

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 September 2014



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

<u>PROPERTY AND ASSETS</u>	Notes	30.09.2014 Taka	31.12.2013 Taka
Cash	3(a)	14,221,509,549	11,362,379,912
In hand (including foreign currencies)	3.1(a)	1,653,659,975	1,328,232,066
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	12,567,849,574	10,034,147,846
Balance with other banks and financial institutions	4(a)	6,856,652,366	5,983,961,130
In Bangladesh	4.1(a)	4,916,266,891	4,746,243,512
Outside Bangladesh	4.2(a)	1,940,385,475	1,237,717,618
Money at call and on short notice	5(a)	2,547,050,632	991,387,500
Investments	6(a)	29,497,552,642	29,617,297,504
Government	6.1(a)	22,652,016,246	22,327,865,346
Others	6.2(a)	6,845,536,395	7,289,432,157
Loans, advances and lease/investments		172,507,029,101	147,128,880,056
Loans, cash credits, overdrafts, etc./Investments	7(a)	169,410,167,158	144,545,643,251
Bills purchased and discounted	8(a)	3,096,861,943	2,583,236,805
Fixed assets including premises, furniture and fixtures	9(a)	4,860,616,323	4,741,796,955
Other assets	10(a)	12,323,517,402	9,923,067,614
Non-banking assets		-	-
Total Assets		242,813,928,016	209,748,770,671
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	17,829,984,909	10,391,319,243
AB Bank Subordinated Bond	12	2,500,000,000	-
Deposits and other accounts	13(a)	178,204,679,452	161,609,892,233
Current account and other accounts		18,229,370,298	15,746,417,142
Bills payable		1,396,338,692	1,140,175,156
Savings bank deposits		19,179,267,145	17,093,460,022
Fixed deposits		98,419,829,095	91,742,137,914
Other deposits		40,979,874,223	35,887,701,999
Other liabilities	14(a)	25,388,658,663	20,454,511,793
Total Liabilities		223,923,323,024	192,455,723,269
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company			
		18,901,315,575	17,308,687,827
Paid-up capital	15	5,324,591,520	4,976,253,760
Statutory reserve	16	5,587,785,932	5,564,799,391
Other reserve	17(a)	1,788,752,456	1,596,508,461
Retained earnings	18(a)	6,200,185,668	5,171,126,214
Minority interest	18(b)	(10,710,583)	(15,640,425)
Total Equity		18,890,604,992	17,293,047,402
Total Liabilities and Shareholders' Equity		242,813,928,016	209,748,770,671

	Notes	30.09.2014 Taka	31.12.2013 Taka
Off-Balance Sheet Items			
Contingent liabilities	19	75,667,084,026	83,216,543,057
Acceptances and endorsements		25,516,309,328	26,948,988,710
Letters of guarantee		14,476,810,743	16,393,076,675
Irrevocable letters of credit		24,791,936,809	30,225,132,651
Bills for collection		8,087,499,886	9,649,345,020
Other contingent liabilities		2,794,527,260	-
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>75,667,084,026</u>	<u>83,216,543,057</u>

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Mahadev Sarker FCA
Chief Financial Officer

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Shamim Ahmed Chaudhury
President & Managing Director

Dated, 29 October 2014

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

	Notes	Jan'14- Sept.'14 Taka	Jan'13- Sept.'13 Taka	July'14-Sept.' 14 Taka	July'13-Sept.' 13 Taka
OPERATING INCOME					
Interest income/profit on investments	21(a)	16,268,516,427	13,428,586,247	5,722,539,687	4,801,160,758
Interest/profit paid on deposits and borrowings, etc.	22(a)	(11,543,074,996)	(10,496,454,785)	(3,774,596,557)	(3,584,585,215)
Net interest income		4,725,441,432	2,932,131,462	1,947,943,130	1,216,575,543
Investment income	23(a)	2,070,238,611	2,004,468,236	766,486,850	679,047,236
Commission, exchange and brokerage	24(a)	2,527,697,617	2,271,936,418	757,993,102	773,380,864
Other operating income	25(a)	130,589,821	124,764,032	45,644,403	40,855,574
		4,728,526,049	4,401,168,686	1,570,124,354	1,493,283,674
Total operating income (a)		9,453,967,481	7,333,300,148	3,518,067,484	2,709,859,217
OPERATING EXPENSES					
Salary and allowances	26(a)	1,833,228,763	1,590,960,892	735,287,741	621,878,390
Rent, taxes, insurance, electricity, etc.	27(a)	444,914,988	353,290,954	145,821,388	123,667,387
Legal expenses	28(a)	13,492,148	10,312,900	5,951,796	5,495,070
Postage, stamps, telecommunication, etc.	29(a)	107,278,929	101,729,118	34,871,357	33,182,339
Stationery, printing, advertisement, etc.	30(a)	127,074,112	121,437,423	40,105,501	41,279,747
Chief executive's salary and fees		9,143,560	8,303,626	3,900,000	3,130,875
Directors' fees	31(a)	7,774,393	2,066,111	1,896,685	687,815
Auditors' fees	32(a)	1,161,742	1,613,601	391,247	260,962
Depreciation and repairs of Bank's assets	33(a)	411,860,087	349,950,394	141,563,023	118,382,500
Other expenses	34(a)	905,422,573	855,908,139	330,847,354	306,653,517
Total operating expenses (b)		3,861,351,296	3,395,573,158	1,440,636,093	1,254,618,602
Profit before provision (c = (a-b))		5,592,616,186	3,937,726,990	2,077,431,391	1,455,240,615
Provision against loans and advances	35(a)	1,299,847,220	1,196,700,000	407,762,555	106,880,231
Provision for diminution in value of investments	36(a)	44,467,138	417,900,000	7,915,020	338,900,000
Other provisions	37(a)	362,517,180	106,236,487	134,176,795	5,032,085
Total provision (d)		1,706,831,538	1,720,836,487	549,854,370	450,812,316
Profit before tax (c-d)		3,885,784,648	2,216,890,502	1,527,577,021	1,004,428,298
Provision for taxation		2,230,739,340	1,594,969,035	685,199,284	778,705,069
Net profit after tax		1,655,045,307	621,921,467	842,377,737	225,723,230
Appropriations					
Statutory reserve		23,313,572	15,498,183	-	-
General reserve		-	-	-	-
Dividends, etc.		-	-	-	-
		23,313,572	15,498,183	-	-
Retained surplus		1,631,731,735	606,423,285	842,377,737	225,723,230
Minority interest		4,929,842	2,868,879	1,816,375	1,371,358
Net Profit attributable to the shareholders of parent company		1,626,801,893	603,554,405	840,561,362	224,351,872
Consolidated Earnings Per Share (EPS)	38(a)	3.10	1.16	1.58	0.42

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Mahadev Sarker FCA
Chief Financial Officer

