

AB Bank Limited

BCIC Bhaban

30-31 Dilkusha Commercial Area

Dhaka 1000

AB Bank Limited and Its Subsidiaries

Consolidated and separate financial statements
for the period ended 30 June 2014

AB Bank Limited & its Subsidiaries
Consolidated Balance Sheet
As at 30 June 2014

<u>PROPERTY AND ASSETS</u>	Notes	30.06.2014 Taka	31.12.2013 Taka
Cash	3(a)	13,224,369,013	11,362,379,912
In hand (including foreign currencies)	3.1(a)	1,293,247,661	1,328,232,066
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	11,931,121,352	10,034,147,846
Balance with other banks and financial institutions	4(a)	5,863,160,740	5,983,961,130
In Bangladesh	4.1(a)	4,101,646,354	4,746,243,512
Outside Bangladesh	4.2(a)	1,761,514,386	1,237,717,618
Money at call and on short notice	5(a)	4,986,740,592	991,387,500
Investments	6(a)	28,796,379,144	29,617,297,504
Government	6.1(a)	21,892,701,381	22,327,865,346
Others	6.2(a)	6,903,677,763	7,289,432,157
Loans, advances and lease/investments		165,830,275,121	147,128,880,056
Loans, cash credits, overdrafts, etc./Investments	7(a)	163,056,845,404	144,545,643,251
Bills purchased and discounted	8(a)	2,773,429,717	2,583,236,805
Fixed assets including premises, furniture and fixtures	9(a)	4,674,230,408	4,741,796,955
Other assets	10(a)	11,890,126,098	9,923,067,614
Non-banking assets		-	-
Total Assets		235,265,281,115	209,748,770,671
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	12,693,137,278	10,391,319,243
Deposits and other accounts	12(a)	180,749,378,410	161,609,892,233
Current account and other accounts		18,259,007,318	15,746,417,142
Bills payable		2,177,905,247	1,140,175,156
Savings bank deposits		18,486,205,214	17,093,460,022
Fixed deposits		103,372,722,931	91,742,137,914
Other deposits		38,453,537,700	35,887,701,999
Other liabilities	13(a)	23,834,512,702	20,454,511,793
Total Liabilities		217,277,028,389	192,455,723,269
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		18,000,779,685	17,308,687,827
Paid-up capital	14	5,324,591,520	4,976,253,760
Statutory reserve	15	5,593,569,010	5,564,799,391
Other reserve	16(a)	1,685,692,319	1,596,508,461
Retained earnings	17(a)	5,396,926,836	5,171,126,214
Minority interest	17(b)	(12,526,958)	(15,640,425)
Total Equity		17,988,252,727	17,293,047,402
Total Liabilities and Shareholders' Equity		235,265,281,115	209,748,770,671

	Notes	30.06.2014 Taka	31.12.2013 Taka
Off-Balance Sheet Items			
Contingent liabilities			
	18	85,170,114,437	83,216,543,057
Acceptances and endorsements		26,723,879,716	26,948,988,710
Letters of guarantee		15,131,741,749	16,393,076,675
Irrevocable letters of credit		27,430,803,279	30,225,132,651
Bills for collection		10,446,390,793	9,649,345,020
Other contingent liabilities		5,437,298,900	-
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		85,170,114,437	83,216,543,057

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 26 July 2014

AB Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account
For the period ended 30 June 2014

Notes	Jan'14- June'14 Taka	Jan'13- June'13 Taka	April'14-June'14 Taka	April'13-June'13 Taka
OPERATING INCOME				
Interest income/profit on investments	20(a) 10,545,976,740	8,627,425,489	5,436,935,161	4,406,365,436
Interest/profit paid on deposits and borrowings, etc.	21(a) (7,768,478,438)	(6,911,869,569)	(3,877,351,001)	(3,478,491,027)
Net interest income	2,777,498,302	1,715,555,919	1,559,584,161	927,874,408
Investment income	22(a) 1,303,751,762	1,325,421,000	609,622,522	696,314,220
Commission, exchange and brokerage	23(a) 1,769,704,516	1,498,555,554	834,712,668	767,051,331
Other operating income	24(a) 84,945,418	83,908,458	43,179,996	45,988,235
Total operating income (a)	3,158,401,695	2,907,885,012	1,487,515,185	1,509,353,785
OPERATING EXPENSES	5,935,899,997	4,623,440,931	3,047,099,346	2,437,228,194
Salary and allowances	25(a) 1,097,941,021	969,082,502	562,797,216	487,441,857
Rent, taxes, insurance, electricity, etc.	26(a) 299,093,600	229,623,567	177,846,968	119,350,370
Legal expenses	27(a) 7,540,352	4,817,829	5,917,389	1,188,522
Postage, stamps, telecommunication, etc.	28(a) 72,407,572	68,546,779	38,037,190	30,216,646
Stationery, printing, advertisement, etc.	29(a) 86,968,610	80,157,677	50,138,628	43,543,345
Chief executive's salary and fees	5,243,560	5,172,751	4,000,000	2,697,751
Directors' fees	30(a) 5,877,708	1,378,296	4,237,438	554,703
Auditors' fees	31(a) 770,495	1,352,639	267,898	260,681
Depreciation and repairs of Bank's assets	32(a) 270,297,064	231,567,894	134,378,014	118,006,578
Other expenses	33(a) 574,575,219	549,254,622	310,690,396	275,453,868
Total operating expenses (b)	2,420,715,203	2,140,954,556	1,288,311,136	1,078,714,322
Profit before provision (c = (a-b))	3,515,184,794	2,482,486,375	1,758,788,210	1,358,513,872
Provision against loans and advances	34(a) 892,084,665	1,089,819,769	462,084,600	659,819,769
Provision for diminution in value of investments	35(a) 36,552,118	79,000,000	13,649,253	5,900,000
Other provisions	36(a) 228,340,385	101,204,402	107,497,400	61,204,402
Total provision (d)	1,156,977,168	1,270,024,171	583,231,253	726,924,171
Profit before tax (c-d)	2,358,207,626	1,212,462,204	1,175,556,957	631,589,700
Provision for taxation	1,545,540,056	816,263,966	777,136,263	440,721,961
Net profit after tax	812,667,570	396,198,238	398,420,694	190,867,739
Appropriations				
Statutory reserve	23,313,573	15,498,183	23,313,573	15,498,183
General reserve	-	-	-	-
Dividends, etc.	-	-	-	-
	23,313,573	15,498,183	23,313,573	15,498,183
Retained surplus	789,353,998	380,700,055	375,107,121	175,369,556
Minority interest	3,113,467	1,497,522	3,338,560	2,029,063
Net Profit attributable to the shareholders of parent company	786,240,531	379,202,533	371,768,561	173,340,493
Consolidated Earnings Per Share (EPS)	37(a) 1.52	0.74	0.74	0.35

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 26 July 2014

AB Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the period ended 30 June 2014

