

**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 31 March 2014



**AB Bank Limited & its Subsidiaries**  
**Consolidated Balance Sheet**  
**As at 31 March 2014**

<b><u>PROPERTY AND ASSETS</u></b>	<b>Notes</b>	<b>31.03.2014 Taka</b>	<b>31.12.2013 Taka</b>
<b>Cash</b>	3(a)	<b>11,410,186,336</b>	<b>11,362,379,912</b>
In hand (including foreign currencies)	3.1(a)	1,276,917,646	1,328,232,066
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	10,133,268,691	10,034,147,846
<b>Balance with other banks and financial institutions</b>	4(a)	<b>6,728,788,321</b>	<b>5,983,961,130</b>
In Bangladesh	4.1(a)	4,580,561,670	4,746,243,512
Outside Bangladesh	4.2(a)	2,148,226,651	1,237,717,618
<b>Money at call and on short notice</b>	5(a)	<b>2,964,201,000</b>	<b>991,387,500</b>
<b>Investments</b>	6(a)	<b>29,567,600,442</b>	<b>29,617,297,504</b>
Government	6.1(a)	22,679,096,514	22,327,865,346
Others	6.2(a)	6,888,503,928	7,289,432,157
<b>Loans, advances and lease/investments</b>		<b>158,628,992,423</b>	<b>147,128,880,056</b>
Loans, cash credits, overdrafts, etc./Investments	7(a)	155,953,394,838	144,545,643,251
Bills purchased and discounted	8(a)	2,675,597,585	2,583,236,805
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	<b>4,746,870,758</b>	<b>4,741,796,955</b>
<b>Other assets</b>	10(a)	<b>12,124,080,222</b>	<b>9,923,067,613</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b><u>226,170,719,502</u></b>	<b><u>209,748,770,670</u></b>
<b><u>LIABILITIES AND CAPITAL</u></b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11(a)	<b>11,786,719,447</b>	<b>10,391,319,243</b>
<b>Deposits and other accounts</b>	12(a)	<b>174,444,062,948</b>	<b>161,609,892,233</b>
Current account and other accounts		19,406,615,242	15,746,417,142
Bills payable		1,889,151,762	1,140,175,156
Savings bank deposits		17,640,571,613	17,093,460,022
Fixed deposits		98,327,211,836	91,742,137,914
Other deposits		37,180,512,495	35,887,701,999
<b>Other liabilities</b>	13(a)	<b>22,113,016,543</b>	<b>20,454,511,793</b>
<b>Total Liabilities</b>		<b><u>208,343,798,938</u></b>	<b><u>192,455,723,268</u></b>
<b>Capital/Shareholders' Equity</b>			
<b>Equity attributable to equity holders of the parent company</b>		<b>17,842,786,083</b>	<b>17,308,687,827</b>
Paid-up capital	14	4,976,253,760	4,976,253,760
Statutory reserve	15	5,570,831,273	5,564,799,391
Other reserve	16(a)	1,670,579,916	1,596,508,461
Retained earnings	17(a)	5,625,121,134	5,171,126,214
Minority interest	17(b)	(15,865,518)	(15,640,425)
<b>Total Equity</b>		<b><u>17,826,920,565</u></b>	<b><u>17,293,047,402</u></b>
<b>Total Liabilities and Shareholders' Equity</b>		<b><u>226,170,719,502</u></b>	<b><u>209,748,770,670</u></b>

	<b>Notes</b>	<b>31.03.2014 Taka</b>	<b>31.12.2013 Taka</b>
<b>Off-Balance Sheet Items</b>			
<b>Contingent liabilities</b>			
	18	<b>85,016,771,472</b>	<b>83,216,543,057</b>
Acceptances and endorsements		23,791,668,385	26,948,988,710
Letters of guarantee	18.1	16,674,204,325	16,393,076,675
Irrevocable letters of credit		29,680,098,928	30,225,132,651
Bills for collection		9,971,538,598	9,649,345,020
Other contingent liabilities		4,899,261,236	-
<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>85,016,771,472</b>	<b>83,216,543,057</b>

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**Mahadev Sarker FCA**  
Chief Financial Officer

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**Shamim Ahmed Chaudhury**  
President & Managing Director

Dated, 28 April 2014

**AB Bank Limited and its Subsidiaries**  
**Consolidated Profit and Loss Account**  
**For the period ended 31 March 2014**

	Notes	Jan'14- Mar'14 Taka	Jan'13- Mar'13 Taka
<b>OPERATING INCOME</b>			
Interest income/profit on investments	20(a)	5,109,041,579	4,221,060,053
Interest/profit paid on deposits and borrowings, etc.	21(a)	(3,891,127,438)	(3,433,378,542)
<b>Net interest income</b>		<b>1,217,914,141</b>	<b>787,681,511</b>
Investment income	22(a)	694,129,240	629,106,780
Commission, exchange and brokerage	23(a)	934,991,847	731,504,223
Other operating income	24(a)	41,765,422	37,920,223
		<b>1,670,886,510</b>	<b>1,398,531,226</b>
<b>Total operating income (a)</b>		<b>2,888,800,651</b>	<b>2,186,212,737</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	25(a)	535,143,806	481,640,645
Rent, taxes, insurance, electricity, etc.	26(a)	121,246,632	110,273,197
Legal expenses	27(a)	1,622,964	3,629,307
Postage, stamps, telecommunication, etc.	28(a)	34,370,383	38,330,133
Stationery, printing, advertisement, etc.	29(a)	36,829,983	36,614,332
Chief executive's salary and fees		1,243,560	2,475,000
Directors' fees	30(a)	1,640,270	823,593
Auditors' fees	31(a)	502,596	1,091,958
Depreciation and repairs of Bank's assets	32(a)	135,919,050	113,561,315
Other expenses	33(a)	263,884,823	273,800,753
<b>Total operating expenses (b)</b>		<b>1,132,404,067</b>	<b>1,062,240,234</b>
<b>Profit before provision (c = (a-b))</b>		<b>1,756,396,584</b>	<b>1,123,972,503</b>
Provision against loans and advances	34(a)	430,000,065	430,000,000
Provision for diminution in value of investments	35(a)	22,902,865	73,100,000
Other provisions	36(a)	120,842,985	40,000,000
<b>Total provision (d)</b>		<b>573,745,915</b>	<b>543,100,000</b>
<b>Profit before tax (c-d)</b>		<b>1,182,650,669</b>	<b>580,872,503</b>
<b>Provision for taxation</b>		<b>768,403,793</b>	<b>375,542,005</b>
Current tax		766,654,428	391,536,042
Deferred tax		1,749,365	(15,994,037)
<b>Net profit after tax</b>		<b>414,246,876</b>	<b>205,330,498</b>
<b>Appropriations</b>			
Statutory reserve		-	-
General reserve		-	-
Dividends, etc.		-	-
		-	-
<b>Retained surplus</b>		<b>414,246,876</b>	<b>205,330,498</b>
<b>Minority interest</b>		<b>(225,093)</b>	<b>(531,542)</b>
<b>Net Profit attributable to the shareholders of parent company</b>		<b>414,471,970</b>	<b>205,862,040</b>
<b>Consolidated Earnings Per Share (EPS)</b>	37(a)	<b>0.83</b>	<b>0.41</b>

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**Mahadev Sarker FCA**  
Chief Financial Officer