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

Dated, 29 October 2014

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

Cash Flows from Operating Activities	Jan'14- Sept.'14 Taka	Jan'13- Sept.'13 Taka
Interest receipts	15,367,187,387	12,601,030,408
Interest payments	(10,646,596,327)	(9,551,706,416)
Dividend receipts	69,812,571	76,205,938
Fee and commission receipts	1,708,650,079	1,664,957,044
Recoveries on loans previously written off	12,014,364	3,409,397
Payments to employees	(1,842,372,323)	(1,599,264,518)
Payments to suppliers	(127,074,112)	(121,437,423)
Income taxes paid	(1,850,022,611)	(1,257,787,817)
Receipts from other operating activities	2,938,049,035	2,656,596,307
Payments for other operating activities	(1,622,669,187)	(1,379,304,472)
Operating profit before changes in operating assets & liabilities	4,006,978,877	3,092,698,448
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(24,476,820,005)	(19,707,911,660)
Other assets	(542,033,841)	576,478,719
Deposits from other banks	2,101,145,305	1,168,000,599
Deposits from customers	13,597,163,246	15,010,830,550
Trading liabilities (short-term borrowings)	7,504,503,950	3,850,467,760
Other liabilities	968,265,523	418,858,936
	(847,775,821)	1,316,724,904
Net cash flow from operating activities (a)	3,159,203,056	4,409,423,352
Cash Flows from Investing Activities		
Purchase of government securities	(124,211,745)	(5,128,315,252)
(Purchase)/Sale of trading securities, shares, bonds, etc.	443,895,762	(53,220,965)
Purchase of property, plant and equipment	(387,950,011)	(126,837,260)
Net cash used in investing activities (b)	(68,265,994)	(5,308,373,477)
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	2,434,161,717	6,821,033
Dividend paid	(238,769,774)	(700,182)
Net cash used in from financing activities (c)	2,195,391,942	6,120,850
Net (decrease)/increase in cash (a+b+c)	5,286,329,004	(892,829,275)
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 (*)	23,627,928,349	19,880,431,409
(*) Cash and cash equivalents:		
Cash	1,653,659,975	1,102,091,233
Prize bonds	2,715,800	2,871,800
Money at call and on short notice	2,547,050,632	1,698,992,000
Balance with Bangladesh Bank and its agent bank(s)	12,567,849,574	9,897,929,698
Balance with other banks and financial institutions	6,856,652,367	7,178,546,678
	23,627,928,348	19,880,431,409
Net Operating Cash Flow Per Share (NOCFPS)	5.93	8.28

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Mahadev Sarker FCA
Chief Financial Officer

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Shamim Ahmed Chaudhury
President & Managing Director

Dated, 29 October 2014

AB Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended 30 September 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	-	-	-	-	-	-	4,929,842	1,650,115,465	1,655,045,307
Addition/(Adjustment) made during the period	-	23,313,572	-	(3,248,322)	-	201,094,155	-	(23,313,572)	197,845,834
Foreign exchange fluctuation	-	(327,032)	(488,503)	-	(5,113,337)	-	-	(591,992)	(6,520,863)
Balance at 30 September 2014	5,324,591,520	5,587,785,932	117,529,928	1,323,567,485	922,267	346,732,775	(10,710,584)	6,200,185,667	18,890,604,992
Balance at 30 September 2013	4,976,253,760	5,003,586,479	118,016,918	1,326,815,807	(12,096,080)	7,102,083	(17,516,474)	5,265,038,594	16,667,201,088

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Mahadev Sarker FCA
Chief Financial Officer

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

Dated, 29 October 2014

AB Bank Limited
Balance Sheet
As at 30 September 2014

<u>PROPERTY AND ASSETS</u>	Notes	30.09.2014 Taka	31.12.2013 Taka
Cash	3	14,217,313,487	11,359,517,250
In hand (including foreign currencies)	3.1	1,649,463,913	1,325,369,404
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	12,567,849,574	10,034,147,846
Balance with other banks and financial institutions	4	6,652,466,415	7,238,990,059
In Bangladesh		4,757,210,060	4,744,159,686
Outside Bangladesh		1,895,256,354	2,494,830,373
Money at call and on short notice	5	4,014,941,632	991,387,500
Investments	6	28,542,285,757	28,675,696,033
Government	6.1	22,652,016,246	22,327,865,346
Others	6.2	5,890,269,510	6,347,830,687
Loans, advances and lease/investments		165,108,727,813	140,121,297,505
Loans, cash credits, overdrafts, etc./Investments	7.1	163,936,087,785	139,067,739,439
Bills purchased and discounted	8	1,172,640,028	1,053,558,066
Fixed assets including premises, furniture and fixtures	9	4,319,127,296	4,172,564,367
Other assets	10	17,409,821,786	15,446,091,023
Non-banking assets		-	-
Total Assets		<u>240,264,684,187</u>	<u>208,005,543,738</u>
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	17,414,219,888	9,987,492,033
AB Bank Subordinated Bond	12	2,500,000,000	-
Deposits and other accounts	13	178,364,320,165	161,846,275,315
Current accounts and other accounts		18,236,243,727	15,742,024,927
Bills payable		1,396,338,692	1,140,175,156
Savings bank deposits		19,179,267,145	17,093,460,022
Fixed deposits		98,419,829,095	91,742,137,914
Other deposits		41,132,641,506	36,128,477,296
Other liabilities	14	23,687,934,233	19,231,727,325
Total Liabilities		<u>221,966,474,285</u>	<u>191,065,494,672</u>
Capital/Shareholders' Equity			
Total Shareholders' Equity		18,298,209,902	16,940,049,066
Paid-up capital	15	5,324,591,520	4,976,253,760
Statutory reserve	16	5,587,785,932	5,564,799,391
Other reserve	17	1,610,475,101	1,412,629,267
Retained earnings	18	5,775,357,349	4,986,366,647
Total Liabilities and Shareholders' Equity		<u>240,264,684,187</u>	<u>208,005,543,738</u>

	Notes	30.09.2014 Taka	31.12.2013 Taka
Off-Balance Sheet Items			
Contingent liabilities			
	19	75,667,084,026	83,216,543,057
Acceptances and endorsements		25,516,309,328	26,948,988,710
Letters of guarantee	19.1	14,476,810,743	16,393,076,675
Irrevocable letters of credit		24,791,936,809	30,225,132,651
Bills for collection		8,087,499,886	9,649,345,020
Other contingent liabilities		2,794,527,260	-
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>75,667,084,026</u>	<u>83,216,543,057</u>

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Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 29 October 2014