Cash Flows from Operating Activities	Jan'14- June'14 Taka	Jan'13- June'13 Taka
Interest receipts	11,219,360,527	9,041,037,440
Interest payments	(7,399,176,238)	(7,002,082,650)
Dividend receipts	40,417,683	43,619,938
Fee and commission receipts	1,197,492,094	1,150,237,880
Recoveries on loans previously written off	3,416,149	3,106,397
Payments to employees	(1,103,184,581)	(974,255,253)
Payments to suppliers	(86,968,610)	(81,510,316)
Income taxes paid	(1,629,150,637)	(918,974,481)
Receipts from other operating activities	1,917,075,769	1,710,920,797
Payments for other operating activities	(1,050,667,363)	(888,043,789)
Operating profit before changes in operating assets & liabilities	3,108,614,792	2,084,055,962
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(19,374,778,852)	(14,686,249,878)
Other assets	(324,850,953)	(54,748,404)
Deposits from other banks	1,064,715,514	698,959,702
Deposits from customers	17,705,468,462	7,690,705,553
Trading liabilities (short-term borrowings)	2,375,318,549	2,478,962,546
Other liabilities	686,028,300	655,430,598
	2,131,901,022	(3,216,939,883)
Net cash flow from operating activities (a)	5,240,515,815	(1,132,883,921)
Cash Flows from Investing Activities		
Purchase of government securities	526,510,138	522,062,430
(Purchase)/Sale of trading securities, shares, bonds, etc.	385,754,394	251,622,196
Purchase of property, plant and equipment	(111,999,907)	(40,721,474)
Net cash used in investing activities (b)	800,264,625	732,963,152
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	(73,500,514)	(1,476,386,154)
Dividend paid	(231,037,024)	(675,248)
Net cash used in from financing activities (c)	(304,537,538)	(1,477,061,402)
Net (decrease)/increase in cash (a+b+c)	5,736,242,901	(1,876,982,171)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	18,341,599,343	20,773,260,681
Cash and cash equivalents at end of the period (*)	24,077,842,246	18,896,278,512
(*) Cash and cash equivalents:		
Cash	1,293,247,661	998,174,963
Prize bonds	3,571,900	3,381,200
Money at call and on short notice	4,986,740,592	1,316,116,500
Balance with Bangladesh Bank and its agent bank(s)	11,931,121,352	9,825,838,368
Balance with other banks and financial institutions	5,863,160,741	6,752,767,480
	24,077,842,246	18,896,278,512
Net Operating Cash Flow Per Share (NOCFPS)	9.84	(2.13)

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 26 July 2014

AB Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended 30 June 2014

(Amounts in Taka)

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Minority interest	Retained earnings	Total
Balance at 01 January 2014	4,976,253,760	5,564,799,391	118,018,430	1,326,815,807	6,035,603	145,638,620	(15,640,425)	5,171,126,214	17,293,047,401
Adjustment	-	-	-	-	-	-	-	-	-
Bonus for 2013:									
5 % Cash Dividend	-	-	-	-	-	-	-	(248,812,688)	(248,812,688)
7 % Stock Dividend	348,337,760	-	-	-	-	-	-	(348,337,760)	-
	-	-	-	-	-	-	-	-	-
Restated Opening Balance	5,324,591,520	5,564,799,391	118,018,430	1,326,815,807	6,035,603	145,638,620	(15,640,425)	4,573,975,766	17,044,234,713
Net profit after taxation for the period ended	-	-	-	-	-	-	3,113,467	809,554,104	812,667,570
Addition/(Adjustment) made during the period	-	23,313,573	-	(3,248,322)	-	91,645,072	-	(11,913,530)	99,796,793
Foreign exchange fluctuation	-	5,456,046	(85,494)	-	872,600	-	-	25,310,497	31,553,649
Balance at 30 June 2014	5,324,591,520	5,593,569,010	117,932,937	1,323,567,485	6,908,204	237,283,692	(12,526,959)	5,396,926,836	17,988,252,726
Balance at 30 June 2013	4,423,336,680	5,012,569,521	118,002,550	1,326,815,807	7,309,922	7,323,607	(18,887,832)	5,613,510,248	16,489,980,503

-Sd-
Mahadev Sarker FCA
Chief Financial Officer

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

Dated, 26 July 2014

AB Bank Limited
Balance Sheet
As at 30 June 2014

<u>PROPERTY AND ASSETS</u>	Notes	30.06.2014 Taka	31.12.2013 Taka
Cash	3	13,220,717,149	11,359,517,250
In hand (including foreign currencies)	3.1	1,289,595,797	1,325,369,404
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	11,931,121,352	10,034,147,846
Balance with other banks and financial institutions	4	5,783,440,245	7,238,990,059
In Bangladesh		4,041,174,376	4,744,159,686
Outside Bangladesh		1,742,265,870	2,494,830,373
Money at call and on short notice	5	6,118,197,842	991,387,500
Investments	6	27,836,435,418	28,675,696,033
Government	6.1	21,892,701,381	22,327,865,346
Others	6.2	5,943,734,037	6,347,830,687
Loans, advances and lease/investments	7	158,856,915,506	140,121,297,505
Loans, cash credits, overdrafts, etc./Investments	7.1	157,572,502,100	139,067,739,439
Bills purchased and discounted	8	1,284,413,405	1,053,558,066
Fixed assets including premises, furniture and fixtures	9	4,126,141,148	4,172,564,367
Other assets	10	17,082,630,205	15,446,091,023
Non-banking assets		-	-
Total Assets		<u>233,024,477,513</u>	<u>208,005,543,738</u>
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	12,278,695,679	9,987,492,033
Deposits and other accounts	12	180,771,670,637	161,846,275,315
Current accounts and other accounts		18,259,760,412	15,742,024,927
Bills payable		2,177,905,247	1,140,175,156
Savings bank deposits		18,486,205,214	17,093,460,022
Fixed deposits		103,372,722,931	91,742,137,914
Other deposits		38,475,076,833	36,128,477,296
Other liabilities	13	22,492,317,671	19,231,727,325
Total Liabilities		<u>215,542,683,987</u>	<u>191,065,494,672</u>
Capital/Shareholders' Equity			
Total Shareholders' Equity		17,481,793,526	16,940,049,066
Paid-up capital	14	5,324,591,520	4,976,253,760
Statutory reserve	15	5,593,569,010	5,564,799,391
Other reserve	16	1,501,026,018	1,412,629,267
Retained earnings	17	5,062,606,978	4,986,366,647
Total Liabilities and Shareholders' Equity		<u>233,024,477,513</u>	<u>208,005,543,738</u>

	Notes	30.06.2014 Taka	31.12.2013 Taka
Off-Balance Sheet Items			
Contingent liabilities			
	18	85,170,114,437	83,216,543,057
Acceptances and endorsements		26,723,879,716	26,948,988,710
Letters of guarantee	18.1	15,131,741,749	16,393,076,675
Irrevocable letters of credit		27,430,803,279	30,225,132,651
Bills for collection		10,446,390,793	9,649,345,020
Other contingent liabilities		5,437,298,900	-
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		<u>85,170,114,437</u>	<u>83,216,543,057</u>