-Sd-

**Shamim Ahmed Chaudhury**  
President & Managing Director

Dated, 28 April 2014

**AB Bank Limited and its Subsidiaries**  
**Consolidated Cash Flow Statement**  
**For the period ended 31 March 2014**

<b>Cash Flows from Operating Activities</b>	<b>Jan'14- Mar'14 Taka</b>	<b>Jan'13- Mar'13 Taka</b>
Interest receipts	4,813,130,029	3,917,632,348
Interest payments	(3,127,818,318)	(3,100,049,939)
Dividend receipts	19,663,326	35,869,328
Fee and commission receipts	594,065,906	545,377,372
Recoveries on loans previously written off	-	1,983,000
Payments to employees	(536,387,366)	(484,115,645)
Payments to suppliers	(36,829,983)	(37,706,289)
Income taxes paid	(508,133,608)	(273,481,984)
Receipts from other operating activities	1,057,157,279	815,301,527
Payments for other operating activities	(465,327,531)	(442,097,811)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>1,809,519,734</b>	<b>978,711,907</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Loans and advances to customers	(11,204,200,817)	(6,213,913,330)
Other assets	(1,692,859,627)	17,575,477
Deposits from other banks	886,110,027	288,164,293
Deposits from customers	11,184,751,568	5,422,265,141
Trading liabilities (short-term borrowings)	1,440,508,316	1,278,294,095
Other liabilities	361,906,034	151,939,794
	<b>976,215,502</b>	<b>944,325,469</b>
<b>Net cash flow from operating activities (a)</b>	<b>2,785,735,236</b>	<b>1,923,037,376</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of government securities	(277,581,890)	(2,792,162,371)
(Purchase)/Sale of trading securities, shares, bonds, etc.	400,928,229	134,815,907
Purchase of property, plant and equipment	(98,527,658)	(27,292,999)
<b>Net cash used in investing activities (b)</b>	<b>24,818,681</b>	<b>(2,684,639,464)</b>
<b>Cash Flows from Financing Activities</b>		
Increase/(decrease) of long-term borrowings	(45,108,111)	(9,741,388)
Dividend paid	(34,992)	(490,795)
<b>Net cash used in from financing activities (c)</b>	<b>(45,143,103)</b>	<b>(10,232,183)</b>
Net (decrease)/increase in cash (a+b+c)	2,765,410,814	(771,834,271)
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
<b>Cash and cash equivalents at end of the period (*)</b>	<b>21,107,010,158</b>	<b>20,001,426,410</b>
(*) Cash and cash equivalents:		
Cash	1,276,917,646	1,355,446,918
Prize bonds	3,834,500	3,764,600
Money at call and on short notice	2,964,201,000	1,330,828,000
Balance with Bangladesh Bank and its agent bank(s)	10,133,268,691	9,324,622,519
Balance with other banks and financial institutions	6,728,788,321	7,986,764,373
	<b>21,107,010,158</b>	<b>20,001,426,410</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>5.60</b>	<b>3.86</b>

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**Mahadev Sarker FCA**  
Chief Financial Officer

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**Shamim Ahmed Chaudhury**  
President & Managing Director

Dated, 28 April 2014

**AB Bank Limited and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the period ended 31 March 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
<b>Balance at 01 January 2014</b>	<b>4,976,253,760</b>	<b>5,564,799,391</b>	<b>118,018,430</b>	<b>1,326,815,807</b>	<b>6,035,603</b>	<b>145,638,620</b>	<b>(15,640,425)</b>	<b>5,171,126,214</b>	<b>17,293,047,402</b>
Net profit after taxation for the period ended	-	-	-	-	-	-	(225,093)	414,471,970	414,246,876
Addition/(Adjustment) made during the period	-	-	-	-	-	73,685,577	-	26,086,999	99,772,577
Foreign exchange fluctuation	-	6,031,882	(105,867)	-	491,745	-	-	13,435,950	19,853,710
<b>Balance at 31 March 2014</b>	<b>4,976,253,760</b>	<b>5,570,831,273</b>	<b>117,912,563</b>	<b>1,326,815,807</b>	<b>6,527,348</b>	<b>219,324,197</b>	<b>(15,865,519)</b>	<b>5,625,121,134</b>	<b>17,826,920,565</b>
<b>Balance at 31 March 2013</b>	<b>4,423,336,680</b>	<b>5,003,132,665</b>	<b>118,368,549</b>	<b>1,326,815,807</b>	<b>58,597,720</b>	<b>20,843,399</b>	<b>(20,916,821)</b>	<b>5,463,905,360</b>	<b>16,394,083,360</b>

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**Mahadev Sarker FCA**  
Chief Financial Officer

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**Shamim Ahmed Chaudhury**  
President & Managing Director

Dated, 28 April 2014

**AB Bank Limited**  
**Balance Sheet**  
**As at 31 March 2014**

<b><u>PROPERTY AND ASSETS</u></b>	<b>Notes</b>	<b>31.03.2014 Taka</b>	<b>31.12.2013 Taka</b>
<b>Cash</b>	3	<b>11,406,884,445</b>	<b>11,359,517,250</b>
In hand (including foreign currencies)	3.1	1,273,615,754	1,325,369,404
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	10,133,268,691	10,034,147,846
<b>Balance with other banks and financial institutions</b>	4	<b>7,885,932,671</b>	<b>7,238,990,059</b>
In Bangladesh		4,573,626,983	4,744,159,686
Outside Bangladesh		3,312,305,688	2,494,830,373
<b>Money at call and on short notice</b>	5	<b>2,964,201,000</b>	<b>991,387,500</b>
<b>Investments</b>	6	<b>28,625,036,272</b>	<b>28,675,696,033</b>
Government	6.1	22,679,096,514	22,327,865,346
Others	6.2	5,945,939,758	6,347,830,687
<b>Loans, advances and lease/investments</b>	7	<b>151,822,798,165</b>	<b>140,121,297,505</b>
Loans, cash credits, overdrafts, etc./Investments	7.1	150,677,651,933	139,067,739,439
Bills purchased and discounted	8	1,145,146,232	1,053,558,066
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>4,191,075,374</b>	<b>4,172,564,367</b>
<b>Other assets</b>	10	<b>17,218,252,172</b>	<b>15,446,091,023</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b><u>224,114,180,100</u></b>	<b><u>208,005,543,738</u></b>
<b><u>LIABILITIES AND CAPITAL</u></b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	<b>11,396,296,071</b>	<b>9,987,492,033</b>
<b>Deposits and other accounts</b>	12	<b>174,620,196,179</b>	<b>161,846,275,315</b>
Current accounts and other accounts		19,419,077,956	15,742,024,927
Bills payable		1,889,151,762	1,140,175,156
Savings bank deposits		17,640,571,613	17,093,460,022
Fixed deposits		98,327,211,836	91,742,137,914
Other deposits		37,344,183,012	36,128,477,296
<b>Other liabilities</b>	13	<b>20,692,346,525</b>	<b>19,231,727,325</b>
<b>Total Liabilities</b>		<b><u>206,708,838,774</u></b>	<b><u>191,065,494,672</u></b>
<b>Capital/Shareholders' Equity</b>			
<b>Total Shareholders' Equity</b>		<b>17,405,341,326</b>	<b>16,940,049,066</b>
Paid-up capital	14	4,976,253,760	4,976,253,760
Statutory reserve	15	5,570,831,273	5,564,799,391
Other reserve	16	1,487,128,454	1,412,629,267
Retained earnings	17	5,371,127,838	4,986,366,647
<b>Total Liabilities and Shareholders' Equity</b>		<b><u>224,114,180,100</u></b>	<b><u>208,005,543,738</u></b>