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

Notes	Jan'14- Sept.'14 Taka	Jan'13- Sept.'13 Taka	July'14-Sept.' 14 Taka	July'13-Sept.' 13 Taka
OPERATING INCOME				
Interest income/profit on investments	21 15,906,628,802	13,128,461,863	5,609,258,833	4,696,336,271
Interest paid/profit on deposits and borrowings, etc.	22 (11,475,397,558)	(10,414,264,230)	(3,770,565,048)	(3,558,143,977)
Net interest income	4,431,231,245	2,714,197,633	1,838,693,785	1,138,192,294
Investment income	23 2,052,443,305	1,997,301,460	761,135,196	676,334,749
Commission, exchange and brokerage	24 2,325,746,379	2,171,369,685	682,752,478	729,777,248
Other operating income	25 98,052,120	84,847,927	35,392,714	27,589,840
Total operating income (a)	4,476,241,803	4,253,519,072	1,479,280,387	1,433,701,838
	8,907,473,048	6,967,716,705	3,317,974,173	2,571,894,132
OPERATING EXPENSES				
Salary and allowances	26 1,774,371,579	1,543,477,701	715,767,087	604,344,456
Rent, taxes, insurance, electricity, etc.	27 434,190,133	342,770,860	142,163,822	120,679,267
Legal expenses	28 13,239,013	10,103,554	5,872,216	5,465,230
Postage, stamps, telecommunication, etc.	29 100,618,860	103,430,690	32,122,746	33,214,143
Stationery, printing, advertisement, etc.	30 125,203,370	120,376,104	39,161,982	40,993,779
Chief executive's salary and fees	9,143,560	8,303,626	3,900,000	3,130,875
Directors' fees	31 7,358,393	1,867,111	1,810,685	687,815
Auditors' fees	986,887	1,450,866	333,437	206,247
Depreciation and repairs of Bank's assets	33 382,846,630	290,095,965	134,626,483	99,512,713
Other expenses	34 880,628,327	888,594,583	321,237,023	318,535,433
Total operating expenses (b)	3,728,586,752	3,310,471,061	1,396,995,482	1,226,769,958
Profit before provision (c = (a-b))	5,178,886,296	3,657,245,644	1,920,978,690	1,345,124,174
Provision against loans and advances	35 1,299,847,220	1,196,700,000	407,762,555	106,880,231
Provision for diminution in value of investments	36 -	417,900,000	-	338,900,000
Other provisions	37 362,517,180	106,236,487	134,176,795	5,032,085
Total provision (d)	1,662,364,400	1,720,836,487	541,939,350	450,812,316
Profit before taxation (c-d)	3,516,521,896	1,936,409,157	1,379,039,340	894,311,858
Provision for taxation	2,106,121,059	1,517,800,624	638,820,487	747,803,686
Net profit after taxation	1,410,400,837	418,608,533	740,218,853	146,508,172
Appropriations				
Statutory reserve	23,313,572	15,498,183	-	-
General reserve	-	-	-	-
Dividends, etc.	-	-	-	-
	23,313,572	15,498,183	-	-
Retained surplus	1,387,087,264	403,110,350	740,218,853	146,508,172
Earnings Per Share (EPS)	38 2.65	0.79	1.39	0.28

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Mahadev Sarker FCA
Chief Financial Officer

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

Dated, 29 October 2014

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

	Jan'14- Sept.'14 Taka	Jan'13- Sept.'13 Taka
Cash Flows from Operating Activities		
Interest receipts	15,005,299,762	12,300,906,024
Interest payments	(10,578,918,889)	(9,469,515,862)
Dividend receipts	62,756,224	72,486,025
Fee and commission receipts	1,504,084,721	1,551,270,893
Recoveries on loans previously written off	12,014,364	3,409,397
Payments to employees	(1,783,515,139)	(1,551,781,327)
Payments to suppliers	(125,203,370)	(120,376,104)
Income taxes paid	(1,806,858,441)	(1,094,083,284)
Receipts from other operating activities	2,897,386,493	2,626,352,757
Payments for other operating activities	(1,617,357,564)	(1,400,580,078)
Operating profit before changes in operating assets & liabilities	3,569,688,161	2,918,088,441
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(24,086,101,268)	(20,052,215,642)
Other assets	(148,478,986)	936,168,737
Deposits from other banks	2,101,145,305	1,168,000,599
Deposits from customers	13,520,420,876	15,272,106,642
Trading liabilities (short-term borrowings)	7,492,566,138	3,907,144,088
Other liabilities	703,390,760	369,289,099
	(417,057,174)	1,600,493,523
Net cash flow from operating activities (a)	3,152,630,987	4,518,581,963
Cash Flows from Investing Activities		
Purchase of government securities	(124,211,745)	(5,128,315,252)
(Purchase)/Sale of trading securities, shares, bonds, etc.	457,561,177	7,577,245
Purchase of property, plant and equipment	(387,700,636)	(123,496,649)
Net cash used in investing activities (b)	(54,351,204)	(5,244,234,657)
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	2,434,161,717	6,821,033
Dividend paid	(238,769,774)	(700,182)
Net cash used in financing activities (c)	2,195,391,942	6,120,850
Net Increase/(decrease) in cash (a+b+c)	5,293,671,725	(719,531,843)
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 (*)	24,887,437,335	21,457,192,043
(*) Cash and cash equivalents:		
Cash	1,649,463,913	1,099,325,843
Prize bonds	2,715,800	2,871,800
Money at call and on short notice	4,014,941,632	1,698,992,000
Balance with Bangladesh Bank and its agent bank(s)	12,567,849,574	9,897,929,698
Balance with other banks and financial institutions	6,652,466,415	8,758,072,702
	24,887,437,335	21,457,192,043
Net Operating Cash Flow Per Share (NOCFPS)	5.92	8.49

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Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 29 October 2014

AB Bank Limited
Statement of Changes in Equity
For the period ended 30 September 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	-	-	-	-	-	-	1,410,400,837	1,410,400,837
Addition/(Adjustment) made during the period	-	23,313,572	-	(3,248,322)	-	201,094,155	(23,313,572)	197,845,834
Foreign Exchange Rate Fluctuation	-	(327,032)	-	-	-	-	(946,115)	(1,273,147)
Balance at 30 September 2014	5,324,591,520	5,587,785,932	42,199,200	1,323,567,486	-	244,708,415	5,775,357,349	18,298,209,902
Balance at 30 September 2013	4,976,253,760	5,003,586,479	42,199,200	1,326,815,807	(18,860,953)	7,102,084	4,949,063,663	16,286,160,040

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 29 October 2014

AB Bank Limited

Selective Notes to the Financial Statements as on September 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, 29 October 2014

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

	30.09.2014	31.12.2013
	Taka	Taka
3. Cash		
Cash in hand	(Note: 3.1) 1,649,463,913	1,325,369,404
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2) 12,567,849,574	10,034,147,846
	14,217,313,487	11,359,517,250
3(a) Consolidated Cash		
AB Bank Limited	14,217,313,487	11,359,517,250
AB Investments Limited	25,000	25,000
AB International Finance Limited	-	-
AB Securities Limited	35,000	16,319
Cashlink Bangladesh Limited (CBL)	7,181	26,941
AB Exchange (UK) Ltd.	4,128,881	2,794,402
	14,221,509,549	11,362,379,912
3.1 Cash in hand		
In local currency	1,617,370,735	1,306,186,571
In foreign currency	32,093,178	19,182,833
	1,649,463,913	1,325,369,404
3.1(a) Consolidated Cash in hand		
AB Bank Limited	1,649,463,913	1,325,369,404
AB Investments Limited	25,000	25,000
AB International Finance Limited	-	-
AB Securities Limited	35,000	16,319
Cashlink Bangladesh Limited (CBL)	7,181	26,941
AB Exchange (UK) Ltd.	4,128,881	2,794,402
	1,653,659,975	1,328,232,066
3.2 Balance with Bangladesh Bank and its agent bank(s)		
Balance with Bangladesh Bank		
In local currency	12,139,024,597	9,351,408,862
In foreign currency	238,375,304	254,257,224
	12,377,399,901	9,605,666,086
Sonali Bank Limited (as an agent bank of Bangladesh Bank) - local currency	190,449,673	428,481,760
	12,567,849,574	10,034,147,846
3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)		
AB Bank Limited	12,567,849,574	10,034,147,846
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	12,567,849,574	10,034,147,846

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

	30.09.2014 Taka	31.12.2013 Taka
4. Balance with other banks and financial institutions		
In Bangladesh	4,757,210,060	4,744,159,686
Outside Bangladesh	1,895,256,354	2,494,830,373
	6,652,466,415	7,238,990,059