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 26 July 2014

AB Bank Limited
Profit and Loss Account
For the period ended 30 June 2014

Notes	Jan'14- June'14 Taka	Jan'13- June'13 Taka	April'14-June'14 Taka	April'13-June'13 Taka
OPERATING INCOME				
Interest income/profit on investments	20 10,297,369,969	8,432,125,593	5,299,414,347	4,316,623,865
Interest paid/profit on deposits and borrowings, etc.	21 (7,704,832,510)	(6,856,120,253)	(3,839,052,218)	(3,450,194,740)
Net interest income	2,592,537,459	1,576,005,339	1,460,362,130	866,429,126
Investment income	22 1,291,308,109	1,320,966,710	610,394,524	694,788,040
Commission, exchange and brokerage	23 1,642,993,901	1,441,592,437	749,304,460	750,540,688
Other operating income	24 62,659,405	57,258,087	34,654,059	29,004,689
Total operating income (a)	2,996,961,416	2,819,817,233	1,394,353,043	1,474,333,416
OPERATING EXPENSES	5,589,498,875	4,395,822,573	2,854,715,172	2,340,762,542
Salary and allowances	25 1,058,604,492	939,133,245	538,708,650	472,470,939
Rent, taxes, insurance, electricity, etc.	26 292,026,311	222,091,594	174,540,885	115,847,754
Legal expenses	27 7,366,797	4,638,324	5,837,583	1,203,757
Postage, stamps, telecommunication, etc.	28 68,496,114	70,216,546	31,790,724	30,744,294
Stationery, printing, advertisement, etc.	29 86,041,388	79,382,325	49,776,019	43,055,011
Chief executive's salary and fees	5,243,560	5,172,751	4,000,000	2,697,751
Directors' fees	30 5,547,708	1,179,296	4,017,938	485,703
Auditors' fees	31 653,450	1,244,619	208,999	207,185
Depreciation and repairs of Bank's assets	32 248,220,148	190,583,252	126,166,045	97,052,083
Other expenses	33 559,391,303	570,059,150	296,197,203	309,587,430
Total operating expenses (b)	2,331,591,270	2,083,701,103	1,231,244,046	1,073,351,907
Profit before provision (c = (a-b))	3,257,907,605	2,312,121,470	1,623,471,127	1,267,410,636
Provision against loans and advances	34 892,084,665	1,089,819,769	462,084,600	659,819,769
Provision for diminution in value of investments	35 -	79,000,000	-	5,900,000
Other provisions	36 228,340,385	101,204,402	107,497,400	61,204,402
Total provision (d)	1,120,425,050	1,270,024,171	569,582,000	726,924,171
Profit before taxation (c-d)	2,137,482,555	1,042,097,298	1,053,889,127	540,486,464
Provision for taxation	1,467,300,571	769,996,938	740,000,001	419,759,346
Net profit after taxation	670,181,984	272,100,361	313,889,126	120,727,118
Appropriations				-
Statutory reserve	23,313,573	15,498,183	23,313,573	15,498,183
General reserve	-	-	-	-
Dividends, etc.	-	-	-	-
Retained surplus	23,313,573	15,498,183	23,313,573	15,498,183
	646,868,411	256,602,178	290,575,553	105,228,935
Earnings Per Share (EPS)	37 1.26	0.51	0.59	0.23

-Sd-
Mahadev Sarker FCA
Chief Financial Officer

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

Dated, 26 July 2014

AB Bank Limited
Cash Flow Statement
For the period ended 30 June 2014

	Jan'14- June'14 Taka	Jan'13- June'13 Taka
Cash Flows from Operating Activities		
Interest receipts	10,970,753,756	8,845,737,544
Interest payments	(7,335,530,309)	(6,946,333,334)
Dividend receipts	34,542,745	43,619,938
Fee and commission receipts	1,065,531,160	1,048,106,001
Recoveries on loans previously written off	3,416,149	3,106,397
Payments to employees	(1,063,848,052)	(944,305,996)
Payments to suppliers	(86,041,388)	(79,382,325)
Income taxes paid	(1,595,035,673)	(889,434,791)
Receipts from other operating activities	1,893,471,361	1,724,984,898
Payments for other operating activities	(1,032,442,639)	(902,354,037)
Operating profit before changes in operating assets & liabilities	2,854,817,111	1,903,744,293
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(19,409,001,788)	(14,743,070,911)
Other assets	(28,446,612)	465,927,710
Deposits from other banks	1,064,715,514	698,959,702
Deposits from customers	17,491,377,608	7,909,073,564
Trading liabilities (short-term borrowings)	2,364,704,160	2,536,561,558
Other liabilities	679,669,679	313,525,586
	2,163,018,561	(2,819,022,791)
Net cash flow from operating activities (a)	5,017,835,672	(915,278,498)
Cash Flows from Investing Activities		
Purchase of government securities	526,510,138	522,062,430
(Purchase)/Sale of trading securities, shares, bonds, etc.	404,096,650	236,571,457
Purchase of property, plant and equipment	(111,743,394)	(55,203,423)
Net cash used in investing activities (b)	818,863,393	703,430,464
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	(73,500,514)	(1,476,386,154)
Dividend paid	(231,037,024)	(675,248)
Net cash used in financing activities (c)	(304,537,538)	(1,477,061,402)
Net Increase/(decrease) in cash (a+b+c)	5,532,161,527	(1,688,909,436)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	19,593,765,610	22,176,723,886
Cash and cash equivalents at end of the period (*)	25,125,927,137	20,487,814,450
(*) Cash and cash equivalents:		
Cash	1,289,595,797	996,154,123
Prize bonds	3,571,900	3,381,200
Money at call and on short notice	6,118,197,842	1,316,116,500
Balance with Bangladesh Bank and its agent bank(s)	11,931,121,352	9,825,838,368
Balance with other banks and financial institutions	5,783,440,246	8,346,324,259
	25,125,927,137	20,487,814,450
Net Operating Cash Flow Per Share (NOCFPS)	9.42	(1.72)

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 26 July 2014

AB Bank Limited
Statement of Changes in Equity
For the period ended 30 June 2014

(Amounts 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 2014	4,976,253,760	5,564,799,391	42,199,200	1,326,815,807	-	43,614,260	4,986,366,647	16,940,049,066
Adjustment								
Bonus for 2013:								
5 % Cash Dividend	-	-	-	-	-	-	(248,812,688)	(248,812,688)
7 % Stock Dividend	348,337,760		-	-	-	-	(348,337,760)	-
Restated Opening Balance	5,324,591,520	5,564,799,391	42,199,200	1,326,815,807	-	43,614,260	4,389,216,199	16,691,236,378
Net profit after taxation for the period ended	-	-	-	-	-	-	670,181,984	670,181,984
Addition/(Adjustment) made during the period	-	23,313,573	-	(3,248,322)	-	91,645,072	(23,313,573)	88,396,751
Foreign Exchange Rate Fluctuation	-	5,456,046	-	-	-	-	26,522,367	31,978,414
Balance at 30 June 2014	5,324,591,520	5,593,569,010	42,199,200	1,323,567,486	-	135,259,332	5,062,606,978	17,481,793,526
Balance at 30 June 2013	4,423,336,680	5,012,569,521	42,199,200	1,326,815,807	4,215,977	7,323,607	5,373,545,550	16,190,006,343

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 26 July 2014

AB Bank Limited

Selective Notes to the Financial Statements as on June 30, 2014

1. Accounting Policies:

Accounting policies have been followed in preparing these financial statements are same as applied in financial statements of the Bank of preceding financial year.

2. Provision

a) Loans & Advances:

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

b) Investments:

Provisions for diminution in value of investment is made for loss arising on diminution value of investment in quoted shares and is given effect in the accounts on properly as per Bangladesh Bank Guidelines.

c) Taxation:

Provision for income tax has been made on taxable income after necessary add back in accordance with the provisions of Finance Act 2014, the Income Tax Ordinance 1984 and other relevant legislation as applicable.

d) Others:

Figures relating to previous year/period included in this report have been rearranged, where ever considered necessary.