	<b>31.03.2014</b>	<b>31.12.2013</b>
<b>Notes</b>	<b>Taka</b>	<b>Taka</b>
<b>Off-Balance Sheet Items</b>		
<b>Contingent liabilities</b>		
	<b>18</b>	<b>85,016,771,472</b>
		<b>83,216,543,057</b>
Acceptances and endorsements	23,791,668,385	26,948,988,710
Letters of guarantee	16,674,204,325	16,393,076,675
Irrevocable letters of credit	29,680,098,928	30,225,132,651
Bills for collection	9,971,538,598	9,649,345,020
Other contingent liabilities	4,899,261,236	-
<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>85,016,771,472</b>	<b>83,216,543,057</b>

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**Mahadev Sarker FCA**  
Chief Financial Officer

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**Shamim Ahmed Chaudhury**  
President & Managing Director

Dated, 28 April 2014



**AB Bank Limited**  
**Profit and Loss Account**  
**For the period ended 31 March 2014**

	Notes	Jan'14- Mar'14 Taka	Jan'13- Mar'13 Taka
<b>OPERATING INCOME</b>			
Interest income/profit on investments	20	4,997,955,622	4,115,501,727
Interest paid/profit on deposits and borrowings, etc.	21	(3,865,780,292)	(3,405,925,514)
<b>Net interest income</b>		<b>1,132,175,330</b>	<b>709,576,214</b>
Investment income	22	680,913,585	626,178,670
Commission, exchange and brokerage	23	893,689,441	691,051,749
Other operating income	24	28,005,346	28,253,397
		<b>1,602,608,373</b>	<b>1,345,483,817</b>
<b>Total operating income (a)</b>		<b>2,734,783,703</b>	<b>2,055,060,030</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	25	519,895,842	466,662,306
Rent, taxes, insurance, electricity, etc.	26	117,485,426	106,243,840
Legal expenses	27	1,529,214	3,434,566
Postage, stamps, telecommunication, etc.	28	36,705,390	39,472,252
Stationery, printing, advertisement, etc.	29	36,265,369	36,327,314
Chief executive's salary and fees		1,243,560	2,475,000
Directors' fees	30	1,529,770	693,593
Auditors' fees	31	444,451	1,037,434
Depreciation and repairs of Bank's assets	32	122,054,103	93,531,170
Other expenses	33	263,194,100	260,471,721
<b>Total operating expenses (b)</b>		<b>1,100,347,224</b>	<b>1,010,349,196</b>
<b>Profit before provision (c = (a-b))</b>		<b>1,634,436,478</b>	<b>1,044,710,834</b>
Provision against loans and advances	34	430,000,065	430,000,000
Provision for diminution in value of investments	35	-	73,100,000
Other provisions	36	120,842,985	40,000,000
<b>Total provision (d)</b>		<b>550,843,050</b>	<b>543,100,000</b>
<b>Profit before taxation (c-d)</b>		<b>1,083,593,428</b>	<b>501,610,834</b>
Provision for taxation		727,300,571	350,237,592
Current tax		728,311,099	365,096,303
Deferred tax		(1,010,529)	(14,858,711)
<b>Net profit after taxation</b>		<b>356,292,858</b>	<b>151,373,242</b>
<b>Appropriations</b>			
Statutory reserve		-	-
General reserve		-	-
Dividends, etc.		-	-
		-	-
<b>Retained surplus</b>		<b>356,292,858</b>	<b>151,373,242</b>
<b>Earnings Per Share (EPS)</b>	37	<b>0.72</b>	<b>0.30</b>

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**Mahadev Sarker FCA**  
Chief Financial Officer

-Sd-  
**Shamim Ahmed Chaudhury**  
President & Managing Director

Dated, 28 April 2014

**AB Bank Limited**  
**Cash Flow Statement**  
**For the period ended 31 March 2014**

	<b>Jan'14- Mar'14</b> <b>Taka</b>	<b>Jan'13- Mar'13</b> <b>Taka</b>
<b>Cash Flows from Operating Activities</b>		
Interest receipts	4,702,044,072	3,812,074,022
Interest payments	(3,102,471,172)	(3,072,596,910)
Dividend receipts	15,476,688	35,869,328
Fee and commission receipts	552,163,281	501,523,568
Recoveries on loans previously written off	-	1,983,000
Payments to employees	(521,139,402)	(469,137,306)
Payments to suppliers	(36,265,369)	(36,327,314)
Income taxes paid	(490,523,248)	(227,659,116)
Receipts from other operating activities	1,034,968,404	806,107,920
Payments for other operating activities	(430,068,087)	(425,841,925)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>1,724,185,166</b>	<b>925,995,268</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Loans and advances to customers	(11,405,589,111)	(5,917,682,149)
Other assets	(1,281,618,526)	307,630,406
Deposits from other banks	886,110,027	288,164,293
Deposits from customers	11,124,501,717	5,080,373,595
Trading liabilities (short-term borrowings)	1,453,912,149	1,343,642,504
Other liabilities	184,947,307	76,378,359
	<b>962,263,564</b>	<b>1,178,507,008</b>
<b>Net cash flow from operating activities (a)</b>	<b>2,686,448,730</b>	<b>2,104,502,276</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of government securities	(277,581,890)	(2,792,162,371)
(Purchase)/Sale of trading securities, shares, bonds, etc.	401,890,929	85,115,495
Purchase of property, plant and equipment	(98,527,658)	(28,303,292)
<b>Net cash used in investing activities (b)</b>	<b>25,781,381</b>	<b>(2,735,350,169)</b>
<b>Cash Flows from Financing Activities</b>		
Increase/(decrease) of long-term borrowings	(45,108,111)	(9,741,388)
Dividend paid	(34,992)	(490,795)
<b>Net cash used in financing activities (c)</b>	<b>(45,143,103)</b>	<b>(10,232,183)</b>
<b>Net Increase/(decrease) in cash (a+b+c)</b>	<b>2,667,087,007</b>	<b>(641,080,076)</b>
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
<b>Cash and cash equivalents at end of the period (*)</b>	<b>22,260,852,617</b>	<b>21,535,643,809</b>
(*) Cash and cash equivalents:		
Cash	1,273,615,755	1,353,071,538
Prize bonds	3,834,500	3,764,600
Money at call and on short notice	2,964,201,000	1,330,828,000
Balance with Bangladesh Bank and its agent bank(s)	10,133,268,691	9,324,622,519
Balance with other banks and financial institutions	7,885,932,672	9,523,357,152
	<b>22,260,852,617</b>	<b>21,535,643,809</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>5.40</b>	<b>4.23</b>

-Sd-  
**Mahadev Sarker FCA**  
Chief Financial Officer

-Sd-  
**Shamim Ahmed Chaudhury**  
President & Managing Director

Dated, 28 April 2014

**AB Bank Limited**  
**Statement of Changes in Equity**  
**For the period ended 31 March 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
Net profit after taxation for the period ended	-	-	-	-	-	-	356,292,858	356,292,858
Addition/(Adjustment) made during the period	-	-	-	-	-	73,685,577	14,686,957	88,372,534
Foreign Exchange Rate Fluctuation	-	6,031,882	-	-	813,610	-	13,781,376	20,626,867
<b>Balance at 31 March 2014</b>	<b><u>4,976,253,760</u></b>	<b><u>5,570,831,273</u></b>	<b><u>42,199,200</u></b>	<b><u>1,326,815,807</u></b>	<b><u>813,610</u></b>	<b><u>117,299,837</u></b>	<b><u>5,371,127,838</u></b>	<b><u>17,405,341,326</u></b>
<b>Balance at 31 March 2013</b>	<b><u>4,423,336,680</u></b>	<b><u>5,003,132,665</u></b>	<b><u>42,199,200</u></b>	<b><u>1,326,815,807</u></b>	<b><u>53,883,153</u></b>	<b><u>20,843,399</u></b>	<b><u>5,304,743,141</u></b>	<b><u>16,174,954,046</u></b>

-Sd-  
**Mahadev Sarker FCA**  
Chief Financial Officer

-Sd-  
**Shamim Ahmed Chaudhury**  
President & Managing Director

Dated, 28 April 2014

## **AB Bank Limited**

### **Selective Notes to the Financial Statements as on March 31, 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 2013, 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.