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

In Bangladesh	(Note: 4.1.a) 4,916,266,891	4,746,243,512
Outside Bangladesh (Nostro Accounts)	(Note: 4.2.a) 1,940,385,475	1,237,717,618
	6,856,652,366	5,983,961,130

4.1.a Consolidated In Bangladesh

AB Bank Limited	4,757,210,060	4,744,159,686
AB Investments Limited	2,156,526	443,555
AB International Finance Limited	-	-
AB Securities Limited	298,104,782	235,022,444
Cashlink Bangladesh Limited (CBL)	12,199,424	8,030,892
AB Exchange (UK) Ltd.	-	-
	5,069,670,792	4,987,656,577
Less: Inter company transaction	153,403,901	241,413,065
	4,916,266,891	4,746,243,512

4.2.a Consolidated Outside Bangladesh (Nostro Accounts)

AB Bank Limited	1,895,256,354	2,494,830,373
AB Investments Limited	-	-
AB International Finance Limited	46,567,804	1,395,886
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	5,477,883	1,563,984
	1,947,302,041	2,497,790,243
Less: Inter company transactions	6,916,566	1,260,072,624
	1,940,385,475	1,237,717,618

AB Bank Limited

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

	30.09.2014	31.12.2013
	Taka	Taka
5. Money at call and on short notice		
In Bangladesh	3,728,330,962	800,000,000
Outside Bangladesh	286,610,670	191,387,500
	4,014,941,632	991,387,500
5(a) Consolidated money at call and on short notice		
AB Bank Limited	4,014,941,632	991,387,500
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	4,014,941,632	991,387,500
Less: Inter-group transaction	(1,467,891,000)	-
	2,547,050,632	991,387,500
6. Investments		
Claim wise:		
Government securities	(Note: 6.1) 22,652,016,246	22,327,865,346
Other investments	(Note: 6.2) 5,890,269,510	6,347,830,687
	28,542,285,757	28,675,696,033
6 (a) Consolidated investments		
AB Bank Limited	28,542,285,757	28,675,696,033
AB International Finance Limited	-	-
AB Investment Limited	762,383,359	747,286,336
AB Securities Limited	168,312,295	169,743,904
Cashlink Bangladesh Limited (CBL)	24,571,230	24,571,230
AB Exchange (UK) Ltd.	-	-
	29,497,552,642	29,617,297,503
Less: Inter-group transaction	-	-
	29,497,552,642	29,617,297,503
6.1 Government securities		
Treasury bills	1,085,329,499	2,011,667,653
30 days Bangladesh Bank bills	-	499,364,774
Treasury bonds	21,362,970,947	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	2,715,800	3,870,800
	22,652,016,246	22,327,865,346
6.1(a) Consolidated Government securities		
AB Bank Limited	22,652,016,246	22,327,865,346
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	22,652,016,246	22,327,865,346

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

	30.09.2014	31.12.2013
	Taka	Taka
6.2 Other investments		
Shares (Note: 6.2.1)	5,397,252,694	5,844,761,998
Bond (Note: 6.2.2)	140,000,000	140,000,000
	5,537,252,694	5,984,761,998
Investments -ABBL, Mumbai Branch		
Treasury bills	317,438,056	327,552,189
Debentures and Bonds	35,578,760	35,516,500
	353,016,816	363,068,689
Total Other investments	5,890,269,510	6,347,830,687
6.2 (a) Consolidated other investments		
AB Bank Limited	5,890,269,510	6,347,830,687
AB Investment Limited	762,383,359	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.	-	-
	6,845,536,395	7,289,432,157
6.2.1 Investments in shares		
Quoted (Publicly Traded)	4,099,245,849	4,988,920,181
Unquoted	1,298,006,845	803,074,967
	5,397,252,694	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 September 2014

	30.09.2014 Taka	31.12.2013 Taka
7. Loans, advances and lease/investments	165,108,727,813	140,121,297,505
7.1 Broad category-wise breakup		
In Bangladesh		
Loans	141,736,076,112	118,527,054,842
Overdrafts	22,037,740,909	20,328,225,615
Cash credits	-	-
	163,773,817,021	138,855,280,458
Outside Bangladesh: ABBL, Mumbai Branch		
Loans	122,365,082	186,434,730
Overdrafts	39,905,682	13,640,801
Cash credits	-	12,383,450
	162,270,764	212,458,981
	163,936,087,785	139,067,739,439
7.2 Net loans, advances and lease/investments		
Gross loans and advances	165,108,727,813	140,121,297,505
Less:		
Interest suspense	2,616,193,379	879,992,653
Provision for loans and advances	5,280,236,032	2,318,340,874
	7,896,429,412	3,198,333,527
	157,212,298,402	136,922,963,978
7.3 Classification of loans, advances and lease/investments		
In Bangladesh		
<u>Unclassified</u>		
Standard	159,425,610,244	134,277,476,780
Special Mention Account	384,600,670	502,457,360
	159,810,210,913	134,779,934,140
<u>Classified</u>		
Sub-Standard	137,800,000	128,254,000
Doubtful	68,600,000	761,605,000
Bad/Loss	4,360,000,547	3,747,009,000
	4,566,400,547	4,636,868,000
	164,376,611,461	139,416,802,140
Outside Bangladesh-Mumbai Branch		
Unclassified Loan	644,112,353	621,442,443
Classified Loan	88,004,000	83,052,922
	732,116,353	704,495,365
	165,108,727,813	140,121,297,505
7(a) Consolidated Loans, advances and lease/investments		
AB Bank Limited	163,936,087,785	139,067,739,439
AB Investment Limited	7,087,376,005	7,136,710,118
AB International Finance Limited	-	-
AB Securities Limited	1,016,488,183	1,042,520,416
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	172,039,951,973	147,246,969,973
Less: Inter company transaction	2,629,784,815	2,701,326,722
	169,410,167,158	144,545,643,251

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

	30.09.2014 Taka	31.12.2013 Taka
8. Bills purchased and discounted		
In Bangladesh	602,794,440	561,521,682
Outside Bangladesh - ABBL, Mumbai Branch	569,845,589	492,036,384
	1,172,640,028	1,053,558,066

8 (a) Consolidated Bills purchased and discounted

AB Bank Limited	1,172,640,028	1,053,558,066
AB Investment Limited	-	-
AB International Finance Limited	1,924,221,915	1,529,678,739
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	3,096,861,943	2,583,236,805

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

Land and Building	3,261,479,151	3,263,321,411
Furniture and fixtures	215,888,002	205,265,735
Office appliances	62,003,626	61,255,451
Electrical appliances	1,466,271,989	1,411,987,344
Motor vehicles	505,418,551	484,488,318
Intangible Assets	531,742,038	249,255,099
	6,042,803,358	5,675,573,357
Less: Accumulated depreciation and amortization	1,723,676,062	1,503,008,990
	4,319,127,296	4,172,564,367

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

AB Bank Limited	6,042,803,358	5,675,573,357
AB Investments Limited	574,374,720	574,374,720
AB International Finance Limited	7,558,795	9,082,746
AB Securities Limited	28,432,297	28,819,670
Cashlink Bangladesh Limited (CBL)	250,270,879	250,270,883
AB Exchange (UK) Ltd.	15,532,814	15,592,870
	6,918,972,864	6,553,714,247