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 26 July 2014

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	30.06.2014	31.12.2013
	Taka	Taka
3. Cash		
Cash in hand	(Note: 3.1) 1,289,595,797	1,325,369,404
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2) 11,931,121,352	10,034,147,846
	13,220,717,149	11,359,517,250
3(a) Consolidated Cash		
AB Bank Limited	13,220,717,149	11,359,517,250
AB Investments Limited	25,000	25,000
AB International Finance Limited	-	-
AB Securities Limited	24,622	16,319
Cashlink Bangladesh Limited (CBL)	13,666	26,941
AB Exchange (UK) Ltd.	3,588,576	2,794,402
	13,224,369,013	11,362,379,912
3.1 Cash in hand		
In local currency	1,268,875,396	1,306,186,571
In foreign currency	20,720,401	19,182,833
	1,289,595,797	1,325,369,404
3.1(a) Consolidated Cash in hand		
AB Bank Limited	1,289,595,797	1,325,369,404
AB Investments Limited	25,000	25,000
AB International Finance Limited	-	-
AB Securities Limited	24,622	16,319
Cashlink Bangladesh Limited (CBL)	13,666	26,941
AB Exchange (UK) Ltd.	3,588,576	2,794,402
	1,293,247,661	1,328,232,066
3.2 Balance with Bangladesh Bank and its agent bank(s)		
Balance with Bangladesh Bank		
In local currency	11,099,668,844	9,351,408,862
In foreign currency	321,021,769	254,257,224
	11,420,690,613	9,605,666,086
Sonali Bank Limited (as an agent bank of Bangladesh Bank) - local currency	510,430,739	428,481,760
	11,931,121,352	10,034,147,846
3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)		
AB Bank Limited	11,931,121,352	10,034,147,846
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	11,931,121,352	10,034,147,846

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	30.06.2014	31.12.2013
	Taka	Taka
4. Balance with other banks and financial institutions		
In Bangladesh	4,041,174,376	4,744,159,686
Outside Bangladesh	1,742,265,870	2,494,830,373
	5,783,440,245	7,238,990,059

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

In Bangladesh	(Note: 4.1.a) 4,101,646,354	4,746,243,512
Outside Bangladesh (Nostro Accounts)	(Note: 4.2.a) 1,761,514,386	1,237,717,618
	5,863,160,740	5,983,961,130

4.1.a Consolidated In Bangladesh

AB Bank Limited	4,041,174,376	4,744,159,686
AB Investments Limited	553,389	443,555
AB International Finance Limited	-	-
AB Securities Limited	77,903,606	235,022,444
Cashlink Bangladesh Limited (CBL)	4,190,734	8,030,892
AB Exchange (UK) Ltd.	-	-
	4,123,822,105	4,987,656,577
Less: Inter company transaction	22,175,751	241,413,065
	4,101,646,354	4,746,243,512

4.2.a Consolidated Outside Bangladesh (Nostro Accounts)

AB Bank Limited	1,742,265,870	2,494,830,373
AB Investments Limited	-	-
AB International Finance Limited	14,083,369	1,395,886
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	6,204,250	1,563,984
	1,762,553,488	2,497,790,243
Less: Inter company transactions	1,039,102	1,260,072,624
	1,761,514,386	1,237,717,618

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	30.06.2014 Taka	31.12.2013 Taka
5. Money at call and on short notice		
In Bangladesh	5,833,716,450	800,000,000
Outside Bangladesh	284,481,392	191,387,500
	6,118,197,842	991,387,500
5(a) Consolidated money at call and on short notice		
AB Bank Limited	6,118,197,842	991,387,500
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	6,118,197,842	991,387,500
Less: Inter-group transaction	(1,131,457,250)	-
	4,986,740,592	991,387,500
6. Investments		
Nature wise:		
Held for Trading	5,795,044,292	3,777,141,799
Held to Maturity	16,462,398,836	15,928,683,098
Others	6,418,252,905	6,408,962,750
	28,675,696,033	26,114,787,647
Claim wise:		
Government securities	21,892,701,381	19,743,454,873
Other investments	5,943,734,037	6,371,332,773
	27,836,435,418	26,114,787,647
6 (a) Consolidated investments		
AB Bank Limited	27,836,435,418	28,675,696,033
AB International Finance Limited	-	-
AB Investment Limited	767,060,200	747,256,336
AB Securities Limited	168,312,295	169,743,904
Cashlink Bangladesh Limited (CBL)	24,571,230	24,571,230
AB Exchange (UK) Ltd.	-	-
	28,796,379,144	29,617,267,504
Less: Inter-group transaction	-	-
	28,796,379,144	29,617,267,504
6.1 Government securities		
Treasury bills	1,842,921,302	2,011,667,653
30 days Bangladesh Bank bills	-	499,364,774
Treasury bonds	19,845,208,179	19,610,962,119
Debentures - Bangladesh House Building Finance Corporation (Maturity date: 14 March 2015, interest rate: 5.50%)	5,000,000	10,000,000
Bangladesh Bank Islami Investment bonds	196,000,000	192,000,000
Prize bonds	3,571,900	3,870,800
	21,892,701,381	22,327,865,346

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	30.06.2014 Taka	31.12.2013 Taka
6.1(a) Consolidated Government securities		
AB Bank Limited	21,892,701,381	22,327,865,346
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	21,892,701,381	22,327,865,346
6.2 Other investments		
Shares	5,402,167,042	5,844,761,998
Bond	140,000,000	140,000,000
	5,542,167,042	5,984,761,998
Investments -ABBL, Mumbai Branch		
Treasury bills	364,977,926	327,552,189
Debentures and Bonds	36,589,070	35,516,500
	401,566,996	363,068,689
Total Other investments	5,943,734,037	6,347,830,687
6.2 (a) Consolidated other investments		
AB Bank Limited	5,943,734,037	6,347,830,687
AB Investment Limited	767,060,200	747,286,336
AB International Finance Limited	-	-
AB Securities Limited	168,312,295	169,743,904
Cashlink Bangladesh Limited (CBL)	24,571,230	24,571,230
AB Exchange (UK) Ltd.	-	-
	6,903,677,763	7,289,432,157
6.2.1 Investments in shares		
Quoted (Publicly Traded)	4,104,160,197	4,988,920,181
Unquoted	1,298,006,845	803,074,967
	5,402,167,042	5,791,995,148
6.2.2 Investment in subordinated bonds		
Prime Bank Limited	90,000,000	90,000,000
Trust Bank Limited	50,000,000	50,000,000
	140,000,000	140,000,000

AB Bank Limited
Notes to the financial statements for the period ended 30 June 2014