**AB Bank Limited****Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>3. Cash</b>		
Cash in hand	(Note: 3.1) 1,273,615,754	1,325,369,404
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2) 10,133,268,691	10,034,147,846
	<b>11,406,884,445</b>	<b>11,359,517,250</b>
<b>3(a) Consolidated Cash</b>		
AB Bank Limited	11,406,884,445	11,359,517,250
AB Investments Limited	25,000	25,000
AB International Finance Limited	-	-
AB Securities Limited	21,066	16,319
Cashlink Bangladesh Limited (CBL)	15,001	26,941
AB Exchange (UK) Ltd.	3,240,824	2,794,402
	<b>11,410,186,336</b>	<b>11,362,379,912</b>
<b>3.1 Cash in hand</b>		
In local currency	1,248,648,828	1,306,186,571
In foreign currency	24,966,926	19,182,833
	<b>1,273,615,754</b>	<b>1,325,369,404</b>
<b>3.1(a) Consolidated Cash in hand</b>		
AB Bank Limited	1,273,615,754	1,325,369,404
AB Investments Limited	25,000	25,000
AB International Finance Limited	-	-
AB Securities Limited	21,066	16,319
Cashlink Bangladesh Limited (CBL)	15,001	26,941
AB Exchange (UK) Ltd.	3,240,824	2,794,402
	<b>1,276,917,646</b>	<b>1,328,232,066</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>		
Balance with Bangladesh Bank		
In local currency	9,537,003,958	9,351,408,862
In foreign currency	286,794,131	254,257,224
	9,823,798,089	9,605,666,086
Sonali Bank Limited (as an agent bank of Bangladesh Bank) - local currency	309,470,602	428,481,760
	<b>10,133,268,691</b>	<b>10,034,147,846</b>
<b>3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)</b>		
AB Bank Limited	10,133,268,691	10,034,147,846
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>10,133,268,691</b>	<b>10,034,147,846</b>

**AB Bank Limited****Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>4. Balance with other banks and financial institutions</b>		
In Bangladesh	4,573,626,983	4,744,159,686
Outside Bangladesh	3,312,305,688	2,494,830,373
	<b>7,885,932,671</b>	<b>7,238,990,059</b>

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

In Bangladesh	(Note: 4.1.a) 4,580,561,670	4,746,243,512
Outside Bangladesh (Nostro Accounts)	(Note: 4.2.a) 2,148,226,651	1,237,717,618
	<b>6,728,788,321</b>	<b>5,983,961,130</b>

**4.1.a Consolidated In Bangladesh**

AB Bank Limited	4,573,626,983	4,744,159,686
AB Investments Limited	470,374	443,555
AB International Finance Limited	-	-
AB Securities Limited	149,388,718	235,022,444
Cashlink Bangladesh Limited (CBL)	21,383,880	8,030,892
AB Exchange (UK) Ltd.	-	-
	<b>4,744,869,955</b>	<b>4,987,656,577</b>
Less: Inter company transaction	164,308,285	241,413,065
	<b>4,580,561,670</b>	<b>4,746,243,512</b>

**4.2.a Consolidated Outside Bangladesh (Nostro Accounts)**

AB Bank Limited	3,312,305,688	2,494,830,373
AB Investments Limited	-	-
AB International Finance Limited	14,201,520	1,395,886
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	7,526,678	1,563,984
	3,334,033,886	2,497,790,243
Less: Inter company transactions	1,185,807,234	1,260,072,624
	<b>2,148,226,651</b>	<b>1,237,717,618</b>

**AB Bank Limited****Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>5. Money at call and on short notice</b>		
In Bangladesh	2,873,418,000	800,000,000
Outside Bangladesh	90,783,000	191,387,500
	<b><u>2,964,201,000</u></b>	<b><u>991,387,500</u></b>
<b>5(a) Consolidated money at call and on short notice</b>		
AB Bank Limited	2,964,201,000	991,387,500
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b><u>2,964,201,000</u></b>	<b><u>991,387,500</u></b>
<b>6. Investments</b>		
Government securities	(Note: 6.1) 22,679,096,514	22,327,865,346
Other investments	(Note: 6.2) 5,945,939,758	6,347,830,687
	<b><u>28,625,036,272</u></b>	<b><u>28,675,696,033</u></b>
<b>6 (a) Consolidated investments</b>		
AB Bank Limited	28,625,036,272	28,675,696,033
AB International Finance Limited	-	-
AB Investment Limited	742,756,157	747,286,336
AB Securities Limited	175,236,783	169,743,904
Cashlink Bangladesh Limited (CBL)	24,571,230	24,571,230
AB Exchange (UK) Ltd.	-	-
	<b><u>29,567,600,442</u></b>	<b><u>29,617,297,504</u></b>
<b>6.1 Government securities</b>		
Treasury bills	2,054,657,863	2,011,667,653
30 days Bangladesh Bank bills	1,164,289,759	499,364,774
Treasury bonds	19,259,314,392	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	192,000,000	192,000,000
Prize bonds	3,834,500	3,870,800
	<b><u>22,679,096,514</u></b>	<b><u>22,327,865,346</u></b>
<b>6.1(a) Consolidated Government securities</b>		
AB Bank Limited	22,679,096,514	22,327,865,346
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b><u>22,679,096,514</u></b>	<b><u>22,327,865,346</u></b>

**AB Bank Limited****Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>6.2 Other investments</b>		
Shares	5,491,905,396	5,844,761,998
Bond	140,000,000	140,000,000
	<b>5,631,905,396</b>	<b>5,984,761,998</b>
 <b>Investments -ABBL, Mumbai Branch</b>		
Treasury bills	277,332,092	327,552,189
Debentures and Bonds	36,702,270	35,516,500
	<b>314,034,362</b>	<b>363,068,689</b>
<b>Total Other investments</b>	<b>5,945,939,758</b>	<b>6,347,830,687</b>
 <b>6.2 (a) Consolidated other investments</b>		
AB Bank Limited	5,945,939,758	6,347,830,687
AB Investment Limited	742,756,157	747,286,336
AB International Finance Limited	-	-
AB Securities Limited	175,236,783	169,743,904
Cashlink Bangladesh Limited (CBL)	24,571,230	24,571,230
AB Exchange (UK) Ltd.	-	-
	<b>6,888,503,928</b>	<b>7,289,432,157</b>