Accumulated depreciation:

AB Bank Limited	1,723,676,062	1,503,008,990
AB Investments Limited	46,982,782	35,242,257
AB International Finance Limited	7,339,958	8,783,455
AB Securities Limited	19,727,478	16,482,964
Cashlink Bangladesh Limited (CBL)	249,712,803	239,907,170
AB Exchange (UK) Ltd.	10,917,459	8,492,456
	2,058,356,541	1,811,917,292
	4,860,616,323	4,741,796,955

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

	30.09.2014 Taka	31.12.2013 Taka
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)	50,288,320	38,425,620
	402,870,492	391,007,792
Non-income generating		
Inter-branch adjustment	-	1,839,710
Advance corporate income tax (note: 10.1)	8,875,909,229	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	431,403,535	626,469,027
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	732,726,211	828,594,917
Exchange for clearing	778,650,622	351,479,645
Interest accrued on investment but not collected, and debentures, and other income receivables	726,156,619	708,821,651
Security deposits	180,713,548	219,257,237
Advance rent and advertisement	160,731,636	143,568,488
Stationery, stamps, printing materials, etc.	35,639,894	29,375,102
	17,006,951,294	15,055,083,229
	17,409,821,786	15,446,091,023
10(a) Consolidated Other assets		
AB Bank Limited	17,409,821,786	15,446,091,023
AB Investment Limited	470,308,754	411,820,752
AB International Finance Limited	16,971,677	7,060,521
AB Securities Limited	140,391,993	152,033,578
Cashlink Bangladesh Limited (CBL)	36,524,664	36,866,958
AB Exchange (UK) Ltd.	1,469,899	1,346,818
	18,075,488,774	16,055,219,650
Less: Inter-group transaction	5,751,971,372	6,132,152,038
	12,323,517,402	9,923,067,613

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

	30.09.2014 Taka	31.12.2013 Taka
11. Borrowings from other banks, financial institutions and agents		
In Bangladesh	8,722,229,575	4,230,695,016
Outside Bangladesh	8,691,990,312	5,756,797,017
	17,414,219,888	9,987,492,033

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

AB Bank Limited	17,414,219,888	9,987,492,033
AB Investment Limited	2,417,675,892	2,454,862,230
AB International Finance Limited	1,468,222,505	1,259,280,748
AB Securities Limited	298,139,021	299,613,357
Cashlink Bangladesh Limited (CBL)	213,241,029	268,241,029
AB Exchange (UK) Ltd.	-	-
	21,811,498,335	14,269,489,397
Less: Intercompany transactions	3,981,513,426	3,878,170,154
	17,829,984,909	10,391,319,243

12 AB Bank Subordinated Bond

Subordinated Bond	2,500,000,000	-
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The Board of Directors of AB Bank Limited in its 546th meeting held on March 12, 2014 has approved the 7 years Non-Convertible Subordinated Bond BDT 2,500 Million for enhancing the Bank capital strength and subsequently approved by the shareholders in an Extraordinary General Meeting on April 21, 2014.

Accordingly, Bangladesh Securities and Exchange Commission vide their letter # BSEC/CI/DS – 12/2014/471 dated July 01, 2014 and Bangladesh Bank vide their letter # BRPD (BIC) 661/14B(P)/2014-4724 dated July 21, 2014 have given consent to raise capital of AB Bank Limited through issuance of Non-convertible Subordinated Bond subject to some conditions respectively.

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

	30.09.2014	31.12.2013
	Taka	Taka
13. Deposit and other accounts		
Inter-bank deposits	6,131,419,597	4,030,274,291
Other deposits	172,232,900,567	157,816,001,023
	<u>178,364,320,165</u>	<u>161,846,275,314</u>

13(a) Consolidated Deposit and other accounts

AB Bank Limited	178,364,320,165	161,846,275,314
AB Investment Limited	-	-
AB International Finance Limited	697,326	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	178,365,017,491	161,846,275,314
Less: Inter-group transaction	160,338,039	117,910,184
	<u>178,204,679,452</u>	<u>161,728,365,130</u>

13.1 Demand and time deposits**a) Demand Deposits**

	21,358,716,462	18,420,611,485
Current accounts and other accounts	18,236,243,727	15,742,024,927
Savings Deposits (9%)	1,726,134,043	1,538,411,402
Bills Payable	1,396,338,692	1,140,175,156

b) Time Deposits

	157,005,603,702	143,425,663,829
Savings Deposits (91%)	17,453,133,102	15,555,048,620
Short Notice Deposits	26,304,573,427	22,968,769,304
Fixed Deposits	98,419,829,095	91,742,137,914
Other Deposits	14,828,068,079	13,159,707,991

Total Demand and Time Deposits

	<u>178,364,320,165</u>	<u>161,846,275,314</u>
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14. Other liabilities

Accumulated provision against loans and advances	(Note 14.1) 5,280,236,032	3,980,331,722
Provision for current tax	(Note 14.2) 11,788,816,722	9,650,912,245
Deferred tax liabilities	(Note 14.3) 85,648,607	109,050,939
Interest suspense account	2,616,193,379	1,774,784,880
Provision against other assets	(Note 14.4) 539,928,553	292,234,553
Provision for outstanding debit entries in NOSTRO accounts	200,000	200,000
Accounts payable - Bangladesh Bank	89,933,497	47,656,432
Accrued expenses	55,312,408	38,724,384
Provision for off balance sheet items	(Note 14.5) 922,500,000	810,000,000
Provision against investments	(Note 14.6) 1,995,053,000	1,995,053,000
Others (*)	314,112,035	532,779,169
	<u>23,687,934,233</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.

AB Bank Limited

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

14.1 Accumulated provision against loans and advances

The movement in specific provision for bad and doubtful debts

Balance at 01 January	
Fully provided debts written off during the year	(-)
Recovery of amounts previously written off	(+)
Specific provision made for the year	(+)
Transferred from other assets provisions	(+)
Transfer from general provision	(+)
Recoveries and provision no longer required	(-)
Net charge to Profit and Loss Account	(+)

30.09.2014 Taka	31.12.2013 Taka
2,244,104,159	1,015,379,159
-	-
267,800,000	1,228,725,000
-	-
-	-
267,800,000	1,228,725,000
2,511,904,159	2,244,104,159
33,692,960	28,802,250
2,545,597,119	2,272,906,409

Balance at 31 December

Provision made by ABBL, Mumbai Branch

Total provision on classified loans and advances

On unclassified loans

Balance at 01 January	
Recoveries and provision no longer required	(-)
Transfer to specific provision during the period	(-)
General provision made for the period	(+)

1,703,660,313	1,265,260,313
-	-
-	-
1,027,207,000	438,400,000
1,027,207,000	438,400,000
2,730,867,313	1,703,660,313
3,771,600	3,765,000
2,734,638,913	1,707,425,313
5,280,236,032	3,980,331,722

Balance at the period ended

Provision made by ABBL, Mumbai Branch

Total provision on un-classified loans and advances

Total provision on loans and advances

Provision for

Required

Un-classified loans and advances	1,532,771,600
Classified loans and advances	2,545,092,960
	4,077,864,560

2014	
Maintained	Excess
2,734,638,913	1,201,867,313
2,545,597,119	504,159
5,280,236,032	1,202,371,472

14.1.1 Details of provision for loans and advances

General Provision :