	30.06.2014	31.12.2013
	Taka	Taka
7. Loans, advances and lease/investments	158,856,915,506	140,121,297,505
7.1 Broad category-wise breakup		
In Bangladesh		
Loans	136,127,655,420	118,527,054,842
Overdrafts	21,288,085,236	20,328,225,615
Cash credits	-	-
	157,415,740,656	138,855,280,458
Outside Bangladesh: ABBL, Mumbai Branch		
Loans	124,044,625	186,434,730
Overdrafts	32,716,819	13,640,801
Cash credits	-	12,383,450
	156,761,444	212,458,981
	157,572,502,100	139,067,739,439
7.2 Product wise Loans and Advances		
Overdraft	21,352,050,954	17,029,369,806
Cash Credit	-	47,458,232
Time loan	48,907,226,414	29,840,866,073
Term loan	61,210,064,210	42,415,222,846
Bills under LC	467,340,348	273,489,781
Trust Receipt	13,299,072,529	10,900,089,435
Packing credit	455,947,933	385,262,490
Loan against accepted bills	9,776,231,692	2,616,131,651
Consumer Loan	1,414,756,300	1,315,619,721
Staff Loan	689,811,719	550,274,965
Bills Purchased & Discounted	1,284,413,405	691,973,923
	158,856,915,506	106,065,758,922
7.3 Net loans, advances and lease/investments		
Gross loans and advances	158,856,915,506	140,121,297,505
Less:		
Interest suspense	2,430,784,585	879,992,653
Provision for loans and advances	4,873,399,892	2,318,340,874
	7,304,184,477	3,198,333,527
	151,552,731,028	136,922,963,978
7.4 Classification of loans, advances and lease/investments		
In Bangladesh		
<u>Unclassified</u>		
Standard	152,935,487,419	134,277,476,780
Special Mention Account	531,931,899	502,457,360
	153,467,419,318	134,779,934,140
<u>Classified</u>		
Sub-Standard	84,800,000	128,254,000
Doubtful	63,400,000	761,605,000
Bad/Loss	4,382,700,328	3,747,009,000
	4,530,900,328	4,636,868,000
	157,998,319,646	139,416,802,140
Outside Bangladesh-Mumbai Branch		
Unclassified Loan	768,092,860	621,442,443
Classified Loan	90,503,000	83,052,922
	858,595,860	704,495,365
	158,856,915,506	140,121,297,505

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	30.06.2014 Taka	31.12.2013 Taka
7(a) Consolidated Loans, advances and lease/investments		
AB Bank Limited	157,572,502,100	139,067,739,439
AB Investment Limited	7,071,281,644	7,136,710,118
AB International Finance Limited	-	-
AB Securities Limited	1,033,901,702	1,042,520,416
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	165,677,685,446	147,246,969,973
Less: Inter company transaction	2,620,840,043	2,701,326,722
	163,056,845,404	144,545,643,251

8. Bills purchased and discounted

In Bangladesh	582,578,989	561,521,682
Outside Bangladesh - ABBL, Mumbai Branch	701,834,416	492,036,384
	1,284,413,405	1,053,558,066

8 (a) Consolidated Bills purchased and discounted

AB Bank Limited	1,284,413,405	1,053,558,066
AB Investment Limited	-	-
AB International Finance Limited	1,489,016,312	1,529,678,739
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	2,773,429,717	2,583,236,805

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

Land and Building	3,259,641,611	3,263,321,411
Furniture and fixtures	210,139,978	205,265,735
Office appliances	61,715,714	61,255,451
Electrical appliances	1,456,684,387	1,411,987,344
Motor vehicles	505,490,518	484,488,318
Intangible Assets	283,973,099	249,255,099
	5,777,645,307	5,675,573,357
Less: Accumulated depreciation and amortization	1,651,504,159	1,503,008,990
	4,126,141,148	4,172,564,367

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

AB Bank Limited	5,777,645,307	5,675,573,357
AB Investments Limited	574,374,720	574,374,720
AB International Finance Limited	9,137,943	9,082,746
AB Securities Limited	28,182,922	28,819,670
Cashlink Bangladesh Limited (CBL)	250,270,879	250,270,883
AB Exchange (UK) Ltd.	15,794,187	15,592,870
	6,655,405,958	6,553,714,247

Accumulated depreciation:

AB Bank Limited	1,651,504,159	1,503,008,990
AB Investments Limited	43,110,785	35,242,257
AB International Finance Limited	8,868,460	8,783,455
AB Securities Limited	18,428,182	16,482,964
Cashlink Bangladesh Limited (CBL)	249,052,137	239,907,170
AB Exchange (UK) Ltd.	10,211,828	8,492,456
	1,981,175,550	1,811,917,292
	4,674,230,408	4,741,796,955

AB Bank Limited
Notes to the financial statements for the period ended 30 June 2014

10. Other assets

Income generating-Equity Investment

In Bangladesh:

AB Investment Limited (99.99% owned subsidiary company of ABBL)	99,899,000	99,899,000
AB Securities Limited (99.71% owned subsidiary company of ABBL)	34,898,000	34,898,000
Cashlink Bangladesh Limited (CBL) (90% owned subsidiary company of ABBL)	212,581,228	212,581,228

Outside Bangladesh:

AB International Finance Ltd., Hong Kong (wholly owned subsidiary company of ABBL)	5,203,944	5,203,944
AB Exchange (UK) Limited (wholly owned subsidiary company of ABBL)	52,897,080	38,425,620

	30.06.2014 Taka	31.12.2013 Taka
	405,479,252	391,007,792

Non-income generating

Inter-branch adjustment	-	1,839,710
Advance corporate income tax (note: 10.1)	8,668,750,019	7,060,657,451
Arab Bangladesh Bank Foundation (99.60% owned subsidiary company of ABBL)	19,920,000	19,920,000
Share Money Deposits - AB Investment Limited	4,900,100,000	4,900,100,000
Share Money Deposits - AB Securities Limited	165,000,000	165,000,000
Accounts receivable	369,282,144	626,469,027
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	755,692,816	828,594,917
Exchange for clearing	717,971,368	351,479,645
Interest accrued on investment but not collected, and debentures, and other income receivables	711,907,549	708,821,651
Security deposits	186,218,279	219,257,237
Advance rent and advertisement	142,335,135	143,568,488
Stationery, stamps, printing materials, etc.	39,973,642	29,375,102

	16,677,150,951	15,055,083,229
	17,082,630,203	15,446,091,023

10(a) Consolidated Other assets

AB Bank Limited	17,082,630,203	15,446,091,023
AB Investment Limited	380,194,386	411,820,752
AB International Finance Limited	8,085,454	7,060,521
AB Securities Limited	93,008,972	152,033,578
Cashlink Bangladesh Limited (CBL)	35,632,473	36,866,958
AB Exchange (UK) Ltd.	1,183,524	1,346,818

Less: Inter-group transaction

	17,600,735,011	16,055,219,650
	5,710,608,915	6,132,152,038
	11,890,126,098	9,923,067,614

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	30.06.2014 Taka	31.12.2013 Taka
10.1 Advance corporate income tax		
In Bangladesh:		
Balance at 01 January 2014	6,925,302,663	5,514,493,945
<u>Add:</u> Paid during the period	1,450,000,000	1,187,716,325
Tax withheld during the period	100,829,627	223,255,192
	1,550,829,627	1,410,971,517
<u>Less:</u> Transfer/Adjustment during the period	141	162,799
Balance at 30 June 2014	8,476,132,149	6,925,302,663
Advance tax paid by ABBL, Mumbai Brar	192,617,870	135,354,788
	8,668,750,019	7,060,657,451
11. Borrowings from other banks, financial institutions and agents		
In Bangladesh		
	3,556,701,789	4,230,695,016
Outside Bangladesh	8,721,993,890	5,756,797,017
	12,278,695,679	9,987,492,033
11(a) Consolidated Borrowings from other banks, financial institutions and agents		
AB Bank Limited	12,278,695,679	9,987,492,033
AB Investment Limited	2,407,658,325	2,454,862,230
AB International Finance Limited	1,133,388,619	1,259,280,748
AB Securities Limited	299,248,910	299,613,357
Cashlink Bangladesh Limited (CBL)	223,241,029	268,241,029
AB Exchange (UK) Ltd.	-	-
	16,342,232,561	14,269,489,397
Less: Intercompany transactions	3,649,095,284	3,878,170,154
	12,693,137,278	10,391,319,243
12. Deposit and other accounts		
Inter-bank deposits		
	5,094,989,806	4,030,274,291
Other deposits	175,676,680,831	157,816,001,023
	180,771,670,637	161,846,275,315
12(a) Consolidated Deposit and other accounts		
AB Bank Limited	180,771,670,637	161,846,275,315
AB Investment Limited	-	-
AB International Finance Limited	-	5,086,140
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	180,771,670,637	161,851,361,454
Less: Inter-group transaction	22,292,228	241,469,222
	180,749,378,410	161,609,892,233