**AB Bank Limited**  
**Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>7. Loans, advances and lease/investments</b>	<b>151,822,798,165</b>	<b>140,121,297,505</b>
<b>7.1 Broad category-wise breakup</b>		
<b>In Bangladesh</b>		
Loans	130,151,686,786	118,527,054,842
Overdrafts	20,363,573,671	20,328,225,615
Cash credits	-	-
	<b>150,515,260,458</b>	<b>138,855,280,458</b>
<b>Outside Bangladesh: ABBL, Mumbai Branch</b>		
Loans	123,298,468	186,434,730
Overdrafts	39,093,007	13,640,801
Cash credits	-	12,383,450
	162,391,476	212,458,981
	<b>150,677,651,933</b>	<b>139,067,739,439</b>
<b>7.2 Net loans, advances and lease/investments</b>		
Gross loans and advances	151,822,798,165	140,121,297,505
Less:		
Interest suspense	2,121,008,821	1,774,784,880
Provision for loans and advances	4,411,419,092	3,980,331,722
	6,532,427,913	5,755,116,603
	<b>145,290,370,252</b>	<b>134,366,180,902</b>
<b>7.3 Classification of loans, advances and lease/investments</b>		
<b>In Bangladesh</b>		
<u>Unclassified</u>		
Standard	145,836,029,705	134,277,476,780
Special Mention Account	461,424,190	502,457,360
	146,297,453,895	134,779,934,140
<u>Classified</u>		
Sub-Standard	81,502,000	128,254,000
Doubtful	27,186,000	761,605,000
Bad/Loss	4,537,366,000	3,747,009,000
	4,646,054,000	4,636,868,000
	<b>150,943,507,895</b>	<b>139,416,802,140</b>
<b>Outside Bangladesh-Mumbai Branch</b>		
Unclassified Loan	788,507,270	621,442,443
Classified Loan	90,783,000	83,052,922
	<b>879,290,270</b>	<b>704,495,365</b>
	<b>151,822,798,165</b>	<b>140,121,297,505</b>
<b>7(a) Consolidated Loans, advances and lease/investments</b>		
AB Bank Limited	150,677,651,933	139,067,739,439
AB Investment Limited	6,994,148,559	7,136,710,118
AB International Finance Limited	-	-
AB Securities Limited	1,031,509,469	1,042,520,416
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>158,703,309,962</b>	<b>147,246,969,973</b>
Less: Inter company transaction	2,749,915,124	2,701,326,722
	<b>155,953,394,838</b>	<b>144,545,643,251</b>

**AB Bank Limited**  
**Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>8. Bills purchased and discounted</b>		
In Bangladesh	428,247,438	561,521,682
Outside Bangladesh - ABBL, Mumbai Branch	716,898,794	492,036,384
	<b>1,145,146,232</b>	<b>1,053,558,066</b>

**8 (a) Consolidated Bills purchased and discounted**

AB Bank Limited	1,145,146,232	1,053,558,066
AB Investment Limited	-	-
AB International Finance Limited	1,530,451,353	1,529,678,739
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>2,675,597,585</b>	<b>2,583,236,805</b>

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

**Cost:**

Land and Building	3,263,321,411	3,263,321,411
Furniture and fixtures	206,896,948	205,265,735
Office appliances	61,663,146	61,255,451
Electrical appliances	1,451,399,007	1,411,987,344
Motor vehicles	506,619,877	484,488,318
Intangible Assets	283,973,099	249,255,099
	5,773,873,488	5,675,573,357
Less: Accumulated depreciation and amortization	1,582,798,114	1,503,008,990
	<b>4,191,075,374</b>	<b>4,172,564,367</b>

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

**Cost:**

AB Bank Limited	5,773,873,488	5,675,573,357
AB Investments Limited	574,374,720	574,374,720
AB International Finance Limited	9,083,701	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.	15,658,270	15,592,870
	6,651,443,981	6,553,714,247

**Accumulated depreciation:**

AB Bank Limited	1,582,798,114	1,503,008,990
AB Investments Limited	39,236,354	35,242,257
AB International Finance Limited	8,818,135	8,783,455
AB Securities Limited	17,137,199	16,482,964
Cashlink Bangladesh Limited (CBL)	247,236,814	239,907,170
AB Exchange (UK) Ltd.	9,346,607	8,492,456
	1,904,573,223	1,811,917,292
	<b>4,746,870,758</b>	<b>4,741,796,955</b>

**AB Bank Limited**  
**Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>10. Other assets</b>		
<b>Income generating-Equity Investment</b>		
<b>In Bangladesh:</b>		
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
<b>Outside Bangladesh:</b>		
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)	51,710,160	38,425,620
	<b>404,292,332</b>	<b>391,007,792</b>
<b>Non-income generating</b>		
Inter-branch adjustment	1,606,362	1,839,710
Advance corporate income tax (note: 10.1)	7,551,200,074	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	317,799,067	626,469,027
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	723,493,627	828,594,917
Exchange for clearing	2,118,526,440	351,479,645
Interest accrued on investment but not collected, and debentures, and other income receivables	620,212,396	708,821,651
Security deposits	226,034,035	219,257,237
Advance rent and advertisement	140,328,729	143,568,488
Stationery, stamps, printing materials, etc.	29,739,109	29,375,102
	<b>16,813,959,839</b>	<b>15,055,083,229</b>
	<b>17,218,252,172</b>	<b>15,446,091,023</b>
<b>10(a) Consolidated Other assets</b>		
AB Bank Limited	17,218,252,172	15,446,091,023
AB Investment Limited	483,073,775	411,820,752
AB International Finance Limited	7,169,631	7,060,521
AB Securities Limited	77,239,641	152,033,578
Cashlink Bangladesh Limited (CBL)	27,879,306	36,866,958
AB Exchange (UK) Ltd.	1,062,535	1,346,818
	<b>17,814,677,060</b>	<b>16,055,219,650</b>
Less: Inter-group transaction	5,690,596,839	6,132,152,038
	<b>12,124,080,222</b>	<b>9,923,067,613</b>

**AB Bank Limited**  
**Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>11. Borrowings from other banks, financial institutions and agents</b>		
In Bangladesh	4,484,837,041	4,230,695,016
Outside Bangladesh	6,911,459,030	5,756,797,017
	<b>11,396,296,071</b>	<b>9,987,492,033</b>

**11(a) Consolidated Borrowings from other banks, financial institutions and agents**

AB Bank Limited	11,396,296,071	9,987,492,033
AB Investment Limited	2,472,834,242	2,454,862,230
AB International Finance Limited	1,177,596,213	1,259,280,748
AB Securities Limited	299,968,022	299,613,357
Cashlink Bangladesh Limited (CBL)	268,241,029	268,241,029
AB Exchange (UK) Ltd.	-	-
	15,614,935,578	14,269,489,397
Less: Intercompany transactions	3,828,216,130	3,878,170,154
	<b>11,786,719,447</b>	<b>10,391,319,243</b>

**12. Deposit and other accounts**

Inter-bank deposits	4,916,384,319	4,030,274,291
Other deposits	169,703,811,860	157,816,001,023
	<b>174,620,196,179</b>	<b>161,846,275,315</b>

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

AB Bank Limited	174,620,196,178	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.	-	-
	174,620,196,178	161,851,361,454
Less: Inter-group transaction	176,133,231	241,469,222
	<b>174,444,062,948</b>	<b>161,609,892,233</b>