Standard	
Special Mention Account	

Specific Provision:

Substandard	
Doubtful	
Bad/Loss	

Provision for 2014	
Required	Maintained
1,532,771,600	2,734,638,913
1,524,571,600	2,726,438,913
8,200,000	8,200,000
2,545,092,960	2,545,597,119
8,700,000	8,700,000
17,700,000	17,700,000
2,518,692,960	2,519,197,119
	1,202,371,472

Excess provision maintained at 30 September 2014

14.2 Provision for current tax

Balance at 01 January	
Add: Provision made during the period	
Less: Adjustment during the period	
Balance at the period ended	
Provision held by ABBL, Mumbai Branch	

9,519,523,785	7,618,313,733
2,076,437,533	1,901,210,052
-	-
11,595,961,318	9,519,523,785
192,855,404	131,388,460
11,788,816,722	9,650,912,245

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2008 (assessment year 2009-2010). Corporate income tax assessment for income years 2009, 2010, 2011 and 2012 are under process. Tax assessments for income years 1995, 1996 and 1997 were completed but these were referred to the Hon'ble High Court on the application made by the Bank for some disputed points.

AB Bank Limited

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

	30.09.2014	31.12.2013
	Taka	Taka
14.3 Deferred tax liabilities		
Balance at 01 January	109,050,939	112,104,056
Add/(less): Provision made during the period	(23,396,894)	(2,807,775)
Add/(Less): Adjustment/Rate Fluctuation during the year	(5,438)	(245,342)
Balance at 31 December	85,648,607	109,050,939

14.4 Provision against other assets

Provision for

Prepaid legal expenses	64,030,000	54,500,000
Protested bills	26,065,610	22,413,201
London Representative Office	1,708,494	1,708,494
Myanmar Representative Office	1,112,430	1,112,430
Others	447,012,019	202,463,103
	539,928,553	282,197,228

Provision against other assets was made as per BRPD Circular # 14 dated 25 June 2001 issued by Bangladesh Bank.

14.5 Provision for off balance sheet items

Balance at 01 January	810,000,000	580,000,000
Add: Provision made during the period	112,500,000	230,000,000
	922,500,000	810,000,000

14.5.1 Particulars of required provision for Off-Balance Sheet Items

	Base for Provision	Rate (%)	30.09.2014	31.12.2012
Acceptances and endorsements	25,363,981,664	1%	253,639,817	194,950,959
Letters of guarantee	14,476,810,743	1%	144,768,107	128,823,328
Irrevocable letters of credit	24,791,936,809	1%	247,919,368	178,633,980
Bills for collection	6,390,810,506	1%	63,908,105	73,145,040
Others	2,794,527,260	1%	27,945,273	
Total Off Balance Sheet Items & required provision			738,180,670	575,553,307
Total provision maintained			922,500,000	810,000,000
Excess provision at 31 December 2013			184,319,330	234,446,693

No provision has been maintained against Off Balance Sheet items of Mumbai Branch amounting Tk. 1,848,996,945 as per Reserve Bank of India (RBI) guidelines.

14.6 Provision against investments

Balance at 01 January	1,995,053,000	1,597,153,000
Add: Provision made during the year	-	397,900,000
Balance at 31 December	1,995,053,000	1,995,053,000

14(a) Consolidated Other liabilities

AB Bank Limited	23,687,934,233	19,231,727,325
AB Investment Limited	870,983,017	931,141,087
AB International Finance Limited	347,387,024	67,419,361
AB Securities Limited	862,014,147	848,099,741
Cashlink Bangladesh Limited (CBL)	11,620,255	11,673,480
AB Exchange (UK) Ltd.	5,031,095	9,733,594
	25,784,969,771	21,099,794,588
Less: Inter-group transaction	396,311,107	645,282,792
	25,388,658,663	20,454,511,796

15. Share Capital

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

15.1 Authorised Capital

600,000,000 ordinary shares of Taka 10 each

6,000,000,000 **6,000,000,000**

AB Bank Limited

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

	30.09.2014	31.12.2013
	Taka	Taka
15.2 Issued, Subscribed and Paid-up Capital		
10,000,000 ordinary shares of Taka 10 each issued for cash	100,000,000	100,000,000
5,000,000 ordinary shares of Taka 10 each 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
	5,324,591,520	4,976,253,760
16. 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 - ABBL, Mumbai Branch		
Opening balance	180,668,545	180,770,130
Add: Addition during the period	23,313,572	14,891,830
Add: Transferred from Investment fluctuation reserve	-	10,175,540
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation	(327,032)	(25,168,955)
	203,655,085	180,668,545
	5,587,785,932	5,564,799,391
17. Other reserve		
General reserve	42,199,200	42,199,200
Assets revaluation reserve	1,323,567,486	1,326,815,807
Investment revaluation reserve	244,708,415	43,614,260
Foreign exchange revaluation for investment in foreign operation	-	-
	1,610,475,101	1,412,629,267
17(a) Consolidated Other reserve		
AB Bank Limited	1,610,475,101	1,412,629,267
AB Investment Limited	-	-
AB International Finance Limited	76,252,995	81,854,834
AB Securities Limited	102,024,360	102,024,360
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	1,788,752,456	1,596,508,461
18. Retained earnings		
Opening balance	4,986,366,647	5,158,900,828
Add: Post-tax profit for the period	1,410,400,837	1,010,997,314
Less: Transfer to statutory reserve	23,313,572	574,478,006
Cash dividend	248,812,688	-
Bonus shares issued	348,337,760	552,917,080
	5,776,303,464	5,042,503,057
Add/(Less): Retained earnings adjustment of Mumbai Br.	-	-
Add: Foreign Exchange Translation gain/(loss)	(946,115)	(56,136,410)
	5,775,357,349	4,986,366,647
18(a) Consolidated Retained earnings		
AB Bank Limited	5,775,357,349	4,986,366,647
AB Investment Limited	386,157,673	449,414,907
AB International Finance Limited	86,380,852	120,802,557
AB Securities Limited	169,859,545	161,935,908
Cashlink Bangladesh Limited (CBL)	(393,200,709)	(442,254,774)
AB Exchange (UK) Ltd.	(39,627,397)	(35,353,595)
	5,984,927,312	5,240,911,650
Less: Adjustment for ABIL bonus share /Share discounting	(176,442,022)	113,529,860
Minority Interest	(38,816,333)	(43,744,425)
	6,200,185,668	5,171,126,214

AB Bank Limited**Notes to the financial statements for the period ended 30 September 2014****18(b) Minority Interest**

AB Investment Limited
 AB Securities Limited
 Cashlink Bangladesh Limited

30.09.2014	31.12.2013
Taka	Taka
6,615	5,499
602,872	579,554
(11,320,071)	(16,225,477)
(10,710,583)	(15,640,425)
75,667,084,026	83,216,543,057

19. Contingent liabilities**19.1 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
 Others

-	-
-	-
269,100,000	319,439,000
14,207,710,743	16,073,637,675
14,476,810,743	16,393,076,675