AB Bank Limited
Notes to the financial statements for the period ended 30 June 2014

13. Other liabilities

	30.06.2014	31.12.2013
	Taka	Taka
Accumulated provision against loans and advances	4,873,399,892	3,980,331,722
Provision for current tax	11,142,260,462	9,650,912,245
Deferred tax liabilities	98,599,879	109,050,939
Interest suspense account	2,430,784,585	1,774,784,880
Provision against other assets	438,228,553	292,234,553
Provision for outstanding debit entries in NOSTRO accounts	200,000	200,000
Accounts payable - Bangladesh Bank	262,662,935	47,656,432
Accrued expenses	29,498,653	38,724,384
Provision for off balance sheet items	890,000,000	810,000,000
Provision against investments	1,995,053,000	1,995,053,000
Others (*)	331,629,712	532,779,169
	<u>22,492,317,671</u>	<u>19,231,727,325</u>

(*) 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, Interbranch adjustment A/C etc.

13(a) Consolidated Other liabilities

AB Bank Limited	22,492,317,671	19,231,727,324
AB Investment Limited	831,320,566	931,141,087
AB International Finance Limited	228,820,486	67,419,361
AB Securities Limited	612,659,557	848,099,741
Cashlink Bangladesh Limited (CBL)	11,519,225	11,673,480
AB Exchange (UK) Ltd.	4,127,546	9,733,593
	24,180,765,053	21,099,794,587
Less: Inter-group transaction	346,252,351	645,282,792
	<u>23,834,512,702</u>	<u>20,454,511,793</u>

14. Share Capital

5,324,591,520 **4,976,253,760**

14.1 Authorised Capital

600,000,000 ordinary shares of Taka 10 each	<u>6,000,000,000</u>	<u>6,000,000,000</u>
---	-----------------------------	-----------------------------

14.2 Issued, Subscribed and Paid-up Capital

10,000,000 ordinary shares of Taka 10 each issued for cash	100,000,000	100,000,000
5,000,000 ordinary shares of Taka 10 each issued for rights	50,000,000	50,000,000
517,459,152 ordinary shares of Taka 10 each issued as bonus shares	5,174,591,520	4,826,253,760
	<u>5,324,591,520</u>	<u>4,976,253,760</u>

15. Statutory reserve

In Bangladesh

Opening balance	5,384,130,846	4,824,544,671
Add: Addition during the period	-	559,586,175
	5,384,130,846	5,384,130,846

Outside Bangladesh - ABL, Mumbai Branch

Opening balance	180,668,545	180,770,130
Add: Addition during the period	23,313,573	14,891,830
Add: Transferred from Investment fluctuation reserve	-	10,175,540
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation	5,456,046	(25,168,955)
	209,438,164	180,668,545
	<u>5,593,569,010</u>	<u>5,564,799,391</u>

16. Other reserve

General reserve	42,199,200	42,199,200
Assets revaluation reserve	1,323,567,486	1,326,815,807
Investment revaluation reserve	135,259,332	43,614,260
Foreign exchange revaluation for investment in foreign operation	-	-
	<u>1,501,026,018</u>	<u>1,412,629,267</u>

AB Bank Limited
Notes to the financial statements for the period ended 30 June 2014

	30.06.2014 Taka	31.12.2013 Taka
16(a) Consolidated Other reserve		
AB Bank Limited	1,501,026,018	1,412,629,267
AB Investment Limited	-	-
AB International Finance Limited	82,641,941	81,854,834
AB Securities Limited	102,024,360	102,024,360
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	1,685,692,319	1,596,508,461
17. Retained earnings		
Opening balance	4,986,366,647	5,158,900,828
Add: Post-tax profit for the period	670,181,984	1,010,997,314
Less: Transfer to statutory reserve	23,313,573	574,478,006
Cash dividend	248,812,688	-
Bonus shares issued	348,337,760	552,917,080
	5,036,084,610	5,042,503,057
Add/(Less): Retained earnings adjustment of Mumbai Br.	-	-
Add: Foreign Exchange Translation gain/(loss)	26,522,367	(56,136,410)
	5,062,606,978	4,986,366,647
17(a) Consolidated Retained earnings		
AB Bank Limited	5,062,606,978	4,986,366,647
AB Investment Limited	511,399,663	449,414,907
AB International Finance Limited	63,496,682	120,802,557
AB Securities Limited	168,973,111	161,935,908
Cashlink Bangladesh Limited (CBL)	(411,333,410)	(442,254,774)
AB Exchange (UK) Ltd.	(40,465,918)	(35,353,595)
	5,354,677,106	5,240,911,650
Less: Prior year adjustment/Share discounting	(1,618,772)	113,529,860
Minority Interest	(40,630,958)	(43,744,425)
	5,396,926,836	5,171,126,214
17(b) Minority Interest		
AB Investment Limited	6,119	5,499
AB Securities Limited	600,264	579,554
Cashlink Bangladesh Limited	(13,133,341)	(16,225,477)
	(12,526,958)	(15,640,425)
18. Contingent liabilities	85,170,114,437	83,216,543,057
18.1 Letters of guarantee		
Money for which the Bank is in contingently liable in respect of guarantees issued favoring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	293,600,000	319,439,000
Others	14,838,141,749	16,073,637,675
	15,131,741,749	16,393,076,675