**AB Bank Limited**  
**Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>12.1 Demand and time deposits</b>		
<b>a) Demand Deposits</b>	<b>22,895,881,163</b>	<b>18,420,611,485</b>
Current accounts and other accounts	19,419,077,956	15,742,024,927
Savings Deposits (9%)	1,587,651,445	1,538,411,402
Bills Payable	1,889,151,762	1,140,175,156
<b>b) Time Deposits</b>	<b>151,724,315,015</b>	<b>143,425,663,830</b>
Savings Deposits (91%)	16,052,920,167	15,555,048,620
Short Notice Deposits	22,929,662,105	22,968,769,304
Fixed Deposits	98,327,211,836	91,742,137,914
Other Deposits	14,414,520,907	13,159,707,991
<b>Total Demand and Time Deposits</b>	<b>174,620,196,179</b>	<b>161,846,275,315</b>
<b>13. Other liabilities</b>		
Accumulated provision against loans and advances	4,411,419,092	3,980,331,722
Provision for current tax	10,384,888,260	9,650,912,245
Deferred tax liabilities	108,040,410	109,050,939
Interest suspense account	2,121,008,821	1,774,784,880
Provision against other assets	370,728,553	292,234,553
Provision for outstanding debit entries in NOSTRO accounts	200,000	200,000
Accounts payable - Bangladesh Bank	52,428,651	47,656,432
Accrued expenses	71,255,392	38,724,384
Provision for off balance sheet items	850,000,000	810,000,000
Provision against investments	1,995,053,000	1,995,053,000
Others (*)	327,324,344	532,779,169
	<b>20,692,346,525</b>	<b>19,231,727,325</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.		
<b>13(a) Consolidated Other liabilities</b>		
AB Bank Limited	20,692,346,525	19,231,727,325
AB Investment Limited	806,903,206	931,141,087
AB International Finance Limited	242,130,435	67,419,361
AB Securities Limited	674,150,344	848,099,741
Cashlink Bangladesh Limited (CBL)	11,138,059	11,673,480
AB Exchange (UK) Ltd.	4,140,045	9,733,594
	22,430,808,614	21,099,794,588
Less: Inter-group transaction	317,792,071	645,282,792
	<b>22,113,016,543</b>	<b>20,454,511,793</b>
<b>14. Share Capital</b>	<b>4,976,253,760</b>	<b>4,976,253,760</b>
<b>14.1 Authorised Capital</b>		
600,000,000 ordinary shares of Taka 10 each	<b>6,000,000,000</b>	<b>6,000,000,000</b>
<b>14.2 Issued, Subscribed and Paid-up Capital</b>		
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
482,625,376 ordinary shares of Taka 10 each issued as bonus shares	4,826,253,760	4,826,253,760
	<b>4,976,253,760</b>	<b>4,976,253,760</b>

**AB Bank Limited**
**Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>15. Statutory reserve</b>		
<b>In Bangladesh</b>		
Opening balance	5,384,130,846	4,824,544,671
Add: Addition during the period	-	559,586,175
	<b>5,384,130,846</b>	<b>5,384,130,846</b>
<b>Outside Bangladesh - ABBL, Mumbai Branch</b>		
Opening balance	180,668,545	180,770,130
Add: Transferred from retained earnings		14,891,830
Add: Transferred from Investment fluctuation reserve		10,175,540
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation	6,031,882	(25,168,955)
	186,700,427	180,668,545
	<b>5,570,831,273</b>	<b>5,564,799,391</b>
<b>16. Other reserve</b>		
General reserve	42,199,200	42,199,200
Assets revaluation reserve	1,326,815,807	1,326,815,807
Investment revaluation reserve	117,299,837	43,614,260
Foreign exchange revaluation for investment in foreign operation	813,610	-
	<b>1,487,128,454</b>	<b>1,412,629,267</b>
<b>16(a) Consolidated Other reserve</b>		
AB Bank Limited	1,487,128,454	1,412,629,267
AB Investment Limited	-	-
AB International Finance Limited	81,427,102	81,854,834
AB Securities Limited	102,024,360	102,024,360
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>1,670,579,916</b>	<b>1,596,508,461</b>
<b>17. Retained earnings</b>		
Opening balance	4,986,366,647	5,158,900,828
Add: Post-tax profit for the period	356,292,858	1,010,997,314
Less: Transfer to statutory reserve	-	574,478,006
Cash dividend	-	-
Bonus shares issued	-	552,917,080
	<b>5,342,659,505</b>	<b>5,042,503,057</b>
Add/(Less): Retained earnings adjustment of Mumbai Br.	14,686,957	-
Add: Foreign Exchange Translation gain/(loss)	13,781,376	(56,136,410)
	<b>5,371,127,838</b>	<b>4,986,366,647</b>
<b>17(a) Consolidated Retained earnings</b>		
AB Bank Limited	5,371,127,838	4,986,366,647
AB Investment Limited	475,874,783	449,414,907
AB International Finance Limited	46,635,659	120,802,557
AB Securities Limited	168,298,673	161,935,908
Cashlink Bangladesh Limited (CBL)	(444,695,606)	(442,254,774)
AB Exchange (UK) Ltd.	(37,708,504)	(35,353,595)
	5,579,532,843	5,240,911,650
Less: Prior year adjustment/Share discounting	(1,618,772)	113,529,860
Minority Interest	(43,969,518)	(43,744,425)
	<b>5,625,121,134</b>	<b>5,171,126,214</b>

**AB Bank Limited****Notes to the financial statements for the period ended 31 March 2014**

	<b>31.03.2014</b> <b>Taka</b>	<b>31.12.2013</b> <b>Taka</b>
<b>17(b) Minority Interest</b>		
AB Investment Limited	5,764	5,499
AB Securities Limited	598,279	579,554
Cashlink Bangladesh Limited	(16,469,561)	(16,225,477)
	<b>(15,865,518)</b>	<b>(15,640,425)</b>
<b>18. Contingent liabilities</b>	<b>85,016,771,472</b>	<b>83,216,543,057</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	280,500,000	319,439,000
Others	16,393,704,325	16,073,637,675
	<b>16,674,204,325</b>	<b>16,393,076,675</b>