AB Bank Limited

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

	Jan'14- Sep'14 Taka	Jan'13- Sep'13 Taka
20. Profit and loss account		
<u>Income:</u>		
Interest, discount and similar income	17,691,907,832	14,948,551,783
Dividend income	62,756,224	72,486,025
Fee, commission and brokerage	1,504,084,721	1,551,270,893
Gains less losses arising from investment securities	8,129,978	87,161,555
Gains less losses arising from dealing in foreign currencies	821,661,658	620,098,792
Other operating income	98,052,120	84,847,927
Gains less losses arising from dealing securities	196,278,072	17,563,960
Income from non-banking assets	-	-
Profit less losses on interest rate changes	-	-
	<u>20,382,870,606</u>	<u>17,381,980,935</u>
<u>Expenses:</u>		
Interest, fee and commission	11,475,397,558	10,414,264,230
Administrative expenses	2,606,723,363	2,184,142,926
Other operating expenses	880,628,327	888,594,583
Depreciation and amortization on banking assets	241,235,063	237,733,552
Losses on loans and advances	-	-
	<u>15,203,984,310</u>	<u>13,724,735,291</u>
	<u>5,178,886,296</u>	<u>3,657,245,644</u>
21. Interest income/profit on investments	-	-
Interest on loans and advances:		
Loans and advances	14,934,460,635	12,275,926,305
Bills purchased and discounted	527,890,339	305,927,810
	<u>15,462,350,975</u>	<u>12,581,854,115</u>
Interest on:		
Calls and placements	437,137,053	535,197,094
Balance with foreign banks	6,497,550	10,867,239
Reverse Repo	273,150	-
Balance with Bangladesh Bank	370,075	543,416
	<u>444,277,828</u>	<u>546,607,749</u>
	<u>15,906,628,802</u>	<u>13,128,461,863</u>
21(a). Consolidated Interest income/profit on investments		
AB Bank Limited	15,906,628,802	13,128,461,863
AB International Finance Limited	77,972,034	80,951,849
AB Investment Limited	413,483,637	360,613,821
AB Securities Limited	65,060,327	71,663,644
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<u>16,463,144,800</u>	<u>13,641,691,178</u>
Less: Intercompany Transactions	194,628,373	213,104,931
	<u>16,268,516,427</u>	<u>13,428,586,247</u>

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

	Jan'14- Sep'14 Taka	Jan'13- Sep'13 Taka
22. Interest/profit paid on deposits, borrowings, etc.		
Interest on deposits:		
Fixed deposits	7,895,363,118	7,447,151,447
Savings deposits	573,977,134	489,177,308
Special notice deposits	1,274,382,736	1,156,202,139
Other deposits	1,224,375,535	881,072,357
	10,968,098,524	9,973,603,250
Interest on borrowings:		
Local banks, financial institutions including Bangladesh Bank	475,688,075	440,660,980
Subordinated Bond	31,610,959	-
	11,475,397,558	10,414,264,230

22(a). Consolidated Interest/profit paid on deposits, borrowings, etc.

AB Bank Limited	11,475,397,558	10,414,264,230
AB Investment Limited	202,993,430	230,321,638
AB International Finance Limited	7,126,944	12,073,573
AB Securities Limited	54,375,161	55,089,998
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	11,739,893,093	10,711,749,440
Less: Intercompany Transactions	196,818,097	215,294,655
	11,543,074,996	10,496,454,785

23. Investment income

Capital gain on sale of shares	8,129,978	87,161,555
Interest on treasury bills	235,947,514	398,248,118
Dividend on shares	62,756,224	72,486,025
Interest on debentures	2,887,500	2,887,500
Interest on treasury bonds	1,529,226,085	1,400,416,287
Gain/(Loss) on treasury bills and treasury bonds	196,278,072	17,563,960
Interest on other bonds & others	17,217,932	18,538,014
	2,052,443,305	1,997,301,460

23(a). Consolidated Investment income

AB Bank Limited	2,052,443,305	1,997,301,460
AB Investment Limited	14,766,118	3,812,620
AB International Finance Limited	-	-
AB Securities Limited	3,029,189	3,354,156
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	2,070,238,611	2,004,468,236

24. Commission, exchange and brokerage

Other fees, commission and service charges	782,435,445	771,016,335
Commission on letters of credit	593,233,207	580,565,424
Commission on letters of guarantee	128,416,069	199,689,133
Exchange gains less losses arising from dealings in foreign currencies	821,661,658	620,098,792
	2,325,746,379	2,171,369,685

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

	Jan'14- Sep'14 Taka	Jan'13- Sep'13 Taka
24(a). Consolidated Commission, exchange and brokerage		
AB Bank Limited	2,325,746,379	2,171,369,685
AB Investment Limited	52,515,496	27,448,793
AB International Finance Limited	31,757,751	33,849,890
AB Securities Limited	54,434,661	32,534,301
Cashlink Bangladesh Limited (CBL)	59,275,669	74,284,900
AB Exchange (UK) Ltd.	3,967,661	4,612,521
	2,527,697,617	2,344,100,090
Less: Intercompany Transactions	-	72,163,672
	2,527,697,617	2,271,936,418
25. Other income		
Locker rent, insurance claim and others	3,305,132	3,348,374
Recoveries on loans previously written off	12,014,364	3,409,397
Recoveries on telex, telephone, fax, etc.	60,838,211	59,881,463
Recoveries on courier, postage, stamp, etc.	20,151,778	17,696,157
Gain on sale of Bank property	-	-
Non-operating income (*)	1,742,635	512,536
	98,052,120	84,847,927
(*) Non-operating income includes sale of scrap items.		
25(a). Consolidated other income		
AB Bank Limited	98,052,120	84,847,927
AB Investment Limited	7,358,907	6,193,362
AB International Finance Limited	30,880,738	36,858,966
AB Securities Limited	2,362,818	2,163,583
Cashlink Bangladesh Limited (CBL)	404,760	810,858
AB Exchange (UK) Ltd.	-	-
	139,059,343	130,874,696
Less: Inter company transactions	8,469,522	6,110,664
	130,589,821	124,764,032
26. Salary and allowances		
Basic salary, provident fund contribution and all other allowances	1,561,655,723	1,410,922,307
Festival and incentive bonus	212,715,856	132,555,394
	1,774,371,579	1,543,477,701
26(a). Consolidated salary and allowances		
AB Bank Limited	1,774,371,579	1,543,477,701
AB Investment Limited	12,322,604	10,388,828
AB International Finance Limited	22,568,027	17,142,997
AB Securities Limited	20,685,898	16,592,335
Cashlink Bangladesh Limited (CBL)	128,862	98,930
AB Exchange (UK) Ltd.	3,151,793	3,260,101
	1,833,228,763	1,590,960,892
27. Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes	276,268,557	202,621,758
Electricity, gas, water, etc.	94,452,379	58,101,941
Insurance	63,469,197	82,047,161
	434,190,133	342,770,860