AB Bank Limited

Notes to the financial statements for the period ended 30 June 2014

	Jan'14- June'14 Taka	Jan'13- June'13 Taka
19. Profit and loss account		
<u>Income:</u>		
Interest, discount and similar income	11,443,644,819	9,658,926,163
Dividend income	34,542,745	43,619,938
Fee, commission and brokerage	1,065,531,160	1,048,106,001
Gains less losses arising from investment securities	8,028,876	65,089,897
Gains less losses arising from dealing in foreign currencies	577,462,741	393,486,436
Other operating income	62,659,405	57,258,087
Gains less losses arising from dealing securities	102,461,638	(14,543,695)
Income from non-banking assets	-	-
Profit less losses on interest rate changes	-	-
	<u>13,294,331,385</u>	<u>11,251,942,826</u>
<u>Expenses:</u>		
Interest, fee and commission	7,704,832,510	6,856,120,253
Administrative expenses	1,613,715,044	1,355,983,208
Other operating expenses	559,391,303	570,059,150
Depreciation and amortization on banking assets	158,484,922	157,658,745
Losses on loans and advances	-	-
	<u>10,036,423,780</u>	<u>8,939,821,356</u>
	<u>3,257,907,605</u>	<u>2,312,121,470</u>
20. Interest income/profit on investments		-
Interest on loans and advances:		
Loans and advances	9,632,330,472	7,845,784,089
Bills purchased and discounted	347,576,661	188,011,232
	<u>9,979,907,133</u>	<u>8,033,795,321</u>
Interest on:		
Calls and placements	311,464,702	388,975,798
Balance with foreign banks	5,753,508	8,979,190
Reverse Repo	-	-
Balance with Bangladesh Bank	244,626	375,284
	<u>317,462,836</u>	<u>398,330,272</u>
	<u>10,297,369,969</u>	<u>8,432,125,593</u>
20(a). Consolidated Interest income/profit on investments		
AB Bank Limited	10,297,369,969	8,432,125,593
AB International Finance Limited	41,153,015	56,236,039
AB Investment Limited	275,765,876	233,403,373
AB Securities Limited	46,875,769	50,814,918
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<u>10,661,164,629</u>	<u>8,772,579,923</u>
Less: Intercompany Transactions	115,187,889	145,154,434
	<u>10,545,976,740</u>	<u>8,627,425,489</u>
21. Interest/profit paid on deposits, borrowings, etc.		
Interest on deposits:		
Fixed deposits	5,342,456,665	4,953,168,673
Savings deposits	382,460,844	321,545,447
Special notice deposits	864,610,045	749,704,577
Other deposits	817,342,695	568,376,699
	<u>7,406,870,249</u>	<u>6,592,795,396</u>
Interest on borrowings:		
Local banks, financial institutions including Bangladesh Bank	297,962,260	263,324,858
	<u>7,704,832,510</u>	<u>6,856,120,253</u>

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	Jan'14- June'14 Taka	Jan'13- June'13 Taka
21(a). Consolidated Interest/profit paid on deposits, borrowings, etc.		
AB Bank Limited	7,704,832,510	6,856,120,253
AB Investment Limited	141,818,888	154,271,778
AB International Finance Limited	3,011,826	10,131,058
AB Securities Limited	35,454,898	37,952,710
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	7,885,118,122	7,058,475,798
Less: Intercompany Transactions	116,639,684	146,606,229
	<u>7,768,478,438</u>	<u>6,911,869,569</u>
22. Investment income		
Capital gain on sale of shares	8,028,876	65,089,897
Interest on treasury bills	164,117,691	285,403,560
Dividend on shares	34,542,745	43,619,938
Interest on debentures	2,887,500	2,887,500
Interest on treasury bonds	967,373,043	925,955,260
Gain/(Loss) on treasury bills and treasury bonds	102,461,638	(14,543,695)
Interest on other bonds & others	11,896,617	12,554,251
	<u>1,291,308,109</u>	<u>1,320,966,710</u>
22(a). Consolidated Investment income		
AB Bank Limited	1,291,308,109	1,320,966,710
AB Investment Limited	9,514,464	2,048,589
AB International Finance Limited	-	-
AB Securities Limited	2,929,189	2,405,701
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<u>1,303,751,762</u>	<u>1,325,421,000</u>
23. Commission, exchange and brokerage		
Other fees, commission and service charges	550,110,492	525,331,462
Commission on letters of credit	426,791,820	398,428,838
Commission on letters of guarantee	88,628,848	124,345,700
Exchange gains less losses arising from dealings in foreign currencies	577,462,741	393,486,436
	<u>1,642,993,901</u>	<u>1,441,592,437</u>
23(a). Consolidated Commission, exchange and brokerage		
AB Bank Limited	1,642,993,901	1,441,592,437
AB Investment Limited	32,157,753	14,058,881
AB International Finance Limited	19,206,169	24,274,373
AB Securities Limited	33,014,936	15,093,583
Cashlink Bangladesh Limited (CBL)	40,245,713	48,705,042
AB Exchange (UK) Ltd.	2,086,043	2,788,309
	1,769,704,516	1,546,512,624
Less: Intercompany Transactions	-	47,957,070
	<u>1,769,704,516</u>	<u>1,498,555,554</u>
24. Other income		
Locker rent, insurance claim and others	2,233,263	2,955,702
Recoveries on loans previously written off	3,416,149	3,106,397
Recoveries on telex, telephone, fax, etc.	41,584,200	39,586,778
Recoveries on courier, postage, stamp, etc.	13,823,591	11,531,376
Gain on sale of Bank property	-	-
Non-operating income (*)	1,602,202	77,834
	<u>62,659,405</u>	<u>57,258,087</u>

(*) Non-operating income includes sale of scrap items.

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	Jan'14- June'14 Taka	Jan'13- June'13 Taka
24(a). Consolidated other income		
AB Bank Limited	62,659,405	57,258,087
AB Investment Limited	4,389,674	4,076,303
AB International Finance Limited	22,354,756	25,631,280
AB Securities Limited	734,389	426,203
Cashlink Bangladesh Limited (CBL)	404,760	510,190
AB Exchange (UK) Ltd.	-	-
	90,542,985	87,902,063
Less: Inter company transactions	5,597,567	3,993,605
	84,945,418	83,908,458
25. Salary and allowances		
Basic salary, provident fund contribution and all other allowances	1,036,615,472	939,133,245
Festival and incentive bonus	21,989,020	-
	1,058,604,492	939,133,245
25(a). Consolidated salary and allowances		
AB Bank Limited	1,058,604,492	939,133,245
AB Investment Limited	8,175,985	6,195,431
AB International Finance Limited	15,550,530	11,517,186
AB Securities Limited	13,368,331	9,887,590
Cashlink Bangladesh Limited (CBL)	85,908	98,930
AB Exchange (UK) Ltd.	2,155,775	2,250,120
	1,097,941,021	969,082,502
26. Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes	191,494,959	131,261,366
Electricity, gas, water, etc.	39,930,406	36,494,902
Insurance	60,600,946	54,335,326
	292,026,311	222,091,594
26(a). Consolidated Rent, taxes, insurance, electricity, etc.		
AB Bank Limited	292,026,311	222,091,594
AB Investment Limited	1,369,315	809,129
AB International Finance Limited	3,323,573	2,878,167
AB Securities Limited	3,927,382	3,721,543
Cashlink Bangladesh Limited (CBL)	-	1,530,844
AB Exchange (UK) Ltd.	1,205,279	1,134,100
	301,851,860	232,165,377
Less: Inter company transactions	2,758,260	2,541,810
	299,093,600	229,623,567
27. Legal expenses		
Legal expenses	7,366,797	4,638,324
27(a). Consolidated Legal expenses		
AB Bank Limited	7,366,797	4,638,324
AB Investment Limited	159,250	28,750
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	120,750
AB Exchange (UK) Ltd.	14,306	30,006
	7,540,352	4,817,829

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014****28. Postage, stamp, telecommunication, etc.**

Telex, fax, internet, wireless link, SWIFT, etc.
Telephone
Postage, stamp and shipping

Jan'14- June'14 Taka	Jan'13- June'13 Taka
47,116,693	50,034,239
6,202,694	5,845,052
15,176,727	14,337,256
68,496,114	70,216,546

28(a). Consolidated Postage, stamp, telecommunication, etc.

AB Bank Limited
AB Investment Limited
AB International Finance Limited
AB Securities Limited
Cashlink Bangladesh Limited (CBL)
AB Exchange (UK) Ltd.

