash Link Bangladesh Limited (CBL)	29,526,838	-
AB Exchange (UK) Ltd.	-	-
	<b>222,168,002</b>	<b>241,628,442</b>

	<b>Jan. - Sept. 2011 Taka</b>	<b>Jan. - Sept. 2010 Taka</b>
<b>25. Salary and allowances</b>		
Basic salary, provident fund contribution and all other allowances	1,130,601,579	886,307,148
Festival and incentive bonus	58,465,878	219,777,243
	<b><u>1,189,067,456</u></b>	<b><u>1,106,084,391</u></b>
<b>25(a). Consolidated Salary and allowances</b>		
AB Bank Limited	1,189,067,456	1,106,084,391
AB Investment Limited	15,887,857	4,733,963
AB International Finance Limited	22,094,506	20,322,205
AB Securities Limited	18,106,902	2,845,636
Cash Link Bangladesh Limited (CBL)	11,090,038	-
AB Exchange (UK) Ltd.	2,323,206	-
	<b><u>1,258,569,964</u></b>	<b><u>1,133,986,195</u></b>
<b>26. Rent, taxes, insurance, electricity, etc</b>		
Rent, rates and taxes	148,106,365	129,918,001
Electricity, gas, water, etc	33,645,926	28,614,747
Insurance	48,252,948	42,490,308
	<b><u>230,005,238</u></b>	<b><u>201,023,055</u></b>
<b>26(a). Consolidated Rent, taxes, insurance, electricity, etc</b>		
AB Bank Limited	230,005,238	201,023,055
AB Investment Limited	4,994,661	1,370,605
AB International Finance Limited	3,518,916	3,618,791
AB Securities Limited	5,442,373	350,014
Cash Link Bangladesh Limited (CBL)	4,185,184	-
AB Exchange (UK) Ltd.	3,284,540	-
	<b><u>251,430,912</u></b>	<b><u>206,362,465</u></b>
<b>27. Legal expenses</b>		
Legal expenses	<b><u>3,270,286</u></b>	<b><u>9,396,292</u></b>
<b>27(a). Consolidated Legal expenses</b>		
AB Bank Limited	3,270,286	9,396,292
AB Investment Limited	450,000	100,000
AB International Finance Limited	220,342	271,251
AB Securities Limited	45,000	292,000
Cash Link Bangladesh Limited (CBL)	156,750	-
AB Exchange (UK) Ltd.	-	-
	<b><u>4,142,378</u></b>	<b><u>10,059,543</u></b>
<b>28. Postage, stamp, telecommunication, etc</b>		
Telex, fax, internet, wireless link, SWIFT, etc	49,815,511	47,655,836
Telephone	8,760,281	9,024,669
Postage, stamp and shipping	19,602,622	16,300,669
	<b><u>78,178,414</u></b>	<b><u>72,981,174</u></b>
<b>28(a). Consolidated Postage, stamp, telecommunication, etc</b>		
AB Bank Limited	78,178,414	72,981,174
AB Investment Limited	588,718	113,220
AB International Finance Limited	3,202,018	4,190,565
AB Securities Limited	1,303,293	283,902
Cash Link Bangladesh Limited (CBL)	607,601	-
AB Exchange (UK) Ltd.	85,254	-
	<b><u>83,965,297</u></b>	<b><u>77,568,861</u></b>
<b>29. Stationery, printing, advertisements, etc</b>		
Printing and stationery	69,525,237	59,246,073
Publicity, advertisement, etc	30,189,742	44,243,696
	<b><u>99,714,978</u></b>	<b><u>103,489,769</u></b>

	Jan. - Sept. 2011 Taka	Jan. - Sept. 2010 Taka
<b>29(a). Consolidated Stationery, printing, advertisements, etc</b>		
AB Bank Limited	99,714,978	103,489,769
AB Investment Limited	628,353	989,798
AB International Finance Limited	296,770	314,144
AB Securities Limited	655,975	176,848
Cash Link Bangladesh Limited (CBL)	88,548	-
AB Exchange (UK) Ltd.	1,414,587	-
	<b>102,799,212</b>	<b>104,970,559</b>

**30. Directors' fees**

Directors' fees	1,102,450	930,350
Meeting expenses	375,207	590,705
	<b>1,477,657</b>	<b>1,521,055</b>

Directors' fees includes fees for attending the meeting of the Board, Executive Committee, Audit Committee and Shariah Council. Each director was remunerated @ Tk.5,000 per meeting.