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

	Jan'14- Sep'14 Taka	Jan'13- Sep'13 Taka
27(a). Consolidated Rent, taxes, insurance, electricity, etc.		
AB Bank Limited	434,190,133	342,770,860
AB Investment Limited	2,169,770	1,187,774
AB International Finance Limited	4,980,942	4,356,891
AB Securities Limited	5,915,582	5,679,049
Cashlink Bangladesh Limited (CBL)	-	1,530,844
AB Exchange (UK) Ltd.	1,795,952	1,686,476
	449,052,378	357,211,894
Less: Inter company transactions	4,137,390	3,920,940
	444,914,988	353,290,954
28. Legal expenses		
Legal expenses	13,239,013	10,103,554
28(a). Consolidated Legal expenses		
AB Bank Limited	13,239,013	10,103,554
AB Investment Limited	159,250	40,200
AB International Finance Limited	-	-
AB Securities Limited	22,000	5,000
Cashlink Bangladesh Limited (CBL)	-	120,750
AB Exchange (UK) Ltd.	71,885	43,396
	13,492,148	10,312,900
29. Postage, stamp, telecommunication, etc.		
Telex, fax, internet, wireless link, SWIFT, etc.	67,912,434	71,740,472
Telephone	9,097,551	9,210,079
Postage, stamp and shipping	23,608,876	22,480,138
	100,618,860	103,430,690
29(a). Consolidated Postage, stamp, telecommunication, etc.		
AB Bank Limited	100,618,860	103,430,690
AB Investment Limited	633,719	640,471
AB International Finance Limited	4,453,246	4,923,551
AB Securities Limited	1,204,379	1,119,771
Cashlink Bangladesh Limited (CBL)	85,180	290,934
AB Exchange (UK) Ltd.	283,545	244,258
	107,278,929	110,649,675
Less: Inter company transactions	-	8,920,557
	107,278,929	101,729,118
30. Stationery, printing, advertisements, etc.		
Printing and stationery	95,885,412	96,067,160
Publicity, advertisement, etc.	29,317,958	24,308,944
	125,203,370	120,376,104

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

	Jan'14- Sep'14 Taka	Jan'13- Sep'13 Taka
30(a). Consolidated Stationery, printing, advertisements, etc.		
AB Bank Limited	125,203,370	120,376,104
AB Investment Limited	315,339	506,242
AB International Finance Limited	935,656	140,859
AB Securities Limited	618,679	376,843
Cashlink Bangladesh Limited (CBL)	1,068	13,110
AB Exchange (UK) Ltd.	-	24,266
	127,074,112	121,437,423
31. Directors' fees		
Directors' fees	1,621,500	1,338,600
Meeting expenses	5,736,893	528,511
	7,358,393	1,867,111
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.		
31(a). Consolidated Directors' fees		
AB Bank Limited	7,358,393	1,867,111
AB Investment Limited	126,500	46,000
AB International Finance Limited	-	-
AB Securities Limited	149,500	138,000
Cashlink Bangladesh Limited (CBL)	140,000	15,000
AB Exchange (UK) Ltd.	-	-
	7,774,393	2,066,111
32. Auditors' fees		
Statutory	-	271,865
Others	986,887	1,179,002
	986,887	1,450,866
32(a). Consolidated Auditors' fees		
AB Bank Limited	986,887	1,450,866
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	174,855	162,735
	1,161,742	1,613,601
33. Depreciation and repairs of Bank's assets		
<u>Depreciation :</u>		
Electrical appliances	124,856,096	132,062,835
Furniture and fixtures	9,657,310	10,006,925
Office appliances	1,881,646	2,012,027
Building	13,506,100	11,117,723
Motor vehicles	36,421,706	39,596,252
	186,322,858	194,795,763

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

	Jan'14- Sep'14 Taka	Jan'13- Sep'13 Taka
<u>Repairs:</u>		
Motor vehicles	21,384,995	14,571,881
Electrical appliances	53,948,904	16,443,325
Office premises and others	61,207,789	16,545,544
Furniture and fixtures	1,496,434	1,193,386
Office appliances	3,573,445	3,608,278
	<u>141,611,568</u>	<u>52,362,414</u>
	327,934,425	247,158,176
Amortization of Intangible Assets	54,912,205	42,937,789
	<u>382,846,630</u>	<u>290,095,965</u>

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

AB Bank Limited	382,846,630	290,095,965
AB Investment Limited	11,973,625	12,334,585
AB International Finance Limited	321,215	2,833,930
AB Securities Limited	4,487,983	4,530,113
Cashlink Bangladesh Limited (CBL)	9,805,631	37,765,259
AB Exchange (UK) Ltd.	2,425,003	2,390,542
	<u>411,860,087</u>	<u>349,950,394</u>

34. Other expenses

Contractual service	304,440,706	271,983,945
Amortization of deferred revenue expenses	53,177,341	159,868,030
Petrol, oil and lubricant	50,454,766	53,026,668
Software expenses	91,302,590	91,057,328
Entertainment	46,005,174	50,803,368
Travelling	30,854,947	33,283,056
Subscription, membership and sponsorship	31,518,900	17,273,473
Training, seminar and workshop	32,837,729	8,883,841
Local conveyance	7,216,513	7,540,801
Professional charges	55,955,952	26,230,333
Books, newspapers and periodicals	1,022,010	1,594,426
Branch opening expenses	-	46,097
Bank Charges	27,895,440	17,328,747
Sundry expenses (*)	147,946,258	149,674,470
	<u>880,628,327</u>	<u>888,594,583</u>

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

34(a). Consolidated other expenses

AB Bank Limited	880,628,327	888,594,583
AB Investment Limited	10,768,288	8,497,398
AB International Finance Limited	3,090,786	302,417
AB Securities Limited	11,770,247	14,492,690
Cashlink Bangladesh Limited (CBL)	167,218	6,300,484
AB Exchange (UK) Ltd.	1,140,114	963,683
	907,564,981	919,151,254
Less: Inter company transactions	2,142,408	63,243,115
	<u>905,422,573</u>	<u>855,908,139</u>

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

	Jan'14- Sep'14 Taka	Jan'13- Sep'13 Taka
35. Provision against loans and advances		
On un-classified loans	1,027,207,000	348,400,000
On classified loans	272,640,220	848,300,000
	<u>1,299,847,220</u>	<u>1,196,700,000</u>

35(a). Consolidated provision against loans and advances

AB Bank Limited	1,299,847,220	1,196,700,000
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<u>1,299,847,220</u>	<u>1,196,700,000</u>

36. Provisions for diminution in value of investments

In quoted shares	-	<u>417,900,000</u>
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36(a). Consolidated provisions for diminution in value of investments

AB Bank Limited	-	417,900,000
AB Investment Limited	42,595,751	-
AB International Finance Limited	-	-
AB Securities Limited	1,871,387	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<u>44,467,138</u>	<u>417,900,000</u>

37. Other provision

Provision for off balance sheet items	112,500,000	100,000,000
Provision for Other assets	250,017,180	6,236,487
	<u>362,517,180</u>	<u>106,236,487</u>

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.

37(a). Consolidated other provisions

AB Bank Limited	362,517,180	106,236,487
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	<u>362,517,180</u>	<u>106,236,487</u>

38. Earnings Per Share (EPS)

Profit after taxation	1,410,400,837	418,608,533
Number of ordinary shares outstanding	532,459,152	532,459,152
Earnings Per Share	<u>2.65</u>	<u>0.79</u>

AB Bank Limited

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

38.(a) Consolidated Earnings Per Share

	Jan'14- Sep'14 Taka	Jan'13- Sep'13 Taka
Net Profit attributable to the shareholders of parent company	1,650,115,465	619,052,588
Number of ordinary shares outstanding	532,459,152	532,459,152
Earnings Per Share	3.10	1.16

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 30 September 2014 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended 30 September 2014 was restated for the issues of bonus share in 2013.

-Sd-

Mahadev Sarker FCA
Chief Financial Officer

-Sd-

Shamim Ahmed Chaudhury
President & Managing Director

Dated, 29 October 2014