Less: Inter company transactions

68,496,114	70,216,546
395,402	396,256
2,452,071	3,311,564
796,103	741,558
78,580	219,254
189,303	167,911
72,407,572	75,053,090
-	6,506,311
72,407,572	68,546,779

29. Stationery, printing, advertisements, etc.

Printing and stationery
Publicity, advertisement, etc.

65,704,754	63,193,987
20,336,634	16,188,338
86,041,388	79,382,325

29(a). Consolidated Stationery, printing, advertisements, etc.

AB Bank Limited
AB Investment Limited
AB International Finance Limited
AB Securities Limited
Cashlink Bangladesh Limited (CBL)
AB Exchange (UK) Ltd.

86,041,388	79,382,325
226,357	389,578
210,848	104,869
488,949	251,316
1,068	13,110
-	16,479
86,968,610	80,157,677

30. Directors' fees

Directors' fees
Meeting expenses

1,127,000	833,750
4,420,708	345,546
5,547,708	1,179,296

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
AB Investment Limited
AB International Finance Limited
AB Securities Limited
Cashlink Bangladesh Limited (CBL)
AB Exchange (UK) Ltd.

5,547,708	1,179,296
80,500	46,000
-	-
149,500	138,000
100,000	15,000
-	-
5,877,708	1,378,296

31. Auditors' fees

Statutory
Others

-	285,441
653,450	959,178
653,450	1,244,619

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	Jan'14- June'14 Taka	Jan'13- June'13 Taka
31(a). Consolidated Auditors' fees		
AB Bank Limited	653,450	1,244,619
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	117,045	108,020
	770,495	1,352,639

32. Depreciation and repairs of Bank's assetsDepreciation :

Electrical appliances	83,214,934	87,447,418
Furniture and fixtures	6,322,263	6,364,150
Office appliances	1,227,423	1,317,158
Building	9,009,737	7,368,118
Motor vehicles	24,914,345	26,894,787
	124,688,701	129,391,632

Repairs:

Motor vehicles	12,323,314	9,244,623
Electrical appliances	34,834,570	10,857,653
Office premises and others	39,379,794	9,892,770
Furniture and fixtures	915,540	713,070
Office appliances	2,282,007	2,216,391
	89,735,225	32,924,508

Amortization of Intangible Assets

	214,423,927	162,316,139
	33,796,221	28,267,113
	248,220,148	190,583,252

32(a). Consolidated Depreciation and repairs of Bank's assets

AB Bank Limited	248,220,148	190,583,252
AB Investment Limited	8,035,257	8,219,975
AB International Finance Limited	186,965	1,844,664
AB Securities Limited	2,990,358	3,025,123
Cashlink Bangladesh Limited (CBL)	9,144,965	26,308,085
AB Exchange (UK) Ltd.	1,719,372	1,586,795
	270,297,064	231,567,894

33. Other expenses

Contractual service	198,269,198	178,810,008
Amortization of deferred revenue expenses	37,191,933	106,976,140
Petrol, oil and lubricant	32,916,031	34,541,855
Software expenses	59,521,281	67,922,257
Entertainment	32,489,131	26,066,481
Travelling	21,657,332	20,688,836
Subscription, membership and sponsorship	27,782,104	14,049,111
Training, seminar and workshop	14,724,178	7,686,946
Local conveyance	5,032,291	4,282,501
Professional charges	4,464,859	16,547,883
Books, newspapers and periodicals	726,242	1,330,119
Branch opening expenses	-	14,666
Bank Charges	23,903,149	6,146,719
Sundry expenses (*)	100,713,576	84,995,629
	559,391,303	570,059,150

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

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	Jan'14- June'14 Taka	Jan'13- June'13 Taka
33(a). Consolidated other expenses		
AB Bank Limited	559,391,303	570,059,150
AB Investment Limited	5,903,954	4,892,946
AB International Finance Limited	2,358,753	418,266
AB Securities Limited	7,609,263	9,092,606
Cashlink Bangladesh Limited (CBL)	115,333	5,685,104
AB Exchange (UK) Ltd.	584,125	557,308
	575,962,731	590,705,381
Less: Inter company transactions	1,387,512	41,450,759
	574,575,219	549,254,622
34. Provision against loans and advances		
On un-classified loans	669,307,000	269,700,000
On classified loans	222,777,665	820,119,769
	892,084,665	1,089,819,769
34(a). Consolidated provision against loans and advances		
AB Bank Limited	892,084,665	1,089,819,769
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	892,084,665	1,089,819,769
35. Provisions for diminution in value of investments		
In quoted shares	-	79,000,000
35(a). Consolidated provisions for diminution in value of investments		
AB Bank Limited	-	79,000,000
AB Investment Limited	35,304,527	-
AB International Finance Limited	-	-
AB Securities Limited	1,247,591	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	36,552,118	79,000,000
36. Other provision		
Provision for off balance sheet items	80,000,000	100,000,000
Provision for Other assets	148,340,385	1,204,402
	228,340,385	101,204,402
Provision for other assets included prepaid legal expenses, protested bills and others has been made as per Bangladesh Bank BRPD Circular # 14 dated 25 June 2001.		
36(a). Consolidated other provisions		
AB Bank Limited	228,340,385	101,204,402
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	228,340,385	101,204,402

AB Bank Limited**Notes to the financial statements for the period ended 30 June 2014**

	Jan'14- June'14 Taka	Jan'13- June'13 Taka
37. Earnings Per Share (EPS)		
Profit after taxation	670,181,984	272,100,361
Number of ordinary shares outstanding	532,459,152	532,459,152
Earnings Per Share	1.26	0.51
37. (a) Consolidated Earnings Per Share		
Net Profit attributable to the shareholders of parent company	809,554,104	394,700,716
Number of ordinary shares outstanding	532,459,152	532,459,152
Earnings Per Share	1.52	0.74
Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 30 June 2014 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended 30 June 2014 was restated for the issues of bonus share in 2013.		
39. Receipts from other operating activities		
Interest on treasury bills, bonds, debenture and others	1,256,765,364	2,285,834,771
Exchange earnings	577,462,741	782,073,910
Recoveries on telex, telephone, fax, etc.	41,584,200	63,522,869
Recoveries on courier, postage, stamp, etc.	13,823,591	20,032,872
Gain on sale of Bank properties	-	10,803,848
Non-operating income	1,602,202	1,289,155
Others	2,233,263	6,219,049
	1,893,471,361	3,169,776,474
39(a). Consolidated Receipts from other operating activities		
AB Bank Limited	1,893,471,361	3,169,776,474
AB Investment Limited	13,904,138	-
AB International Finance Limited	22,354,756	32,766,651
AB Securities Limited	3,663,578	-
Cashlink Bangladesh Limited (CBL)	404,760	-
	1,933,798,593	3,202,543,124
40. Payments for other operating activities		
Rent, taxes, insurance, electricity, etc.	292,026,311	106,243,840
Postage, stamps, telecommunication, etc.	68,496,114	39,472,252
Repairs of Bank's assets	89,735,225	14,488,518
Legal expenses	7,366,797	3,434,566
Auditor's fees	653,450	1,037,434
Directors' fees	5,547,708	693,593
Other Expenses	568,617,034	260,471,721
	1,032,442,639	425,841,925

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

Dated, 26 July 2014

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director