**AB Bank Limited**
**Notes to the financial statements for the period ended 31 March 2014**

	Jan'14- Mar'14 Taka	Jan'13- Mar'13 Taka
<b>19. Profit and loss account</b>		
<u>Income:</u>		
Interest, discount and similar income	5,582,757,186	4,737,812,200
Dividend income	15,476,688	35,869,328
Fee, commission and brokerage	552,163,281	501,523,568
Gains less losses arising from investment securities	26,330,723	(704,769)
Gains less losses arising from dealing in foreign currencies	341,526,160	189,528,181
Other operating income	28,005,346	28,253,397
Gains less losses arising from dealing securities	54,304,611	(31,296,362)
Income from non-banking assets	-	-
Profit less losses on interest rate changes	-	-
	6,600,563,995	5,460,985,544
<u>Expenses:</u>		
Interest, fee and commission	3,865,780,292	3,405,925,514
Administrative expenses	756,809,766	670,834,824
Other operating expenses	263,194,100	260,471,721
Depreciation and amortization on banking assets	80,343,358	79,042,651
Losses on loans and advances	-	-
	4,966,127,516	4,416,274,710
	<b>1,634,436,478</b>	<b>1,044,710,834</b>
<b>20. Interest income/profit on investments</b>		-
Interest on loans and advances:		
Loans and advances	4,685,702,461	3,806,983,435
Bills purchased and discounted	165,779,375	85,606,738
	4,851,481,836	3,892,590,174
Interest on:		
Calls and placements	144,743,815	219,373,740
Balance with foreign banks	1,605,173	3,319,600
Reverse Repo	-	-
Balance with Bangladesh Bank	124,797	218,214
	146,473,785	222,911,553
	<b>4,997,955,622</b>	<b>4,115,501,727</b>
<b>20(a). Consolidated Interest income/profit on investments</b>		
AB Bank Limited	4,997,955,622	4,115,501,727
AB International Finance Limited	21,620,369	29,588,075
AB Investment Limited	130,898,744	124,494,073
AB Securities Limited	23,050,846	24,678,863
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	5,173,525,580	4,294,262,738
Less: Intercompany Transactions	64,484,001	73,202,685
	<b>5,109,041,579</b>	<b>4,221,060,053</b>
<b>21. Interest/profit paid on deposits, borrowings, etc.</b>		
Interest on deposits:		
Fixed deposits	2,667,096,280	2,492,058,847
Savings deposits	187,361,458	156,282,990
Special notice deposits	455,077,235	372,733,930
Other deposits	394,727,348	249,436,872
	3,704,262,321	3,270,512,639
Interest on borrowings:		
Local banks, financial institutions including Bangladesh Bank	161,517,971	135,412,875
	<b>3,865,780,292</b>	<b>3,405,925,514</b>



**AB Bank Limited****Notes to the financial statements for the period ended 31 March 2014**

	<b>Jan'14- Mar'14</b> <b>Taka</b>	<b>Jan'13- Mar'13</b> <b>Taka</b>
<b>21(a). Consolidated Interest/profit paid on deposits, borrowings, etc.</b>		
AB Bank Limited	3,865,780,292	3,405,925,514
AB Investment Limited	73,766,013	76,429,146
AB International Finance Limited	845,119	4,775,030
AB Securities Limited	15,941,902	20,173,425
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>3,956,333,326</b>	<b>3,507,303,114</b>
Less: Intercompany Transactions	65,205,888	73,924,572
	<b>3,891,127,438</b>	<b>3,433,378,542</b>
<b>22. Investment income</b>		
Capital gain on sale of shares	26,330,723	(704,769)
Interest on treasury bills	99,455,664	149,307,459
Dividend on shares	15,476,688	35,869,328
Interest on debentures	2,887,500	2,887,500
Interest on treasury bonds	476,466,598	465,439,602
Gain/(Loss) on treasury bills and treasury bonds	54,304,611	(31,296,362)
Interest on other bonds & others	5,991,803	4,675,912
	<b>680,913,585</b>	<b>626,178,670</b>
<b>22(a). Consolidated Investment income</b>		
AB Bank Limited	680,913,585	626,178,670
AB Investment Limited	11,085,373	1,222,749
AB International Finance Limited	-	-
AB Securities Limited	2,130,282	1,705,361
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>694,129,240</b>	<b>629,106,780</b>
<b>23. Commission, exchange and brokerage</b>		
Other fees, commission and service charges	275,580,215	248,526,699
Commission on letters of credit	240,567,005	194,014,279
Commission on letters of guarantee	36,016,062	58,982,590
Exchange gains less losses arising from dealings in foreign currencies	341,526,160	189,528,181
	<b>893,689,441</b>	<b>691,051,749</b>
<b>23(a). Consolidated Commission, exchange and brokerage</b>		
AB Bank Limited	893,689,441	691,051,749
AB Investment Limited	19,437,470	5,472,291
AB International Finance Limited	10,848,876	12,269,046
AB Securities Limited	15,528,803	6,237,264
Cashlink Bangladesh Limited (CBL)	5,094,832	19,875,202
AB Exchange (UK) Ltd.	877,868	920,728
	945,477,289	735,826,280
Less: Intercompany Transactions	10,485,442	4,322,058
	<b>934,991,847</b>	<b>731,504,223</b>

**AB Bank Limited**

**Notes to the financial statements for the period ended 31 March 2014**

	<b>Jan'14- Mar'14</b> <b>Taka</b>	<b>Jan'13- Mar'13</b> <b>Taka</b>
<b>24. Other income</b>		
Locker rent, insurance claim and others	717,498	1,374,316
Recoveries on loans previously written off	-	1,983,000
Recoveries on telex, telephone, fax, etc.	20,514,988	19,380,690
Recoveries on courier, postage, stamp, etc.	6,687,141	5,499,603
Gain on sale of Bank property	-	-
Non-operating income (*)	85,719	15,789
	<b>28,005,346</b>	<b>28,253,397</b>
(*) Non-operating income includes sale of scrap items.		
<b>24(a). Consolidated other income</b>		
AB Bank Limited	28,005,346	28,253,397
AB Investment Limited	2,189,553	1,881,237
AB International Finance Limited	13,121,072	12,373,282
AB Securities Limited	550,468	90,252
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	43,866,439	42,598,168
Less: Inter company transactions	2,101,017	4,677,945
	<b>41,765,422</b>	<b>37,920,223</b>
<b>25. Salary and allowances</b>		
Basic salary, provident fund contribution and all other allowances	519,894,204	466,662,306
Festival and incentive bonus	1,638	-
	<b>519,895,842</b>	<b>466,662,306</b>
<b>25(a). Consolidated salary and allowances</b>		
AB Bank Limited	519,895,842	466,662,306
AB Investment Limited	3,297,842	3,167,797
AB International Finance Limited	5,608,476	5,420,529
AB Securities Limited	5,226,567	5,133,375
Cashlink Bangladesh Limited (CBL)	42,954	98,930
AB Exchange (UK) Ltd.	1,072,124	1,157,708
	<b>535,143,806</b>	<b>481,640,645</b>
<b>26. Rent, taxes, insurance, electricity, etc.</b>		
Rent, rates and taxes	72,523,311	66,436,783
Electricity, gas, water, etc.	15,565,603	15,269,891
Insurance	29,396,512	24,537,166
	<b>117,485,426</b>	<b>106,243,840</b>
<b>26(a). Consolidated Rent, taxes, insurance, electricity, etc.</b>		
AB Bank Limited	117,485,426	106,243,840
AB Investment Limited	1,006,731	261,016
AB International Finance Limited	1,638,976	1,429,854
AB Securities Limited	1,900,692	1,743,731
Cashlink Bangladesh Limited (CBL)	-	1,204,841
AB Exchange (UK) Ltd.	593,937	575,617
	122,625,762	111,458,899
Less: Inter company transactions	1,379,130	1,185,702
	<b>121,246,632</b>	<b>110,273,197</b>