**30(a). Consolidated Directors' fees**

AB Bank Limited	1,477,657	1,521,055
AB Investment Limited	80,500	92,000
AB International Finance Limited	-	-
AB Securities Limited	80,500	23,000
Cash Link Bangladesh Limited (CBL)	30,000	-
AB Exchange (UK) Ltd.	-	-
	<b>1,668,657</b>	<b>1,636,055</b>

**31. Auditors' fees**

Statutory	0.00	11,500
Others	756,261	599,640
	<b>756,261</b>	<b>611,140</b>

**31(a). Consolidated Auditors' fees**

AB Bank Limited	756,261	611,140
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	380,177	-
	<b>1,136,438</b>	<b>611,140</b>

**32. Depreciation and repairs of Bank's assets**

Depreciation:

Electrical appliances	109,097,748	78,302,277
Leasehold assets	-	-
Furniture and fixtures	8,754,681	7,581,174
Office appliances	2,899,283	3,094,190
Building	14,857,426	7,193,293
Motor vehicles	50,052,479	45,099,182
	<b>185,661,618</b>	<b>141,270,115</b>

Repairs:

Motor vehicles	10,807,759	7,952,726
Electrical appliances	11,859,576	10,205,953
Office premises and others	9,770,309	9,088,933
Furniture and fixtures	731,254	767,447
Office appliances	2,105,914	2,112,166
	<b>35,274,812</b>	<b>30,127,225</b>
	<b>220,936,429</b>	<b>171,397,340</b>



	<b>Jan. - Sept. 2011 Taka</b>	<b>Jan. - Sept. 2010 Taka</b>
<b>32(a). Consolidated Depreciation and repairs of Bank's assets</b>		
AB Bank Limited	220,936,429	171,397,340
AB Investment Limited	2,752,565	721,112
AB International Finance Limited	1,601,704	744,595
AB Securities Limited	4,106,197	740,016
Cash Link Bangladesh Limited (CBL)	42,436,161	-
AB Exchange (UK) Ltd.	1,132,740	-
	<b>272,965,797</b>	<b>173,603,062</b>

**33. Other expenses**

Contractual service	127,046,112	80,505,920
Amortization of deferred revenue expenses	105,934,947	120,500,050
Petrol, oil and lubricant	34,535,159	36,960,077
Software expenses	71,242,345	86,831,740
Entertainment	28,203,574	23,271,089
Travelling	37,733,588	29,091,292
Subscription, membership and sponsorship	22,696,614	34,110,750
Training, seminar and workshop	4,753,417	17,060,439
Local conveyance	5,734,323	4,908,384
Professional charges	16,098,190	9,389,107
Books, newspapers and periodicals	1,364,893	935,999
Branch opening expenses	433,822	435,684
Bank Charges	7,151,064	7,325,697
Sundry expenses (*)	167,142,241	144,474,789
	<b>630,070,290</b>	<b>595,801,016</b>

(\*) Sundry expenses includes corporate expenses, business promotion, expenses on managers' conferences and annual general meeting, loss on sale of assets, non-operating expenses and other miscellaneous expenses.

**33(a). Consolidated Other expenses**

AB Bank Limited	630,070,290	595,801,016
AB Investment Limited	21,810,325	41,988,105
AB International Finance Limited	66,551	2,474,614
AB Securities Limited	18,166,906	3,705,386
Cash Link Bangladesh Limited (CBL)	43,941,301	-
AB Exchange (UK) Ltd.	2,706,770	-
	<b>716,762,144</b>	<b>643,969,121</b>

**34. Provision against loans and advances**

On un-classified loans	183,062,019	214,500,000
On classified loans	220,000,000	574,035,356
	<b>403,062,019</b>	<b>788,535,356</b>

**34(a). Consolidated Provision against loans and advances**

AB Bank Limited	403,062,019	788,535,356
AB Investment Limited	-	66,041,047
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>403,062,019</b>	<b>854,576,403</b>

**35. Provisions for diminution in value of investments**

In quoted shares	<b>102,903,964</b>	<b>60,000,000</b>
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**35(a). Consolidated Provisions for diminution in value of investments**

AB Bank Limited	102,903,964	60,000,000
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>102,903,964</b>	<b>60,000,000</b>

	<b>Jan. - Sept. 2011 Taka</b>	<b>Jan. - Sept. 2010 Taka</b>
<b>36. Other provision</b>		
Provision for off balance sheet items	30,000,000	50,000,000
Provision for Outstanding debit entries in NOSTRO accounts	-	-
Provision for Other assets	30,000,000	80,000,000
	<b><u>60,000,000</u></b>	<b><u>130,000,000</u></b>

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

**36(a). Consolidated Other provision**

AB Bank Limited	60,000,000	130,000,000
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cash Link Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b><u>60,000,000</u></b>	<b><u>130,000,000</u></b>

**37. Earnings per share**

Profit after taxation	700,185,414	2,649,426,005
Number of ordinary shares outstanding	36,861,139	36,861,139
Earnings per share	<b><u>19.00</u></b>	<b><u>71.88</u></b>

**37. (a) Consolidated Earnings per share**

Net Profit attributable to the shareholders of Parent Company	1,377,842,964	3,338,838,988
Number of ordinary shares outstanding	36,861,139	36,861,139
Earnings per share	<b><u>37.38</u></b>	<b><u>90.58</u></b>

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 30 September 2011 in terms of Bangladesh Accounting Standard (BAS)-33. Accordingly to BAS-33, EPS for the 3rd Quarter ended 30 September 2010 was restated for the issues of bonus share in 2011.