**AB Bank Limited****Notes to the financial statements for the period ended 31 March 2014**

	<b>Jan'14- Mar'14 Taka</b>	<b>Jan'13- Mar'13 Taka</b>
<b>27. Legal expenses</b>		
Legal expenses	<b>1,529,214</b>	<b>3,434,566</b>
<b>27(a). Consolidated Legal expenses</b>		
AB Bank Limited	1,529,214	3,434,566
AB Investment Limited	93,750	28,750
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	135,700
AB Exchange (UK) Ltd.	-	30,291
	<b>1,622,964</b>	<b>3,629,307</b>
<b>28. Postage, stamp, telecommunication, etc.</b>		
Telex, fax, internet, wireless link, SWIFT, etc.	25,687,829	29,171,764
Telephone	3,146,246	2,903,846
Postage, stamp and shipping	7,871,315	7,396,642
	<b>36,705,390</b>	<b>39,472,252</b>
<b>28(a). Consolidated Postage, stamp, telecommunication, etc.</b>		
AB Bank Limited	36,705,390	39,472,252
AB Investment Limited	162,052	164,625
AB International Finance Limited	839,945	1,374,758
AB Securities Limited	400,476	368,114
Cashlink Bangladesh Limited (CBL)	59,746	151,485
AB Exchange (UK) Ltd.	93,906	85,807
	38,261,515	41,617,041
Less: Inter company transactions	3,891,132	3,286,908
	<b>34,370,383</b>	<b>38,330,133</b>
<b>29. Stationery, printing, advertisements, etc.</b>		
Printing and stationery	27,056,271	30,315,518
Publicity, advertisement, etc.	9,209,098	6,011,795
	<b>36,265,369</b>	<b>36,327,314</b>
<b>29(a). Consolidated Stationery, printing, advertisements, etc.</b>		
AB Bank Limited	36,265,369	36,327,314
AB Investment Limited	102,955	109,439
AB International Finance Limited	150,221	49,236
AB Securities Limited	310,370	108,039
Cashlink Bangladesh Limited (CBL)	1,068	12,040
AB Exchange (UK) Ltd.	-	8,263
	<b>36,829,983</b>	<b>36,614,332</b>
<b>30. Directors' fees</b>		
Directors' fees	523,250	431,250
Meeting expenses	1,006,520	262,343
	<b>1,529,770</b>	<b>693,593</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.

**AB Bank Limited****Notes to the financial statements for the period ended 31 March 2014**

	<b>Jan'14- Mar'14</b> <b>Taka</b>	<b>Jan'13- Mar'13</b> <b>Taka</b>
<b>30(a). Consolidated Directors' fees</b>		
AB Bank Limited	1,529,770	693,593
AB Investment Limited	34,500	23,000
AB International Finance Limited	-	-
AB Securities Limited	46,000	92,000
Cashlink Bangladesh Limited (CBL)	30,000	15,000
AB Exchange (UK) Ltd.	-	-
	<b>1,640,270</b>	<b>823,593</b>
<b>31. Auditors' fees</b>		
Statutory	284,323	410,189
Others	160,127	627,245
	<b>444,451</b>	<b>1,037,434</b>
<b>31(a). Consolidated Auditors' fees</b>		
AB Bank Limited	444,451	1,037,434
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	58,146	54,524
	<b>502,596</b>	<b>1,091,958</b>
<b>32. Depreciation and repairs of Bank's assets</b>		
<u>Depreciation :</u>		
Electrical appliances	42,124,043	43,173,604
Furniture and fixtures	3,128,200	3,135,369
Office appliances	610,642	652,239
Building	4,507,335	3,655,919
Motor vehicles	13,092,150	14,407,370
	<b>63,462,370</b>	<b>65,024,500</b>
<u>Repairs:</u>		
Motor vehicles	4,973,831	3,942,716
Electrical appliances	16,599,836	4,442,629
Office premises and others	18,486,343	4,685,063
Furniture and fixtures	559,220	365,827
Office appliances	1,091,514	1,052,284
	<b>41,710,745</b>	<b>14,488,518</b>
	<b>105,173,114</b>	<b>79,513,019</b>
<b>Amortization of Intangible Assets</b>		
	<b>16,880,988</b>	<b>14,018,151</b>
	<b>122,054,103</b>	<b>93,531,170</b>
<b>32(a). Consolidated Depreciation and repairs of Bank's assets</b>		
AB Bank Limited	122,054,103	93,531,170
AB Investment Limited	4,077,315	3,985,484
AB International Finance Limited	83,174	129,353
AB Securities Limited	1,520,665	1,499,060
Cashlink Bangladesh Limited (CBL)	7,329,642	13,615,309
AB Exchange (UK) Ltd.	854,151	800,940
	<b>135,919,050</b>	<b>113,561,315</b>

**AB Bank Limited**

**Notes to the financial statements for the period ended 31 March 2014**

	<b>Jan'14- Mar'14</b>	<b>Jan'13- Mar'13</b>
	<b>Taka</b>	<b>Taka</b>
<b>33. Other expenses</b>		
Contractual service	87,671,214	81,241,923
Amortization of deferred revenue expenses	19,572,253	51,991,710
Petrol, oil and lubricant	14,975,566	17,062,081
Software expenses	37,670,482	44,474,163
Entertainment	12,227,893	11,781,867
Travelling	11,974,087	4,816,573
Subscription, membership and sponsorship	17,205,032	7,771,150
Training, seminar and workshop	3,976,577	7,323,997
Local conveyance	2,351,682	2,075,738
Professional charges	70,700	584,605
Books, newspapers and periodicals	346,483	1,036,897
Branch opening expenses	-	14,666
Bank Charges	10,182,723	2,047,466
Sundry expenses (*)	44,969,410	28,248,886
	<b>263,194,100</b>	<b>260,471,721</b>

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

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

AB Bank Limited	263,194,100	260,471,721
AB Investment Limited	3,087,663	3,229,096
AB International Finance Limited	979,636	968,525
AB Securities Limited	2,939,831	2,830,771
Cashlink Bangladesh Limited (CBL)	46,777	9,838,703
AB Exchange (UK) Ltd.	231,126	267,444
	<b>270,479,133</b>	<b>277,606,259</b>
Less: Inter company transactions	6,594,310	3,805,506
	<b>263,884,823</b>	<b>273,800,753</b>

**34. Provision against loans and advances**

On un-classified loans	234,707,000	210,000,000
On classified loans	195,293,065	220,000,000
	<b>430,000,065</b>	<b>430,000,000</b>

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

AB Bank Limited	430,000,065	430,000,000
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>430,000,065</b>	<b>430,000,000</b>

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

In quoted shares	-	<b>73,100,000</b>
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**35(a). Consolidated provisions for diminution in value of investments**

AB Bank Limited	-	73,100,000
AB Investment Limited	22,279,070	-
AB International Finance Limited	-	-
AB Securities Limited	623,795	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>22,902,865</b>	<b>73,100,000</b>

**AB Bank Limited****Notes to the financial statements for the period ended 31 March 2014**

	<b>Jan'14- Mar'14</b> <b>Taka</b>	<b>Jan'13- Mar'13</b> <b>Taka</b>
<b>36. Other provision</b>		
Provision for off balance sheet items	40,000,000	40,000,000
Provision for Other assets	80,842,985	-
	<b>120,842,985</b>	<b>40,000,000</b>

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	120,842,985	40,000,000
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<b>120,842,985</b>	<b>40,000,000</b>

**37. Earnings Per Share (EPS)**

Profit after taxation	356,292,858	151,373,242
Number of ordinary shares outstanding	497,625,376	497,625,376
Earnings Per Share	<b>0.72</b>	<b>0.30</b>

**37. (a) Consolidated Earnings Per Share**

Net Profit attributable to the shareholders of parent company	414,471,970	205,862,040
Number of ordinary shares outstanding	497,625,376	497,625,376
Earnings Per Share	<b>0.83</b>	<b>0.41</b>

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 March 2014 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended 31 March 2013 was restated for the issues of bonus share in 2012.

-Sd-

**Mahadev Sarker FCA**  
Chief Financial Officer

-Sd-

**Shamim Ahmed Chaudhury**  
President & Managing Director

Dated, 28 April 2014